

# Challenges for governance structures in urban and regional development = Fragen zur Steuerung von Stadt- und Regionalentwicklung

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Erwin Hepperle, Robert Dixon-Gough, Reinfried Mansberger  
Jenny Paulsson, Franz Reuter and Meltem Yilmaz (eds.)

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EUROPEAN ACADEMY OF LAND USE AND DEVELOPMENT

EUROPÄISCHE AKADEMIE FÜR BODENORDNUNG

ACADÉMIE EUROPÉENNE DES SCIENCES DU FONCIER

v/dlf

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Structures in Urban  
and Regional Development**

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von Stadt- und  
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## Challenges for Governance Structures in Urban and Regional Development – Resumee

The governance structures in urban and regional development have devolved since the medieval period through the initial concepts of land ownership and planned land use, through land taxation, to the concepts that began to evolve during the twentieth century, which includes diverse elements such as land economics, and social responsibility.

Within this volume the essays concentrate upon a diverse range of topics, which centre upon the relationships between governance and the organization of entities in both urban and rural areas. Through the systems of governance that have evolved, the essays review the indelible print upon all forms of landscape by humankind. As forms governance evolved and became more accountable through the last century, there has been a continual process of evolving boundaries, territories, political changes, the consequential divisions between urban and rural areas, and urban sub-divisions. Added to this complex mixture of land and spatial planning issues are the rapidly changing demographic profiles in all areas across Europe, and our emerging awareness of social responsibilities.

Governance is the effective interface between the state and the individual, which varies with time and across political ideologies. In the history of general development, the role of the individual and the state through the systems of governance, may allow for a continuous and gradual evolution of legal instruments, or conversely almost cataclysmic change. This process is indicative of the solutions found for a particular action across different states. Dixon-Gough et al., compare the planning and implementation of small-scale projects in areas of urban sprawl where the land is fragmented from the perspective of property ownership. This was achieved by comparing similar developments in four countries. Two of which have a long and continuous experience of private ownership in respect to fragmented land parcels, whilst the two remaining countries are in transition from a central market to a free market, one of which is in the EU and the second is a candidate for accession to the EU. The results create a revealing picture of the challenges for governance, not only is the countries analysed in this chapter but also of a more generic nature.

The cataclysmic nature of the challenges of governance is exemplified in particular across Central Europe, where boundaries, systems of governance, and political systems have changed constantly throughout the last 500 years or more. Nowhere is this illustrated more clearly, through changes in national boundaries, the elimination of nations, and the re-emergence of nationalism and its subsequent oppression than in Poland. The challenging and changing roles of governance in both urban and regional development is discussed through the chapters by Dixon-Gough et al., and Hernik et al., who consider as an exam-

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\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland



ple, the strong impact of historical governance upon the current socio-economic spatial patterns that extend back for many centuries. The extinction and historical re-emergence of the nation of Poland is set within a context of the urban development and redevelopment of Kraków, through its historical and many changes in governance, and the cultural significance of the region through the evolution of tourism in the region of Małopolskie and Kraków. Kraków grew to become an important crossroad between east and west, and north and south and this inevitably led to contacts with the Arab world and possibly as far as the eastern routes to China, both of which helped to develop Kraków as a centre for culture and academic learning and a venue for tourism for many centuries.

Whilst the discussion centred upon the evolution of governance stretches back to the early middle-ages in the case of Kraków, Mengi and Çınar consider the more recent implications that have been experienced across the urban areas of Turkey, the direct result of rapid urban growth experienced in the region since the mid-1940s, but more specifically since the 1980s. Here the focus is the disregard of the consequences of expanding urban areas without taking into consideration the historical, geographical, social, and economic development of the dynamics of the urban areas. This study exemplifies the problems relating to actions and consequences of governance without consultation by central government, faults which most states have been guilty of in recent history.

The next group of chapters examine the procedures of general development, its deficits and related problems. Kalbro et al. aim to empirically demonstrate how the Swedish planning process is conducted and to analyse whether the legislation can be better adapted to practice. It could be concluded from the study that the Detailed Plan (*detaljplan*) in Sweden is no longer a plan, but rather an early “permit decision” for a specific development project, which normally is initiated before plan preparation. In combination with “aesthetic design programs”, the Detailed Plan tend to be increasingly detailed and the building permit examination serves no real function for the exterior design of the buildings. The question is then whether two decisions are really needed: both a detailed plan and a building permit in cases where the decisions concern in principle the same thing. The proposal presented in the chapter is to use one “building decision” in order to obtain a more efficient process whilst preventing the friction that sometimes occurs in the coordination between the Detailed Plan and the building permit.

In contrast to this very structured and systematic approach, Keskinok considers how the deregulation of planning procedures and the loosening of zoning controls have resulted in an uncontrolled urban growth both at regional and urban levels. This uncontrolled and normally local government-promoted and supported urban growth brings about irrational and unsustainable land use patterns. Turkish cities, particularly the larger cities, tend to suffer from excessive amounts of planned lands. As a result, the new urban development framework is based on the narrow rationality of real estate markets. In this respect, there has been a shift from long-term, public interest-based frameworks and rationalities to short-term and private benefits; from social policy-oriented land development frameworks to profit-oriented land management options.

Although the deregulation of planning procedures can, inevitably, create problems one way of circumventing the most obvious of those is through localised debate. Within the context of urban land grabbing in Berlin, Thiel introduces the problem that has beset Berlin and a great many other large urban areas, namely who owns the area – and in particular the land that is effectively a public asset. A Land Governance Assessment Framework is suggested, one that has been implemented by the World Bank in developing countries such as Cambodia. With such an assessment framework there is an integrated role for democratic planning processes, participation beyond the existing legal structures, methods and instruments that guarantee timely, comprehensive and relevant information to citizens and owners with regard to the use of public land. Furthermore, land policies must take the ideas, needs, concerns and worries of the residential population into account. It should involve citizens, their power, time and creativity in the design of real estate and affordable housing for thriving communities.

This section of the volume closes with the chapter by Yilmaz who explores the priorities of land use decisions in the urban areas of Turkey and leads us towards management approaches. Emphasis is drawn upon the developing countries with least financial resources, which suffer considerably from the adverse consequences of excessive urbanization, manifested through enormous backlogs in shelter, infrastructure and services, increasingly overcrowded transportation systems, unsustainable consumption patterns, deteriorating sanitation, and environmental pollution. All these are often associated with general conditions of urban poverty, insecure land tenure, unsatisfactory housing conditions, urban crime, and homelessness. In such instances land use management is an important item for a sustainable approach to urban planning. At this point, land use decisions have to be granted according to local and natural needs.

Frießecke provides a very useful overview of management approaches. Whilst land still represents the most important development resource for cities and municipalities, the possibilities and boundaries for the governance of land use shape the directions in urban planning and urban development. Comprehensive land management models gain in importance in the current urban development discourse. In both growing and shrinking cities, progressing demand for action in inner city development is given. The following challenges identified in the chapter are in the focus of future municipal land policy: land efficiency (reduction of new land use for human settlement and transportation purposes, increase of intensity of use); the mobilization of brownfield and other vacant sites and abandoned buildings; socially-oriented supply of living space especially in large cities; the prevention of social fragmentation in cities combined with the development of socially mixed districts; and climate change adaptation in cities.

These management approaches must respect the nature of land tenure but could always take into consideration the economic aspects of land ownership. The next two chapters concentrate on property values but in slightly contexts. Whereas Mansberger et al., base their hypothesis upon valuation, which forms a critical element to any managed development process, Kropp considers a specific factor that has consequences for property values.

Mansberger et al. describe a new mass appraisal system in Austria that provides information about market values of real properties is an essential basis for controlling land as a resource. Any efficient public administration requires the knowledge of real property values to determine an optimal use of land, to support decisions for social and economic policies and to enact laws, norms and rules for a functioning land market. In Austria, due to the discrepancy between the “unit value” (a normative, historically fixed value) – which is the currently used land valuation method – and the market value of real properties, a discussion is under way to enhance the valuation system. In this chapter, the need of a new system of real property (mass) valuation is demonstrated, whilst a potential method for the evaluation is outlined based on geo-data with a high relevance for real property values. In this context, the Austrian land administration system plays a key role as it encompasses a multitude of interfaces to such data. By way of comparison, Kropp addresses the issue of flooding incidents, which occurred in Germany every 50 years in the past, and will appear in statistical terms every 25 years in the future. This chapter looks at the negative consequences for real estate values caused by flood risk and a particular focus is placed on the specific parameters in the valuation process. The positive location effect due to waterfront location was considered and placed within the context of the negative influence when it became evident that the risk of flooding influences property value in a generally negative way. Actual flooding events affect the value stronger than the location in a designated flooding area and the longer a flooding event has passed the weaker the negative effect becomes.

Taxes and costs both play an important role in the economic elements of the management structure of urban and regional development. Hendricks outlines one of the major problems associated with the absorption of the surplus value of developed land, which is of great importance in many countries due to the precarious financial situation of their municipalities. In general, it is possible to distinguish direct and indirect models for the absorption of the surplus value of developed land. The indirect models base upon real estate taxes, while the direct models contain mandatory or voluntary proceedings to use the surplus value to refinance directly the costs of development. The land value, in addition to the value of the buildings, is commonly used as basis of taxation. The problems of implementing taxation arise especially from deficient cadastre and land register, the lack of actual valuation data, and an inadequate system of tax collection. Direct models try to make a grab on the surplus value of developed land, which is caused by planning, land management and/or new infrastructure.

This problem is also visited by Neuhofer, who considers the planning costs and infrastructure contributions set out in the Upper Austrian Regional Planning Law of 1994, and by Šubic-Kovač who addresses the new real estate taxes in Slovenia. Whilst Neuhofer discusses a mature system that continues to function in the manner in which it was intended, Šubic-Kovač discusses a dynamic system that has following the transition to the capitalist socio-economic system of 1991, Since that date, the real estate taxation sector has not fully been regulated in the Republic of Slovenia for more than 20 years, though the

initial project of instituting the real estate tax had been launched as early as in 1998. Undoubtedly, one of the more significant reasons for the inertia of the old taxation system in the real estate sector in this period has been the absence of appropriate records – data on real estate subjected to taxation. As taxes have been determined in a non-harmonised and non-interlinked manner, one can hardly talk of the so-called tax reform, but rather of a period between 1991 and 2014 of transition to a new real estate taxation method. These problems have escalated through the spiral of growing unemployment during the past year, and of a decreasing aggregate demand, as a result of the severe austerity measures and weak financial system of the State and a decrease in the international exchange and investment flows.

The problems described by Šubic-Kovač are very much problems experienced by Slovenians in their everyday existence. Other similar problems exist across Europe and take many different forms. Perhaps one of the most pertinent is that of demographic developments. Schaffert, for example discusses the role of scenario planning as a tool for handling demographic change in rural German municipalities, whilst Christ and Linke investigate local strategies and measures for dealing with demographic changes in metropolitan regions of Germany. Finally, Köhler and Schaffert discuss the nature of building programmes in rural Southern Germany suited to the growing population of elderly residents. Both papers address the problem that is common to all European countries, namely the growing proportion of elderly residents the majority of whom will, in time, need particular housing needs. Schaffert proposes the use of GIS systems combined with scenario planning in order to prioritise suitable developments – both in the context of settlements and transportation. This approach is very similar to that adopted by Christ and Linke who have analysed a 2006 study by the Deutsche Städtetag conducted across 59 cities, whilst introducing the recent trends of rising birth rates amongst the new populations of those cities. In a slightly different context, Köhler and Schaffert, examine the relationship between the care of the elderly and their residential care to the number of empty houses in rural municipalities. Whilst numerous care facilities are being built in cities and towns throughout Germany to meet a growing demand for old-age care, a substantial number of municipalities facing long-term population decline provide new housing areas designed on greenfield sites to encourage the inward migration of young families. This chapter questions the efficacy of this approach. Atkinson and Maliene also turn to the topic of outward migration from inner urban areas and set this within the context of the English planning system, urban regeneration and sustainability. They describe and evaluate the success of two urban regeneration projects in Liverpool and London, whilst posing the question of how these regeneration projects can continue through an alternative approach of ‘localism’.

The next group of chapters lead us to an evaluation of governance structures in the context of rural development. Hendricks takes the topic of the previous group of papers – demographic change, and places it in the context of an innovative derivation of a new structure for rural development. In Germany, as in common with all other countries across Europe, local governance structures have to take countermeasures to stop or reduce outward

migration to urban areas. It is also essential that village development take into account demographic development, whilst regional development should harmonise both urban and rural settlements. The shrinking of rural populations and an increasingly ageing population is also the topic of Steffenhagen and Weitkamp's chapter on dynamic villages in Lower Saxony. The focus of this chapter is on the occupancy and change of use of existing buildings, either as industrial premises or for residential purposes. Weitkamp and Steffenhagen, who emphasise the need for active engagement by those living and working in village communities, continue this approach. This is particularly so in those communities that are committed to village conservation and development. They also point to the fact that rural populations are strong and cohesive, are willing to engage in and work towards a better future for their villages, and also have a greater stake in their environment. This is a conclusion that may be reflected across Europe.

In some contrast to those earlier chapters, Pödör and Mizsei-Nyiri discuss a more integrated approach to rural development in Hungary. Here the emphasis is upon a new rural development strategy being introduced that will be linked to both the agrarian sector and to the expansion of the economic and social sector. The main emphasis of this programme is to reverse the adverse processes linked to rural areas and to make living in rural areas more sustainable through the process of land consolidation processes, which will support the rural development strategy.

Rural areas is also the indirect subject of Seher and Loeschner's chapter on flood related planning in Austria, which emphasizes the need to develop such strategies to cope with the underlying uncertainties of the current systems. They discuss the relative governance mechanisms in floodplains of vertical and horizontal risk sharing. Vertical risk sharing implies that climate change uncertainties can be met through taking acceptable flood risks, whilst making use of expert knowledge and experience-based local stakeholders. The horizontal risk sharing approach implies that there is a joint management approach at a regional level through sharing acceptable levels of risk between municipalities. In such a way, the risks of natural hazards could be shared across a region.

The nature of natural hazards discussed by Seher and Loeschner is also a theme adopted by Tercan, who discusses the post disaster relocation and resettlement processes in rural areas of Turkey. This chapter considers the setting of pre- and post-disaster activities such as mitigation, preparation, response, recovery, and subsequent re-development. After all too many natural disasters that have occurred in rural areas across Turkey, this study shows that families from rural areas are normally relocated to urban areas, which provides a simpler solution than restoring a destroyed rural infrastructure. The author also produces evidence that relocated families from rural areas to the urban areas face difficult residential (insufficient houses, agricultural buildings and room for their sheep) and socio-economic challenges (employment, income, transportation, neighborhood and lifestyle issues).

The following chapters by Neuhofer and Nikitina consider two diverse topics that are of very considerable importance to rural areas. Neuhofer the importance of soil protection as

an essential basis for spatial development and draws attention to ÖROK's 13th "Austrian Spatial Planning Report" of 2012, which emphasizes comprehensive soil protection plays an important role in land use and development. ÖROK (Austrian Environmental Planning Conference) is an institution that was established to coordinate spatial planning within Austria and is jointly operated by the Federal Government, the countries and the municipalities. Whilst ÖROK does not have any legislative authority it makes recommendations on how to implement recommendations by the responsible organisations of the Federal Government, the countries and the municipalities.

In contrast, Nikitina considers a more recent approach to the wellbeing of local people in the face of industrial development in the remote regions of Russia. This situation, being more than half a century beyond the situation examined in the expansion of Turkish urban areas, is able to take full advantage in the evolution of governance with the aim of greater levels of sustainability. It describes the contradiction between the culture and social justice of those who have lived in the region and the obligation of the state and its quest for valuable mineral resources, which are the lifeblood of most modern societies. In such situations, new forms of governance have been introduced to compel those who wish to exploit the resources to eliminate not only the future environmental damage, but also already accumulated damage to the ecology and climate. The legislative structure in Russia is continually evolving in this respect to ensure that the sustainable development of the country is directly related to the preservation of areas with natural ecosystems, while developing a rational non-renewable natural resource, which is especially important for the fragile nature of the Far North.

This volume ends with three case studies from Turkey, all of which have important implications across many other countries of Europe. In the first of these chapters Sayıl Onaran discusses the land use transformations processes that were necessary to convert the buildings of the Regiment of Cavalry School to the Cebeci Campus of the Ankara University's Medical School. The second of these case studies is by Yılmaz and Keleş who have described the urban transformation project of northern Ankara and, in particular the measures taken to upgrade squatter houses and settlements. The final case study is by Çınar, Mengi and Keleş who describe the protection of historical and cultural buildings in Ankara and, in particular, provides a detailed study of the urban transformation in Hacibayram.



Robert Dixon-Gough\*, Gjorgji Gjorgjiev\*\*, Vanco Gjorgjiev\*\*, Krzysztof Gawroński\*\*\*,  
Józef Hernik\*\*\*, Vida Maliene\*\*\*\* and Hans Mattsson\*\*\*\*\*

# Urban Sprawl Development for Minor Housing Areas

A comparative study

## 1. Background, aim and delimitations

Two net migration streams characterize growing city areas. Roughly, one goes from outside into the city and another from the more central parts of the city to the periphery. One consequence of the last stream can be low-density development with small groups of houses built on formerly rural land. This stream is often called urban sprawl. It does not imply that such small, apparently spontaneous grown up areas, more or less well adjusted to the nature, are springing up without public control. They can be planned through comprehensive and detailed plans, which includes the subdivision of the development as well as the construction of infrastructure both of which may be carefully regulated.

Those who settle in such areas do not do so under constraint. This is far different for the mass relocation of people from high-density urban areas to large new developments, characterized in most European countries during the 1950s and 1960s. This is now from choice. Many choose to live in a semi-rural area, relatively close to nature, and still enjoy access to a large-scale market for employment and service. In some instances, those wishing to move out of the urban areas perhaps own the land already, can buy it from their family, or perhaps purchase it in an open market. Such a land market is relatively small-scale, normally restricted to a single house or perhaps a small group of houses (housing estate) and the development can sometimes be completed under private management.

Many investigations have been made from different countries that analyze the development of large areas from a planning and implementation perspective (see for example, Swynedouw et al, 2002; Alexander, 2001; Camagni et al, 2002; Verburg et al, 2008; Gallent, 2009; Munton, 2009). Large-scale developments may be said as being steered by a combination of negotiations between municipalities, developers, authorities, financiers,

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\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland  
Corresponding Author (dixongough@tiscali.co.uk)

\*\* Saints Cyril and Methodius University of Skopje, The Faculty for Civil Engineering, R. Macedonia

\*\*\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland

\*\*\*\* School of the Built Environment, Faculty of Technology and Environment, Liverpool John Moores University, United Kingdom / Institute of Land Management and Geomatics, Faculty of Water and Land Management, Aleksandras Stulginskis University, Lithuania (tel.: +44 151 231 285, e-mail: v.maliene@ljmu.ac.uk)

\*\*\*\*\* KTH Royal Institute of Technology, Department of Real Estate and Construction Management, Sweden



etc., in process that could have its roots at a national level. These processes can be studied in agreements, formal plans at different levels, and consecutive order of minutes from meetings.

However, it can be interesting to consider in more detail at the planning and implementation questions for small development areas with multiple landowners in the periphery of bigger conglomerations. Here we can find small developers and private persons running the development projects. The projects are largely of an artisanal nature but still place demands on municipalities and other authorities. They must handle the planning and implementation procedures at a small scale and at the same time take the basic legislation into consideration.

At this micro level of development, a detailed plan can be seen as the product of a technical and political process that controls and integrates different demands on the use of the land and in so doing, ensures orderly development. The general approach in this article is to consider that a formal plan is followed by implementation. Implementation is in this context the execution of the local infrastructure together with property formation (sub-division etc.). In addition to this, the long-term management of the local infrastructure shall be discussed.

The aim of this article is to compare the planning and implementation of small-scale projects in areas of urban sprawl where the land is fragmented from the perspective of ownership. This shall be achieved by comparing similar developments in four countries. Two of the countries have a long and continuous experience of private ownership in respect to fragmented land parcels, whilst the two remaining countries are in transition from a central market to a free market, one of which is in the EU and the second is a candidate for accession to the EU.

The first two are England and Sweden. England represents a country with discretionary planning system decentralized to the landowner or developer who has to submit a proposal that can be called a detailed plan for an area in order to obtain so-called planning permission. The district (municipality will be used instead of district in the following text) either gives the persons a right to continue according to their proposal, the right to continue under conditions, or that the project is refused. England is chosen from the UK to avoid investigating possible variations in the legislation empowering planning and implementation system in the different jurisdictions of the UK.

Sweden may be viewed as a representative of a quite strict continental planning system where the municipality adopts a fairly rigid, detailed plan that has to be followed. The plan gives the right to develop according to the plan but also identifies the obligations, if the landowners wish to use their rights to develop. This is a blue print plan with added regulations related to the different areas in the plan.

The two countries in transition chosen are Macedonia and Poland. Both countries have a background in planned economies but in both cases rural land could be privately owned.

However, the planning and implementation instruments prior to 1989 were not focused at dispersed construction activities outside urban areas. Nowadays, conditions for planning and implementation are gradually changing due to the new political situation and probably also, in part, due to an improved economic situation for some people.

Comparative studies can be difficult to fulfil and the method chosen here is to set up important criteria within the following rules related to the main development processes: planning, implementation, and management. Given these criteria the activities can be described for each country. However, there may be different ways to draw up a plan and also different methods for implementation and management. In this article we try to show the most common methods.

To clarify the type of area we are interested in, a symbolic map is illustrated (Fig. 1). The function of this illustration is to identify without ambiguity those elements included in the analysis of the development process in our investigated countries. The assumption is that in a rural area having fragmented ownership with different owners for each of the five parcels (five owners), a number of plots for house construction shall be created and be supported by new roads, water and sewerage pipes and other local infrastructure. In addition, some land will be used as green space where, for example, a playground can be located. All properties will be accessed by a new road system and, where normal, the local infrastructure for water, sewerage, and different types of cables will be located beneath the road surface.

The large parcel to the left in the figure will be subdivided according to the example. Parts of the property shall be transferred to public green space for a playground and roads. There are three parcels to the right. The first will be used for two plots and public space for road. The other two parcels shall remain as two parcels but they shall be reshaped through reallocation (moving boundaries around current properties).

Therefore, in this area a number of plots for housing shall be created whilst, some of the area will be used for public roads with local infrastructure underneath (where relevant),

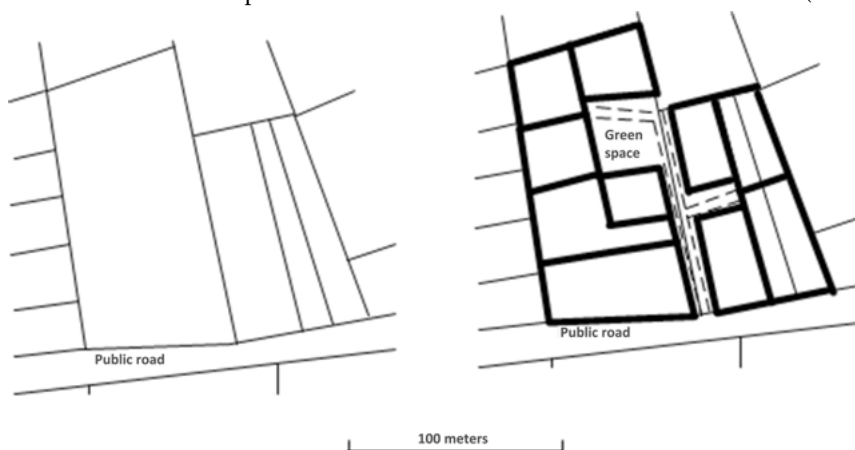


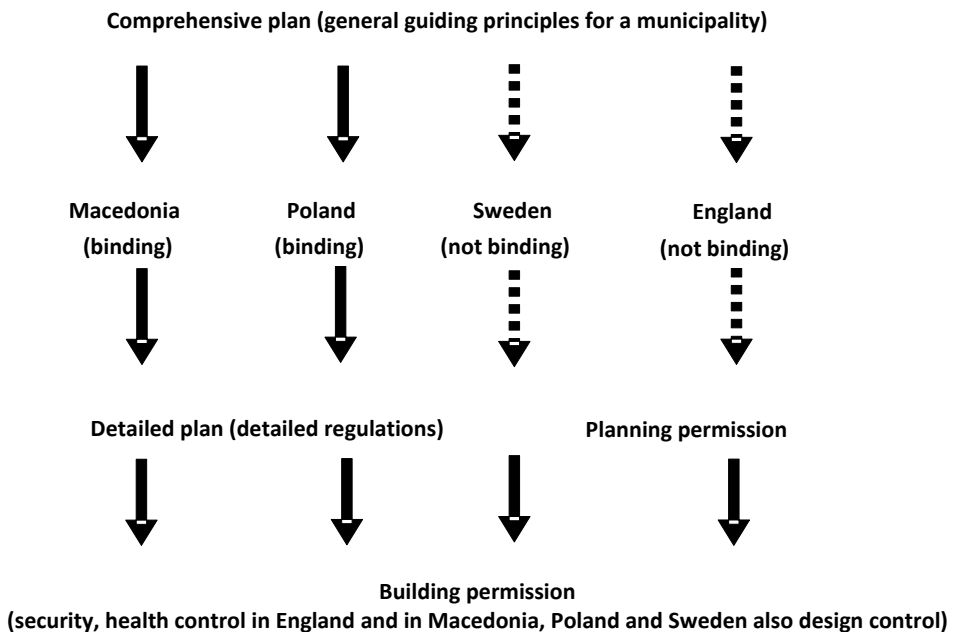
Figure 1: Example of a small area detailed planning and implementation

and green space. Furthermore, some of the property boundaries must be reshaped. Thus, we have a combination of land readjustment processes: subdivision; reallocation; and requisitioning land for roads, public space, and for other local infrastructure. These activities will be discussed through their relationship to planning and implementation of the hypothetical development scheme illustrated in Fig. 1.

## 2. Method

The information collated for this discussion is based on our respective experience from each country. This knowledge may be biased since there may be many permutations within such developments and it is not always possible to make definitive statements since variations between different activities are almost limitless in practice. However, much is regulated within the framework of the national legislations, so it should be possible to obtain a good general perspective.

The investigation follows the development process (see Fig. 2 and Tables 1-3). In all cases, general methods for the planning, implementation, and management processes are described, but not extreme cases. Firstly, the general principles of the respective planning systems are illustrated in Fig. 2. The purpose is to demonstrate how the detailed planning and implementation are related to plans at higher levels and also to show whether detailed plans can be more or less independent of higher level planning.



*Figure 2: Relation between comprehensive plan, detailed plan and building permission in Macedonia, Poland, Sweden and England*

The second stage is to compare the three process groups of combined activities: detailed planning; the implementation of the plans; and the long-term management of the devel-

oped area. Important activities are highlighted within those main process groups. Those activities can, of course, be discussed and more details can be added. However, the chosen activities should clarify the development process quite clearly. It shall also be mentioned that the three processes can be overlapping in practice.

Table 1 shows eleven important activities in the detailed planning process. The first three activities relate to the start of the planning procedure and following two to what can be described as the internal planning procedure. Following on, there are three activities related to consultation in order for the plan to be accepted by the other authorities, public and landowners, and the providers of the infrastructure. The final three activities include planning decisions.

Table 1: Detailed planning activities in Macedonia, Poland Sweden and England

	<b>Macedonia</b>	<b>Poland</b>	<b>Sweden</b>	<b>England</b>
1. Mandatory to produce a plan	It is not mandatory to produce a plan, it depends of the estimation of the municipality	Issuing a plan is not mandatory, only for specific areas/roles it is mandatory	Yes, normally if it is more than 3-5 new buildings in a dense area	Planning permission is always needed (this is equivalent to a detailed plan)
2. Initiator of the planning procedure	After private application or by municipality	By municipality	After private application or by municipality	Private application
3. Responsibility for the planning procedure	Municipality	Municipality	Municipality	District (municipality)
4. Drawing up of the plan	Authorized company	Municipality (the planning agency authority)	Consultant or municipality	The Developer is responsible for satisfying the mandatory requirements for planning permission
5. What is regulated in the plan	Can be everything from very general to very detailed questions	Can be everything from very general to very detailed questions	Can be everything from very general to very detailed questions	Nothing, content is the responsibility of developer but the plans must conform to strict guidelines
6. Role of other authorities	Consultations with relevant authorities during the planning process	General, regional and local urban-architect commissions	Consultations with relevant authorities during the planning process	Consultations with relevant authorities during the planning process
7. Consultation methods for public participation	Detail plans are publicly displayed. During this period a presentation is organized where interested parties can make remarks	For the citizens perusal	Consultations Exhibitions	Public Hearing by the District (municipality)
8. Consultation with providers of infrastructure	Consultation with infrastructure providers, and need for their consent	Plans of the infrastructure development provided by entrepreneurs. They are included in local plans	Consultations with responsible providers, including municipal	Consultations with responsible providers, including District (municipality) coordinated by the Developer

	<b>Macedonia</b>	<b>Poland</b>	<b>Sweden</b>	<b>England</b>
9. Responsible for adoption	Municipality	Municipality	Municipality	District (municipality)
10. Need of approval by other authorities	Ministry for transport and communication	Yes, (by voivode)	No	No
11. Implementation period	Shortest period of 5 years. The plan is in force until it is replaced with the new one	5-15 years	5-15 years, after that can the plan be changed or cancelled	Up to 3 years, otherwise developer needs to re-apply for planning permission

The implementation activities in Table 2 are mainly viewed from the perspective of the local infrastructure. Investments such as the construction of schools and main roads, pipes, and gas or electric networks are not treated. Those investments are important when urban sprawl is handled but will be assessed when the detailed plan is permitted or not. The assumption is that those are functioning, otherwise the municipality should not adopt a detailed plan or, in the English the case, local plan should not show that it is a suitable area for development.

The description of the implementation process can be seen in Table 2. The first three activities show the connection between the planning and implementation procedures. The next four activities show local infrastructure implementation, the responsibility for construction, and also how this is financed (by taxes or property owner fees) The following activity is connected with property formation and particularly what happens if a land-owner does not accept the new property structure for his land. Finally, the responsibility for construction and design control are indicated.

Table 2: Implementation in Macedonia, Poland, Sweden and England

	<b>Macedonia</b>	<b>Poland</b>	<b>Sweden</b>	<b>England</b>
1. Transformation to new organization	Municipality is responsible for implementation of the detailed plan	Municipality is responsible for implementation of the detailed plan	Municipality is responsible for implementation of the detailed plan. Everything can be handed over to a local association (not common)	Service transferred to relevant authorities on completion and to new owners
2. Detailed plan binding	Detail plan is binding. Issued building permit has to be in accordance with the plan	For changes, there must be a new planning permission	Yes. Wish for changes demands a new or changed plan	For changes, there must be a new planning permission
3. Must the detailed plan be implemented	Municipal infrastructure must be implemented, connections to the infrastructures has to be made in order the building to be officially finished	Municipal infrastructure must be implemented, housing construction and connection to cables are up to the land owner	Municipal infrastructure must be implemented, housing construction and connection to cables are up to the land owner	For changes, there must be new planning permission

	<b>Macedonia</b>	<b>Poland</b>	<b>Sweden</b>	<b>England</b>
4. Roads (small roads within the actual area)	The municipality is responsible for construction, it is financed by taxes and fees paid within the process of obtaining building permit. Land is purchased by the municipality	Municipality is responsible for construction. Financed by local budget (taxes). Private land for the roads is purchased by municipality	Municipality responsible for construction. Financed by taxes. Can also be done through specific fees for the actual area. Private land for the roads must be purchased by municipality	Responsibility of developer
5. Green spaces (green area within the actual area)	The same as for roads	The same as for roads	The same as for roads	Responsibility of developer
6. W&S (pipes within the area)	Municipality is responsible for construction of the W&S system and it is financed by taxes and fees paid within the process of obtaining building permit	Municipality responsible for construction and financing. Landowners are normally charged a fee for connection	Municipality responsible for construction and financing. Landowners are normally charged a fee for connection	Responsibility of developer
7. Local electricity, telecom, fiber cables (within the area)	The utility companies are responsible for construction and financing. Landowners are charged a fee for connection	The utility companies are responsible for construction and financing. Landowners are charged a fee for connection	The utility companies are responsible for construction and financing. Landowners are charged a fee for connection	Responsibility of developer
8. Property formation (subdivision and reallocation; for changes of boundaries at the right part of the map, fig. 1)	Private surveyor after land owner's application. There is no way to force property owners to make subdivision changes except for public spaces through expropriation	Public surveyor after land owner's application. Every parcel has to be connected with a main road. In case that it is not, a special road has to be placed through a second parcel	Public surveyor after land owner's application. The reallocation can be done through a special implementation procedure, even if one of the land owners says no	Responsibility of developer
9. Responsibility for housing construction on each plot	Land owner. An independent controller checks the building activities so it is fulfilling the building permit and other construction rules	Land owner. An independent controller checks the building activities so it is fulfilling the building permit and other construction rules	Land owner. An independent controller checks the building activities so it is fulfilling the building permit and other construction rules	Developer but could be land owner
10. Design control	Done by municipality in building permission process	Done by district = county (starost) in building permission process	Done by municipality in building permission process	Done in planning permission

Table 3 is about the long-term management and illustrates the respective responsibility for the different types of local infrastructure and for the private land. Therefore, it indicates who is responsible for the maintenance of the constructed infrastructure, and also how the maintenance is financed.

There are of course many problems associated with the chosen methodology. For example, are the activities identified the main ones for characterizing the system and, at the same time, sufficiently relevant to show similarities and differences? There could be far more activities and also more detailed descriptions. However, from our perspective we consider that more activities do not necessarily contribute to the aim of this discussion and could render the comparative work less focused.

Table 3: Responsibility for long term management in Macedonia, Poland, Sweden and England

	<b>Macedonia</b>	<b>Poland</b>	<b>Sweden</b>	<b>England</b>
1. Roads	The maintenance is financed from municipality budget	Municipality, financed by local budget (taxes)	Municipality, financed by local taxes	Adopted roads locked after Local authorities (local highways authority, LHA) and financed by local taxes. Unadopted roads: developer can apply for road to be adapted to LHA or stays as a private road-upkeep service charge. All roads for housing development are usually adopted in England
2. Green spaces	Maintenance responsibility varies between different municipalities as well as financing principles	Municipality financed by local budget (taxes)	Municipality financed by local taxes	Local authorities, Housing association or private facility providers, sometimes private land owners
3. W&S	The same as for green spaces	Municipality, financed by local budget (taxes) and fees	Municipality, financed by local fees	Normally Private utility providers/companies financed by local taxes, but sometimes land owners are responsible on private land)
4. Local cables (electricity, telecom, fiber)	Utility companies, financed by fees	Distributing company financed by fees	Distributing company financed by fees	Private providers paid by local taxes, but sometimes land owners are responsible on private land)
5. Private property	Land owner	Land owner	Land owner	Land owner

### 3. Planning systems

Before each country description it is advantageous to have a brief overview over the respective planning systems, especially since the English is quite different from the others. The main features of the planning systems are shown in Fig 2.

The English system is characterized inasmuch as it identifies where it is possible to develop the land, but it is up to the landowner or developer to submit a suitable proposal for development. It is important to note that at a national level England has a National Planning Policy Framework (NPPF since 2012), which are general guiding principles for local authorities. In this respect, England does not have General Land Use Plan at a national

level per se as do most other European countries although there are designated lands for which planning consent is unlikely to be permitted or is more strictly controlled. England has a land use plan but at local level only. There some areas for which planning control is highly restricted but none are relevant in the situation used in this paper. The nominal procedure for a developer is to make basic checks prior to applying for planning permission to establish whether a General Permitted Development Order (GPDO) could be obtained, the most important being if there are any other applications for Prior Approval under the Town and Country Planning (General Permitted Development) Order 1995, that the area is not within a Conservation Area, there are no Tree Preservation Orders on the site. Such information is available through the Local Planning Authority (LPA). If the site does not contain any of the above conditions, it is possible to apply to the LPA using the prescribed format. The landowners or developer can then submit applications for the construction of buildings and infrastructure in an area that is suitable for building activities. This will be for the complete development even though the site may be in multiple ownership at the time of the application. If the LPA approves the application it is accepted although it is possible for conditional acceptance subject to certain criteria being met prior to full approval. Once approval has been granted, no further permission will be needed although all buildings and infrastructure must comply with current building regulation. In this respect, the English system is more oriented towards the developers of the complete area and it could be more difficult for several individual owners to each, separately to acquire planning permission to develop an area such as that illustrated in Fig. 1.

In contrast to England, the comprehensive plan is binding for the lower level of plan in Macedonia and in Poland. This is not the case in Sweden, where the politicians want to have some degree kind of freedom when the detailed plans are created and adopted. They can react to development proposals quicker than in countries with binding comprehensive plans. Development in urban sprawl areas can be adapted to local wishes that were not known when the comprehensive plan was adopted. In this respect there is some similarity with the English approach.

In conclusion, the role of the superior comprehensive plans in all three countries is to guide the local detailed plan, whilst the National Planning Policy Framework fulfils a similar function in England albeit on a more ad hoc basis. In all countries it is possible to restrict all development possibilities in urban sprawl areas in the comprehensive plan or, in the case of England the Local Land Use Plan, and then follow this intention strictly. Similarly, it is equally possible to promote the development of smaller areas. In at least Sweden it is also possible to promote such planning, even if the non-binding comprehensive plan should show something else.

#### **4. Detailed planning activities**

The English development system is significantly different in its construction in relation to the other three countries, Macedonia, Poland and Sweden and, since those three countries have detailed plans they will be referred to as the DPL-countries in the following text. In



the following text the DPL-countries will be compared first and after that information will be added for England.

In Macedonia and Poland, it is up to the municipality to decide if a detailed plan is needed or not. However, that is not the case in Sweden as it is mandatory to have a detailed plan for a development such as that suggested in Fig. 1 that has 10 new buildings. Normally it is said that three or more new houses in a small area requires a plan regulating the construction activities.

In a case such as that illustrated in Fig. 1, it is interesting to see who has the rights to start the planning process. As it is urban sprawl, there can be difficulties if the landowners have too much power. Construction can be against the requirements for regional development in the municipality. However, it can be advantageous to have private initiative so the municipality must consider local demands. In Macedonia, the use of such an area is already regulated in the comprehensive plan. If the proposal is acceptable private initiatives may start the planning process. However, in Poland, only the municipality can start the process. This was similar to Sweden but now it is possible for a private landowner to apply to start the process. But it is up to the municipality to decide if they want the process to start.

Before a new development can commence in England, a detailed description for new development has to be submitted to the Local Planning Authority (LPA) to obtain planning permission. The description is actually equivalent to a detailed plan for the area. If the area of the development is in the Local Land Use Plan (LLUP), and provided the development complies with the planning regulations, once planning permission has been granted the development may take place once Building Regulation approval has been granted. Already in the comprehensive plan (local plan) it is shown if it is possible to develop the area or not. If the proposal is not in a designated area, it possible to review the LLUP to take into consideration changes in requirements for such developments.

In conclusion, it is important to recognise that in all four countries, the municipality can promote or prevent the planning procedure since they are responsible for the final decision to allowed development or not. However, in England it is possible to appeal against a decision not to grant planning permission and an independent inspector may review the case and either agree or overturn the LPA's decision.

With the exception of England, it is not possible to force the municipalities to accept small groups of houses in the periphery of big cities. It can be prevented in the comprehensive plan of Macedonia or by refusing to work with a detailed plan in Poland and Sweden. In our case (Fig. 1) it is probably also important that all or some of the landowners have an interest in the planned development. In most countries it is inconceivable that a municipality or single landowner should try to start the procedure against the other landowners wishes. However, the situation in England may be different insomuch as the process relies very much on private initiative. It is difficult to start a planning procedure since the landowners have to work together as in a common enterprise to fulfil the whole development

procedure. So the probability for totally new small development in areas with fragmented landownership should potentially be lower with the English planning system than in the other countries. However, it is technically feasible for the owner of one parcel to apply for planning permission over the other adjacent parcels and, if granted, could either purchase the other parcels or “sell on” the planning permission and the owned parcel. The situation with respect to the connection with infrastructure would be dealt with at a later stage of the development. One other possibility in the “English system” is that in-filling of “garden development” in suburban areas can be more common.

The municipalities are in all countries responsible for the adoption of the plans, but the planning procedure can be out-sourced. Even if the municipality is responsible for the planning procedure, a private company actually does the work in Poland. In Sweden it may be either done by the municipality or private company, and in England it normally done either by a Housing Association or a private company, whilst in Macedonia the responsibility lies with private companies. In England it can be difficult to finance the submission for planning permission, as the municipality will not pay costs for the plan and drawings. This extra finance cost will inevitably be passed down to those who ultimately purchase the houses. In the Sweden and Macedonia, the municipality may pay and the cost can be charged when the landowners actually applies for building permission. The weakness of the English system is that it can be difficult to finance the application for planning permission since the money will be lost if permission was to be refused. If the municipality is responsible for the planning then it has probably an interest in adopting the plan.

If a detailed plan is needed, the next question is what can be regulated in the plan? In all countries except England the same approach is applied. It is up to the municipality to decide if it shall be something between very general or very detailed. In all countries public space for roads and green areas would be delimited from blocks for buildings and private plots. In England it is slightly different. Here the application for planning permission will, in reality, be detailed since the LPA will check everything in the project and judge it based upon what is actually submitted.

There may be a need for consultations when a plan is developed, since mistakes can be made that are difficult to correct later. Here, three main groups can be distinguished. These are the authorities, the public including landowners, and the providers of infrastructure. All countries safeguard the hearings of interests for all those groups. How it is done in detail and whether the consultations are supporting, and the pros or cons of interests are not investigated here. It deserves its own investigation, as there seems to be many problems concerning both authorities and public consultations together with the procedures for all investigated countries.

The municipalities or LPAs are in the final level responsible for planning in all countries and the consequence of that is that it is also the municipalities that adopt the detail plans. The Ministry in Macedonia must, however, approve those plans.

Poland and Sweden have implementation periods (can be decided to be something between 5-15 years) during which the landowners ensure that they can use the building rights given in the detailed plan. However, in Poland and Sweden, after that period has lapsed the municipality can change the plan [Gawroński, 2010]. In Macedonia, the development must commence before five years of it being passed, after that the municipality can replace the detailed plan. In England, construction must start within 3 years of permission being granted otherwise permission will lapse and may or may not be approved at a subsequent date. This has recently been reduced from 5 years to encourage developers to make faster progress.

## 5. Implementation activities

In Macedonia as well as in Poland, the municipality is not only responsible for the detailed plan but also for the implementation of it with exception for cables, property formation and construction of houses. In Sweden the responsibility is normally the same but there are methods for handing over the whole responsibility for the implementation to the landowners. This “privatizing” case will not be commented in detail here, even if it is of interest from the financing point of view since the property owners in this case can be responsible for construction of most or all of the infrastructure facilities and also for maintenance of it.

In DPL countries, the detailed plan must be followed during the implementation process, otherwise the plan must be changed. The properties must also be subdivided according to the detailed plan.

The municipality must also construct the local infrastructure that they are responsible for in all DPL countries. That is the roads, green areas and also water and sewerage system. The differences between the countries are instead related to the way the local infrastructure is financed. In all DPL countries, the roads and green areas can be financed by taxes but in Macedonia and Sweden fees can also be used. In such cases, those fees are charged in when building permission in Macedonia and after the infrastructure has been built in Sweden. In the DPL countries, the municipality must also purchase the land for roads and green areas. The same land acquisition approach is used in Poland but only for the sewage treatment plant and waterworks.

It can be interesting to note that electricity supply, telecommunications and fiber-optics is handed over to private companies in all countries, so the property owners have to sign contracts with and make payments to those companies, if they want to connect to the networks. The distribution of costs for construction of cables and their long-term management is a question for the company to decide.

The situation in England is very similar. The developer is responsible for constructing the roads and also the individual connections to the houses of water supplies and sewage disposal as far as the nearest water supply and sewage disposal network. The responsibility of the water supply and sewage disposal will be transferred to the new property owners as

far as their boundaries. The water company will then assume responsibility for supply and disposal. The developer will construct all these services in accordance to strict guidelines. The same is true for the road and the green space, especially if children's play equipment is to be installed. It is normal for the roads to be adopted and the responsibility for them to be taken over by the local authority. The same may be true for the green space although it could be a shared responsibility amongst all property owners.

In the case of the property structure illustrated in Fig.1, property formation procedures are normally used to handle to changes. The area for the roads and green space would be purchased by the municipality in Sweden, Macedonia, and Poland. If this cannot be done, by signing an agreement of free will, the municipality must use compulsory acquisition methods. On the other hand, if the municipality does not want to fulfil its obligations, the landowner can force the municipality to purchase the land. All other subdivision procedures are up for the landowners once they have established whether they want to implement them. However, in both Poland and Macedonia in order to obtain a building permit, the property formation must be according to the detailed plan. There is a problematic case on the right side in Fig. 1. To create the two parcels to the right, two property owners must contribute with their land. If one of them does not want to do this, he will stop the other owner from using his land for construction. This case can be handled in Sweden by a compulsory reallocation procedure applied for by one of the property owners. In Macedonia and Poland this is not possible. Here must both landowner comply with the reallocation procedure. Macedonia is using private surveyors for the work while it is public surveyors in Poland and Sweden.

Property formation in England is not so much of a problem since all boundaries are general in nature as well as in definition. Once the construction has been completed, the property developer normally erects physical boundaries (walls, fences, hedges, etc.) along the approximate boundaries between the properties to sub-divide them, along the edge of the road to delineate the edge of the owner's responsibility, and around the green area. These boundaries will be accepted by the purchasers as a clear definition of their ownership and will be recorded as such by the Land Registry when the title of the properties has been recorded. The situation regarding the consolidation of all plots within the development may be either informal (i.e., an agreement that once planning permission has been obtained the parcels will be purchased by the developer). This could be informal or it could be a legally-binding agreement. If one parcel owner decides not to sell, then the development is unlikely to proceed. It is technically possible to obtain a Compulsory Purchase Order but this would not really be feasible for a development of this size. Normally, money will talk since the value of the parcels with planning permission will be far higher than a corresponding parcel without planning permission.

In all four countries, the landowner or developer is responsible for the construction of the houses and also for their initial financing. Before the construction starts, he/she must have a building permission (in England – complying with Building Regulations). An independent inspector is appointed in all countries to check if the building permission/building regula-

tions are followed as well as all other rules related to construction such as linking the properties to the services.

## 6. Managements activities

The municipality is responsibility to maintain the roads and the green space in the area in all countries, including England providing the areas have been “adopted” by the municipality/local authority. To finance this, in most countries with the exception of Poland the municipality uses money from local taxes that are paid by every householder.

In the DPL countries, the municipality is also responsible for maintenance of the water and sewerage system. However, in England this is the responsibility of Water Companies who have a statutory responsibility to maintain their infrastructure up to the boundary of the individual properties. In all cases, this is financed partly or wholly by fees (in England water rates levied on a property).

As mentioned above, municipalities in Sweden can decide that the financing for roads, green areas, and water and sewage shall be through a private joint facility association for the actual properties. In such a case, this property responsibility includes the responsibility for construction of the infrastructure during the implementation phase and also the costs for this.

All countries have handed over responsibility for installation of cables for electricity, telecommunications and fiber-optics (if available) to private companies and the installations are paid through connection and maintenance fees.

In conclusion, all countries adopt the same approach for regular maintenance of the local infrastructure. As the example shows private properties, it is clear that it is the property owner who is responsible for the maintenance of his/her own property.

## 7. Conclusions

Table 4 illustrates some results from the investigation in a summarised form. As can be seen, municipalities/local authorities are normally heavily involved in the development processes and also, by default, in cases of urban sprawl.

It may be seen from Tab. 4 that even if the planning systems are different, the result is the same. The municipality/local authority decides if an area shall be planned or not. It can potentially be more difficult to start a planning process in the DPL countries, especially in Poland as there is no right to apply for a planning procedure in the country, but there are exceptions outside the scope of this paper. However, if the municipality starts a procedure in a DPL country, then there is a probability that the procedure will continue, or if it is stopped that the municipality will take the costs for a work not used. In England it is possible to start the process of planning permission if the area is shown to be suitable for development in the Local Development Plan. However, the work and the costs of applying for permission will burden the landowners or developer, if the municipality refuses to give

a planning permission. The result seems to be that it is more difficult to start the procedure in the DPL countries but if it starts there ought to be higher probability that the procedure continues smoothly.

Table 4: Summary of Findings

	<b>Detailed planning</b>	<b>Consultations</b>	<b>Responsibility for implementation of local infrastructure</b>	<b>Property formation</b>	<b>House construction (after building permission)</b>	<b>Responsibility for maintenance of roads, green areas, W&amp;S</b>
<b>Macedonia</b>	Municipal monopoly	Yes	Municipality	Voluntary	Private responsibility but with use of an independent controller	Municipality
<b>Poland</b>	Municipal monopoly	Yes	Municipality	Voluntary	Private responsibility but with use of an independent controller	Municipality
<b>Sweden</b>	Municipal monopoly	Yes	Municipality (sometimes private)	Voluntary (but can in some cases be forced)	Private responsibility but with use of an independent controller	Municipality (sometimes private)
<b>England</b>	Local Authority monopoly	Yes	Private	Voluntary	Private responsibility but with use of an independent controller	Municipality and private

All countries have consultation procedures to safeguard the different interests that may emerge during the procedure. This, however, is a weak point in our investigation and should be the subject of further investigation. The priorities of opinions for and against the development are not investigated and neither have we considered how complicated it potentially is to have discussions with authorities, especially national bodies. How are the possibilities for other authorities to influence the planning results, if they have other interests than the municipality?

It can also be noticed that the municipalities in Macedonia and Poland are heavily involved in the provision of local infrastructure for roads, green spaces, and water and sewage but not for electricity, telecommunications and fiber-optics cables. The situation is partly the same in Sweden, but it is possible to hand over all the responsibility to the land-owners, who then create joint facility associations for construction and maintenance. The situation in England is made more/less complicated through the privatisation of the service providers.

The municipal's responsibility in respect to the mechanics of planning can be a drain on their resources, which as the result can be costly for the municipality and it can also take resources from other work in the municipality. In this respect, the private initiatives in Sweden and England perhaps promote development better. It is interesting to notice that the private connections to electricity, telecommunications and fiber-optics do not potentially create problems. It is only a question of fees when and if a house owner wishes to connect.

It is important to consider how the charging procedures for infrastructure are developed, especially if the municipality is responsible for local infrastructure. Should it be possible to charge according to the proposed properties in the plan, when the infrastructure is ready or when a property owner constructs his house? In Sweden it is possible to charge when the infrastructure is constructed. In Macedonia it is possible to charge for these services when permission is granted for the development. However, in Poland the charge is made at the time when the house is connected to the network. The municipality is more secure in the Swedish case. In Sweden, in some cases, it is even possible to force landowners to undertake the reallocation, so that the individual parcels are created. The Swedish solutions probably increase the will of the municipality to develop small areas as the risk for financial losses are lower.

Housing construction is a private responsibility, but controlled by the municipality when the landowner receives building permission (also in the planning permission in England). To reduce the work and responsibility for the municipality, all countries have introduced a system of independent controllers during the construction process. In England the municipality/local authority controls and monitors the processes.

Maintenance of local infrastructure is mainly a municipal responsibility in the DPL countries. However, this responsibility in Sweden can be passed to an association for landowners in the area. In England the responsibility is vested with the municipality/local authority.

As there are similarities and also differences between the countries, and also between the DPL countries, it could be very productive to make transaction costs analyses of different parts of the procedures. Can we find combinations of activities that are more cost-efficient than those used? Can more work be done by the municipality or by the landowner to promote smoother procedures and perhaps also make them easier to handle? Another interesting question is whether the way to distribute local infrastructure cost can promote the procedures but also create lower risks for the different parties.

Another important question is the role of consultations. What relative merits can be found within different organizations using consultations? Here it should also be interesting to compare the role of the State in the different countries. Has it a promoting role or is it a hindrance?

In addition, what are the relative merits if forced property formation procedures can be used sometimes?

Finally, is it a problem to promote smooth and cost-efficient methods for planning, implementation and maintenance? It ought not to be as in the end it is always the municipality that decides if the development process shall be fulfilled and it can stop the process at the beginning through the comprehensive plans.

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# The Urban Development and Redevelopment of Kraków 1918–2013

## 1. Introduction

Poland, as we know it today, has been shaped by the tragic events of the twentieth century and this is reflected in the evolution and development of the nation's spatial planning policies.

Throughout Poland, there is a strong impact of history upon the current socio-economic spatial patterns, which extends back for many centuries (Górzelał 2000). There is a strong east-west divide that has been determined by the historical development paths of different parts of the present Poland. The initial wave of urbanization took place between the 13<sup>th</sup> and 15<sup>th</sup> centuries and the larger settlements were more frequent in the western rather than the eastern parts. This is also reflected in the communication networks, which were denser in the west and, as a consequence of these factors, the levels of farming expertise was correspondingly higher. The historical partitioning of the country emphasized these differences, both in terms of urban and industrial development as well as political cultures. These disparities were extended through a variety of factors ranging from institutional structures to the culture of work.

This paper has two inter-related parts. Firstly it will examine the evolution of spatial planning instruments in Poland, with particular respect to the city of Kraków and its surrounding area as a portrait of a central European city (with apologies to Davies 2002), whilst also discussing the evolution of Kraków through an analysis of historical maps placed in a common spatial arrangement with the aim of demonstrating that the “heart and soul” of the city has been saved through a continuum of spatial planning instruments throughout the last 100 years.

## 2. The evolution of spatial planning in Poland

This affect of history upon socio-economic forces was explored by Grosfeld & Zhuravskaya (2012) who used spatial regression discontinuity analysis to test whether the historical partition of Poland among three empires (Russia, Austria-Hungary, and Prussia) has had a persistent effect on political outcomes in contemporary Poland. Simplistically, it was found that the lands that were formerly part of Prussia (compared with those that belonged to Russia) vote more for anticommunist (post-Solidarity) parties; a difference

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\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland  
Corresponding Author (dixongough@tiscali.co.uk)

\*\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland

that may be explained by the persistent effect of infrastructure built by Prussians at the time of industrialization. The land of the former Austro-Hungarian Empire, of which the city of Kraków was part, had a following more inclined towards religious conservatism and for liberalisation, which is a legacy of decentralized democratic governance of the Austrian empire (Grosfeld & Zhuravskaya 2012).

Historians have documented that the empires differed sharply in their policies toward their Polish territories. Prussia, which was more developed economically, industrialized its Polish part substantially more than Russia and Austria (Wolf 2007). The Habsburg Empire, in contrast to both Prussia and Russia, gave substantial administrative and cultural autonomy to its Polish territories (Schulze 2007). Despite that, both Russian and Prussian regimes were based on political and cultural oppression, although Russia stood out in terms of interfering in religious life, and in particular, its severe oppression of the Catholic Church (Davies 2005).

This was reflected in the institutional structures and organizational capabilities, the culture of work, self-government traditions etc., which had not disappeared by the outbreak of World War 2 (WW2), continued through the period of communism, and are still evident amongst the older generations of the present state. This was noted in the commune of Michałowice, which encompasses settlements that had been on both sides of the border between Russia and Austria. Both the character of the villages and attitudes of their inhabitants of those parts that were formerly part of Russia was significantly different to those that existed in the “Austrian” part of the commune (see Dixon-Gough, et al. 2013).

### **3. Background to the development of Kraków (990-1918)**

The earliest written mention of a settlement named Kraków was in 950, by the merchant Ibrahim ibn Jacob who was travelling throughout Central Europe and by 990 the city became the capital of the Vistulian state, becoming a dominion of the developing Polish state in 1000, which was celebrated by the construction of the first cathedral at Wawel. By this early date, the city as it is known today began to evolve into its current form. In 1257, Prince Bolesław Wstydlivy founded the city of Kraków through the power of the Law of Magdeburg. This granted important municipal privileges and introduced a system of government and spatial planning based upon that of the city of Magdeburg. A plan modelled on that of the city of Magdeburg gave Kraków its Main Square, and surrounding arrangement of a six-by-six grid of wide streets. This was the first example of planned new town development in Poland – a trend that was popular in central Europe during this period (Beresford 1967).

Although the scale of this project was larger and its importance greater, similar schemes of urban redesign were widespread in Poland in this period, and the adoption of the formal grid had a wider implication, for it demonstrates Polish participation in the Europe-wide vogue for planned new town development (Beresford 1967). That, together with the use of the laws of Magdeburg in many Polish towns, reinforced the erroneous belief that urbanism in Poland was the product of German colonisation. The actual concept of the

new town was not fully adopted and the strict geometry of the plan was disrupted by several elements, notably the ulica Grodzka, a wide street which runs south from the new town to Wawel and is part of the ancient processional route through the city known as “the royal way” (Crosby 2002). Other discordant elements that can still be viewed (symbolising the integration of the “old town” into “new town” are several churches that stand at an angle to the streets, since they occupy pre-1241 sites integrated within the 1257 plan. This is particularly so in the case of St Mary’s church, which faces the Main Square yet disregards the alignment of the edge of the square (Crosby 2002).

The next major development to the city came in 1335, when the adjoining city of Kazimierz, bearing the name of its founder, King Kazimierz Wielki was established as a settlement for the Jewish population of Kraków. Map 1 clearly shows the twin settlements, Wawel Castle, and the characteristic street plan of the settlements that is still familiar today. Without doubt the areas and geographical structure that could be described as the “Heart of Kraków” are still instantly recognisable over 600 years later.



Map 1: *Plan of Kraków in 1350* (Source: [http://www.austeria.pl/d4462\\_plan\\_krolewskiego\\_stolecznego\\_miasta\\_krakowa.html](http://www.austeria.pl/d4462_plan_krolewskiego_stolecznego_miasta_krakowa.html))

By 1795, Kraków was partitioned by Austria but was captured by Prince Józef Poniatowski in 1809 and integrated into the Duchy of Warszawa although by 1815, the Congress of Vienna established the “Free City of Kraków”, formally self-governing but actually under the protection of the Partitioning power of Austria. Representative of this period are Maps 2 and 3, which although illustrating some degree of spatial development, clearly show the “Heart of the city” remained essentially untouched, with other developments taking place organically outside the central core. This form of development was not unique to Kraków but was representative of most major settlements across Europe, still untouched by the Industrial Revolution (Antrop 2005).



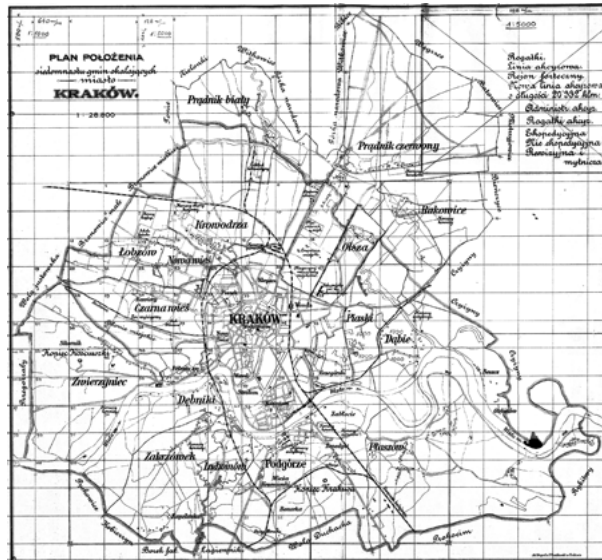
Map 2: Plan of Kraków in 1792 made by T. Czort

(Source: <http://mykrakow.com/wordpress/category/krakow/plan-krakowa/page/4/>)

Map 3: Plan of Kraków in 1836 made by T. Żebrawski

(Source: [http://las.elte-s.com/wspomnij/stare\\_mapy.htm](http://las.elte-s.com/wspomnij/stare_mapy.htm))

In 1846, Kraków became part of the Austro-Hungarian Empire although from about 1866 the region of Galicia (Poland under Austrian rule) began to acquire political and social rights as part of a process of regional autonomy. Much of the architectural “style” of Kraków is redolent of many other cities in central Europe within the realms of the Austro-Hungarian Empire and many of the existing buildings were either modified to reflect those architectural trends or rebuilt. Nevertheless, there was no formal spatial planning policy and the city together with its surrounding areas continued to grow organically. The core of the city remained largely unchanged apart from some limited alterations needed for the construction of the tramway network. The industrial revolution of the 18<sup>th</sup> century came to Kraków late and much of the associated development took place in an arc to the south, extending from the west of the city to the east. Limited industrial development took place to the north due to the close proximity of the border with Russia (Kazimierz 1987). Neither too did the introduction of the railway interfere with the ancient, historical core of Kraków since although the main railway station was situated near to the centre of the city it was well outside that inner core. The lasting legacy of this form of communication is that it has inherited the former partitions of Poland and, following the independence of Poland in 1918, the trend of the railway networks is to run west to east, and southwards towards Vienna. This stage of the development of the city may be seen in Map 4, illustrating the layout of the city in 1915. The inner core can be clearly identified together with the industrial developments extending in the arc referred to above.



Map 4: Plan of Kraków in 1915 (Source: [http://as.elte-s.com/wspomnij/stare\\_mapy.htm](http://as.elte-s.com/wspomnij/stare_mapy.htm))

Although this development could be considered to be a seamless transition between significant historical epochs, the main core of the city that is recognisable today would have been equally recognisable throughout this period and was, indeed, fortunate not to have been altered in way that was experienced by many culturally important cities across Europe during their periods of cultural and industrial revolutions,

#### 4. Spatial planning during the Second Republic (1918-1939)

Following the reconstitution of Poland in 1918 (and the formation of the Second Republic), the next 5 years were characterised by chaotic state finances, and hyperinflation which meant that little financial aid could be given to spatial developments particularly in respect to the infrastructure, essentially based upon the original requirements of the former Russian and Austro-Hungarian Empires (Davies 2001:107). The effects of partitions by Austria, Germany, and Russia for almost 123 years between 1795 and 1918 are still evident in roads, train lines, buildings, and regional and local cultures (Harvey 2013). However, much was achieved during this period, notably the construction of the modern state of Poland, the building of the economic basis of the state and the creation of a legal and spatial planning system together with the training of the personnel to run them (Davies 2001:108; Przesmycka 2010).

The attempts to regulate the processes of spatial planning have evolved since Poland regained its independence in 1918. Those attempts resulted in, for its time, a modern regulation, i.e. an order of the President of the Republic of Poland issued on the 16th of February 1928 concerning a Building Code and Housing Estate Development. This development was interrupted by the world's economic crisis, which commenced in Poland during 1929 but by 1932 there was a gradual growth in factory production, which had accelerated

by 1935 and proved to be the catalyst for a four-year economic plan for the period between 1936 to April 1940, mainly related to infrastructural projects (Przesmycka 2010).

In practice spatial planning in the interwar Poland was very successful: at a local level in the provision of social housing estates, the construction of the port of Gdynia from nothing, and various public facilities; regionally such as planning concept referred to as Functional Warsaw (*Warszawa Funkcjonalna*), which was prepared in 1934 by the architects and urban planners Jan Chmielewski and Szymon Syrkus (Malisz 1987); and nationally, the Central Industrial District (COP), a triangle based upon the cities of Kraków, Lwów and Kielce. In the case of the COP, the spatial planning policy was directed towards the development of the industrial strength of the country. This became the greatest economic enterprise of the state prior to WW2 and had profound influences upon the lifestyle of many population who not only worked in the industrial complexes but lived in the dedicated residential estates, usually referred to as “colonies”, and utilized the infrastructure created within and around the industrial regions (Przesmycka 2010). This entire venture of the COP resulted in significant investments and building activities, which in turn influenced the spatial development of towns both before and after WW2 (Przesmycka 2010). At an international level, Polish architects and town planners were actively involved in the works of the Congrès International d'Architecture Modern CIAM, which led to formulation of the Charter of Athens (The restoration of Historical Monuments) (BSC, 2007).

During the interwar period Kraków was one of the five largest cities of Poland, (Warszawa, Poznań, Vilnius, and Lviv). Of these five cities, Kraków suffered the least damage and, although not physically and extensively damaged by either bombing or fighting during WW2, the first bomb to fall during this conflict was actually on Kraków on the morning of 1<sup>st</sup> September, 1939 (Purchla 1996; Davies 2007). In terms of urbanization Kraków was not affected significantly (Paczyńska 1994). In fact, during WW2 plans were implemented by the occupying forces for the expansion of the city, including investments in housing, urban infrastructure, road and rail communications. Although planned prior to WW2, the activities continued under German occupation and the investments carried out in the city were rated as high, comparing to the conditions of war. The German occupational forces intended to turn “the ancient German city of Krakau” into a model capital for their kingdom (Davies 2005:443). During the occupation, under the ordinance in 1941 the boundaries of the city were expanded into rural municipalities where the infrastructure was undeveloped (Czocher 2011). Increasing the area of the city, however, had no effect on the existing spatial layout of the city and the inner core of the city was essentially preserved (Chwalba 2001). The activities that continued through WW2 were the result of the spatial planning policies of the occupation and were aimed at making Kraków a German city of science and culture, which was intended remain as an administrative, service and cultural centre. Included in the plans was a new residential district to the west of the city (Broński 1987). This development work continued until 1943, during which time the exhibition hall was built, the important railway junctions expanded, the construction of new roads

identified, and safety work carried out along the quays of the River Vistula and at the mouth of the Wilga (Chwalba 2001).

In this respect, Kraków was a “lucky” city in that the developments that took place during the Second Republic failed to affect the appearance, spatial design, and cultural significance of the city. Had not WW2 not interrupted the plans of COP, there is little doubt that the influence of the architects and town planners would have altered the appearance of the city and the industrial enterprises of the COP would have had an increased influence upon the hinterland of Kraków.

## 5. The post war years of communism (1945-1989)

In order to place the spatial planning problems of Central Europe, and particularly those of Poland, in context there was an acute problem of a dispossessed population at the end of WW2, together with a transport, industrial, and urban infrastructure that was largely in ruins. The resettlement schemes of 1945–47 witnessed extensive migrations that resulted from the territorial changes at the end of WW2 during which the new authorities sought to populate the western and northern territories either from existing parts of Poland, from the territories annexed by the Soviet Union, or war emigrants. In later decades (1950–1980) migrations were of an entirely different character. Following large-scale industrial investments undertaken by successive communist governments, the main population concentrations are the industrial agglomerations of Katowice (about 4 million people), Warszawa (about 2.5 million), Gdańsk and Poznań (about 1.5 million each). The least populated areas are the north-east and north-west farmlands. A further series of migrations took place in later decades as a direct result of the massive industrialization projects of the Six-Year Plan of 1950–55 and subsequent Five-Year Plans brought still more millions of people flooding into the new towns and factories from the countryside. People from industrially undeveloped regions were moved to areas where extensive construction works were carried out (mainly the cities of Warszawa, Kraków, Katowice, Łódź and Poznań). This inevitably resulted in the migration of the rural population to urban centres, which led to a dramatic change of the ratio of urban to rural population. While in 1946 about 68% of residents lived in rural areas and about 32% in towns, today the figures are respectively 38 and 62%. In the quarter of a century from 1945, an overwhelmingly rural, agrarian society was transformed into a predominantly urban one (Davies 2001:47).

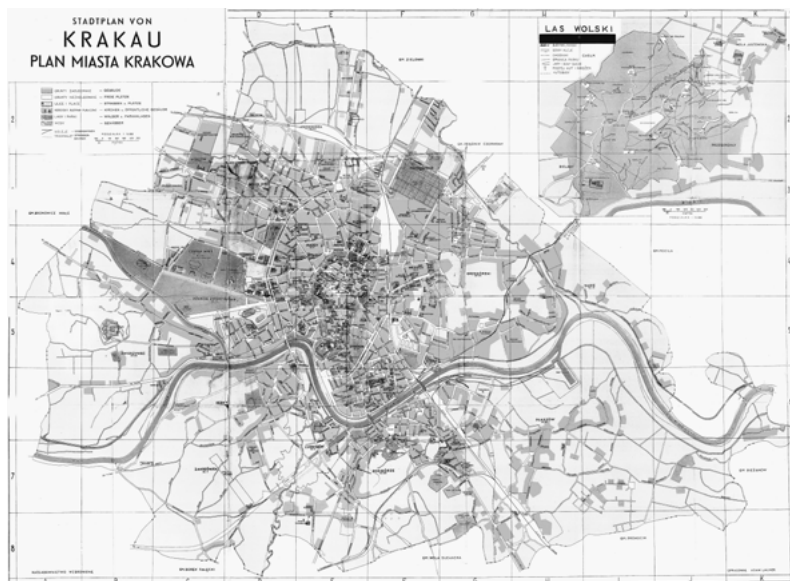
During this period, the regulation from 1928 was replaced by a Decree on the Planned Spatial Management of the Country. This decree and those on the National Investment Plan from 1946, and the Planned National Economy from 1947 established some general rules concerning a “system of a socialistic planned economy” introduced at that time in Poland. The various types of plans, their content – in a very general form, hierarchical status and the mutual relationship of plans, together with procedural forms and the organization of planning were strictly defined. The Polish People’s Republic (PRL) gradually took over the basic means of production by the state, and as a result, took central control over all forms of economic development.



In the conceptual phase the system of planned economy was notably supported by some groups of architects and town planners. Already before WW2 those groups claimed that the frameworks of activities needed to ensure the rational development of the country, its regions and individual settlement units could be created only through planned economy.

In practice it soon turned out that legal norms were too rigid to regulate, and based on guidelines from the Soviet Union. The decrees became uncomfortable tools in the execution of tasks issued by the governing communist party.

The absence of wartime devastation meant that the post-1945 Communist regime inherited a city, which was physically intact and with a social structure more cohesive than that of any other major Polish city. In the years following WW2, the city authorities concentrated upon the renewal of its economic fabric whilst identifying future issues in their spatial development plan (Chwalba 2004). The inhabitant's of the city were regarded in suspicion and considered to be anti-communist since, apart from its Jewish population, it had emerged relatively unscathed from the war years and, furthermore, embodied the virtues of independent Poland (Crosby 2002). Kraków was punished by being subjected to a massive experiment in social engineering, the chosen method being to change its social balance through massive industrialisation. By introducing large numbers of workers from eastern Poland (territories lost to the USSR in 1945) it was hoped to outnumber the conservative population and convert Kraków to a loyal, socialist city.



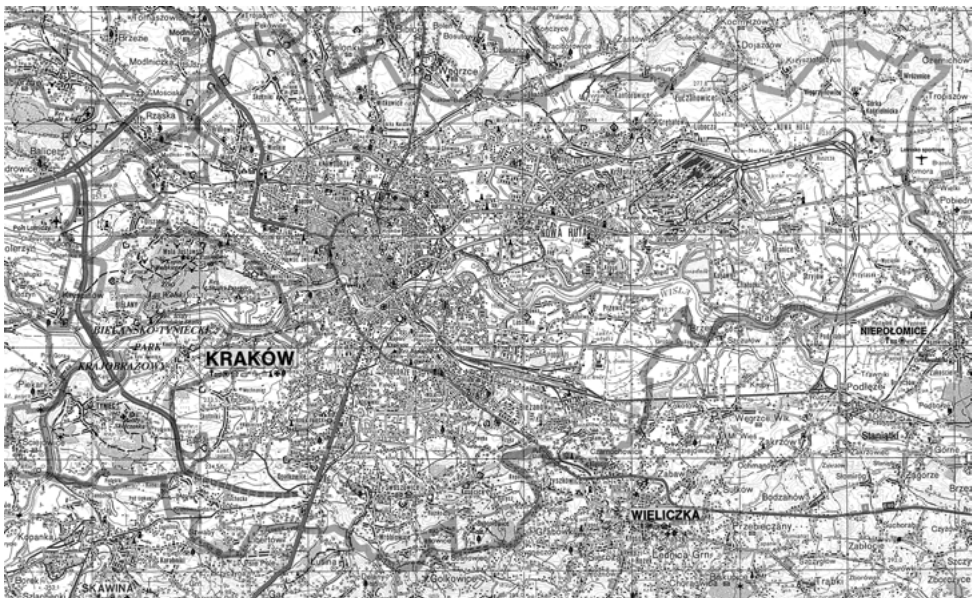
Map 5: Plan of Kraków in 1940 (Source: [http://as.elte-s.com/wspomnijstare\\_mapy.htm](http://as.elte-s.com/wspomnijstare_mapy.htm))

In 1949, the General Plan of Kraków was developed by the Spatial Planning Board of the city and, during the same year, a Regional Plan for the eastern part of the city was created, which transformed the functional layout of the city into a coaxial band developed to the

south of the River Vistula (Sykta 2008). One of the most important elements of this was the influence of the regional investments that created Nova Huta, which provided the catalyst for the eastern expansion of the city (Chwalba 2004). This was one of the largest steelworks in the world, its attendant new town housing a quarter of a million people and designed on monumental “socialist realist” lines. This was to be the first Polish “socialist city” and was critical in the fate of Kraków (Gołaszewski 1955). At the centre of Nowa Huta was a Central Square located around housing estates together with all the necessary and essential infrastructure (schools, shops, hospitals, etc.). Whilst the construction of Nowa Huta disrupted the current development of Kraków through essentially its nature, size, structure, economic and social, urban concept, but in the longer term this development has meant that the “old” city of Kraków remained largely unchanged (Map 5). The originally intention of integrating Nowa Huta within Kraków was fortunately not realised and the two urban entities remain separated (Stenning 2000).

This expansion can be seen in Map 6, which shows the inner core unchanged yet the arc of the city being transformed into an easterly extension. In those immediate post war years, the population of the city rapidly increased, which highlighted the problem of housing of the city. The effect upon the housing market was two-fold. Firstly, householders were deprived of rooms since houses were subdivided into smaller apartments and, secondly, a Commission dictated the level of rents. Both measures had the affect of halting the construction of residential buildings throughout the city (Paczyńska 1994).

The good fortune of the city in “resisting” change had continued throughout this period. The development of Nova Huta saved Kraków from the architectural ravages that were thrust upon many other culturally important centres in regions such as Silesia.



Map 6: Map of Kraków in 1976 (Source: [http://as.elte-s.com/wspomnijstare\\_mapy.htm](http://as.elte-s.com/wspomnijstare_mapy.htm))

## 6. A country in transition (1989-2013)

The spatial planning system of the PRL continued to evolve over, continually being adjusted to the then, current situation. However, the systematic weakness of spatial planning was the lack of balance between the objective and subjective layer of a plan and, furthermore, it did not require wide social acceptance. It was sufficient that the plans had been accepted by an executive and political authority but were perceived by the public as a special form of communistic propaganda showing a glowing vision of the future of the system, the so-called “social justice”.

A very important legal document, prior to the Act on Spatial Management, was the Act on Territorial Self-Government from 1990. Due to that act of law, self-governmental communities, which acquired legal entity and were endowed with a wide spectrum of tasks, got reactivated. The scope of their tasks covers all the public affairs of a local importance, which have not been legally reserved to other subjects. The first step to create self-governments in the Republic of Poland was recreating a communal self-government in 1990. Voivodeship and district self-governments were established later, by operation of law from 1998, and organised on account of an administrative reform of the country, which was introduced in 1999.

The political changes in Poland, following 1989, brought about a transformation from a centrally planned economy, with a centralised system of spatial planning, to a new system of spatial planning that is primarily characterised by the decentralisation of activities within spatial planning and independence of communes with respect to planning policies (Gawroński et al. 2010). The most fundamental aspect of this change lies in the social participation of all interested and, in particular, local inhabitants in all aspects of spatial planning

In the former context of a centrally planned Polish economy, plans of the highest order concerning spatial planning were, in principle, considered superior. This meant that those regulations enforced by plans of the higher order (e.g. the national plan), were naturally transferred downwards to plans of lower order (e.g. voivodeship master plans and local master plans). This mirrored the general principles that were characteristic for countries with socialist political systems. In practice, the planning system did not always comply with this general principle since different institutes, ministries, and government-run industries, competing against each other for scarce resources, often overriding any plan, with virtually no social participation. From 1989, this principle of top-down spatial planning was abolished and reshaped to give more local responsibility and public participation in decision-making. This may be illustrated by the process of local spatial planning, within which communes in the first place draw up documents referred to as “studies of determinants and directions of spatial development”. Only after their execution can a Local Master Plan be established. A study of determinants and directions of spatial development makes it possible for local self-governing bodies to present their concept of spatial planning for the area they administer.

The other significant element of this decentralisation is the direct participation of the public in the process of spatial planning in Poland. This can be observed at various points: when the local master plan is being prepared and passed by the community council; as well as in administrative procedures followed by decisions on environmental conditions of investment realisation or decisions about building provisions and land management. Moreover, ecological organisations which, referring to their statutory purpose, wish to take part in a particular procedure which requires public participation, can act as a party in it.

The new Polish system of spatial planning is primarily characterised by the decentralisation of activities within spatial planning and the independence of communes and cities with respect to planning policies. With the change in the Polish political system and functional decentralisation of the state, municipal self-governments have become fundamental elements of public administration. In the light of the Act on Local Self-Government of 8 March 1990, communes have acquired a legal status; they can, for example, perform public tasks in their own name and at their own responsibility, manage their own budget as well as decide about their economic and spatial development (Ustawa 1990). Thus, a commune has been provided with a range of public and legal competences, including tasks related to spatial planning. They are expressed by the obligation of local self-governments to draw up and pass studies of determinants and directions of spatial development as well as local master plans (Piech 1993).

Since transformation, spatial planning in Poland has formed an integral part of the general system of social and economic planning. Its prime role is to determine the forms of use for particular areas and formulate their management principles (Gawroński et al. 2010). Although transformation took place in 1989, the basic legal act regulating spatial planning in Poland was not placed in statute until 2003. This is the Act of 23 March 2003 on Spatial Planning and Development (Ustawa 2003), which determines the principles of formulating spatial policies carried out by territorial self-government units and government administrative bodies. Its principal function is to define the scope of activities and procedures to follow when forms of use for particular areas are being defined as well as outlines development principles for these areas, assuming that spatial order and sustainable development lie at the basis of these activities.

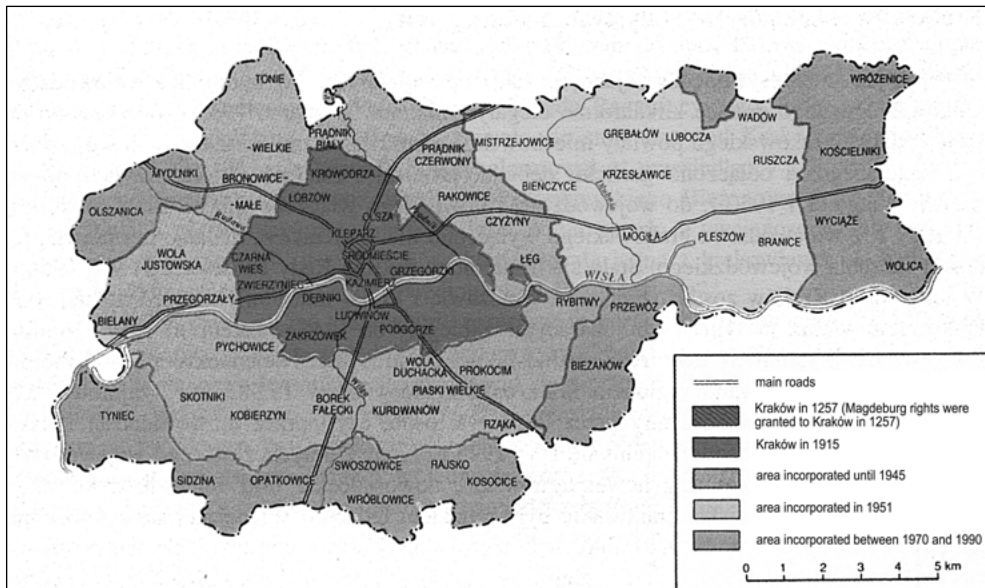
The basic function of this act and its' relationship from the National Spatial Development Scheme (NSDS) through Regional Spatial Development Plans (RSDP), Local Spatial Development Plans (LSDP), and Local Zoning Plans (LZP) were described and discussed by Dixon-Gough et al. (2013) with respect to local development around Kraków. The NSDS identifies tasks of implementing public objectives of national importance, and it is through this instrument that the state shapes its spatial policies whilst aiding in the implementation of public purpose investments of national importance (Niewiadomski 2003). At a regional level, the fundamental planning act is at the voivodeship level through the RSDP, which is linked to the voivodeship development framework. This defines the social and economic development of the region, which although not being a legally

binding act, is binding for public administration. It is in this respect that the RSDP has an influence upon the communes and their directions of spatial development. Other specialized plans or legal documents also devolve down through the voivodeship level, notably the road network development plan and the technical infrastructure plan.

At a local level, the LSDP is the fundamental instrument for spatial planning and attempts to formulate the spatial policies of both communes and cities whilst identifying the forms of land use and principles of land development and spatial management. This gives rise to two forms of spatial planning documents: the master plan, which are legally binding; and the planning acts defining the local spatial policy, which dictate the determinants and directions of spatial development (Niewiadomski 2005).

The question remains: how have these developments in spatial planning aided the development of the city of Kraków? In terms of the territorial development of the city, this is ably illustrated using Map 7, which shows the city from before 1792 through to the latter part of the twentieth century. As in the case of most European cities, the growth has been exponential, with the greatest territorial development taking place in the second half of the twentieth century. The city itself is ably protected both through its cultural history and the real bounds that restrict future development to the periphery, itself a very real problem, as discussed by Dixon-Gough et al. (2013).

In many respects the focus of the town, its “soul” as distinct from its “heart” has moved away from the inner core of the city towards the suburbs as inner city industries and employers relocate to areas that are more suited to a mobile public, such as out-of-town shopping centres. This has been aided, in part, by the spatial planning instruments that



Map 7: Territorial Development of Kraków (Source: Chwalba, A. [2004], p. 12)

have permitted residential development is formerly rural communes such as Michałowice, which have encouraged a new generation of professional families to move out of the centre of Kraków, thereby permitting buildings that had formerly been sub-divided into apartments during the communist regime, to be developed as hotels, high-value businesses, or even private residences. Similarly, communes around Kraków have encouraged changes in land use from former obsolete, heavy industries to retail parks and high technology business centres. The inner core remains, improved, and renovated as an internationally cultural centre and attracts tourists from around the world.

## 7. Conclusion

History is highly subjective but if viewed from the perspective of land management is essentially about why, how, and when. If this is taken in the context of a city such as Kraków it is possible to see the “heart” of the city, which has evolved and has been preserved as a series of “accidents of history”. If Warszawa had not been chosen as the “new” capital of Poland, it is certain that the heart of Kraków would now be quite different to the heart we see today. Had the border between Russia and Austria been south of Kraków, the hinterland of Kraków and its internal dynamics would have been different and, without doubt, the city that would have evolved during that period would have been significantly different to what we have today. Would the ancient street plan based upon the German city of Magdeburg survived? This is impossible to say.

Little can be said about the period of the Second Republic since its life was too short for the spatial planning instruments legislated during that brief period, coupled with the world recession to have any great affect one way or another.

During WW2, Kraków was a “lucky” city inasmuch as it escaped physical damage. The same cannot be said of the Jews and senior academics – most of whom “disappeared”. In fact, the German occupation actually considered and implemented some improvements to the infrastructure of the city. The Russian occupation was again made with little physical damage and it is in this enigma (a town that had not been destroyed and was therefore considered “suspect” by the post 1945 communist regime) that the “punishment” came in the form of the development of Nowa Huta, the new socialist city that would eventually encompass the old city of Kraków.

History tells us that it didn't!

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# Transformation Process of Rural Areas into Urban Areas in Turkey after 1980s

## Abstract

The urbanization process in Turkey which has begun following the Second World War has persisted mainly by a rapid population growth in urban areas as well as the raise in the number of new places that are defined as “city”. Before this process, a large part of the population was living in rural areas at the same time as the Republic of Turkey was established on 29 October 1923. However, starting with 1950s, rural-urban migration has been occurred.

According to the urban studies, “city” or “urban field” can be defined by using different criteria. Within these, the demographic criterion is the most widely applied method. In other words, for identifying the “city”, a place with a certain population size is requested. The population size required for the threshold of the city varies between countries. Also, as observed in Turkey, different suggested population sizes to define city exist within the same country.

Although the urbanization process in Turkey gained momentum in 1950s, it has begun to differentiate qualitatively rather than quantitatively after 1980s. While the distinctions between the rural and urban areas have been disappearing hastily, the process of transformation of rural areas into urban areas by the impact of neoliberal policies was observed. This process has remarkably continued especially in metropolitan areas with the introduction of metropolitan government system in 1984. Since 2000s, the boundaries of metropolitan municipalities have been gradually extended in various ways and in this manner rural areas have remained within the boundaries of metropolitan municipalities.

The purpose of this paper is to analyze this process that appears mainly in the metropolitan areas within the conceptual framework of participation, local autonomy, effectiveness, efficiency, productivity and rent.

*Keywords:* Urban Area, Rural Area, Participation, Local Autonomy, Effectiveness and Efficiency.

## 1. Introduction

The urbanization process begun in the 1950s has changed its character by gaining qualitative aspects instead of quantitative since 1980s in Turkey. With the impact of neoliberal policies, the transformation process of the rural fields into the urban areas has been accelerated. Thus the distinction between rural and urban has begun to disappear. The basic

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\* Ankara University, Faculty of Political Science, Turkey

aim of the pursued policy was creating more “rent” by opening rural areas into urban use. This rent-seeking policy has neglected the economic, social and cultural potentials as well as the conservation and possible development of the rural areas. This process has not only generated rural disadvantages, but also led to serious issues in urban areas. Some of these issues can be identified as not taking into account optimal city size, local participation, effective and efficient delivery of urban services, local autonomy in the sense of central-local government relationships.

The transformation of rural areas into urban areas has been notable with the introduction of the metropolitan municipal government system in 1984. In parallel to the gradual extension of the boundaries of the metropolitan municipalities in various ways, rural areas have been integrated within these boundaries. The local government reforms introduced in 2000s had a serious impact on the reduction of rural areas.

## 2. The distinction of urban-rural areas

The process of urbanization in Turkey started after the Second World War, has led to an increase in the number of new areas defined as “city”. In addition, the urban population rapidly increased. In 1923, when the Republic of Turkey was founded, the majority of the population was living in “rural” areas, while this situation was reversed starting from 1950s with the migration of rural population to urban areas (Keleş 2011).

The “city” or “urban area” can be defined by using different criteria and can be differentiated from “rural fields”. Within these criteria, the demographic criterion is the most commonly used one. In other words, the population size is the distinguishing factor in differentiating urban areas from the rural areas. This population size can vary from country to country. In Turkey this is also observed. For instance; the Village Law No. 442 of 1924 identifies the areas with a population below 2,000 as “village”, between 2,000-20,000 as “town”, and above 20,000 as “city”.

According to the Municipal Law in force (No. 5393), it is required to establish a municipality in the areas with a population of 5,000 and more. In addition, regardless of their population, municipalities should be established in provincial and district centres. While calculating urban population in Turkey, the places with a population of 10,000 inhabitants or more and provincial and district centres regardless of their population are included.

However, population criterion in itself is not enough to put forward urban-rural distinction in order to identify the “city”. This definition should also be enriched and developed with the economic, social and cultural criteria besides population. Urban areas should be considered as places where non-agricultural economic activities are recognized and specialization and division of labour exist. Secondary relationships, specific forms of life and behaviour unique to the city are adopted. Considering these characteristics, it is possible to define the city qualitatively and quantitatively. Using only population criterion points out to a quantitative definition. However, considering the economic, social and

cultural criteria, the city is defined qualitatively. If the urbanization rate of a country indicates the economic and social development level of that country, the presence of a qualitative urbanization is required.

### 3. Transformation process of rural areas into urban areas

#### 3.1 In metropolitan areas

After the military coup on 12 September 1980, due to the security reasons, 147 municipalities and 176 villages in Adana, Adıyaman, Antalya, Bolu, Bursa, Elazığ, Erzincan, Erzurum, Eskişehir, Gaziantep, Hatay, İçel, İstanbul, İzmir, Kars, Kayseri, Kocaeli, Konya, Malatya, Manisa, Kahramanmaraş, Muğla, Nevşehir, Niğde, Sakarya, Samsun and Trabzon were transformed into municipal branches or neighborhoods attached to provincial or district municipalities (Çınar et al. 2009: 45-46).

In the upcoming period, metropolitan municipalities were established in three cities in 1984 by law numbered 3030. In metropolitan areas, two-tier metropolitan municipality system comprising of district municipality at lower-tier and metropolitan municipality at upper-tier were established. While metropolitan municipality was introduced in İstanbul, Ankara and İzmir, legal entity of some of the smaller communities within these metropolitan cities were abolished without consulting the opinions of the inhabitants or decision-making bodies of the concerned municipalities. The increase in the number of metropolitan municipalities steadily continued following years and reached to 16 in 2000 (Keleş 2012: 326-335).

The first legislative attempt to reorganize boundaries of metropolitan municipalities was recognized in 2003 by Law No. 5019 just before the local elections in 2004. The main objective of the law was to extend the boundaries of existing metropolitan municipalities to incorporate smaller communities without consulting the inhabitants or the local authorities concerned. However, this law was not approved by the President with the argument that the law could be interpreted as an election law (Çınar et al. 2009: 55-65).

The metropolitan municipality model implemented by law numbered 3030 was revised in 2004. The most important feature of Law No. 5216 has been re-scaling arrangements for metropolitan municipality boundaries which was regulated by the Transitory Article 2. By this new regulation, the legal entities of most of the villages surrounding metropolitan areas are also terminated. The expansion of the boundaries of 16 metropolitan municipalities is named as “pair of compasses (*pergel*)” law by the public due to the method used for territorial expansions which was identified by accepting provincial buildings as centres. According to this, for greater cities with a population of up to one million, the border line of the circle with a radius of twenty kilometres constituted the boundary of the greater city. The border line of the circle with a radius of thirty kilometres constituted the boundary in the greater cities with the population from one million up to two million. When it came to the greater cities with population over two million, fifty kilometres constituted the municipal boundary. Exceptionally in İstanbul and Kocaeli, the boundaries

of the greater city municipality were identified as the territorial boundaries of these provinces (Çınar et al. 2009: 76-86).

Rural areas were directly affected from the new regulation. In the framework of expansion of territorial boundaries, all villages except the ones in forest areas, have lost their legal entities and been transformed into neighbourhoods of greater city municipalities. Thus, only forest villages remained to exist as rural area in these 16 greater cities. The assets, debts and claims of the villages which lost their legal entities were also transferred to the greater city municipalities.

The regulation for the re-definition of territorial boundaries is contradicting with the European Charter of Local Self-Government. Article 5 titled "Protection of Local Government Boundaries" as one of the ratified parts of the Charter by Turkey indicates that "Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute". The practices for changing territorial boundaries in the EU countries have been in line with this article whereas in Turkey no form of local consultation was carried out which strongly contradicts with the local democracy.

In addition, same article granted authority to metropolitan municipalities and the Ministry of Interior to expand the boundaries even further in one-sided manner. According to the article, the Ministry may make necessary revisions on the municipal boundaries within one year from the publication date of the law in consideration of settlement order in the region upon request of the Greater City Municipal Council. This one year duration was extended by another two years by another law.<sup>1</sup>

It can be argued that this regulation which provides authority only to metropolitan municipalities and the Ministry on redrawing municipal boundaries is against the establishment principle of local authorities which says that there should not be any hierarchical relationship among them. In other words, in this redrawing process of boundaries no power or authority should be granted to a local government unit to terminate the legal entity of another local government unit.

### 3.2 Applications about article 11

Law numbered 5393 regulates expansion of the boundaries of provincial and district municipalities. In this regulation, decision-making body is assigned as the central government. According to Article 11 titled "Termination of legal entity status", the legal entities of the municipalities and villages that are less than 5,000 meters closer to the provincial or district municipal boundaries would be terminated pursuant to the development plan and infrastructure services. This has been also applicable to municipal boundaries with a population of 50,000 and above. The process is carried out upon proposal of the Ministry of Interior through publication of a joint decree by considering the opinion of the Council

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<sup>1</sup> The Law numbered 5390 introducing changes in the Greater City Law, Adoption Date: 2.7.2005.

of State. As it can be seen, together with this regulation, town municipalities and villages are consolidated with the boundaries of provincial or district municipality by losing their legal entities and as neighbourhoods without having a say on the process.

Although in the law there is no reference made and no role given to the provincial or district municipality, in practice it is known that these municipalities have launched the process for consolidation and influenced central government.

Since 2005, there have been consolidation practices in many provincial and district municipalities in Turkey. Aksaray, Antalya, Aydın, Balıkesir, Bolu, Bursa, Denizli, Düzce, Kahramanmaraş, Karabük, Kırıkkale, Kütahya, Malatya and Niğde provincial municipalities can be given as an example. In these provinces, 47 town municipalities and 115 villages have been consolidated with the provincial or district municipality by joint decrees.

### 3.3 Draft law on the establishment of new metropolitan municipalities<sup>2</sup>

Prior to 2009 parliamentary elections establishment of new metropolitan municipalities came on the agenda of the government. Legal framework of this initiative was then prepared. The draft law on “Changing boundaries of some metropolitan municipalities and establishment of 13 metropolitan municipalities” was prepared in this regard and it is soon expected to be submitted to the parliament and adopted before the next local elections in March 2014. This draft law introduces two changes. The first one is related to the expansion of the territorial boundaries of existing greater city municipalities for the second time by identifying them as provincial boundaries. Consequently, by this significant step, the legal entities of all villages under the provincial territories attached to greater city municipality will be terminated. In other words, the regulation of 2004 for Istanbul and Kocaeli Metropolitan Municipalities will be extended to the other metropolitan municipalities i.e. Adana, Ankara, Antalya, Bursa, Diyarbakır, Eskişehir, Erzurum, Gaziantep, İzmir, Kayseri, Konya, Mersin, Sakarya, Samsun. It is expected that all rural areas including forest villages under these greater city municipalities as well as the ones in Istanbul and Kocaeli would be transformed into urban areas. With this dimension, the only exception introduced in 2004 will be eliminated.

The second change introduced by the draft law is establishment of 13 new metropolitan municipalities i.e. Aydın, Balıkesir, Denizli, Hatay, Malatya, Manisa, Kahramanmaraş, Mardin, Muğla, Tekirdağ, Trabzon, Şanlıurfa and Van. The same approach on territorial boundaries will be accepted also for these new municipalities.

This approach can be interpreted as the reflection of a very strong centralization perspective. In line with this neoliberal mentality, capitalization will be fostered by opening rural

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<sup>2</sup> When this paper was presented in September 2012, the legal framework of which its potential negative results are discussed in this paper was not entered into force. The law has virtually become effective following the local elections in March 2014.

fields into urban use. Introducing such a huge change which will have a great impact on local communities and on local economies contradicts with local democracy. Decentralization principle has been weakened with recent policies pursued by central government.

#### **4. Impact of redrawing boundaries of municipalities on central-local government relationship**

##### **4.1 Redrawing boundaries of municipalities and local autonomy**

It has created some debate in terms of local autonomy to transform rural areas into urban areas by extending boundaries of metropolitan areas. This debate can be summarized in a few points.

First issue in question has been the termination of legal entities of villages within the boundaries of metropolitan municipalities. The annexation of villages into metropolitan municipalities as their neighbourhoods directly affects local autonomy. With this method, the intervention to village administration as an existing local government unit undermines the principle of local autonomy by disregarding the political will of the voters and without consulting inhabitants. As mentioned previously, the requirement for consulting inhabitants while determining the boundaries of a local government is stated in Article 5 of the European Charter of Local Self-Government. The consultation process in Turkey either was not carried out at all or it has been ineffective and insignificant.

Another issue linked to the extension of metropolitan municipal boundaries is related to planning power. Such an artificial extension also means the expansion of the power of municipalities on new construction areas. This has created an important power especially for metropolitan municipalities. However, in Turkey, time period covered in this paper, i.e. the post-1980 period is an interesting period in the sense of sharing planning powers between central government and local governments.

Although planning powers are given to the municipalities in Development Law No. 3194 dated 1985, these have been largely transferred to the central government units by legal arrangements introduced since then. Especially starting with 2000s, decentralization has been the main discourse in these developments.

Central government bodies<sup>3</sup> are equipped with significant planning powers by limiting the powers of municipalities. From local autonomy perspective, it can be mentioned that the changes introduced by Law on Municipalities (No 5393) and Law on Metropolitan Municipalities (No. 5216) on the planning powers of municipalities have also undermined local autonomy of municipalities.

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<sup>3</sup> Among these central government authorities in particular the Ministry of Environment and Urban Development, Ministry of Culture and Tourism, Ministry of Forestry and Water Affairs, Privatization Administration, Housing Development Administration of Turkey (TOKİ) and State Railways (TCDD) can be listed.

The authority of approval that is given to the central government for the areas under municipal mandate has been another critical issue from the local autonomy point of view.

Recently, the Ministry of Interior, General Directorate of Local Authorities has issued a circular in April 2012 for existing metropolitan municipalities excluding Istanbul and Kocaeli and the new metropolitan municipalities planned to be established. By this circular, serious limitations were introduced for the use of various powers of municipalities on immovable property, staff policy and master plans. Use of these powers has been conditional upon the approval of the governor. The circular was justified by Article 127 of the Constitution regulating administrative tutelage.

#### 4.2 Effectiveness and efficiency in service delivery

Municipalities should act within their boundaries (adjacent area) while executing their duties and using their powers given by law. Extension of these boundaries either artificially or in parallel to economic and social development makes optimal city size concept important. As long as urban services are delivered effectively, efficiently and economically from size and population point of view, it can be said that city has reached its optimal size. Problems in service delivery may occur if the city size is below or above this optimal level. In many countries, cities were divided or many smaller municipalities were merged or annexed to greater municipalities by various regulations to overcome this problem (See Baldersheim and Rose 2010; Meligrana 2004). Establishment of new cities in the United Kingdom after the Second World War to reduce population density of London can be given as an example. Annexation of rural areas into metropolitan municipalities to foster urban use inevitably will bring together the problem of exceeding the most appropriate city size for concerned areas (John 2010: 101-117).

Extension of municipal boundaries will have an impact on service delivery. In its present form, it would not be wrong to argue that the deficiencies and problems that are discussed above in the provision of urban services will further increase.

From rural areas point of view, agriculture and animal husbandry activities will be negatively affected. The transformation of fertile agricultural land to urban use will accelerate. Meadows, pastures and forest areas are not only an economic value, but also an important environmental value. In this process these have transferred into urban use by a law adopted as "2B" regulation.

#### 4.3 Urban participation

Another issue to be considered in transforming rural areas into urban areas should be urban participation. Extension of boundaries of a local government unit, thus increasing its population, will limit the possibilities of participation. With the existing structure, participation of inhabitants in local decision-making processes is already limited and not effective. Especially participation in urban planning is problematic. There is no consultation mechanism during the preparation of master plans as positive participation which



requires taking the opinion of inhabitants and reflecting these into the plans. However, the most common practice is appealing to the administration and opening a case in the administrative court after the approval of the plans which is referred as negative participation.

On the other hand, an important attribute to ensure urban participation is linked to being a “city-dweller”. The demand for urban participation in local decision-making processes can only come from city-dwellers. Otherwise, participation will only be limited to political participation which materialises by voting in local elections. Transformation of rural areas into urban areas will not transform the people living there into city-dwellers.

## 5. Conclusion

The opinion of inhabitants and decision-making bodies of local governments were not considered during scale expansions in Turkey. Especially, in the case of metropolitan municipalities, the boundaries were extended without any scientific criterion. The method implemented by central government disregarded local democracy and local autonomy. In addition, historical, geographical, social and economic development dynamics of the cities were not taken into account. The development dynamics of population were also ignored.

Transformation of rural areas into urban areas by extension of metropolitan municipality boundaries weakens citizen participation. The opportunity for participation in smaller municipalities is higher. Participation mechanisms become inefficient where the area is artificially extended and thus the population under the authority of the new municipality is increased. Extending boundaries of metropolitan areas and termination of the legal entities of smaller municipalities and villages within these boundaries violates local autonomy and undermines local democracy.

Although different cities will have different optimal sizes, it can be argued that by adoption of the new legal framework for consolidation of vast rural areas around metropolitan boundaries into metropolitan municipalities will disregard optimal city size. When the optimal city size is not considered, the services cannot be provided effectively and efficiently and the service costs increase.

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# The Evolution of Małopolskie and Kraków as Destinations for Cultural Tourism

## 1. Introduction

The rural landscapes in the Małopolskie voivodeship have, over the past two decades, been characterised by its social and professional composition, which began to change in the 1980s, and this change has continued at an accelerated rate during the first decade of the twenty-first century. In parts close to the periphery of large urban areas such as Kraków, agriculture has been transformed from its prime function to provide food for the industrial areas, and this has had a severe effect on both the number of family farms (that have decreased as a result of economic consolidation) and the rural workforce (Dixon-Gough 2009; Dixon-Gough et al. 2013). In the areas where farming is still the major activity, this has resulted in a significant decline in overall population density, with a spiral of desertion as young families leave the area since it often impossible to find the services they need for raising their children (Claval 2005). The sustainability of rural communities is only possible through a change in their respective occupational activities or an inward migration of populations from urban areas either as commuters or as “weekenders”. In this respect, many rural areas of Poland – particularly those in the more scenic and accessible parts – have been transformed into new low-density suburban areas. Their population is diverse and is composed of a minority of local farmers or farm workers who have frequently resorted to specialist services such as contracting, transport, or a combination of farming and tourism activities, together with people of local origin working in industry or services located in nearby towns. In addition there are growing numbers of newcomers who have migrating from cities or from abroad who may either be engaged in urban or professional activities but from a different background, and of retirees. This extra pressure on land and housing has led to a spiralling of property prices in many of the villages throughout Małopolska, which further emphasises the differences between the “outsiders” and those who are forced out of the area by the inability to either purchase or rent properties (Dixon-Gough 2009). These pressures upon the rural landscape of Małopolska are inexorably altering the cultural landscape of the region and without economic assistance the rural areas are in danger of losing their identity. In spite of these prevailing trends, the rural landscapes are still multi-functional in that they not only produce food but also provide public amenities such as biodiversity conservation, the preservation of historical and cultural artefacts and identities, all of which contribute towards their social and economic viability (Gao et al. 2013).

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\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland  
Corresponding Author (rmhernik@cyf-kr.edu.pl)

\*\* University of Agriculture in Kraków, Faculty of Environmental Engineering and Land Surveying, Poland

Whilst the identity of the rural areas of Małopolska is under economic and social threat, the same is not true of the more important urban areas. The symbolic and cultural centre of this region is the ancient city of Kraków, the largest and most important city in the voivodeship, which is not only a tourist and commercial centre but has the largest population of employed and employable people in the region. Although the settlement was in existence during the 10th century it has had an important symbolic and national identity, which has reinforced its cultural identity (Carter 1993). In our present era, historic cities such as Kraków are redolent in past political and cultural symbolism that is inevitably linked to the present and the future as an internationally recognised cultural centre (Crosby 2000). This is often celebrated in a way that is not possible in the more remote, rural areas. However, it is recognised that tourism and its associated service sectors now plays an important role in developing Poland's economy and the development of educational tourism in Poland has contributed to the development of towns and cities as tourist centres and sites of tourist interest. In addition, Poland possesses many natural assets in terms of tourism development. Over the past two decades, Poland has witnessed a drive that has seen the countryside in scenic areas change from production to leisure as those from urban areas use their relative wealth to seek permanent access to the countryside through the purchase of second properties or retirement homes. This inter-relationship between town and country is an especially important factor that can be exploited to entice city visitors to the country and visa versa. The linking together of city, townscape, region and Polish national identity has a profound influence upon the region's physical environment and its image. This paper examines the generic evolution of tourism in Małopolska, in particular that related to Kraków, and also considers the implications of tourism to the cultural landscape of the region.

## 2. The history of tourism in Poland and Małopolska

### 2.1 From ancient times to the 17<sup>th</sup> century

Tourism effectively began during the early years of civilisation when cities were structures of awe, to be copied and modified in order to reflect the attributes and power of kingdoms. Travellers visited those cities and brought back ideas that could be incorporated within their own cities. From ancient times people travelled mainly for commercial purposes (traders), travel (to learn), and pilgrimage (Carter 1993).

It may be said therefore, that tourism existed from the time the country was first created until the present time and Kraków grew to become an important crossroad between east and west, and north and south. In turn, its strategic position also led to it becoming an equally important political and defensive location (Carter 1993). Trading inside and outside the country assisted in the development of Kraków as an international city, through which ran important trade routes, such as the route from Kiev to Western Europe, and to Gdańsk and Szczecin (maritime trade). This inevitably led to contacts with the Arab world and possibly as far as the eastern routes to China, both of which helped to develop Kraków as a centre for culture and academic learning (Gaj 2006).

Religious tourism in early medieval Poland was developing through the emergence of new places of worship. In the beginning there were the Basilica in Poznań and Gniezno, but others were subsequently constructed in other cities. During the 14th and 15th centuries, at the time of the Jagiellonian dynasty, another very important route was developed leading from Kraków to Vilnius through Lublin. At the turn of the 16th and 17th centuries, when the new capital city of Poland was transferred to Warszawa, the road system was transformed into a star-shaped network – the centre of which was Warszawa. During this period, travel conditions were not good so travel was restricted to trade, for pilgrimage, and between seats of learning and ecclesiastic houses, and by the nobility. Noble families travelled quite often in Poland to visit their families who were quite widespread, for business, or for political purposes (Gaj 2006).

## 2.2 Modern Times

Between 1795 and 1918, Poland was divided or partitioned between different countries and administered by those countries. In the Kraków region, which became part of Austria, tourist traffic from Austria became very important for the economy of the region. Kraków became a religious and cultural centre benefiting from its historical churches and cathedral, and also from being a seat of academic learning dating back to the 14th century. The city is in close proximity to specialised mountain activities, especially at nearby Zakopane, located close to the Tatra Mountains became very popular as a scenic centre for outdoor activities that became very fashionable during the latter part of the 19th century and in the years up to the beginning of WW1. In many respects, the Viennese discovered and made fashionable the Tatra Mountains in much the same way as the British discovered and made the Alpine areas of Switzerland fashionable during a similar period (Ring 2000; Peniston-Bird 2005).

In addition, tourism throughout the area was advertised by National Tourist Association (KZT), founded in 1906. KZT organized tours, dealt with the improvement of facilities in accommodation for tourists and gave free information and was very popular amongst neighbouring countries. In addition, the local Academic Tourist Club organized trips among students and professors, many tours around the area, as well as to the sea. These activities were not confined the area of Poland administered by Austria. In the area administered by Prussian (Wielkopolska) there were many groups, societies, and Polish associations who organized trips to various locations throughout the region aided by the vastly superior rail networks in this region. In the early part of the 20th century, more specialised tourist bodies were created. This awakening of the tourist industry was not, however, replicated in the areas that had been administered by Russia. However, in some of the important cities, especially Warszawa, the prosperous sector of society supported tourism as an extension of their social life.

## 2.3 The interwar period and WW2

Material losses across the newly constituted Poland were great and the economy of the country was in a poor shape. A decision was made at governmental level that tourism

could be used to gain revenue. This was effectively a resumption of the tourism that had existed in the formerly administered areas of Poland but also included families visiting the military cemeteries of those killed, or of survivors visiting the battlefields (Gaj 2006). A further impetus was given to tourism by the Ministry of the Treasury in 1931 as a means of boosting foreign income. At this time there were very few international tourists visiting the country and internally, the majority visits by Poles were to the cities of Gdynia, Warszawa, and Kraków, together with the mountain resort of Zakopane. Scouting had also become popular during this period and the Polish Scouting Association was one of the most organised of youth groups and helped spread the concept of healthy, outdoor activities.

Tourism effectively ended during the Second World War (WW2) and any form of exercises such as skiing and cycling was prohibited. Many of the mountain resorts, such as Zakopane became rest and recuperation centres for German troops so, in a strange way, tourism continued in these areas but the only beneficiaries were the occupational forces. What little Polish tourism was restricted to school visits, such as organised excursions to climb limestone rocks at Mnichów, Będkowiec (Gaj 2006).

#### 2.4 Communist Poland (1945-1989)

Following the end of WW2, tourism was revived within the constraints of the new, socialist Poland. Economic development effectively ceased and travel out of Poland to western countries was virtually banned. An attempt was made to isolate Poland from Western countries, which also meant that initially inward tourism to Poland from those countries was discouraged, with most tourists arriving from other countries within the Iron Curtain. The difficulties placed in the travel into Poland by western visitors, such as having to report your stay to the authorities if it was longer than 3 days, meant that casual visitors stayed away from Poland. This also included keeping in contact with family members living outside Poland, which was made difficult although it became more possible for distant family members to visit Poland from the 1970s. This in some small way introduced tourism from the west to Poland (Gaj 2006). However, during this period there was a growing awareness of the cultural importance of Poland and its nationalistic culture that gave people a greater pride of their past and encouraged the growth of “cultural-tourism” within the country (Davies 1981; Davies 2001).

#### 2.5 The Third Republic of Poland

After the political transformation of 1989 the first free elections were held, after which Poland became a democratic country. With the change in the political system came problems, such as high unemployment and a decline in national income – both of which had a pronounced affect on internal tourism. Unfortunately, in those early days, the income from tourism was not high. One important factor that dates back to the 1990s was that many visitors travelled to the country did so for commercial purposes, spending only a few days in the major cities without travelling for any length of time in Poland. This kind of

tourism is not sustainable but has evolved into the concept of weekend visits to the cultural cities such as Kraków (Gaj 2006).

In 1994, the concept of developing a tourist economy evolved and the supporting document showed that tourism could prove a means of creating an economic stimulus towards the development of many regions, particularly rural areas (Założenia rozwoju 1994). This was aimed at developing a national tourism product, which provided the impetus for the creation of a system in which various tourist organisations could work together. Until the mid-1990s, tourism was slow to develop and it was only when the financial situation of the country began to develop that there was a corresponding increase in the various types of tourist accommodation and tourist facilities. This was due to the need for better-educated staff dedicated to the service sector to support tourism, such as hospitality management techniques.

Now, however, tourism plays an important role in developing Poland's economy and the development of educational tourism in Poland has contributed to the development of towns and cities as tourist centres and sites of tourist interest. In addition, Poland possesses many natural assets in terms of tourism development. Over the past two decades, Poland has witnessed a drive that has witnessed the countryside in scenic areas change from production to leisure as those from urban areas use their relative wealth to seek permanent access to the countryside through the purchase of second properties or retirement homes (Hernik et al. 2013).

Unfortunately, tourism in Poland still lags behind that of other similar countries. For example, in the general area of package tours to the Polish mountain regions, most travel companies in the UK offer one or two destinations: either Kraków or Zakopane, or a combination of the two, compared with, for example, five possible destinations in the mountain regions of Slovenia.

### **3. The tourist potential of Kraków and Małopolska**

Every location in the world has its own tourist potential, which is a collection of entities or qualities that may promote the development of that area. Sometimes this potential is difficult to locate and establish and whilst other parts of the region are frequently visited, other equally scenic regions are ignored. This could be due to marketing. The lack of suitable accommodation, being away from the main through routes, or simply not having suitable publicity material can all have an effect upon the perceived desirability of a location in the eyes of a potential tourist (Bański 2009).

The roots of rural tourism, the predecessor of the present agritourism, dates back to the 18th century in Poland, with its height of popularity during the communist era when city dwellers would arrange rural holidays known as "wczasy pod gruszą" (vacation under a pear tree) (Minrol 2013).

The tourist potential of Kraków is well known and it has developed into one of the most important historic and cultural centres in Europe, a status reflected the designation of



1978 of Wawel Castle, the Old Town, Kazimierz, and Stradom on the UNESCO World Heritage List and as being designated as a European Cultural capital in 2000 (Hughes et al. 2003; Hughes et al. 2002; Hughes et al. 2005). However, Kraków is situated at the confluence of several geographical regions and this diversity results in a natural and topographical variety, which potentially encourages visitors to explore the region of Małopolska. In this respect Kraków is quite unique, since apart from its geographical location (and possibly because of it) it is both an academic and tourism driven city, led by its rich cultural history (Gluszak and Marona 2011).

The tourist potential in Małopolska

Małopolska, or Lesser Poland, lies in southern Poland, the capital of which is Kraków. The greatest tourist potential of the region is its natural beauty in general and in its National Parks – the most famous of these being the Tatra National Park, which covers the full range of mountain vegetation and habitats of rare and endangered animals. UNESCO

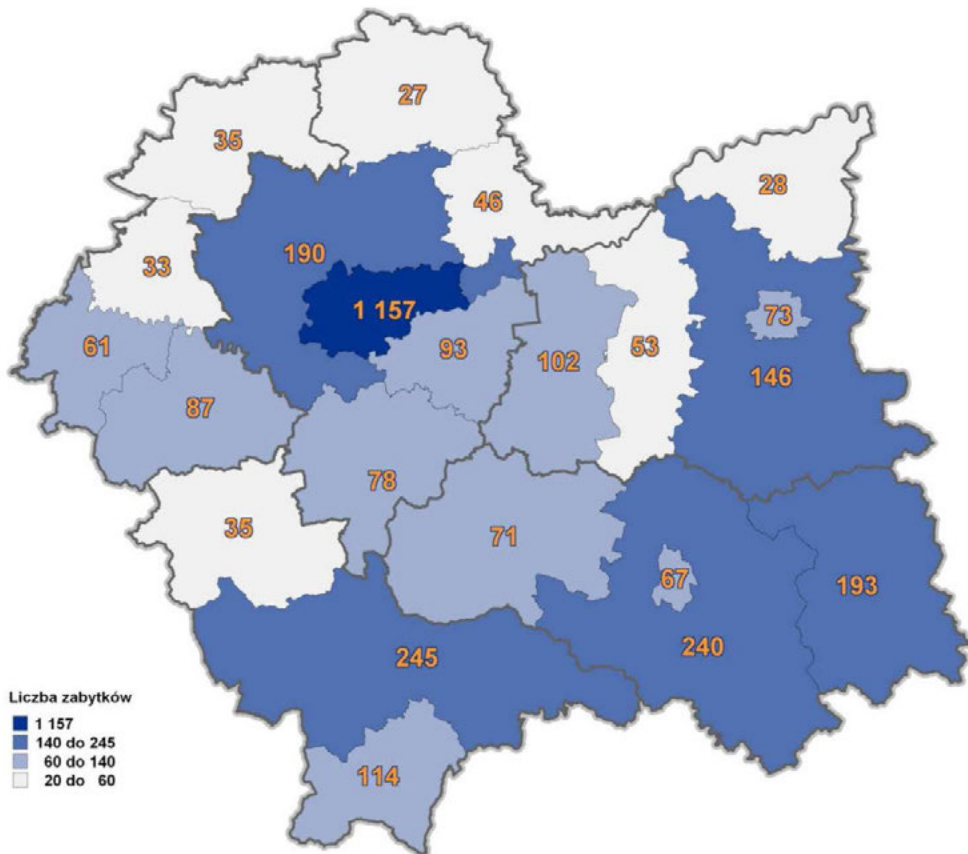


Figure 1: *Małopolska voivodeship – number of monuments by counties in 2010 (without archaeological sites)* (Source: Report on the state of the Małopolska spatial planning in 2010 [http://www.malopolskie.pl/Pliki/2013/Raport\\_2010.pdf](http://www.malopolskie.pl/Pliki/2013/Raport_2010.pdf))

designated this, together with the Babiogórski National Park as a Biosphere Reserve. In addition, the ancient monuments found throughout the region provide further examples of the tourist potential of Małopolska. According to the estimates provided by the Regional Office for the Protection of Monuments in Kraków, the Registry of Monuments in southern Poland in 2010 consisted of some 47,000 objects. The largest number of monuments is concentrated in the city of Kraków (Figure 1), whilst a large number of monuments are also located in the district of Kraków and the counties located to the south and east of the province.

#### 4. Tourist traffic in Małopolska

Whilst it is technically possible to measure the number of visitors to a city or region, it is often difficult to obtain precise numbers. This problem was experienced by the authors since whilst it is possible to obtain reliable numbers of tourists who visit the region, for example by coach, the tourist information is insufficiently robust to make comparisons over long periods of time due to rapidly changing social, economic, and political norms. This is not a problem confined to tourism but to statistical data concerning many other social and economic statistics. The article focuses on the four types of data. One of them is the number of arrivals to Kraków in the years 1991-2001, and the number of tourists and visitors to Kraków in the range of years from 2003 to 2012. A further dataset is the number of people arriving and departing from the airport in Balice in the years 1999-2012. The third dataset, concerns information relating to the number of beds in Kraków 1968-2012 as a means of assessing the changing “tourist capability” of the city. These three types of data in a detailed fashion show a developing tourist industry in the city, whilst the fourth dataset provides additional data concerning the percentage of tourists visiting places other than Kraków in southern Poland.

##### 4.1 The number of tourists and visitors in Kraków

Between 1991 and 2001 (Figure 2) the number of visitors to Kraków gradually increased due to the changing political situation. This figure is largely unrefined since it fails to differentiate between tourists and visitors. Nevertheless it provides a crude indication of the increase of numbers and, de facto, the increasing economic benefit accrued by the city from these visitors – both in terms of services provided directly through hotel accommodation and indirectly through services provided in restaurants, etc. Between 1991 and 2000 the arrivals increased to 2,550,000 but from 2001 there was a sharp decline in the number of visitors, This was no doubt due to a number of factors that were experienced both in Europe and on a global scale. Initially there was a slight global reduction in air travel during the early part of 2001. Followed by a significant decline in tourism following the terrorist attacks on 11th September 2001 Enders et al. 1992; Leidner 2007; Klein 2007 Thus, in 2001, the number of visits to Kraków shows a corresponding reduction.

Comparing the data from the year earlier, in 2001 the number of arrivals accounted for approximately three quarters of these arrivals. Unfortunately for 2002, there was no analy-

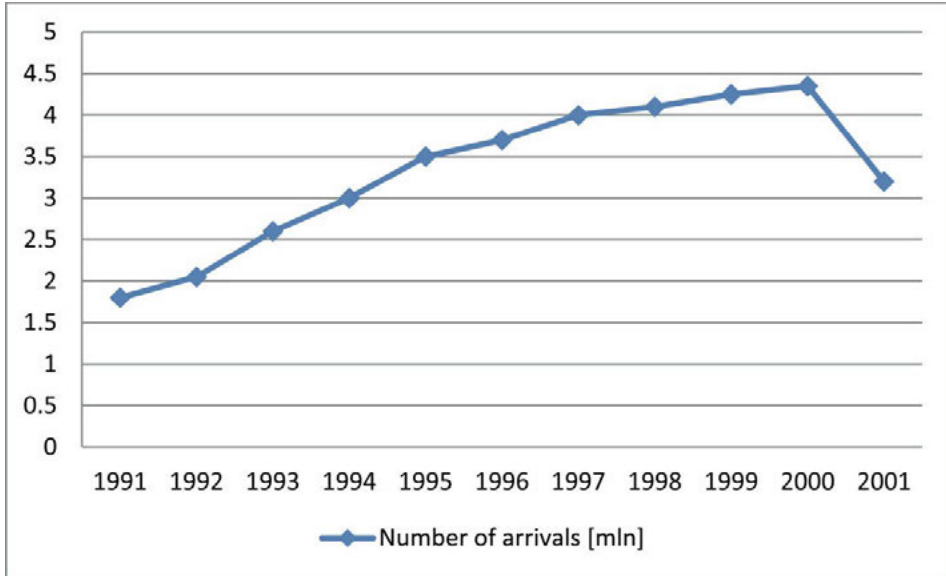


Figure 2: Kraków arrivals in 1991-2001 (Source: The City condition report for Kraków 2001)

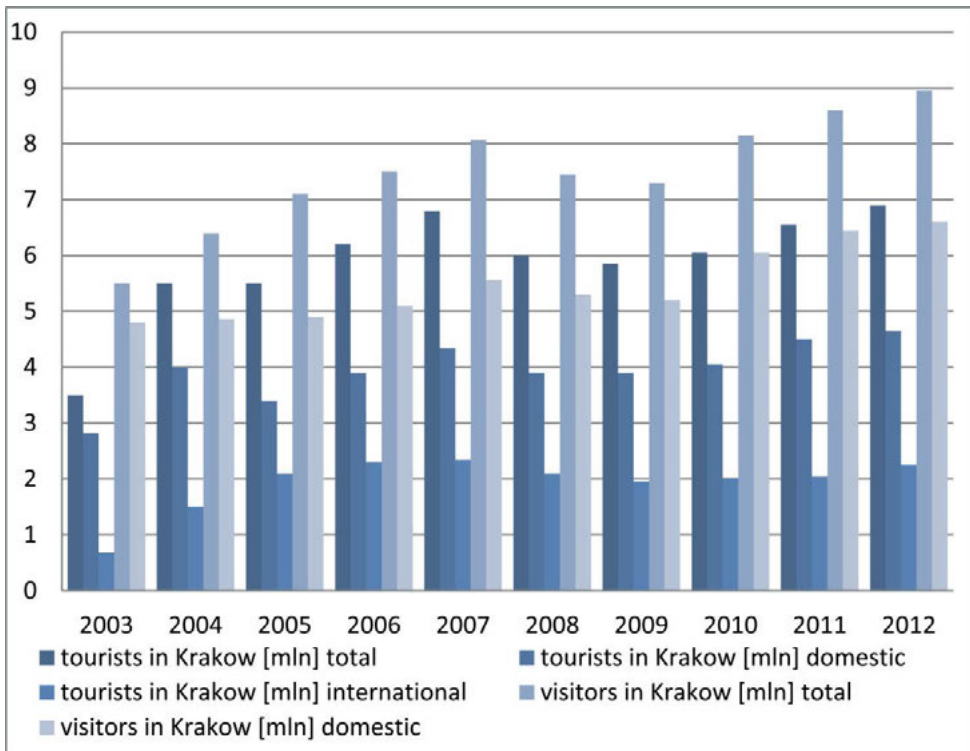


Figure 3: Tourists and visitors in Kraków for 2003-2012 (Source: [www.bip.krakow.pl](http://www.bip.krakow.pl) – The Condition of the City report)

sis of visits to Kraków. This decline in the number of tourist travelling to Kraków continued up to 2003 when the SARS outbreak, the Iraq crisis, and a persistently weak global economy, Since 2003, the number of tourists arriving in the city was divided into two categories: tourists and visitors (Figure 3). In addition to this number, it is known that many more people visit Kraków for the day, and since they need no accommodation are not included in the total. Nevertheless, they contribute towards the economic success of the city. Between 2003 and 2012 the number of tourists increased by 3,400,000 while the visitors by 3,450,000. In both cases, the figure is almost 1 million higher than for the similar period of 1991 to 2001. These figures indicate an excellent degree of reliance aided in no small part by the nature of the tourists arriving in Kraków and the multiplicity of ways in which they travelled. This number would be even higher because of the global economic crisis in 2008, which was followed by a rapid decline in visitors. It lasted well into the following year but by 2010 an increase in numbers was reported and this has continued. These figures are further refined to give an indication of domestic and international visitors – both of which show a steady increase.

#### 4.2 The number of passengers in Balice Kraków Airport

Another important set of data is the information on the number of passengers using the services at the International Airport of John Paul II Kraków – Balice. The airport is approximately 12 km to the west from Kraków.

Unfortunately, the data on this topic was only available since 1999. The Central Statistical Office (GUS) collected the first dataset up to 2002 with the differentiation between arrivals and departures (Figure 4). These figures show a gradual increase inline with the data provided in Figure 4. Arrivals during this period increased by 39 280 people, and departures by 45 962 with more people leaving from the airport than arriving! Since 2000 departures outnumber the arrival to Kraków, a factors that may be associated with more and more fashionable vacation abroad.

In addition to the data provided by GUS, the authorities at Balice Airport have provided its own research on the number of passengers (Figure 5) since 2000.

However, this data simply provides an indication of the absolute number of passengers using the airport, which increased between 2000 and 2012 by 2,921,743. Although Poland has been affected by the global economic downturn outbound tourism has continued to grow, the majority consisting of young, professional individuals with higher income and education, and generally from larger towns and cities (Dickinson et al. 2013). A high level of emigration has been important to aviation development across Poland with increased movements of Polish migrants (Hall et al. 2006), which has led to the number of increased visits home.

Whilst these numbers cannot be taken as an absolute measure of the increase in tourism in the region they are, nevertheless clear indicators of the increased number of visitors to the area – both the city of Kraków and the Małopolska. In order to obtain a clearer indication

of whether those travellers are actually providing an economic stimulus to the area, it is necessary to support these suppositions with additional data.

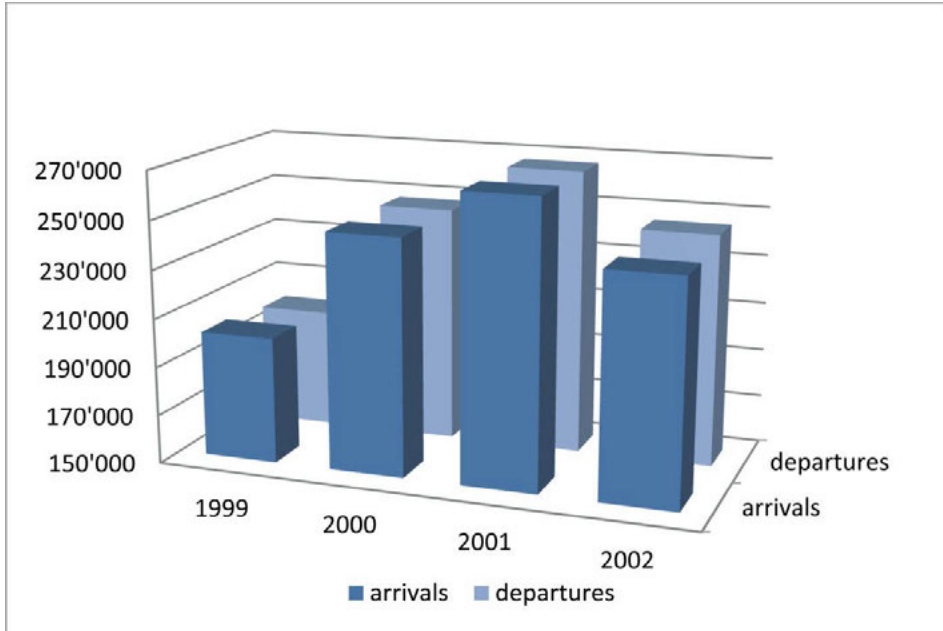


Figure 4: The number of passengers divided into arrivals and departures for 1999-2002 (Source: GUS)

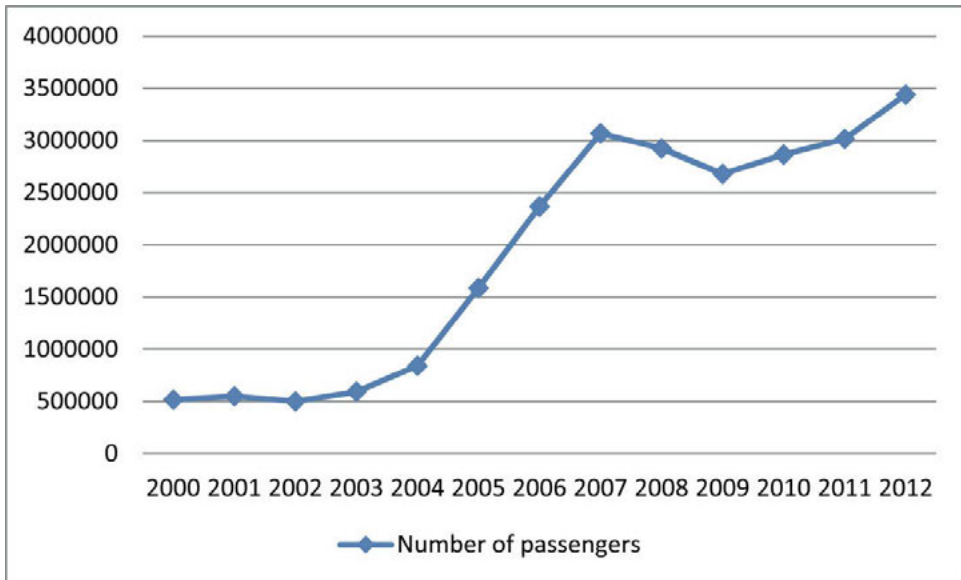


Figure 5: The total number of passengers in Balice Airport for 2000-2012 (Source: [www.krakowairport.pl](http://www.krakowairport.pl))

### 4.3 The accommodation in Kraków

Whilst the data above provides information about the increased number of visitors and tourists to the region, it is possible to verify this by cross-correlating that data with other data. In this case the chosen data is that of accommodation, an essential factor in the tourist industry. Between 1978 and 1979 there was a gradual increase in the number of beds available for tourists and visitors in Kraków. The majority of beds offered were in hotels, dormitories, and guest rooms in private houses. Between 1980 and 1981 there is no data, which is probably due to the imposition of martial law between 13th December 1981 and 22nd July 1983. From 1986 the number of beds fell, which could have been due to the reaction by potential visitors and tourists to the uncertainty of martial law. Over recent years, a new division of guest rooms appeared: private and public, the vast majority of these rooms being private. Between 1982 and 1984 the number is even higher than the number of places in hotels. From 1987, the total number of accommodation began to grow again, counteracting the decline in beds between 1978 and 1987. The situation concerning the availability of beds for tourists and visitors has continued to show a steady increase, which provides a close correlation to the numbers arriving in Kraków to provide a clearer picture of the growth and importance of tourism to the economy of the city and region.

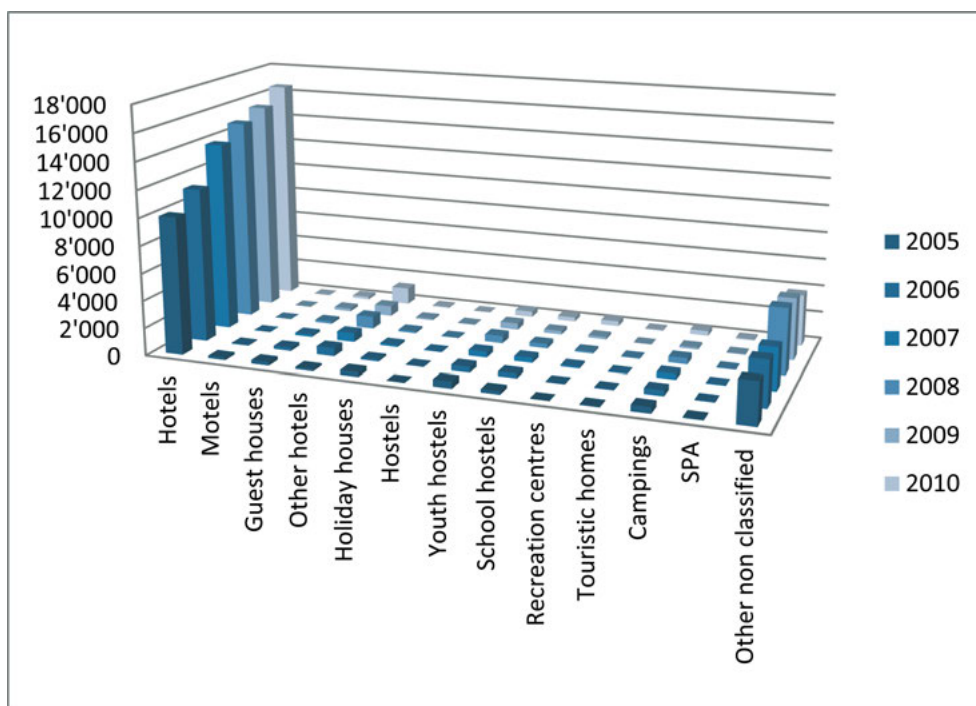


Figure 6: Accommodations by categories in Kraków for 2005 – 2010 (Source: [www.intur.com.pl: baza.htm](http://www.intur.com.pl/baza.htm) for 2005, 2006, 2007, 2008, 2009; GUS – no local data – statistical data for 2010)

From 2005 to 2010 there was a systematic increase in the number of beds in Kraków (Figure 6). During the period of the global economic crisis (2009-2010) there is only a slight increase in seats. During these 7 years, the number of beds increased by 11,720. This is the best period of the development of hotel accommodation in Kraków. Whilst it is difficult to make any direct inference from these figures, it is a distinct possibility that this was connected with Polish accession to the European Union in 2004. Leidner [2007] considers that intra European tourism increased during this period as the results of the enlargement of the EU, which would give some credibility to this supposition.

## 5. Places visited in Małopolska outside Kraków

The importance of tourism to the region is economic. Tourism creates large numbers of jobs and, in fact, throughout the region the number of people occupied in the hotel, restaurant, and catering sector continues to grow faster than the total work force. Even more importantly, this sector employs large numbers of young people [Leidner 2007].

Although the majority of tourists in the region come to see and experience the culture and history of Kraków, in order to extend the financial rewards of tourism across the wider region of Małopolska, tourists should be encouraged to move beyond the bounds of the city (Kurek & Pawlusiński 2009). The most popular of these attractions are the salt mines at Wieliczka, followed closely by the mountain resort of Zakopane. The reasons are relatively clear inasmuch as Wieliczka is relatively close to Kraków and can easily be visited whilst staying in the city, and Zakopane is a tourist centre in its own right. With the remaining attractions there needs to be a dedicated effort on the part of the region of Małopolska to “sell” the attractions of the region outside the immediate vicinity of Kraków in order to “keep” tourists in the region for longer than just a few days and to encourage a greater understanding of the aesthetic value of the landscape, which is a very specific form of the quality of the environment of the region (Górzela 2000). Perhaps one solution to this problem would be to develop a system of partnerships (working in co-operation with one another) essentially concentrating upon environmental projects, tourism promotion (tourist routes, information boards, materials and events) and cultural development (providing support to local musical events, traditional handicrafts, the creation of local museums, etc) (Furmankiewicz et al. 2010). This needs to be correlated with the availability of good hotel or farm accommodation. One alternative to this is to continue to provide accommodation in the recognised growth centres (Kraków and Zakopane) but this would only serve to polarise the financial gains from the tourist industry rather than to spread it more widely throughout the region. What is really required to address this imbalance is the provision of high quality (not necessarily luxury or expensive), small-scale accommodation centres that can co-operate and integrate very closely with the natural resources and amenities within the greater voivodeship of Małopolska (Turnock 2002).

While tourism development could be approached through accommodation in growth centres with services and attractions nearby to limit visitor pressure on the high moun-

tains, there is an alternative conception of small-scale operations closely integrated with natural resources (Turnock 2002).

## 6. Conclusion

The Małopolska *vivodeship* is essentially a rural landscape, which over the past two decades has changed at an increasing rate over the last two decades. It is important to think of the entire *vivodeship* rather than the city of Kraków, which is the acknowledged centre for tourism in the area. Both social and economic transformations, coupled to changing demographic profiles have had severe implications upon the region both in city and rural areas. The population of the rural areas is now more diverse than during the early 1990s and a combination of farming and tourism activities, together with newcomers engaged in urban or professional activities and of retirees, etc., has had significant influence upon both the character of the area and of the inward tourism that is largely of a weekend nature. Throughout Poland, tourism now plays an important role in developing the country's economy both in those urban areas that can offer historical, cultural or economic leisure pursuits and in rural areas, where the increase in weekend leisure time has permitted the new professional classes of Poland to seek access to the more scenic regions, particularly those within easy reach of Kraków. Statistical evidence points towards the success of Kraków in attracting tourists and visitors in increasing numbers, which have resulted in economic stability to the city and the region. However, one of the problems of this success is that Kraków is viewed by most tourists as a "city destination" and the "only" attraction in the region. What is needed is a greater level of exposure to the many attractions in Małopolska so that the entire region can enjoy the financial and economic benefits of Kraków without destroying their cultural and scenic qualities.

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# Urban Development Plans and Permits

Inefficiencies in the Swedish legal system

## Abstract

In the Swedish urban development system there seems to be a gap between the Planning and Building Act and the practice. The aim of the article is to empirically show how the Swedish planning process is conducted and to analyse whether the legislation can be better adapted to practice. It could be concluded from the study that the Detailed Plan (*detaljplan*) in Sweden is no longer a plan, but rather an early “permit decision” for a specific development project, which normally is initiated before plan preparation. In combination with “aesthetic design programs”, the Detailed Plan tend to be increasingly detailed and the building permit examination serves no real function for the exterior design of the buildings. The question is then whether two decisions are really needed: both a detailed plan and a building permit in cases where the decisions concern in principle the same thing. The proposal presented in the article is to use one “building decision” in order to both obtaining a more efficient process, and avoiding the friction that sometimes occurs in the coordination between the Detailed Plan and the building permit.

Key words: urban development; urban planning; detailed plan; building permit; Sweden

## 1. Introduction

Public regulations are a tool for providing prior approval to different types of land use (Ogus 1994), where urban development plans and permits aim to achieve a suitable land use and thereby correct “market failures”. Although planning and regulation follow the same general principles, the planning systems and regulations differ internationally. Some countries specify the issues that have to and may be regulated in a plan, while in others the legislation rather serves as guidance. The plans in some planning systems give a right to build in accordance with the plan, while in other systems they are more advisory in relation to the building permit procedure (Cullingworth and Nadin 2006). Usually, there is a requirement for a form of building permit. If the plans are legally binding for subsequent decisions, the criteria of the plan must be assessed regarding whether the proposal meets the requirements in order to approve a permit for it (Office of the Deputy Prime Minister 2006).

Planning and building legislation is often subjected to criticism – in Sweden and in other countries – especially in terms of process complexity and time consumption. Considering the amount of different opposing interests including developers, the public, the municipi-

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\* Royal Institute of Technology (KTH) / Division of Real Estate Planning and Land Law, Stockholm, Sweden.

pality, etc. and the many different needs of those actors that should be provided for, criticism of the system is only natural and perhaps inevitable. At the same time, there must be a realistic view of the possibilities of a formal legislation to solve different problems, as the following quote from Cullingworth and Nadin (2006 p. 80) about the United Kingdom (UK) can illustrate:

*“It is important to appreciate at the outset that the formal planning and permit system is one thing; the way matters work in practice may be very different”.*

Legislation thus has a limited steering capability. It can be exemplified by Swedish practical application of planning provisions in detailed plans and development agreements (Caesar and Lindgren 2009, Kalbro and Smith 2008, Kalbro, 2012). The provisions of the plans and the agreements are often outside the intentions of the legislation. Perhaps this is due to planning legislation tending to be too “theoretical and idealistic”, without taking into account the incentives of the different actors. Buitelaar et al. (2010 p. 928) claim this to be the case in the Netherlands:

*“We argue that changes in planning law are unsuccessful if they are not congruent with informal and formal institutions at the ‘street-level’ and if there is a lack of sufficient incentives to change the behaviour of local actors”.*

Obviously, such a gap between formal and informal systems is not good for several reasons. It creates both legal uncertainty and lack of predictability, at least for those who do not know the “rules of the game”. There are basically two ways of dealing with this gap, either by the creation of “carrots and/or sticks” to provide new incentives for the actors, or to adapt legislation to reality and the prevailing conditions. This article focuses, perhaps a little pessimistically, on the latter solution.

The aim of the article is to show how the Swedish planning process is conducted, in particular the content and use of Detailed Plans and building permits, to analyse whether the legislation can be better adapted to practice. The study is based on an examination of a number of Swedish Detailed Plans and aesthetic design programs, often connected to the plan, and the link between these documents (see Kalbro et al. 2012). These issues have not been studied during the last 15-20 years, i.e. the study can be considered as a pilot study.

The analysis from these studies has resulted in a discussion on a new system of planning and permits. We have asked ourselves whether two decisions in the form of a Detailed Plan and a building permit are really needed, or if a single “building decision” would be sufficient.

Although a number of plans has been analysed, the study is more qualitative than quantitative in its nature. It has focused on contents and trends rather than on statistics. The study has not included specific comparisons with other countries. However, such reference, e.g. to the British system, has been made in order to put the Swedish system into a wider context. Comparisons with other countries on the planning process can be found in previous studies (see references in e.g. Kalbro et al. 2012).

The article starts from a presentation of the planning regulation and implementation in Sweden and its development, followed by a description of the study of the level of detail in the plans and the problems related to that. Finally, a proposal for how the planning process could be improved is presented, based on the study of legislation and practice.

## 2. Urban development process in Sweden

The main actors in the implementation of property development projects in Sweden are the municipality and the developer. The municipality can be involved in four capacities: (1) as planning authority, (2) as provider of infrastructure, e.g. roads and water and sewage systems, (3) as land owner and (4) as owner of housing companies, which play an important role in the rental housing market. The developer in the capacity of property owner has the fundamental role of changing the land use of the property and erecting new buildings and facilities. The developer may be: a private individual who owns a plot on which to build a detached house for himself, a company erecting premises for its own use or property developers, e.g. construction or investment companies, erecting houses/apartments and commercial premises for sale or for letting.

There are four principal cases of project implementation which are based on ownership conditions and the role of the developer.

1. In the first case the land is owned by non-professional developers/property owners who do not play an active part in drawing up the detailed plan. This situation can be exemplified by development in existing built environments, e.g. renewal and infill development of older residential areas with several property owners, not professionally engaged in development and construction activities, building their own single-family dwellings. In this case planning work and the construction of streets, green spaces, water and sewerage mains etc. are solely carried out by the municipality. The property owner's responsibility is being confined to building activities on his own plot.
2. In this case a professional developer owns the land when planning starts. The municipality and the developer prepare the Detailed Plan in co-operation. Thus the developer becomes involved at an early stage of the development process. This is the case when developers are doing their own construction, e.g. construction companies, or when developers can engage consultants. In such cases a Land Development Agreement (*exploateringsavtal*) is drawn up, regulating the developer's financial contribution to municipal infrastructure (streets, water and sewage etc.) and land transfers in order to adapt the original property structure to the new plan.
3. In the third case the land is owned by the municipality and the municipality is the sole agent during the planning phase. The municipality appoints a developer through land allocation when the detailed plan is adopted or is in a late stage of the planning process. The closer conditions for implementing the Detailed Plan,

including the transfer of the municipal land to the developer, are confirmed in a development agreement.

4. In this case, finally, the land is owned by the municipality, which appoints a developer at an early stage of the process, a case which is more frequent than land allocation to developers in a late stage. After this the plan preparation is carried out in collaboration between the municipality and the developer. When the developer is appointed, a Land Allocation Agreement (*markanvisningsavtal*) is concluded.

In respect of the number of apartments constructed case 2 and 4 are dominating, i.e. normally the developer is involved in plan preparation. The studies presented in this article are therefore mainly based on these two cases.

### 3. Planning regulation in Sweden

The Planning and Building Act (PBL) contains goals and requirements to be considered in the design of land use and buildings.<sup>1</sup> It is also stated that there should always be a balance between public and private interests.<sup>2</sup>

The Act provides for two types of land use plans on the municipal level:

- The Comprehensive Plan (*översiktsplan*), which is mandatory and covers the entire municipality. The purpose is to specify the main features of land use and building development, including guidance for subsequent plans, permits and decisions.
- The Detailed Plan (*detaljplan*), which regulates land use and building development in a binding way, as well as property division, joint facilities, etc. In urban developments of any importance Detailed Plans are always drawn up.

Permits that may be granted under PBL are building permit (*bygglov*) and demolition permit (*rivningslov*). The Detailed Plan is legally binding regarding permit decisions.

A Detailed Plan, which consists of a map and planning provisions, must contain certain mandatory information.<sup>3</sup> An important feature of the plan is to define the three main categories of areas: public places, building sites and water areas. In addition, the plans must have a certain “minimum content”, i.e. land use (residential houses, industry, summer houses, transport facilities, etc.), permitted development rights and the primary location of service, parks and traffic. For residential areas, the plan should present single-family or apartment buildings, the maximum number of floors, and detached or semi-detached houses. For larger areas, the location of access roads, parking lots and larger common areas should be shown.<sup>4</sup>

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1 PBL, Chap. 2 and 8.

2 PBL, Chap. 2, Section 1.

3 PBL, Chap. 4, Section 5.

4 Proposition 1985/86:1, pp. 593-594.

In addition to this mandatory information it is also possible for the Detailed Plan to include a relatively extensive regulation of land use, scale, location, design and construction of buildings, implementation issues, etc.<sup>5</sup> However, there are important limitations to these rules. The plan may not, for example, be more detailed than is necessary having regard to the purpose of the plan.<sup>6</sup>

#### 4. Recent development of planning regulation in Sweden

The overall Swedish planning and permit system is basically unchanged since the Town Planning Act of 1931. Since then, although plans and permits have been given new names (and partly new content), the foundation of the system is still the same.

The system rests on the principle that a Detailed Plan is prepared prior to the development projects are known and initiated. The plan is meant to provide a framework and then detailed issues are handled at the building permit examination. However, today the initiation of major construction projects is normally made before the work with the Detailed Plans begins. This means that the detailed plan, having previously been a “plan” for future settlements in relatively large areas, has transformed into a first permit for a concrete project in a very limited area. This is then followed up with an additional permit in the form of a building permit.

If comparing the current situation with the Town Planning Act of 1931 two very important changes have thus been made; the plan covers smaller areas and the development initiation has “moved up” in the plan system. This can be illustrated with a comparison of a Town Plan from the late 1940s with around 40 blocks and a Detailed Plan from this century containing 40 terraced houses, see Figure 1.

Another change that has taken place, primarily during the last decade, is that many detailed plans are combined with so-called *aesthetic design programs* (Tornberg 2006). These programs are often complementary to the plan for regulating the design of the buildings, etc. There is no statutory regulation of the aesthetic design program, but it can be linked to a plan in several ways – in planning provisions, as a separate document as basis for building permit examination, or linked to a Development Agreement. Although the extent varies, such a program can be very detailed with pictures, illustrations and drawings that describe the design, colours, materials, etc. of buildings and facilities within the plan area.

To summarize: The detailed plans are increasingly aimed at implementing a certain project and the design is often already determined before the formal planning process begins.<sup>7</sup> In combination with aesthetic design programs the plans have become increasingly detailed.

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<sup>5</sup> PBL, Chap. 4, ss. 6-20.

<sup>6</sup> PBL, Chap. 4, s. 32.

<sup>7</sup> SOU 2013:34.



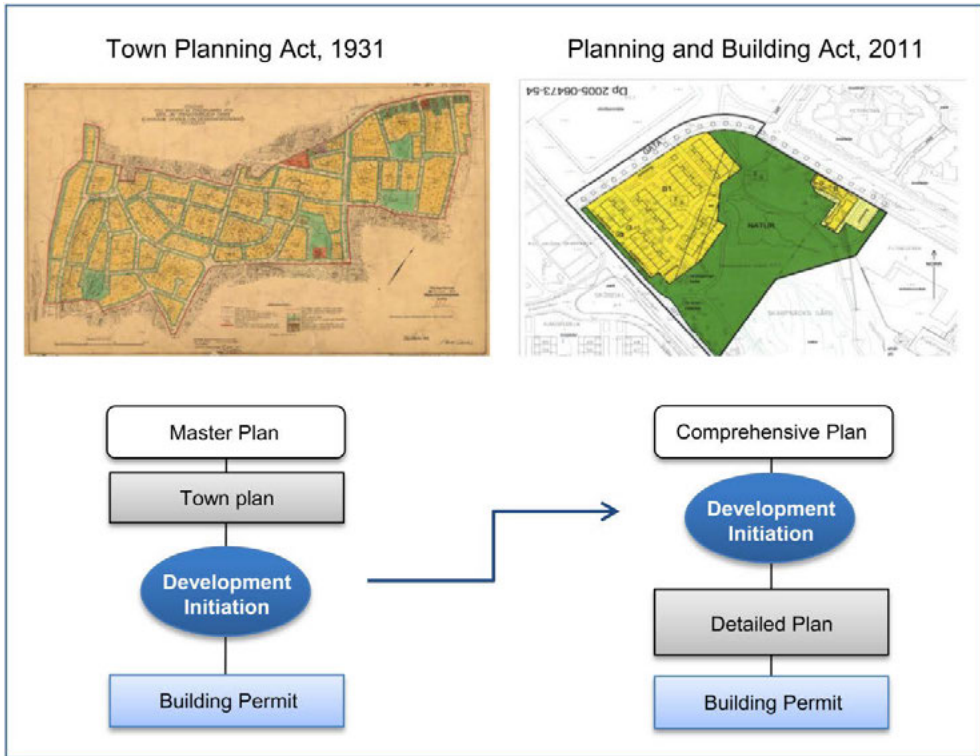


Figure 1: *Development initiation has moved upwards.*

## 5. Problems with a high degree of detail

To illustrate problems with a high level of detail in Detailed Plans some examples of practical and legal complications that may arise are provided below.

### Building location/size/design

There are structural reasons for not locking the building location, size and design too precisely. Not infrequently it is found that the ground conditions and construction techniques make it difficult, or unsuitable, to precisely stick to the plan. This is due to the fact that technical/physical conditions of the construction hardly can be fully understood until in the context of implementation. Also the market conditions can change rapidly and make other demands on the structural design. If the development project differs from the detailed development plan, basically three situations can arise.

1. The deviation is considered “small” and planning permission can be granted, provided that the neighbours may comment on the deviation.<sup>8</sup> This complicates the

<sup>8</sup> PBL, Chap. 9, Section 31 b.

processing of the building permit, since in urban environments neighbours under PBL may include a large number of property owners, residents and others.<sup>9</sup>

2. The deviation exceeds what can be considered “small”. In this case, the plan must be changed.
3. The third option is to “give up”, that is, the plan is followed and construction is made in a way that does not correspond to the wishes of neither the municipality nor the developer.

#### The use of buildings

Narrowly defined rules for the permitted use of buildings may cause problems in the building permit stage. A use that conflicts with the plan can sometimes be completely uncontroversial, where both neighbours and the Building Committee accept the new, unanticipated use. In this case, the PBL, as opposed to the rules regarding the building location, design and size, makes no room for deviations from the plan. The only remaining alternative is thus to change the plan.

#### Early lockups – in projects with long planning processes

The problem with detailed planning provisions will be especially pronounced if they in practice are locked in the initial phase of the planning process. Suppose that during the program stage (or even earlier when Planning Approval is requested) detailed descriptions of the buildings’ architectural design, distribution of apartment sizes, etc. will be produced. After a few years the same details are determined in binding planning provisions, which become final after an additional period of time. At that time the market demand and/or the perception of good architecture might have changed compared to what applied a few years before when the planning work started.

#### The link between Detailed Plans and aesthetic design programs

In the study of 36 detailed plans and their respective aesthetic design programs (Kalbro et al. 2012), there were direct links between the plan provisions and the program in 20 of the cases – with the consequence that the details of the aesthetic design programs will be legally binding.<sup>10</sup> In eleven of the twenty cases, however, the links were unclear, with the result that also the link from the building permit to the plan is unclear. It is then difficult for the officials deciding on building permit decisions to know what regulations they have to abide by.

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<sup>9</sup> PBL, Chap. 9, Section 25.

<sup>10</sup> In 16 of the cases, there was no formal link between the plan and the program. However, the developer still commits, through development agreements/land allocation agreements, to follow the program.

## 6. Do we need two permit decisions?

The basic concept of the Swedish Planning and Building Act, as in many other countries, is that decisions about the development will be made in two stages: first the Detailed Plan and then the building permit. This division into two decisions is logical when issues of different types are dealt with in the two decisions, i.e. suitability questions about land use are examined in the plan and the detailed building design is examined in the building permit, see Figure 2.

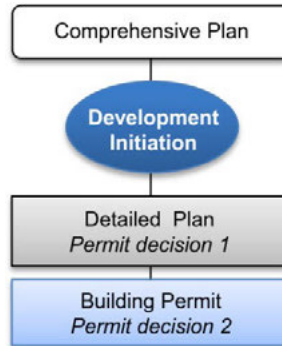


Figure 2: Two permit decisions in the planning process.

As indicated the aesthetic design programs can be very detailed and connected to the Detailed Plan in different ways. According to our studies, this connection can be more or less clear. If the program is connected to the planning provisions, it will be legally binding in building permit decisions. The program can show in detail what the buildings should look like, e.g. regarding façade colours and type of street lamps, with illustrative pictures and verbal descriptions. If the aesthetic design programs also should be considered, there are thus in fact three permit decisions involved in the planning process, see Figure 3.

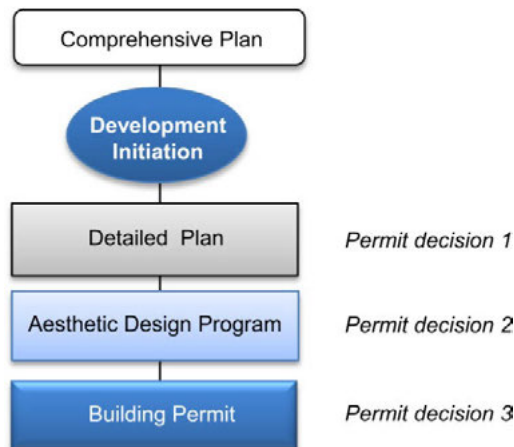


Figure 3: Three permit decisions in the planning process.

It should be noted that it is possible, according to the present legislation, to achieve the same result regardless of whether building regulation occurs in the Detailed Plan or in the building permit. PBL's requirements on development design etc. are the same with or without a Detailed Plan. However, at the same time the legal preparatory works emphasize the importance of the municipality in advance showing how the design requirements may be applied.<sup>11</sup> This statement, together with case law, have in practice led to that stricter/more detailed requirements often are deemed to require support in the Detailed Plan. To be on the safe side the requirements are therefore fixed in the plan, which can be done by the municipality without any major risk of developers appealing an "overly detailed plan" referring to that plan provisions are more detailed than "necessary".<sup>12</sup> The developers are normally very hesitant to delay their projects, and will thus accept the detailed planning provisions.

This may be one reason for that the level of detail in the plans has increased, prompting the following comment from a Government Inquiry:<sup>13</sup>

*"It should be possible for Detailed Plans to a greater extent be made more general. A plan should practically exhaustively address issues dealing with land and water use, and the extent of construction, i.e. the building rights, but also to regulate matters relating to structural design in case it is needed to clarify the nature and structure of the buildings".*

However, the present situation is different. As, mentioned, Detailed Plans of today, with attached aesthetic design programs, are often so detailed that the building permit examination would serve no real function for the exterior design of the buildings. One illustrative example of this, where the Detailed Plan in fact has become a project plan, is a plan for the construction of a student housing area in Stockholm. It contains an illustrative picture of what the building should look like and includes the following planning provisions (Stockholms stadsbyggnadskontor 2011):

- "The design of the building shall follow the quality and aesthetic design principles that are accounted for in the plan description on pages 8-11 under the heading quality and aesthetic design principles".
- "Joints between the containers shall be constructed with a smooth cover strip".
- "The corner facing the street should be shifted in accordance with diagram 1. All dwelling units shall have a gable façade consisting of glass making up at least 80% of the façade surface, in accordance with diagram 1".

The plan thus shows in detail what the building should look like. In cases like this, the question is whether two decisions are really needed: both a Detailed Plan and a building

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<sup>11</sup> Proposition 1985/86:1, p. 482; Proposition 1997/98:117, p. 23.

<sup>12</sup> See PBL, Chap.4. Sect. 32.

<sup>13</sup> The Planning and Building Committee, SOU 2005:77, p. 471.

permit. Would it not be sufficient to use one “building decision”, as shown in Figure 4? Through this an easier process would be obtained, and the friction that sometimes occurs in the coordination between the Detailed Plan and the building permit could be avoided. Moreover, it would only be possible to appeal one decision, instead of two.

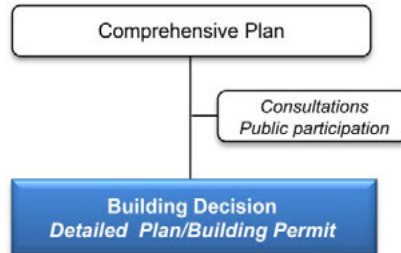


Figure 4: One permit decision in the planning process.

This concept was in fact introduced in the 1987 PBL, in that a Detailed Plan may provide that a building permit is not required if the building is constructed in accordance with the plan.<sup>14</sup> However, this building permit exemption cannot be applied if a building permit is needed for protecting neighbours’ interests or public interests, according to the legal preparatory works.<sup>15</sup> For urban development projects, a fusion of the decisions on the Detailed Plan and the building permit into a “building decision” would require legislative change.

Thus, it should be possible for the municipality to choose a less detailed plan with building permit, where the plan is more general and mainly deals with issues related to land use and the extent of development, or one single building decision, depending on the current situation, as shown below in Figure 5.

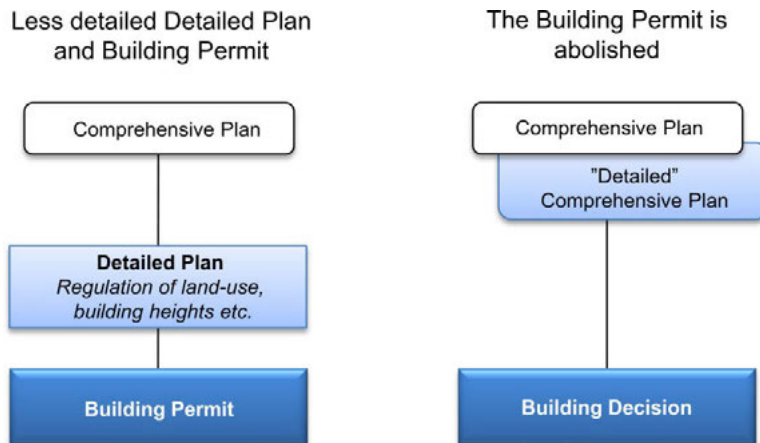


Figure 5: A less detailed plan with building permit or a single building decision.

<sup>14</sup> PBL, Chap. 9, Section 7.

<sup>15</sup> Proposition 1985/86:1, p. 261; Proposition 1993/94:178, pp. 56-59).

The basic model to be used would, in our opinion, be the planning and permit on the right side of Figure 5, where the municipal resources would be more focused on dealing with urban planning instead of regulating building design.<sup>16</sup> Among the advantages of the first procedure – with a less detailed plan – can be mentioned the flexibility and possibility to adapt to the actual project situation. If the developer must plan their projects more in detail early in the process in order to get the support of the municipality, it would entail uncertainty for the developer regarding the possibilities of fulfilling the details when it comes to construction. A more detailed, and legally binding plan, may prohibit desirable alterations of the project. Only one formal decision, instead of two, would require less handling time and would thus decrease the time from start to approved construction. It would also mean just one opportunity for appeal, which is another time-consuming part of the process.

On the other hand there are also advantages with a legally binding plan with a high degree of details, since it creates predictability. Especially in areas of high cultural values more detailed plan provisions may be required. Furthermore it will be easier for the building permit officials to decide on the basis of the plan. If they are to make these judgements on their own without planning guidance, the outcome may be more uncertain and unpredictable. Finally, for the public it could mean less influence if the Detailed Plans are less detailed, but our recent studies have shown that the public does not really seem that interested in aesthetic design of individual buildings. The main issue in public participation is rather if the development/construction should take place at all!

## 7. Conclusions

The starting point for this study was an observation that the planning and building legislation has not been following the developments in society. There seems to be a gap between law and practice, and our purpose of the study has been to analyse whether the legislation could be better adapted to how the planning process is conducted in practice.

It could be concluded that the Detailed Plan in Sweden is no longer a plan, but rather an early “permit decision” for a specific development project. The plans, in combination with the aesthetic design programs, tend to be increasingly detailed. The question then is if we should return to the basic idea of the Planning and Building Act that Detailed Plans should be made more general and mainly deal with issues related to land use and the extent of development.

Despite criticism from several quarters that the Detailed Plans have become too detailed, it seems that the development still is heading towards more plans with a higher degree of

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<sup>16</sup> The integration of plans and building permits might also be suitable for systems in other countries. For example, it has also been discussed and proposed as one of several possible solutions for the planning system in the UK, where the plan should contain detailed criteria for development with no requirement for a separate building permit (“planning permission”) if the use conforms to the plan (Office of the Deputy Prime Minister, 2006).

details. It is then relevant to investigate what or who is driving this trend; is it politicians, planning architects, consultants or neighbours, not fully having to take economic consequences of their actions. It might also be the developers themselves, who start from a too high level when marketing their projects to the municipality.

Given the development that has taken place, it can also be questioned whether the aesthetic design programs should have the status of formal planning provisions. Also, if details are settled early in the planning process, how will real public participation be possible? However, it can be noted that although public participation is an important factor in all planning, our proposal would not affect public participation to a relevant extent, and it has therefore not been specifically dealt with in the research project or in this article.

It can be concluded that it might seem superfluous to decide on both a Detailed Plan and a building permit in cases where the decisions concern in principle the same thing. Our proposal for increased opportunities to make a single "building decision" could contribute to decreasing the gap between law and practice.

Presently, the planning process in Sweden is a debated issue which is undergoing governmental inquiries. Our studies have been a contribution to these inquiries and the results have been used in a governmental report.<sup>17</sup> The Swedish Government Inquiry shares our opinion that the current process is not well suited for its purpose and proposes that if aesthetic design is regulated in the Detailed Plan, a subsequent building permit should not be necessary. This further shows the importance of the presented study.

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# Land Development Problems under Deregulation Policies: The Case of Turkey

## Abstract

The Turkish case manifests a multitude of impacts caused by deregulation policies on planning processes pertaining to urban land development.

Deregulation of planning procedures and the loosening of zoning controls have resulted in an uncontrolled urban growth both at regional and urban levels (i.e. urban sprawl, production of excessive amounts of planned lands etc.). This uncontrolled and generally local government-promoted and supported urban growth brings about irrational and unsustainable land use patterns. Turkish cities, particularly the larger cities thus suffer from excessive amounts of planned lands.

The new urban development framework is based on the narrow rationality of real estate markets. Thus there has been a shift from long-term, public interest-based frameworks and rationalities to short-term and private benefits; from social policy-oriented land development frameworks to profit-oriented land management options.

In this essay, the impacts of deregulation policies on the urban development planning processes and the resulting land development problems in Turkish case are discussed.

## 1. Introduction

There is always a conflict between relatively long-term and public centred planning and the short-term and market oriented planning perspective and intervention. In the Turkish case, given the increasing power of market forces 1980 onwards, planning institutions and practices have gradually become more market oriented with so-called flexible and short-term perspective (Keskinok 2007).

Our focus is on the impacts of deregulation policies on the relationship between the land development and management and urban policy and planning frameworks. Rather than accepting the land management as a departing point we emphasize the strategic role of land management in attaining certain urban policy and planning objectives. Our argument is that, under neo-liberal deregulation policies this critical relationship has radically changed.

Strategic role of land management in achieving urban policy and planning goals, towards production of use values, protection and conservation of natural resources, etc., cannot be ignored. Any isolation of land management from these policy and planning goals results in

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\* Middle East Technical University, Department of City and Regional Planning, Turkey.

a tendency to prioritize micro-economic efficiency and profitability, In other words, replacement of the aims with means results in restricted/narrow criteria of the market. Land management without proper urban policy and planning framework isolated from the very aims leads to the collaboration with narrow criteria of the market and thus with deregulation policies. Land management is a critical issue and a complementary field of urban policy and planning for the attainment of more appropriate urban policy and planning frameworks. The relationship of the field to these is a critical issue. And this contradicts with the aims and objectives defined in the sustainability point of view, that is, the accomplishment of sustainable land use objectives, land uses in terms of conservation of land resources and natural assets, emphasis on production of use values.

Under deregulation policies, in Turkish cities, massive movement of capital into real estate activity according to profitability criterion results in land development based on the assignment of excessive development rights to privatized state-owned real estate. Deregulation means the loosening of planning controls over land development. Thus, especially the larger Turkish cities suffer from the problems of excessive amounts of planned lands. There has been a shift from policy oriented development planning to management oriented land development. The latter is based on short-term and narrow rationalities of the market. Rapid, unprecedented and unforeseen urbanization and regional development dynamics based on agglomeration economies characterize urban development patterns in the country.

However, planning is a task towards not short term rationalities but towards long term rationalities in achieving social development objectives, rationalities for human societal development. By definition, such a framework of planning contradicts with the planning and land development strategies defined by deregulation policies. Here, we are criticizing land management approaches separating land management from the question of production of use values and departing from mere exchange values. Our focus is on the processes and mechanisms hindering the land use policies aiming at proper/correct sustainable land uses and the production of use values. Deregulation policies separate the necessary relationship between the production of use values and land development management.

Deregulation of planning procedures and the loosening of zoning controls resulted in a planning framework based on narrow rationality of real estate markets and thus uncontrolled urban growth both at regional and urban levels (i.e. urban sprawl, production of excessive amounts of planned land. Interestingly this growth has been supported by local government policies.

This uncontrolled and even local government-promoted and supported urban growth patterns result in irrational and unsustainable land use patterns in the case of larger Turkish cities. This framework is characterized by a shift from long-term, public interest-based frameworks and rationalities to short-term benefits, from social policy-oriented land development frameworks to profit-oriented land management options.

## 2. Deregulation, privatization policies and urban development

In the case of Turkey, the New Right's urban development model based on privatization of national economies, had remarkable impacts on cities and on the planning system in the country. Turkish privatization experience goes back to early 1980s, starting with the Austerity Measures of January 24th, 1980. The World Bank document entitled *Urban Sector Review for Turkey* (1983) contains such issues as market pricing of urban services, greater participation of private sector, reduction of subsidies, strict policies of cost-recovery, revision of physical standards, etc. Privatization Law passed in 1984 (Law no: 2983) defined income partnership shares and management right transfers.

World-Bank sponsored Urban Management Program launched in 1986, propositions of which were dictated not only on Turkey but on all so called "underdeveloped world" is worth mentioning. This program proposed reduction of public economic activity through the participation of the private sector in urban service delivery, the "cost-recovery" objective in public services, dismantling the state subsidies and social welfare functions of the state, privatization of the costs, *commercialization* of public service production, enhancing the "marketability of benefits" for underdeveloped countries. According to this strategic framework, for instance, rent control inhibits the labour mobility and in deregulated markets, housing costs decline, because regulatory frameworks limit exploiting the productive potential of households and firms in cities. For these, high "unaffordable" land use and building standards constrain local productivity and development. In the same year, Privatization Main Plan was prepared. Major objectives of the plan were the privatization of the Public Economic Enterprises (hereafter PEEs) and direct sales to foreigners.

From the urban planning point of view, for the neo-liberal strategies, *zoning* by limiting building density or the uses allowed in certain areas limits the effective supply of buildable land and public actions on land values and environmental resources constrain land development. Main focus of these strategies is efficient operation of land markets. Neo-liberal theses depart from the argument that the state owned lands put barriers to entry to land market. According to these the absence of local controls over the use of land, will let the market operate to allocate land to users on the basis of price. Here, it is asserted that those who pay the highest price for a site will occupy it; the competition among land users for sites determines the pattern of land-use activities in an urban area. In the built-up areas, competition in urban land markets often causes land patterns to shift from one use to another, if a particular activity is expanding and needs more space, land already in another use may be converted to the new activity, as long as there is no restriction on such conversion, and land uses in urban areas can flexibly respond to shifting demands. Thus according to this strategic framework, market supportive role of planning should be enhanced and speed of the decision making in plan preparation should be increased, development controls in terms of zoning should be abandoned.

The first privatization practices in Turkey started with the privatization of public services. These had indirect effects on urban planning framework. Privatization policies together

with deregulation policies in the 1980s concentrated on the i) loosening of state control on the provision of urban services, ii) attainment of the cost recovery objective in the provision of public services, iii) de-concentration and decentralization of planning powers.

Behind these strategies, there is the very ideological claim that nation-state's regulations of all kind hinder economic development. That is why deregulation policies have been launched in conjunction with privatization policies. For instance, in case of Turkey, Development Law was amended in 1985. The new law transferred the powers in approval of city plans to municipalities. In this period, successive legal arrangements easing local authorities' entry into contracts with private companies, even their entry to foreign markets were made. Privatization Law passed in 1994 (Law No: 4046) is the most comprehensive legal framework as regards privatization. This law broadened the content of privatization activities of the state. According to the Law, Privatization Administration (hereafter PA) was established. This organ is responsible from the preparation of development plans and real estate appraisal studies for the public lands, (i.e. State private property) and the lands owned by the PEEs that are taken into privatization portfolio. Privatization High Council as the final decision making organ for privatization, approves the development plans prepared for the lands to be privatized.

In 1999 Article 47 of 1982 Constitution was amended and the concept of privatization was added under a subtitle: "Nationalization and Privatization". All these and the Local Government Reform in the 2000s can be taken as the milestones in the overall deregulation program. Municipalities would be strengthened in managerial aspects to "recover the costs" in public service provision. It was clearly evident that recovered costs would provide a base for the commercialization and marketability of the urban services.

In the 1990s, privatization policies went further beyond the public service provision and focused on the privatization of the state enterprises (especially located in the cities) which were initially established in the Etatist Period of 1930s, according to the Five Year Industrial Plans.

Privatization policies in this period, according to IMF and World Bank directives, focused on the dissolution of the system of state enterprises. At first, the state enterprises working together in a functional relationship within a system of enterprises were separated from each other and transformed to mere managerial units. Starting with the mid 1990s the lands owned by the state enterprises and other State owned lands have been the major focus of the private capital seeking for urban rents rather than investment in productive sector and the governments trying to overcome the problems of budget deficits.

Thus, Privatization Law passed in 1994 was the major step in privatization of the state enterprises and state owned lands. The Law while transferring the planning powers for privatized lands to PA, had impacts challenging the content and the nature of planning processes. Although planning powers of PA in certain cases resulted in conflicts between the administration and the municipalities, municipalities in general welcome these investments that are generally in the production of built environment, more specifically the big

shopping malls. Although there are certain clauses of Privatization Law, concerning the continuation of the production function in privatized state enterprises, these enterprises were de-industrialized rapidly, because of the short-term profit opportunities of these lands. Interestingly, such functional changes have been justified via even with the basic notions of urban planning and environmental concerns. Re-zoning is justified by emphasizing environmental impacts of industrial estates. It is not surprising that in a fluctuating economy, speculative tendencies toward extracting urban rents are still stronger. And these speculative tendencies lead to rapid withdrawal of the private capital from productive sectors. The well-known examples of these are the rapidly emerging shopping malls.

In addition to uninterrupted privatization of the public economic enterprises (hereafter PEEs), starting by the 2000s, legal arrangements concerning the real estate sales to the foreigners and economic and political capitulations and concessions for foreign partners were made. Privatization policies started with the privatization of public services provision (i.e. privatization of already socialized consumption) in the mid 1980s and extended to privatization of PEEs in the 1990s.

### 3. Market-led planning framework

According to the Turkish Constitution, private property shall be restricted in the name of public interest. Thus, the privatization policies and the legal arrangements have changed the logic of the relationship of public and private domains. That is, a shift from the restriction of private property in the name of public interest to the privatization of the public assets. Therefore, this challenges the legitimate basis for expropriations in urban planning practices.

In contrast to strict zoning regulations of the nation-state, new planning system has been adapted to the market rationalities – especially that of international markets – such as decentralization of the planning functions, minimum regulations, sale of publicly owned lands, especially that of PEEs.

Planning in a restricted sense – restricted within the narrow criteria of the market – is directed towards the creation and extraction and appropriation of urban rents. In Turkish case, major means in the change from plan-led to market-led system has been the privatization of PEEs. After several successive privatization practices in the 2000s we find more market supportive planning system in Turkey. Narrow criteria of the market, rather than the production function, focusing on land development, challenged the content of the planning framework. Rather than focusing on the production of use values, the planning problematic becomes more exchange value oriented. In contrast to the rationale of the privatization policies in the mid 1980s, the result has been the reverse. The more capital has shifted to unproductive real estate activity rather than productive sectors, for short term profits. However, the privatization policies seem to be successful in extending the market criteria into all domains of social life. In urban planning framework we find more and more flexible zoning rules at urban and regional scale, loosening the rules on environmental protection, etc. *Flexibility* in land uses – as the major notion of *no-zoning* and

*deregulation* perspectives – while providing more opportunities for speculative purposes, leads to ambiguity in the creation of common public spaces and in the production of overall spatial and social context of a given city. Moreover, social side of planning and even the design problematic are ignored. All these are seen as retarding factors in development of privatized lands and their quickest transfer to private parties. Planning practices at this stage merely focuses on defining development rights, that is, building ratios that maximize urban rents and thus revenues from sales. However, these *ad hoc* and *partial* planning practices lead to the standardization of urban spaces without the creation of certain commonality or spatial and social contexts. This results in a *patchwork style of planning*.

An *ad hoc* institution responsible from privatization activities and sale of state property, the PA becomes the major planning authority above all technically competent and specialized public organs. According to legally defined aims, PA seeks for the more profitable uses to increase revenues. This institutional setting and restricted objectives of the PA determine and reveal the new role of the state in distribution of the urban rents.

#### 4. Deregulation policies, regional disparities and unsustainable urban land development

These new strategies lead to two fallacies, that is, *design without planning* on the one hand and the planning without *design* on the other. Here, while the first refers to the conception of design that is not creating social and spatial contexts and urban spines and the channels of integration, the other refers to a process in which over-quantifications depict the framework of planning. The quality of space and the environment is ignored. Even, the rationalization problem of how new development on these privatized lands will be integrated with the surrounding urban pattern is never considered. No assessment and social impact analysis on the possible effects of new developments are made. In contrast to strategies of deregulation at macro level, assignment of excessive development rights on the lands that are already privatized means, in fact, the over-zoning of densities in a particular area. In certain cases *ex post facto* determination of development rights and land uses result in the transfer of excessive urban rents to entrepreneurs.

Starting with the 1990s, Turkey's third wave capitalist integration process – namely the globalization process – should be evaluated in terms of its impact on massive migration towards the larger cities and on increasing regional economic and social disparities. Privatization policies launched in this period hindered the redistributive regional development policies. In this respect, negative impacts of the state-owned factory closures in the undeveloped regions cannot be ignored. All these deepened the poverty problem in the rural areas. The relation between increasing social polarization and urban poverty is well known and not peculiar to Turkey. The privatization of public economic enterprises and state properties and public services, and the redefinition of the content of public service and public benefit according to the marketability and profitability criteria, thwarted and challenged the content and the institutional structure of planning. The privatization of state enterprises and factories, in favor of their lands and built-up area, increasing the move-

ment of capital into real estate sector/secondary circuit activity, resulted in the deindustrialization of the cities on the one hand and, on the other, provided a suitable ground for the adoption of planning approaches oriented towards short-term rationalities and private interests. Moreover, the productive capital was drawn into unproductive real estate activity for speculative purposes. Boom in property investment tend to accelerate the development of large-scale commercial projects (Taşan-Kök 2004). Thus the privatization of state economic enterprises was the major step in transition from plan-led to project-led development. Following the fierce and intensive privatization policies, there came the period of Local Government Reform in the mid-2000s. This reform meant the abolishment of public resource allocation policies at the central government level. Localities and regions have now become extremely open to capital movements through the global markets.

Thanks to deregulation policies, and despite all disaster risks, agglomeration tendencies in the İstanbul metropolitan area, accelerate. Between 1980 and 2007, while annual rate of population increase in urban Turkey is 1.7 percent, for İstanbul the figure is around 3.6 percent. As for the lowest value, the Black Sea Region displayed -0.4 percent. The rate of annual migration to İstanbul and Western Marmara Region between 1995 and 2007, reached 10.2 percent and 10.6 percent respectively. Between 1980 and 2000, while the rate of employment in Turkey was annually 2.1 percent, in İstanbul it amounted to 6.3 percent. This rate, however, in the Eastern Black Sea Region was 0.1 percent. The data show the agglomeration tendencies around İstanbul as a city-region, covering the entire provincial area and having the highest urban-rural population ratio (Keskinok 2009). While the country's largest city benefits from the capital concentration and the agglomeration economies, the other cities suffer from lack of capital accumulation and limited growth. These cities experience a different pattern of urbanization than almost a *primate city*: İstanbul.

Regionally unregulated concentration of capital and accelerated agglomeration in metropolitan İstanbul further stimulates the land-speculative activities. De-industrialization of the city and the tendency of foreign capital to invest in non-manufacturing areas (Tokatlı and Erkip 1998), together with the decentralization of planning powers after 1985, triggered the boom in the amount of planned lands. Municipalities equipped with planning powers within the metropolitan region (i.e. the so-called "city-region") rushed to exploit the benefits and opportunities of metropolitan growth (Keskinok 2009). According to data given by the Metropolitan Planlama Dairesi [Metropolitan Planning Office] (2006), in the İstanbul metropolitan area, the amount of planned lands by municipalities is above the estimated need of the city which calculated on the basis of the projected population of the city in the year of 2023. While the estimated population is around 21 million, already planned lands are calculated to house a population around 30 million. It seems that the only way to revitalize the dead capital is to promote a massive flow of population to the region. However, it is worth mentioning that in the light of conservation priorities (i.e. water basins, forests, etc.) and disaster risks, the Metropolitan Planning Office calculates the carrying capacity of the city to be around 16-17 million (Metropolitan Planlama



Dairesi 2006). In short, the planning necessities clearly contradict the agglomeration processes.

## 5. Final words: what happened to urban planning?

Under the deregulation policies, urban planning framework can be summarized with *ex post facto planning*, *ad hoc partial planning* and *flexibility* in terms of zoning.

*Ex post facto planning* of the state-owned lands after privatization are directly determined by the very demands of the new owners of the lands. Thus, the new planning framework is based upon the land speculative activity versus production. After the privatization of state-owned factories and their lands, *ad hoc partial plans* are prepared by the investors and approved by the municipalities. Here development means non-industrial development. As a usual practice, conversion of the factory areas to commercial uses reveals the new trend in urban development: consumption versus production.

*Ex post facto planning* after privatization contradicts with public benefit point of view in two senses: in terms of *i*) possible impacts of the new development on the already planned distribution of urban densities and on the formation of urban centres and sub-centres, *ii*) private appropriation of value increases by new concessive development rights rather than channelizing value increases to public benefit. This type of planning contributes to the creation of gated community spaces. However, the patchwork of these isolated entities never contributes to urbanity. And this eclectic formation of urban fabric/pattern comes from both *ex post facto* and *ad hoc partial* planning strategies based on loosening of central control in production of urban space.

Deregulation strategies well corresponds with the idea of *flexibility* in planning, that is, *no-zoning*. This creates uncertainty and vagueness in terms of development and conservation.

The potential for conflict between relatively long-term and public centred planning and the short-term and market oriented planning perspective and intervention is almost inevitable especially when attempting to integrate rural development and urban planning. In the case of Turkey, the increasing power of market forces have led to a more market orientated approach both in terms of planning institutions and practices, that have led to flexible and short-term perspectives.

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# “Urban land grabbing”

On the debate surrounding the realignment of Berlin’s land policy

## 1. Introduction

Berlin represents far more than (just) an economic good, hip locations such as Friedrichshain-Kreuzberg, Prenzlauer Berg or Berlin-Mitte or a commodity being sold to the highest bidder. In Mitte district, the shopping tourists spend their money, and the art-, music- and fashion-oriented hipster community meets in a melting pot. (Hipster) Proprietors seek to maximize the ground rent as an elite capture, leading to the phenomenon of “grabbing” public land values and gentrification instead of a far-sighted rent-freezing participatory urban growth (Greif et al. 2010; Smith 1979). The higher the ground rent, the higher the market value and thus the public value of plots in Berlin. Germany’s capital, however, is anything else than land-scarce. As a capital good, land is more than ever a commodity, a fetish as it were. But who owns the State of Berlin? Public assets could cover multiple rights to the same parcel of land held by different entities such as the property fund [Liegenschaftsfonds], the sanitation department, the port administration, the Berlin Real Estate Management or the Federal Institute for Real Estate, to name just a few.

These influential land-related actors and administrations are often ill-coordinated and do not necessarily accept or support the realignment of Berlin’s land policy. Responsibilities for handling public assets are often spread and distributed widely among public ministries and private agents. Which stakeholders and political debates will play the central role in a potential realignment of land policy? Why is it that a community-based land policy has not yet substantially succeeded? The tracks towards the land market in Berlin seem to be much more monopolized in recent years. Rights, restrictions and responsibilities in Berlin are not necessarily expressed through a socially constructed system of land tenure.

## 2. Berlin is still poor but no longer that sexy

Recall governing mayor Klaus Wowereit’s famous quote, “*Berlin is poor but sexy*” (2004). Today, with a public indebtedness of approximately EUR 63 billion, the city of Berlin is gradually being sold off. The criteria of a social city are continuously changing. Property matters. Market values for land parcels have quadrupled in recent two years mostly in prime areas where prices for condominiums have actually reached EUR 6,900/m<sup>2</sup> in 2013. Land located in excellent locations was worth up to EUR 1,000/m<sup>2</sup> in the western parts of Berlin (east: EUR 300/m<sup>2</sup>). Hence, does the “Social Question” in Berlin need to be rephrased? Who owns the urban return? Local initiatives and movements try to intervene in fundamentally market-driven processes, criticizing the acceptance of public tender trig-

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\* Faculty of Architecture, Civil Engineering and Geomatics, University of Applied Sciences Frankfurt/Main.

gered by the rent-gap which is expected by Berlin's property fund. Leasing of public land via hereditary building rights rather than selling it could be justified particularly for prime locations such as vacant or underused parcels at Spree waterfront, Alexanderplatz or Berlin-Mitte.



*Fig. 1 and 2: Contested waterfront spaces. Activists opposing the ambitious, high gloss “Mediaspree”-project which is to be completed at prime Spree sites (Photos: Fabian Thiel).*

At the Spree area, particularly in Friedrichshain-Kreuzberg district, the sanitation department and the port administration are important decision-makers owning a considerable amount of used and unused sites. But these actors cannot assume any legally-binding land use planning tasks of the Senate or the districts. What will happen to these public parcels in the future? The accumulation of human capital and measures to strengthen the attractiveness of Berlin for entrepreneurs led to projects such as “Mediaspree”. The Mediaspree case-study is an instructive example of land in a prime inner-city location at the waterfront (see figures 1 and 2). Those lands have a wide variety of competitors and diverging landowners. The latter each pursue their own objectives for returns, yields and the highest and best use of their estates. Originally, population figures were expected to dwindle until 2015 as far as 3.1 million inhabitants – as if the correlation of demand to population figure (with a simultaneous increase in the number of households) could make it possible to predict the exact development of the total population, including migration into EU member states. Forecasts of this nature cannot be reliable.

In order to develop the space in the Mediaspree-Areal, the entire area represents a perfect example of how the real estate sector puts all its trust in what it believes to be (regional) growth clusters for information and entertainment industry companies. It loses sight of the availability of space and the often diverse ownership structures of those parcels. Benjamin Davy asserts that everybody would be taken aback if the German federal government would offer the total city of Berlin to the highest bidder (Davy 2012: 116). Hence, it is imperative that Berlin must not be sold out. Public property must be maintained to guarantee the future public services for the inhabitants. Participatory planning mechanisms,

open-source urbanism and transparent decisions on who should own the public assets as common goods and non-discriminatory bidding procedures will define the basis for diversity, urbanity and utilitarian land policy. The calls for the realignment of Berlin’s real estate and property policy as an integral part of public policy grow loud(er). In November 2013 several legislative changes regarding the management of public parcels came into effect. The exchange value of Berlin’s land resources mostly dominates, especially those within the politically and financially weak districts. While it may surely be a slight exaggeration to speak of “land grabbing” tendencies in Berlin, this does give a very accurate picture of what is happening there. Looking at the booming districts in scrutiny, the exchange value of land parcels is in the focus. However, the social return on land use in Berlin is suffering. Financial planning versus urban development: The goal that gets priority is budgetary consolidation instead of a far-sighted participatory land policy.

“*Metropole Berlin: Mehr als Markt!*” (The metropolis of Berlin: More than a market!) is the title of a publication by Berlin’s Senate Department for Urban Development and the Environment (1991). After studying these statements, you have to pinch yourself to make sure it’s for real. The publication called for a far-sighted and active land reserve policy (!), among other things to mobilise the land value increases better for the common good. More than 20 years later, Berlin’s Senate Department for Finance (SenFin) is acting as if there were no tomorrow and no needs for the community at a later stage. The merciless diagnosis given by Beckmann et al. at the Stadtforum Berlin – a conference that meets at irregular intervals to discuss the urban development – in their 2009 cautionary work entitled “Alles muss raus” (“Everything must go”) was that the “choice cuts” had more or less already been sold. SenFin plans to set up a portfolio committee which in future is to extend to streets and green areas in addition to land. Screening is set to take place every five years by this committee to determine to what extent real estate is needed by the district. In future the districts will have to justify their space requirements. The measurement factor “space efficiency” is to serve to calculate an appropriate ratio of needs to utilisation, for example in order to decide in the case of a school building whether it should continue to operate or whether it should be reused for another purpose or converted.

The Senate Department for Urban Development and the Environment (SenStadt) has also discovered the problem of land policy. While more recent publications from the authority no longer contain any statements on land policy, it is telling that the focus should now be on overall urban development rather than on fiscal development. In the opinion of SenStadt, budgetary consolidation cannot be the aim of land policy. However, why is it that a community-based land policy has not succeeded? What is the debate about ownership policy taking place at all? Why now? These are the cardinal questions:

- Looking at the territory of Berlin: Who owns the State of Berlin? Which sites of Berlin are owned by the Federal Government? Who owns the State’s public companies? What will happen to the two airports, Tegel (state of operating) and Tempelhof (state of re-use)?
- What would be the best way to determine the market value of public real estate?

- How does a transparent land policy with dialogue-based tender procedures work, if possible as a freely accessible online portal; models: “Freespace Berlin” or “Open Berlin” with public access to relevant geo data?
- What significance will building cooperatives, construction projects by owner-occupiers or housing associations have?
- How can provision be made for the future if in a few years the spaces and plots that the public sector would need for community purposes have already been sold (out)?

Interim conclusion: Budgetary policy has won complete dominance over land policy in Berlin. Land policy, however, is no banality. This is evident from the fact that the Finance Senator has decision-making authorities for all matters relating to land policy and thus in a key area of urban development policy.

### 3. A difficult birth: Berlin and the moratorium on the sale of public land

In 2010 Berlin’s House of Representatives and later the Senate led by social democrats and conservatives decided to revise the policy regarding the sale of land. But so far, the hope that transparent land policies would become a sub-topic of Berlin’s urban development has proved delusory. It was and still is a difficult birth. This could be due not least to the large number of players on Berlin’s land market. In July 2011 the Initiative Rethink the City [Initiative Stadt Neudenken] was formed and called for a moratorium on the sale of public properties in addition to a consistent realignment of Berlin’s land policy. The initiators argued that land policy cannot have budgetary consolidation as the sole objective on its agenda. According to the view of the Initiative Rethink the City and even the public land funds, topics currently at stake in Berlin are allocation, public property, valuation, an inventory management of assets and participative planning.

In May 2012 Berlin’s Finance Senator Ulrich Nußbaum presented a strategy paper for a “transparent real estate policy” (Senate Department of Finance 2012). According to the document which unveils a policy stance, Berlin’s property fund was allocated the primary task of budgetary consolidation by means of portfolio sales. Other important points contained in the Senator’s strategy were as follows: (1) Introduction of a potential value method as part of real estate valuation; (2) Budgetary consolidation as the primary, however less exclusively task of the property fund; (3) An unrestricted bidding procedure for the highest offer based on credit standing according to the development concept to remain the normal procedure for awarding land, accelerating the surge of use and exchange values for land as a tradable commodity; (4) “Carefully considered” number of direct awards: i.e. concept procedures and direct allocation for residential, commercial and cultural purposes in favor of co-operatives and private building groups that set aside unrestricted highest bid proceedings, to expressly remain the exception according to Section 63 (4) Sentence 2 of Berlin’s State Budget Ordinance [Landeshaushaltsordnung]. At the moment – December

2013 – the results from the reorganization progress are meager due to the difficult and cumbersome clustering of public properties and utilities.

#### 4. Berlin’s neighborhoods in transition by value-enhancing: city and money

Anyone who first came to Berlin twenty years ago and sees it again today will scarcely recognize a lot of it. The city has changed tremendously. Following the standard, romantic narrative, in the 1990s the value of the initially generously dimensioned free spaces was realized by the club/techno/hipster scene, all types of projects, the creative industries (see figure 3), from imaginative and alternative café and pub owners to courageous and innovative small business entrepreneurs. All of those stakeholders invested time, energy, ideas, dedication and money. They founded Berlin’s reputation as a young, creative and innovative metropolis. Most of those interim users have now had to vacate the places and squares that they worked hard to improve, whether Potsdamer Platz, Palace of the Republic, Berlin City Palace, Tacheles, Mediaspree or Prinzessinnengärten presenting their “nomadic green”-concept at Moritzplatz.

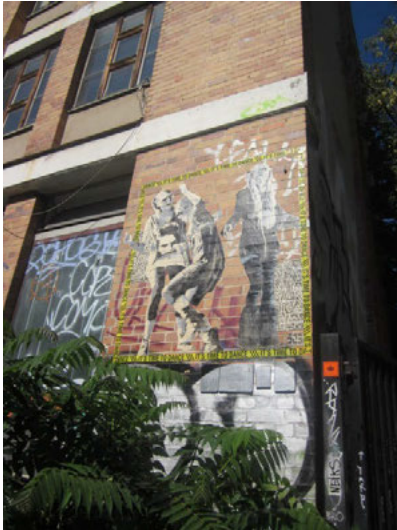


Figure 3: “It’s time to dance” – appropriation of private walls in Friedrichshain-Kreuzberg district (Photo: Fabian Thiel).

The Senate Department for Urban Development and Environment has also discovered the overwhelming – and notoriously underestimated – importance of land policy as public policy (essential requirements delivers Larsson 2010). While more recent publications from the authority no longer contain any statements on land policy, it is telling that the focus should now be on overall urban development rather than on fiscal development. Budgetary consolidation can never be the sole aim of a long-term public property policy in Berlin.

The criteria of social diversity on the one hand and awarding to the highest bidder via auction on the other do not need to be mutually exclusive. A carefully considered award-



ing of land that is not necessary for operations by the property fund should in future include a concept tender in addition to ecological and social criteria instead of the bidding procedure used to date. While it would still be possible to sell public real estate, the priority should be for residential construction, per project and private bid: 40% of the whole building contract per each site as a (mandatory) concept preparation with mixed land-use, 30% hereditary building rights, 20% taking into account urban residential construction companies, local businesses, and social housing provided by State-led enterprises, 10% for owner-occupier construction groups, student apartments and housing co-operatives. The registration of hereditary building rights should be interpreted more strongly as long-term income from interest on those rights for the city. Up until now, in the event of a deadlock in Berlin's main budgetary committee, it is the Senate Department of Finance which holds the deciding vote for decisions pertaining to land policy.

City administration and the fiscal administration should have equal rights with regard to matters involving land. Berlin might sell its land portfolio only once. Mainly private developers and proprietors try to maximize their own benefit as an elite capture rather than the first time buyers from the lower- and middle-income strata who wish to get a foot on the housing ladder, using land as collateral. The elite capture results in land value capture as a gentrification indicator from value-enhancing neighborhood development by means of interim use and renovation (wonderful case-study: Prenzlauer Berg district; see figures 4 and 5). At the moment, the question of "Who owns the city?" remains totally unsolved in Germany. A vital debate on urban development issues, collective retail and office spaces ("co-working spaces"), sustainable mixed communities, public areas and even on public property would be preferable.



*Figures 4 and 5: Real estate development causes sharp property boundaries in Prenzlauer Berg district (Photos: Fabian Thiel).*

Since the end of 2012, the "Upstall"-area (see figure 6) is owned by ABR German Real Estate who bought the property from the Institute for Federal Real Estate. ABR wishes to transform the area into a lively, diversified mixed built zone with parcels for residential and commercial uses and underlined by a transparent land policy with dialogue-based tender procedures.



*Figure 6: Hidden development potential at “Upstall area”, a 47,000m<sup>2</sup> site soon to be revitalized at the former Dragoner barracks, Friedrichshain-Kreuzberg district (Photo: Fabian Thiel).*

## 5. Berlin and the natural, inevitable death of its property fund

The property fund [Liegenschaftsfonds] plays a pivotal role in Berlin’s land and finance policy. It collects the real estate that is considered not necessary for operations by or for the State. It is not a revolving urban development fund or fund for the renewal of derelict land; it’s a one-way fund. By analogy to other real estate and asset funds or real estate companies, the fund has the legal form of a limited partnership as GmbH & Co. Project KG for liability and tax reasons. The property fund functions on the market in the same way as a company. Since its foundation in 2001 up to 2012, an income of EUR 2.4 billion was recorded from the sale of public properties. EUR 3 million was spent on the fund’s personnel and operating expenses. 120 internal employees work for the fund (Liegenschaftsfonds Berlin Report 2013: 5).

No real estate is sold without prior decisions being taken at management level in higher state politics in Berlin. The State of Berlin serves as the owner of the fund real estate portfolio managed by the fund as a trustee. The logic behind the fund is that the state’s total assets are divided into assets that are needed for operations and those that are not. The latter are consistently sold to the highest bidder – unless it is not of interest to potential buyers, for example because it needs to be renovated or because of residual pollution, junk real estate or simply unattractive locations. In such cases, more often than not the property fund returns the real estate to the districts and refuses to sell them. Core question: Do the property fund and its underlying business concepts represent a future-oriented land policy? In particular, it is unclear which criteria are used to divide Berlin’s land into assets that are necessary for operations of the state and districts as well and those that are not necessary for operations. The “silverware” amongst the community assets is transferred into private landownership and removed from community use. By contrast, the risk assets remain with

the general public who still has to pay the follow-up costs for renewal, maintenance and safety.

With all likelihood, the fund will die a natural death after the end of the current legislative period. This is because by then all of the commercial real estate and attractive brownfields that can be sold will probably have been sold due to the current estate boom, unless the districts release the last of their remaining real estate to the fund for sale. In a nutshell, the fund is a one-way street in terms of land policy and apart from an immediate moratorium on sale, there is scarcely any escape from this system anymore. A fusion between the fund and the Berlin Real Estate Management is planned for the upcoming years. Surely, this will not solve the problem that Berlin might sell or has already sold its silver plate and public property fillets.

## 6. Berlin as a spatial common property

Of course, the land fund's policy pursued to date of obtaining a maximum return is not the natural choice or even the only option. It has always been possible to introduce a different property policy through political definitions, and this remains possible in the future – albeit with a constantly dwindling portfolio of public-sector real estate. The widely lamented financial distress of the municipalities is also a purely political decision. Property law and tax law, but also the role of the private commercial banks in urban development, are important factors influencing land policy going forward. Those who finance real estate have to be involved more heavily in urban renewal and reconstruction. In future, there has to be possibilities for the inhabitants of a city to participate in the design of public places and squares, to create socio-ecological added value and to take on responsibility for handling Berlin's real estate (both that which is necessary for operations and that which is not) in a community-oriented and sustainable way. Parcels such as parks as commons would have to be taken out of general commerce as *res extra commercium*.

Usually, it is the defined use set out by the planners that takes away the marketability of real estate. Because of the requirements of the legally-binding land use plan, spaces like these would primarily be sold to buyers or users such as the public sector, foundations, funds, public-sector institutions or initiatives, as in the case of *Prinzessinnengärten*. In times where Berlin's budget is struggling considerably, it is difficult to understand why the design and cultivation of parks and wasteland is not more or less left up to the population of Berlin and in particular to the residents (who are not the same as the owners of the adjacent buildings), maybe as an urban gardening project. For example, this would have allowed the *Park am Gleisdreieck* to be made accessible to the public much sooner and much more cheaply as spatial common property. So far only the eastern half of the park has been opened. There was citizen's participation because intensive efforts were made to this end, but there was scarcely any real participation in the form of legal binding ideas on how to structure the space with a set definition of how it was to be used. Berlin is light years away from a being a privately owned public space, like for example in New York

City, where the question of ownership does not have any effect on the use and the character of a space per se.

## 7. Berlin and the potential land value

Berlin has potential determined by its territorial value. As far as land-related investment is concerned, the times have changed palpably. During the 1990s and up until roughly 2005, the talk was of a downward price adjustment. At that time, it was scarcely possible to recover the fair values of the real estate through sale. Nowadays the situation has completely turned around. The city is regarded as an engine of growth – or: as a safe haven – for domestic and international investors with overwhelming appetite for profit (maximization). In top-rate locations (see figures 7 and 8), real estate is often sold for four times its market value published by Berlin’s valuation board. Is it even possible to obtain a sustainable Return on Investment (ROI) under these conditions? The ROI is necessarily connected with the exchange value of land and determines the equilibrium (Davy 2012: 97). But who determines the original fair value as exchange value, and how differs the exchange value from the “potential value”?

Berlin has its Nußbaum’s list related to land policy. In 2012, Finance Senator Ulrich Nußbaum introduced the term “potential value” to describe the price that the highest bidder would pay for a property on an open real estate market. According to the Senate Department of Finance (Senatsverwaltung für Finanzen 2012: 2),

*“The method used in the past to calculate value (...) does not reflect the actual demand and market situation and thus the recoverable purchase price in Berlin realistically. (...) The potential value calculation is based on future expectations and development opportunities for real estate”.*

The real estate potential value, also referred to as the investor value, is uncertain. This is because anyone who wants to calculate the market value of real estate in Germany – and to prove the results before the judge in case of disputes and the valuation board – would be well-advised to stick to the three methods listed in the German Ordinance on the Valuation of Real Estate [ImmoWertV]. Otherwise, confusion ensues as a result of non-harmonized terminologies, calculations and methods. Any land parcel has just one market value on any given cut-off date according to Section 194 Federal Building Code. The market value as defined by the ImmoWertV is a normed category. Anyone who diverges from the market value can easily cause misunderstandings and has to have good reasons for diverging. The ImmoWertV does nowhere provide for a potential value. At best this value could be determined by making a deduction as part of the investor calculation. There is a valid concern that a potential value in the area of the price level obtainable in conventional bidding procedures would far exceed the fair value of a piece of land according to the methods listed in Section 8 ImmoWertV. The potential value would thus constitute a speculative market value. But there is hardly such thing as a present market value calculated in a scientific and traceable way by either cost method, investment method and/or comparison method.



*Figures 7 and 8: Potential value? Former industrial ice-making property at Köpenicker Street, Spree area, Berlin-Mitte district (Photos: Fabian Thiel).*

What is certain is that the approach of valuing real estate also based on its socio-economic utility value, including a defined use in the price calculation and including it in a life cycle analysis of urban development would not be served adequately by a potential value. Is it feasible to calculate the highest bid for a particular parcel without selling it? It is also questionable whether an urban return by companies in the creative industries could be validated appropriately by such a speculative market value. However, land values do not necessarily and always reflect the market price. The significance of a creative environment for planning and urban development is highlighted without, strangely enough, being able to substantiate this by means of the development of standardized land values. Also, in order to minimize the risk of feasible bidder's insolvency, the property fund should examine in more detail the financing instruments that the sometimes anonymous bidders are using to make their offers transparent.

## **8. Berlin and the public cadastre**

Effective management of public properties appears to be nearly impossible in Berlin. Its land-related administration has no transparent overview that is open to citizens and contains all of the public land that is unused or currently not exploited. Of course, to maintain a comprehensive computer-based land registry and cadastral system using ALKIS-data might be expensive and cumbersome. The land cadastre is held by the state administration and is for internal purposes only. A search is only possible according to certain criteria and a fee is charged for this service. For citizens and even for the staff of other administrations, access to information regarding land is difficult and time-consuming to obtain. Section 200 (3) Federal Building Code provides the legal framework for setting up a cadastre of development land and wasteland for the entire state. A cadastre serves to mobilize real estate by publishing the information on locations. This includes information such as: What encumbrances are there on land properties? Is there a defined use? Are usufruct rights in place? Who is the current owner? The following should be considered in this respect: Is there even a desire for so much openness?

Section 200 (3) Sentence 2 Federal Building Code also needs to be taken into account. It says: “(...) *unless the owner of the real estate has objected.*” In my opinion, this right of objection is the main problem for the lack of transparency for an overview both of the wasteland and of the ownership position of the State of Berlin. The private landowner can object to a cadastre of development land at any time and can refer to its right to data protection. Theoretically it would be possible to also classify or record public land by criteria based on its utilization status, e.g., broken down by reserved areas, sovereign access or saleability in terms of location and planning law regulations. Another problem relates to the recording of public ownership in the land register. Because publicly owned real estate is not subject to real estate law, it does not have to be recorded. The Land Register Code [Grundbuchordnung] services as proof. Real estate used for public purposes that is not marketable cannot be recorded in the Land Register Code. Only parcels that fall under private ownership under civil law are obliged to be recorded.

It would be possible to establish public ownership under state constitutional law. But the constitution of the State of Berlin does not contain any provision that would allow for real estate and other sites to be (re-)communalized. At best the State of Berlin could make use of its application right pursuant to Section 3 (2) Land Register Code for the real estate it owns and create a land register page for these public properties. Splitting of real estate in the land register is possible for public spaces. The parcelling of a larger piece of wasteland is allowed for community use, pursuant to Section 7 Land Register Code and Section 19 (1) Federal Building Code, as is the breaking up of the real estate in the cadastre as an actual change at parcel level.

## 9. Berlin and the budgetary law

The moratorium to “Stop the sale of land” could be approached such that the flow of real estate out of the districts and into the public land funds is stopped immediately. The regulating factor with which to do this would be to stop participation of the districts in the income, thus taking away their incentive. This strategy could be based on Section 63 (2) Sentence 1 of the Berlin’s State Budget Ordinance, which states that “*Assets can only be sold if they are not needed in the foreseeable future to fulfill the tasks of Berlin*”. In the case of the sale of real estate classified as not needed for operations, this condition cannot be assumed to always be met. Without taking stock of the portfolio in advance under an exact analysis according to Section 63 (2) Sentence 3 of the Berlin’s State Budget Ordinance, there is no guarantee that subsequent additions to the sales portfolio of the property fund will not restrict the fulfillment of the state’s tasks.

There is a second disadvantage for the reticence in granting hereditary building rights in budgetary law. The social-political component of hereditary building rights is difficult to reconcile with the municipal double-entry bookkeeping system. Budgetary law is geared to selling off land properties quickly rather than creating hidden real estate reserves. The double-entry approach does not support the long-term view of hereditary building rights. As a result, municipalities such as Berlin which are not in a very healthy financial position

can even suffer tax and budgetary disadvantages if they use hereditary building rights. Instead, the regulating factors for a sustainable budgetary policy are to set and withdraw district's incentives. The starting point is the budgeting based on the cost accounting. As long as a district in Berlin has real estate in its assets and uses this real estate, it has to pay the property fund or the Senate Department of Finance the corresponding leasing fee. When the district's budget comes under pressure, there is thus often pressure to sell the real estate. There is no transparency regarding how the rent prices for the assets used by the districts are calculated and set in the cost accounting.

Another aspect would be to abolish or at least fundamentally revise budgeting based on cost accounting in order to restore political controllability in the districts in the area of urban and real estate development. The objective would have to be to break through the short-sighted budgetary logic that is resulting in the sale for debt reduction of community spaces that could potentially be urgently needed in the near future. It may also prove useful to introduce a stockpiling system for spaces for public use that are removed from the sales process and are available for future use by the community. This is because it is problematic that matters of urban policy are continuously changing. According to the current (budgetary) logic, the decision-makers are acting as if there were no tomorrow or as if the future needs of society were already set in stone. Yet a few years ago, nobody did know that more childcare places would be needed in the foreseeable development of Berlin. Buildings suitable for childcare facilities have now been sold. The districts have scarcely any suitable land left in their portfolio that could be converted for social infrastructure quickly and cheaply.

## 10. Conclusion and further strategies: The LGAF as the "bullet-proof"?

There are many challenges ahead for Berlin's land policy. How can provision be made for the future of Berlin if in a few years the spaces and land that the public sector would need for community purposes had already been sold? Which alternative forms of ownership and tools are feasible and make sense to safeguard the city's assets in the long term and to set out (interim) concepts for use? Nowadays, land policy has to be conceived of in a complex and contemporary fashion, not just in Berlin. What has been missing in Berlin is a platform for implementation proposals for alternative land and urban policy strategies. Land values increase due to neighborhood development; they are only partly being skimmed off for the sake of public budgets.

Community added value and social control is provided by tightly networked social, commercial and retail structures especially from the creative industries for the spatial formation of common property in Berlin. Because the topics relevant for a social city have also changed, with a move away from raising the status of problem areas towards dealing with the problem of displacement of the socially disadvantaged from the city centre. There is a risk of losing social and cultural diversity in view of Berlin's form of land policy with the property fund and its primary aim of budgetary consolidation. Accessibility to space as residential space, shared working space or cultural space is getting increasingly more

important. In addition to the land policy strategies outlined here, this access could initially be facilitated through an adequate property tax system for the State of Berlin. There are differences in opinion with regard to the term “private ownership” and its restriction through regulations on content and limits according to Article 14 (1) Sentence 2 of the German Constitution.

It is possible that a debate has started – fuelled by the example of Berlin – surrounding the ownership law arrangements for real estate and an adopted socially oriented tenure domain model. It is commendable that the Initiative Rethink the City has tackled this topic. Raising awareness could be a first important step toward a clear preparation of the findings. A major finding resulting from the debates in Berlin in recent months relates to the setting up of a council for spaces. Such a council, i.e. a Berlin Council for Spaces, would have to mediate between the authorities and the real estate users. For example, the council could tackle as its most urgent task the development of guidelines and governance standards concerning future land policy at the example of the Land Governance Assessment Framework (LGAF), which is being tested to improve the transparency of decisions on use, ownership changes and foreign direct land-related investments (Deininger et al. 2012: 11-25). The responsible planning authorities should follow the Land Governance Assessment Framework (LGAF) as a starter package for transparent land policies which are currently implemented by the World Bank in piloted developing countries such as Cambodia, Tanzania or Ethiopia. The LGAF refers to the development of binding guidelines, not for the much-debated urban governance, but for land governance as a tool to prevent rural and urban land grabbing, as has been done for developing countries, their land markets and planning systems.

The LGAF indicator model is flexible; it serves as a starting pack and implementation guideline. What is relevant for Cambodia would also be effective in Berlin. The technical complexity to assess the land governance is comparable. Internationally, there is a strong need for democratic planning processes, participation beyond the existing legal structures, methods and instruments that guarantee timely, comprehensive and relevant information to citizens and owners with regard to the use of public land. Land policies must take the ideas, needs, concerns and worries of the residential population into account. It should involve citizens, their power, time and creativity in the design of real estate and affordable housing for thriving communities.

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# The Priority of Land Use Decisions in a Developing Country: Turkey

## Abstract

Cities are dynamic centers of creativity, commerce, employment and culture. They contribute to a country's welfare and economy. Because of the concentration of infrastructure, capital and human resources within their boundaries, they are true engines of growth and development. These benefits, however, are often undercut by environmental problems, housing shortages, high rates of unemployment and inefficient and ineffective governance and public administration. Almost half of the world's population live in cities; by the year 2025, more than two thirds of them will do so.

If this means "urbanism without limits", it gives the impression that such an urbanism exists now, may be expected in the future, and perhaps it is desirable. But, as in other fields, in all societies, in urbanism and built environment too, proportionality and harmony are more important factors than the mere magnitudes. Up to a certain point growth in all senses is welcome. But after that critical threshold, negative externalities begin to increase.

Particularly the developing countries with least financial resources suffer considerably from the adverse consequences of excessive urbanization, manifested through enormous backlogs in shelter, infrastructure and services, increasingly overcrowded transportation systems, unsustainable consumption patterns, deteriorating sanitation and environmental pollution. All these are often associated with general conditions of urban poverty, insecure land tenure, unsatisfactory housing conditions, urban crime and homelessness.

Land use management is an important item for a sustainable approach to urban planning. At this point, land use decisions have to be given according to local and natural givens. In this paper, the priority of land use decisions will be discussed on the sample cases of Mogan and Eymir Lakes which are at the periphery of capital city of Turkey, Ankara.

## 1. Introduction

Urban land is a part of a country's total land resources. The availability of land and its topographical characteristics and pattern of utilization determines in some measure the general character of the country's economy. It also partly explains the locational aspects of human settlements – rural as well as urban.

Land use policies and practices have a direct bearing on the development of a country's natural resources. The location of production centers, the quality of housing, the condi-

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\* Hacettepe University/Faculty of Fine Arts Ankara, Turkey

tions of the community environment and the living conditions of urban populations are greatly influenced by the nature of land use in industrial areas (Abrams 1953).

Today, more than half of the world's population lives in urban areas; by 2030 more than 65% are expected to live in cities. Rapid urbanization – the progeny of intensive development of natural resources – usually results in high costs for housing and the growth of slums. It is widely accepted that health, education and housing are essential for a balanced economic and social development. It is also recognized that rational land use planning is a prerequisite of good housing and an adequate urban environment.

A common feature of most urban inhabitants of cities in developing countries is their very modest living standard. It is precisely in those housing areas with a high population density and few economic resources that outdoor space has a particularly large bearing on living conditions. The pressure on cities also leads to the overpopulation of existing housing areas, which overpowers utilities, traffic systems and, common space and parks. In addition, new housing complexes featuring high-rise, dense construction are being built at record speed near large cities, and here common space is usually under-dimensioned and poor in quality (Gehl 2010:217).

In dealing with the urban land problem, governments must reconcile public power and individual rights – the interests of the community and the individual, whether as squatters, as property owners or as investors. Solutions to urban land problems must therefore take into account human and social values, as well as economic and technical considerations.

Urban land policy in order to be meaningful and effective must be realistically adapted to the indigenous conditions of the locality in which it is applied.

## 2. Land as a resource

Land is the ultimate resource, for without it life on earth cannot be sustained. Land is both a physical commodity and an abstract concept in that the rights to own or use it are as much a part of the land as the objects rooted in its soil. Good stewardship of land is essential for present and future generations.

Urbanization has a direct bound with urban land. Urban population growth leads to an enormous expansion of urban physical space. The most obvious impact of urban population growth is on the demand for urban land. And this sets into motion a chain reaction that extends in several directions. Urban population growth causes increased congestion, overcrowding and a general deterioration of the urban physical environment. Absence or the inadequacy of urban services, provision of which has been outpaced by population growth, further adversely effects the physical environment. All of these repercussions are reflected in urban densities, slums and squatting and traffic and transportation bottlenecks and many other environmental problems.

This “urbanization” is perhaps the biggest social change in the history of mankind. Around the world, people in cities face escalating urban problems (Werna 1998). More people

means an increased demand on space for housing or shelter. In an urban environment shelter is inconceivable without such basic services as water supply, sewerage, conservancy, drainage and electricity. The increase in population and activities causes a spreading out of the physical living habitat and this necessitates an expansion of the transportation and communication networks. Superimposed on these changes are the impacts of economic development which lead to the gradual expansion of the capital base amid improvements in productivity, employment and income levels. This activates another chain reaction by creating demands for more urban land (United Nations 1973:130-131).

The role of land in the economy of each nation is not always obvious, but is of great significance. Without secure land rights there can be no sustainable development. Land rights have to be determined and regulated according to the locality. While land for urban use is neither scarce quantitatively nor monopolized, there has been in most countries a growing competition for land for various uses. With the march of industrialization and urban expansion, land once devoted to agriculture, cattle grazing or woodland, has entered the markets for homes, factories, stores, offices, recreation, transportation and the requirements of defence and decentralization (Abrams 1953:21). The spreading of cities threatens the valuable agricultural lands at the peripheries. In order to conserve valuable agricultural lands, land use has to be planned and restricted.

### 3. Protect State lands

In many countries the land that is held by the State for the benefit of the community is poorly documented. This is not a problem in countries where the State owns all land, but where there is private land ownership, that which remains in the possession of the State must be properly managed. In all societies the State is a major landowner and its property must be protected for example from encroachment by farmers onto land beside roads or from attempts by squatters to settle on vacant land that is being held for future use. The State needs to manage its property assets and to ensure their efficient use and upkeep every bit as much as does the private citizen.

### 4. Land management instruments

Urban land managers in developing countries should conduct an indepth assessment of local conditions. These are natural features, land use, land conservation rates, land policies, land laws and regulations, land institution, land tenure systems and land administration and formal and informal land market. Through a local participatory planning process, priorities have to be negotiated and appropriate strategies, policies and policy instruments have to be designed locally (Elhefnawi 2010:624-628).

- Regulatory Policy Instruments are the most commonly used instruments in land management. They include direct regulation along with monitoring and enforcement systems: Urban growth boundaries, building height limits, cost increasing regulations that increase the cost of providing housing and direct bureaucratic control of land-use decisions. The advantage of a regulatory approach is that, when properly implemented

and enforced, regulation affords a reasonable degree of predictability over how land will be developed, or over how much land will be saved from urbanization initiatives.

- Market based instruments employ market values. They rely on market developments and price variations to change the behavior of public and private polluters and resource users. Such instruments encompass various types of user charges; subsidies in the form of tax incentives, grants, or soft credits, to encourage land owners to abide by land management practices. However a major disadvantage of economic instruments is that their effects on environmental quality are not as predictable as those under a traditional regulatory approach.
- Land acquisition and government provision of infrastructure includes two main categories; firstly, land acquisition instrument is defined as the stage in the development process at which the land required to implement a plan or project is obtained by either public or private agencies (expropriation, purchase of development rights, exaction, land banking, etc.). The second category is government provision of infrastructure. It is termed “infrastructure land development” where public investment is used to guide urban development in a way that supports the private sector’s role in land development.
- Enabling the public and harnessing participation is essential in creating the political will to take effective action for an improved environment. This has raised public awareness about environmental problems. Covenants or ecological contracts are another form of this instrument, which is based on agreements between polluters and local communities. In most developed countries, environmental contracts are gaining increasing importance as a supplement to traditional command and control and economic instruments.

Urban centers need redevelopment and effective land-use planning and control. In many countries the control of development and the issuing of building permits are the responsibility of the local municipal authority.

A good land administration system should permit the integration of records of land ownership, land value and land use with sociological, economic and environmental data in support of physical planning.

Of course, in a free society, land may be owned either by individuals or by public authorities. Non-profit organizations may also be added to the list of landowners, in so far as the large cooperative housing estates play a certain role in the housing market. In a social welfare state, increase in the share of the public sector in total land ownership is considerably important. As far as the land ownership in the largest urban centers is concerned, one can safely assume that the greatest share actually belongs to the private individuals. That of the public authorities and cooperatives has been rapidly reduced during the last thirty years due to the worldwide privatization and liberalization policies. Yet, the main assumption of the urban planners is that the success of rational urbanization policies depends upon increasing public land ownership.

From another point of view, Turkish Constitution (Art.35) stipulates that everyone has the right to ownership and this right can only be restricted by law in case it is necessitated by the public interest. In view of the fact that Turkey is a candidate for the full membership of the European Union, one should take into consideration at the same time the concerned rules of the Lisbon Treaty (2009) concerning the right to ownership. In any case, the strict control over the use of the land must be implemented in order to ensure the supremacy of the public interest.

## 5. The case of Turkey

In Turkey, urbanization has been gained momentum after 1940s. The number of high populated cities has been increased and will continue to increase. This situation gains multi dimensional importance especially on land in investment areas where migration from rural to urbanized areas has been increasing.

The issue of land has effects on national economies, planning and development. The speculative property of land makes it related to trade market. The urban land in developing country of Turkey has been widely in hands of speculators. A great part of urban development in Turkey has been organizing by those speculators who own great capital. Those speculators evaluate wide land pieces in outskirts of cities and transform them into urban land. In this case, the land speculation occurs disadvantageous of existing urban citizens and the organization of land passes into hands of land speculators. In this way, the nearest agricultural areas of cities transform into urbanized land.



Figure 1: Plan of Ankara by Hermann Jansen

(Source: Architekturmuseum TU Berlin, Inv.-Nr. 22734, access date 2014)

Land is not a renewable and increasing source. So, it has to be used according to certain rules and restrictions. The control of land is possible with land use plans. Land use plans prevent the loss of soil and the pollution of environment.

## 6. Capital city of Ankara

After the establishment of Republic, Ankara became a capital city, owned the functions of being capital and developed in service economy. The sector of state has always gained importance in Ankara. So, Ankara developed as a governmental center and the economy part remained deficient.

Ankara has grown up from center to periphery and developed as additional spots. The North-South and East-West axes have been distinct as backbones of the city (Figure 1).

Ankara has limited natural recreational areas. Mogan and Eymir lakes are 2 natural lakes which are connected to each other and provide recreational facilities to citizens of Ankara. They are at the southern part of Ankara. There is a settlement area in between those lakes which has named as “Gölbaşı” (Figure 2). They are both within the boundaries of Metropolitan Ankara area. There are several state initiations for the protection of lakes peripheries, for providing a sustainable planning and recreational facilities for Ankara citizens (Yılmaz 2010).

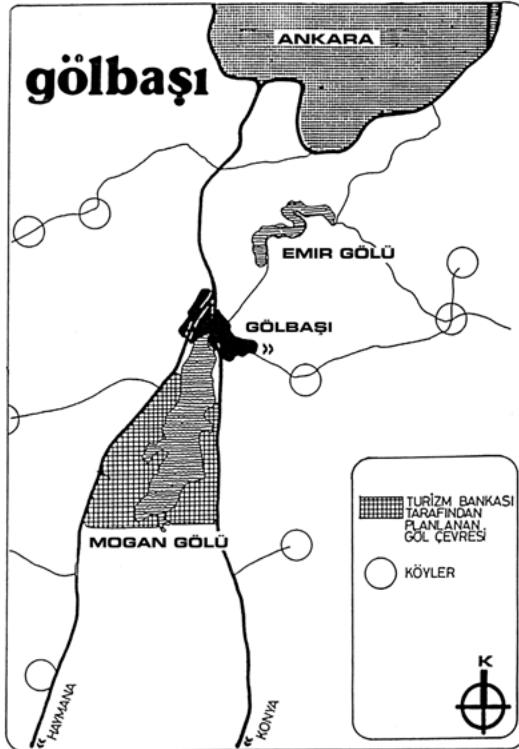


Figure 2: Gölbaşı and Mogan-Eymir Lakes (Yılmaz, 2010)

### Special protected areas

Turkey is one of the partners of The Protocol of the Protection of Special Areas in Mediterranean dated as 1986 and prepared according to The Convention of the Protection of Mediterranean from Pollution which has been signed in 1976 in Barcelona. Correspondingly in 1990 both Mogan and Eymir lakes are declared as special protected areas. The aim is to protect: the lakes and water reservoir which feeds them, the ecology of the area and to meet the recreational needs of Ankara.

There were great compulsion on the area for double or triple storey building construction which has to be restricted for the sake of lakes conservation. After being special protected area, restrictions brought to construction area, number of storeys and size of lands.

The protection of wetlands for the continuation of ecologic balance; The planning of recreational areas without damaging the existing environment were the main goals for the future planning.

Mogan and Eymir Lakes belong a very strategic position; as there is a settlement area on the northern part of Mogan Lake which is urbanizing as metropolitan city of Ankara which has not been on the river or lake side. In that regard the settlements near Mogan and Eymir Lakes are very peculiar examples to consider; as Ankara has not contained any river or lake, the recent urbanization activities which have been taking place particularly in the northern part of Mogan Lake puts those lakes in a very strategic position.

There are great compulsions on the lake peripheries for the construction of buildings which have been restricted by the special environment protection items. According to the special protection items;

- The approach of the planner must consist of trying to strike a balance between the demands of Metropolitan Ankara and the limited natural resources in the light of the principles of national and international environmental management, conservation, and sustainable development. In other words, existing environmental assets have to be protected within a framework which can guarantee a balance between the use and protection.
- This can be possible only in cases where the space is used for the happiness of the whole society without destroying the national resources in the long run.

The decisions taken by the former (this administration has been abolished in 2011) Administration of Special Protection Areas concerning urban settlements and developments favored the interests of the landowners in the past.

These decisions did not suffice to protect environmental values and to provide a balance between the use and the protection. Areas reserved for residential purposes are being rapidly open to all kinds of development.

Along this process, the need for infrastructure, including new sewage systems, increases considerably. It becomes difficult to build such huge sewage systems with a view to protect environmental values.



Planning approach of the Administration of Special Protection Areas, regarding these zones, has been shaped by the pressures of the speculators. Most of the real estate in the study area are in the private ownership. Therefore, landowners have acted as a pressure group. The approach of the administration was to control their pressures and to reduce the building density.

In this process, construction on agricultural lands became inescapable. It has been decided that rural settlement centers will be swallowed by the sprawl in metropolitan centers anyway. Thus, the hypothesis that the right to landownership is one of the most important factors affecting urban development and natural environment has been validated.

The Lake of Eymir and its surroundings have kept their natural attractiveness up to now (Figure 3). The reason for this is that these areas have been in the use and control of the Middle East Technical University. The protection of the land as a whole ensured this conservation. Land ownership around the Eymir Lake is undivided. Thus, conversion of this land into urban land parcels has been avoided (Yilmaz 2010).



*Figure 3: A scene from Eymir Lake (Yilmaz, 2010)*

Both Mogan and Eymir Lakes have been rapidly polluted due to the developments around the lakes in such a way that they can not be revitalized. Increasing density in urbanization is the result of using the right of ownership for getting increasing plus-value (land rent) in land. Increasing population density does not only create imbalances in urbanization, it also deteriorates and damages the natural habitats (Figure 4 and 5).

The stand of the Administration of Special Protection Areas regarding the Eymir Lake and its surroundings is to aforestate the area and to create promenades and streets around the Lake. Most of the land around the Mogan Lake is privately owned and consequently divided. Therefore, lands around the Lake became soon urban land and exposed to speculative pressures.



*Fig. 4 and 5: High-rise housing buildings raising at the back skirts of Eymir Lake (Yılmaz, 2012)*

Generally, in the discussions carried out so far on land ownership, two opposite views are developed. The first is that land ownership should be vested in the hands of public institutions. The second view is that it should be in private hands. It was also maintained that private ownership is at the same time some sort of incentive for individuals, and as such it could serve the public interest as well in an indirect manner. Yet both private and public ownership function in such a way to increase the profit which may not always coincide with the public interest.

## 7. Conclusion

As a result, planning of land use in urban areas in the public interest requires restricting the right of ownership through legislative action. Whether the land ownership is public or private does not make much difference. Legislative restrictions are needed for both private and public ownership rights, depending upon the characteristics (geological, cultural, historical, natural, etc.). In other words, use of rights have to be limited. Particularly, in developing countries like Turkey, land rent (plus-value) is a decisive factor affecting both private and public sectors. This factor can only be controlled by imposing restrictions on both kinds of land ownership.

In the meantime, it is necessary to increase the level of public awareness in order to ensure that lands in urban centers and their surroundings are used in the public interest for future generations. This aim can be realized only through efficient use of training and communications tools available. In order to make legal restrictions concerning land ownership applicable in society, all individuals constituting the society must accept the supremacy of the concept of public interest in using land.

If governed well, cities can surmount challenges and maximize the quality of urban living. Despite differences in administrative structure and organization, the issues that form the contemporary challenge of urban governance are rather similar in all parts of the world and include: Unemployment, decline of urban infrastructure, collapsing social fabric, institutional weaknesses. In order to cope with such problems and provide sustainable urban environment, urban governance has to provide: The participation of the citizenry in the decision making of cities through elected representatives; public safety, maintenance of law and order; Education and health services, public housing; Protection and management of the urban environment; Development of local economy; Land use control and development.

Decentralization of functions, responsibilities and decision making is one of the commitments formulated in the Habitat Agenda. Decentralization is the best way to address the needs of people in their settlements and to facilitate participation. Besides, to combat the specific environmental problems of urbanization, maintaining a high standard of human health is necessary. This depends, of course, on man's ability to understand and manage the interaction between human activities and the physical and biological environments. In order to have an effective plan of action in this regard, two elements are necessary. First, as is generally accepted, while development must address people's immediate needs, especially for health, this must be done in an ecologically sustainable manner, so that natural resources are not depleted, and natural systems are not damaged or degraded. Second, meeting the needs of the present and future world population for food, water and energy without depleting or damaging the global resource base, while avoiding the adverse health and environmental consequences of industrialization and uncontrolled urbanization, can be achieved only if people have the knowledge.

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*Photograph Source*

Plan of Ankara by Hermann Jansen (1869-1945), 7 June 1932. Technischen Universität Berlin, Architekturmuseum in der Universitätsbibliothek, <http://architekturmuseum.ub.tu-berlin.de/index.php?set=1&p=79&Daten=155958>, last visited 28.01.2014.



# Land Policy Models and Strategies in the Federal Republic of Germany

## Abstract

Land still represents the most important development resource for cities and municipalities. Hence, the possibilities and boundaries for the governance of land use shape the scopes in urban planning and urban development. As urban planning processes mostly rather take place on private properties than on public properties, municipal land policy has to consider complex connections and correlations between urban planning, land use and property rights including the relevant actors.

Comprehensive land management models gain in importance in the current urban development discourse. Both in growing and shrinking cities progressing demand for action in inner city development as a primate of settlement development is given. Moreover, there looms a considerable lack of enforcement. The following challenges are in the focus of future municipal land policy: land efficiency (reduction of new land use for human settlement and transportation purposes, increase of intensity of use); mobilization of brown-fields, empty sites and abandoned buildings; socially-oriented supply of living space especially in large cities; prevention of social fragmentation in cities combined with the development of socially mixed districts as well as climate change adaptation in cities.

Successful strategies in all these categories need a targeted use and the appropriate handling of convenient instruments of land policy. The most important planning, regulatory and fiscal management approaches in German cities and municipalities are presented in this article.

## 1. Occasions and modules of municipal land policy

The social cohesion in cities and towns is increasingly threatened by a spatial polarization of the different population groups. It is to be feared that cities get socially fragmented (Dohnke et al. 2012). Social injustices are already a reason for provisions for the special urban planning legislation. Further urban planning challenges include on the one hand providing the population with affordable housing especially in increasing cities and urban agglomerations, and on the other hand handling abandoned areas, empty sites and vacant buildings especially in structurally weak regions (Friesecke 2008).

This raises the question of whether such problems cannot be dealt with land policy strategies. More and more cities avail therefore the possibilities of urban development contracts to transfer not only tasks in site preparation on private persons and unload consequential

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\* STEG Stadtentwicklung GmbH / Leiter STEG Akademie, Stuttgart, Germany

costs of urban development onto planning beneficiaries, but above all to provide living space for socially disadvantaged population groups (Kötter 2007, Dransfeld/Lehmann 2013). With the transition from a supply-side to an implementation-oriented urban planning such contracts continue to gain importance. Nevertheless, these voluntary land management strategies based on urban development contracts must guarantee the proprietor to participate in the planning related land value rise.

Against this background, many municipalities developed so-called land policy models and thus a fundamental specification of land strategies with appropriate instruments for municipal land development and land management. Land policy models include guidelines on follow-up costs, quality objectives or construction deadlines; therefore contracts and regulations accompanying the planning processes; they replace case-by-case decisions with due regard to specific requirements. They are mostly secured by a municipal land decision of the city council and offer a framework for actions of the authorities in land policy.

A survey in municipalities which was realized by the ILS (2003) brought the following occasions for municipal land policy models to light. The order reflects the priorities at the same time high land prices, high costs for municipalities, scarcity of land, lacking mobilization of building plot, urban-strategic reasons, housing shortage, depopulation trends, high amount of developer marketing, and equal treatment of property owners.

Among the present conditions the achievement of energy policy objectives and urban design quality are relevant, too. These subjects are obviously bound together and have triggered an appropriate demand for action by the allocation of building land. Hence, there are particularly five strategic targets which municipalities connect with the deployment of a land policy model (Kötter 2007, Kötter/Friesecke 2013):

1. The mobilization and conversion of building land and the acceleration of processes for the allocation of building land.
2. The funding of allocation of building land and the discharge of communal households; development constraints often occur because funds at local government level are not available to implement especially cost-intensive development measures.
3. A socially balanced urban development, meaning building land should prevent spatial polarization in the social structure.
4. A qualified urban land use which can be achieved through uniform energy requirements, high quality standards in construction projects or mandatory architectural design competitions.
5. Further local policy objectives such as reduction of (high) land prices, a timely use of building permits etc.

Land policy models should contribute to the capacity to act of municipal authorities even in times of scarce public budgets. In recent times, social aspects have priority because ambitions are often, such as in the city of Munich, summarized in the term “Social and

Fair Development of Real Estate”, see Stadt München 2009. Many larger municipalities use the introduction of land policy models to work up their neglect with respect to social housing.

What is meant by a socially fair land use? Already the planning law mentions some issues in § 1 Abs. 6 (Federal Building Code) that are already taken into every process of consideration of urban land-use planning. This includes:

- Socially stable population structures, meaning social polarizations and social fragmentations within the urban fabric, for example rudiments of formation of ghettos in a city, should be avoided.
- Acquisition of properties for large sections of the population. It has been shown that a high ownership rate contributes to the stabilization of residential quarters.
- Cost saving construction enables also groups of people with lower incomes to acquire home ownership. The possibility of access to properties or rental apartments is thereby improved.
- Development of building land also has to take account of the particular needs of the population. In a socially differentiated society reveal important requirements for urban planning and land management, including urban density, mixed-use and qualification of open areas.

These are some approaches to the concept of social and fair urban development in the legal sense, which should be considered in land policy models.



*Picture 1: Groundbreaking ceremony in Rottenburg am Neckar to mark a building construction commencement (Source: die STEG Stadtentwicklung GmbH).*



## 2. Types and case studies

For municipal land policy decisions basically all appropriate land policy instruments of the Federal Building Code as well as contractual arrangements under public or private law are available. Particularly preferred ones are the following arrangements: urban development contract, interim acquisition, urban development contract in combination with the reallocation of building land. In general, land policy models are specific combinations of selected legal instruments (Kötter/Friesecke 2013). With the public resolution of the model, the investors can benefit from transparency in the real estate market. Without these basic specifications, a decision would have to be made for each individual case. This would lead to different structures and an individual cost allocation between the community and the participating property owners and investors. However, it has to be pointed out that land policy models may not lead to unacceptable obligations of the municipalities that restrict these in their urban land-use planning.

But how do land policy models that have emerged in the past two decades in many major German cities work in specific?

Apparently, as the first major German city the municipal council of Munich (1.4 m inhabitants), laid on 23 March 1994 the foundation for the so-called “Social and Fair Development of Real Estate” (SoBoN). After that model, planning processes with increases in land value are to be performed for the affected properties only when beneficiaries bear the causal costs and charges of planning. This can, for example, involve participating in the cost of developing access roads and public open spaces, and contributing to a social infrastructure for children. The private investors also have to assume the “funding rate” of 30% contractually, which means, that they have to use 30% of new residential areas for people with special housing need (subsidized housing construction). The SoBoN rules ensure that, despite this burden-sharing approach, private investors still retain at least one third of the increase in the value of their land as a result of the approved development plans.

In dialogue with the real estate industry, the municipal council finally arranged the “constitutional principles for Social and Fair Development of Real Estate” for the first time on 26 October 1995. Subsequently, the council dealt several times with the regulations of the land management model. Nevertheless, the quota of 30% for the subsidized housing construction was confirmed by municipal council resolution on 13 December 2006.

Almost 20 years after the decree of the “Social and Fair Development of Real Estate”, it must be concluded that the model has proven itself and is no longer questioned by developers. By the end of 2012, within the land policy model 119 legally binding land-use plans for almost 35.000 apartments were drawn up, and thereof nearly 10.000 public housing units. While other municipalities govern or finance provisionally essential elements of site preparation within models of interim acquisition, this happens in the city of Munich predominantly through investors or property owners themselves.

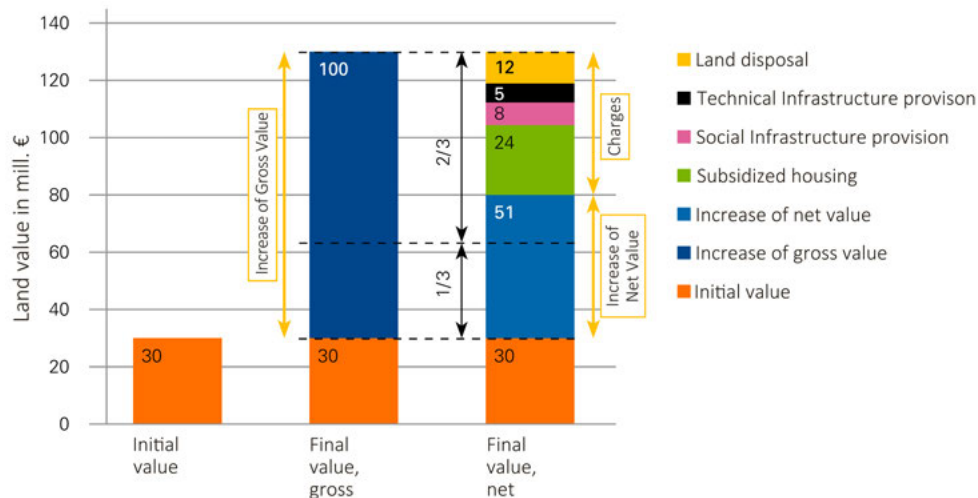


Figure 1: Example of calculation of a legally binding land-use plan in the context of “Social and Fair Development of Real Estate” Munich (Source: [www.muenchen.de/rathaus/Stadtverwaltung/Kommunalreferat/immobilien/sobon.html](http://www.muenchen.de/rathaus/Stadtverwaltung/Kommunalreferat/immobilien/sobon.html)).

Even if the general conditions in other cities are not the same, they have developed patterns based on the Munich model in the last years.

In the city of Stuttgart (580.000 inhabitants), the municipal council resolved the so-called “Inner City Development Model of Stuttgart” (SIM) on 24 March 2011. Compared to Munich, affordable housing in Stuttgart is almost unobtainable or only found in peripheral neighbourhoods (Fricke 2012). The SIM is applied city-wide as far as new planning law is created in favor of a superior use. Furthermore, at least one third of the increase in land value has to remain with the planning beneficiary as an investment incentive. The criteria of SIM are divided in three purviews, thus forming a balance. These are included residential construction subsidies, refinancing and criteria for (good) urban quality. (cf. figure 2).

Compared to the Munich model, SIM is an intensification because it also spans commercial buildings. Due to the housing shortage, 20% of the floor areas of new commercial buildings have to be used for housing, of which 20% gain for subsidized housing. Possibilities of substitution measures are residential buildings at other sites or a deduction of areas in return for payment.

Furthermore, the city of Stuttgart determined high quality standards for building projects. For example, residential buildings must comply the KfW<sup>1</sup>-Efficiency-House 70 regulations. All other buildings must be made 30% more energy efficient as postulated in the EnEV<sup>2</sup> 2009 (the envelope must be 20% better insulated).

1 KfW = Kreditanstalt für Wiederaufbau (Reconstruction Loan Company).

2 EnEV = Energieeinsparverordnung (Building Energy Conservation Ordinance).

A qualified inner development should be achieved through mandatory architectural and urban planning competitions, in which urban density, mixed use, diversified concepts, qualification of open spaces, building-related greening and climate-relevant optimization of buildings constitute important screening criteria.

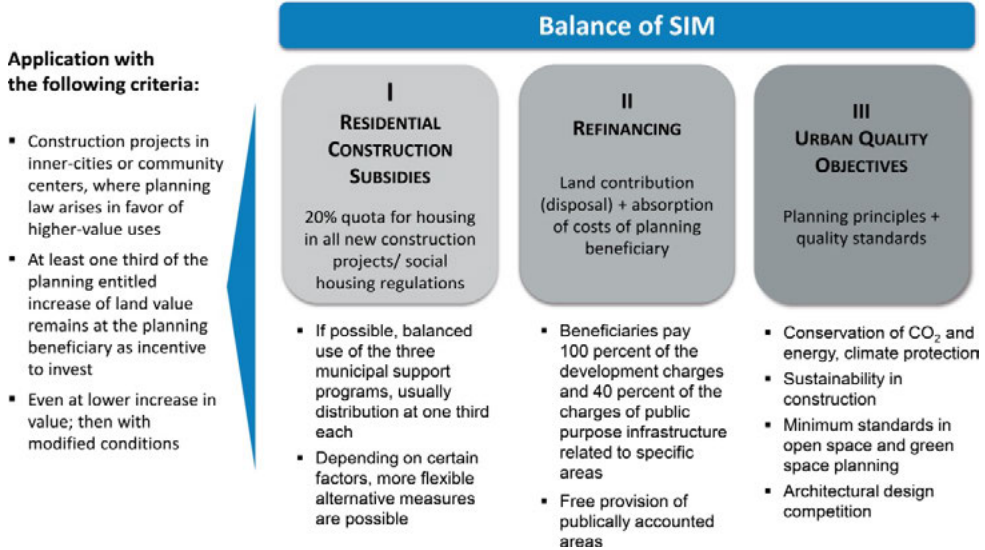


Figure 2: The three pillars of Stuttgart’s inner city development model.



Picture 2: Example of Stuttgart, former situation with commercial use (Source: City of Stuttgart).



*Picture 3: Example of Stuttgart, subsequent use with obligatory residential building contingent (Source: City of Stuttgart).*

After a two-year pilot phase, Stuttgart's inner city development model is currently under evaluation. However it must be assumed that a slightly modified continuation will take place (Voss/Fricke/Pazerat 2013).

The third city to be considered is Freiburg (220.000 inhabitants), whose municipal council decided building land policy principles on 30 September 2009, last amended on 27 March 2012 (cf. Stadt Freiburg 2012). Besides the lightly diverging regulations to Munich and Stuttgart concerning the ratio for social housing the following aspects are a matter of particular interest:

- **Energetic specifications:** In larger construction projects, an energy concept has to be presented that investigates different variations for the energy supply. The version with the lowest CO<sub>2</sub> emissions has to be implemented if it is maximum 10% more expensive than the defined basic variant. Thereby, a connection to existing heat grids or supply systems or a collaborative solution in connection to the surrounding building stock needs to be considered.
- **Minimum percentage for housing and mixture of different apartment sizes:** In larger construction projects, the mixing ratio of apartments of different sizes in order to avoid unilateral structures for certain areas can be established. In central city areas a minimum percentage of living space can be determined in the urban planning contract to avoid the displacement of living in central locations. For the edification of student housings a minimum percentage of living space for other populations can be determined to promote the social diversity. An upper limit for the proportion of one-room apartments, a certain proportion of larger homes or the scheduling of group rooms can be determined additionally.

- Continuous accessibility: 1. All at least four-floor buildings need to be established in a way that enables a stepless accessibility of all storeys, as appropriate with elevators or ramps. This includes all common areas within the building. 2. The several flats within the building have to be constructed after the requirements catalog for barrier free housing.

The listing shows that in land policy models besides refinancing of public infrastructure and measures for social housing urban quality and energetic purposes become more important. New buildings should be more energy-efficient as required by the German Building Energy Conservation Ordinance, for example. At this point it is certainly questionable if Germany's high aims to energy saving and alternative energy sources could be achieved throughout the land management model because it only concerns regional measures in a few cities and municipalities.

In association with land policy models, the building lease also plays a special role because it is a strategic reserve of land that can serve qualities and conditions of use over conventional appointments in a leasehold agreement for a long term. However, considering the shortage of money of many (large) cities, it remains open whether fast portfolio sales are preferred to the creation of long-term reserves of land (cf. Thiel 2012).

In summary, in Germany by now it is routine for almost all larger municipalities to deal with comprehensive strategies for the development of building land and brownfields revitalization:

- Berlin: "No consistent way of formal instrumental collaboration" (Institut für Bodenmanagement 2011, 36), but quotes for social housing in residential projects on state-owned, urban and private properties.
- Hamburg: Funding rate for housing and social housing (20% and 30% for newly established central business districts). Since 2011 so-called "Alliance for the Housing" between the city and the residential construction companies with the aim to build 6.000 apartments, therefrom 2.000 subsidized apartments every year. Furthermore, the city has established a board for strategic land management.
- Köln: Decision of a cooperative land policy model in 2014. City-wide 30% quote for social housing in residential projects. Lower limit of 25 housing units (Stadt Köln 2014).
- Frankfurt am Main: No land policy model but rates for social housing of 30% in new buildings in the city center (commitment to social housing in pure residential projects, in office buildings commitment to realize 30% housing); relatively high flexibility because apartments do not have to be realized in the planning area.
- Heidelberg: Land management strategy since 2006, when newly-creating construction law in the field of housing or the area of a superior commercial building becomes important; funding rate of 20% for residential projects.

With similar objectives, the choice of the instruments in other municipalities diverges because of different basic conditions, planning traditions, financial circumstances, and political relations.

### 3. Success factors of land policy models

This section deals with eight conditions for success for land policy models. The explanations are based on extensive experiences of the author, but also on articles and studies in combination of land policy decisions (cf. literature list in appendix). Before implementing a land policy model in a city it is absolutely essential to conduct an intensive dialogue on the depth of details and regulation, the positive effects and the difficulties. Here, all relevant urban actors have to be involved (including municipal council, public administration, real estate sector, housing companies, Chamber of Industry and Commerce) to get preferably wide acceptance for the prospective model.

#### Broad agreement

The first factor of success is the required broad consensus between politics and administration. Unity in the decision as well as in the implementation is a fundamental requirement to realize such an extensive framework for the long term strategic land management. Land policy models have to be based on a cross-party consensus so that they do not become a plaything of short local politics calculations. The models deal not only in costs and their commitment on the planning beneficiaries, but also in the implementation of important urban, social and ecological aims.

#### Equal treatment of the people concerned

A land policy model provides a common framework for all cases of land development. A guideline that pretends affirmative standards takes place of elaborate individual contractual provisions of each individual case. The consistent usage and therefore the equal treatment of all actors in the land market only lead to the fact that there is a high degree of acceptance and the requisite participation willingness of those affected. The people concerned need to be able to trust in an equal treatment by the city. In addition, it is important that the implementation is monitored and the strict adherence of all contractual agreements with the affected people is ensured.

#### Transparency and clarity

Land policy models have to be transparent, simple and easy to understand so that they can be accepted by all parties concerned. Aims and principles have to be communicated intensively. The real estate sector and the housing companies have to be able to adapt the conditions and regulations in order to act accordingly. Transparency and clarity are mandatory prerequisites for the predictability of the model and necessary security in the calculation of the costs.

### Long-term nature and reliability

The land market is an upstream product of the residential and the commercial real estate market. This connection requires that the conditions for land development have to be determined and framed long-term. Short-term changes in local land policy often have a negative effect on properties with its long development periods. For the apprehension that land models, except those that provide cost sharing, lead to an increase in the price level in the municipalities and the land mobilization and exacerbate the provision of housing, in practice no reasons have been found. To the contrary, land policy models can even lead to a decrease of the land price level.

### Regional cooperation

The challenge of land policy models is to avoid or dissolve competitive situations by early regional cooperation. At this juncture there is in no city with such a model any evidence that investors and those willing to build leave the township due to building land decisions and have settled in a surrounding municipality. In the best case the model causes spillovers on the neighbouring municipalities that are based on this and develop it in a similar or even the same way.

### Organization

Municipal land policy models generally require new and more effective forms of communication and cooperation between the relevant local departmental authorities. Local organization traditions and administration structuring have to be considered. Furthermore the size of the municipality plays a significant role. The cooperation of the city development division, planning, housing, and finance sector is essential. It is not only a matter of the bundling of various technical aspects and responsibilities but also of the matching of partially competitive interests and mentalities. Furthermore, the intensive coordination with the political bodies is of vital importance. Especially for potential investors it is appropriate that the responsibilities and information would merge together at one place in administration. For example, interdisciplinary project groups with members of different local sectors can realize measures efficient.

### Flexibility and adaption

There exists obviously not *the* universal model or *the* path of socially-oriented urban development. Each case has to be examined and treated individually. In practice a flexible usage is sometimes necessary without leaving the general principles of the decided land policy model. In addition, land models need necessary adjustments in the course of time because of the changing surrounding conditions. The regulations should be interpreted long-term so that in a few years and a short time new decisions do not have to be taken.

### Municipal planning jurisdiction

The local planning authority is the central control mechanism for the land policy model. In the current case law it is indisputable that municipalities can use this legal approach to

realize their urban planning aims. Basically, municipalities can make the decision to draw up an urban land-use plan dependent on the willingness to participate of the property owners.

The large number of success factors shows that the major current objectives of socially-oriented, energy-efficient and cost-effective urban development cannot be managed without a comprehensive land policy management. However, urban land policy models are further proof that they are equally challenging and innovative regulations. To summarize the short analysis of the relatively new instrument, land policy models are not a solution for every local authority. The flexibility of a model allows each city to develop its own strategy based on its own needs, but it may not be an (economically) reasonable road to success everywhere.

#### 4. Current land policy issues in Germany

A central task for the future of municipal land policy models arises from the fact that urban development in more and more German cities is characterized by shrinkage, especially through declining population and declining economic power (e.g. Eastern parts of Germany, Ruhr district, rural areas; BBSR 2011). The surplus of dwellings in these regions conflicts with the high and rising demand for affordable housing in the growth-oriented areas (e.g. Munich, Stuttgart, and Frankfurt Rhine Main), (cf. Schubert 2012).



*Picture 4: Symbols of the population decrease in Eastern Germany, demolition of a school building in Wittenberge (Source: Benno Brandstetter).*



Thus it is difficult to avoid the impression that these regional differences are not adequately solved without solidary compensation of required changes of land values. Deconstruction measures with subsequent renaturation or conversion as green area focus predominantly on municipal housing stocks. In other cases of urban planning oriented to existing structures, in which brownfield revitalization and mobilization of intraurban space replace external development, there are only low increases in land value. The costs of site preparation often exceed land values. Therefore, in most cases there is no interest of property owners in development because increases in land value as “lubricant” for urban development are absent. More blockades for urban development in the context of urban shrinkage can be seen even in land law. Davy (2007) describes land law as dysfunctional against this background.

Considering these developments the hypothesis can be formulated that municipalities win back their control options over land use only with communal availability of land. Long-term land reserves policy, municipal or regional land funds, the establishment of leasehold rights and housing stocks owned by the municipality have proven to be modules of a preventive communal land policy. They ensure scopes of action and enable necessary adaptation strategies. With such instruments that are no longer practiced in many cities because of strained public finances, the local authorities can again actively participate in land market and control land use effectively.

However, there exist limits in municipal land policy actions. According to German law, the local authorities may only participate in the real estate market as this is relevant for the exercise of their statutory duties. A socially oriented urban development, adequate housing supply, urban inner development, climate change adaptation and mitigation measures etc. are undoubtedly one of these statutory duties and require adequate land policy action in the context of a shrinking city. This also includes the effort to use cooperative instruments and procedures instead of sovereign ones. Certainly, purely fiscal interests may not be in the forefront of municipal land policy action.

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### *Web links*

- [www.muenchen.de/rathaus/Stadtverwaltung/Kommunalreferat/immobilien/sobon.htm](http://www.muenchen.de/rathaus/Stadtverwaltung/Kommunalreferat/immobilien/sobon.htm)  
[www.stuttgart.de/SIM](http://www.stuttgart.de/SIM)  
[www.hamburg.de/bsu/buendnis-fer-das-wohnen/](http://www.hamburg.de/bsu/buendnis-fer-das-wohnen/)



Reinfried Mansberger\*, Anka Lisec\*\*, Gerhard Muggenhuber\*\*\* Gerhard Navratil\*\*\*\*,  
Christoph Twaroch\*\*\*\* and Reinhold Wessely\*\*\*\*\*

# Value-Describing Geo-Data as an Untapped Treasure for a new Mass Appraisal System in Austria

## Abstract

Information about market values of real properties is an essential basis for controlling land as a resource. Efficient public administration requires the knowledge of real property values to determine an optimal use of land, to support decisions for social and economic policies and to enact laws, norms and rules for a functioning land market. In Austria, due to the discrepancy between the “unit value” (a normative, historically fixed value) – which is the currently used land valuation method – and the market value of real properties, an engaged discussion is under way to enhance the valuation system. In this article, the need of a new system of real property (mass) valuation is demonstrated. A potential method for the evaluation is outlined based on geo-data with a high relevance for real property values. In this context, the Austrian land administration system plays a key role as it encompasses a multitude of interfaces to such data. Examples of value-describing geo-data – country-wide available in Austria – are also presented in this article.

## Zusammenfassung

Informationen über Liegenschaftswerte sind eine wesentliche Steuerungsgrundlage für die Ressource Land. Eine effiziente öffentliche Verwaltung benötigt das Wissen über markt-nahe Liegenschaftswerte für eine optimale Landnutzung, zur Unterstützung von Entscheidungen in der Sozial- und Verteilungspolitik sowie zur Festsetzung von Gesetzen, Normen und Regeln für einen funktionierenden Grundstücksmarkt. In Österreich stehen derzeit die Ergebnisse des angewendeten Einheitswertverfahrens aufgrund der Diskrepanz zu aktuellen Verkehrswerten in Diskussion. In diesem Artikel wird die Notwendigkeit eines neuen Systems für die (Massen-)Wertermittlung von Liegenschaften dargestellt. Eine mögliche Methode für die Schätzung von Liegenschaften, welche auf Geodaten mit hoher Relevanz für die Wertermittlung basiert, wird skizziert. Bei dieser nimmt das österreichi-

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\* University of Natural Resources and Life Sciences, Department of Landscape, Spatial and Infrastructure Sciences, Austria.

\*\* University of Ljubljana, Faculty of Civil and Geodetic Engineering, Slovenia.

\*\*\* Federal Office of Surveying and Metrology, Austria.

\*\*\*\* University of Technology Vienna, Department of Geodesy and Geoinformation, Austria.

\*\*\*\*\* International Consultant, Austria.

sche Landadministrationssystem aufgrund seiner Schnittstellenvielfalt eine Schlüsselrolle ein. Beispielfhaft werden auch die wertbeschreibenden und in Österreich flächendeckend verfügbaren Geodaten in diesem Artikel vorgestellt.

## 1. Introduction

Land always has been a source for human life. Land is considered as the basic element for human existence in the way of providing the space for people for living and acting, for providing food, and, in the market-oriented society, by representing a fundamental source of capital. Namely, at the abstract level, land represents a set of rights related to its use, having a value that can be traded even though the physical unit cannot be moved.

Nowadays, information about market values of real properties and their spatial variation is an essential basis to control land as a resource and for decision-making. Thus market values of real properties has to be considered as important public data. Governments and public administration as well as other actors require this information. Access to reliable information on ownership, real property characteristics, and the market value of real property are preconditions for an active and transparent real property market. Furthermore, such information is fundamental for spatial planning, for land management, for infrastructure development, for environmental monitoring, for supporting decisions, for social policy etc.

Since land has often been considered as the source of wealth, different kind of land taxes have been one of the most common forms of taxation. In Austria, real property tax as the most important revenue of public finances was traditionally based on land, which generated income from agriculture and forestry. The land cadastre was designed to assist in land taxation.

In the middle of the 20th century the Austrian real property taxation on the basis of “unit values” (i.e. “normative” established values) was introduced. As market values are much higher than the “unit values”, which are still in use for taxation purposes, a discussion about real property market values as the basis for property taxation gains momentum in the country.

Different estimations about the total market value of real properties are known in Austria. According to Hahn and Magerl (2000: 63), in 2000 the estimated value of private real properties in Austria was 387 billion EUR. However, the Österreichische Nationalbank (OeNB) made a survey a few years later with an estimation of private owned real properties with a total value of 690–880 billion EUR (OeNB 2013).

The last decades have seen moves towards the establishment of real property mass valuation systems as the basis for real property taxation throughout Europe, e.g. Finland (Kokkonen 2006), Latvia (Barvika et al. 2013), and Slovenia (Smodiš and Mitrović 2012). For the purpose of real property mass valuation, which is the systematic appraisal of groups of real properties of a given date using standardized procedures and statistical approaches, data about real properties are needed.

With the new demands, it is recognized that traditional cadastral systems must be tailored to facilitate an efficient real property market as well as real property taxation system (Muggenhuber and Twaroch 2008). Public registers in Austria hold a huge number of geo-data, which have a high relevance for the estimation of real property market values. The land administration system might play a key role as it encompasses a multitude of interfaces of such data.

The existing land valuation system in Austria and the demands for a new mass appraisal system in Austria are presented in this article. A potential approach for such a new system is sketched, which could be linked and geo-referenced based on countrywide available geo-data and reference frame operated by the Austrian land administration authority.

## 2. Current situation of land valuation in Austria

The current valuation of land in Austria is based on the unit value method. This assessment method estimates a tax measure, the “unit value”, for specific economic units of the assets or for individual items. The “unit value” is used as the basis for the calculation of land tax and for other taxes and charges, such as land value charge, social insurance contribution for agricultural or forestry businesses, determination of the flat rate income tax for farmers, and other fees and administrative charges.

The unit value method shall objectify the appraisal of real estate properties and prevent ad hoc expert evaluations (Twaroch and Wittmann 1994). The unit values are determined by the tax office in accordance with the provisions of the Valuation Act in the form of an administrative decision for domestic real estate. Domestic real estate includes (i) the agricultural and forestry assets, (ii) the real property and (iii) operational land.

### 2.1 Valuation of agricultural and forestry property

In general, the valuation is based on the income approach. However, agricultural assets and winegrowing assets are rated using a sales comparison approach. Forestry and horticultural assets are rated using a single income approach. In order to provide an objective measurement basis, agricultural land have been subjected to soil evaluation. Soil evaluation is based on analysis of soil characteristics and its harvesting capacity based on natural productivity factors such as soil, terrain design, micro-climate, and water conditions. The results are represented in maps indicating the soil quality of land. The land administration authorities evaluate the unit value is for each agricultural parcel. The unit value represents the harvesting capacity (separately estimated for arable land and grassland) rounded to 100m<sup>2</sup>. The unit values for all the agricultural land plots are documented in the land cadastre.

### 2.2 Valuation of real property

The valuation of real property not classified as agricultural or forestry asset, such as building plots, houses, apartment buildings, commercial and industrial real estate, construction rights, and buildings on property of a third party is based on the fair market value, which

is determined as a combination of land and building value. The current unit values were determined in 1973 and only once (1982) increased by a 35% flat rate.

### 2.3 Valuation of industrial property

Operating assets include all assets that serve mainly commercial operations and are economically attached to the company owner. The operating assets are generally equal to the fair market value.

## 3. Demand for a mass appraisal system for determining real property values

Historically, property tax was based on land, which generated income from agriculture and forestry; it was the most important revenue of public finances. In the course of the 19th century, the increasing industrialization changed the values of real properties. As of today, land parcels designated for construction, residential and commercial buildings are much more relevant objects for taxation. Thus, a reform of methods and procedures for the calculation of a real property tax should accomplish this development towards a market-oriented economy.

At this time, in Austria the discussion about real property values as basis for property taxation gains momentum, as real property is taxed on the basis of outdated “unit values” (i.e. “normative” established values). Due to the discrepancy between the market value and the unit value of a real property, the Austrian Constitutional Court has deemed the different treatment of real property and other types of property (personal property) as unconstitutional. This judgement – amongst other things – led to the repeal of the inheritance and gift taxation as well as to a partial repeal of several laws, such as the initial tax rules for foundations, the Law on Court Fees and the Law on Real Property Acquisition.

In Austria, compared to other countries, the revenues from real property taxes are relatively low and amount with Euro 620 million to only 1% of total tax revenues. OECD (2011) has called this situation “an erosion of the real property tax basis” and has recommended to lift the tax basis to actual market values and to adjust these values regularly. The reform of procedures and methods for real property taxation is being discussed in Germany as well as in Austria. One important argument for a real property taxation system based on market values in this discussion is the fact that the present taxation system, which taxes income, labour and consumption at high rates, has reached its limits.

Presently, in Austria there are approximately 2.32 million tax files on real properties and approximately 573000 tax files on agricultural properties. These numbers show that a continued process for establishing real property values in the same way as hitherto would cause enormous administrative costs. This is the main reason why this procedure was not followed since 1973 (Leiss 2012). The establishment of a unique value basis for properties, which are subjected to various types of taxes, is based on effectiveness considerations. The administrative costs, which separate systems of valuations for different properties would be enormous. The motive of avoidance of uneconomic costs for such separate systems has to

be commended. Thus, the arguments for rules aiming for the change of “unit values” (as tax basis) are not unreasonable (VfGH 2007)<sup>1</sup>. The use of non-adjusted “unit values” for tax calculation can yield different results for the same set of objects or calculations for different objects might yield the same results; both situations – from a constitutional point of view – are either violating equality before the law or are, at least, not objective.

Already in 1992 (VwGH 1992)<sup>2</sup> the Austrian Supreme Administrative Court – with reference to various professional comments – opined that “unit values” of real properties represented only a fraction of the market values. In a more precise opinion the Court in 1994 opined that an increasing discrepancy between the “unit values” and the actual market values were emerging due to the fact that the “unit values” had not been changed since 1973. It is a fact that “unit values” represent only a fraction of the actual market values. With regard to the various factors, which might influence the regionally different changes of real property values and of construction costs over time, a just linear adjustment of the “unit values” to determine actual real property values is not acceptable (VwGH 1994)<sup>3</sup>. The constitutional problems of the present system of real property taxation do not stem from the “unit value” type valuation, but rather from the fact that no adjustment of the “unit values” has been effected since decades which lead to ever increasing discrepancies between “unit values” and market values of real properties.

Most recently, the OECD has recommended to Germany as well as to Austria, to base property taxation on market values instead of “unit values” and to adjust such values regularly, as it is done in the USA, in Denmark and Sweden. In principle, real property taxes are less distorting than taxation on transactions, because thus the inclination towards an optimal allocation of resources is being reduced (OECD 2010).

### 3.1 Demands on a (computer-assisted) mass appraisal system

From the view of the authors the following demands on a mass appraisal system can be formulated:

- It has to be based on the three classical appraisal approaches (comparison, capitalisation, recovery), but is supposed to differ from them due to its specific tasks and applications.
- It has to deliver close-to-market values as results.
- Both, its processes as well as its results have to be transparent and traceable.
- Aggregated results shall be published.
- The valuation has to comprise the whole real property object, but the values of the land parcels and the improvements thereupon should be shown separately.

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<sup>1</sup> VfGH 7.3.2007, G 54/06 und 15.6.2007, G 23/07.

<sup>2</sup> VwGH 1992: VwGH vom 26. 03 1992, Zl. 90/16/0202.

<sup>3</sup> VwGH 1994: VwGH vom 30. 05 1994, Zl. 93/16/0093.



- The system should be built micro-economically driven.
- Both, the database as well as the model of the mass appraisal system should be simple to allow a fast and clear appeal procedure.

According to the ruling of the Austrian Constitutional Court simple and easy to handle rules can be issued in order to avoid uneconomic administrative costs. Thus, legislation can choose a valuation procedure which meets administrative economic demands and uses typification and estimation standards. Efficiency alone, however, cannot justify every rule; a balanced relation to the legal consequences has to be taken into account. The valuation method must not be far from reality and must not lead to deliberate valuation results (VfGH 2012)<sup>4</sup>.

### 3.2 The benefits of a (multi-purpose) mass appraisal are manifold

The use of a countrywide mass appraisal system yields manifold benefits. Changes of real property values mirror economic policies and investments on infrastructure. Only people in politics, business, as well as in private life who have access to relevant information are able to make transparent and sustainable decision in the field of land and resources management as the arguments below shall demonstrate. Although a mass appraisal system offers a multitude of benefits (as explained below), the introduction of such a system mostly will benefit the real property taxation system, although other applications also are important.

#### Real property taxation

The arguments for the introduction and use of a mass appraisal system as basis for the calculation of a tax on real properties have been explained above. At this point, additional comments are made with regard to economic and social aspects. The present Austrian system of the “unit value” as basis for real property taxation lacks methodical adequacy (as explained above), it is socially unfair as it enables people with higher incomes to build-up wealth without taxable consequences:

- Households with a relatively low disposable income only can put their savings into savings accounts or securities (bonds and stocks). Earnings from these investments are taxed with 25% capital gains tax.
- Households with a disposable income way above average might more easily to be able to invest in several residences, vacation homes etc. The value of these investments normally increases substantially over time, representing a capital gain, but is not taxed. Given the fact that in Austria there is no inheritance tax, neither a gift tax, these investments can be handed over to the next generation without any tax consequences (as opposed to the taxation of savings).

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<sup>4</sup> VfGH 2012: VfGH vom 27.11.2012, G 77/12.

Economic, social and environmental policies

In order to make educated decisions in economic, social and regional development politics, the decision makers need comprehensive information on values of real property and its dynamic development:

- Different economic and social developments on a regional basis, including speculative real property market in-balances, can be recognized and adequate measures to correct deficiencies can be taken.
- Changes in land-use, including environmental protection measures, lead to massive changes in real property values. Anticipating such changes in real property values will enable decision makers to introduce mitigating measures on time.
- In a similar way, spatial planning measures (like infrastructure investments) will lead to changes in land-use and, thus to changes in real property values. Information about such consequences shall assist the decision making process for mitigation measures.

#### 4. Method of a mass appraisal system

The mayor differences between individual property valuation approaches and mass appraisal refer to data acquisition as well as to calculation model. The individual appraisal approach enables the consideration of all the technical and legal details of the object and its neighbourhood. Thus, this method is considered to provide high precision of the individual value of an object. The mass appraisal approach however targets much more on the valuation of a whole group of real properties with similar characteristics. Justified by the theory of large samples (Kummerov 2003), the mass appraisal is based on mass acquisition of data. It derives from and it is determined by standardized mathematical models, statistical tools and by the probability of real estate values (Figure 1). This approach provides repeatable and objective methods for the valuation including an estimation of the reliability of results. Thus, mass appraisal is an objective and proper approach to support taxation of real estates.

Within the individual property valuation, the selection and weights of relevant parameters are influenced by the experience of the specific appraisal experts. Within the mass appraisal, the selection as well as the statistical weights of relevant parameters are derived from an unbiased sample and then applied for valuation of all properties. Such a mass appraisal system provides objective values of real estates. Consequently, the resulting information in our opinion has to become a public available infrastructure facilitating decision making in policy. Individual appraisal experts would also benefit from these overall parameters derived from mass appraisal and could put all individual parameters on top of the parameters from mass appraisal.

Data acquisition for a mass valuation system has to focus on characteristics describing differences among similarities of a submarket. Several studies (see Sirmans et al. 2005) review the hedonic pricing models and identify typical characteristics such as sales price,

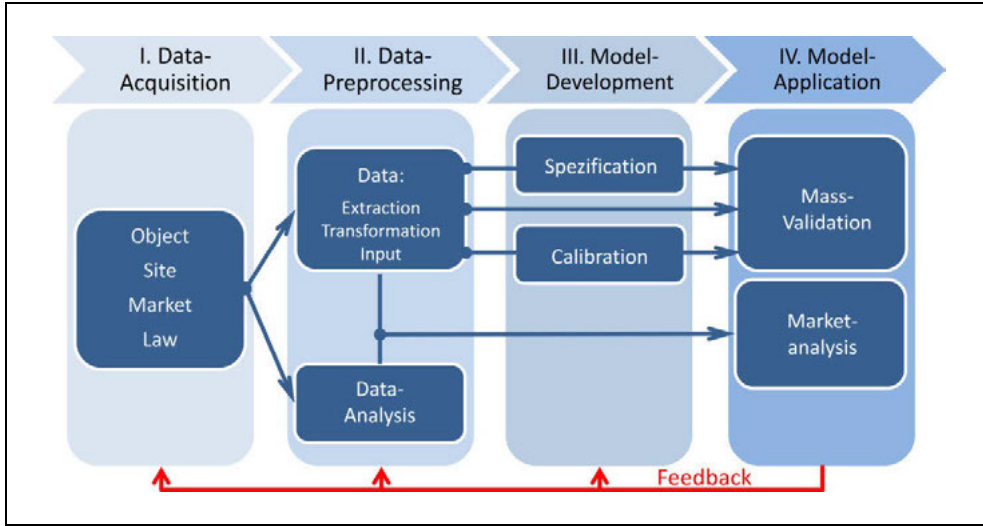


Figure 1: Elements and procedure of a mass appraisal system (Source: Muggenhuber et al. 2013)

date, area and type of structure, area of land, location, age, renovations, type of structure, materials etc. (Eurostat 2011). The price determinant parameters can be categorized by the object, by the location, by the socio-economic aspects, and by rights and restrictions. The observed price  $P_i$  of a property  $i$  is a function of all these characteristics (Figure 2):

$$P_i = f(Obj_i, Loc_i, Eco_i, R\&R_i, \epsilon)$$

$Obj_i$  = object characteristics, size, rooms, energy consumption and type of construction

$Loc_i$  = locational characteristics describing (dis-)amenities of neighbourhood, infrastructure, and environment (views, noise etc.)

$Eco_i$  = socioeconomic, financial aspects and risks

$R\&R_i$  = real property rights and restrictions – private as well as public

$\epsilon$  = “Error-term” for all not considered parameters

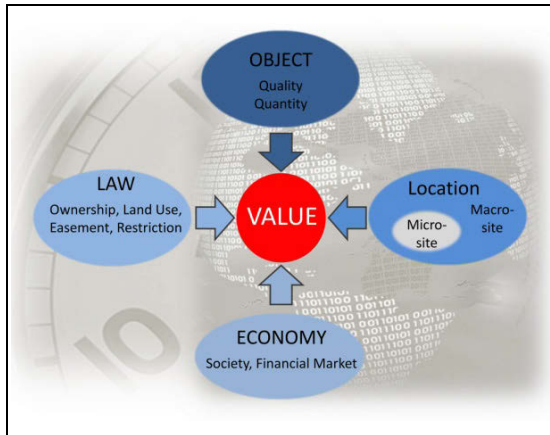


Figure 2: Determinants of the property value (Source: Muggenhuber et al. 2013)

Some spatial causalities between characteristics and property prices, like those determined by spatial planning rules, are neither linear nor continuously in space. Studies in Germany and Switzerland prove the impact of locational characteristics, like noise pollutions, on the property value of up to 30% (Thieß and Schnorr 2005).

In Austria the National Spatial Data Infrastructure (NSDI) is well developed and the upper described price-determining model could be applied for mass appraisal of real properties. As outlined in the following chapter, most of the required datasets are countrywide available and have sufficient accuracy.

## 5. Value describing geo-data

As outlined in Chapter 4, physical, ecologic, economic, legal and social/demographic characters of the real property itself, of the immediate neighbourhood, of the local and the regional environment of the object are affecting the value of a real property. Much of this information is available in existing data bases – it is just necessary to extract the relevant data and attributes and to merge/model them to gain proper input parameters for the valuation of the real property. However, the existing and for a nationwide mass appraisal system applied geo-data have to meet the following requirements:

- Availability (countrywide),
- Accessibility (from a legal, technical and economic point of view),
- Homogeneity, completeness and actuality,
- Proper geometric and thematic accuracy (resolution),
- Geo-coding (partially parcel-based).

In Austria, a large number of geo-data has been accessed and is maintained by public authorities and by private institutions. Amongst the countrywide available geo-data the following could be of interest for a mass appraisal system (Muggenhuber et al. 2013):

- The Austrian cadastre enables the link and the relationship of land (parcels) with other real properties (e.g. houses, apartments), with addresses, with entry numbers (land book). Additionally the Austrian cadastre provides countrywide information about the use of land. For agricultural areas, the soil quality and production conditions are documented in form of a parcel-based yield index.
- The Austrian land registry (land book) contains public accessible evidence about the rights and obligations (e.g. easements) of parcels and supplies information about the purchase price of real properties.
- The Integrated Administration and Control System (IACS, in Austria called INVEKOS) delivers up-to-date information about land cover and land use in agricultural areas.
- Purchasing prices of real estates are available in specific registers at Austrian financial authorities.
- In Austria land developing plans and/or building schemes are countrywide available. Some of these maps are still in an analogue format, but the number of digitized documents is increasing continuously.

- Detailed (statistical) information about individual houses and/or apartments are stored in the building and dwelling register (GWR – Gebäude- und Wohnungsregister). In aggregated form (grid) the data are almost yet available for the public.
- Building permits contain value-relevant attributes that are stored, to some extent, in the GWR.
- Nature protection maps, hazard zone maps, as well as noise maps are Austrian-wide available and inform about value-decreasing land use restrictions.

Table 1: Geo-data with value-describing relevance (adapted to Muggenhuber et al. 2013)

CHARACTERISTIC of GEO-DATA	DATA SET (Excerpt)	DESCRIPTION OF LOCATION				AVAILABILITY		QUALITY					LEVEL of RELEVANCE
	Estimation	Object	Neighborhood	Local	Regional	Coverage	Technical	Integrity	Homogeneity	Geometry	Level of Detail	Actuality	
	*** good / high / very relevant ** medium / relevant * little / low / rarely relevant												
PHYSICAL	Cadastre / DKM	***	**	**	*	***	***	***	***	***	**	***	***
	Register of Addresses	***	**	**	*	***	***	***	***	**	**	***	**
	Topographic Maps	*	*	**	***	***	***	***	***	**	**	**	**
	Digital Terrain / Surface Models	**	**	**	**	***	***	***	**	***	***	**	**
	Orthophotos	**	**	**	**	***	***	***	**	***	***	**	**
	Satellite Images	*	*	**	**	***	***	***	**	**	*	***	**
	Street Maps	*	**	***	***	***	***	**	**	***	**	***	**
	IACS (INVEKOS)	***	**	**	**	***	***	***	**	***	***	**	**
	Land Use / Land Cover Maps	**	**	**	**	**	**	*	**	*	**	**	**
	Water Quality Map	*	*	**	**	**	**	**	**	**	**	**	*
ECOLOGY	Environmental Data	**	**	**	**	**	**	**	**	**	**	**	**
	Soil Data Base	**	**	***	**	***	***	**	**	**	**	**	**
	Climate Data	*	*	**	**	**	**	**	**	**	**	***	**
	Noise Maps	*	**	**	*	**	**	**	**	**	**	**	**
	Natural Protection Maps	**	**	**	***	**	**	**	**	**	**	**	**
	LEGAL	Land Register (Grundbuch)	***	**	**	*	**	***	***	***	***	***	***
ECONOMIC	Development Plans	***	**	**	*	**	**	***	**	***	**	***	***
	Risk Maps	***	***	**	**	***	***	**	**	**	**	**	**
	Building Schemes	***	***	**	*	***	**	***	**	***	***	***	***
	Purchasing Price Data Base	*	**	***	*	**	**	**	**	**	**	**	**
	Internet Offers	**	**	***	*	**	**	**	**	**	**	***	***
SOCIO-DEMOGR.	Transaction Data Base	***	**	***	*	**	*	**	**	**	**	***	***
	STATISTICAL DATA on												
	Employment Market	*	*	**	*	***	***	***	***	**	*	**	**
	Companies (incl. Location)	*	*	**	*	***	***	***	***	**	*	**	**
	Demography	*	*	**	*	***	***	***	***	**	*	**	*
	Education - Culture	*	*	**	*	***	***	***	***	**	*	**	*
Social Issues	*	*	**	*	***	***	***	***	**	*	**	*	

- Airborne laser scanner data provide highly accurate information about terrain and surface. Information about slopes, exposition and sunshine-duration easily can be derived easily from these data sets.
- Statistics Austria is regularly recording and collecting various geo-data, which are describing socio-economic aspects.
- Open source data (Google Map, MicroSoft Bing, Open Street Map, basemap.at) are continuously increasing and will complement the existing geo-data.

Table 1 outlines geo-data, which are countrywide available in Austria. The list also documents the relevance of these data for determining the market values of the real properties. The level of relevance is based on an estimation of all the authors. Table 1 makes no claim to be complete, but it outlines the potential of Austrian geo-data for being used in a mass appraisal system, or – said with other words – it is an evidence of a buried treasure that has to be lifted.

## 6. The Austrian land administration system as an interface for a mass appraisal system of real properties

As seen in the previous section, data from different sources are necessary to determine property values. The data from these sources are often based on different spatial references (e.g. coordinates, addresses, and parcel identification numbers). A standardized reference system is necessary to connect the different data sources. The Austrian cadastre provides this functionality.

In Austria the cadastre is a public inventory of all properties based on detailed survey of property boundaries. The cadastre is country-wide available and provides spatial reference for all properties.

The Austrian cadastre supports different reference systems based on coordinates, parcel identification, administrative units, or postal address. Each of these reference systems provide an unambiguous spatial reference of information relevant for the determination of property values. The cadastral map, which is available countrywide in a digital and seamless form, documents the boundaries of the land parcels and other reference objects. Thus, the cadastre enables identification of property and defines its position, size, and shape (Abart et al. 2011). Additional the Austrian cadastre gives information on the land use and provides a productivity measure for agricultural areas.

Legal information of the Austrian land register is directly linked to the cadastre by the identification of the cadastral unit and the parcel identifier. In this way ownership information as well as rights and restrictions are connected to the parcel. The main contents of the land register are related to civil law (e.g. mortgages, rights of way, or building rights). The linkage between land register and public law regulations is more complex. It would be possible to create such systems that provide automatic connection (compare Spangl and

Navratil 2012), but such a system does not yet exist. Examples for relevant public law restrictions are land use plans and building regulations.

The cadastre already has all necessary characteristics to serve as a data interface for mass appraisal. Such a system should strive for providing reasonably good approximations of market prices based on available data and mathematical models. Figure 3 shows the connective role of the cadastre as a multifunctional reference system linking property with data affecting the value of the property. The results could be used – as outlined above – in a variety of applications, like land taxation, spatial planning, or decision-making on mortgage applications.

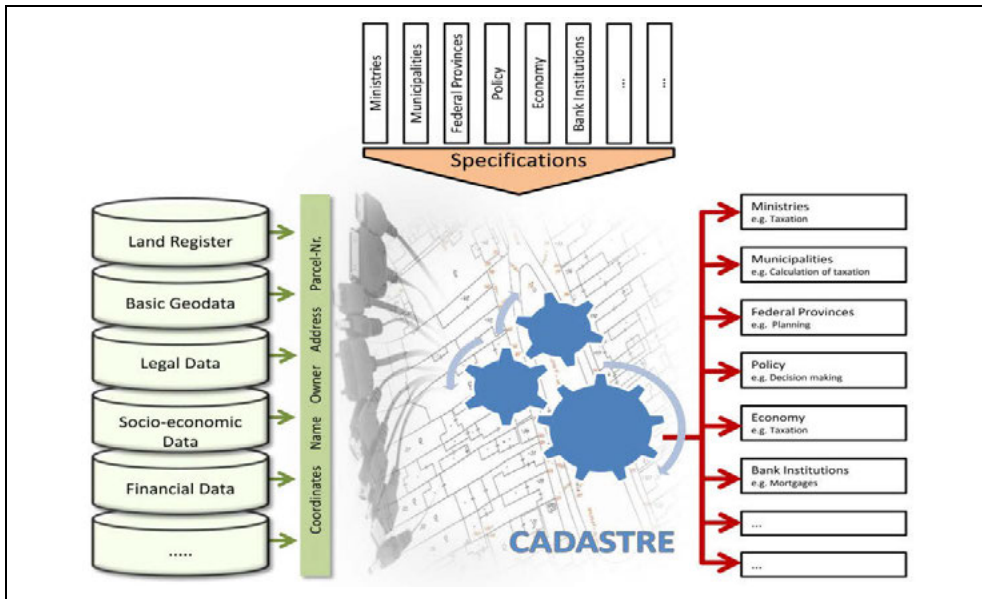


Figure 3: Cadastre as the interface of a countrywide mass land appraisal system (adapted from Muggenhuber et al. 2013)

However, the cadastre cannot provide the expertise to estimate the land values. Prediction of market trends and analyses of data integrated in and linked by the cadastre requires experts from other fields. The cadastre guarantees the reference frame and the link to different data sets, but the users have to specify their requirements. The practical implementation can be done using two different approaches:

- The users have to select the relevant data for their analysis and access them via the cadastre. Data analysis remains completely under the control of the users.
- The end users specify the methodology to compute the values from the input data and this process will be implemented in the cadastral interface.

Both methods have advantages and disadvantages. The first method makes a clear distinction between spatial integration and the application. However, it may cause multiple

implementations of similar models at different institutions and slightly different outputs. The second method stresses the resources of the cadastral organization, which could lead to a general degradation of service quality.

From a technical point the implementation of a new Austrian mass appraisal system can be considered as feasible. Of course, additional investigations about the choice of geo-data sets and the proper weighting of the specific parameters has to be carried out.

The feasibility of a modern Austrian mass appraisal system is not only dependent on technical aspects. Institutional responsibilities and financial issues has to be discussed for providing and combining all the geo-data. Additionally, copyright and privacy aspect of the available data have to be solved for the implementation of the presented approach. It is obvious that an integrated valuation infrastructure with open access to the datasets processed as well as to the valuation results is more efficient than the current approach of multiple closed systems for state, financing and investing sectors as well as for private actors.

## 7. Conclusions

The last decades have seen moves towards the establishment of real property mass appraisal system as the basis for real property taxation throughout Europe. Additionally the market values of real properties are used in many countries as basis for real property taxes. In Austria, the reform of procedures and methods for real property taxation is in ongoing discussion.

Mass appraisal of real property requires complete and accurate data, effective valuation model and proper management of resources. In Austria many geo-data with a relevance for determining the value of real properties is available countrywide. Information about physical, legal, and environmental characteristics of objects as well as about the demographic and economic situation of the local and regional neighbourhood is collected and stored in public databases.

The Austrian cadastre was designed to assist in land taxation at the very first beginning. As the basic data set for the smallest administrative land unit – the parcel – it is still the optimal interface for a future Austrian mass appraisal system. Most of the countrywide available and for a mass appraisal relevant geo-data can be linked geometrically as well as thematically to this up-to-date database.

From a technical point of view the implementation of a new Austrian mass appraisal system is feasible. But the realisation of such a system requires addition discussion about institutional, financial, and legal (e.g. privacy and copyright) aspects.

Access to reliable information on ownership, real property characteristics, and real property market data together with the market value of real property are the preconditions for an active and transparent real property market. Furthermore, such information is fundamental to spatial planning, land management, infrastructure development, environmental



monitoring, and for supporting decisions in social policy. A modern real property mass valuation system brings benefits to the society. Therefore, information about market values of real properties has to be part of a public data infrastructure.

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# Climate Change and Risk of Flooding in Germany

Consequences for property values

## Abstract

Climate change is a global problem and a great challenge for humanity. Although results of prognoses are subject to considerable uncertainty the world will have to face more and more frequent and intense extreme weather events like storms and floods in the upcoming decades. Damage prone flooding incidents, which occurred in Germany every 50 years in the past, will appear in statistical terms every 25 years in the future. The article looks at the negative consequences for real estate values caused by flood risk. A special focus is on the specific parameters in the valuation process. Also the positive location effect due to waterfront location will be considered and put into context to the negative influence. It has become evident that the risk of flooding influences the property value in general in a negative way. Actual flooding events affect the value stronger than the location in a designated flooding area. The longer a flooding event has passed the weaker the negative effect is becoming. After years of no incidents risks are left behind or ignored, especially from purchasers. However, results are very heterogeneous and a general abstraction cannot be recommended.

## 1. Introduction

Climate change and its consequences is one of the biggest challenge that mankind has to face in the future. The risk of flooding has always been present for real estate close to rivers and coasts. But it has been growing in recent years. Major floods all over the world have shown that flooding is a significant environmental hazard. Pictures in the media illustrate the risk for human lives, infrastructure, local economy and housing. The substantial costs of damages, cleaning up and the following reconstructions and renovations can run into billions of Euro. Based on predictions, Germany will see an increase of returning floods and corresponding costs. By the end of the century losses are expected to double and – depending on the given scenario – even triple (GDV, 2013). An increase of major natural hazards can already be seen in Germany. Major storms and floods occurred in 2002, 2010 and 2013.

The highest flood risks can be found at the waterfront of large- and middle-sized rivers. However, heavy rainfall can also swell small brooks to tearing streams. Next to damages to the technical infrastructure private owners of residential real estate belong to the most affected group of people by flooding. Home owners do not stand alone with their concerns

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\* Rheinische Friedrich-Wilhelms-University Bonn, Institute of Geodesy and Geoinformation, Germany  
email: kropp@uni-bonn.de

about the value of their property. For example valuation experts and mortgage lenders need to know about the value of the real estate at risk to advise their clients or protect their investments. The question rises whether an actual flooding event or the location in a formally designated flooding area influences the property value in a sustainable way, and if so in what way.

## **2. Climate change and flood risk**

The issue of climate change and its consequences is all over the media and has moved up the political agenda. Flooding is one of the most common natural disasters in the world (IPCC, 2007). Rising global average air and ocean temperatures are supporting the rate of evaporation and the water holding capacity in the air. That results in an intensification of the water cycle. There is more energy to drive storms and hurricanes (Stern, 2006). Heavy rain, snowmelt, but also extending settlement are the most common reasons for flooding. Additionally due to the increase of global temperatures the average sea level will rise. That will especially endanger regions situated just some centimeters above sea level. Areas with large coastal settlements, for example in South and East Asia, might experience dramatic disasters (IPCC, 2007). The increase of natural hazards is confirmed. The number of incidents has tripled since the 1980's (Munich RE, 2013). Forecasts see a further increase what makes it even more essential to deal with this problem and look out for methods of resolution.

## **3. Literature review**

There are several national and international studies which investigated the correlation between the risk of flooding and property values. Summarized, the location in a designated flooding area or an actual flood event influences the market value of real estate generally in a negative way. Kropp (2012) gives an overview over important studies including applied methods and results back to 2001. There exists a large spread when it comes to the discount rate that can vary in a wide range up to 20 percent. The average discount is around 10 percent. Some studies reveal that there is no significant negative effect of flooding or at least it was not detectable. Others see a temporary effect. One study even describes a positive effect due to the investments carried out after a flood event that resulted in an improvement of the quality of the house. Several methods were used to gain information and results, especially interviews with experts, basic and more advanced statistical methods – like hedonic approaches – and repeat sales analysis (Kropp, 2012). Fundamental outcomes of national and international studies are presented in the following chapter.

## **4. Flood risk within the valuation process**

The market value of real estate is determined by a large number of value-influencing factors which vary from object to object. Next to many other factors in particular the economic situation on the real estate market and the location (e.g. neighborhood and traffic

situation) need to be considered in an appropriate way. In general locational reasons have the greatest influence on buyers' decisions (Kleiber, 2014). Not for nothing there is the saying: "location, location, location".

The influence of flood risk on the property value strongly depends on the flooding parameters, which are the intensity of the flood, the flood height, the period the object was affected and most important the return interval, that describes the future risk of flooding. Also the current market situation is relevant. In times of strong and growing markets (so called "seller's market") the influence is not that strong as in weak or shrinking markets. Also the influence of flooding is a temporary effect (Lamond et al., 2009). People tend to forget events. This phenomenon can be called "flooding amnesia". The more time passes after the last flood the less the property value is influenced. The recovery period depends again on the flooding parameters and can last up to ten years (Tobin and Montz, 1997). Property owners are not completely helpless when it comes to flooding and their property values. Through protective measures – like flood resistance installations or demountable door and window guards – they can counteract against the value reduction. Also new or repaired and improved dikes bring the same effect.

There are different possibilities to consider flood risk within the valuation process. However, before these "adjusting screws" will be introduced a short excursion to the positive effect of waterfront location seems to be appropriate.

#### 4.1 Positive effect of waterfront location

Several studies have shown that flood risk and flooding itself can affect the value of real estate in a negative way. However, research on the topic resulted in a positive effect on property values of real estate due to waterfront location (especially houses directly located at the water). Water-sited location is considered to be exclusive. A nice view or recreation opportunities represent advantages compared to residential houses without a water-sited location. Analyses in Germany have shown that the price for land can triple in these cases (Geppert, 2006). Recent research by Pfeiffer (2012) on a wider data basis identified an increase between 6 and 60 percent. Positive and negative effects of waterfront location might overlap, nonetheless they should be considered separately within the valuation process.

#### 4.2 Negative effect of flood risk

If potential buyers have the opportunity to choose between two identical residential houses – one without flood risk and the other one located in a flood risked area – they would select with a high probability the house without flood risk. If they select, contrary to expectations, the house with flood risk price theory predicts that they will attempt to discount the property price. On the real estate market houses which are located in flood risked areas should have a lower market value compared to objects without a risk. Analyses of the influence of flood risk very often fail because of the lack of comparable purchase prices (Sprengnetter, 2013). Especially in exclusive residential areas transfer of ownership is rare.

Often official reference land values have not been derived correctly. The risk of flooding is just not taken into account. A survey by the author has shown that of 150 asked expert committees for land values only 23 percent consider flood risk within the derivation of land values. In practice valuation experts use individual discounts based on their own experiences. The important question is how to consider the influence of flood risk in the valuation process? For this reason it is reasonable to focus on the different valuation methods that are defined by law in Germany. These are the comparison, the replacement cost and the discounted cash flow method (ImmoWertV, 2010).

In general, the comparison method drops out because of the lack of enough comparable purchase prices. In the replacement cost method are two options for consideration flood risk. The first option is to calculate with higher production costs. Higher costs result from necessary investments to prepare the real estate with the ambition to reduce possible damages to a minimum or even manufacture a flood resistant building. That includes primarily a water resistant basement or the installation of special demountable door and windows guards. Another option for consideration is to reduce the remaining operating life period of the building. Building structure of flooded objects is more affected compared to houses that did not experience a flood event. Chances of structural damages are higher. Within the discounted cash flow method there are four options for consideration flood risk. The remaining operating life period (here synonymous for the remaining economic life period) can be reduced. Another important factor is the achievable rent. In case of flooding the use of space on the property (that can be the land outside the house as well as inside) is limited for an unknown period of time. Only days – or even months – depending on the period of being flooded or the time needed for reconstructions. The rent needs to be reduced or excluded completely depending on the level of devastation. Also management costs (for maintenance, reconstruction or additional administrative work) are higher compared to non-affected houses. Flood risk can also be considered through adjustment of the property yield. By increasing the rate the risk could be covered (Kropp, 2012).

A recent study by the author (a survey of about 500 certificated property and valuation experts throughout Germany) has shown that 65 percent of the questioned experts claim to consider flood risk within the valuation process. Flood risk in combination with an actual flooding event is even considered through a high majority of 93 percent. A consideration within the valuation process primarily takes place through a discount on the unaffected property value. For the location in a designated flooding area a discount between 6 to 10 percent and for a flooding event more than 15 percent seems to be appropriate according to the survey results. In addition, a higher property yield can reflect the flood risk compared to unaffected real estate.

#### 4.3 Insurance cover and insurance premiums

In general, insurance cover is usually required for mortgage lending. In Germany a normal building insurance does not cover damages caused by flooding. An additional natural catastrophe loss insurance is needed. But in average 72% of all house owners are without

this kind of insurance (GDV, 2012). Flood risk influences the availability, terms and conditions attached to the insurance contract and the level of premiums (Wordsworth et al., 2005). However, an additional insurance causes additional costs in form of higher insurance premiums. If we assume a 100 percent insurance cover, the market value reduced by the insurance premiums (capitalized for a specific period of time) would theoretically neutralize the risk of flooding (Kropp, 2012). This approach might be used for further research on this topic.

## 5. Best practice approach

Real estate valuation is an individual process. There are different possibilities to consider flood risk within the valuation process. In general, flood risk needs to be considered but there is no “all-in-one” perfect solution. In the end, the valuation expert has to decide how to consider the influence and of course he has to justify his decision. Results from existing national and international studies as well as the author’s survey (see chapter 4.2) can give a hint about a possible discount. The discount in average can vary between 6 to 10 percent for the location in a designated flooding area and more than 15 percent for an actual flooding event. The discount rate still depends on the specific valuation object and the flooding parameters.

A consideration within the valuation process should primarily take place by a discount on the unaffected property value. It is important that there is no double consideration. Multiple considerations would reduce the market value unjustified. In any case the valuation expert should mention the risk of flooding (if it exists) in the valuation report. That means that the expert has to deal with the problem. Necessary information to evaluate flood risk can be: topography, object heights, distance to the next waters, dike heights or the water reference level. The actual risk potential should be determined based on these findings. A risk map within the valuation report is a valuable tool to explain the risk and justify a discount.

## 6. Summary and Conclusion

Sea level rise and a higher flood risk are only some consequences of climate change that we have to expect in the future. The question is, if a higher risk of flooding does have an influence on the property value. International studies and recent research confirm the conclusion that flood risk results in lower market values for residential houses compared to non-affected. There are several possibilities to consider the influence within the valuation process, but there is no perfect solution. The precise amount of the discount depends on many factors like the flooding parameters. This article gives some recommendations for dealing with flood risk in practice. Currently used discount rates are mostly based on the experiences of valuation experts and not on fundamental research. This situation is not satisfying. Further research on a broader range of data is needed.



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# Different Models for the Absorption of the Surplus Value of Developed Land to Refinance the Costs of Urban Development

## Abstract

The absorption of the surplus value of developed land is actually discussed in many countries due to the precarious financial situation of their municipalities. The following paper should give an impulse for a scientific discussion about possible tools for the absorption of the surplus value and the corresponding changes of legislation, if necessary. Examples are from Latin America and Europe. Generally, we can distinguish direct and indirect models for the absorption of the surplus value of developed land. The indirect models base upon real estate taxes, while the direct models contain mandatory or voluntary proceedings to use the surplus value to refinance directly the costs of development.

The land value in addition to the value of the buildings is commonly used as basis of taxation. The taxation is done by a continuous progression to avoid leaps. The lowest taxes have to be paid in residential areas and for plots designated for public purposes. The highest tax rates are on unused plots and industrial real estate with a high environmental impact. Problems of implementation arise especially from deficient cadastre and land register, the lack of actual valuation data and an insufficient system of tax collection.

Direct models try to make a grab on the surplus value of developed land which is caused by planning, land management and/or new infrastructure. Voluntary as well as mandatory procedures may be applied to get contributions of the real estate owners or investors in the form of land or money.

## 1. Introduction

The development of new building areas demands high investments in the local infrastructure. Oftentimes the legal framework of mandatory procedures allows only the refinancing of the costs of infrastructure in the narrow sense of the word (e.g. traffic, electricity). For this reason the municipalities have to look for other options to cover the costs of the infrastructure in the broader sense (e.g. schools, playgrounds). Nevertheless, different problems which may obstruct the implementation or use of corresponding legal procedures exist.

First of all, the legal requirements must be given. The constitution must define private property and the social function of property to allow the absorption of at least a part of the surplus value by law. Furthermore, legal norms for mandatory or voluntary procedures for

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\* Universität der Bundeswehr München, Institut für Geodäsie, Germany.

this absorption are necessary and these regulations must be known and accepted in the local governments.

Another problem are unregulated processes of urbanization. For example in Brazil the percentage of urban population increased between 1960 and 2000 from 44.7 to 81.2%. Due to this process the municipalities had to handle an influx of population of around 100 Million [Instituto Polis 2001]. These movements are a very important reason for the big part of so-called “informal settlement development” in Latin America. A big part of these people buys plots without technical infrastructure and building rights. Afterwards, the municipalities have to solve this problem. Oftentimes they do it before political elections. For this reason it can be called an “exchange” of infrastructure/building permission against votes [Borrero 2000]. The consequences are a chaotic urban development and inflated costs of infrastructure, which has to be constructed between the existing buildings.

In the meantime many municipalities have recognized the requirement of a strict planning system and refinancing of costs of infrastructure. Generally, we can distinguish direct and indirect models for the absorption of the surplus value of developed land. The indirect models base upon real estate taxes, while the direct models contain mandatory or voluntary proceedings to use the surplus value to refinance directly the costs of development.

## **2. Absorption of the surplus value of developed land by real estate taxes (indirect model)**

### **2.1 The basis of taxation**

Basically, three different models can be distinguished. The land value in addition to the value of the buildings is the basis of taxation or only the land value or only the profitability of the real estate may be used.

Many countries use the first option. Generally, professional valuation experts create maps of land values which have to be actualized in a defined interval (e.g. 5 years). The valuation of the buildings is done by a simplified version of the cost approach multiplying the useable area of the buildings with a price per square metre listed in a valuation table. The price depends on both, the use and the quality of a certain building and has to be estimated by a valuation expert.

However, many countries only use the land value as basis for the calculation of real estate taxes. The main objective of this approach is a higher efficiency of the land use in urban areas. The biggest problem is the fact that the land value oftentimes is quite small in comparison to the value of the real estate in the whole (especially in case of commercial properties, e.g. hotels or offices). This may cause an unjust taxation.

There are two reasons causing concern considering the profit of the real estate as basis of taxation. On the one hand, the valuation of unused plots is a problem in this system and on the other hand there is oftentimes a lack of information concerning the income of

commercial or industrial properties. In that case, the valuation has to be based on theoretical assumptions. For these reasons this approach is less used than the others.

## 2.2 Tax rates

In principle, the options to determine a single tax rate or different tax rates exist.

### Progression in stages

Generally, countries use a system of different rates distinguishing between plot and constructions, use of the plot and/or buildings (e.g. living or commercial use) or built or unbuilt plots.

The differentiation by use leads to the discussion, whether this decision should be based on the actual, the allowed or a potential future use. The actual-land-use approach would lead to lacking prices for unused plots. As a consequence the owner would not have to pay taxes and in consequence he would have no motivation to start building activities. On the other hand, the valuation expert would have to be able to predict the development trend of the area to apply the potential use. This is in general not possible. For these reasons the allowed use is usually applied. An important requirement therefore is the stability of corresponding legal norms [Morales Schechinger 2007].

E.g. in Bogotá (Columbia) 12 different tax rates for non-residential real estate exist. These rates vary between 0.5 and 3.3% of the cadastral value of the real estate. The lowest rates have to be paid for example for educational facilities. In the middle range of tax rates are real estates of commercial use, public enterprises and industrial enterprises with low or middle emissions. High taxes have to be paid especially for industrial used plots with a high environmental impact and unused plots up to 100 m<sup>2</sup>. The highest tax rate is on unused plots with an area of more than 100 m<sup>2</sup>.

The progression in Buenos Aires (Argentina) depends on the value of the real estate. 16 tax rates between 0.2 and 1.5% of the cadastral value exist. The higher rates on high-value properties are a common part of the tax policy in Latin America to balance regional discrepancies.

A similar example for this kind of tax system is given in Fig. 1 and 2.

### Continuous progression

The progression in stages causes leaps in the taxation (cp. Fig. 2). For this reason two owners of real estate of more or less the same value may have different financial burdens, if they are in different tax brackets. This is oftentimes a displeasure for the owners. As a consequence, they do not pay their taxes or try to avoid the payment by legal actions against this kind of taxation. Oftentimes they win their court case due to the violation of the principle of equal tax treatment [Morales Schechinger 2007]. The continuous progression is an approach to avoid this problem. One option for this kind of progression are additions within a bracket, which rise continuously and adapt the maximum value in a bracket to

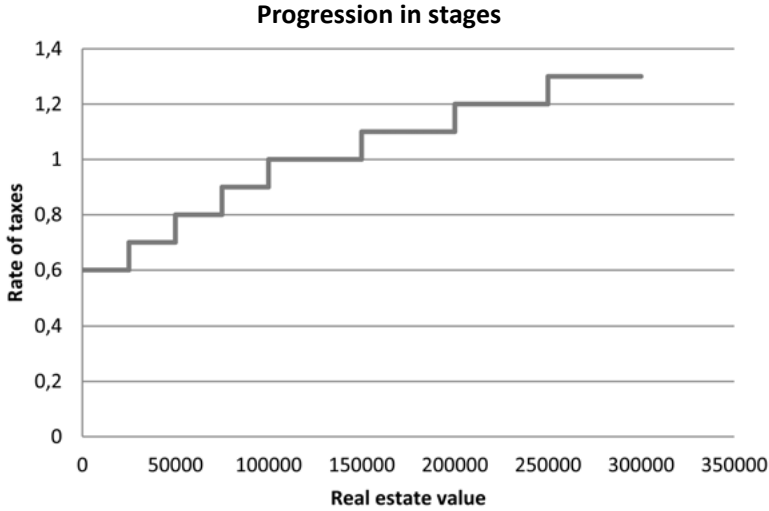


Figure 1: Progression in stages (Tax rates depending on the real estate value, real estate values quoted in €)

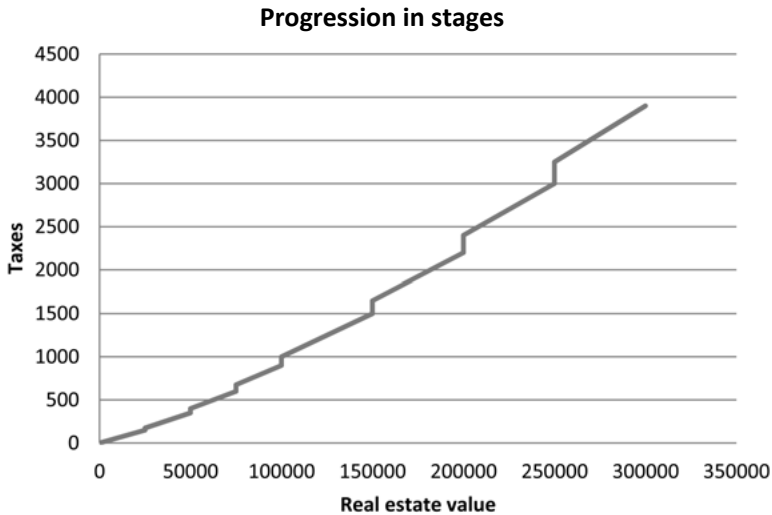


Figure 2: Progression in stages (Taxes to pay according to Fig. 1, quoted in €)

the starting value in the following bracket (cp. Example 1 and Fig. 3). Such a system is used for example in the province of Buenos Aires.

An alternative is the definition of different rates for different “value sections”, that is e.g. a tax rate of 0.6% for “the first” 25,000 €, 0.7% for “the second” 25,000, etc.. This system can also solve the mentioned problem of leaps in taxation (cp. Example 2 and Fig. 4). This system is for example used in Sao Paulo (Brazil). Furthermore, it is better understandable for laymen and in consequence it has a higher acceptance in the population.

Example 1: Conversion of progression in stages in continuous progression by additions within the tax brackets

**Progression in stages:**

Value of the real estate:	Rate of taxes:
0 - 25.000	0,60%
25.001 - 50.000	0,70%
50.001 - 75.000	0,80%
75.001 - 100.000	0,90%
100.001 - 150.000	1,00%
150.001 - 200.000	1,10%
200.001 - 250.000	1,20%
250.001 - 300.000	1,30%

**Taxes for a real estate which has a value of 150.000 €:**

$$150.000 \times 0,01 = 1500 \text{ €}$$

**Taxes for a real estate which has a value of 151.000 €:**

$$151.000 \times 0,011 = 1661 \text{ €}$$

**Continuous progression:**

Value of the real estate (VR):	Rate of taxes:
0 - 25.000	$0,6\% + 25 \times (VR - 0.000)/25.000$
25.001 - 50.000	$0,7\% + 50 \times (VR - 25.001)/25.000$
50.001 - 75.000	$0,8\% + 75 \times (VR - 50.001)/25.000$
75.001 - 100.000	$0,9\% + 100 \times (VR - 75.001)/25.000$
100.001 - 150.000	$1,0\% + 150 \times (VR - 100.001)/50.000$
150.001 - 200.000	$1,1\% + 200 \times (VR - 150.001)/50.000$
200.001 - 250.000	$1,2\% + 250 \times (VR - 200.001)/50.000$
250.001 - 300.000	$1,3\% + 300 \times (VR - 250.001)/50.000$

**Taxes for a real estate which has a value of 150.000 €:**

$$150.000 \times 0,01 + 150 \times (150.000 - 100.001)/50.000 = 1650 \text{ €}$$

**Taxes for a real estate which has a value of 151.000 €:**

$$151.000 \times 0,011 + 200 \times (151.000 - 150.001)/50.000 = 1665 \text{ €}$$

**Continuous Progression (Type 1)**

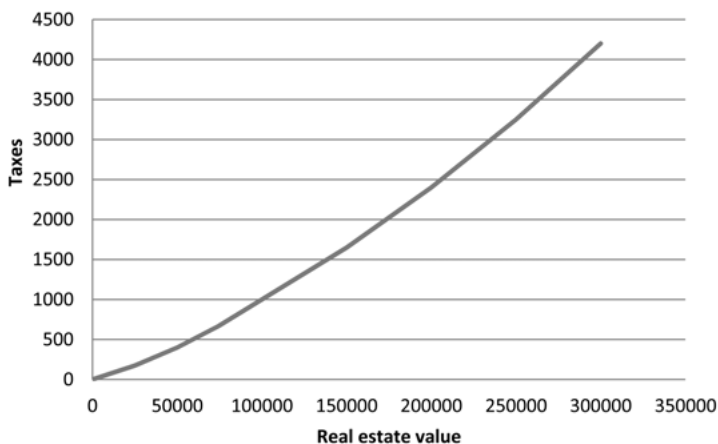


Figure 3: Continuous progression by additions within the tax brackets (Type 1)

Example 2: Conversion of progression in stages in continuous progression by definition of “value sections”

**Continuous progression:**

Value of the real estate (VR):	Rate of taxes:
0 - 25.000	0,6%
25.001 - 50.000	$25.000 \times 0,6\% + (VR - 25.000) \times 0,7\%$
50.001 - 75.000	$25.000 \times 0,6\% + 25.000 \times 0,7\%$ $+ (VR - 50.000) \times 0,8\%$
75.001 - 100.000	$25.000 \times 0,6\% + 25.000 \times 0,7\%$ $+ 25.000 \times 0,8 + (VR - 75.000) \times 0,9\%$
100.001 - 150.000	$25.000 \times 0,6\% + 25.000 \times 0,7\%$ $+ 25.000 \times 0,8 + 25.000 \times 0,9\%$ $+ (VR - 100.000) \times 1,0\%$
150.001 - 200.000	$25.000 \times 0,6\% + 25.000 \times 0,7\%$ $+ 25.000 \times 0,8 + 25.000 \times 0,9\%$ $+ 50.000 \times 1,0 + (VR - 150.000) \times 1,1\%$
etc.	etc.

**Taxes for a real estate which has a value of 150.000 €:**

$$25.000 \times 0,006 + 25.000 \times 0,007 + 25.000 \times 0,008 + 25.000 \times 0,009 + 50.000 \times 0,01 = 1250 \text{ €}$$

**Taxes for a real estate which has a value of 151.000 €:**

$$25.000 \times 0,006 + 25.000 \times 0,007 + 25.000 \times 0,008 + 25.000 \times 0,009 + 50.000 \times 0,01 + 1.000 \times 0,011 = 1261 \text{ €}$$

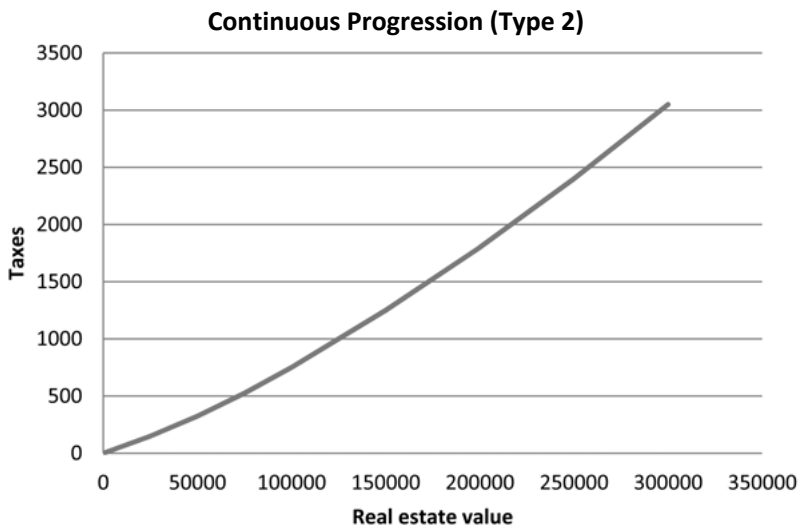


Figure 4: Continuous progression by definition of “value sections” (Type 2)

Extraordinary tax for unbuilt plots

The definition of higher tax rates for unbuilt plots is quite common in many countries (cp. Example Bogotá above). One reason for this regulation is the pressure on the land owner to start building activities on the plot. If this does not work, the higher tax income of the

municipality can be at least used to refinance the higher costs of technical infrastructure which are caused by the fact that the municipality has to develop new building areas while parts of the developed urban areas are unused.

An extreme example for this practice is given in Buenos Aires (Argentina). The taxation of unbuilt plots is on average 5.7 times higher than the taxation of built plots. In particular 3 stages exist. The lowest tax rate is used for living, commercial and industrial areas without special location and is equal to 5%. A tax rate of 6.6% is used for living areas with high building density and local commercial centres, and the highest rate of 10% for unbuilt plots in the city centre.

Another interesting example is Rio de Janeiro (Brazil). In Rio the building permission is combined with an obligation to finish the corresponding building activities within a defined space of time. If the owner does not comply with this obligation, the taxes increase in a 5 years cycle. The tax rate may double every year and may reach a maximum rate of 15% of the cadastral value at the end of the cycle. Furthermore, the municipality has the right to compulsory purchase at this point in time. It is important to mention that the corresponding compensation does not include the surplus value caused by investments of public authorities or the expectation of future price increases [Morales Schechinger 2007].

#### Problems of implementation

The administration must fulfil especially three requirements to guarantee an adequate tax collection. In the first place actual and complete registers are needed to investigate the land owners or other liable persons to tax. Secondly, the local governments need actual data for real estate valuation and finally, an effective system of tax collection must be installed.

The compilation of an actual and complete list of all liable persons to tax including all the needed data of the subject to tax is one of the biggest problems, especially in developing countries and countries in transition. While most of the countries have a cadastre, it is oftentimes neither actual nor complete. Additional land registers might be in an even worse condition, if the formal proof of property is given by an official document in property of the owner and not by the land register. If the value of the buildings is used in addition to the land value as basis of taxation, there is the additional problem that the “informal constructions (cp. Section 1)” are not included in the registers. Furthermore, the quality of the registered data oftentimes is not good enough for the real estate valuation. For this reason many countries base their taxation only on the land value despite the problems mentioned (cp. Section 2.1).

The real estate valuation is another essential problem. Firstly, the taxable property has to be defined and its value has to be determined. Many countries use the market value of the real estate as basis of taxation. The problem is that a lot of highly skilled valuation experts are needed to keep the needed data in actual state. Due to the insufficient number of experts many local governments implement an actualization rate of 5 years or longer. Secondly, the real estate markets in developing countries and countries in transition are



oftentimes characterised by high fluctuations. This causes frequently an unjust taxation at the end of this period of 5 years and a big skip in taxation when the valuation is actualized, e.g. in some districts of Buenos Aires the real estate tax doubled in 2007. Additionally, a collection of relevant data for real estate valuation is oftentimes missing.

The process of tax collection is deficient in many countries for two reasons. On the one hand, the probability to get caught in case of tax evasion is quite low. Oftentimes there is a lack of qualified staff or adequate registers to control the payments. On the other hand, if someone gets caught, the punishment is too low. The penalty is frequently a more symbolic act or the execution is not consequent enough [Bahl 1998].

### 3. Direct models for the absorption of the surplus value of developed land

The “surplus value” of developed land by public measures generally is caused by planning, land management and new infrastructure. Nevertheless, the legislation of a particular country may limit the absorption of the surplus value to its individual parts.

In Germany, a two-stage planning at the municipal level exists. The first step is the preparatory land-use plan. It is binding for the administration, but has no direct external impact. The second step is the legally binding land-use plan. It has to be developed out of the preparatory land-use plan. The main contents are plot-specific regulations concerning land use and building density and the determination of those parts of a plot on which houses may be built.

If the area is developed by mandatory proceedings, the surplus value which is caused by the municipal planning remains with the land owner (cp. E-A in Fig. 5). The part which is caused by the reorganization of the land property (cp. F-E in Fig. 5) and the infrastructure (cp. H-F in Fig. 5) remains with the municipality.

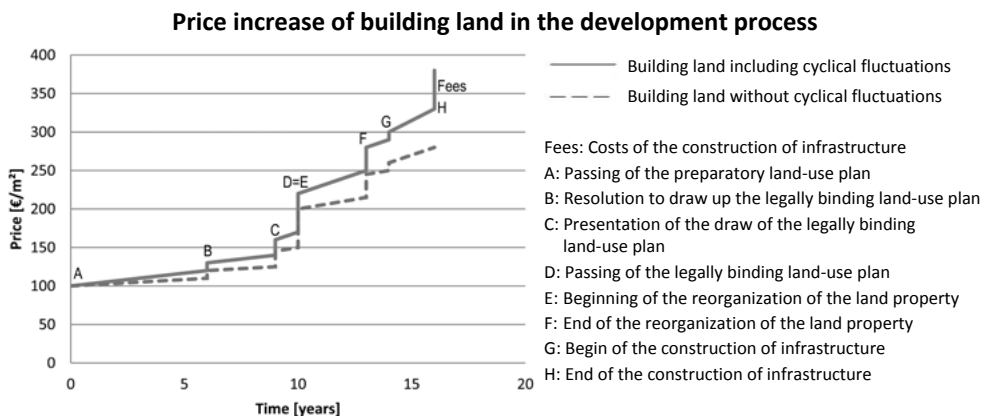


Figure 5: The price increase in a development area [Source: following Seele, VR, 1975]

If the area is developed by cooperative (voluntary) proceedings, the municipality is able to make a grab at the part which is caused by the planning, if the contract is concluded before the planning [Hendricks 2011].

Other countries have other regulations. However, the following examples should give an impulse for a scientific discussion about possible tools for the direct absorption of the surplus value and the corresponding changes of legislation, if necessary. Last but not least, the scientific world is also responsible for the advancement of the legal framework.

The determination of the surplus value is generally realized by residual methods. The starting value is the value of building land. In any case the costs of development have to be subtracted [Morales Schechinger 5/2005] and the period of development and financial advantages due to the planning have to be taken into account.

### 3.1 The particular models

The “real estate consortium” or “conjoint urbanisation”

This type of land management is used e.g. in El Salvador and Germany. The public authorities and private land owners aspire a co-operation for the urban development of former rural areas. After the development the land owners get back plots with a reduced size, which has the same value as the plot before the development. Due to the increasing prices per square meter a part of the developed area remains with the municipality. These plots may be used for social housing programmes or other public functions. The realization may be based on voluntary agreements or may be part of a mandatory procedures. However, in many countries all actions of public authorities have to follow the principle of the “mildest means” – that is the measure with the lowest impact on the affected land owners. For this reason, the municipality has to try to find at first a voluntary solution [Lungo 1998].

Flexible building rights

In Latin America different models exist, which imply exceptions to the general use regulations in favour of investors or property owners who paid a certain amount of money. The allowed exceptions and financial considerations are generally regulated in legal norms. In doing so, the core of the urban planning will be conserved in spite of the more flexible building rights.

One possibility is the definition of a “basic floor space index”. This index defines how much floor space generally may be constructed on a plot. On the other hand, the planner may fix a maximum floor space index and the payments of the property owners to reach a higher utilisation of his plot. The municipality has to use the received amount of money for defined urban objectives, like infrastructure, public housing, or public facilities.

Housing shortage and concomitant inadequate urban planning are further reasons for a deviation from general use regulations. In that case, constructions are oftentimes approved in deviation of the plan to advance housing projects in public interest. It is a selective exception in anticipation of the coming revision of the urban planning. In general, a compensation has to be paid. The urban and financial regulations of the contract have to

be approved by a mixed commission consisting of both, representatives of public authorities and civil society.

Another option is the transfer of building rights on another plot of the same owner. The main objective of this regulation is the preservation of an actual use deserving protection (e.g. architectural important building or open space) which is lower than the permissible use. In this case, the owner of the real estate may transfer the difference between regular and substandard use on another plot taking into account the value ration of both plots. Example: An owner has the property of a plot of 100,000 m<sup>2</sup>. The plot coverage index is 0.1, so that he could cover 10,000 m<sup>2</sup> with buildings. If actually only 100 m<sup>2</sup> would be covered with buildings and there would be a documented public interest in the protection of the open space, the owner could transfer the building rights for 9,900 m<sup>2</sup> on another plot. If the first mentioned plot has a value of 10 €/m<sup>2</sup> and the other plot a value of 100 €/m<sup>2</sup>, he could increase the area for building purposes by 990 m<sup>2</sup> [Lungo 1998].

#### Urban development or redevelopment measures

The new development of urban areas or the elimination of urban deficits are typical urban duties. In Germany these problems are generally solved by mandatory procedures. Urban redevelopment measures are those measures by means of which an area is substantially improved or transformed with the purpose of eliminating urban deficits. "The purpose of urban development measures is to subject local districts or other parts of the municipal territory to development for the first time in a manner which is in keeping with their particular significance for urban development within the municipality, or which is in accordance with the desired development of the federal state district or the region, or to make such areas available for new development within the framework of urban reorganisation" [Section 165 (2), German Federal Building Code]. If the municipality does not buy the real estates, the affected land owners have to pay a compensation corresponding to the surplus value of their real estate.

In Latin America urban development and redevelopment measures are generally realized by co-operations of public authorities and private investors or property owners. The process may be initiated by the public or private partner. E.g. in Sao Paulo the "Operation Urban Centre" was realized to revitalize the city centre by creation of recreation and leisure time areas and cultural facilities. As another example, the measure "Faria Lima" was used for the development of the public transport network. The first step of the process is the urban and financial analysis of the project. The main duties of the municipality are the planning, the generation of the legal framework (e.g. the formal designation of the redevelopment area) and the coordination of the construction of infrastructure. The execution of all building activities is the duty of the private partners. In general both get a part of the developed area as compensation for their activities. The corresponding agreement is controlled by a mixed commission occupied by representatives of public authorities and civil society [Lungo 1998].

### Interim acquisition

The build-up of land stocks is oftentimes used in municipalities to have available plots for public purposes within urban development. Afterwards, a part of the plots may be sold to maintain the stock balance by a so-called “revolving land stock” [Hendricks 2006]. The acquisition of plots should be done long before the urban development to avoid the anticipation of price increases by the land owners. The administration of land stocks is frequently realized by external corporations. Furthermore, the urban development is frequently done by public private partnerships. In this case, the benefits of the constructions remain with the private partner and the benefits of the increasing land value remain with the municipality [Morales Schechinger 3/2005].

### Contract models

The agreement of certain duties of the private partner in return to subsequent building rights is an alternative to interim acquisition. The most common duties are the provision of the needed area for infrastructure or for social, public or ecological purposes. The affected land owners are sometimes integrated in a “real estate consortium” (see above). In this case, the land owners get back a plot after the development which has the same value as the plot before the development [Morales Schechinger 3/2005]. On the other hand, financial compensations may be agreed for the generated surplus value of the developed land due to public measures [Morales Schechinger 5/2005].

## 4. Summary and Conclusion

Generally, we can distinguish direct and indirect models for the absorption of the surplus value of developed land. The indirect models base upon real estate taxes. The land value in addition to the value of the buildings is commonly used as basis of taxation. The taxation is done by a progressive grading. The lowest taxes have to be paid in residential areas and for plots conducting to public objectives. The highest tax rates are on unused plots and industrial real estate with a high environmental impact. Problems of implementation arise especially from deficient cadastre and land register, the lack of actual valuation data and an insufficient system of tax collection.

Direct models for the absorption of the surplus value of developed land got more and more important in the last years. Voluntary as well as mandatory proceedings may be applied to get contributions from the real estate owners or investors in the form of land or money. Even if these instruments are successfully used in many countries for a long time, in other countries an insufficient implementation of this kind of models exists. Additionally, in countries which have a high standard concerning these tools some of the ideas presented above may be helpful to perfect their instruments. To this effect, this paper gives an overview of established tools to refinance the costs of urban development to open the mind of experts working in this field.

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# Planungskosten und Infrastrukturbeiträge in Österreich

am Beispiel des Oberösterreichischen Raumordnungsgesetzes 1994

## 1. Bodennutzung nach dem Flächenwidmungs- und Bebauungsplan<sup>1</sup>

Für die Bodennutzung des Gemeindegebietes haben die Gemeinden Österreichs nach den rechtlichen Vorgaben in den Landesraumordnungsgesetzen Flächenwidmungspläne und Bebauungspläne zu erlassen; die rechtlichen Vorgaben für die Flächenwidmungs- und Bebauungspläne in den Landesraumordnungsgesetzen sind weitgehend ähnlich, weichen aber in einigen Details ab.<sup>2</sup>

Der Flächenwidmungsplan (§ 18 Oö. ROG 1994) besteht aus dem „Flächenwidmungsteil und dem örtlichen Entwicklungskonzept“. Der Flächenwidmungsplan darf den Raumordnungsprogrammen und Verordnungen über (etwaigen) Zielvorgaben der überörtlichen Raumordnung nicht widersprechen. Im Flächenwidmungsplan sind das Bauland, die Verkehrsflächen und das Grünland auszuweisen.<sup>3</sup> Soweit erforderlich und zweckmäßig sind im Bauland auszuweisen (§ 21 Oö. ROG 1994): Wohngebiete, Dorfgebiete, Kurgemeinden, Kerngebiete, gemischte Baugebiete, Betriebsbaugebiete, Industriegebiete, Ländflächen, Zweitwohnungsgebiete, Gebiete für Geschäftsbauten, Sondergebiete.

Jede Gemeinde hat, soweit dies zur Sicherung der zweckmäßigen und geordneten Bebauung ... erforderlich ist, Bebauungspläne zu erlassen (§ 31 Oö. ROG 1994).

## 2. Planungskosten für Flächenwidmungs- und Bebauungspläne

Die Verpflichtung der Gemeinden, einen Flächenwidmungsplan (§ 18 Abs 1 Oö. ROG 1994) und Bebauungspläne (§ 31 Oö. ROG 1994) zu erlassen, gebietet den Gemeinden, auch die damit verbundenen Planungskosten zu tragen. Eine Überwälzung der Planungskosten für die Erstellung des Flächenwidmungs- und Bebauungspläne ist im Oö. ROG 1994 nicht vorgesehen. Dies schließt nach herrschender Lehre und nach der Rechtspre-

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\* Direktor des Oö. Gemeindebundes a.D., Universitätsdozent für Verwaltungsrecht der Universität Wien

<sup>1</sup> Oö. Raumordnungsgesetz 1994, Oö. LGBl 114/1993 idGF 93/1995, 78/1996, 93/1996, 83/1997, 32/1999, 102/1999, 60/2000, 90/2001, 115/2005, 1/2007, 102/2009, 73/2011. Vgl. Kommentar von *Neuhofer*, Oö. Baurecht, Bd 1, 6. Auflage (2007), S. 753 ff.

<sup>2</sup> Einen Überblick über das Raumordnungsrecht in Österreich geben u.a.: *Lienbacher*, Raumordnungsrecht, in: Bachmann et al. (Hrsg.), *Besonderes Verwaltungsrecht*, 7. Auflage (2008); *Klaushofer*, Raumordnungsrecht, in: Pürgy (Hrsg.), *Das Recht der Länder*, Bd II/2, S. 827 ff.

<sup>3</sup> Vgl. u.a. *Pernthaler/Fend*, *Kommunales Raumordnungsrecht* (1989); *Demmelbauer*, *Der Flächenwidmungsplan nach den Planungsgesetzen*, ÖGZ 10/1971, S. 221 ff.; *Neuhofer*, *Vom Regulierungsplan zum örtlichen Entwicklungskonzept und zur Vertragsraumordnung*, in: *Weber*, *Raummuster – Planerstoff* (1998), S. 71 ff.

chung auch Privatrechtsverträge zwischen der Gemeinde und den betroffenen Grundflächen aus.<sup>4</sup>

Bei Änderungen von Flächenwidmungsplänen und Bebauungsplänen auf Grund einer Anregung können die damit verbundenen Planungskosten „Gegenstand einer privatrechtlichen Vereinbarung mit den betroffenen Grundeigentümern sein“ (§ 36 Oö. ROG 1994 in der geltenden Fassung Oö. LGBl 73/2011). Aus dieser Gesetzesstelle ergibt sich, dass die Gemeinde die Planungskosten nicht überwälzen kann, wenn der Anreger für die Änderung des Flächenwidmungs- oder Bebauungsplanes nicht „betroffener Grundeigentümer“ ist. Im weiteren kann die Gemeinde die Kosten der Änderung eines Flächenwidmungs- oder Bebauungsplanes nicht umlegen, wenn die Gemeinde auf Grund einer regelmäßigen Überprüfung des Flächenwidmungsplanes nach § 35 Oö. ROG 1994 im öffentlichen Interesse die Änderung vornimmt. In solchen Fällen können m.E. aber die Gemeinden die Planungskosten umlegen, die durch die Änderung des Flächenwidmungsplanes oder Bebauungsplanes auf Grund einer Anregung „eines betroffenen Grundeigentümers“ entstehen.

### 3. Aufschließung von Bauland durch die Gemeinde

Die Aufschließung von Bauland u.a. durch öffentliche Verkehrsflächen, durch Wasserversorgungsanlagen und Abwasserentsorgungsanlagen erfolgt in der Regel durch die Gemeinde. Die Grundeigentümer oder Dritte haben im allgemeinen keinen Rechtsanspruch darauf, dass die Gemeinde die Aufschließung von Bauland vornimmt, soweit die Gemeinde zur Aufschließung von Bauland nicht verpflichtet ist.

Soweit die Gemeinde die Aufschließung von Bauland auf ihre Kosten durchführt, ist die Gemeinde nach den einschlägigen Gesetzen berechtigt und verpflichtet, Aufschließungsbeiträge einzuheben.<sup>5</sup> Soweit keine Regelung für die hoheitliche Einhebung von Aufschließungsbeiträgen besteht, ist m.E. eine privatrechtliche Vereinbarung über die Leistung von Aufschließungskosten zulässig.<sup>6</sup> Die Aufschließungsbeiträge sollen langfristig die Aufschließungskosten decken und eine Baulandhortung vermeiden.

Mit der Widmung von Grünland in Bauland erhöht sich in der Regel der Preis für Baugrundstücke. Der Planwertausgleich ist nach wie vor ein ungelöstes Problem.<sup>7</sup>

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<sup>4</sup> Vgl. u.a. *Neuhofer*, Privatwirtschaftliche Handlungsformen in der Gemeindeverwaltung, in: FS Winkler (1997), S. 679 ff.; *Kleewein*, Überwälzung von Planungskosten auf Private, bbl 2006/4, S. 19 ff.

<sup>5</sup> In Oberösterreich ist die Pflicht zur Einhebung von Aufschließungsbeiträgen im Oö. ROG 1994 (§§ 25 – 28) geregelt; vgl. hierzu die Kommentierung durch *Neuhofer*, Oö. Baurecht, 6. Auflage (2007), S. 864 ff. – Ähnliche gesetzliche Regelungen haben auch andere Bundesländer in Österreich getroffen.

<sup>6</sup> Vgl. FN 4.

<sup>7</sup> Vgl. *Fröhler*, Planwertausgleich als Instrument der Bodenordnung (1977).

#### 4. Aufschließungsbeiträge nach dem Oö. ROG 1994<sup>8</sup>

Die Gemeinde hat dem Eigentümer eines Grundstückes oder Grundstücksteils, das im rechtswirksamen Flächenwidmungsplan als Bauland ausgewiesen ist, jedoch nicht bebaut ist, einen Aufschließungsbeitrag vorzuschreiben (§ 25 Oö. ROG 1994); eine weitere wesentliche Voraussetzung für die Vorschreibung eines Aufschließungsbeitrages ist, dass das Grundstück durch die gemeindeeigene Kanalanlage oder durch die gemeindeeigene Wasserversorgungsanlage oder an das öffentliche Wegenetz angeschlossen ist. Die Vorschreibung des Aufschließungsbeitrages erfolgt in drei Teilen, nach Maßgabe der Aufschließung durch die Abwasserentsorgung, durch die Wasserversorgung oder durch eine öffentliche Verkehrsfläche.

Der Aufschließungsbeitrag ist durch Bescheid der Gemeinde vorzuschreiben und in fünf aufeinander folgenden Kalenderjahren in jährlichen Raten mit je 20% fällig.

Die Verpflichtung, einen Aufschließungsbeitrag zu entrichten, „besteht bis zur Vorschreibung“ eines Interessentenbeitrages nach dem Interessentenbeitragsgesetz 1978 über den Kanalanschluss oder für den Wasserleitungsanschluss oder eines Verkehrsflächenbeitrages nach den §§ 19 und 20 der Oö. Bauordnung 1994 (§ 25 Abs 2 Oö. ROG 1994).

Die Berechnung des Aufschließungsbeitrages erfolgt nach § 26 Oö. ROG 1994; nach Abs 5 dieser Gesetzesstelle ist der geleistete Aufschließungsbeitrag bei der Vorschreibung von Interessentenbeiträgen für den Kanalanschluss oder Wasserleitungsanschluss oder des Verkehrsflächenbeitrages nach den §§ 19 – 21 Oö. BauO 1994 wertgesichert anzurechnen. Wird der Anschluss an die Gemeindekanalanlage oder Wasserleitungsanlage auf Grund eines Privatvertrages hergestellt, ist der geleistete Aufschließungsbeitrag dem betroffenen Grundeigentümer ebenfalls anzurechnen.

Unter den sehr erschwerenden Voraussetzungen des § 27 Oö. ROG 1994 hat die Gemeinde auf Antrag eine Ausnahme vom Aufschließungsbeitrag zu erteilen. Hinzuweisen ist auf die Übergangsbestimmung des § 39 (6) Oö. ROG 1994 idF Oö. LGBl 83/1997: Für Grundstücke, für die bis 31. 12. 1993 Anschlussgebühren oder vertragliche Anschlussbeiträge bereits entrichtet wurden, gelten die §§ 25 – 28 Oö. ROG 1994 (Aufschließungsbeiträge) nicht. Vor dem Inkrafttreten des Oö. ROG 1994 (1. 1. 1994) geleistete Aufschließungsbeiträge sind bei der Vorschreibung von Aufschließungsbeiträgen im Sinne der §§ 25 – 26 Oö. ROG 1994 entsprechend anzurechnen.

#### 5. Erhaltungsbeitrag für nicht bebaute Grundstücke

Der Erhaltungsbeitrag wurde durch die Oö. ROG-Novelle 1997 anstelle des Verfalles des Aufschließungsbeitrages eingeführt. Nach der näheren Regelung des § 28 Oö. ROG 1994

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<sup>8</sup> Vgl. *Baumgartner*, Baulandmobilisierung durch Beitragsvorschreibungen nach dem Oö. ROG 1994, bbl 2000/2, S. 59 ff.; *Neuhöfer*, Infrastrukturabgaben – ein Instrument der Baulandmobilisierung, wbfö 1997/1-2, S. 1 ff. = ÖBZ 1997/2, S. 8f; *Steiner*, Aufschließungsbeitrag nach den Oö. Raumordnungsgesetz, NZ 1994/10, 226 ff.; *Wögerbauer*, Aufschließungs- bzw. Infrastrukturkostenbeitrag – Oö. ROG 1994, OöGZ 1994/7-8, S. 155f.



in der geltenden Fassung Oö. LGBl 83/1997 idF Oö. LGBl 60/2000, 90/2001 hat die Gemeinde dem Eigentümer eines Grundstückes oder Grundstücksteils das im rechtswirksamen Flächenwidmungsplan als Bauland gewidmet, jedoch nicht bebaut ist, einen Erhaltungsbeitrag je nach der Aufschließung des Grundstückes ab dem 5. Jahr nach Vorschreibung des entsprechenden Aufschließungsbeitrages vorzuschreiben. Der jährliche Erhaltungsbeitrag beträgt für die Aufschließung einer Abwasserentsorgungsanlage 15 Cent und für die Aufschließung durch eine Wasserversorgungsanlage 7 Cent pro Quadratmeter des betreffenden Grundstückes.

**6. Beiträge für die Planungskosten sowie für die Baulandaufschließung sind Beiträge für die zügige Bebauung und gegen Baulandhortung**

Die gesetzliche Regelung der Beteiligung der Grundeigentümer an den Planungskosten für Planänderungen im Flächenwidmungs- und Bebauungsplan sowie die Entrichtung von Aufschließungs- und Erhaltungsbeiträgen für die Aufschließung von nicht bebauten Grundstücken im gewidmeten Baugebiet soll die Baulandhortung vermeiden und Anreize für eine zügige Bebauung des gewidmeten Baulandes schaffen. Im weiteren sollen der Gemeinde die Aufschließungskosten für die Aufschließung von Baugrundstücken im Interesse der Grundstückseigentümer weitgehend ersetzt werden.

# New Real Estate Taxes in Slovenia

Are they a new land policy instrument?

## 1. Introduction

The Report on the Slovenian Real Estate Market of 2012 (Geodetic Administration of the Republic of Slovenia 2013) points out that Slovenia, as well as other EU Member States encumbered by the debt crisis (Eurozone crisis), got caught in a spiral of growing unemployment during the past year, and of a decreasing aggregate demand, as a result of the severe austerity measures and weak financial system of the State and a decrease in the international exchange and investment flows. According to the above Report, Slovenia belongs among countries that faced a growing economic and financial crisis during 2012.

In such circumstances, ever new sources are sought for on the side of budgetary revenues at the national as well as local levels. The Fiscal Balance Act (UL RS 40/2012, 55/2012 Skl.US: U-I-162/12-5, Up-626/12-5, 96/2012-ZPIZ-2, 104/2012-ZIPRS1314, 105/2012, 25/2013 Odl.US: U-I-186/12-34, 46/2013-ZIPRS1314-A, 47/2013, 56/2013-ZŠtip-1), which was intended to balance the public financing and decrease the budgetary expenses, introduced among other fiscal policy measures also the planning gain tax and tax on real estate of greater value. In the beginning of 2013, the new method of imposing rental income taxes was enforced. The new Real Estate Tax Act was passed by the end of 2013 (applicable as from 1.1.2014), introducing a new method of real estate taxation. As envisaged, the taxes should in addition to their fiscal character have also the character of land policy instruments in the sense of new challenges for urban development in the Republic of Slovenia.

Following the transition to the capitalist socio-economic system of 1991, the real estate taxation sector has not fully been regulated in the Republic of Slovenia for more than 20 years, though the initial project of instituting the real estate tax had been launched as early as in 1998. Undoubtedly, one of the more significant reasons for the inertia of the old taxation system in the real estate sector in this period has been the absence of appropriate records – data on real estate subjected to taxation. As taxes have been determined in a non-harmonised and non-interlinked manner, one can hardly talk of the so-called tax reform, but rather of a period between 1991 and 2014 of transition to a new real estate taxation method.

In the recent years, Slovenia has instituted several *ad valorem* taxes on real estate. Though the numerous property tax studies (Youngman 1994) have warned that the *ad valorem*

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\* University of Ljubljana, Faculty of Civil and Geodetic Engineering, Municipal Economics Institute, Ljubljana, Slovenia.

taxes (as a taxes levied on a non-liquid asset) may entail the severe real estate valuation problems, considering the existing optimum methods (Weiss 2005), the Slovenian politics has disregarded such facts. Likewise, no harmonised real estate taxation framework has been established, and the existing optimal bases for the creation of an appropriate real estate taxation system have not been taken into account. The institution of new taxes has been evolving in an unplanned manner, and without interconnection with the other existing taxes, which has additionally led to the overlapping of taxes. For the same case, the relevant tax may be calculated in two different ways. Thus, for the same activity, at real estate sale, in the case of new construction (the first sale) and in the case of unbuilt building land, the value added tax is charged according to the Value Added Tax Act (UL RS 117/2006, as amended), and in the case of all other real estate, the turnover tax is charged according to the Real Estate Turnover Tax Act (UL RS 117/2006). Slovenia has still not accomplished anything concerning the fiscal decentralisation. It had been found already in 2003 (Oplotnik) that Slovenia belonged to the countries with a relatively low degree of fiscal decentralisation. The problem lies in an inadequate vertical tax structure. It is of great importance that under such conditions, the municipalities should be more autonomous in creating the alternative financial resources. The basic purpose of decentralization is to achieve greater benefits of the national economy, because the needs of the local population can be met in a more effective way by establishing lower levels. The attainment of this goal is based on an appropriate vertical tax structure (Oplotnik 2003).

This paper will analyse a series of taxes linked to real estate, as regards their characteristics. The paper endeavours to find an answer to the question, Are the new real estate taxes a new challenge for implementing the land policy under the existing economic, demographic, social and environmental conditions in the Republic of Slovenia? And in particular, as to whether the new taxes are going to (a) increase the budget of a municipality, thus increasing its autonomous status, and consequently, constituting a new challenge for urban development, or to (b) undermine the economic status of Slovenian households.

## **2. Economic circumstances and conditions on real estate market in Slovenia**

Following accession to the EU, Slovenia had progressively been approaching the average development level within the EU, until the onset of the economic and financial crisis. From then on it has continually been moving away from this average. The Slovenian gross domestic product per inhabitant in purchasing power had decreased to 84% of the EU average by 2011 (UMAR 2013).

GDP per inhabitant has been decreasing from 2008 (18,420 E) to 2012 (17.244 E), and by the end of 2012, the level of unemployment reached its highest level ever since 2000 (12%). Likewise, the disposable household income decreased by 2011 for more than 6% from the level in 2008 (UMAR 2013).

The Government endeavours to revive the economy and to hold up the declining welfare of inhabitants, and among other things, to continue consolidating the Public Finance: in

other words, to decrease the expenses, and to institute measures of increasing the budgetary revenues of the State. The measures of increasing the budgetary revenues include the imposing of new real estate taxes or increasing the existing ones.

Conditions on real estate market in Slovenia in the period of 2007-2012 changed in particular as regards the number of sales on the market, whilst the real estate prices did not change essentially (Geodetic Administration of the Republic of Slovenia 2013). As regards the sales of real estate, we may see that in Slovenia the minimum sales of apartments, residential houses and forest land were in 2009, of agricultural land in 2010, and building land in 2011. Trade in real estate remained at a level in the recent two years that one cannot speak of a repeated crisis of the Slovenian real estate market for the time being.

Average apartment price in Slovenia fell from EUR 1,850.00/m<sup>2</sup> in 2009 to EUR 1,650.00/m<sup>2</sup> in 2012, which is relatively small. On account of introduction of real estate tax, and an increased scope of forced real estate sales, we expect a greater decrease in real estate prices in the coming years. The highest average prices per m<sup>2</sup> apply for apartments in Ljubljana, the Capital of Slovenia, and in Koper at the Adriatic coast.

Table 1: Mean values of real estate sold according to the real estate market records

	Area (m <sup>2</sup> )	Year of construction	Land surface (m <sup>2</sup> )	Price (EUR)
<b>Apartment (used)</b>	52 m <sup>2</sup>	1974		85,800.00 1,650.00/m <sup>2</sup>
<b>Residential house (used)</b>	145 m <sup>2</sup>	1970	1,100	120,000.00 828,00/m <sup>2</sup>
<b>Building land</b>	840 m <sup>2</sup>			55.00/m <sup>2</sup>
<b>Agricultural land</b>	5,000 m <sup>2</sup>			1.4/m <sup>2</sup>
<b>Forest land</b>	17,000 m <sup>2</sup>			0.65/m <sup>2</sup>

Source: Geodetic Administration of the Republic of Slovenia, 2013.

The above table shows the real estate types which are sold on the Slovenian real estate market. An average apartment sold in 2012 had 52 m<sup>2</sup>, it was built in 1974, the average price per square metre of surface amounted to EUR 1,650.00, and the average sales price amounted to EUR 85,800.00.

The average annual net rent of such an apartment amounts to EUR 6,100.00, and the average net annual salary amount to EUR 11,844.00. This means that the rent amounts to approximately 52% of the net annual salary of an employee. In a household with two average salaries (EUR 23,688.00), the ratio between the annual household income and the average annual net rent amounts to 26%.

It needs to be pointed out here that there are 85% of privately-owned apartments, which had been purchased within the privatisation process after 1990 at the relatively low prices, which means that only a lesser portion of the inhabitants need to take apartments on lease. The ratio between the average apartment price (EUR 85,800.00) and the average annual household income (EUR 23,688.00) amounts to 20, which is approximately two times more than in 2004, when the research (Struyk 2006) showed that the ratio in Slovenia amounted to approximately 11. Already at that time Slovenia was in comparison to the other Western European countries in the second place (following Russia). In Poland, Kazakhstan, Croatia, Romania, Czech Republic and Hungary this ratio had already then been lower than in Slovenia. The accessibility of privately owned apartments and of rented apartments in Slovenia is relatively low. On this basis, it may be inferred that the purchasing power of inhabitants in Slovenia at the moment is relatively low.

### 3. Existing real estate taxes in Slovenia

The more significant taxes linked to real estate include:

- Inheritance and gifts tax,
- Real estate turnover tax,
- Value added tax,
- Capital gains tax on property sale,
- Rental income tax,
- Agricultural land development tax,
- Tax on real estate of greater value,
- Planning gain tax,
- Real estate tax.

Hereinafter, the analysis of each particular tax as referred to above is conducted from the point of view of legal basis, taxpayer, tax rate, tax base, tax exemption and tax relief (only exceptionally, in high quantities) and of the revenue, as to where the funds are accumulated. The characteristics as presented above include only the essential ones required for analysis within the scope of this paper. All the particulars are laid down in the Act.

#### 3.1 Inheritance and gifts tax

*Legal basis:* Inheritance and Gift Taxation Act (UL RS 117/2006).

*Taxpayer:* Natural person, or legal person as private entity, who inherits or acquires as donation a certain property.

*Tax base and tax rate:* Tax rate is progressive and depends on the order of succession (5%-39%), and the taxable amount is the price ("marketable value") of property upon deduction of debts, expenses and encumbrances.

Tax base is independent of taxpayer's social status.

*Tax exemptions and tax reliefs:* few exceptions.

*Revenue:* Community/Municipality budget.

### 3.2 Real estate turnover tax

*Legal basis:* Real Estate Turnover Tax Act (UL RS 117/2006).

*Taxpayer:* Seller of real estate, who transfers the property right to another person.

*Tax base and tax rate:* Tax rate is 2%, and the taxable amount is the sales price of the real estate. This tax does not impact the operation/functioning of the real estate market as the tax rate is relatively low. In case that the sales price is lower from the average market value as laid down by the Real Estate Mass Valuation Act by more than 20%, eighty per cent (80%) of the average market value shall be taken into account.

Tax base is independent of taxpayer's social status.

*Tax exemptions and tax reliefs:* few exceptions only.

*Revenue:* Community/Municipality budget.

### 3.3 Value added tax

*Legal basis:* Value added tax act (UL RS 117/2006, as amended).

*Taxpayer:* Seller of real estate.

*Tax base and tax rate:* Value added tax has since 2013 increased from 8.5% to 9.5%, and from 20% to 22% (in certain cases, the value added tax is used instead of the real estate turnover tax, as for instance, in the case of new construction – the first sale is taxed by 9.5%, and the unbuilt building land is taxed by 22%). Tax base is independent of the taxpayer's social status. It is an indirect tax.

*Tax exemptions and tax reliefs:* *Inter alia*, exempted from tax shall be a proprietor of permanent residential premises, where he/she had in fact resided at least for three consecutive years prior to expropriation.

*Revenue:* Budget of the Republic of Slovenia.

### 3.4 Capital gains tax on property sale

Capital gains tax on property sale should prevent the speculative purchase of real estate in general. At real estate sale or donation, where the seller or donor thereof is a natural person, who had acquired the real estate after 1 January 2002, the capital gain shall be determined.

*Legal basis:* Personal Income Tax (UL RS 117/2006, as amended).

*Taxpayer:* Natural person (personal tax), who transfers the property right on real estate through sale or donation thereof.

*Tax base and tax rate:* The taxable amount of capital gains on property sale is the difference between the capital value at divestment and the value of capital at acquisition – net income, wherein the taxes already paid, the eventual valuations and investments into real estate are not taken into account; scaled/normalised/standardised costs amount to 1% of real estate value.

Tax rate decreases with the increasing number of years of real estate ownership. Tax rate amounts to 25%, and is decreased by 5% every 5 years.

Tax base: Independent of the taxpayer's social status.

*Tax exemptions and tax reliefs:* few exceptions only.

*Revenue:* Budget of the Republic of Slovenia.

### 3.5 Rental income tax

*Legal basis:* Personal Income Tax (UL RS 94/2012, as amended).

*Taxpayer:* Natural person, who is letting real estate on a lease.

*Tax base and tax rate:* In 2013, the schedular (tabular) imposition of taxes was introduced for the rental income tax, at recognition of 10 percent of standardised expenses. The new effective taxation of real estate is fixed at 22.5%, and is non-dependent on the income tax category of the real estate proprietor.

Tax base: Independent of the taxpayer's social status.

*Tax exemptions and tax reliefs:* few exceptions only.

*Revenue:* Budget of the Republic of Slovenia.

This change will not impact the level of rents in the market, as the eventual increase in taxation can hardly be imposed by lessor on the lessee, as the rents are relatively high as compared to the purchasing power. And additionally, the rents or leases in the “grey market” are out of reach of such a measure in any case. This market of rented out or leased out apartments is largest in the Republic of Slovenia, and the Government is making serious efforts to bring this market under the law.

### 3.6 Agricultural land development tax

Agricultural land development tax is the compensation for any change of land use of agricultural land. In 2012, this tax was substantially decreased by the new Government. The tax is payable for high quality agricultural land only, and as a land policy instrument, it is of negligible value.

*Legal basis:* Agricultural Land Act (UL RS 59/1996, 58/2012).

*Taxpayer:* Investor, applying for granting of building permit for building construction on agricultural land, or intending to change the agricultural land use.

*Tax base and tax rate:* Depending on credit rating of agricultural land; administratively fixed values in EUR per agricultural land area; administratively fixed value increases by increasing the credit rating, between 50 and 100.

*Tax base:* Independent of the taxpayer's social status.

*Tax exemptions and tax reliefs:* Many.

*Revenue:* Earmarked revenue of communities/municipalities, collected within the budget of the Republic of Slovenia.

Within the austerity measures of 2012, the Fiscal Balance Act (UL RS 40/2012) introduced among other fiscal policy measures also the tax on real estate of greater value and planning gain tax.

### 3.7 Tax on real estate of greater value

Tax on real estate of greater value is levied on owners of real estate in a total value exceeding EUR 1 million. Tax on real estate of greater value applied up to the year of 2014, and as from 1.1.2014, it has been part of the Real Estate Tax Act.

*Legal basis:* Fiscal Balance Act (UL RS 40/2012).

*Taxpayer:* Natural or legal person, who is proprietor of real estate.

*Tax base and tax rate:* Tax base is the generalised market value on the date of 1 January, and the tax rate depends on the value of the entire property of a single proprietor, and amounts to (a) 0.5%, where the tax base is between EUR 1,000,000 and including EUR 2,000,000, and (b) 1.0%, where the tax base is above EUR 2,000,000.

Tax exemptions and tax reliefs are not payable for real estate for business and industrial use and for public purposes.

*Revenue:* Budget of the Republic of Slovenia.

In 2012, the budgetary revenue from this tax amounted to EUR 546,377.00, and that, for one half of the year only. This tax does not impact the functioning of the real estate market.

The most recently instituted planning gain tax and real estate tax are new taxes within the taxation system, and currently a burning issue in Slovenia, and for this reason, we will analyse them in greater detail.

### 3.8 Planning gain tax

On account of land use change into building land use, and in particular in particular of land use change of agricultural land into the building land use, the Government of the Republic of Slovenia should through the planning gain tax introduce an anti-speculative income tax.



*Legal basis:* Fiscal Balance Act (UL RS 40/2012).

*Taxpayer:* Seller of land to be dedicated for building construction.

*Tax base and tax rate:* Planning gain tax, on account of land use change into building land use levies the capital gains from sale of land to be dedicated for building construction. Taxable amount is the difference between the land value at disposal, decreased by the cost of disposal, and the value of land at acquisition, increased by the cost of acquisition.

In case that the land had been acquired prior to 1 June 2012, or where its value in the contract is lower from the generalised market value obtained through mass valuation, as land value shall be deemed its generalised market value on the date of 1 June 2012, taking into account the appropriate use of the land in question.

Tax rates are defined depending on the time elapsing between the land use change and the sale of the land, and are gradually decreased. Tax rates for the planning gain tax on account of land use change:

- 25%, where up to 1 year has elapsed from land use change into building land use, up to sale of land,
- 15%, where from 1-3 years have elapsed from land use change into building land use, up to sale of land, and
- 5%, where from 3-10 years have elapsed from land use change into building land use, up to sale of the land.

Tax rates are defined depending on the time elapsing between the land use change and the sale of the land, and are gradually decreasing.

A land owner, who desires to sell the land relatively promptly, will pay a higher tax than a land owner, who will sell the land somewhat later. It is presumed that through a prolonged proprietorship on land, the probability decreases that purchasing speculation is involved. Thus, it may be concluded that agricultural land purchasing speculation is measured by the time elapsing from the point of land use change into land dedicated for building construction, up to its sale.

*Tax exemptions and tax reliefs:* None.

*Revenue:* Budget of the Republic of Slovenia.

This is a specific tax on land that had been dedicated for agriculture, or on any other land, excluding the land dedicated for building construction, where its land use is changed based on a spatial act. Data on such land should be accessible in the real estate register or they should be confirmed by the community/municipality. And the first problem of this tax is in the very data on which land is envisaged for building construction. Spatial plan in Slovenia does not comprise such data, as it defines only the building land, without specifying, which land is dedicated for building construction.

Hereinafter, we will show a case of assessing this tax in the Municipality of Ljubljana.

a) The assessment of planning gain tax in the Municipality of Ljubljana in 2011

Based on the case of the Ljubljana Municipality we were calculating the maximum amount of this tax (Pavič, 2012):

- The mean increment of land value on account of land use change from agricultural land into building construction land in the Ljubljana Municipality in the year of 2011 amounted to EUR 166 €/m<sup>2</sup>.
- The Municipality Spatial Plan envisages that the land use will be changed on 6,607,000.00 m<sup>2</sup> of agricultural land.
- At selected maximum envisaged tax rate of 25%, the income from the planning gain tax on account of land use change would in total amount to EUR 274,190,500.00.
- At presupposition that all the aforementioned currently still agricultural land would be sold within 50 years, as land intended for building construction, the annual income from the planning gain tax would amount to EUR 5,483,810.00.

The existing real estate tax of 2011, which has many exceptions, amounted in the Ljubljana Municipality to EUR 50,787,028.00, which is approximately ten times more.

This is naturally an all-in estimation, which but nevertheless shows that the newly instituted tax will constitute a relatively small share also in the National Budget. We may only hope that it will prevent the speculative land purchases, or that it will capture at least a part of the inactive land value increment on account of land use change.

b) Unresolved issues concerning the enforcement of planning gain tax

Question is how to get appropriate data for the gain assessment.

Currently, the Real Estate Market Records in Slovenia monitor the conditions on the land market based on the following land development levels:

- Land for construction,
- Land for construction – developed,
- Land for construction – with building permit.

In order to assess the gain on account of land use change:

- It is necessary in particular to terminologically harmonise the area of development levels of land in spatial planning and in geodetic records,
- There is no clear separation in the Real Estate Market Records between the particular levels of development, and more precisely, what exactly does “developed land” mean and comprise.

- Within the development level of “agricultural land” the data on land with the known planning intentions should be analysed separately, as their prices are somewhat higher (for example in the Municipality of Koper, on account of great expectations of land buyers that land use will be changed into land dedicated for building construction, and that they will be able to construct a residential facility in a legal manner on such land, the price of agricultural land could amount up to 40 EUR/m<sup>2</sup>).
- Another problem is how to compute the land acquisition costs.
- In the assessment of gain on account of land use change, the Act does not envisage the time component, which is the increasing or decreasing of the land prices, and which should naturally be excluded from correct gain estimation.
- By introducing the planning gain tax, the Government has instituted a new tax that is not clearly separate from the capital gain tax.

The Geodetic Administration of the Republic of Slovenia finds in its Report (2013) that a greater effect on the scope of offer of building land for construction on account of this new tax has to date not been perceived. Therefore it is questionable, to what extent the proposed method in fact helps estimate the actual effect on account of land use change. The data for assessment of gain on account of land use change may therefore be inadequate.

Currently, the communities/municipalities are defining the land dedicated for building construction; however, land owners find many mistakes, in particular owing to the fact that the actual situation in the field is not verified. In this way, as land dedicated for building construction were defined the functional plots of land with already existing buildings, i.e. the built building land. In addition, the natural condition of the terrain is not taken into account, as of geological or geo-mechanical characteristics of the ground, the inclination of the terrain, the actual use of land (many times, such land is a forest), and similar. A current advantage of introduction of this tax is merely for companies which, at the expense of communities/municipalities, benefit financially from the determination of land dedicated for building construction.

### 3.9 New real estate tax

On having passed the new Real Estate Act, the following three taxes (the so-called “old taxes”), originating from the former socio-economic system, have been abolished:

- Property tax, under the Civil Tax Act. Tax rate ranged between 0.10 and 1.50%, and the taxable amount was the estimated value of real estate; and there existed many exceptions.
- Building land use compensation, under the Construction Act, was computed using the method of points, taking into account in particular the advantages of a particular locality.
- Forest road maintenance fee, under the Forests Act.

Table: 2: Revenues of communities/municipalities from the property tax, forest road maintenance fee and building land use compensation in Slovenia in 2010, 2011 and in 2012

Amount in EUR			
Year	2010	2011	2012
Property tax	4,045,967	4,356,332	4,626,655
Forest road maintenance fee	2,031,863	1,941,693	1,972,188
Building land use compensation	169,039,004	171,130,537	185,454,669
<b>TOTAL</b>	<b>175,116,834</b>	<b>177,428,561</b>	<b>192,053,512</b>

Source: Draft Real Estate Act, EVA: 2013-1611-0071, 7.6.2013.

As you can see, the building land use compensation constituted important revenue for the community/municipality budget, and amounted to approximately EUR 185 million.

Revenue from the new real estate tax was preliminarily earmarked at EUR 190 million, but the Slovenian Government (June 2013) changed its mind and, on account of the crisis, proposed as high tax rates as to bring approximately:

- EUR 240 million of revenue for the community/municipality budget, and another
- EUR 240 million of revenue for the State budget. The tax, which as a rule is the revenue of the community/municipality, should increase in as much as to fill also the State budget.

Looking from the perspective of a community/municipality, the situation does not change substantially in the financial aspect through the new real estate tax, though the old taxes had a certain distinct advantage over the new real estate tax: there were not many complaints, taxpayers accepted them, and they provided the political calm. Taking this as basis, we may assert that the old taxes provided a stable, just and equitable source, and so forth. In short, from the point of view of municipality as well as from the point of view of taxpayers, the old tax directly and indirectly took into account the general principles of real estate taxation. Nevertheless, Slovenia has introduced a new real estate tax.

#### a) Introduction of new real estate tax in the Republic of Slovenia

At introduction of new tax the State promised that this would be a stable and their own source of revenue for the communities/municipalities, and a proportional tax, considering the costs of public services at the community/municipality level. It would ensure a more just, equal, transparent and more neutral, simple and more rational taxation system. The taxation should comprise all real estate. At the same time, it would simplify all the tax exemptions and tax reliefs. Taxpayer should be the proprietor, irrespective of his or her legal status. The taxation should be linked to the real estate market value.

Introduction of new real estate tax in the Republic of Slovenia was conducted in the following manner.

Table 3: Introduction of new real estate tax in the Republic of Slovenia

Year	Activity
1998	ONIX pilot project
2000	Project setting up models for valuation of generalised market value for taxation
2006	Real Estate Mass Valuation Act
2007	Setting up of Real Estate Market Records; data collection on real estate sale on the market (excluding the new construction market and the leased real estate)
2007	Real estate census in the Republic of Slovenia
2007-2010	Data "cleansing" (data supplementing and verification)
2010	First valuation: assessment of generalised market values
2013	Real Estate Tax Act (tax rates, exceptions)
2014	New construction market and the leased real estate to be included in the Real Estate Market Records

Source: Our own analysis.

b) Characteristics of the real estate tax

*Legal basis:* Real Estate Tax Act (UL RS 101/2013).

*Taxpayer:* Natural or legal person, who is the proprietor of real estate.

*Taxable amount:* Generalised market value obtained on the basis of models of real estate mass valuation, as per 1 January.

Tax rate amounts for:

Buildings and parts of buildings with pertaining land:

Residential real estate	0.15%
Non-residential real estate	0.50%
Business and industrial real estate, excluding the energy and power real estate	0.75%
Energy real estate	0.40%
Agricultural buildings	0.30%
Other buildings	0.50%
Residential and non-residential real estate, the value whereof exceeds EUR 500,000	+0.25%

## Land with no buildings:

Agricultural land	0,15%
Forest land	0,07%
Business and industrial use land	0,75%
Land for energy purposes	0,40%
Land for building construction	0,50%
Other land	0,50%
Land for residential housing use (functional land)	0,15%

It is unusual that also all the illegal construction is subjected to taxation. The tax rate for residential real estate amounts to 0.5%, and for other real estate types, the tax rate may according to the Act be increased by up to three times.

*Tax exemptions and tax reliefs:* At the time of adoption of the Act, these were increasing, so that they are presently described in nine sections of the Act. Tax decrease has been defined for the specific categories of taxpayers (beneficiaries of social welfare funds, the handicapped etc.).

*Revenue:* Budget of Republic of Slovenia and of the community/municipality budget.

Municipality/community may increase or decrease for up to 50% at the maximum the tax rates for a part of the revenue appertaining to the municipality or community. The division of revenue in 2014, 2015 and in 2016 is specific. In 2014, the tax revenue shall be allocated to the budget of the Republic of Slovenia. Fifty per cent (50%) of the revenue from the forest land tax shall be allocated to a specific national budgetary subaccount, for the maintenance of the forest roads. Communities/municipalities will get as much revenue as they had got in 2012, based on the Building Land Use Compensation, decreased by the Forest Road Maintenance Fee.

## c) Discussion on the new real estate tax

The new real estate tax may be dealt with from two aspects, namely, from the aspect of the generalised market value assessment, and from the aspect of tax rate definition for the particular real estate types.

Analyses show that the existing generalised real estate market values as of 1.7.2010 have been estimated too high. The new generalised real estate market value will take into account the decrease in real estate prices in the period 2010-2013, but it may be assumed that under the conditions of ever decreasing real estate prices, the value has been estimated too high, which is not reasonable, as this is the tax base. The generalised market value should under no circumstances exceed the sales price of a comparable real estate on the day of evaluation.

Inadequately assessed generalised market value is conditioned also by the inadequate data. There are not only the differences in the square metres of areas, but also, for instance, by 100 years of difference in the year of construction, inadequate classification of real estate into classes, and similar. And such examples are not isolated cases.

In examining the economic effects of taxes there were developed several theories of the optimum taxation (Oplotnik 2003), which endeavoured to find responses to issues on which tax rates would be optimal, what is the optimum scope of aggregate taxation in the field of economy, what taxes are most appropriate for taxation of incomes, consumption, property etc. At definition of tax rates, the “deductive method” prevailed, in conjunction with the promise to the communities/municipalities that their revenue from real estate taxation would remain approximately equal to the previous one, and at the national level, that the revenue would suffice for the filling of the national budget. The tax rates in the Act are too high for all the proposed real estate types (on average, the tax increases by 2.5-times, or even more, even up to 4 times).

The proposed encumbering of real estate proprietors will negatively impact the standard of inhabitants of the Republic of Slovenia, the real estate market, and the real estate ownership structure:

- The tax will, as anticipated, increase the social (financial) differentiation of inhabitants of the Republic of Slovenia, and in particular, it will affect the standard of older population and of persons with low income, which is unacceptable in the existing socio-economic circumstances. In Slovenia, there are approximately 85% of privately owned apartments, as the most proprietors have purchased their apartments within the privatisation process, when their prices were relatively low, and these persons belong to the ones with the relatively low income. On account of the unregulated real estate market in rented/leased apartments and at a possible forced sale of apartments there would evolve a great problem.
- Due to insolvency of owners, the offer of real estate on account of forced sale on the market will increase, and a drastic fall of real estate prices is envisaged, as well as the selling out of real estate with the unclear social, economic and legal consequences.
- The tax will, as anticipated, negatively impact the maintenance of buildings: the money which would otherwise be intended for maintenance of buildings, will be intended for tax payment, and owners will not be motivated for maintenance of buildings, as a poorly maintained building has a lesser generalised value, and a lesser tax imposed.
- An unpredictable effect will have also the higher tax on the poorly maintained buildings that are earmarked as buildings of over 50 years old in relation to which there is no reconstruction envisaged in the Real Estate Register.
- The real estate tax therefore is fiscal in character. It is the so-called filling of the budget of the community/municipality, and, which is the essential novelty, of the State as well.

Research (Rus 2011) shows that communities/municipalities in the Republic of Slovenia have in stock the unbuilt building land that is earmarked in the community/municipality spatial plans of the unbuilt land for construction, even for a period of 90 years, which is in disproportion to the actual needs. An owner of such land should, according to the draft Act, pay a relatively high tax without even (him or anybody else) having any interest in construction on such land. Only because of unprofessional basis and of the Act adopted on such a basis! Thus, the higher tax rate for the unbuilt building land needs to be abolished from the Act.

At introduction of real estate tax in Slovenia there is highlighted the principle of justice, which should have been taken into account in the new tax. Analysing this principle in greater detail, we find that two other principles derive there from: the principle of benefit, and the principle of economic capability. The first one is taken into account if the taxpayers are taxed according to benefits obtained from the use of public good. The second one is taken into account if the taxpayers are taxed according to their own economic capability of paying the tax. In the example under discussion, none of these principles has been observed. At State level, the real estate tax revenue will serve to cover the deficit of the national budget, and not the benefits of taxpayers. In addition, this is an *ad valorem* tax, which does not take into account the economic capability for payment of the taxpayers, and the tax rates are relatively high.

Leaving aside the high cost of introduction of real estate tax, also the cost of tax collection is going to be relatively high, taking into account the maintenance of a high number of data in the records, with the ensuing relatively high risk of emergence of incorrect data, and of complaints, of supplementing the models, of taking into account an extremely extensive quantity of tax rates, and similar. A problem could be even the mere notification of 1.2 million addressees as taxpayers.

The envisaged tax systemically restricts the autonomy of communities/municipalities as to real estate taxation, and decreases the possibility of orientation of urban planning, by help of tax rate changes (also on account of excessive tax rate in general).

The Real Estate Tax is currently under the constitutional review. The Act is deemed constitutionally questionable in several of its Articles, inter alia, concerning the constitutional rights to private property, equality under the law, equal protection of the rights, the right to judicial protection and to legal remedies and to the provision that the laws shall be in accordance with the generally applicable principles of international law.

Note: The Constitutional Court of the Republic of Slovenia decided by its Decision (U-I-313/13-88) of 25.3.2014, when this Article was already under review, that the Real Estate Tax Act (UL RS 101/2013) was to be repealed. The Constitutional Court of the Republic of Slovenia found certain non-compliances in the basis of tax assessment, as well as in the different tax rates for the different real estate groups, regarding also the possibility of appealing against the assessed generalised market value, and regarding the division of taxes between the State and the Municipality on account of the autonomy of the municipalities.



#### 4. Conclusions

Increasing of the quantity of real estate taxes increases also the non-transparency of real estate taxation. Every activity (turnover, real estate possession) and every real estate type is linked to certain types of taxes. All the newly introduced real estate taxes are of a fiscal character, and do not represent the land policy instruments, and they do not stimulate the urban development. Most real estate taxes as referred to above have been intended for the filling of the national or municipal budgets, and currently, in particular for covering the losses incurred in the past (real estate tax). The range of certain taxes as referred to above is relatively small, and it is presumed that they barely suffice for covering the expenses of administration linked to such taxes (inheritance and gifts tax, real estate turnover tax, value added tax, capital gains tax on property sale, rental income tax, agricultural land development tax, tax on real estate of greater value, planning gain tax). Certain taxes have been instituted without the appropriate data support, and their collection is rather questionable (planning gains tax). The capital gains tax on property sale, and the planning gains tax, which were supposed to prevent speculative purchasing of real estate, may be asserted as the only ones, which are following the land policy targets, namely, a decrease in the speculative land purchases. Here, one needs to take into account that there is no definition in the Republic of Slovenia as to who is a speculator, and what land speculation really means. In the past socio-economic system, a speculator (not a potential one, but a real one) was the real estate owner, and at present? There remains open a most burning question of land policy, namely, of how to acquire for construction the most appropriate land, at a proper time, at an appropriate price, and of an appropriate surface and geographical position. Within the context of making use of the EU funds and of placing foreign investments, the Republic of Slovenia lags behind also on account of the unresolved land issues. And moreover, the excessive and inadequately formulated tax rates of the proposed real estate tax, and thereby, excessive tax amounts, will have the unforeseeable consequences for the real estate market, economy, social and legal affairs, and in particular for the rural areas and agriculture.

At deficiency of measures for the stimulation of economy it may be anticipated that the level of unemployment will increase, and that the disposable household income will decrease even more. Thus, the capacity of households for payment of real estate taxes will decrease as well.

Taxes constitute one of the possible instruments of economic policy. In the recent years, their role has been more and more emphasised in the relevant literature. The management of effective taxation policy is a complex task of every country. Through taxation policy, the different objectives may be accomplished, which are not always consistent, and which tend to change all the time. For this reason, the tax rates should be examined, however, not by the "deductive method", but by taking into account the taxation principles.

Slovenia belongs to the countries with a relatively low degree of fiscal decentralisation. The problem is in the inappropriate vertical tax structure. There, it is important that the

municipalities should be more autonomous in creating the alternative financial resources. Community/municipality budgets, and thereby, the possibilities for a greater autonomy, and a new challenge for urban development, are not increasing through the introduction of new taxes, but rather, the extent of the *ad valorem* taxes is placing the economic status of households into a difficult situation.

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# Scenario Planning as a Tool for Handling Demographic Change in Rural German Municipalities

Advantages, disadvantages and increasing its potential by the use of GIS

## Abstract

This paper argues that scenario planning is a suitable method for dealing with demographic change in German municipalities. Some methodological disadvantages remain though. In order to minimize these disadvantages a combination of scenario planning and geographical information systems (GIS) is proposed. Furthermore, a concept for the combined usage of scenario planning and GIS in shrinking rural municipalities is presented. This concept focuses spatially on north-eastern Bavaria and thematically on vacant residential buildings as a consequence of population decline. To ease the concepts use and to reduce costs, suitable data that is mostly available within the domain of German municipalities is identified. And so are workflows which are simple to use and based on common desktop GIS software.

## 1. Introduction

Today, following decades of population growth, decline and aging are the decisive factors of demographic change in numerous German municipalities. Whereas nowadays aging is commonly noticed in local planning, dealing with population decline – the Achilles heel of spatial planning (Weber et al. 2008) – in an appropriate way remains difficult. One of the reasons for this observation seems to be the attitude of planners and decision makers who even in declining municipalities plan and decide primarily orientated along growth (cf. Klemme 2010).

In the scientific debate within the German-speaking region it is unchallenged today that there is a necessity to prioritise developing within a settlements inner area as against green-field development when considering population decline (see e.g. Müller and Siedentop 2004). Meanwhile even the complete ending of consuming new areas for settlements and transportation is discussed as a strategic aim (“0-hectare-target”) in Germany (Behrendt 2013).

Against this background, the following presented approach wants to support stakeholders in understanding the benefits of intra-urban development for a sustainable development. The approach is based on scenario planning which is proposed to supplement established

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\* Anhalt University of Applied Sciences, c/o Institut AGIRA e.V., Dessau-Roßlau, Germany.

population projections to handle the future in the context of local demographic change. In order to minimize existing deficits its methodical supplement by using GIS is being discussed in addition. Furthermore, a guiding concept for the common use of scenario planning and GIS in declining rural municipalities is presented by means of the example of vacant residential buildings.

## 2. Scenario planning and its potential for handling demographic change

Scenario planning is a combination of methods enabling the structured and comprehensible development of alternative future options which are equally entitled. In contrast to prognoses or projections it does not intend to predict the future as precise as possible, but regards future as an entity where entirely different developments are thinkable. Whereas prognoses and projections essentially try to estimate the future relying on the continuance of already given facts, scenario planning attaches importance to take into account new dimensions of influence which might lead future developments into possibly unforeseen directions.

Scenarios developed by a scenario planning approach may therefore not be mixed up with those scenarios which are exclusively based on calculating models and then lead to alternative future options by varying input parameters (Peterson et al. 2003). On the contrary scenario planning may be comprehended as an entire and often participatory conducted planning method whose aim it is to further the intellectual discussion on a topic relevant to the future. Moreover it is used to support strategic positioning – a positioning realizing chances and dangers even aside of established assumptions and which can react in a flexible way on breaks in assumed developments. The sudden drop in birthrates due to oral contraceptives at the beginning of the 1970s and the re-unification of Germany show how important this way of thinking is when it comes to demographic change. Both events were not reflected by preceding population projections as they happened to the projection-designers as a complete surprise. Their impact upon the development and distribution of the population in Germany was, however, outstanding.

The previous use of scenario planning in municipal planning shows convincing force when dealing with demographic change on the local scale (cf. BMBF 2004). Thus a planning approach based on scenario planning may help to solve the basic dilemma of a demographic-orientated local planning: the reason for this dilemma is on the one hand the existing demand of municipalities for local and particularly intra-urban population projections and on the other hand the impossibility to calculate such projections for a longer space of time (e.g. 15 years or more) in a reliable way. There is a demand, as the “urban hardware” (e.g. water or sewage pipes) may exist for several human generations while it constantly causes costs. In many cases those installations are only profitable when the number of people supplied by them remains constant or grows (Westphal 2008). If such an installation is planned to be built or extended, information is therefore necessary about the if, when and where population decline within a municipality might happen. The limited reliability given by projections again results from the regularly small amount of the

total population on the local and intra-urban level – our research includes settlements and neighbourhoods of 1000 inhabitants and less – and from the possibly outstanding importance of external factors influencing the demographic future of a municipality. If, for example, an important employer closes down his firm, changes of the number and structure of inhabitants living in the commune concerned due to out-migration are likely. And these changes might exceed the variants of population projections available for this municipality to a large extent.

Scenario planning takes such projections into consideration, but at the same time it actively tries to identify thinkable breaks of trends – even if these breaks seem to be improbable today (van der Heijden, 1996). This approach is apparently suitable for planning in the face of local population change. As in its application several equally entitled futures are thought ahead it can be used, e.g., to get ready for different future alternatives by not only developing a plan A, but also a plan B and C – and to design them in an adjustable way. The generic term “plan” can be a land-use plan in concreto, which might be cancelled if the expected need of building land cannot be met and which might be supplemented by a reconstruction respectively dismantling plan of areas being already build-up.

### 3. The application of scenario planning cannot guarantee success

Despite its basic advantages when dealing with population change on the local level the use of scenario planning can't guarantee successful planning. As a conception its name only means a generic term for basic approaches dealing with the future which have certain basic components in common. So on the one hand scenario planning typifies basic phases – in particular a phase of analysis, of projection and of synthesis – into which this method can be subdivided. On the other hand steps are recommended, by which these phases can systematically be run through (see Figure 1).

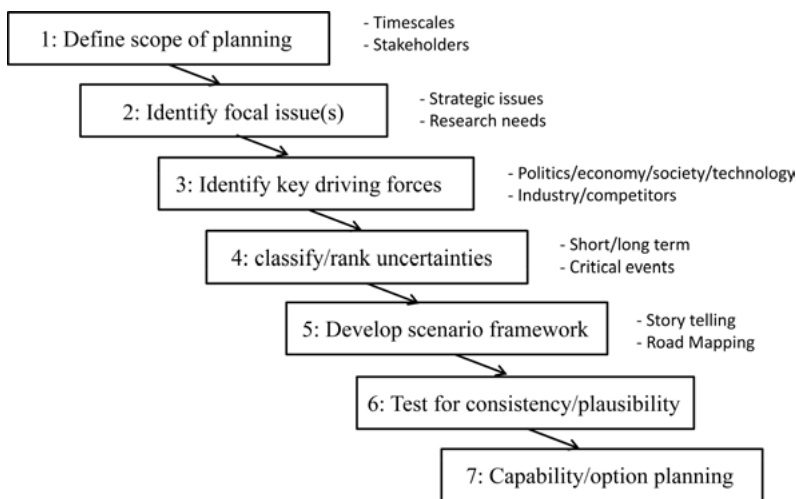


Figure 1: Steps of scenario planning – an example (Drew 2006)

In the phase of analysis the exact nature of the topic under investigation, the objective of the scenario planning application, the participants and the range of time for which images respectively ideas of the future are to be developed, are defined. Moreover, the study area as well as the key forces driving the future development of the topic under investigation are determined.

The phase of projection follows the phase of analysis. Future projections can be developed comparatively intuitively or in an analytic-systematic way. In analytic-systematic approaches thinkable future developments of the driving forces are reasoned and the uncertainty underlying these estimations is assessed. Furthermore, possible interdependencies between thinkable future developments of the driving forces are considered and consistent projections are concentrated in rough scenarios. Finally, the rough scenarios are fleshed out to coherent scenarios, which are understood as plausible ideas of the future being described in detail. As a rule the scenarios developed are limited to only a few, often three to five of them.

In the third phase, the phase of synthesis, consequences which result from the developed scenarios concerning the examined topic and study area are analysed. Furthermore, consequences of disturbing events which might lead the assumed developments into unforeseen directions – so called “wild cards” – are identified and assessed. Finally, to ensure a persistency of the gained findings strategies are developed and possible actions are proposed.

In order to form its basic components efficiently, scenario planning must be customized according to the respective situation of application. However, in practice scenario planning is often used like a “Swiss knife” (van Notten, 2006) or scenario planning proposals customized for specific applications are adapted unreflectedly in different thematic contexts. In urban and regional planning proposals of customized scenario planning applications have been exceptions so far.

In addition, we have to take into consideration that scenario planning does not only have advantages. An essential disadvantage of the method is the high expenditure of time when applying it (Mietzner and Reger 2005). This expenditure of time – like its entailed topical complexity – is likely to rise when using scenario planning concerning local demographic change: On the one hand only a local scale consideration and a basis of data suited for it make visible the concrete consequences of demographic change within a municipality. On the other hand demographic processes do not stop at administrative borders. Therefore a robust planning concerning demographic issues does not only need to adopt a small spatial scale, but at the same time needs an inter-municipal orientation. This request consequently needs a handling of a data basis which might possibly be large and heterogeneously structured.

Another disadvantage of scenario planning is the fact that the developed scenarios hardly stand the test to be communicated externally (cf. Bartscherer 2005). Therefore they often fail to get the expected attention by politicians and administrative officers. This aspect, however, is of an elementary importance when considering the widespread growth para-

digm.<sup>1</sup> The problem regarding communicability explains itself when considering that scenarios – as a seizable result of scenario planning – are frequently realized as “stories, told in words and numbers” (Geldenhuis 2008) which tell a plausible development from the present up to a certain year in the future and which get along without or with only few graphic representations.

#### 4. Lessening of the disadvantages of scenario planning by applying GIS

Modern information and communication technologies (ICT) make it possible to administer and analyse efficiently extensive data resources. Therefore the application of ICT in order to intensify the efficiency in many fields of scenario planning-applications is common practice. Thus approaches of scenario planning leading to open-ended results (so-called explorative approaches) as they are common, among others, in business planning regularly apply software for the realization of quantifying working-steps within the scenario-development. Hybrid approaches of scenario planning which are used for dealing with complex relations between the human being and its environment (e.g. flood risk management, see Winterscheid 2008) in turn link narrative story lines with complex mathematical models, which might not be performed without data processing.

ICT also offer a remarkable efficiency potential for the application of scenario planning in spatial planning. Due to the immanent spatial relatedness of planning the application of GIS offers itself as a matter of fact. Geodata concerning different topics can be managed, analysed and presented jointly in a GIS. This is valid even if the data originate from different administrative units and are stored or exchanged in divergent data schemes respectively formats. The systematic integration of GIS into the setting of scenario planning might therefore enable the vast, partly heterogenous data basis to be dealt – a data basis that derives as a consequence of observing, respectively, analysing on the local (and even intra-urban) scale and at the same time planning in an inter-municipal framework as it suggests itself for dealing with local population change.

In addition, by means of thematic maps which can be produced in a GIS efficiently, local demographic given facts can be presented in a way, which despite the given informal complexity do not seem to be overcharged. Possible demographic future options of a municipality might consequently be easier to be communicated than scenarios which consist of words and numbers only.

Due to these capabilities GIS promise to diminish the previously mentioned disadvantages of scenario planning. Nevertheless the facts are surprising that the systematic application of GIS when using scenario planning in demography-orientated planning has not been realized by German municipalities so far.

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<sup>1</sup> The growth paradigm (in German: “Wachstumsparadigma”) describes the observation that planning in Germany traditionally focuses on the assumption of ongoing population growth. The term was indicated in the German planning context by Häusermann and Siebel already in 1987.



## 5. Concept of a GIS-based scenario planning approach for the application in shrinking rural municipalities

The advantages of scenario planning for planning demographic change on the local level and the possibility to minimize existing disadvantages by using GIS was motivation enough to develop a guiding concept for the application of scenario planning in shrinking municipalities with an integrated use of GIS. This concept was developed considering municipalities in the rural area of the Upper Palatinate/Bavaria that have been facing a many year-lasting population decline.

As mentioned above the methodical shaping of scenario planning needs to match the local conditions in order to develop high quality scenarios. Among other things a concrete topical peg is important. A general peg, in the sense of “the future demographic situation of a certain town” would nearly consequently lead to vague scenarios, which could hardly be used for strategies to be put into reality. Therefore the subject “vacant residential houses” was taken out from a wide variety of possible consequences caused by population decline in municipalities. The decision to deal with this topic was made as in the years to come an increasing number of empty residential houses in many places in Germany has to be suspected – among other things causing far-reaching consequences for the real estate market (cf. Planinsek 2009).

The concept wants to sensitize people for the consequences of vacancies and for intra-urban interdependencies of demographic processes. Thus the development of local scale scenarios, the debate about the pros and cons of further settlement expansion and the prioritization of particular neighbourhoods that might possibly be reconstructed is thought to be supported. The concept therefore follows a didactic approach in the first place.

Moreover, its shaping is a reaction on noticing that demographic change should be tackled at an early stage (Mädig 2006). Therefore when looking at the ICT-use the concept tries to minimize barriers of application by choosing a way which can easily be put into practice: instead of developing a topical-specified expert-system common desktop GIS software, which can be found today in many municipal administrations in Germany, is used. In addition simple workflows are suggested by which important information concerning the demographic and the housing situation of a municipality can be generated, though. The working-steps themselves are based upon existing municipal registers and spatial base data which are at hand in many German communes.

Furthermore, the integration of scenario planning and GIS is performed loosely: in a first phase the suggested GIS working-steps are performed and thematic maps are produced. In a second – timely, spatially and personally – disconnected phase the thematic maps are used as a working-basis for the development of scenarios within the scope of a scenario workshop. By shifting the preparatory work into the disconnected first phase only few specialists – may it be the GIS expert of a municipality or an external GIS service provider – are needed at this stage to conduct this work. The following scenario workshop itself can be performed in only one day due to this preparatory work. Thus the municipal decision

makers, whose participation in the development of scenarios is essential for a long-lasting effect (Schwartz 1996), are no longer engaged by numerous workshops and several days as it often has happened so far (cf. BMBF 2004).

### 5.1 How to deal with factors influencing vacancies of residential houses

The structure of the proposed concept follows the general methodical pattern of scenario planning and schedules a course in several successive steps. However, the above named conditions of setting require adaptations which exceed the partition into the two phases outlined above.

Thus both direct and indirect factors influencing vacancies of residential houses are named in the literature (Schmied 2007). Direct influencing factors, e.g. age and number of the inhabitants or the age of the building have an obvious reference to space and can be processed in a GIS. Therefore they are on focus in the first phase. In order to get relevant direct influencing factors, expert interviews were performed and literature was searched through. In parallel data, that can be used to generate information about these influencing factors, were identified. Both, direct influencing factors as well as relevant data were compiled with Schaffert (2011) and can be looked up there. At the same time it was made clear which of the data are at hand already in the municipalities domain and which data can be obtained free of cost externally. Moreover, data creating a surplus value which are at reasonable costs were named in addition. Concerning the data last mentioned focus was laid on data deriving from official German mapping agencies, because some of their data can be obtained at reduced costs or free by municipalities within already existing agreements.

A data source of essential importance in this thematic context is the register of residents. By joining records of the register of residents and spatial base data you may derive crucial direct influencing factors concerning vacancies, e.g. “age of the youngest resident of a house”, “total number of residents of a house”, “duration of occupancy”, “number of buildings with so called Altersremanenz<sup>2</sup>” or the “Billeter measure<sup>3</sup>” and represent them spatially on different scales (see Figure 2). Moreover residential houses vacant at the present-day can be detected.<sup>4</sup>

The respective working-steps, which have to be performed to process the direct influencing factors, again were compiled with Schaffert (2011). Thus a tool box of topics, data sets

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2 The term “Altersremanenz” is used in German literature to describe the remaining of the parents in their own single-family home after the children have left the house in order to build up their own household. Regarding the buildings effected, the terms “Remanenzgebäude” or “Innerer Leerstand” (inner vacancy) can be found.

3 The Billeter measure represents the ratio of the generation of children and grandparents within a spatial unit to the generation of parents. It is an index to assess aging as it puts up the ratio of the reproductive population to the population unable to reproduce themselves.

4 The register of residents (German: Melderegister) and a workflow for detecting vacancies based on this register is described in the article of Köhler and Schaffert in this volume.

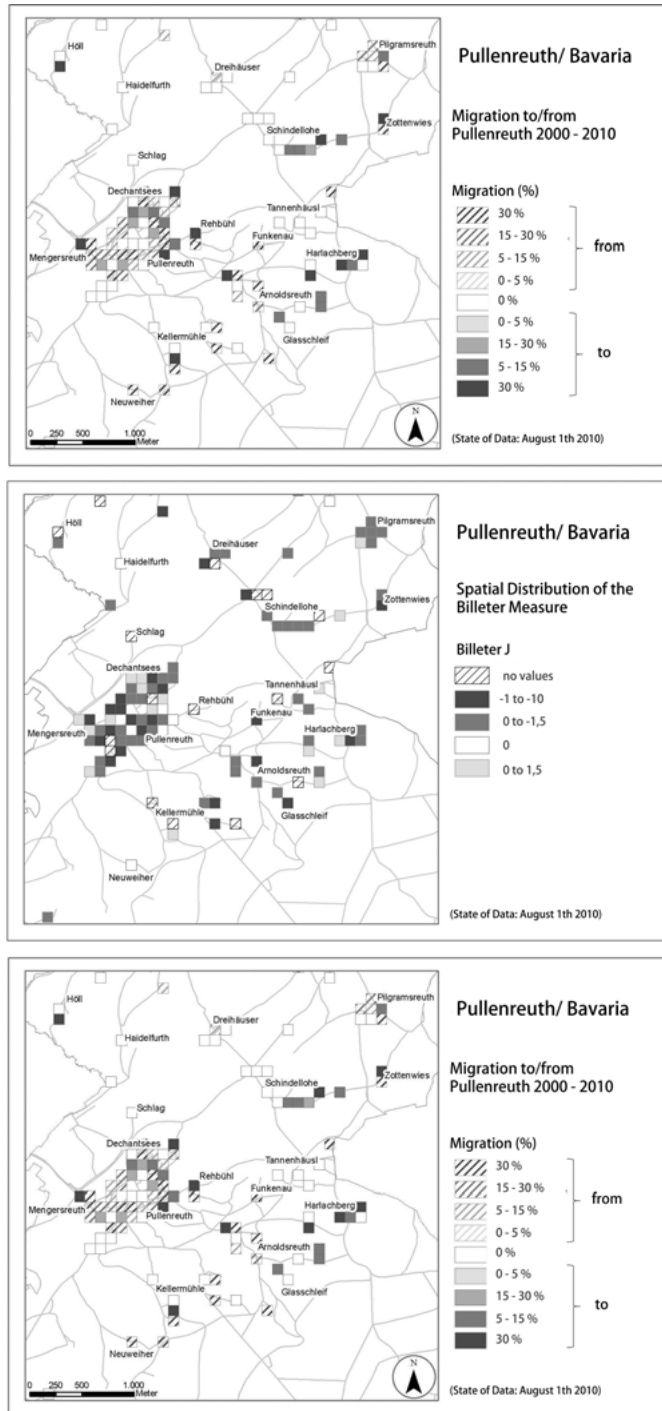


Figure 2: Thematic maps of the municipality Pullenreuth (Schaffert et al. 2011)

and GIS-referring working-instructions – as a part of the concept – were developed there, intending to ensure an easy execution of these working-steps.

The thematic maps generated in the first phase serve as a working-basis for a scenario workshop to follow (phase 2). In this workshop the maps are presented to stakeholders and then discussed. In addition the workshop participants are informed about the results of available population projections and also about the subject “vacancies of residential houses”. Thus they start the workshop with acquiring a sound basis of relevant knowledge.

After the above mentioned discussion on direct influencing factors on vacancies the indirect influencing factors are now laid the focus on. These factors, too, were beforehand investigated<sup>5</sup> and are checked, supplemented or rejected by the stakeholders taking part in the workshop.

Indirect influencing factors on vacancies of residential houses – e.g. the development of the local labor market or the interest level for loans – cannot often be referenced spatially in contrast to direct factors. Working with indirect influencing factors is also hampered by the danger of trend-breaks of the development which is particularly menacing in this case: the recent crises of financial and real estate markets have clearly shown the significance of these trend-breaks.

Due to these difficulties quantitative tools like population projections, GIS-analyses or model-based simulations meet their limits. Therefore a qualitative-orientated procedure was chosen for the following steps.

5.1 Realizing the project phase by developing spatial scenarios in a participatory way  
Among all the presented indirect influencing factors on vacancies the participants first decide on so called premises and key factors. Furthermore wild cards are looked for. Thus the participants learn which influencing factors drive the future development.

- Premises are indirect influencing factors that drive the future development, but are at the same time easily predictable. A premise e.g. could be the number of children per woman, which has been on the same unchanged low level for years and whose short-term rise seems to be rather improbable.
- Key factors (or driving forces) are indirect influencing factors which drive the future development, but are difficult to estimate. Among these, factors depending on political conditions can be found. A key factor could be e.g. the amount of the state’s subsidy for building one’s own home (in German: “Eigenheimzulage”), which was granted in the past, but abolished meanwhile.
- Wild cards are high-impact, but low-probability events. An example could be the obligatory realization of the 0-hectare-target and as an effect the de facto stop of offering new greenfield development sites for residential houses in Germany.

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<sup>5</sup> The identified indirect influencing factors were compiled with Schaffert (2011).

- Subsequently the participants develop future states of both central premises and key factors in team-work according to their knowledge and then consolidate them into three thinkable, plausible and consistent scenarios of the wider environment. This is done by wording three short stories which describe the development of the wider environment influencing vacancies from the present to the year 2030. Herein the participants have to consider the compatibility of the developed premises and key factors states, which might lessen or intensify each other. In order to prevent the participants from developing primarily politically correct scenarios of growth, the participants are requested to orientate along given rough directions (see Table 1). Wild cards are high-impact, but low-probability events. An example could be the obligatory realization of the 0-hectare-target and as an effect the de facto stop of offering new greenfield development sites for residential houses in Germany.

Subsequently the participants develop future states of both central premises and key factors in team-work according to their knowledge and then consolidate them into three thinkable, plausible and consistent scenarios of the wider environment. This is done by wording three short stories which describe the development of the wider environment influencing vacancies from the present to the year 2030. Herein the participants have to consider the compatibility of the developed premises and key factors states, which might lessen or intensify each other. In order to prevent the participants from developing primarily politically correct scenarios of growth, the participants are requested to orientate along given rough directions (see Table 1).

The stories to be developed, which describe the future development of the wider environment, are completed by detailed thoughts how these surrounding developments have an effect on the direct influencing factors and finally on the number and location of empty houses within the municipality.

These stories lines – namely the textual description of the developments of the wider environment and their effects on the situation of vacancy – are enlarged by sketching plausible

Table 1: Presettings for the workshop implementation in Pullenreuth

	<b>presetting 1</b>	<b>presetting 2</b>	<b>presetting 3</b>
<b>thematic background</b>	This presetting is based on thinking ahead the regional conditions of demography, labor market, society, economy, technology and politics which match present trends.	Presetting 2 assumes the possibility of far-reaching political and legislative new assessments – particularly when looking at both the nowadays in Germany controversially discussed principle of equal living conditions as well as technological developments in the scope of e-teaching which might lead to changes of school locations.	Scenarios may be conducive to disseminate a spirit of a new start. The third projection takes this aspect into consideration. It is based on the assumption that it is possible to manage the loss of population cleverly as far as appropriate measures are taken. Therefore this look into the future is meant to make clear that strategies differing from those of the year 2013 are necessary and pure inaction will not induce the positive vision. In the workshop this presetting is used as a guiding projection.

<p><b>presetting as communicated to the participants</b></p>	<p>Demographic change keeps its basic direction in the years after 2013. Accordingly the number of vacant houses in Pullenreuth of the year 2030 has increased due to out-migration and newly developed housing areas. Apart from once agriculturally utilized buildings – one of the vacancy priorities in the year 2013 – residential houses that were built in the 1950, 1960 and 1970s stand now empty to a large extent.</p>	<p>Enhanced online teaching and a changed legal frame make it possible to comply with the compulsory education from home. Due to a reduced financial support of rural areas the schools within the reach of Pullenreuth are closed down in the years to follow. Many parents want their children to have social contacts with classmates, require the presence of a teacher and turn their back on Pullenreuth. In 2030 family homes with children in a relevant age are increasingly concerned by vacancy.</p>	<p>Despite difficult surroundings the number of vacant buildings in Pullenreuth has not increased to a remarkable extent in contrast to the year 2013. The structure of the settlement of Pullenreuth in the year 2030 has changed, however: The settlement's shape is compact now – and not every single building which stood in the year 2013 has been maintained.</p>
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spatial effects on the situation of vacancy in prepared base maps. A live-application of GIS-software in the workshop is only intended as a supplement, respectively to answer questions which cause the necessity of quickly changing the spatial scale of representation. Apart from that map plots are regarded as an ideal working-basis for the workshop as the participants should have the chance of sketching their own space-orientated ideas into the maps according to their own liking.

Finally strategies and measurements are developed where consequences resulting from wild cards identified before are taken into consideration as well. According to the previously developed scenarios the strategies ought to designate explicitly inner-urban areas of differentiated conditions for municipal vacancy management and should not shrink back from options of restructuring.

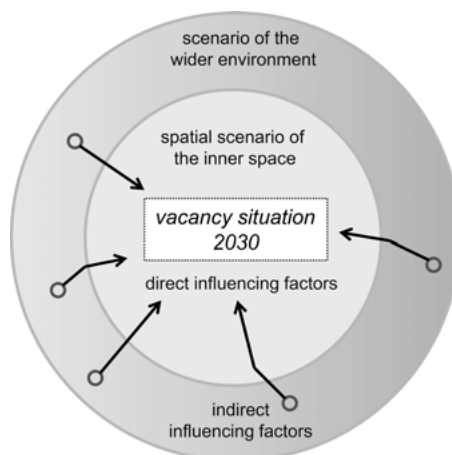


Figure 3: Concluding from the wider environment to the “inner space” of the local vacancy situation (oriented towards Geschka and Schwarz-Geschka, 2010)

Table 2 shows a summary of the steps and contents of the proposed scenario-workshop. A detailed representation can be read through with Schaffert (2011).

Table 2: Steps of a GIS-based scenario workshop for rural housing vacancies

steps	activities	protagonists
1	a. provide base information on “demographic change” and “vacancies of residential houses” b. rise awareness for the importance of spatial (especially intra-urban) information and for assessing demographic issues and the vacancy situation	scientific and consulting team/  local: - stakeholders - experts - citizen/public - Project partners
2	a. gather direct and indirect factors influencing the vacancy situation b. learn to distinguish shapable from non shapeable influencing factors	
3	a. define key factors (driving forces) b. identify premisses and wild cards (disturbances/ break in trends)	
4	discuss the normative orientation framework (rough projections)	
5	a. develop alternative projections (resp. states) of the key factors b. develop coarse, but consistent scenarios of the wider environment (scenario framework)	
6	a. flesh out scenarios and concretize them spatially b. discuss scenarios vs. the guiding projection c. present final scenarios	
7	a. the second chance – finding collaborative strategies b. wild-card-check	
8	a. concretize strategies b. find possible ways to improve and extend the information base	

## 6. Result and outlook

On principle we might find numerous possibilities of customizing scenario planning in a way which allows applying it feasible and target-oriented concerning the way we deal with population change. The way of integrating GIS into the framework of scenario planning may also differ from the proposal outlined above. The concept suggested therefore represents only one reasonable possibility among many others. What seems to be more important than the working out of the concept presented here is realizing the benefits deriving from a common use of scenario planning and GIS for a systematic way of dealing with demographic change on the local level.

Not least, the systematic integration of geoinformation and GIS in a planning approach based on scenario planning seems to be reasonable because the availability of qualified geodata caused by the INSPIRE directive, which implies the building-up of a spatial data infrastructure on different levels of administration in Europe, will soon be improved to a large extent. Geodata sources free of cost, as they are available in the Open Street Map project, can offer municipal planning an additional support. The way seems to be clear to soon be able to use geodata for spatial planning to an extent unknown hitherto. The pre-

sent paper wants to contribute to realize this chance and wants to be motivation to take this field of topics into the focus increasingly.

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# Building Measures in the Face of Population Decline

Are interdependencies taken into account appropriately by local authorities in rural Germany?

## Abstract

Demographic processes are dynamic, complex and interact with each other. Accordingly, it is likely that building measures influencing a certain demographic process may in addition have effects on further processes or consequences of local demographic change. This assumption is currently studied in rural Southern Germany with regard to the interdependencies between building measures in the field of elderly care and residential housing on the one hand, and the number of vacant buildings, on the other hand. This paper presents the underlying motivation for the research, the research design, preliminary findings and the steps to be taken next.

## 1. Introduction. Demographic change in Germany

In the upcoming decades, size and structure of Germany's population are likely to change drastically. Ageing, population decline and internationalization are the main characteristics of this development. For instance, according to the Federal Statistical Office Germany's population is likely to decline from 82 million (2008) to 65-70 million inhabitants by 2060. Moreover, the share of inhabitants above 65 years is predicted to increase from 20% (2008) to more than one third of the total population in the same reference period (Statistisches Bundesamt 2009).<sup>1</sup>

However, the way in which demographic change in Germany unfolds is decidedly heterogeneous in spatial terms (Kemper 2006). From a nation-wide perspective, population decline and aging currently take place predominately in the New Laender and in rural-peripheral or in old industrialised regions of the Old Laender. In addition to their spatial heterogeneity demographic processes show varying dynamics on different scales. Thus, demographic processes shaping a region might proceed faster, slower or even entirely different in some of the region's municipalities or in certain neighbourhoods (Birg 2005). Furthermore, the characteristics and the way in which demographic processes interact are subject to change over time. The complexity of demographic change and the interrelated-

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\* ILS – Research Institute for Regional and Urban Development gGmbH, Aachen, Germany.

\*\* Anhalt University of Applied Sciences, c/o Institut AGIRA e.V., Dessau-Roßlau, Germany.

<sup>1</sup> The official population projections for Germany are currently recalculated due to the results of the last census and with notice of recent net-migration differences on grounds of the economic crisis in Europe. However, the overall tendencies of demographic change are likely to remain as outlined above.

ness of its processes therefore suggest analogies to ecosystems and establish a connection to the scientific debate on “cities of resilience” (Pickett et al. 2004; cf. Marten 2001).<sup>2</sup>

On the local scale demographic change is strongly driven by external factors such as regional or even global economic developments, employment situations or social attitudes relevant to the area of interest (Knieling and Othengrafen 2005; Schaffert 2009). However, it seems likely that not only external factors, but also measures initiated on a municipal level with the intent of influencing a certain demographic process in a positive way might have hidden effects on further processes and, finally, on local consequences of demographic change. This assumption forms the base of a research project outlined in the following.

The study relates building measures in the field of elderly care and residential housing to the number of empty houses in rural municipalities. Thus numerous care facilities are being built in cities and towns throughout Germany to meet a growing demand for old-age care. Furthermore, a substantial number of municipalities facing longterm population decline provide new housing areas. Frequently, this practice is intended to tackle population decline by local authorities: young families are supposed to move to these places by taking advantage of comparably cheap and easily acquirable greenfield development sites (Gutsche 2006; Klemme 2010).

On the other hand, these efforts are paralleled by a significant number of empty houses in many municipalities. The issue of vacancies has already received prominent attention after Germany’s re-unification with respect to the so-called urban redevelopment east (in German: *Stadtumbau Ost*<sup>3</sup>, Hendricks 2013). While at that time, the primary focus was on the New Laender and on urban areas, meanwhile the problem is perceived in a more holistic way: Both the scientific debate and the subsidy practice (namely the *Stadtumbau West*, starting in 2004) widened the spatial focus. Furthermore, more attention is paid to the housing market in rural areas. Especially one housing type, relevant to both urban and rural areas has been discussed in recent times – single-family homes built between the 1950s and the 1980s: In many areas where this housing type is prevalent, an increasing number of vacant houses is likely in the future (cf. *Wüstenrot Stiftung* 2011).

However, to our knowledge effects of building activities deployed to tackle aging and population decline on the number of empty houses are frequently ignored. Against this background our study puts forward the assumption that building retirement homes and developing single-family housing areas might negatively influence the way in which existing real estate is utilized. Moreover, we believe that a planning practice focusing on constructing without considering conceivable consequences could lead to new problems in

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<sup>2</sup> “A Resilient City is one that has developed capacities to help absorb future shocks and stresses to its social, economic, and technical systems and infrastructures so as to still be able to maintain essentially the same functions, structures, systems, and identity” ([www.resilientcity.org](http://www.resilientcity.org)).

<sup>3</sup> “The term ‘Stadtumbau’ (urban redevelopment) as used in Germany since the 1990s refers to adjustment of existing communities to urban shrinkage with respect to urban design, social structures, municipal and financial policy, and infrastructure” ([www.arl-net.de](http://www.arl-net.de)).

other fields of local demographic change: While it is obvious that this attitude contributes to what has been referred to in the German debate as “building land paradox”<sup>4</sup> (in German: Baulandparadox, Davy 1996) we consider it possible that even a kind of “donut effect”<sup>5</sup> might occur as a consequence.

## 2. Research design

For the project a methodical approach was chosen that puts emphasis on a comprehensive base population and spatial comparability to ensure statistical applicability. On-site data collection – as it is e.g. still conventional in rural Germany in studies focusing on housing vacancies<sup>6</sup> – therefore has been rejected. Instead, existing data sets, which are combined, processed and analysed using a Geographical Information System (GIS) were used.

### Working steps

For answering the research questions several working steps that build up on each other have to be run through. Thus, as a first series of steps (1.) empty residential houses, (2.) single-family housing areas and (3.) retirement homes are identified.

On the basis of these initial working steps (4.) population movements from the existing building stock into single-family housing areas and (5.) into retirement homes are analysed in order to (6.) identify consequences on the number of vacancies deriving from developing residential areas respectively retirement homes.

In the following these working steps are described in more detail, including a reflection of the availability and interpretability of those data sets required for the analyses.

Working step (1.): Vacant residential houses were identified by combining the register of residents (in German: Melderegister) and a data set called “building coordinates” (in German: Hauskoordinaten). In the register of residents individual-related data which are subject to registration, e.g. addresses, date of birth or migration aspects, are recorded. German municipalities are obliged by law to maintain this register. The building coordinates on the other hand are a product of the official surveyors’ offices in Germany which relates coordinates to every registered address in the country. On the basis of this data set the demographic data available within the register of residents can be geocoded and used for spatial analyses in a GIS.

Empty houses are not defined in these two data sets explicitly though. However, they are deducible from them: The building coordinates comprise the entirety of addresses in a

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<sup>4</sup> The term “Baulandparadox” refers to the concomitant of settlement expansion on the one hand and population decline on the other hand.

<sup>5</sup> The donut-effect is understood as the development of a settlements fringe paralleled by an increasingly abandoned centre.

<sup>6</sup> In Germany, an area-wide data base recording empty houses does not exist so far. This is in particular valid for rural municipalities, despite significant efforts of some German federal states in the recent years.

certain municipality. Furthermore, the register of residents of that municipality reports the number of addresses where people are registered – and with that (principally<sup>7</sup>) the number of addresses in that commune where at least one person resides. By joining both data sets a remainder of addresses can be calculated, that either are used for commercial and public purposes or are unoccupied.

If subsequently those addresses being used for commercial and public purposes are subtracted from the remainder, an amount of vacant residential houses persists (cf. Schaffert 2011). In Germany, addresses which are commercially used are registered in municipal trade registers (in German: Gewereregister<sup>8</sup>) and in turn can be obtained from that data set.<sup>9</sup>

Working step (2.): Binding land-use plans that are generated by municipalities in Germany and that can provide information about single-family housing areas have been increasingly digitized in recent years and are partially provided via the internet today. However, Germany is still nowhere near an area wide coverage when it comes to the online provision of binding land-use plans. Furthermore, many of these plans so far only have been provided in the pdf-data-format hindering further processing. The online provision of binding land-use plans in standardized data models, as realized using the so-called xPlanung data model in some parts of Germany (e.g. the city of Hamburg) remains the exception.

In the German federal state of Bavaria – and therefore relevant for the district of Tirschenreuth (in German: Landkreis Tirschenreuth), which is one of our study areas – at least surrounding perimeters of binding land-use plans are provided online via the so-called BayernAtlas<sup>10</sup> in the kml-data-format. In this data set, the plans' perimeter is complemented by elementary descriptive data, like the date, when the binding land-use plan entered into force or the information, whether the considered area is used for housing or commercial purposes. This data set was deployed in the ongoing project to determine the location, the shape and the age of single-family housing areas. By using this data set together with the building coordinates and the analytical capabilities of GIS software, addresses that belong to a certain housing area can be identified. However, this approach is constrained by the fact that the aforementioned data is provided via the BayernAtlas on a vol-

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<sup>7</sup> The reference “principally” is used to narrow the validity of the approach chosen. Thus it is obligatory by German law to register migration movements that involve a change of the physical address. However, in reality those movements are not in every single case communicated properly.

<sup>8</sup> The municipal trade register is a register maintained by Germany's municipal administrations regarding enterprises according to German trade law (§ 14 Gewerbeordnung, GewO).

<sup>9</sup> Alternatively, commercially distributed data sets can be used for that purpose. Thus the data set “microdialog” by Deutsche Post Direkt GmbH was used in the first project phase instead of municipal trade registers. That way, those municipalities in our study areas in which the supply of the relevant data turned out to be time-consuming only were obliged to provide us with a list of buildings being in public use to supplement the “microdialog” data set.

<sup>10</sup> The BayernAtlas ([www.geoportal.bayern.de/bayernatlas](http://www.geoportal.bayern.de/bayernatlas)) is the online geoportal of Bavaria's spatial data infrastructure.

untary basis. Not every Bavarian municipality offers this service at the moment. Moreover, occasionally only data of land use areas that were recently allocated are available.

In the German federal state of Hesse – where our second study area, the Odenwald district (in German: Odenwaldkreis), is located – there are different regional approaches for the provision of binding land-use plans. These approaches range from no online provision of these plans at all to a pdf-based provision via the internet. However, spatial data sets providing information about the location of binding land-use plans which are both easily available via an online geoportal as well as structured as vector data – as it is valid with regard to the BayernAtlas – have not been at hand so far.

Working step (3.): Data including name, address and capacity of retirement homes can be collected in a relatively straightforward way. Thus, German districts often provide online information on issues related to elderly care as part of their overall strategy to manage demographic change. Among others, lists of local retirement homes might be found on the districts homepages.<sup>11</sup> In addition, similar data gathered by private operators is provided online.<sup>12</sup> Frequently, this data not only informs about the retirement homes' features relevant to care, but also about their addresses. It therefore can be geocoded by GIS software using the data set “building coordinates” or even free geocoding services.<sup>13</sup>

Working steps (4.) and (5.): Based on the working steps mentioned above, we analysed where the people who moved to retirement homes or single-family housing areas came from. This analysis can be conducted on the basis of existing data sets because both actual addresses as well as the last place of residence are recorded in the register of residents. If the actual and the former addresses have been geocoded, as it was proposed with regard to working step (1.), those analyses can be conducted using GIS software. Thus, as mentioned before, from all the addresses of a certain municipality to where people moved during the last decades those, who are located in a certain housing area (or that form a certain retirement home), can be identified. Subsequently, following this approach, former addresses preceding the relocation can easily be detected using the geocoded register of residents. By comparing the latter addresses with those of empty houses, which in turn are a result of working step (1.), one can learn whether the population influx to a housing area or a retirement home relates e.g. to the abandonment or the temporarily disuse of formerly occupied houses – this study it is carried out in working step (6.).

Working step (6.): Once the addresses of formerly occupied houses are identified, not only the consequences on single houses, but also spatial patterns can be analysed using a GIS. Two of the many questions that are to be answered in this context are:

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<sup>11</sup> Retirement homes located within the district of Tirschenreuth are presented on the districts homepage: <http://www.kreis-tir.de/soziales/betreuung-heimaufsicht-senioren/seniorenfachstelle.html>.

<sup>12</sup> For example [www.aok-pflegnavigator.de](http://www.aok-pflegnavigator.de), a service provided by a German health insurance company, or [www.ortsdienst.de](http://www.ortsdienst.de).

<sup>13</sup> For example [mygeoposition.com](http://mygeoposition.com) or [batchgeo.com](http://batchgeo.com). However, using free geocoding services might lead, as far as our experience goes, to a significantly poorer geocoding quality.

- “Does a particularly large number of people moving to a certain housing area (or a retirement home) come from the municipality where the same area was developed (or the retirement home was built) respectively its neighbouring towns or can no spatial pattern be identified?”
- “How many of these people previously resided within a certain part of a municipality, e.g. the centre of a neighbouring town or another (if possibly, an older) single-family housing area?”

### Study areas

The study focuses on small towns in the rural area of North-Eastern Bavaria and South Hesse.

The district of Tirschenreuth in Bavaria consists of 26 municipalities and covers an area of approximately 1,084 square kilometres. The district is inhabited by 74,300 people resulting in a population density of 69 persons per square kilometre. In the past years the population declined continuously – from more than 76,500 inhabitants in 2007 to below 74,000 in 2012 (Bayerisches Landesamt für Statistik und Datenverarbeitung 2013). This process has been paralleled by a continuous increase in the older population. For the upcoming decades a further decline of the total population (about -16% between 2010 and 2030) and significant changes in the population structure are predicted (e.g. a more than 20% increase of people being 75 years or older is calculated for the time period 2010 to 2030).



Figure 1: Study area – District of Tirschenreuth and Odenwald district in Germany

The Odenwald district in Hesse covers an area of about 650 square kilometres with a population density of 155 inhabitants per square kilometre. It consists of 18 municipalities. In particular due to a loss of younger inhabitants the population has declined from 100,200 in 2005 to 96,600 in 2012 (Hessisches Statistisches Landesamt 2013). According to the population projection of both the statistical agency of the federal state as well as of the federal republic this trend is likely to accelerate drastically starting from about 2015 (Hessen Agentur 2010; Statistisches Bundesamt 2009).

### 3. Preliminary findings

Some preliminary findings that address the aforementioned assumptions and research questions are presented below. The results refer to the time period 2003 to 2012. This period was determined by the register-of-residents-data as it was examined in the ongoing project. Due to changes in the recording system, earlier data sets may be deficient.<sup>14</sup>

Incipiently it was examined whether the influx to retirement homes respectively single-family housing areas occurred spatially dispersed or whether spatial patterns could be identified. This examination was motivated by the assumption that possible consequences on the local settlement development might appear more moderate if the influx happens dispersely: For instance, if the origin of people moving to a care facility is scattered all over the country, then consequences on the municipality in which the facility is situated might be less abrasive – compared to a high number of incomers coming from one respective town.

With a view to the twelve retirement homes located in the Bavarian district of Tirschenreuth the following statement can be made: Only in two retirement homes – both lying close to the districts boundary – more than the half of the home residents moved in from outside the district. All other care facilities attracted mainly incomers who lived within the districts boundary before they moved. In eight cases at least one third of the home residents moved in from the very same municipality in which the retirement home is situated. For instance, 275 people coming from the city of Waldsassen moved during the last 10 years to the two retirement homes located in this very city. To give some more examples, 241 people already lived in the city of Tirschenreuth before they moved to the city's retirement home. In addition, in Erbendorf the local care facility attracted 124 people with a former residency in Erbendorf.

Those numbers might seem not that big in relation to the total population of the respective towns, with Erbendorf having about 5,300 inhabitants, Waldsassen about 7,200 and the city of Tirschenreuth about 9,150. However, if a significant number of these relocations lead to the (at least temporary) vacancy of whole buildings then they might gain an

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<sup>14</sup> When earlier data were needed (as in the case of a housing area of the 1990s in Reichelsheim), this data were collected qualitatively.



entirely different quality. And it is exactly this assumption that arises from the results elaborated in the Hessian study area (see below).

Migration patterns have been studied not only with regard to retirement homes, but also with regard to single-family housing areas. Due to their notable amount in the district of Tirschenreuth, at this point only housing areas of the district town, the city of Tirschenreuth, have been yet conclusively examined (figure 2). Thus, 21 single-family housing areas were identified in this city of which five were developed in the 1960s, eight in the 1970s, one in the 1980s, five in the 1990s and two after the year 2000.



Figure 2: District of Tirschenreuth – Municipalities. Overview map

In total, 2,577 migration movements to the 21 housing areas have been counted. 535 of these movements, which represent only 20.7% of all migration movements to the cities' single-family housing areas, occurred from outside the district. The overwhelming majority of the migration movements (2,042 movements or 79.3%) took place from inside the districts boundary. In fact, as many as 1,459 (56.6%) occurred from the city of Tirschenreuth itself (see figure 3).

There are significant spatial migration patterns within the city of Tirschenreuth as well. Thus, 768 (29.8%) migration movements into the city's single-family housing areas even had their origin in these places, with migration movements mainly happening from older to younger housing areas. The latter result gives rise to the assumption that these housing areas pass through a life cycle, as it has been discussed in studies focusing on other parts of Germany (e.g. de Tempel 2005): The children of the former home builders leave their parents' house at a certain age to acquire own residential property. In the city of Tirschenreuth this property was apparently acquired to a significant extent in the same borough by new home building.

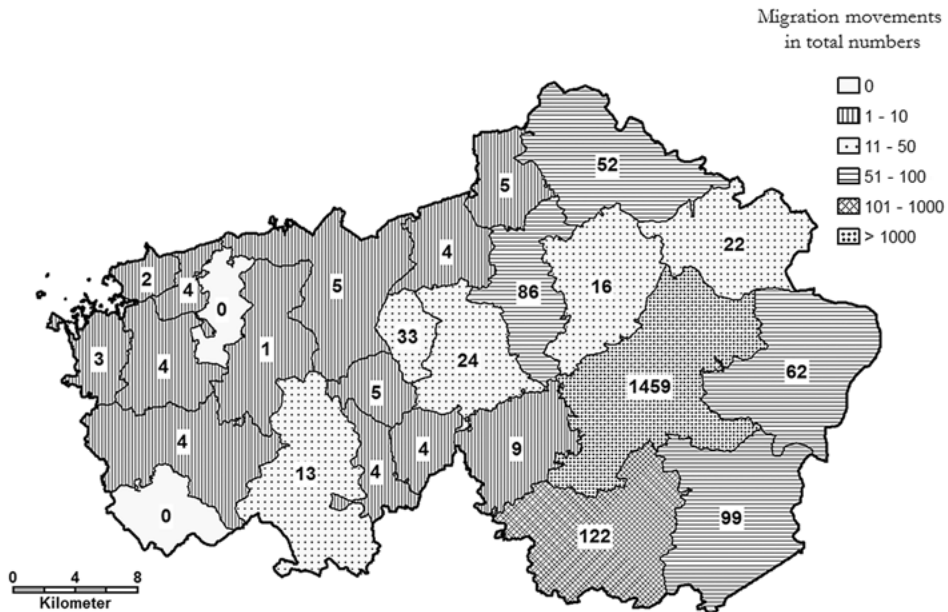


Figure 3: Migration into the single-family housing areas of the city of Tirschenreuth (total numbers). Towns of Origin in the district of Tirschenreuth

In the Hessian study area migration movements to both single-family housing areas and care homes are examined as well. At this moment in time the Hessian part of the project already provides findings in terms of two additional aspects that later are to be analysed area-wide in both study areas. On the one hand not only first-degree, but also second-degree migration movements were studied closely. First-degree migration movement is understood as migration into single-family housing areas and care homes. In contrast, second-degree migration movement is migration to those buildings that have been left by the later residents of the respective single-family housing areas or care homes. On the other hand, not only spatial patterns of migration were taken into consideration, but also consequences on the existing building stock. Preliminary findings were generated with regard to one single-family housing area respectively one care home in Reichelsheim.

In Reichelsheim, a local town of about 8,500 inhabitants situated in the western part of the Odenwald district, the single-family housing area analysed so far was developed in the 1990s, covers an area of 5.5 ha and comprises 81 houses. Citizens of Reichelsheim received preferential treatment by plots being offered at a cheaper price. As a result about 95% of the areas inhabitants had lived in Reichelsheim before they moved to the respective area. By tracing the migration movements the former addresses of the incomers were identified and a significant effect on houses being built before 1919 and between 1950 and 1959

became apparent: 60% of the people who moved house came from buildings established before 1919 and 22% from houses built between 1950 and 1959 (see figure 4).

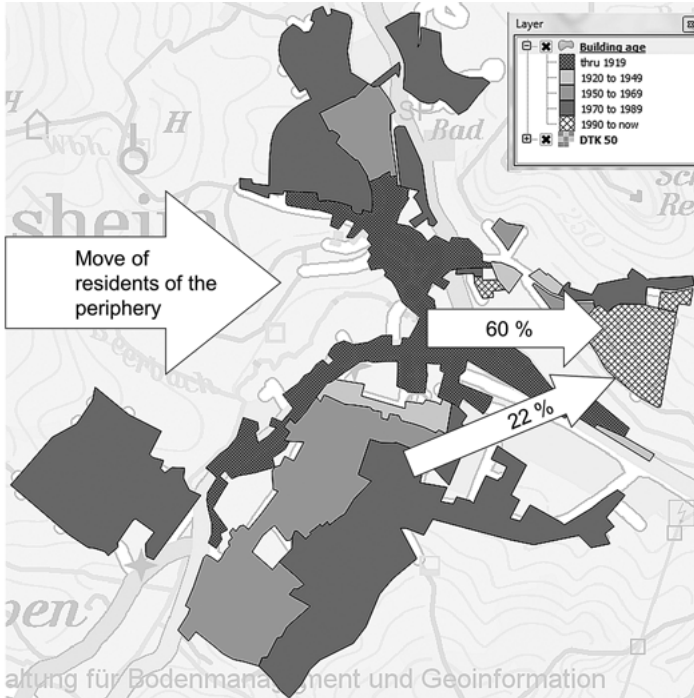


Figure 4: Migration into a single-family housing area of the 1990s in Reichelsheim (Köhler 2011)

However, 92% of these buildings have been re-used by people coming from the peripheral parts or outer boroughs (in German: Ortsteile) of Reichelsheim. This process has been supported by financial aid of the federal state of Hesse in terms of the state's redevelopment programme (Köhler 2011). The houses in the peripheral parts from where people moved to the re-used buildings in the town center (in total about 60 owner-occupied houses) stand empty to a large extent: not less than about 75% of them are unoccupied today. Not answered yet (by empirical evidence) is the question if (and for how long) these buildings remained occupied after the relocation. However, it seems likely that – as it was assumed with regard to the city of Tirschenreuth – mainly the children of the former home builders had left these buildings at a certain age. Their parents in turn presumably stayed as empty-nesters until they died or had to move to care facilities.

The study in Reichelsheim was extended by additionally examining the effects that were caused by the construction of a special-care home in the centre of the town. The respective facility was established in the year 2011 and consists of 22 apartments. Again, a preferential treatment for citizens of Reichelsheim in terms of pre-emptible apartments was offered. It turned out that all flats of this facility are entirely occupied by citizens who

prior to the relocation lived alone or as a couple of elderlies in single-family homes in Reichelsheim. Nevertheless, only about 32% of these buildings stand empty today with 68% of them being re-used. In contrast to the town's housing area of the 1990s, only 22% of the new residents previously lived in the periphery, with 65% of them coming from flats or houses in the central part. Still, the result for the residences left in the second-degree migration is similar to the aforementioned housing area: As yet, most of the real estate left in the "second wave" of migration has not been reoccupied. However, this is – with respect to statistically reliability – no definite result, since the period reflected (two years) is too short.

#### 4. Outlook

As outlined before the project is conducted in two German districts situated in different regions of the Old Laender. One goal is to compare the results of the two study areas to generate findings which are not solely valid for a specific region. However, so far findings have either been detected with regard to the entire district of Tirschenreuth or to one municipality in each of the relevant regions. The first is true for the analysis of migration into retirement homes. The latter counts for migration movements to single-family housing areas and with regard to Reichelsheim also to one special-care home. The next step therefore is to extend the study to additional municipalities in both districts. Furthermore, the opportunity of working with the register of residents of such a big number of cities and towns calls for further and advanced statistical analyses. This is met by applying the geographically weighted regression (GWR) to future work in the Odenwald district.

Regression encompasses a wide range of methods for modelling the relationship between a dependent variable (response variable or regressant) and a set of one or more independent variables (predictor or regressor). A regression model is expressed as an equation; herein-after the global model of multi-linear regression is shown as an example.

$$y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_m X_{mi} + \varepsilon_i \quad \text{for } i=1 \dots n$$

In our field of application the response variable  $y$  would be the housing vacancy ratio defined as the portion of the overall housing stock that is vacant. The predictors then might be quantifiable factors like the respective building's age, the land price, the resident's demographic structure, but also qualitative factors (in numeric terms) like the political support for the re-use of houses. By applying the global regression model averaged results for a whole area (in our case the entire Odenwald district) can be generated. The consideration of local aspects within this area, however, is not possible. Effects of building measures deployed by a specific municipality on its neighbouring towns would consequently remain undetected, for instance. However, these effects are important, since "everything is related to everything else, but near things are more related than distant things" (Tobler 1970). Therefore GWR was chosen to conduct advanced statistical analyses in the next phase of the project.

The GWR is a local multivariate regression function weighted on spatial dependence (Brunsdon et al. 1996). This allows assessment of the spatial heterogeneity of the estimated relationships between the independent and dependent variables. Thus, the global regression model has been extended to a model optimized for spatial aspects:

$$y_i(u) = \beta_0(u) + \beta_1(u) X_i + \beta_2(u) X_{2i} + \beta_m(u) X_{mi} + \varepsilon_i \quad \text{for } i=1 \dots n$$

The notation  $\beta_{0i}(u)$  indicates that the parameter describes a relationship around location  $u$  and is specific to that location. For each municipality in the study area a single regression analysis is to be conducted regarding the influence of the neighbouring town by weighing the parameters in the parameter estimation (using the ordinary least square method, OLS). The resulting model is likely to be non-parametric.

A main advantage deriving from the application of the GWR to our field of interest is the capability of generating issue-specific estimations of future situations. Thus, predictions may be made for the dependent variable – in our case the ratio of empty buildings – if measurements for the independent variables are available at the location  $u$ .

So far, in the project the variables have been compared by pairs beginning with the vacancy ratio and the distance to the next city measured in minutes by public transport, then vacancy ratio and standard land price, vacancy ratio and building class, etc. Additionally, the (linear) regression of each “pair” of independent variables has to be carried out to show their relation. Future research is done to find a model which could be applied to other regions facing comparable problems.

The advanced statistical analysis as outlined above refers to the scientific discourse of resilience, which is so far mainly carried out theoretically and lacking models to verify the supposed analogies of ecosystems and cities as systems (Bürkner 2010). The model resulting from GWR is supposed to fill the gap with regard to the interdependencies of planning instruments (fiscal, spatial, and political) and demographic processes.

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# Lokale Strategien und Maßnahmen zum Umgang mit dem demografischen Wandel in größeren Städten

## 1. Einleitung

Alterung, Bevölkerungsrückgang und Geburtenrückgang beschäftigt die Forschung seit vielen Jahren: demografischer Wandel. In Deutschland ist schon seit den 70iger Jahren ein Geburtenrückgang zu verzeichnen.<sup>1</sup> Bis 2030 wird ein Bevölkerungsschwund von 5 Millionen Menschen erwartet. Gleichzeitig wird von einem Anstieg der Zahl der über 65-Jährigen von 33% und einem Rückgang bei den Kindern und Jugendlichen von 17% ausgegangen. Der demografische Wandel beinhaltet folglich ebenfalls eine strukturelle Veränderung der Bevölkerungsstruktur. In den ostdeutschen Bundesländern ist der Bevölkerungsrückgang stärker ausgeprägt.<sup>2</sup> Außen- und Binnenwanderung können diesen Trend verstärken oder auch entschärfen.<sup>3</sup> Der Wanderungsgewinn durch Zuzug ausländischer Menschen ist in den letzten Jahren stark angestiegen, hat aber seine Ursache vor allem in der aktuellen Wirtschaftskrise europäischer Nachbarstaaten.<sup>4</sup> Eine Binnenwanderung erfolgt in die südlichen Bundesländer und in die Stadtstaaten.<sup>5</sup>

Die Anpassung an den demografischen Wandel findet auf verschiedenen Ebenen statt, wie z.B. auf europäischer, regionaler oder kommunaler Ebene. Eine Konzentration auf ländliche oder städtische Regionen ist eine weitere Möglichkeit den demografischen Wandel zu untersuchen. Diese Arbeit konzentriert sich auf die städtische Ebene: Deutschlands größere Städte. Diese erarbeiten Konzepte und realisieren Maßnahmen, um sich an den demografischen Wandel anzupassen. „Mehr denn je hängt es von den Engagierten in den Gemeinden ab, ob bestimmte Regionen eine Zukunft haben oder eben nicht.“<sup>6</sup> Die Herangehensweise und Ausgestaltung der Konzepte, wie auch letztlich die zu verzeichnenden Erfolge, sind in den Städten differierend.

Die Konzepte beruhen überwiegend auf langfristig ausgerichteten Prognosen. Wie passen sich jedoch Städte Entwicklungen an, die anders verlaufen als prognostiziert?

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\* Technische Universität Darmstadt, Fachbereich Bau- und Umweltingenieurwissenschaften, Deutschland

1 Statistische Ämter des Bundes und der Länder (2011), Heft 1, S. 6

2 Statistische Ämter des Bundes und der Länder (2011), Heft 1, S. 8

3 Fischer et al. (2008), S. 8

4 Statistisches Bundesamt: Bevölkerungsschätzung 2013

5 Statistische Ämter des Bundes und der Länder (2011), Heft 1, S. 8

6 Klingholz, R. (2012)



Eine neue Gesetzgebung könnte zu einer höheren Außenwanderung führen und folglich ein Wachstum anstatt einer Schrumpfung bewirken. Die (zeit-)aufwendigen Konzepte bauten auf einer anderen Grundlage auf und werden hinfällig. Sie müssten eine Anpassung erfahren, um sich der neuen Entwicklung anzunehmen. Wie könnten Konzepte aussehen, die eine geringere finanzielle und aufwendige Ressource verbrauchen?

Das Ziel der Studie ist deshalb, flexible Konzepte für (Groß-)städte bezüglich des demografischen Wandels zu entwickeln. Die Faktoren der Dynamik der Entwicklung und eine schnelle Entscheidungsfindung spielen hierbei eine wichtige Rolle.

## 2. Handlungskonzepte zum demografischen Wandel in größeren Städten in Deutschland

### 2.1 Ausgangslage

Schrumpfung, Stagnation und Wachstum in (Groß-)städten liegen dicht nebeneinander und sind lokal sehr unterschiedlich.<sup>7</sup> Von Wachstum geprägte größere Städte selbst weisen schrumpfende Quartiere auf. Es herrscht, auch zukünftig, ein Nebeneinander von Schrumpfung, Stagnation und Wachstum vor.<sup>8</sup> Die wachsenden Städte kämpfen mit einem zu geringen Wohnungsangebot, so dass eine Suburbanisierung bewirkt wird. Bei schrumpfenden Städten erfolgt stattdessen eher eine Reurbanisierung, so dass auch diese beiden Trends dicht nebeneinander zu finden sind.<sup>9</sup>

In 2006 führte der Deutsche Städtetag eine Studie in 59 Städten durch, um den bisherigen Umgang der Städte mit dem demografischen Wandel zu evaluieren. Ein Großteil beschäftigte sich mit verschiedenen Themenfelder, jedoch verfügte nur jede zweite Stadt über umsetzungsfähige Konzepte. Best-practice Beispiele wurden von 20 Städten genannt. Nur drei Städte verfügten über Zukunftsinvestitionsprogramme. Die Städte hielten integrierte Handlungskonzepte, die mehrere Faktoren des Demografischen Wandels behandeln, für angebracht.<sup>10</sup> Der Deutsche Städtetag fasste zusammen, dass der Prozess des demografischen Wandels ein Monitoring, langfristige Prognosen und konzeptionelle Vorschläge der Politik bedarf. Dies sollte zu einer Entwicklung neuer Planungs- und Umsetzungsmuster führen.<sup>11</sup>

Auf welchem Stand sind die Städte jedoch derzeit? Die Untersuchung baut auf Fallstudien in 9 verschiedenen größeren Städten in Deutschland auf (Tab. 1). Deren Einwohnerzahlen bewegen sich zwischen 80.000 und 550.000 Menschen. Die Städte sind standorttechnisch über ganz Deutschland verteilt und verfügen über unterschiedliche Standortvoraussetzun-

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<sup>7</sup> Josef Fischer et al. (2008), S. 8

<sup>8</sup> Charlotte Höhn (2008), S. 5

<sup>9</sup> Charlotte Höhn (2008), S. 5

<sup>10</sup> Deutscher Städtetag (2006), S. 12

<sup>11</sup> Deutscher Städtetag (2006), S. 13

gen. Metropolregionen und Zentren von Regionen sowie Städte in Verdichtungsräumen sind gleichermaßen beteiligt.

Tabelle 1: Merkmale der neun beteiligten Städte (Fallstudien)  
(Quelle: eigene Darstellung)

Stadt	Bevölkerungszahl	Standort	Funktion	Bevölkerungsentwicklung (2007-2012)
B	>500.000	Metropolregion	Oberzentrum	Bevölkerungsanstieg um 6%
E	250.000-300.000	Zentrum der Region	Oberzentrum	Bevölkerungsanstieg um 6%
C	150.000-200.000	Zentrum der Region	Oberzentrum	Bevölkerungsanstieg um 5%
A	>500.000	Metropolregion	Oberzentrum	Bevölkerungsanstieg um 4%
D	150.000-200.000	Zentrum der Region	Oberzentrum	Bevölkerungsanstieg um 2%
H	150.000-200.000	Teil einer Metropolregion	Mittelzentrum	Stagnierende Bevölkerungsentwicklung
I	150.000-200.000	Zentrum der Region	Oberzentrum	Stagnierende Bevölkerungsentwicklung
F	150.000-200.000	Am Rande einer Metropolregion	Mittelzentrum	Negative Bevölkerungsentwicklung
G	<100.000	Am Rande einer Metropolregion	Oberzentrum	Negative Bevölkerungsentwicklung

Die Bevölkerungsentwicklung führt zu schrumpfenden, stagnierenden oder wachsenden Städten. Eine Korrelation zwischen den Standorten, Funktionen und der Bevölkerungsentwicklung kann nicht direkt gezogen werden. Eine Stagnation oder negative Entwicklung resultiert in diesen Fällen vielmehr aus wirtschaftlichen Gesichtspunkten (z.B. Wegfall von Arbeitsplätzen). Auffällig ist jedoch, dass die beiden Städte, die am Rande einer Metropolregion liegen, eine negative Bevölkerungsentwicklung aufweisen. Die geringe Bekanntheit der sich am Rand einer Metropolregion befindlichen Städte und im Gegensatz hierzu die hohe Bekanntheit der Metropolzentren und deren Bedarfsdeckungen (z.B. Arbeitsplätze) können eine Erklärung für diese Entwicklung sein.

Bei den wachsenden Städten handelt es sich durchgehend um Universitätsstädte, die Studierende anziehen und damit den Bevölkerungsanstieg bewirken. Stagnierende Städte

verfügen jedoch auch über universitäre Einrichtungen, so dass auch dieses Kriterium nicht unmittelbar zu einem Wachstum führen muss.

## 2.2 Bestehende Konzepte in den Städten

Alle an der Studie beteiligten Städte haben bereits integrierte Handlungskonzepte zum Thema demografischen Wandel aufgestellt und Maßnahmen realisiert. Die Handlungskonzepte zeigen eine grobe Richtung der entsprechenden Zielerreichung auf. Sie geben Vorschläge wie Entwicklungen erreicht werden können, treffen jedoch keine konkreten Maßnahmen. Detaillierte Maßnahmenvorschläge werden in den einzelnen Verwaltungseinheiten erstellt oder auf einer anderen Ebene, wie z.B. der Bezirks-/Stadtteilebene.

Die Antworten der durchgeführten Fragebogenaktion zeigen auf, mit welchen Themenfeldern sich die Städte auseinandersetzen. Die am häufigsten genannte Thematik ist die Siedlungsflächenentwicklung. Erstaunlicherweise beschäftigen sich nur 30% mit dem Bereich der Arbeitsmarktentwicklung. Die stagnierenden und sich negativ entwickelnden Städte setzen sich mit diesem Themenkomplex nicht auseinander.

Bei den stagnierenden Städten stimmen folgende Themenbereiche überein:

- Integration von Zuwanderern
- Siedlungsflächenentwicklung
- Räumliche/teilräumliche Strukturveränderungen

Beide sich negativ entwickelnden Städte beschäftigen sich mit:

- Siedlungsflächenentwicklung
- Wohnpolitik
- Räumliche/teilräumliche Strukturveränderungen
- Verkehr
- Bildung und berufliche Qualifizierung

Die Städte beschäftigen sich mindestens mit vier bis maximal 12 Bereichen, wobei sich die drei größten Städte mit 10-12 Themen auseinandersetzen. Die drei kleinsten Städte konzentrieren sich auf 5-6 Aufgaben.

Die Anzahl der Aufgabenbereiche ist äquivalent zu der Anzahl der Themenbereiche. Dies bedeutet, umso mehr Funktionen die Verwaltungseinheit übernimmt, desto mehr Themenfelder werden bedient. Eine größere Stadt verfügt über eine entsprechend höhere personelle Besetzung, so dass der Zusammenhang erklärlich ist.

Die Entstehung der Konzepte liegt in den Zeiträumen zwischen 2005-2009. 50% der Konzepte begannen bereits 2005 oder 2006. Diese endeten bei 10% bereits wieder 2007, jedoch laufen diese bei 30% der Städte bis 2015, 2020 oder 2025. 30% der Städte sehen die Konzepte als Daueraufgabe mit einer fortlaufenden Weiterentwicklung. Zwei Städte

entwickelten die Konzepte 2005 und beschäftigen sich mit diesen fortlaufend. Die Herangehensweise ist, wie zuvor ersichtlich, in den Städten unterschiedlich.

Die Prioritäten der Themen in den Handlungskonzepten werden in den Städten je nach Entwicklungsbedarf und/oder politischen Entscheidungen unterschiedlich gesetzt.

### 3. Erstellung von Konzepten in den Städten

In den neun Städten wurden telefonisch leitfadengeführte Experteninterviews mit jeweils einem Mitarbeiter vorgenommen. Hierbei handelte es sich um Sachbearbeiter oder Abteilungsleiter, die sich u.a. mit dem demografischen Wandel beschäftigen. Die folgenden Ausführungen beziehen sich immer auf die neun Fallstudienstädte.

Im Rahmen der Durchführung von Experteninterviews in den Städten wurde deutlich, dass der Aufbau zur Bearbeitung des demografischen Wandels und letztlich zur Erstellung eines Handlungskonzeptes ähnlich ist.

Eine Verwaltungseinheit, z.B. der Bereich Stadtentwicklung, übernimmt die Bearbeitung der Aufgabe des demografischen Wandels (Abb. 1). Die Verwaltungseinheit berät andere Abteilungen und erstellt Leitbilder und Konzepte (je 89%). Diesen Aufgaben folgt die Koordination aller kommunalen Aktivitäten im Bereich des demografischen Wandels und Information der Bürger. Es wird deutlich, dass den Stadtplanungs-/Stadtentwicklungsabteilungen bei der Thematik des demografischen Wandels eine wichtige Rolle mit breitem Aufgabenspektrum zukommt.

Ein oder zwei Personen dieser Verwaltungseinheit führen üblicherweise eine Arbeitsgruppe, die aus unterschiedlichen Mitgliedern besteht. Involviert sind verschiedene Verwaltungseinheiten einer Stadt, deren Zusammensetzung je nach Themenfeld variieren kann. Dies betrifft Verwaltungsleiter, Amtsleiter, Stabstellenleiter oder Sachbearbeiter. Zudem wird teilweise die Politik oder ein Regionalverband miteinbezogen.

Die Arbeitsgruppe trifft sich regelmäßig, um sich auszutauschen und auf ein Konzept hinzuarbeiten. Der Referent dieser Arbeitsgruppe koordiniert die einzelnen Verwaltungseinheiten und organisiert Termine.

Ein hoher Stellenwert wird in allen Städten darauf gelegt, die Tätigkeit als Querschnittsaufgabe zu sehen. Aufgrund des Sparten Denkens der einzelnen Verwaltungseinheiten in den Städten gilt es, einen Austausch zwischen diesen zu initiieren.

Die Zusammenarbeit mit politischen Gremien im Rahmen der Arbeitsgruppe und der späteren Erstellung des Handlungskonzeptes ist in den Städten sehr unterschiedlich. Der Zeitpunkt der Integration der Politik ist in manchen Städten von Anfang an gegeben. Bei anderen werden der Politik Vorschläge unterbreitet oder die Politik gibt Handlungsanweisungen an die Verwaltung.

Ein großer Konsens zwischen den Städten besteht in der von der Politik kurzfristig gewünschten Umsetzung von Maßnahmen und der eher mittel- bis langfristig arbeitenden

Verwaltung (Stadtplanung bzw. -entwicklung). Dies ist jedoch nicht speziell auf Handlungskonzepte im Bereich des demografischen Wandels zu beziehen, sondern ist ein genereller Konflikt in der Zusammenarbeit zwischen Verwaltung und Politik. In der Stadt C ist der jetzige Oberbürgermeister der ehemalige Leiter des Amtes für Stadtentwicklung.

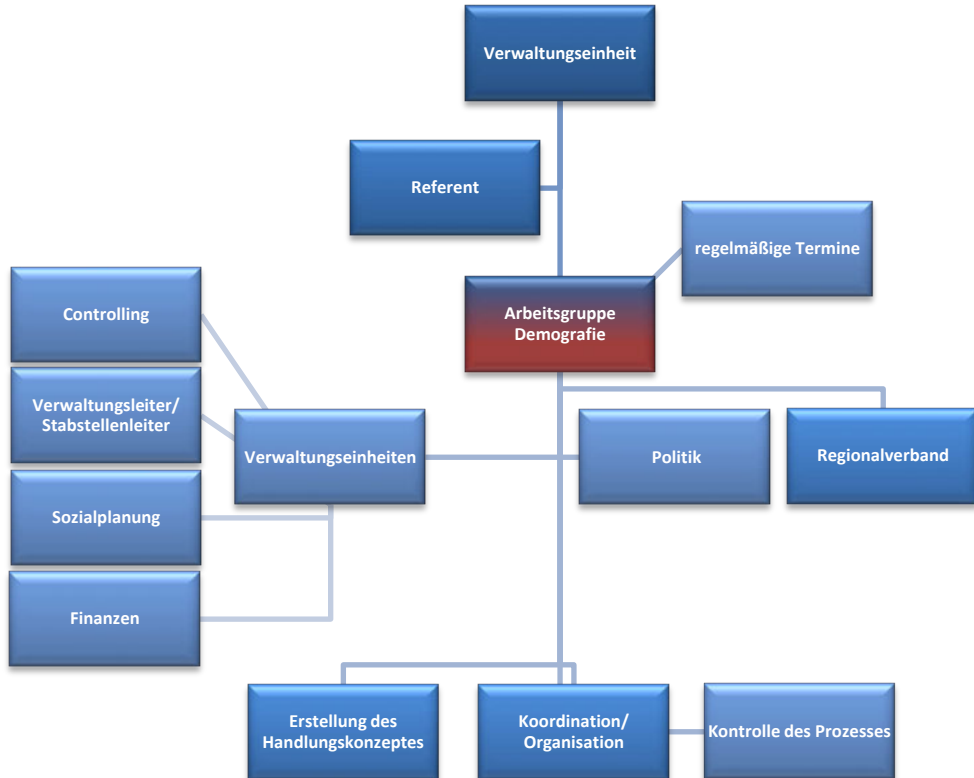


Abbildung 1: Typischer Verwaltungsaufbau einer Stadt und Arbeitspakete zur Bearbeitung der Thematik demografischer Wandel (Quelle: eigene Darstellung)

Hier kann eine sehr gute Kooperation verzeichnet werden.<sup>12</sup> Es stellt sich auch die Frage, inwiefern die Politik die Maßnahmen umsetzen möchte. In der Stadt B wurde angemerkt, dass Politiker gewisse Maßnahmen ausdrücklich umsetzen möchten. 75% dieser Maßnahmen stimmen mit dem Stadtentwicklungskonzept überein.<sup>13</sup> Die Stadt I gab an, dass es Schwierigkeiten bei der Umsetzung von Einzelmaßnahmen gab. Zudem sei die Priorisierung und letztlich die Entscheidung einzelner Schritte schwierig.<sup>14</sup> Ein Politikwechsel führte in der Stadt G dazu, dass das bestehende Handlungskonzept nicht

<sup>12</sup> Leitung des Amtes für Stadtentwicklung: Experteninterview am 20.09.2013, Stadt Stadt C

<sup>13</sup> Abteilungsleitung der Stadtentwicklungsplanung: Experteninterview am 18.10.2013, Stadt Stadt B

<sup>14</sup> Mitarbeit Amt für Entwicklungsplanung, Statistik und Wahlen: Experteninterview am 20.09.2013, Stadt Stadt I

komplett umgesetzt wurde.<sup>15</sup> Die Politik nimmt einen wichtigen Stellenwert im Prozess ein, da diese die Konzepte letztlich beschließen.

Fast die Hälfte der neun Städte benötigte länger als zwei Jahre für die Aufstellung der Konzepte. 30% der Städte konnten innerhalb von zwei Jahren ihr Ziel erreichen und nur 20% schafften dies innerhalb eines Jahres. Innerhalb von 6 Monaten war ein zu kurzer Zeitraum um Konzepte aufstellen zu können.

Sehr deutlich ist, dass alle Städte < 200.000 Einwohner für die Konzepterstellung länger als zwei Jahre benötigten. Zwei der vier größten Städte konnten dies innerhalb eines Jahres oder innerhalb von zwei Jahren erzielen.

#### 4. Kriterien flexibler Konzepte

90% der Städte erfuhren eine Förderung bei der Umsetzung von Maßnahmen. Hierbei handelte es sich um externe Faktoren, die in Förderprogramme und gesetzliche Veränderungen eingeteilt werden können.

Die Experteninterviews geben Rückschlüsse für die Erstellung flexibler Konzepte. Es wurde die Frage gestellt, was bei flexiblen Konzepten zu beachten sei. In manchen Städten wurden auch Aspekte genannt, die zu einer Behinderung von Flexibilität führen. In der folgenden Tabelle sind die genannten Aspekte zusammenfassend aufgeführt. Die Antworten sind in drei Bereiche aufgeteilt, die sich herausgestellt haben: Vorgehensweise zur Erlangung flexibler Konzepte, Wichtigkeit der Kommunikation im Prozess und das Monitoring zur Kontrolle von Veränderungen.

Tabelle 2: Ergebnisse der Experteninterviews – Kriterien flexibler Konzepte (Quelle: eigene Darstellung)

Stadt	Vorgehensweise	Kommunikation	Monitoring
Stadt A16	Regelmäßigkeit Schwerpunktlegung Beibehaltung der Dynamik anderer Themen Benennung von Maßnahmen teilweise ausschlaggebend Berücksichtigung finanzieller Ressourcen auf verschiedenen Ebenen (Stadt – Bezirk)	Bürgerbeteiligung Bezirksvorsteher als Person Bündelung an einem Tisch Querschnittapparat/-referat Führung durch eine Person Nutzung informeller Kontakte Vorhaltung einer Austauschplattform	Monitoringsysteme in verschiedenen demografierelevanten Politikbereichen Beachtung der aktuellen Entwicklungen Beobachtung der Landes-, Bundes- und Europaebene

<sup>15</sup> Mitarbeit Geschäftsstelle Demografischer Wandel: Experteninterview am 20.09.2013, Stadt NeuStadt E

<sup>16</sup> Mitarbeit Bereich Demografischer Wandel: Experteninterview am 18.09.2013, Stadt Stadt A

Stadt	Vorgehensweise	Kommunikation	Monitoring
<b>Stadt B17</b>	Abhängig von der Arbeitsweise Grundherangehensweise – ein Konzept ist ein Papier und ein Prozess Bereithaltung von Spielräumen in der Entscheidungsfindung	<b>Einbeziehen wesentlicher Akteure</b> Beachtung der menschlichen Komponente – dieselbe Sprache, Fachlichkeit <b>Motivation der Akteure</b> 50% personenabhängig Kooperationsfähigkeiten, Kommunikationsfähigkeiten <b>Institutionssoziologie – selbsterhaltenden Mechanismus – Mehrwert aufzeigen</b>	Durchführung tieferer demographischer Analysen in der jährlichen Wohnungsmarktbeobachtung Umsetzungsbericht zum Integrierten Stadtentwicklungskonzept
<b>Stadt C18</b>	Offenhaltung von Optionen – Abhängigkeit durch Rahmenbedingungen Überdenken der Konsequenzen langfristig orientierte Strategien – nicht in Frage stellen	Leitfaden für die Bürgerbeteiligung	Kontrolle der Konzepte Permanente Beobachtung von Prozessen Ergreifung von Maßnahmen Analyse der Ausgangslage
<b>Stadt D19</b>	relativ offene und flexible Benennung für verschiedenen Bevölkerungsgruppen und verschiedenen Einkommensgruppen Wohnungen bereitstellen Freiwilligenarbeit, Engagement von Personen im Alter oder unterschiedlichsten Altersgruppen – flexible Reaktion möglich Flexibilität bei baulichen Anlagen (KITA neben Altenpflegewohnheim – bei Bedarf Umbau)		Bevölkerungsentwicklung anschauen – Verknüpfung mit z.B. Wohnen Beachtung des Datenbestands Dritter
<b>Stadt E20</b>	Sensibilisieren und Schärfung des Bewusstseins Konzept ist ein „Maßanzug“ für die Stadt	<b>Mitnahme der betroffenen Fachämter</b> je nach Konzept bürgerorientiert (präventiven Quartiersentwicklung) Personenabhängig	Aufbau eines Monitorings
<b>Stadt F21</b>		Personenabhängig (Kommunikation)	Einbauen einer Kette mit einer Rückverfolgung

17 Abteilungsleitung der Stadtentwicklungsplanung: Experteninterview am 18.10.2013, Stadt Stadt B

18 Leitung des Amtes für Stadtentwicklung: Experteninterview am 20.09.2013, Stadt C








19 Leitung Projektgruppe zum Thema Demografischer Wandel: Experteninterview am 08.11.2013, Stadt D

20 Abteilungsleitung Bereich Stadtentwicklung, Regionalentwicklung und Statistik: Experteninterview am 21.11.2013, Stadt E

21 Mitarbeit Stadtplanungsamt – Sonderplanung: Experteninterview am 08.11.2013, Stadt F

Stadt	Vorgehensweise	Kommunikation	Monitoring
<b>Stadt G22</b>	<p>Beibehaltung roter Faden</p> <p>Integration des Problems in den Leitfaden</p> <p>Grundprobleme im Fokus behalten und Kapazitäten für aktuelle Problematiken frei halten</p> <p>Beachtung der Rahmenbedingungen</p> <p>Berücksichtigung personeller Ressourcen</p> <p>finanzielle Problematik</p>	<p>Ausbremung der AG durch Strukturen</p> <p>Forderungen der Politik, aber teilweise keine Umsetzung</p> <p>Entscheidung beim Verwaltungsvorstand (Lenkungsgruppe), zusammen mit anderen Fachbereichen</p>	
<b>Stadt H23</b>	<p>mittelfristigen Zeitraum in Betrachtung – keine plötzliche Veränderungen, Zeitraum von 4-5 oder 10 Jahren – Maßnahmen noch immer aktuell</p> <p>Ideen, die auch am Ort umsetzbar sind</p> <p>Konzept nie in Stein meißeln, nur eine Unterstützung und Vorgabe einer Richtung</p>	<p>Abhängigkeit der Flexibilität von den Menschen</p>	<p>prozessbegleitende Kontrolle oder Evaluierung (Beobachtung)</p>
<b>Stadt I24</b>	<p>offenes Planungsverständnis</p> <p>keine sklavische Umsetzung einer Maßnahme</p> <p>Eigendynamik kann auch kontraproduktiv oder nicht zielführend sein</p> <p>Endlichkeit der Ressourcen: personeller, sachlicher und finanzieller Art</p> <p>Priorisierung aufgrund finanzieller Lage</p>	<p>Einbeziehen vieler Gruppen in Einzelmaßnahmen oder auch Konzeptentwicklungen</p> <p>Einbeziehung von Bürgerinnen und Bürgern oder auch von spezifischen Akteuren</p>	<p>Kontrolle des Prozesses</p>

Legende – farbig dargestellt sind Mehrfach-Nennungen

-  Keinen zu engen Rahmen für das Konzept fassen
-  Beachtung von Ressourcen
-  Ziele beibehalten
-  Gespräche mit Beteiligten führen
-  Bürger beteiligen
-  Personenabhängigkeit
-  Monitoring des Prozesses

22 Mitarbeit Geschäftsstelle Demografischer Wandel: Experteninterview am 20.09.2013, Stadt G

23 Leitung Abteilung generelle Planung: Experteninterview am 04.11.2013, Stadt H

24 Mitarbeit Amt für Entwicklungsplanung, Statistik und Wahlen: Experteninterview am 20.09.2013, Stadt I



### *Vorgehensweise*

Die Experteninterviews zeigen auf, dass trotz neu auftretender Thematiken an den bisher laufenden Aspekten festgehalten werden solle.<sup>25, 26</sup> Bei Auftreten einer anderen Schwierigkeit solle ein „roter Faden“ beibehalten werden, um Konzepte zu Ende zu führen. Aufgrund fehlender personeller oder finanzieller Ressourcen sei es wichtig, dass die Stadt sich nicht nur auf ein aktuelles Thema konzentriert. Eine Freihaltung zur Bearbeitung der Grundprobleme sei unabdingbar.<sup>27</sup> In diesem Zusammenhang sei generell auf die Ressourcen bezüglich Personal und Finanzen sowie auf sachliche Aspekte zu achten.<sup>28</sup>

Ein weiterer genannter Aspekt ist das Offenhalten von Spielräumen in den Konzepten. Ein erstelltes Konzept solle bei auftretender Veränderung niemals strikt durchgeführt werden, sondern diese aufgreifen und sich anpassen können.<sup>29, 30, 31, 32, 33</sup>

Weitere Aspekte traten nur vereinzelt in den Städte auf, was wiederum verdeutlicht, dass jede Stadt von anderen Rahmenbedingungen und Gegebenheiten geprägt ist. Ein klares Grundmuster wird nur durch die oben genannten Aspekte erkenntlich, jedoch treten auch hier Variationen auf.

### *Kommunikation*

Die Erstellung von Konzepten oder letztlich auch die Umsetzung sei personenabhängig, wie es ein Großteil der Städte betont.<sup>34, 35, 36, 37</sup> Dies ist sowohl auf der politischen wie auch auf der verwaltungstechnischen Ebene ein wichtiger Punkt, der den Erfolg eines Konzeptes ausmacht. Einflussreiche Menschen, die einem Konzept oder einer Maßnahme positiv entgegenstehen, werden diese auch forcieren. Fast die Hälfte der Städte sieht die Einbeziehung von Fachämtern und teilweise der Bevölkerung als sehr wichtig an.<sup>38, 39, 40, 41</sup> Die Kommunikation mit verschiedenen Sichtweisen an einem Tisch führe zu Flexibilität.

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<sup>25</sup> Mitarbeit Internationale Netzwerk- und Gremienarbeit: Experteninterview am 18.09.2013, Stadt A

<sup>26</sup> Leitung des Amtes für Stadtentwicklung: Experteninterview am 20.09.2013, Stadt C

<sup>27</sup> Mitarbeit Geschäftsstelle Demografischer Wandel: Experteninterview am 20.09.2013, Stadt G

<sup>28</sup> Mitarbeit Amt für Entwicklungsplanung, Statistik und Wahlen: Experteninterview am 20.09.2013, Stadt I

<sup>29</sup> Mitarbeit Amt für Entwicklungsplanung, Statistik und Wahlen: Experteninterview am 20.09.2013, Stadt I

<sup>30</sup> Leitung Abteilung generelle Planung: Experteninterview am 04.11.2013, Stadt H

<sup>31</sup> Leitung Projektgruppe zum Thema Demografischer Wandel: Experteninterview am 08.11.2013, Stadt D

<sup>32</sup> Leitung des Amtes für Stadtentwicklung: Experteninterview am 20.09.2013, Stadt C

<sup>33</sup> Leitung des Amtes für Stadtentwicklung: Experteninterview am 20.09.2013, Stadt C

<sup>34</sup> Mitarbeit Internationale Netzwerk- und Gremienarbeit: Experteninterview am 18.09.2013, Stadt A

<sup>35</sup> Mitarbeit Stadtplanungsamt – Sonderplanung: Experteninterview am 08.11.2013, Stadt F

<sup>36</sup> Abteilungsleitung der Stadtentwicklungsplanung: Experteninterview am 18.10.2013, Stadt B

<sup>37</sup> Leitung Abteilung generelle Planung: Experteninterview am 04.11.2013, Stadt H

<sup>38</sup> Mitarbeit Internationale Netzwerk- und Gremienarbeit: Experteninterview am 18.09.2013, Stadt A

*Monitoring*

Die Fragebogenaktion gab bereits Rückschlüsse zum Thema „Monitoring“. Ein Monitoring erfolgt noch nicht in allen Städten. Vier Städte hingegen beobachten die Auswirkungen der Konzepte in ihrer Stadt. Der Großteil der Städte teilt den Zuständigkeitsbereich in „Sonstiges“, wie z.B.:

- Kinderfreundliche Stadt XY und Integration
- Amt für Stadtentwicklung, Fachämter
- Stadt- und Regionalentwicklung, Statistik
- Dezernatsweise organisierte Zuständigkeit, Kopplung in Sonderprojekten

Zwei Städte weisen diese Aufgabe der Stadtplanungsabteilung zu, die sich mit der Thematik des demografischen Wandels beschäftigt. Die beiden Städte sehen in dieser Abteilung interessanterweise nicht die Umsetzung von Konzepten, jedoch das Monitoring.

Im Rahmen der Experteninterviews wurde von vielen Städten das Monitoring als Aspekt für flexible Konzepte genannt. Durch Kontrolle der Prozesse zur Erstellung eines Konzepts einerseits und zur Beobachtung von Veränderungen in der Stadt andererseits werde Flexibilität geschaffen.

## 5. Fazit und Ausblick

Die Bevölkerung in Deutschland ist geprägt von Alterung und Geburtenrückgang. Außen- und Binnenwanderungen können diesen Trend in Städten relativieren, jedoch ist jede Stadt von strukturellen Veränderungen in der Bevölkerungszusammensetzung betroffen. In dieser Studie werden 9 Städte mit unterschiedlichen demografischen Entwicklungen untersucht.

Der demografische Wandel und dessen Auswirkungen sind den Städten bekannt. Sie wirken mit Handlungskonzepten entgegen, die sie in Arbeitsgruppen in Zusammenarbeit mit unterschiedlichen Fachämtern und der Politik erarbeiten. Die Zusammenarbeit mit politischen Gremien kann aufgrund anderer Prioritäten und Zeithorizonte zu Konflikten führen. Die Arbeitsgruppe wird von einer Verwaltungseinheit, meist der Stadtentwicklungsplanung, koordiniert und organisiert. Die Themenfelder sind in Städten unterschiedlich und richten sich von der Anzahl her nach der Größe von Städten.

Die Kriterien zur Erstellung flexibler Konzepte sind in den Städten in Bezug auf die Vorgehensweise, die Kommunikation innerhalb der Verwaltung oder extern und das Monitoring vielfältig. Es lässt sich jedoch beobachten, dass schon bestehende Themen durch neue nicht ersetzt werden sollten. Zudem sei das Offenhalten von Spielräumen ein

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<sup>39</sup> Abteilungsleitung der Stadtentwicklungsplanung: Experteninterview am 18.10.2013, Stadt B

<sup>40</sup> Abteilungsleitung Bereich Stadtentwicklung, Regionalentwicklung und Statistik: Experteninterview am 21.11.2013, Stadt E

<sup>41</sup> Mitarbeit Amt für Entwicklungsplanung, Statistik und Wahlen: Experteninterview am 20.09.2013, Stadt I

wichtiger Aspekt, um flexibel handeln zu können. Bei der Kommunikation ist festzustellen, dass der Erfolg eines Konzeptes und letztlich einer Maßnahme personenabhängig ist. Das Einbeziehen anderer Verwaltungseinheiten ist ein weiterer wichtiger Aspekt. Eine Kontrolle bei der Aufstellung von Konzepten und während der Umsetzung setzt Flexibilität voraus.

Zukünftig gilt es heraus zu finden, wie Städte auf kurzfristige Veränderungen reagieren können. Dies betrifft einerseits die Ausgestaltung der Konzepte und andererseits die Hilfsmittel (Instrumente), die herangezogen werden könnten. Zudem soll eine Bewertung erfolgen, welche Kriterien für flexible Konzepte ausschlaggebend sind.

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# Challenges of English Town and Country Planning Policies: Regeneration and Sustainable Communities

## Abstract

The English planning system is responsible for ensuring the acceptable development of urban environments as well as the safeguarding of green spaces and open countryside. The maintenance of this delicate balance has, in recent years, come under threat due to a growing demand for housing. This issue, however, has spurred a different approach to housing provision, one that encourages the recycling of existing housing stock through small scale regeneration undertaken, in part, by the residents themselves. This paper provides an insight into the government-led regeneration initiatives imposed by the previous labour government, and current challenges facing the planning system and the innovative solutions proposed in line with the coalition government's ambition for localism and, ultimately, more sustainable communities.

## 1. Introduction

Planning in England forms the basis of all urban development within our towns, cities and villages whilst balancing a level of protection for our natural environments and open countryside. Introduced predominantly to eradicate back-to-back housing, the Town Planning Act 1909 was the first planning legislation to be implemented in England. Despite this, and further housing acts published in 1919 and 1930, it wasn't until 1947 that the English planning system was given a legal backbone through the Town and Country Planning Act 1947. Since then the system has changed remarkably little. The English planning system is a plan-led process which has historically consisted of a tiered hierarchy of policy: national, regional and local.

In May 2010 the current coalition government led by David Cameron was elected into office; from the very beginning this government made no secret of its desire to reform the planning system, predominantly through the transferral of power from central government back to the communities themselves. Furthermore it was felt that the system was overly complicated and weighed down by red tape and bureaucracy. In March 2012 the National Planning Policy Framework (NPPF) was published. The NPPF is the highest tier of policy in England; the document informs the development of more specific policies at a local

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\* School of the Built Environment, Faculty of Technology and Environment, Liverpool John Moores University, United Kingdom.

\*\* School of the Built Environment, Faculty of Technology and Environment, Liverpool John Moores University, United Kingdom and Institute of Land Management and Geomatics, Faculty of Water and Land Management, Aleksandras Stulginskis University, Universiteto 10, Akademija, Kaunas distr., LT-53361, Lithuania. Corresponding author, tel.: +44 151 231 2854, e-mail: v.maliene@ljmu.ac.uk

level. Due to the diversity of England's populated environments, it is impracticable to impose strict policies at a national level and therefore the document acts as means of implementing consistency by offering broad guidance and mutual objectives for local authorities and communities to work towards. The 60 page framework addresses topics ranging from the conservation of England's historic environments, to the development of a "strong and competitive economy" (NPPF 2012). Prior to the reform specific national policies were dealt with separately within 25 Planning Policy Statements which together formed thousands of pages of legislation (DCLG 2012a). Whilst the condensing of national policy sought to bring simplicity and clarity to the planning system, there are concerns that the NPPF lacks the detail and resoluteness of former policy guidance. Figure 1 illustrates the key aspects of each tier of the planning system and how the 2010 reform has altered this hierarchy.

Prior to the 2010 reform regional planning was a key aspect of the planning system. However, following the abolition of Regional Spatial Strategies (RSS) this tier has now been removed; this is a decision which has been considered controversial and subsequently criticised by many in the industry. However, according to Communities and Local Government Secretary Eric Pickles, RSS's "*built nothing but resentment within communities*" (BBC, 2013a). Figure 1 highlights the aspects of planning which have been recently lost due to the removal of this intermediate tier of planning. Regional Spatial Strategies dealt with matters including: the allocation of housing and traveller sites, agriculture, economic development and waste treatment and disposal. Housing allocation is now to be dealt with by local authorities, however there is growing concern that this shift of responsibility will lead to reductions in house building at a time when demand for new housing is so high (Ellis 2011; CLGC 2011). Moreover, since the abolition of Regional Spatial Strategies local authority estimates for required housing have fallen by 200,000 (CLGC 2011). Whilst responsibility for some areas, such as housing, have been re-allocated to local authorities, matters such as water and drainage have been left behind in what some have described as a "planning vacuum" (CLGC 2011).

Local planning consists of more specific policies designed to address the development requirements of a particular area. Introduced by the Town and Country Planning Act 1990 Unitary Development Plans (UDP) are old style statutory land documents that outline a councils planning policies on matters such as conservation, regeneration and housing. In 2004 the Planning and Compulsory Purchase Act introduced plans to phase out UDP's by replacing them with Local Development Frameworks (LDF) comprising newer local plans. LDF's are essentially a folder of wide ranging, interchangeable policies which centre on a core strategy. One typically consists of development plan documents, supplementary planning documents and supporting documents which cover topics ranging from sustainability and housing to minerals and waste. The interchangeable nature of the policies within this document is hoped to bring an end to the lengthy preparation of previous planning documents. However, it is due to this prolonged process that the phasing out of UDP's in favour of LDF's is still underway almost ten years on. In fact, many UDP's were

not adopted until the latter half on the 2000’s and consequently are still in use by local authorities as LDF’s are yet to be finalised.

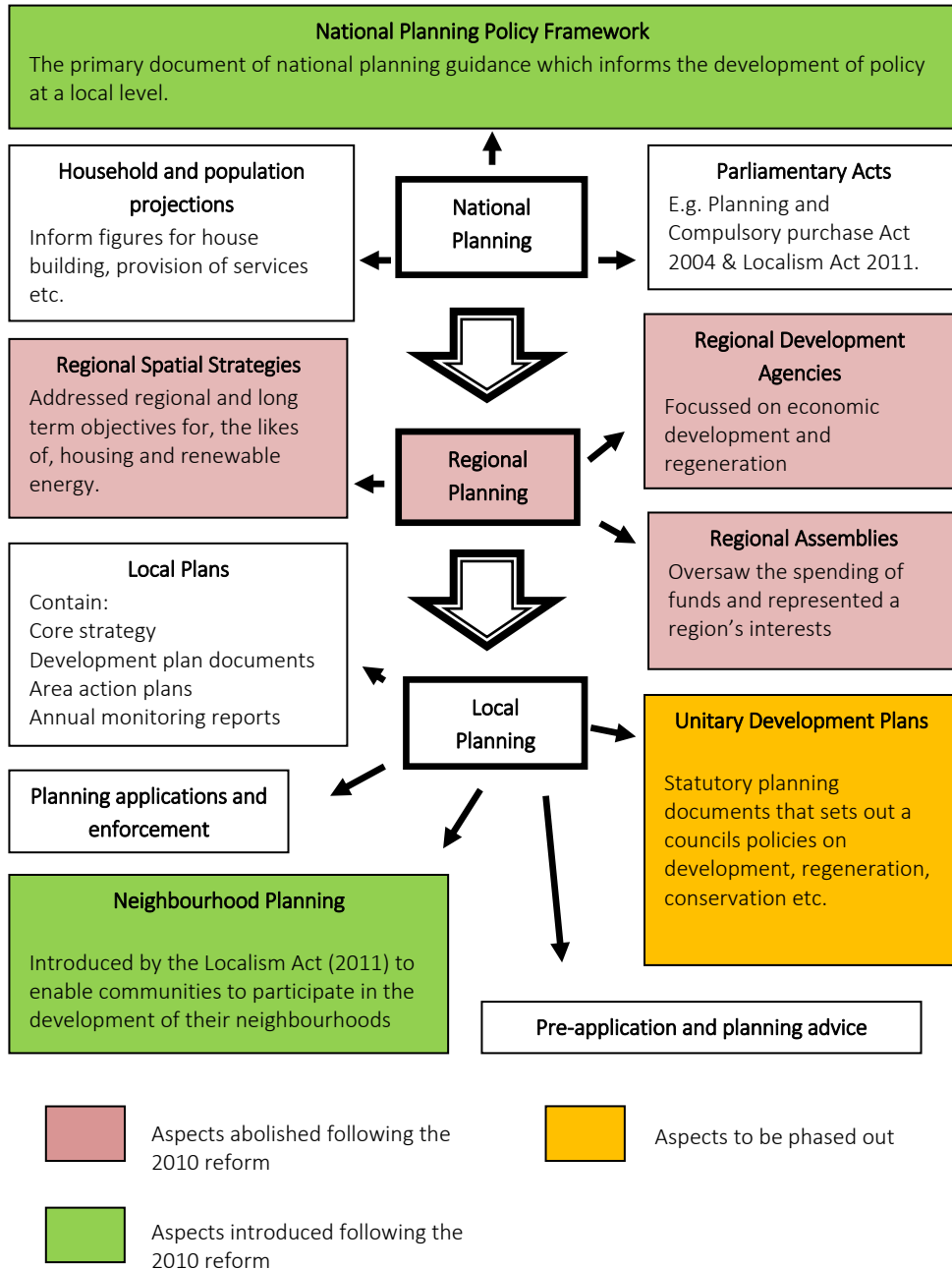


Figure 1: Hierarchy of the English planning system

Further to the changes made to national policy, locally, the coalition government has introduced the concept of Localism to the residents of England. The government's commitment to the restoration of power back to communities led to the production of the Localism Act which was passed through parliament in November 2011. The Act introduced a number of measures which enable members of the public to challenge and influence spending and decision-making with regard to the development of their local neighbourhoods. Measures include "neighbourhood planning" and the "community right to build" initiative. These measures enable local community groups such as parish councils and neighbourhood forums to draw up local plan documents and submit proposals for new development in their areas, including: new homes, businesses, shops, playgrounds and community buildings (DCLG 2011).

## 2. Planning in the news

Following the initial reform of the planning system in 2010/11 there have since been further alterations to procedures and legislation. In line with the coalition government's ambition that the planning system aid the development of economic growth the Growth and Infrastructure Act 2013 was introduced. The act contains a number of reforms including: shifting decision making from poor performing local authorities to the planning inspectorate and enabling section 106 agreements regarding affordable housing to be renegotiated to encourage more economically viable development (Smith 2013). Section 106 agreements are conditions that a developer agrees to in order to secure planning permission. These conditions may involve: the provision of affordable housing and green space, highways and infrastructure repairs and the provision of training opportunities etc. Alternatively a developer may make monetary donations to a local authority in order for them to carry the work out.

In November 2012 the government outlined its plans for the relaxation of planning policy in its consultation document "Extending permitted development rights for homeowners and businesses" (DCLG 2012). Normally households wishing to extend their properties by more than a few metres would be required to seek planning permission from the local planning authority. However, the majority of homeowner applications are uncontroversial and therefore nearly 90% are granted permission by planning officers (DCLG 2012). This figure has raised questions as to whether the application process, as it stands, is creating unnecessary delays and costs whilst providing few benefits. As a result the consultation paper was put forward containing proposed changes in order to extend permitted development rights and subsequently reduce red tape and planning costs (DCLG 2012). It is proposed that, rather than draw up a full planning application, individuals applying under the extension of permitted development rights would be required to gain "prior approval". This process would involve notifying the council of development plans who in turn would notify neighbours; any objections would be considered appropriately, however if no objections are raised then the development can proceed (Smith 2013). Of further interest is a proposal to alter permitted development rights to enable the change of use of shops and

financial and professional services to residential use for housing (DCLG 2013). This initiative may prove indispensable considering the ongoing housing crisis with which the UK is currently suffering.

### 3. UK housing crisis

During the boom period of the early to mid 2000's a general increase in household disposable income, together with population growth, lead to a housing shortfall in the UK (Maliene and Malys 2009). It is estimated that around 210,000 new residential dwellings are required every year in order to sustain current demand, however figures for the last five years show on average only 154,000 new homes are entering the market per year (Joseph Rowntree Foundation 2012).

Despite this shortfall, the credit crunch has led to difficulties in the selling of houses. Primarily, as banks reduced their lending, less mortgage opportunities became available. Ward (2009) reports that in October 2008 mortgage approvals in Britain were down by 42% on October 2007, with just 32,000 mortgages approved. Furthermore, as house prices began to plummet, many of those who purchased during the boom period found themselves in negative equity and as a result were reluctant to sell. Consequently the UK housing market entered into a period of stagnation which has been sustained, in part, by the Comprehensive Spending Review 2010 which introduced severe cuts to the housing budget (HM Treasury 2010). This market instability led to the halting of numerous housing development schemes, with others postponed or even cancelled as construction firms were forced to lay off staff and rein in building activity in order to lessen their economic risks (Ward 2009).

A further hindrance to the development of new homes is a lack of available sites in which to build. With house building in England at the mercy of the market, demand is concentrated towards the South-East, predominantly due to the employment opportunities presented by the city of London. As a result, many South-Eastern towns are now bursting at the seams with further development hindered by the presence of the green belt.

The green belt, initially established within the Green Belt Act 1938, contains designated areas of land surrounding large towns and cities. The policy was introduced in order to prevent the excessive urban growth of conurbations and maintain adequate separation between settlements in order to prevent neighbouring towns from merging. On 31<sup>st</sup> March 2012 the Department for Communities and Local Government estimated that 9% of England's land is developed, whilst over a third is protected from urbanisation due to initiatives such as the greenbelt, areas of outstanding beauty and national parks. The green belt specifically covers 13% of the country.

The growing demand for housing coupled with a lack of available building plots has led to England boasting some of the smallest houses in Europe (CLG 2008); it is reported that average living space has decreased by a third since the 1920's. Despite these pressures to review the extent of green belt, currently no firm changes have been confirmed. Instead,



on 6 September 2012 a written ministerial was released which encouraged local authorities to utilise existing law in order to review green belt land in local plan documents.

The objective for housing policy in England is to provide a decent home for all in a sustainable, mixed community at an affordable price (CLG 2006). The sustained shortfall of dwellings has, over the years contributed to overly inflated property values; as a result demand for more affordable housing is at an all time high. The government's definition of affordable housing currently includes socially rented and intermediate housing. For the past 20 years the majority of new social housing has been provided by housing associations however demand for council housing is now higher than ever, rising by 72% between 1998 and 2011 (BBC 2013b) with an estimated five million people on the council house waiting list in 2011 (BBC 2011).

Despite what the large waiting list may suggest there are, in fact, strict criteria a household is expected to meet before being deemed eligible to join the queue. Recent progress has, however, been made thanks to the introduction of "affordable rent". Affordable rent is a form of intermediate housing which provides a more diverse range of households access to social housing (HCA 2011). Whilst council housing commands approximately 33% of the market rental value of a property, affordable rent can charge up to 80% (HCA 2011). This initiative will have come as a welcome development to the estimated 2.5 million people who are unable to pay full market values, yet find themselves deemed ineligible for traditional social housing (Inside Housing 2010a). It is essential that a sufficient supply of affordable homes is made available if England is to achieve its goal of improving sustainability.

#### 4. Regeneration and sustainable development

Following the 1992 UN conference on Environment and Development (Earth Summit) in Rio de Janeiro, numerous initiatives and documents have been produced in order to encourage improved sustainability in the UK. Over the last 20 years or so the importance of incorporating sustainability into regeneration schemes has continued to grow. In 1997 the Millennium Communities Programme was established through the development of Greenwich Millennium Village (Urban Splash 2002). The programme, led by English Partnerships and the Department for Communities and Local Government, aimed to deliver 9,000 eco homes of "excellent" standard with the intention of inspiring the construction industry and house buyers (English Partnerships 2007). In total, seven Millennium Communities were built in England as a result of the programme.

In 2004 the Egan Review: Skills for sustainable communities was published containing guidance on components such as: governance, housing and services. The document's primary goal is to influence the creation of communities that meet:

*"The diverse needs of existing and future residents, their children and other users, contribute to a high quality of life and provide opportunity and choice. They achieve this in ways that make effective use of natural resources, enhance the environment, promote social cohesion and inclusion and strengthen economic prosperity."*

Early examples of regeneration policy in England focused, predominantly, on a concern for low housing demand and vacant properties. More recently, policy has echoed the sustainable communities concept with a focus on the renewal of deprived neighbourhoods, physically and, increasingly, socially (Cameron 2006).

Due to restrictions on the development of greenfield land i.e. the green belt, new housing is frequently forced to locate on previously occupied, brownfield sites. As a result planning policy has increasingly acknowledged this practise as a facilitator for urban regeneration (Maliene et al. 2012). According to English Partnerships approximately 60% of new dwellings are built on previously developed brownfield sites. This is an impressive figure considering the potential barriers such sites can pose when it comes to new, residential, development. Brownfield land can often present issues of contamination, the rectification of which can be costly and time consuming; as a result developers are reluctant to undertake such projects (Vanheusden 2003). However if feasible, utilising disused plots within established urban areas enables compaction (Cooper et al. 2002; Adams & Watkins 2002; Dixon et al. 2006) which in turn provides benefits including reduced car dependency, improved efficiency of public transport and improved accessibility to public and private services; all of which are important components of a sustainable community.

Since the introduction of the concept of sustainable development, increasingly, urban regeneration is recognised as a key mechanism for the achievement of the improved sustainability of communities in England (Bruff and Wood 2000; Owens & Cowell 2002; Turcu 2012). Moreover, the incorporation of sustainable housing is observed to stimulate social, environmental and economic improvement which, in turn attracts revival and investment (Edger and Taylor 2000).

#### 4.1 Case study: Kensington Regeneration, Liverpool

The New Deal for Communities programme was introduced in 1998 to address the following five priority areas: “poor job prospects; high levels of crime; education underachievement; poor health; and problems with housing and the physical environment” (The National Archives 2009). It was proposed that, over a ten year period, 39 deprived neighbourhoods would be transformed as a result of the programme. One such neighbourhood selected was Kensington, Liverpool.

The growth of Liverpool owes its success to its location on the banks of the River Mersey. By 1900 40% of the world’s trade passed through Liverpool thanks, in part, to the construction of the Albert Dock in 1846 (Liverpool City Portal 2013). The docks continued to provide employment to many of the city’s residents for the most part of the 20<sup>th</sup> century, with manufacturing also a significant employer. However, the post-war period saw the steady decline of these industries and consequently the deterioration of Liverpool.

The ward profile for Kensington and Fairfield gives a clear indication of why this area was selected for the New Deal for Communities Programme. Figures for Autumn 2012 show how almost the entire ward ranks within the 5% most deprived areas nationally. Levels of

crime and unemployment in the area are significantly higher than the Liverpool average, and figures for health and education are lagging behind national averages (Liverpool City Council 2012).

The Kensington Regeneration Partnership was established in 2000 under the New Deal for Communities initiative. Liverpool City Council received £61.9 million of funding from the scheme in order to improve an area covering 4200 households.

The project involved the demolition of around 900 houses to be replaced by approximately 500 new homes on the main cleared sites (Liverpool City Council, 2010). Figure 2 shows completed residential apartments in Kensington.



*Figure 2: New residential apartments in Kensington (Source: Maliene, 2014)*

In addition to housing improvements, the scheme has also provided financial support for local retail facilities, including new: frontages, signage and lighting (Alexander Communications 2010). A new neighbourhood health centre (see figure 3) has also been provided as support to the local community.

During the regeneration period the ward of Kensington and Fairfield has seen some positive improvements. Figures show how child poverty levels have decreased slightly since 2006. Perhaps more encouraging are figures to show that since 2007 there have been no parts of the ward ranked in the top 1% nationally which had previously been the case. Furthermore, between 2006 and 2011 educational achievement increased above the city average, with absenteeism lower than the city average (Liverpool City Council 2012).



Figure 3: Kensington Neighbourhood Health Centre (Source: Maliene, 2014)

While Liverpool's Local Plan is still in preparation the Unitary Development Plan, adopted in 2002, remains the primary source of local policy guidance. The document outlines the city's priorities for housing including: improving the living environment within existing residential areas; focussing on the layout and design of housing proposals in order to accommodate those with special requirements i.e. the elderly and disabled; and the ambition to provide an additional 23,100 residential units between 1986 and 2001 (Liverpool City Council 2002). Figures for housing allocations contained within the UDP do not extend past targets set for 2001. It is clear to see that Liverpool's Unitary Development plan was outdated even prior to its adoption in 2002, and this is an issue facing councils across England. Moreover with the local plan yet to be finalised, the decade old UDP continues to be employed despite: the economic downturn of 2007; the opening of Liverpool One in 2008; and the changes made to the planning system in 2010; all of which have implications on all aspects of planning in Liverpool, including housing.

#### 4.2 Case Study: New Hendon Village, London

One of the largest regeneration schemes in London involved the transformation of the former Grahame Park Estate in Barnet to what has become New Hendon Village (Genesis Housing Association 2012). Grahame Park was Barnet's largest housing estate. Built in the 1970's the development provided accommodation for 1,777 households (Barnet Council 2011). A report published by the Greater London Authority in 2004 documents how the "failing, unpopular and unsafe estate" was suffering from "acute social and economic deprivation".

The £450 million regeneration project is still underway however, once complete, the development will provide: 3400 new residential dwellings, retail units, community facilities and green space. The scheme is the largest self-funded project in Europe (Genesis Housing Association 2011). The developers responsible, Genesis Housing Association, pride themselves on their regeneration of run-down and neglected areas; whilst property redevelopment is the prime focus of their schemes, a large emphasis is placed on working

to address community issues including: health, education and employment (Genesis Housing Association 2011).

The redevelopment process for Grahame Park Estate began in January 2002 when Barnet Council selected its development partner for the scheme (Genesis Housing Association 2011). Over the next decade two phases of the scheme were completed and 351 new households were occupied (Genesis Housing Association, 2011). Between 2007 and 2011 it is reported that Barnet has become less deprived in relation to the rest of England (Barnet Council 2012).

Barnet's core strategy was adopted in September 2012 superseding local policy guidance contained within the unitary development plan. Policy CS3 of the core strategy anticipates that during its lifetime, 28,000 new homes will be provided in Barnet; Grahame Park is highlighted as an area prioritised for regeneration (Barnet Council 2012). The policy further commits to meeting the Decent Homes Standard and to deliver a variety of tenure through regeneration. Once complete, New Hendon Village will provide 3,400 mixed tenure homes of varying size (GHA 2012). Policy CS4 promotes the provision of a mix of varied housing products, with particular emphasis on size and affordability (Barnet Council 2012). As a market leader of shared ownership homes, Genesis Housing Association is incorporating such opportunities into the New Hendon Village scheme. Additionally, the development company holds more CABI Building for Life Standards than any other private developer (GHA 2012); policy CS4 encourages such quality in the provision of any new housing. The regeneration project appears to harmoniously reflect the priorities and ambition of Barnet's local planning authority.

The success of Kensington Regeneration would appear to suggest that regeneration initiatives introduced by the previous labour government have been successful in improving deprived neighbourhoods through the provision of quality homes and investment into local amenities and services. It is reasonable to conclude that this scheme has positively impacted environmental, economic and social aspects of the community, in turn, improving sustainability.

The New Hendon Village case study demonstrates that equally successful schemes are possible without government intervention. Perhaps why the Barnet based scheme has been viable, as a private venture, is due to its locality to London, where there is money to be made even during periods of poor economic conditions. Locations such as Liverpool do not offer the same financial returns and as a result are deemed much riskier; therefore government assistance is often required.

#### 4.3 The new approach to regeneration

Austerity measures coupled with the focus towards localism has led to an alternative approach to regeneration. The coalition government's new priority centres on "restoring the health of the national economy by reducing the deficit and supporting growth" due to

a firm belief that an underlying healthy private sector economy is the key ingredient in creating more sustainable communities (DCLG 2012).

England, despite in the midst of a housing demand crisis, contradictorily has a growing stock of empty homes. Empty homes statistics from 2011/12 showed there to be 710,000 empty residential dwellings in England, 259,000 of which were said to be long-term empty i.e. empty for six months or more (Empty homes 2012). These statistics together with the housing shortage has led to the introduction of the National Empty Homes Loan Fund which enables owners of empty properties to bid for up to £15,000 in order to bring them back into habitable use. This is of great interest to sustainable development not only economically and socially but also environmentally, as it is estimated that the renovation of a dwelling emits approximately a third of the CO<sub>2</sub> emissions which are emitted through the building of a new house (Empty Homes 2008).

In some locations, including parts of Kensington, Liverpool, local authorities have introduced a £1 house scheme whereby aspiring home owners submit an expression of interest in purchasing a 25% stake of a property for just £1. The remaining 75% ownership will be held by a housing association until all works to restore the house into a habitable state are complete. Once the tenant has resided in the property for a predetermined period of time they will be eligible to purchase the remaining 75% off the housing association. Schemes such as these, which focus around the regeneration of individual properties by their occupiers, very much reflect the concept of localism.

## 5. Conclusion

The planning system and current National Planning Policy Framework (NPPF) have implications for all aspects of development in England. As discussed, policy restrictions coupled with increasing numbers of households are fuelling inflated house prices at a time when economic conditions are forcing people to rein in their spending. The government's response to this issue is the implementation of initiatives such as Affordable Rent in order to increase the stock of cheaper housing. Contradictorily perhaps, in order to encourage much needed growth, the government is now allowing Section 106 agreements regarding affordable housing to be renegotiated. Whilst schemes such as affordable rent are adequate for the short term, until a sufficient, sustained supply of new housing enters the market, issues spanning from inflated property values are not going to be resolved. However, due to restrictions on the development of greenfield land coupled with an increasingly NIMBY (Not in my back yard) culture, the notion of masses of new peripheral residential development is unrealistic.

It is at this point that regeneration becomes the front runner solution. With such a large stock of empty homes, initiatives such as £1 housing schemes and the National Empty Homes Loan Fund together with the extension of permitted development rights could prove pivotal in providing an increased housing stock and ultimately help to drive down property values to more affordable levels. Furthermore, if proposals to relax the change of

use of vacant shops and business premises to residential are successful, this could provide a further avenue in which to tackle the housing shortfall. Moreover, by encouraging individuals to undertake projects for their own benefit, these schemes have the potential to invoke a sense of responsibility and ownership which in turn could contribute positively to the local environment, economy and community therefore aiding the formation of more sustainable communities. However, ultimately the stock of vacant properties will dry up and restrictions on greenbelt development will have to be reviewed. It is only when this controversial matter is addressed that England may find a longer term solution to the housing crisis.

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# Changing Minds: Wandel in den Köpfen

## 1. Introduction

The German population is decreasing since 2003 and will be between 65 and 70 million people in 2060. Additionally the ageing society is a problem. The local governments have urgently to find a strategy to manage and fight the negative consequences of this demographic development, as in praxis most of the municipalities adhere to the paradigm of growth. Accordingly, the first and most important step is changing minds. GIS, scenario technique and communication strategy are important tools to support the creation or change of self-awareness of the municipalities. Furthermore, there is an inefficient actual system of activation instruments to support the rural development. The restructuring of this system may be the key to change minds and to improve the adaption to the shrinking process. For this reason, the objective of this paper is the innovative derivation of a new structure of rural development.

## 2. The demographic development in Germany

The German population is decreasing over the last 10 years. The most important reason for this development is the low birth rate in Germany. In the sixties of the last century the birth rate was greater than 2.2 children per couple. Because of “the pill” there was a dramatic decrease at the end of that decade. Afterwards the birth rate in Western Germany was more or less stable at around 1.4 children per couple. In the eastern part of Germany there was a temporary increase in the eighties, but afterwards another dramatic decrease down to only 0.8 children per couple due to the German reunification. In the following years the birth rate normalized so that there is now a nationwide birth rate of 1.4 children per couple, one of the lowest birth rates in the world [cp. Hendricks, 2006]. Furthermore, the migration balance decreased in the last decade (1991-1999: +354.000 people, 2000-2007: +129.000 people).

In 2008 the number of inhabitants was 82 million. Following the predictions of the national experts, the German population in 2060 will be between 65 million people (based on a migration balance of +100.000 people) and 70 million people (based on a migration balance of +200.000 people) [cp. Statistisches Bundesamt 2009]<sup>1</sup>.

Another problem is the ageing. Following the predictions, in 2060 14 per cent of the population will have an age of 80 years and older (2008: 5%) and the percentage of people between 20 and 65 will decrease from 61% to 50% [cp. Figure 1].

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\* Universität der Bundeswehr München, Institut für Geodäsie, Germany.

<sup>1</sup> According to the 2011 Census only 80.2 million inhabitants lived in Germany on 9 May 2011 (1.5 million fewer inhabitants than assumed so far). Unfortunately there are no current predictions available based on that numbers, but the numbers will be generally smaller than in the analysis from 2009.

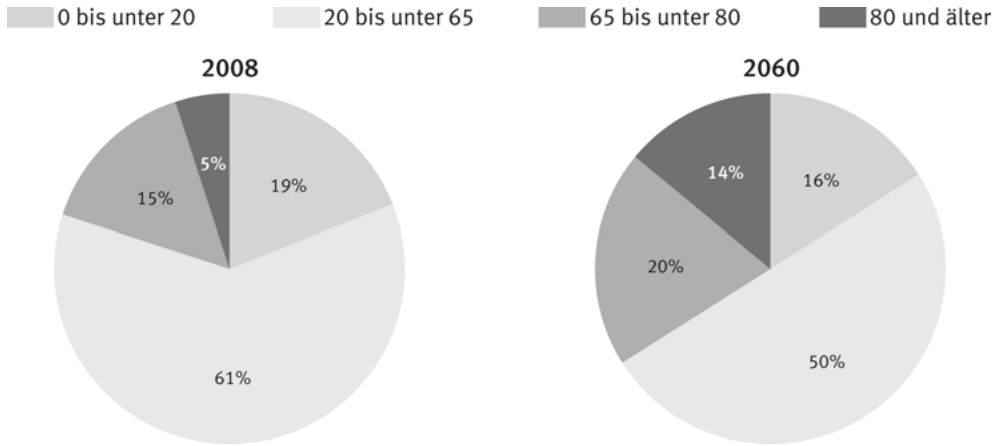


Figure 1: Age groups of the German population [Source: Statistisches Bundesamt 2009]

In addition, we have to consider the diversification of development in different regions. For this reason it is very important to take into account the nationwide movements as well as the regional movements. The immigrants will mostly move to the economic successful regions in Southwestern Germany and especially increase the development pressure in the urban agglomerations there. On the other hand, there will be different types of shrinking regions especially in Northern and Eastern Germany [cp. Figure 2].

	Shrinking areas (type 1)		Shrinking areas (type 2)		Shrinking areas (type 3)		
	Halle (Saale)	Schwerin	Arnsberg	Essen	Fürstenwalde/Spree	Hilden	Sankt Augustin
Population 2005 (Inhabitants)	237.198	96.656	76.427	585.430	33.336	56.545	56.110
Population 1998-2004 (%)	-9.1	-8.1	-2.2	-2.9	-2.4	-0.8	2.1
Population 2005-2020 (%)	-15.7	-11.2	-6.7	-5.6	-2.3	-1.0	-1.1
Average age 2005 (years)	43.8	44.1	42.2	43.9	42.2	43.4	42.1
Average age 2020 (years)	46.2	48.4	45.9	46.5	46.4	48.0	45.8

Figure 2: Types of shrinking areas [Source: Following Klemme 2010]

Shrinking areas of type 1 are characterised by a massive loss of population during the past years and a predicted big loss in the future, while shrinking areas of type 2 lost and will lose their population slowly but constantly. Areas of type 3 denied so far the problem of shrinking due to their more or less stable population, but they will have to face this problem in the future [cp. Klemme, 2010].

### 3. Tasks

The local government should pursue a dual strategy to manage and fight the negative consequences of the demographic development. On the one hand, the local structure has to be adapted to the shrinking population, on the other hand, the local government has to take countermeasures to stop or reduce the loss of population. Every municipality has to find a comprehensive solution for their particular problems. Frequently named problems are the adaption of public services, the village development and village conversion, the increase of voluntary engagement and the creation of regional value added.

The adaption of public services includes the technical and social infrastructure. The technical services are subdivided in transport (e.g. local public transport), communication, energy supply, waste disposal, water supply, waste water disposal, social housing and flood protection. The social services are subdivided in educational institutions, care facilities (e.g. kindergarten or nursing home), fire brigade, life-saving services, culture and other social services. The ageing and shrinking of the population has a massive impact on the strategic planning. A part of the infrastructure will have deficient capacity utilization (e.g. technical infrastructure and educational institutions). Simultaneously the demand for care facilities for the elderly will increase. Due to the financial misery of many municipalities public private partnerships and inter-communal co-operations will become more and more important.

The village development has to take into account the demographic development. Due to the shrinking problem inner development generally should have priority over outer development. The local government needs a strategy to manage the deficient capacity utilization or vacancies especially in the village centre. This strategy has to be based on a detailed statistical analysis of actual and future vacancies and plots without buildings. Furthermore, the strategy has to be harmonised with the regional development planning.

But the inner development has not only to focus on the constructional component. The village conversion also has to take into account the age structure and has to realize an adequate offer for the generation “older than 65” and “younger than 25”. The elderly will demand a broad offer of care facilities and medical services. While children generally have good living conditions in rural areas, teenagers miss leisure time facilities, adequate educational institutions or apprenticeship positions. This is an important reason for families to move and accordingly a starting point for the municipal countermeasures.

The living quality in rural areas depends a lot on the voluntary engagement of the population because the church, clubs, the fire brigade and similar associations stamp the social

and cultural life. The inclusion of the population in the planning process increases the voluntary engagement significantly. However, the municipality should not overuse the commitment of its inhabitants to reach a constant participation in the long-term process of village conversion.

The creation of regional value added and the generation and protection of employment require planning and activation processes on the local as well as on regional level. The instruments have to be harmonized and integrated. Important “sunrise industries” in rural areas are the health care industry (especially spas, wellness hotels), the tourism and the area of renewable energies. Agriculture and forestry are still important economic sectors and may support tourism and the establishment of renewable energies. The municipality has to challenge the confrontation between the conflicting fields of its own profiling and regional cooperation to profit by these industries [cp. DLKG, 2011].

#### 4. Reality

In the scientific world there is general consent that many regions in Germany have or will have a shrinking problem, but in practice most of the municipalities adhere to the paradigm of growth. A typical comment of local politicians is “Salzgitter does not want and will not shrink” (“Salzgitter will und wird nicht schrumpfen”, Salzgitter is a municipality in Northern Germany), while the city lost around 15% of its population between 1998 and 2012 [cp. Farke, 2005]. It can be oftentimes observed that there a parallelism of new constructions, conversion, demolition or deconstruction and vacancies and parallelism of inner and outer development exists. Many municipalities develop new housing areas based on a diffuse hope for immigration and worsen the problem of vacancies in other parts of the village (especially in the centre) or in neighboring municipalities (parish-pump mentality). The denial of shrinking is especially a problem in shrinking areas of type 2 and 3 [cp. Figure 2]. But even in redevelopment areas most of the local politicians state the objective of growth after deconstruction of vacancies [cp. Klemme, 2010].

There are several reasons for this behaviour. First of all, shrinking is a political unpopular topic [cp. Weber, 2011]. Secondly, shrinking is a long-term process and the space of time is much longer than the term in office of local politicians. For these reasons the politicians tend to avoid discussions of this problem. Furthermore, they fear a negative image of their municipality and in consequence a worse position in competition for immigration or investments. Another point is the widespread basic scepticism about forecasts. In addition there is often missing information about the vacancies and about plots without buildings [cp. Schmied 2007]. Sometimes the municipalities do not even know that they have a shrinking problem.

#### 5. Approaches to solve the problem

##### 5.1 Changing minds

The first and most important step is changing minds. The change of action requires a change of thinking and feeling. At first there has to be caused concern in the population

based on a detailed analysis of the current situation [cp. Soboth, 2012]. This is the starting point for a social discourse including all parties of communal life [cp. Weber, 2011]. A common vision is needed to illustrate the desired future. The efficiency of the vision is based on its inspiration. The implementation depends on the realization concepts of the people. The whole process has to be attended by external experts.

## 5.2 Tools

There exists a broad variety of tools to support the creation or change of self-awareness of the municipalities. Within this paper the author will focus on geographic information systems (GIS), scenario technique and communication strategy.

Many municipalities do not know their real degree of vacancies. The application of a GIS may help in this case. The interoperability of GIS allows the combination and illustration of different data. A combination of cadastral data, data of the population register and the mortality table may be used for a simplified model of vacancies [“quick-and-dirty”-approach, cp. Figure 3] to cause concern in the municipality (didactic measure).

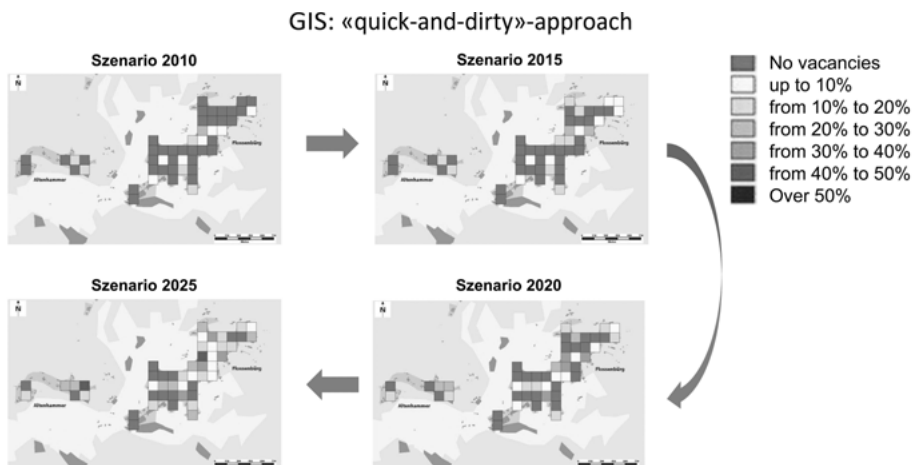


Figure 3: “Quick-and-dirty”-approach [Source: Following Schaffert 2011]

Furthermore, the integration of consumption data (e.g. water, power) or expert interviews increases the analytic profit. This is very important to reach a detailed analysis of the shrinking process in a large scale [cp. Figure 4 and Schaffert, 2011].

Scenario technique supports the structured and systematic development of alternative, plausible and consistent pictures of the future. For this reason, it is the adequate tool to identify potential chances and risks of the future development. The resulting actions need, on the one hand, a strategic orientation and, on the other hand, flexibility. In addition, the scenario technique is a didactic method because the involved persons have to deal with the problem of shrinking (“bottom-up approach”) and the participation in the planning process increases the group identity and the voluntary engagement. Finally, this method allows the determination of a trend scenario and a positive and negative alternative. GIS



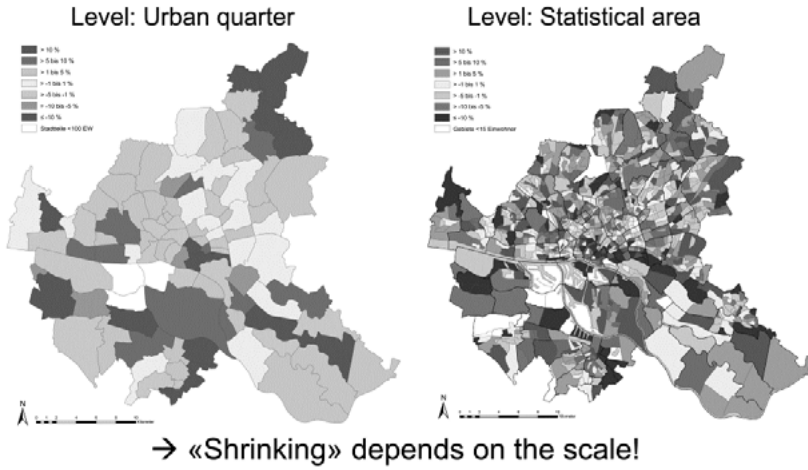


Figure 4: Detailed analysis (Demographic development of Hamburg) [Source: Following Kaiser/Pohlan 2008]

may support the illustration of the generally narrative form of this technique [cp. Figure 5 and Schaffert, 2011].

The change process is a long-term process. It takes several years to establish the new self-awareness. Communication is the key to achieve this objective. For this reason the local government should develop a communication strategy. The process should be started by a conversation campaign. The local government should get in touch with mayors and repre-

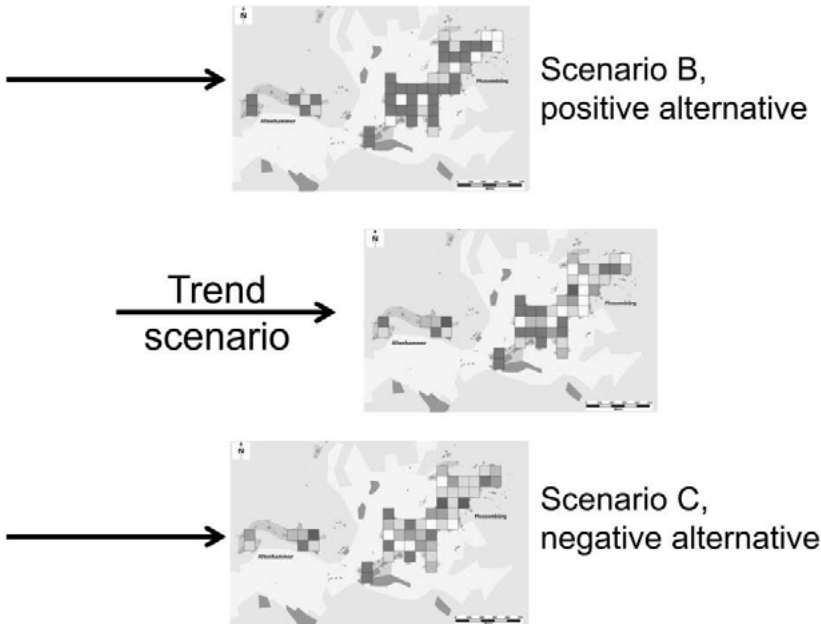


Figure 5: Scenario technique: Trend scenario and alternatives [Source: Following Schaffert 2011]

sentatives of church, enterprises and clubs etc., who could fulfill the function as disseminator or knowledge multiplier. The campaign should be combined with a public meeting. A good story is better than a perfect scientific presentation for the purpose of causing concern in result. Afterwards, a common vision has to be developed [cp. Chapter 5.1] and the language use should change from “language of change” to “language of vision”. The language of vision should be positive, honest, meaningful and emotional. Due to its length the process should include all political parties and requires a continuous press work [cp. Soboth, 2012].

### 5.3 Restructuring the instruments of regional rural development

#### Actual instruments

Apart from the obligatory planning process, in Germany two important (voluntary) activation instruments exist. LEADER (“Liaison entre actions de développement rural”) forms part of the European Agricultural Fund for Rural Development (EAFRD) and ILE (“Integrierte ländliche Entwicklung = integrated rural development”) is an instrument following the German framework plan of the joint task program of the Federal government and the states for the improvement of the agrarian structure and the coastal protection. The most important parts of ILE are ILEK (integrated rural development concept), regional management (RM), the realization of LEADER, village renewal and development and land consolidation [cp. DLKG, 2011].

Generally, the LEADER approach indicates “how to proceed” rather than “what needs to be done”. It consists of a toolkit of seven key features. In the first place, it is an area-based regional development strategy, which takes a homogenous and socially cohesive territory. The area chosen must have sufficient coherence and critical mass in terms of human, financial and economic resources. Furthermore, it is a “bottom-up approach”, which means that local actors participate in decision-making about the strategy and in the selection of the priorities to be pursued. Accordingly, public–private partnerships in the form of local action groups (LAGs) are an important feature. A LAG has the task of identifying and implementing a local development strategy, making decisions about the allocation of its financial resources and managing them. In addition, LEADER can play a valuable role in stimulating innovations (e.g. introduction of a new product, a new process, a new organization or a new market). The local development strategy must have a multi-sectoral rationale linking between the different economic, social, cultural, environmental players and sectors involved. Another important feature is networking. Apart from the institutional rural networks at European and national level, networks or associations of LEADER groups at national, regional and local level exist. The seventh feature is cooperation. It goes further than networking and requires a joint project between LEADER groups [cp. European Commission, 2006].

An ILEK should define the development objectives, determine the fields of action and development strategies to achieve the defined objectives and describe priority development

projects based on an analysis of regional strengths and weaknesses. The main objective of a RM is the initiation, organization and attendance of rural development processes by information, consulting and activation of the population, identification and development of regional potentials and identification and support of target-oriented projects [cp. BMELV, 2011].

The formulation of an ILEK may form part of the RM. ILEK and regional management may be used to support the realization of LEADER-Projects. In several federal states intersections of LEADER, ILEK and RM exist [cp. DLKG, 2011].

The village renewal and development is an established instrument to support the rural development based on several administrative regulations of the federal states, the Land Consolidation Act and ILE/LEADER. The most important objectives are the formulation of guiding principles, the creation of perspectives for public and private investments, the development of the living, work, social and cultural area, the initiation of voluntary engagement, the adaption of the local infrastructure and the consideration of ecological aspects and design.

Land Consolidation is a tool to support the rural development (e.g. improving the production and working conditions in agriculture and forestry, adaption of infrastructure, support of tourism and renewable energies). The most important legal norms are the Land Consolidation Act and the Agriculture Restructuring Act.

The land consolidation procedure may include village renewal or development measures [cp. DLKG, 2011].

### Problems

LEADER is based on a SWOT-Analysis (SWOT = Strengths Weaknesses Opportunities Threats), but important features of social infrastructure oftentimes are missing, like health care or education. Furthermore, it is focused on regional potentials, which must not be identical to local potentials. In addition, this process creates only punctual voluntary engagement while engagement must be initiated in every village. Finally, a “caretaker” oftentimes is missing to attend the whole process.

The biggest problems exist in reference to ILEK and RM. A detailed analysis frequently is missing and also a comprehensive solution taking into account all tasks mentioned. In addition, the ILE-Region in many cases has the wrong scale to solve the different problems (e.g. too small to create regional value added, too big to manage the consequences of shrinking).

One problem concerning village development is the reduction of voluntary engagement after the initial stage. For this reason a caretaker is needed. Furthermore, the process frequently lacks in coordination and integration of the different instruments. In addition, on the one hand a regional concept is needed and, on the other hand, an action plan at the local level.

In conclusion, there are many intersections of the different instruments but there is no comprehensive solution. The different instruments oftentimes lack in the adequate scale and, generally, a caretaker is missing [cp. DLKG, 2011].

Proposal of a new structure

In consequence of the problems mentioned there should be a better assignment of regional levels, processes and objectives [cp. Figure 6].

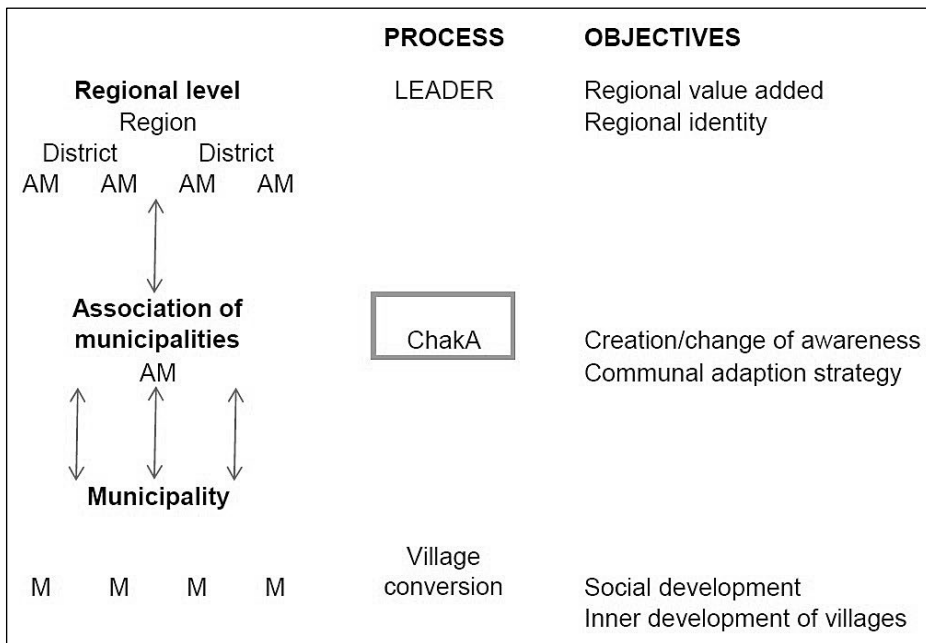


Figure 6: Proposal of a new structure of rural development [Source: Following DLKG 2011]

The most important step is the establishment of three different levels (Region, Association of municipalities and Municipality). In Germany, the districts are at an intermediate level of administration between the federal states and the municipalities. Special forms of associations of municipalities exist e.g. in the federal states Rhineland-Palatinate and Saxony-Anhalt (Verbandsgemeinde) [cp. Figure 7]. There are 163 “Verbandsgemeinden” in Rhineland-Palatinate, which are grouped into 24 districts.

The LEADER process is located at the highest level and should create regional identity and regional value added. The heart of the new structure is the module “ChakA”, which is responsible for the creation or change of awareness and the definition of the communal adaption strategy. Dialogue processes have to be initiated and data bases have to be generated, linked and interpreted. On this basis, a vision has to be developed and strategies to get there. Furthermore, the municipality has to restructure its organization. Finally, the municipalities have to realize the necessary measures for their social and inner development.

## 6. Conclusion

The local governments should urgently find a strategy to manage and fight the negative consequences of this demographic development, but in praxis most of the municipalities adhere to the paradigm of growth or ignore the shrinking. Accordingly, the first and most important step is changing minds.

GIS is an important tool to clarify the real degree of vacancies. The scenario technique is the adequate tool to identify potential chances and risks of the future development, to convince the politicians to act and to involve the population in the planning process. A communication strategy is the key to establish the new self-awareness.

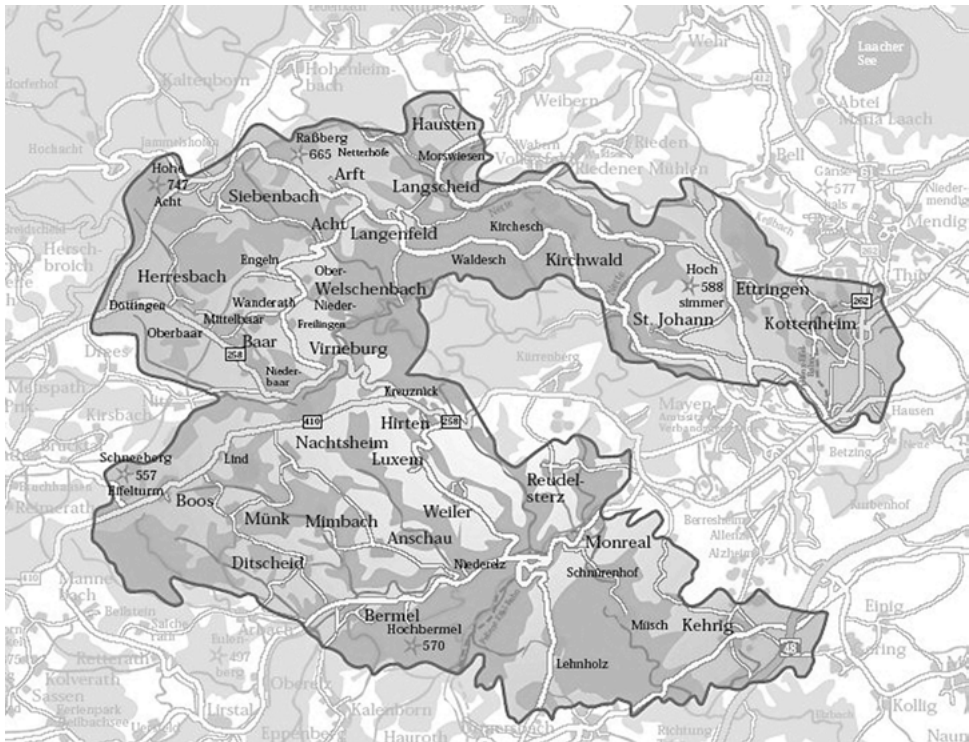


Figure 7: Association of municipalities (Verbandsgemeinde) Vordereifel  
[Source: [www.vordereifel.de](http://www.vordereifel.de)]

Generally, LEADER and ILE are quite successful instruments to support the rural development, though there are many intersections between their different components. The different instruments oftentimes lack in the adequate scale and, generally, a caretaker is missing. The establishment of three different levels (Region, Association of municipalities and Municipality) is the key to improve the assignment of regionals levels, processes and objectives.

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# Dynamic Villages

Corporate engagement in rural regions

## Abstract

The shrinking and ageing of society are in particular the characteristics of the demographic change in many rural regions of Germany. The consequences are, in addition to vacant buildings and decay, the reduction of the attractiveness of a village or the respective landscape, huge losses in population and job losses as well as further losses of infrastructure. More and more villages are confronted with these challenges and need sustainable ideas to preserve the life livable.

The focus is on the importance of civic and corporate engagement for removal of vacancy and change of use of existing buildings for a sustainable village development in Lower Saxony. With regard to the potentials of engagement first insights of the two year research project “Engagement for conversion as activator for rural areas” as well as derived recommendations for action for the municipal level are given.

## 1. Challenges in rural regions

Rural regions are increasingly characterized by the structural change and the effects of demographic change. The original agrarian society changed towards an industrial society at the end of the 19th century and to a service economy in the second half of the previous century (Henkel 2004: 101). Since the past 50 years, a widespread mechanization and an increased specialisation in the agriculture have changed the structure and number of farms (Planer 2012). According to the agricultural census done by the Landwirtschaftskammer Niedersachsen in 2010, there are still 41.370 farms in Lower Saxony of once 291.327 farms in 1949 (Schütte 2013). A consequence is the increasing rate of empty buildings. On the one hand they affect the attractiveness of a village and its functions in a negative way. On the other hand, they offer a huge potential for new uses. Municipalities have to find suitable options and strategies for conversion, restructuring or re-use.

The vacancy problems in rural regions are caused by different reasons. One cause is the structural change of agriculture, which is one trigger for many derelict (farm) buildings in village centres. By closing down and concentration of farms, building vacancies can be identified while new development areas arise at the edges of villages, which let the vacancy rates still increase in the centres (Magel 2008: 5). The missing request for living space in the inner housing stock, if location, size or etc. do not confirm with modern housing con-

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\* Leibniz Universität Hannover, Institute of Environmental Planning | Spatial Planning and Regional Development, Germany.

\*\* Leibniz Universität Hannover, Geodetic Institute | Land and Real Estate Management, Germany.



ditions, is responsible for an increasing rate of empty residential buildings. Furthermore, available space in building areas contributes to a weakening of village centres. NBank (2010) published a forecast of an increase of vacancies in many regions of Lower Saxony until 2025 to more than 5% of existing buildings for most of the municipalities (cf. fig. 1); in some municipalities even more than 15%.

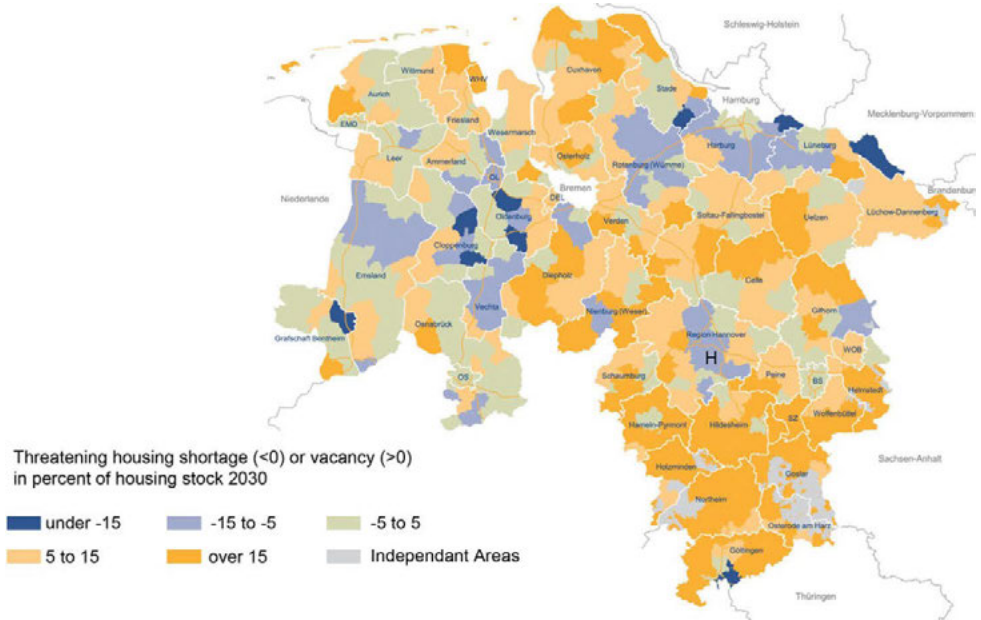


Figure 1: Risk of Vacancies 2030 (Source: changed on NBank, 2010:11).

“Strong Community – Lively Village” was one title of the magazine for rural regions “LandInForm” in the year 2011 (BLE & DVS 2011). Rural regions are often characterized by functioning, neighbourly village communities, who support attractive living conditions because of a direct concernment and a strong sense of responsibility. On the one hand, an infrastructure is growing especially in smaller municipalities, which is based on civil society, e.g. from citizen bus to preservation of culture, sport and recreational facilities (Borstel 2010: 86f.). All these different kinds of projects or actions confirm that community engagement can help to preserve the quality of life in villages.

On the other hand, businesses are interested in an intact region and parallel a future-oriented region needs competitive businesses. They provide and secure employment for the population. But also infrastructure, motivated employees and reliable provisions maintain the competitiveness in the longer term. Accordingly, it is the self-interest of the business to commit in a sustainable and efficient way. They help to stand up to the challenges of the society in rural regions, like the demographic change or the shortage of skilled professionals. Most of the businesses are engaged all times in the regional context. Especially, small- and medium-sized enterprises (SMEs) are often regionally rooted and have a sense of responsibility for their locations. As defined in EU-law (EU-Kommission

2003: 36), the main factors determining whether a company is an SME are the number of employees and either the turnover or the balance sheet total (cf. tab. 1).

Table 1: Size-definition of SMEs (cf. EU-Kommission 2003: 36ff)

Type	Employees		Turnover in million €		Balance sheet total in million €
Micro- enterprises	< 10	and	≤ 2	or	≤ 2
Small enterprises	< 50	and	≤ 10	or	≤ 10
Medium-sized enterprises	< 250	and	≤ 50	or	≤ 43

Without the engagement of society and enterprises, rural regions – characterised by loss of infrastructure – would not be able to ensure provisions of local services, sporting opportunities, cultural and leisure offers in a sustainable way (Becker & Runkel 2010: 132). Both forms of engagement have the potential to be used for different fields of regional development.

The strengthening of engagement becomes more and more important in connection with vacancies and their re-use potentials. Municipalities, enterprises, initiatives and citizens have to accept this topic as an action field. Against this background, the reasons and motivations for this kind of engagement are largely unknown. It should be noted that commitment do not necessarily arises out of something positive; also large psychological strain can be a driver for that. Furthermore, knowledge is still missing about how framework conditions influence engagement and how the conditions should be developed to support it.

## 2. Engagement

In Germany, a lot of different terms came up in connection with the strengthening of society, the societal role of businesses and the changed understanding of the state in the last years: active citizenship, social engagement, voluntary activities, corporate responsibility, corporate social responsibility, corporate citizenship etc. On the one hand, these terms illustrate the change towards various forms of voluntary and gratuitous commitment (cf. Olk & Hartnuß 2011: 145 f.) and on the other hand, they point out the voluntary and self-determined engagement of businesses (cf. Backhaus-Maul & Friedrich 2011: 215 f.).

### 2.1 Engagement of society

In the year 2002, the Enquête Commission “Future of the Civic Engagement” of the German Bundestag has published the following criteria to define the term (Deutscher Bundestag 2002: 24 ff.; Mai & Swiaczny 2008: 8):

*“Freiwillig, nicht auf materiellen Gewinn gerichtet, gemeinwohlorientiert, öffentlich beziehungsweise findet im öffentlichen Raum statt und wird in der Regel gemeinschaftlich beziehungsweise kooperativ ausgeübt.”<sup>1</sup>*

For an additional definition we refer to Danielzyk et al. (2013: 493f.). Within the survey of volunteers by the German Federal Ministry for Family, Seniors, Women and Youth (BMFSFJ), the situation of civic engagement in Germany and the motives and expectations of volunteers is analyzed. Since 1999, the survey delivers regularly (1999, 2004 und 2009) answers, for example of the question which federal states are particularly engaged. The following figure 2 visualize that especially the rural structured states have an increase and a higher proportion of voluntary engaged people (society from the age of 14 up). In comparison between 1999 and 2009, Lower Saxony belongs to the leaders next to Baden-Wuerttemberg and Rhineland-Palatinate. 41% of the population of Lower Saxony is voluntary engaged (increase of 10%).

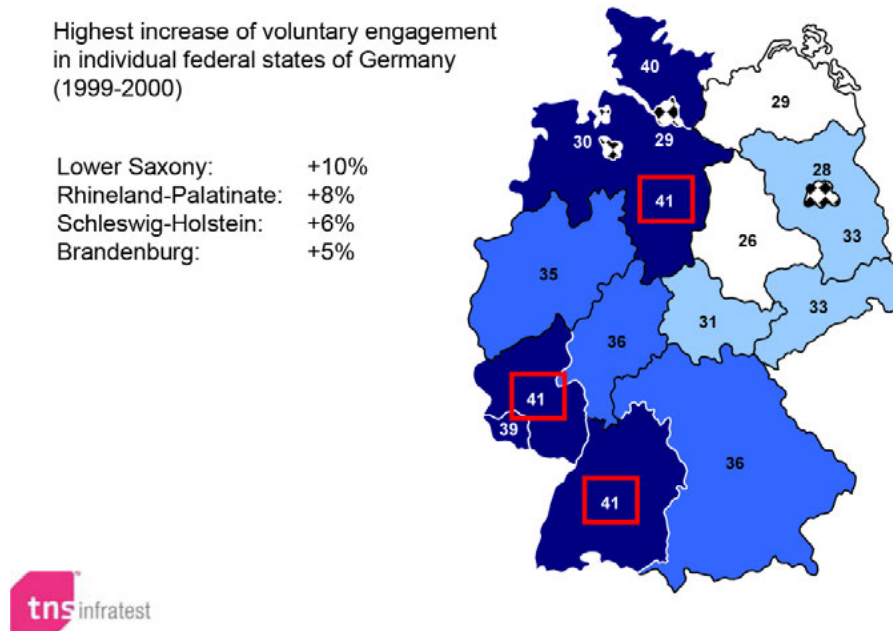


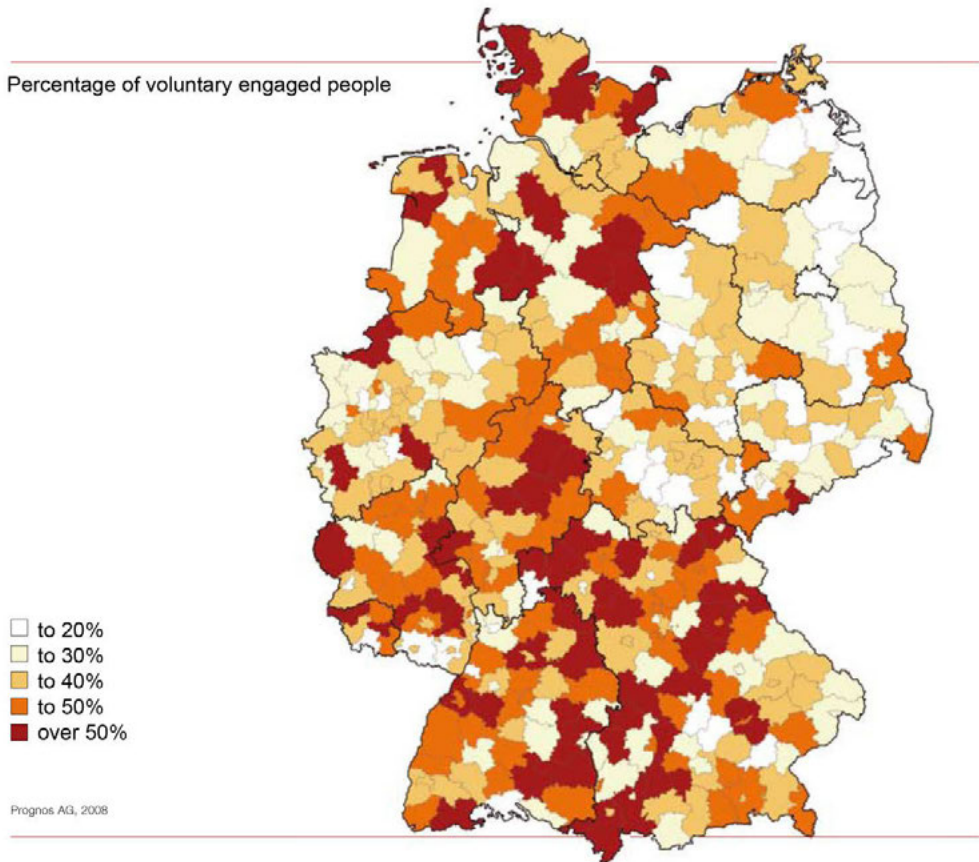
Figure 2: Percentage of voluntary engaged people in Germany (Source: changed on BMFSFJ 2010: 25).

The Engagement-Atlas 2009 analyses the regional differences of civic engagement up to the level of administrative districts and the county boroughs (Prognos AG & AMB Generali Holding AG 2008: 17ff). In this survey the rural regions are also characterized by above-average high engagement quotes (cf. figure 3). A comparison between urban and

<sup>1</sup> Translated: Voluntary, not for profit oriented, common good oriented, public or take place in the public space and usually exercised commonly or cooperatively.

rural regions shows that civic engagement decrease with the rising size of a municipality and especially smaller municipalities have the highest proportion of engaged people.

The following administrative districts have a proportion of engaged people over 50% of the population: Gifhorn, Diepholz, Nienburg (Weser), Celle, Rotenburg (Wuemme), Uelzen, Leer and Wittmund (Prognos AG & AMB Generali Holding AG 2008: 20).



*Figure 3: Percentage of voluntary engaged people in administrative districts and cities of Germany (Source: changed on Prognos AG & AMB Generali Holding AG 2008: 20).*

Furthermore, both figures illustrate the differences between the northern and the southern states as well as the east-west contrast.

## 2.2 Engagement of businesses

The social responsibility and the non-profit engagement also become more important for businesses. The cooperation of businesses is especially on site important for strengthening the society, building networks and building a basis for a functioning community. The activities of businesses in the social space are summarized by the term corporate social responsibility (CSR) and intensively discussed at the moment.

CSR describes the voluntary social, ecological and economic responsibility of businesses and includes working conditions and operational processes, structures, products and services, business and action areas and the choice of location (cf. Aktive Bürgerschaft 2011). Social issues and environmental aspects should be integrated into the business activities and the interrelations with the stakeholders. This kind of engagement is more than the different forms of donations like financial or material resources (Dreowski & Hartmann 2007: 10; Fuchs-Gamböck & Langmeier 2006: 1; Sigle 2010: 2). CSR can be implemented internal in the business or external for example in social projects. Dreowski & Hartmann (2007: 2) consider that CSR can support the positive social development and simultaneously the strengthening of the competitive capacity of the business. Although the internal support is just as relevant as the external engagement. The following figure 4 visualizes how a business can assume responsibility as a corporate citizen. Businesses use different possibilities for a commitment in several fields of action. It starts with financial and material resources (corporate giving) through foundation activities (corporate foundation) up to engagement for employees or support of employees by releasing them from work for social projects (corporate volunteering).



Figure 4: Corporate responsibility (Source: changed on Rudolph 2004: 92).

In Germany, 95% of the businesses are in family property, owner-managed and belong to small and medium-sized enterprises (SMEs) (BMFSFJ 2012: 19). In particular, SMEs are often related to the region and assume consciously responsibility within their function as part of the society (Rieth 2003: 372). This takes place still rarely within a CSR-strategy, whereby positive side effects can be generated with the interrelation, like for example to set up contacts and other economic advantages (image improvement, product awareness etc.). The first engagement report (BMFSFJ 2012: 28) define corporate engagement as follows:

*“Engagement liegt [...] dann vor, wenn externe Effekte von Unternehmen strukturbildend wirken und kontinuierliche und von der Gesellschaft als positiv bewertete Leistungen und Problemlösungen für die Gesellschaft geschaffen werden.”<sup>2</sup>*

In Lower Saxony, 99.7% of the businesses belong to small and medium-sized enterprises (MW 2012: 7), from which many are located in rural regions. A responsible-minded entrepreneurship will be lived mainly in the craft sector. The first engagement report (BMFSFJ 2012: 24) come to the conclusion, that especially SMEs show a more intensive engagement – proportional to the turnover – than large scale enterprises (see fig. 5). This statement is unexpected because rural regions can have a certain disadvantage of the location in comparison to cities due to location, accessibility and established structures.

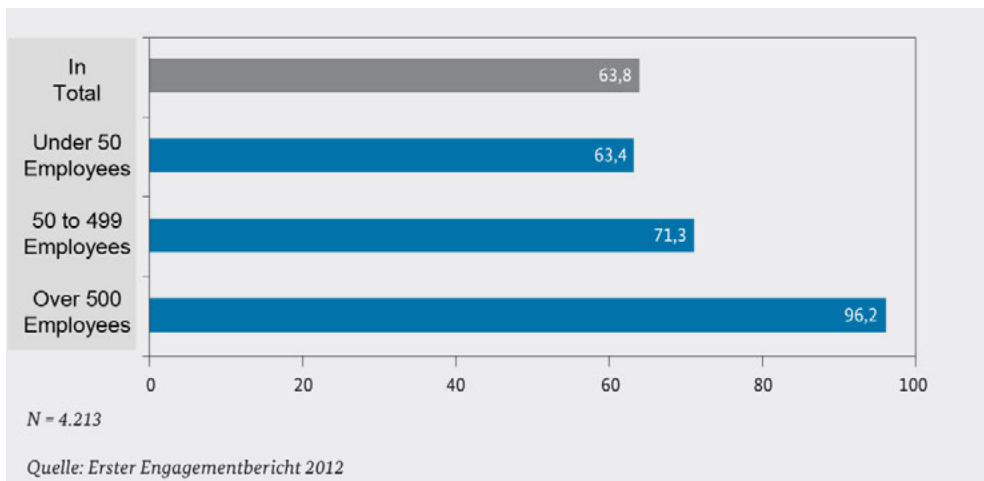


Figure 5: Percentage of engaged businesses in Germany (Source: changed on BMFSFJ 2012: 24).

Especially for the professionalization and the infrastructural facilities, the form to arrange CSR shows differences between SMEs and large scale enterprises. Most of the SMEs are engaged, but they are often not familiar with the English term and the meaning of corporate citizenship (EU-Kommission 2007: 12). They typically act altruistic and do not use their commitment to generate economical profit. Larger enterprises tackle social engagement mostly with much more resources, which means they often have a CSR-representative, a CSR- or communication department. Many of the enterprises develop a strategic commitment, which is integrated into the corporate philosophy. Furthermore, they sometimes proof how an engagement is noticed by the society and which added value can be generated out of it for the enterprise. In general, beside a regional or local commitment, the level of a social engagement should correspond with the level of the business activity.

<sup>2</sup> Translated: Engagement exists, if external effects from enterprises cause structural benefits; and if continuous and from the society as positive evaluated performances as well as problem solutions for the society are created.

Otherwise, there would be a risk that the used resources will be used too much undifferentiated and the desired effects fall flat (cf. Bertelsmann Stiftung 2005).

### 3. Findings of CSR from research project “engagement for conversion as activator for rural areas”

The 2-years project is funded by the European Regional Development Fund and is running by a research team from the Leibniz Universität Hannover, Geodetic Institute and Institute of Environmental Planning, in cooperation with 6 municipalities from rural regions in Lower Saxony. The aims of the project are better understandings of the motivations of society and of SMEs for engagement and also of the influence of framework conditions (economic, legal etc.). The results from the 6 case studies deliver answers, how civic and corporate engagement can be used for re-use and conversion of empty buildings (see also the previous paper of Weitkamp & Steffenhagen 2014: “Civic Engagement in Rural Regions – Activation Potential and Motivation for Village Development”).

In this paper, results of the business survey about what kind of local engagement SMEs prefer, aims of CSR, impacts on village development etc. carry out answers for recommendations for action for municipalities.

#### 3.1 First results of the business survey

To gather further knowledge about corporate engagement according to corporate social responsibility, telephone interviews have been done with SMEs in the case study regions. Because of a stronger connection to the location, it can be expected that they are more engaged (cf. chapter 2.2). In total, results of 19 interviews (mostly with owners or managing directors) are available (13 micro-, 4 small- and 2 middle-sized enterprises), most belong to the branches craft, followed by trade, services and agriculture.

*Local Corporate Engagement* | The connection to the location can be therein conformed, that the mainly owner-managed enterprises are in many cases family enterprises and have their headquarter in the analyzed municipalities. Accordingly 18 of the 19 questioned enterprises are engaged on local or regional level in the typical areas, like sport, leisure/conviviality, children/youth, social affairs etc. Projects for the village development were less answered. This potential should be further exploited by the municipalities and potential partners, e.g. associations, initiatives and so on. Cooperation often results from a direct inquiry; rarely, an enterprise is actively searching for possibilities.

SMEs are normally engaged since their existence with donations, followed by payment in kind/material, sponsoring as well as time and ideas. The first engagement report (*BMFSFJ 2012: 22*) published similar results (cf. fig. 6).

They are active because of an own conviction and ethnical aspects, whereby the engagement actions could hardly be separated between the owner of an enterprise and himself as private person when decisions are taken. Further, motivations are the customer loyalty and

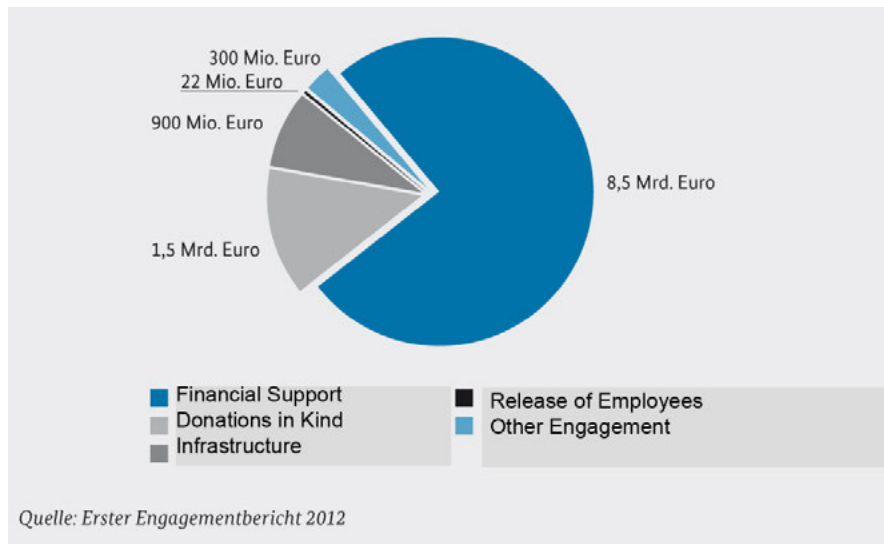


Figure 6: Corporate engagement according to type of support (Source: changed on BMFSFJ 2012: 22).

satisfaction as well as the corporate culture, in which commitment is embedded as a central task. So far the municipalities play an inferior role from the view of the enterprises regarding the support of corporate engagement. The wish for more support from the municipalities is differently answered by the SMEs. Some wish more advice and information and other enterprises feel already satisfied with the existing cooperation.

The development of commitment is estimated as unchangingly by the majority, with a slight trend towards an increasing extent. How the contribution of SMEs in terms of corporate responsibility will develop in the future, is depending on the financial and personal resources. Especially for SMEs, it is difficult to foresee how the engagement will change.

*Village Development* | The questioned SMEs in the case study regions, which are already stronger confronted with the challenges of the demographic change, estimate the further development of the village rather stagnating or bad. In the villages, which are less or not confronted with the effects yet, the SMEs assess the future development mainly positive. This assessment can also be found there, where a certain “spirit of optimism” exists because of a “leader”, like a charismatic person, who promotes special activities or projects for village development. In general, SMEs estimate their influencing possibilities as limited. According to the statements of respondents, the influencing possibilities increase with the rising size of the enterprise.

*Vacancy* | The questioned SMEs only perceive vacancies in the cooperation municipalities, when they belong to public buildings or commercial properties. Concerning the development of vacancies, the SMEs consider rather an increase. The preservation of vacant buildings is for the respondents important; many of them favour a re-use than a demoli-



tion and wish a new use for the building. The SMEs would be willing to support the conversion for a common purpose with manpower, material or financial help.

### 3.2 Recommendations for action

Based on the results of business survey in the 6 case studies and completed with literature research, transferable and practical recommendations for action for motivation and promotion the corporate engagement in villages were identified.

*Activation & Incentive* | In principal, SMEs can provide an essential contribution by voluntary engagement for the village development. Parallel, their image and their competitiveness can be improved in a sustainable way, so a win-win-situation arises. Entrepreneurs should be particularly concerned about enabling engagement of their employees, because the assumption of social responsibility stays for a high motivated employee, who is not least useful for the enterprise (Lübking 2011: 20).

There are different possibilities to support the strategic corporate engagement. Firstly, it has been seen that it is important to provide suitable options for SMEs to stand up for the village. Additionally, the businesses want to be directly questioned for supporting conversion projects by e.g. municipality, initiatives. The communication with the economy is inevitable to show that not the motive but rather the real impact of the engagement is important (BMFSFJ 2012: 35). It is also relevant to call attention to that it is not purely the financial support according to corporate giving; in many cases it is even helpful that businesses offer for example premises, material or give discount on performances. Depending on the engagement fields, where they are actively involved, special know-how, materials and manpower can be offered.

The management- and entrepreneur-education should not be forgotten, in which the cornerstone for a responsible entrepreneurship can be set, when economic- and business-ethics are seen as an important part of the education (BMFSJF 2012: 35).

*Cooperation* | As well as in the field of civic engagement (cf. Weitkamp & Steffenhagen 2014), local contact points can be important for the enterprises to gather relevant information about different forms of engagement and supporting possibilities. Events, like info exhibitions or days, press releases and websites can also inform about suitable options, partners, projects and so on. Furthermore, interfaces between SMEs and local engaged initiatives, institutions etc. should be increasingly underlined. For example, municipalities can act as a broker between enterprises and associations, institutions, engaged initiatives or consulting organizations to help to start cooperation between these actors. That can be really important, because the SMEs mostly have a passive role concerning the start of cooperation until now – they want to be requested for commitment by potential partners. So, the first step should normally be done by engaged initiatives, associations and so on. But also cooperation between enterprises or with administrations can gain greater “profits” and unimagined additional values can be generated for the village development when they focus all together the challenges and problems.

*Recognition* | It is important to appreciate corporate engagement – for consolidation and sustainability – in an adequate form. Municipalities can organize honor events, list the names of the businesses on their webpage and / or communicate events, names, projects via press releases. Positive feedback, like recognition, can show, that engaged businesses are needed and are seen as corporate citizens by the population and the municipalities, who have a social responsibility for the village. This situation help to create synergies for both sides and motivate them to move on with the engagement in the future.

#### 4. Conclusion

In the context of village development, civic and corporate engagement can provide an essential contribution for the removal of vacancies and thus deliver impulses for a sustainable village development. Citizens in rural regions assume responsibility for the design and development of the community in many cases, for example in associations, maintenance of traditions etc. The engagement quotes are higher in rural regions than in core areas of cities (Lausch 2009: 12 f.). While many studies and publications about vacancies and re-uses exist, concrete approaches for civic engagement with focus on re-use are still missing. Also scientific results concerning possibilities for corporate engagement according to corporate social responsibility in rural regions are missing. The research project “Engagement for Conversion as Activator for Rural Areas” can reduce these gaps. But it is important, that corporate engagement is still seen as an addition and not as a substitute for state subsidies.

For businesses, which compete with others, it is not always easy to be engaged for the society in addition to the legal requirements. They have to finance this engagement from the core business and it is primarily profitable – for society and business – when it takes place in a strategic and systematic way. Especially most of the SMEs do not act in this way until now. Maybe one reason could be, that the owner of an enterprise decides rather as private person than as the owner. Different interests and motivations play an important role for choosing engagement fields and for the use of external and internal effects, e.g. image improvement, employee motivation. More educational work could be done by the municipalities in the future.

In the 6 case study regions a broad and high engagement was found and additional potential in form of an engagement-willingness could be identified. Engagement is depending on personal interests combined with environmental factors (cf. Weitkamp & Steffenhagen 2014). Concerning the role of businesses, local corporate engagement is seen as a corporate task and the sense for the challenges of the demographic change exists in the villages. However, the active participation in development processes is differently pronounced, so that a stronger integration of SMEs into these processes should be supported by the municipalities.

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# Civic Engagement in Rural Regions

Activation potential and motivation for village development

## Abstract

Peripheral rural regions are increasingly affected by the structural and demographic changes. Nevertheless, there are repeatedly villages, where – despite adverse conditions – rural population support the attractiveness of a village by their activities. These villages are characterized by many engaged citizens, who are committed in village conservation and development.

This engagement is the focus of the following explanation. Motives and motivation of engaged people are presented from different perspectives. Besides some theoretical approaches of behavior analysis, the engagement, its circumstances, the associated potential, based on a survey and a case study, and investigations are discussed.

Especially, villagers are potentially willing to engage in projects with a common re-use. Time is a challenge for people who have long working and travelling times. If they are active, they have to deal with high risks of conversation, financing of projects and formalities. Nevertheless, a lot of activities in villages can be mentioned.

## 1. Rural regions – old, abandoned and inactive or strong in cohesion?

Rural regions may not be generally regarded as structurally weak, or even as disadvantaged, but many peripheral rural regions are hardly disadvantaged. There, economic strength, infrastructure or common prosperity dimensions are missing. Various rural regions are strongly affected in their development. The changes in the agricultural structure, the demographic change and the public sector's lack of finance can be named as reasons. "Structural weakness" is not restricted to rural regions, however, in structurally weak rural regions the problems accumulate. Many villages are facing various problems. They are affected by vacant buildings and their decay. The local and landscape image is diminished, job and population decline and infrastructure has to handle future losses (Voß et al. 2011). Experts expect a continued demographic shift to urban regions. This entails more locational disadvantages for the rural regions (Siedentop et al. 2011).

The goal of "equivalent living conditions" can no longer be guaranteed (inter alia Blotevogel & Danielzyk 2006: 59-71). A new interpretation of this term is required. Aring (2010: 764-777) recommends a greater responsibility of the affected regions. In the future,

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\* Leibniz Universität Hannover, Geodetic Institute | Land and Real Estate Management, Germany.

\*\* Leibniz Universität Hannover, Institute of Environmental Planning | Spatial Planning and Regional Development, Germany.

more flexible infrastructures and more infrastructures organized by private sector or civil society are needed. A break from government-guaranteed preservation and development of infrastructures is needed.

To ensure the sustainability of villages and rural regions for a long term, many municipalities already became active. For example, the villages revitalize their centers or strive to provide a stable local economy as well as the assurance, provision and development of infrastructure. The municipalities are committed to ensure and to promote the vitality and activity of village associations. Civic engagement and a sense of responsibility should rise. Younger people should be acquired for the region to prevent emigration in urban areas. Despite all difficulties, some villages are capable to control the impact by certain measures and fend off grievances. Unlike other neighboring places, they are able to prepare their village for the future (Henkel 2010: 54-61; Kötter 2009: 6-27). Therefore, a viable, vibrant civil society in the villages and an altered perception of government, based on civic, social or voluntary work, is essential (Olk & Hartnuß 2011: 145-161).

Although Henkel (2010: 54-61) notes that village associations are numerous and active, they do not have a broad civic engagement for the village developments very often. A comprehensive strategy is missing to motivate and activate engagement, even though there are good examples for these developments and the conversion of buildings. Nevertheless, it seems clear that civic engagement of the village community can significantly contribute to a future development of the village today. The public authorities will increasingly withdraw from their tasks. Thus, the welfare of citizens cannot longer be guaranteed by the state, so it is up to the citizens themselves (Henkel 2010: 54-61).

## 2. The idea of civic engagement

Engagement has different motivations. It is an elusive phenomenon which is strongly influenced by the outside. Special people or groups are able to encourage and motivate it; others can reduce it or even suffocate. Engagement does not necessarily have to arise from something positive; great suffering can also be a driving force (Danielzyk et al. 2013: 492-504). Hereafter, civic engagement is defined and reasons for a goal-oriented behavior in context of engagement are shown.

### 2.1 Definition

The terms of civic, social or voluntary engagement are characterized by strengthening the civil society and by a changed understanding of the state in recent years. A greater willingness to voluntary, gratuitous engagement of civil society is perceived (Olk & Hartnuß 2011: 145-161). According to the German *Enquête-Kommission*<sup>1</sup> “Future of Civic Engagement” (Deutscher Bundestag 2002, Mai & Swiaczny 2008, Bundesministerium für Familie, Senioren, Frauen und Jugend (BMFSFJ) 2012) “Engagement” can be defined by:

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<sup>1</sup> At the request of a quarter of its members, the German Bundestag has to establish “*Enquête-Kommissionen*” (commissions of inquiry). These commissions should prepare extensive, meaningful subjects for decisions.

*“voluntary, not profit oriented, for common good, public or takes place in public space, respectively, and is usually exercised commonly or cooperatively.”*

Corsten et al. (2008) complement the enumeration by consistency and foreseeability. Therefore, a one-time use is therefore not deemed to civic engagement. Also, a project-like nature in the form of repeated support is understood as civic engagement. The term “not aimed at material gain” can be concretized concerning expense allowances: As long as the performance exceeds the economic counter value, it can be assumed that the activities is not oriented on a material gain (Corsten et al. 2008). Regarding the regional character of engagement, we refer to Steffenhagen & Weitkamp (2014): “Dynamic Villages – Corporate Engagement in Rural Regions” next to this article.

## 2.2 Relationship of behavior and engagement

Why are people motivated to be engaged? In the following, motivation, goal-oriented behavior and its motives are considered by the psychological motivation and in the context of the engagement.

Motivation is a combination of personal influences like motives, needs, interests, goals and environmental influences like opportunities, requirements and incentives. “To be motivated” means that people follow emotionally and consciously an objective and also are engaged with passion for something and generate subjective well-being. This motivation and the corresponding goal-oriented behavior are determined by personal and situational influences. If one of the factors is missing, the goal-oriented behavior fails. Goal-oriented behavior is determined by orientation, persistence and intensity of action. Orientation contains the desired objectives to strive or to avoid. Persistence means actions despite of interruptions or distractions and intensity describes the effort or concentration, which is applied in focusing the objective (Schürmann 2013; Brandstätter-Morawietz et al. 2013).

Personal factors are only partially distinguishable from the situation or the environment: specific objectives and intentions are often directly related to specific situations which lead to an appropriate behavior. Less depending on the situation, however, are basic general needs (e.g. for appreciation or security) (Rothermund & Eder 2011).

Motives are defined as individual preferences for certain incentive classes. Most studied classes of incentive are achievement, binding and power motives.

- Interest-oriented people want to meet challenges. The quality of their own actions and associated emotions such as pride or fun at the end of successful implementations are prioritised. This motive is mainly a social phenomenon (Rothermund & Eder 2011; Brandstätter-Morawietz et al. 2013).
- People with binding motives want to socialize and to maintain (affiliation motive). The resulting activities are aimed to make friends and confidants from strangers (sympathy). Otherwise, the aim is to secure already existing relationships or deepen them (intimacy motive) by eliminating conflicts to restore or to maintain existing relationships (harmony). Binding motives are generally focused to the welfare of others



and thus, they are an important root of altruistic motivation<sup>2</sup> (Rothermund & Eder 2011).

- Power motives are associated with the intentions to influence other people or to impress, exert pressure or missuses of power for unlawful purposes. The acting person seeks a feeling of strength and superiority (Brandstätter-Morawietz et al. 2013).
- In addition, there are approach and avoidance motives. A defined positive status should be achieved or a negative status shall be avoided (Brandstätter-Morawietz et al. 2013).

Motives explain why people pursue specific goals and react to particular incentives in a situation while others do not (Schürmann 2013). In survey of volunteers, three types of motivation of engaged people are detected: people, who are interested in public welfare and in helping others, are committed in spheres of social and health, school and kindergarten as well as in church and religion. People, who want to have social interaction and gregariousness, are interested in fun during activities and to meet sympathetic people. Interest-oriented people represent their own interests, take on their own responsibility, and want to expand their knowledge/experience and gain recognition. Many young people have an affinity especially for this type. The interest-oriented ones are slightly more connected to the public welfare as people, who wants to have social interaction (Gensicke & Geiss 2010). People have a look to tasks or fields, which fit their motives and needs best. If activities are offered, which affect the needs of volunteers, this has a positive effect on their willingness to participate in (Schürmann 2013).

Beneath the personal factor, the environmental factor is relevant. Here, the incentive value is crucial for the activity of a person. The question is what positive or negative incentives must be mentioned. The incentive value have to be evaluated individually because the value differ for various people and change over the time (Rothermund & Eder 2011). The motivations (incentives) for behavior indicate what is important for a person. Incentives may exist which lie in the activity itself (activity incentives) or result only from the achievement of objectives (purpose incentives) (Brandstätter-Morawietz et al. 2013).

### 3. Civic engagement as potential for future

Engagement – understood as goal-oriented behavior – can be a chance for village development. In the project “Engagement for change of use as activator for rural areas” the civic engagement for village development, especially for re-using vacant buildings, is analyzed. Vacancies and the associated decline of land values are great problems in peripher rural areas. They represent a downward trend, but also provide a chance for further development in the village. Low value encourages investments; vacancies provide the space for developments. The ERDF-funded project is running over 2 years. The research team is

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<sup>2</sup> While selfishly motivated behavior is only related to the person acting itself and its own interests (a direct benefit is associated with the action), altruistic behavior bases on the selflessness and altruism combined with the desire to help others in need (Schürmann 2013).

located at the Leibniz Universität Hannover, Geodetic Institute and Institute of Environmental Planning. In this paper, results of two parts of the research are presented: conclusions from a household survey and assumptions from case studies of conversation projects done by which are based on civic engagement.

### 3.1 Household survey

The household survey was conducted in the six villages of the research project. Figure 1 shows their demography characterization (Bertelsmann-Stiftung (2013)<sup>3</sup>. All villages are situated in Lower Saxony in the North of Germany. The municipality Meinersen with its village Leiferde is a “stable municipality in the environs of larger centers” (Braunschweig). The city of Lönningen belongs to the category “stable smaller cities and rural municipalities.” Ovelgönne, Bunde and Weener can be characterized as “Cities and towns in depressed rural regions”, the municipality of Bad Grund with its village Eisdorf is typed as “aging and small municipality with pressure to adapt.”

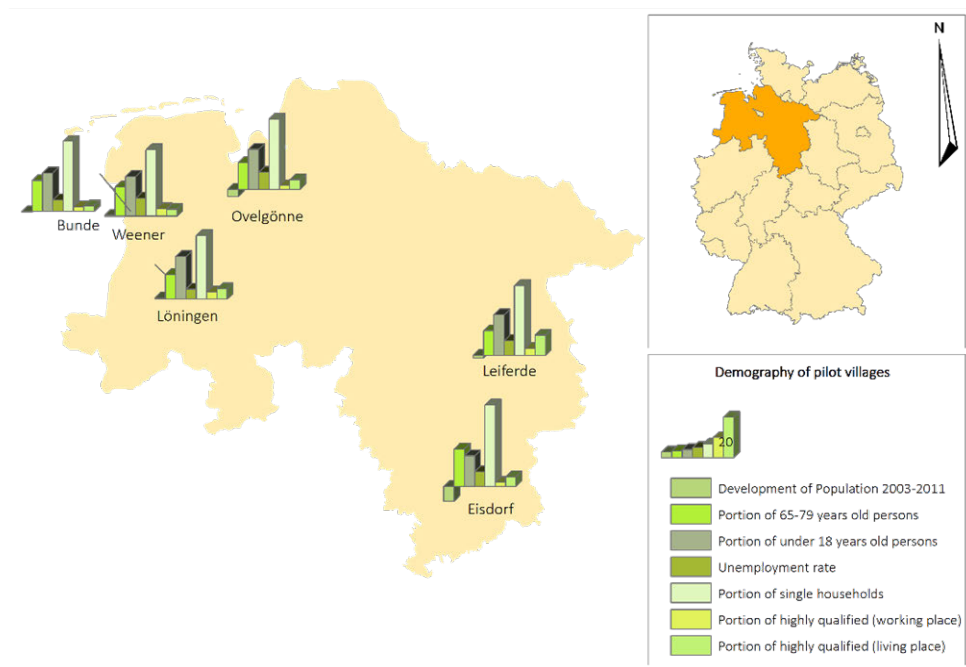


Figure 1: Location and Demography Parameters of the Pilot Villages.

A return of 1,495 (9.4%) questionnaires was achieved with a total of 15,920 distributed (one questionnaire per household). Here, the return vary within the villages, while a return of 23% was achieved in Eisdorf, only 5% of households participated in the survey in Leiferde. The survey was guided by the question, which motivations exist among the

<sup>3</sup> The Bertelsmann Foundation is committed for the common good; demography and civic engagement are a research basis of their program.

respondents for engagement. A special focus lies on engagement for village development and conversions. For additional details of the investigation, we refer to Weitkamp (2013).

On average, respondents are 54 years old. Only a few people answered, who are younger than 20 years. The respondents are primarily employees, workers, civil servants or retired. The sexes are nearly balanced with a slight excess of male respondents. On average, the respondents have two children. About two-thirds of the respondents have a high school, elementary or secondary school degree as their highest degree. The responses reflect the conditions in rural regions. More elderly answered that they are integrated into the place and perceive the village community as open. They are basically satisfied with their living conditions. Classic grievances of peripheral regions such as infrastructure and vacancy are recognized and the future village development is considered to be more feasible.

The majority of respondents are engaged civically. On average, this work takes place in their place of residence to the half of the respondents. One-third is not engaged. Regional and inter-regional engagement is rather less applied. In general, the locally grown up respondents are most committed, yet it should be noted that new residents are also very involved in special places like in Ovelgönne and Leiferde. A relationship (positive correlation) could be observed between the length of residence in the region and the length of engagement.

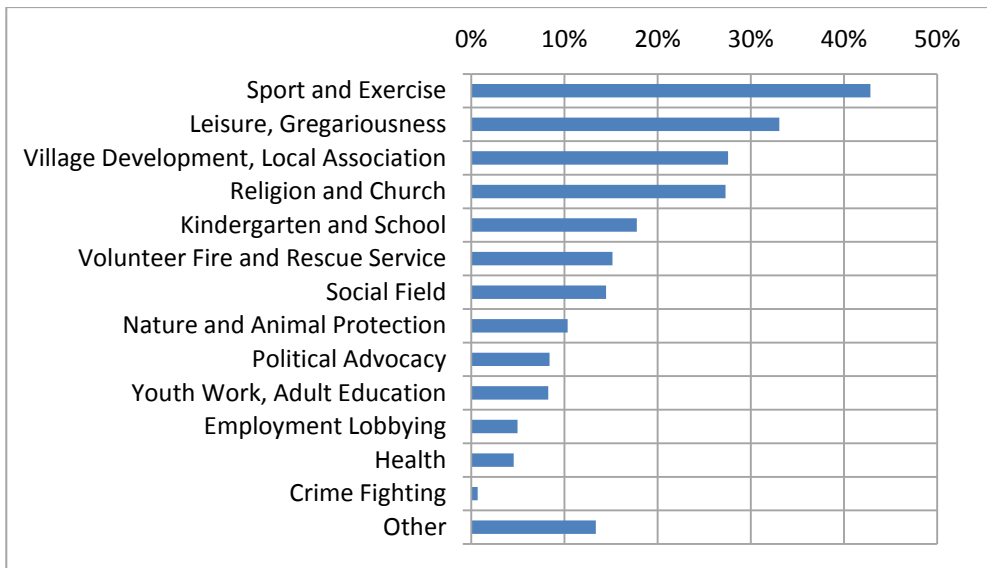


Figure 2: Fields of Engagement.

Most of the respondents are engaged in following fields of activity: for sports and exercise, local associations, local development and recreation and gregariousness. But also school or day care facilities are often named. Especially in municipalities with a high proportion of Catholics in rural regions, church and religion plays a significant role and may have great influence in the engagement purpose (figure 2).

The location has a special role for engagement. The municipality Eisdorf is worth mentioning. There, the structural conditions are particularly deficient, but the commitment is particularly high. This statement supports the hypothesis that engagement often emerges from the suffering – a classic avoidance motive. If people are aware of problems, they try to reduce or to eliminate them.

Engagement manifests itself mainly through expenditure of time and labor. Nevertheless, the need for self-realization plays a major role. Many respondents see themselves as providers of knowledge and ideas. Engagement is lived to have fun – the cross-sectional motivation for all reasons. Many respondents want to be part of a group or even help others or improve their own communities. Consequently, the involved people are mostly gregariousness oriented. They want to get bonded or connected in groups or the community. Asked for how long the person is involved, large time spans were named: long activity dominates, time frames indicate an average of 10 to more than 30 years. 80% of the volunteers answer that they are engaged regularly. They are involved 3 hours a week in the mean or 4.7 hours a week in the median, respectively. Leiferde can be mentioned positively with a median of 4 hours per week. Overall, 75% of the volunteers are active more than 2 hours per week.

The willingness to participate actively in redevelopment projects is rather low (see figures 3 and 4), although about half of the respondents knows examples of buildings in the village that are re-used after a long vacancy. While a certain willingness for redeveloping an object for common use exist, there is only an extremely slight interest for private redevelopment projects. For not even 50%, this would be potentially feasible. The response is similar over all the villages. In Eisdorf, with the highest level of suffering, the willingness to commit in a conversation project is the lowest.

The majority would support the redevelopment by labor or by ideas. The largest barrier for engagement is stated as a lack of time specified by the profession in all villages. This has also turned the Enquete-Kommission (2002) as obstacle of fixed engagement. The weekly working time contains an average of 37.5 hours. Those, who mention temporal obstacles

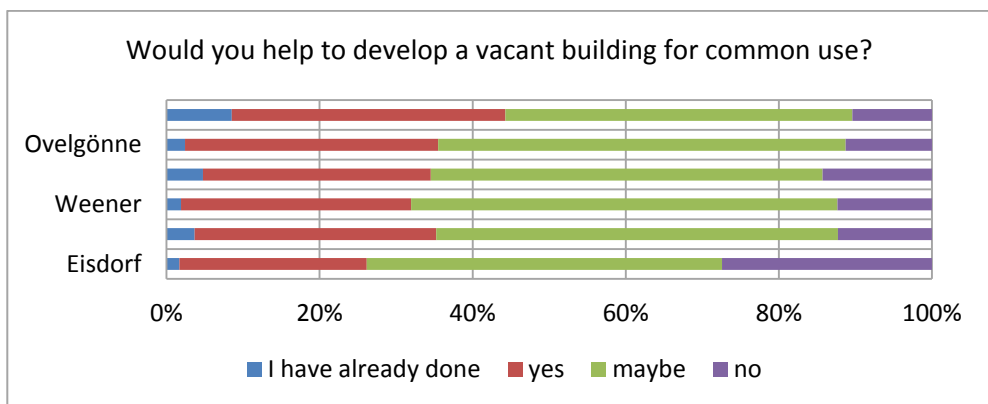


Figure 3: Willingness to Develop a Vacant Building for Common Use.

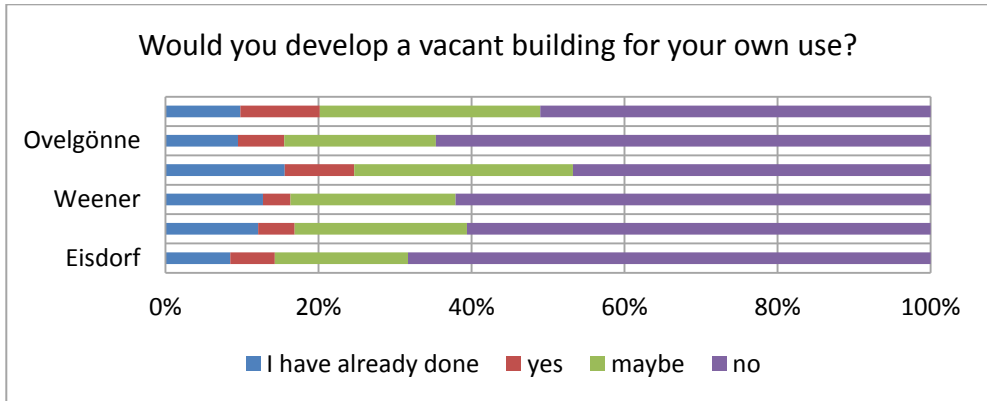


Figure 4: Willingness to Develop a Vacant Building for Own Use.

really have exceptionally long working and driving times. These respondents work averagely 40 hours and require an average of 50 minutes to work.

Nearly 75% of non-volunteers are basically willing to engage in their village (24%) or maybe would be willing to engage locally (50%). In Leiferde, there is a high rate of potentially willingly (almost 90% say *yes* or *maybe*). In Eisdorf, there are only just under 65% of the potential willingly. Bunde reveals the greatest clear potential of commitment: 30% answered the question with *yes*.

### 3.2 Good practice

Besides the survey, case studies of good practice were done. The study focusses on conversion projects in Lower Saxony, which were failed or successful and were realized through civic engagement. With personal and telephone interviews, the stakeholders of the processes are asked about motivations, aims and reasons. Also, the effect on village development and obstacles are questioned. Overall, ten good practices and three bad practices were analyzed. Some good practices are shown in figure 5.

The objects are former farm buildings or closed field offices. Individual reasons lead to the abandonment like personal reasons because of age, new construction, divorce, illness or missing successor. Also economic reasons cause the abandonment like store closing or lack of sales. Overall, the demographic change often is the occasion for the abandonment.

The objects were mostly vacant and neglected. They needed comprehensive constructional measures, which cause high costs. This was an obstacle for smaller and less experienced groups (or even private individuals). The banks often do not borrow because of high costs and the connected risk which is difficult to calculate. But the stakeholders were convinced of their actions and the engagement arised from identification with the village.

The motivation varies: the stakeholders wanted to preserve the quality of life, they prefer a location for common as a meeting place (binding motive). Otherwise, they wanted to preserve a monument for next generations. The new uses contain common uses like a village community center – often combined with a village shop. The stakeholders try to

counteract the loss of infrastructure. The costs are covered by a labor-extensive income source like renting apartments, guided tours.



Bio barn | Leiferde



Cinema collection | Lönningen



Farm house | Oberlangen



Medical practice | Resse



Baking house | Lönningen Böen



Restaurant | Ovelgönne

*Fig. 5: Good Practice Projects by Civic Engagement (Photos: Klein/Funke, LUH).*

The stakeholders come together in newly formed groups with intention of realizing the new project. Often, they are founded from associations as sub or working group. The projects use mixes of subsidies, but the co-financing is problematic. Also the official request for subsidies and the associated formalities are obstacles.

In all projects, the cooperation was important. A lot of projects benefit from a key stakeholder: A person, who has a lead function and do not fear strangers, which she or he questioned to help because of their special qualifications. Most people needed a direct approach to be engaged. Calls in newspapers, internet or so on were ineffective.

A new construction was not in the focus of the projects (excluding baking house) because of the wish to secure the village character, though the conversation and re-use causes

higher costs. The local community supports the projects very much with volunteering and sharing purchases. Especially at the beginning, critical opinions could be recognized (worriers with doubt and skeptics). The re-use processes take time up to four years with preservation afterwards. A span of time over one year can be mentioned as a problem. Then, the willingness for engagement decreases. And if nothing happens for a long time, anger and confusion increases.

A lot of positive effects can be mentioned by the projects. Often, a place for cultural life, local center or a venue could be created. The cohesion in the village, the resulting identification and the sense of community are sustainably strengthened by the common building project. People could do something positive for home care, which increases the attractiveness of the place (sometimes touristically motivated) and created jobs.

As problems of the process can be stated:

- Structural problems because of old, vacant buildings,
- Recruitment problems and the uncertainty, if the younger generations will further carry on the project,
- Sustainable operation beyond the conversation phase (fatigue of volunteers),
- Financing and subsidizing especially co-financing and application writing,
- Founding of organizations with whole formalities and long processing times.

Visionary people, special individuals (with leader functions) were very helpful, because they carry the projects. The support from the population and the common sense were high, members of the associations work together. The municipality takes a key role in the conversation process. They help by purchasing the lot or the real estate and by getting the planning permit. The stakeholders often do not notice the support. Costs are often shared with municipality. But it can be stated, that the municipality can only be the initiator. The people in the village have to bear the project. Additionally, the press and media should guide the process. Transparent communication and trustful cooperation are advantageous. And sometimes, strokes of luck are helpful.

Summarizing, the loss of infrastructure and associated suffering have mobilized the population. Villagers are engaged for the village. The obstacle of high cost and risks in remediation of old building must be overcome for private groups or people. The projects regularly need a labor-extensive income source to cover the running costs. The municipality has an important role in the process, also if this role is inconspicuously. The hindrances are formalities and a co-financing in case of subsidies.

#### 4. Conclusions

Village development and conversation of vacant building are attractive for people, who are interest-oriented. Also people with binding motives could be motivated, because they want to act in a known or in a new group. A lot of respondents confirm this in the survey. Because of the high level of suffering, people could be activated, who want to avoid the

negative circumstances. This is confirmed by the survey, as well: Where the suffering is highest and the structural conditions are the worst, is the willingness for engagement is the largest.

However, many people are willing to engage. Many are engaged in the village or in the region. Also many currently non-volunteers can imagine to help. Though, the lack of time is referred as an obstacle. Therefore, the statement of Corsten et al. (2008), that a one-time use is not deemed to civic engagement, must be rejected. Village development will be more successful, if a long-term engagement is supported by short time engaged people (maybe only one time) who cannot spend a long time because of lack of time. This contribution must be considered also as engagement and needs also an esteem.

The willingness to be engaged in conversation of vacant building is not high. Nearly half of the respondents mentioned a willingness, to help re-using the building for common use. Barely a third can imagine this for own private use. For engaged persons in village development, the biggest challenges are the risk, the financing and the administrative burden. Also, a sustainable maintain of the project after the conversation is a challenge for the future.

Especially from the analysis of the good practice, the role of a key-actor can be mentioned. Here, it has to be investigated whether such a person can be activated from outside or whether its function even to a group is transferable – in the sense of division of labor. Beneath, the role of the municipality is also crucial, but it is not perceived as such from the stakeholders.

Overall, rural regions are maybe old with abandoned buildings, but they have a lot of potential. Often, the rural people are willing to be engaged and to work with the community for a better future. These people are strong in cohesion and cause a positive change or maybe only prevent a further decline of their village.

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# The Questions of Integrated Rural Development in Hungary

Thoughts about voluble land consolidation process

## Abstract

The new rural development strategy of Hungary will be an integrated strategy which will be connected not only to the agrarian strategy but also to the expansion of economical and social sector. The basement of the integration will be the rural area. The main aim of the strategy is to reverse the adverse processes connected to rural areas. The other important goal is to make the living in rural areas sustainable. The vision is that the entire population should perceive the positive changes as an impact of the strategy by 2020. The strategy will reform and newly invent the rural life in Hungary (The Darányi Ignác Plan). Our study is providing a methodological tool for land consolidation processes which can support the integrated rural development strategy in Hungary. This tool was developed by interviewing different expert in land consolidation in Hungary. The tool would help decision makers and state officials in promoting and supporting land consolidation in our country.

## 1. Introduction

The Hungarian government recognized the necessity of creating a completely new and comprehensive rural development and agricultural policy in order to establish a liveable countryside which keep its traditions and landscape although producing healthy foods. The mission of this new strategy is to offer more work opportunities for young people to keep them at the countryside. In order to reach these aim the Hungarian government adopted the National Rural Development Strategy which will be defining the Hungarian land policy until 2020 (Dorgai et al., 2004).

In the strategy different but related areas like the fields of agricultural and food economy, rural development, environmental protection and nature conservation are mentioned to be performed together in order to achieve the improvement of life and economy of the countryside. As an implementation program of this strategy the Darányi Ignác Plan was launched. In this plan the government defined different measures, which should help to reach the aims of the strategy, and possible subsidies of the European Union and the national budget (The Darányi Ignác Plan).

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\* University of West Hungary Faculty of Geoinformatics/ Hungary.

## 2. Background

In Western Europe the land consolidation process is a basic tool for more efficient agriculture but it has a social aspect, too (Mizseiné Nyiri, 2002; Mansberger et al., 2011). The process must consider the nature conservation and rural development aspects as well. The small sized parcels in Hungary obstruct the effective regional rural development policy and the effective programs and projects for viable rural life. Land consolidation is a gate for sustainable rural development (Nyiri and Szabó, 2002).

After the political changes in Hungary in 1990 more than two million people became land owner thanks to the termination of large scale farming and land compensation. The new land owners are not linked directly to the agriculture. The land users cultivate their own and rented parcels, which are scattered around the settlements. This development worsens the effectiveness of agriculture and makes Hungary less effective comparing to other EU members where land consolidation is an ongoing activity supported by the states. Our study aims to introduce the voluble land consolidation conditions in Hungary (Nyiri and Szabó, 2002; Nyiri 2003).

The startup of the institutionalized land consolidation (regulated and supported by the state) is set back by its high cost. But not only this factor slows down the process and that's why we collect these similar factors into modules (see Figure 2.) for further examination based on literature review and interview with national experts (Mansberger et al. 2010, Heine et al. 2002). These modules/units are independent from each other thus they can be used as curricula in higher education.

The units should be updated regularly.

The new rural development strategy Darányi Ignác Plan<sup>1</sup> has five objectives:

1. The Preservation of our Landscapes, Natural Values and Resources;
2. Diverse and Viable Agricultural Production;
3. Secure Food Supply and Food Safety;
4. Assuring the Existential Basis of the Rural Economy, Increasing Rural Employment;
5. The Strengthening of Rural Communities, Improving the Quality of Life of the Rural Population.

Complying with objectives of the Darányi Ignác Plan, the research team of the University of West Hungary Faculty of Geoinformatics (GEO) introduced a so called voluble land consolidation methodology in order to help to shape an appropriate land parcel size for the family farms. On Figure 1 there is a typical example of a family farm in Hungary with scattered land parcels. This type of land property structure is uncompetitive.

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<sup>1</sup> [http://www.kormany.hu/download/c/f2/b0000/DIT2\\_angol\\_t%C3%B6rdelt\\_120910.pdf#!DocumentBrowse](http://www.kormany.hu/download/c/f2/b0000/DIT2_angol_t%C3%B6rdelt_120910.pdf#!DocumentBrowse), (last visited 06/01/2014).

### 3. Hypothesis, key questions, aims and objectives.

Our hypothesis is that the institutionalized land consolidation can start in Hungary but its conditions like legal background are just partly available and we are completely aware of the existence of this problem. Only some preliminary recommendation was elaborated but it has never been accepted by the Hungarian Parliament. We suppose that different preconditions (like legal background, access to databases etc.) and tasks can be put into logical units (these are the modules). Thus the aim of the outlined research programme is reveal the mechanism of the voluble land consolidation in a kind of modular system. The problem of land consolidation in Hungary is that the legal and institutional background is connected to various fields of interest and institutions.

In all of the land consolidation processes the available data sources have an essential role. It can be supposed that the different data sources around the country can be used for land consolidation purposes. The available official databases are the following: the land parcel identification system LPIS (MEPAR), the database of the Land Offices (cadastral data which contains information about land usage, ownership rights, technical data about all parcels existing in Hungary), the data sources of the National Land Fund (it contains data about state owned land parcels), the payment database of the New Hungary Rural Development Program (ÚMVP) and the databases of the National Parks and Forest Cadastre.

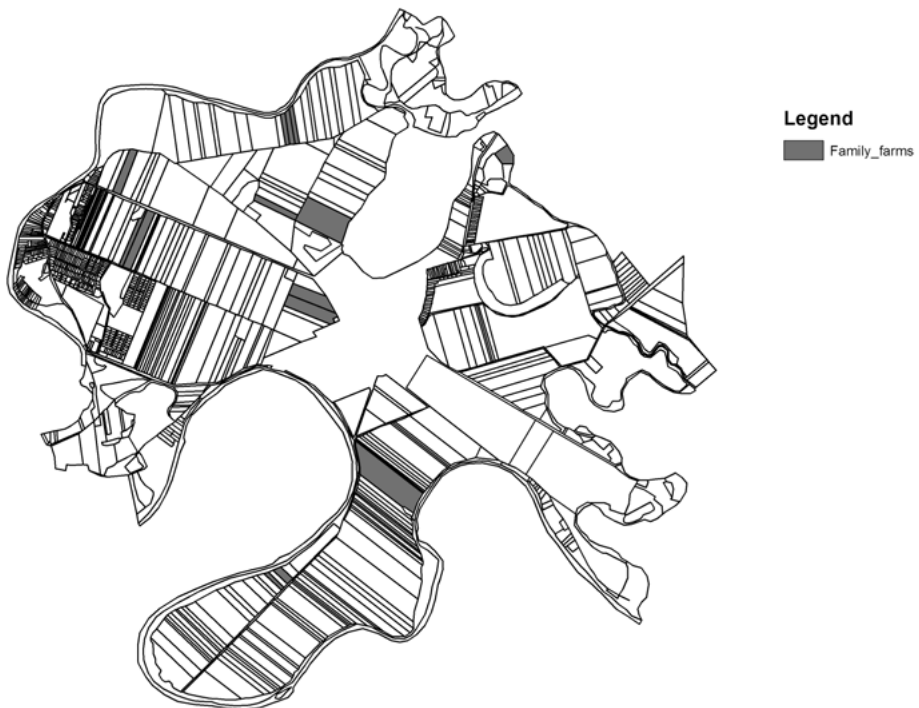


Figure 1: Typical examples of scattered land plots in Hungary (Source: Balogh, K. 2013)

In addition of these state databases there are new techniques for data acquisition and modelling which can be also implemented in land consolidation processes (aerial and space photos, GPS techniques, remote sensing possibilities, sensitive areas' modelling, etc.).

In the study based on literature review we summarized the key scientific, technical, legal background which can have a great effect on voluble land consolidation processes (also see Figure 2.). We found the following areas:

#### Legal, institutional frames

The legal and institutional background is necessary for voluble land consolidation process. The legal background is a very complicated part of the process, but it establish the frame of the whole procedure. In Hungary there are different laws which rule the legal processes such as Act LXXVIII of 1997 on the Formation and Protection of the Built Environment, Act XXI of 1996on Regional development and Regional Planning, The Hungarian Parliament's Parliamentary Decree No. 97/2005.(XII.25.) on the National Spatial Development Concept, Act No. CXXIX of 2007 on the protection of arable land, Act No. XLVI of 2012 on land survey and cartography, Act CXXII of 2013 on the transfer of agricultural lands and lands of forestry. The legal structure of the different organisations must be investigated considering their availability in the future land consolidation process.

#### Evaluation of the available spatial data sources in land consolidation

Nowadays several geospatial data systems exist that are connected to land and partially or fully related to agriculture. They are used as well for the operation and updating of remote sensing procedures. The evaluation of spatial data sets, spatial databases that can be used in land consolidation and the exploitation, and the surveying of possibilities of remote sensing in land consolidation follow the legal procedures.

#### Resource management, methodology research

The aim of each process is to discover the basic requirements which are necessary for the successful land consolidation project. In each land consolidation process the success depends on the appropriate project management with the application of the project management tools. With them we will ensure the good final result of the project. In land consolidation process the project managers should deal with several resources like state financed official data sources, the human resources (Dorgai et al., 2011).

#### Optimal visualisation methods

There were many attempts to get the optimal visualisation methods (Bisop and Karadaglis, 1997; Lovett et al., 2009; Nyiri and Pődör, 2010) but there is still no exact tests are available which would prove to be the best practice.

Visualisation is a key point for the analyses and the reconciliation of interests in processes with the stakeholders. In each case the engineers should use the optimal visualisation method for decision making support.

### Integrated application development

Some parts of the land consolidation process are technical tasks which are an interesting area for land surveyors. The technical positioning task is to ensure the appropriate maps and databases, to support the planning part of the project with software and to find the borderlines of the new parcels and update them in the cadastre.

### Studying the restrictedly negotiable land areas

In this module researchers should clarify the problems of special land parcels which are connected to nature conservation or protected areas.

## 4. Applied methodology

Our research method is target oriented and focuses on the current status, the availability of the different factors and the obstructing circumstances. Our method is to define key problems in land consolidation in Hungary based on literature review (Nyiri and Dixon-Gough, 1999; Nyiri and Szabó, 2000; Nyiri 2003, Nyiri 2004) and interview with experts. Based on this the main part of our methodology is the problem/aim tree in a modular system. The research consists of six modules:

1. Legal and administrative background
2. Databases, exploitation and access of them
3. Resource management
4. Visualisation
5. Modern technology and application
6. Restrictedly negotiable land areas and their connected fields of interest

The modules define the problems and within the modules the researcher should find the aim and the solution. The modules use different methods to approach the issue of land consolidation, depending on the properties of problems. For example, module 2 uses a technical approach: one has to examine the possibilities in certain spatial, geographical databases. Module 5 studies the technological background such as surveying techniques and digital images processing by computerised – quantitative and visual – procedures in land consolidation.

The different modules follow the methodology of different field of sciences which can be connected to land consolidation in Hungary. Although in the last phase of the research we plan to test our results on a pilot area. This pilot area should be typical in Hungary. The test phase should connect all the problems of the modules and it will clarify how well we could model the optimal process of land consolidation, how well the database and technologies worked together, was it easy to access the different databases owned by different governmental bodies.



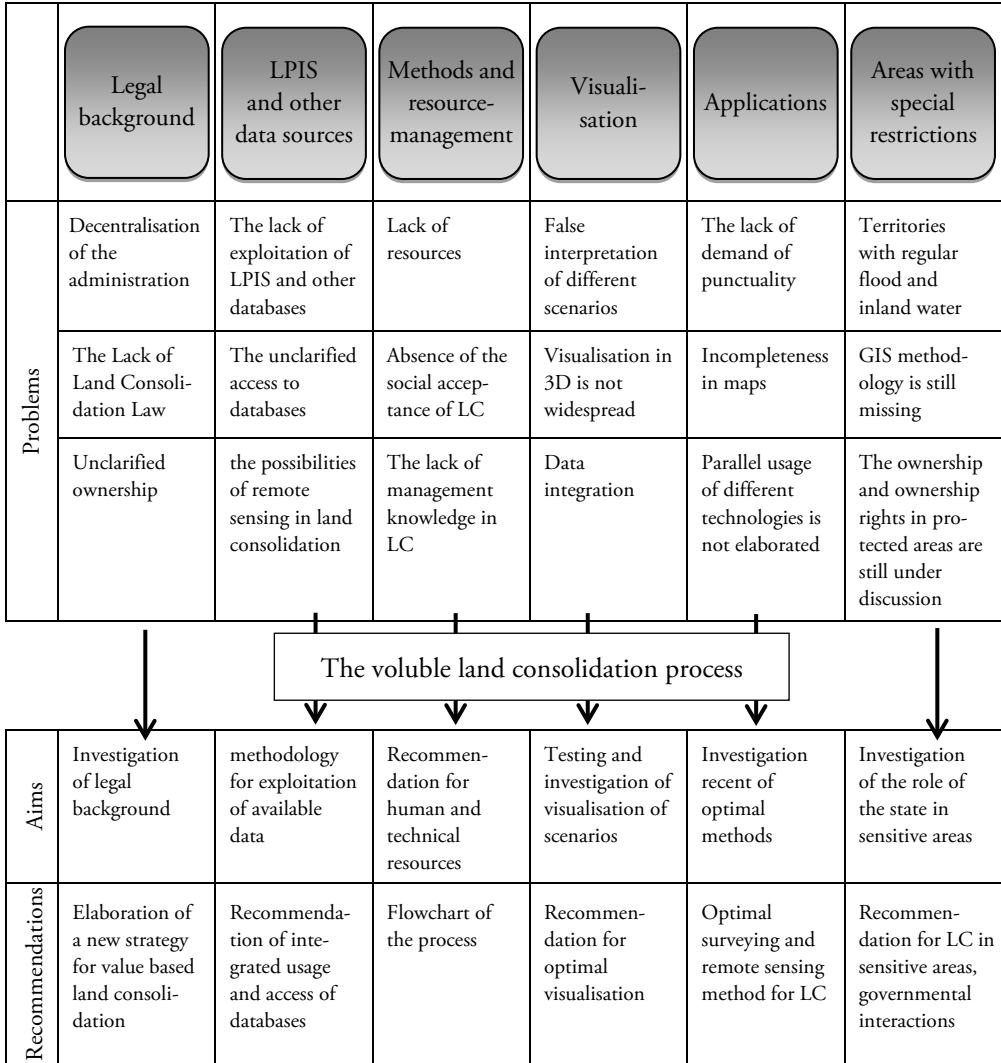


Figure 2: Influence of scientific, technical and legal background on land consolidation processes

### 5. Expected results

The main result of the research will be the complete case maps of the land consolidation process which can be the base for the institutionalized process.

We try to make the modules independent, thus they will be organic parts of the higher education and can be used for developing the new rural development program for the new Hungarian National Rural Development Strategy and for civil engineering purposes, too.

The research will reveal:

- the need for human education (regular or vocational training, etc.),

- the best communication strategy for social purposes,
- the strength and weaknesses of data collection and the possibilities of data exchange,
- the need for development of institutional system (i.e. land registry and land cadastre).

The new inventions in collecting spatial data and in modelling make the land consolidation process easier. The data change between public bodies and private institutes is technically easier than legally or economically. To ease the legal and economical aspects political conditions must be created.

Recently the objectives of land consolidation have changed due to the changes of arable land use (from pure agricultural production to multifunctional land use). All these require appropriate skills and knowledge which can be obtained with the help of new information technologies. Universities have their role in an integrated curricula development. The staff must be trained from time to time regularly.

The institutional background and legal framework must be set up in Hungary which helps to obtain the sustainable development.

The land consolidation process is both advantageous for stakeholders and for the nation. That's why the importance of land consolidation must be published. The availability of the human, technical and economical conditions is highly depending on publicity.

## 6. Conclusion

The intended research scheme will support the Hungarian Land Policy Strategy and the National Rural Development Strategy which aims to develop and support the national land consolidation processes, the demographical land program, the social land policy, and the landuse construction, landscape management program. The main aims of the strategy can be built on a voluble land consolidation processes which is built on the country permanent institutional background and recourses. The above outlined research will show the permanent state of the possibilities of the legal, institutional, technical background of the land consolidation processes and show a future methodology which will successfully support the national land strategy in Hungary.

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# Vertical and Horizontal Risk-Sharing in Flood-Related Planning

Coping with climate change related uncertainties

## 1. Introduction and research background

The most important function of spatial planning for flood risk management lies within risk prevention. Spatial planning is operative, on the one hand, in displaying flood hazard extension in spatial planning instruments and, on the other hand, in reducing vulnerability by minimizing the exposure to flood hazards. Exposure can be effectively reduced by allocating demands for future land uses according to the suitability of locations. Evaluating suitability focuses on the question whether the flood risk for the location concerned is tolerable and acceptable. Existing zoning regulations in formal spatial planning instruments (both at regional and local level) provide a framework for judging tolerability and acceptability of future flood risks.

Flood risk evaluation and the subsequent land use decisions are based on the spatial extension of flood events with a defined level of occurrence (e.g. one-hundred-year flood). This flood-related information contains statistical uncertainties resulting from an analysis of hydrological time series. Policy makers and the administration in charge generally accept these inherent uncertainties. Flood risks with calculable and, thus, accepted hazard uncertainties and established procedures for evaluating damage potentials may be referred to as “simple risks” (Renn 2008). Risk management measures for simple risks rely on past experiences with a causal relationship between forecasted effects and the strategies and measures implemented. This procedure is referred to as “conditional programming” (Greiving 2002). With regard to spatial planning in flood risk management conditional programming means that zoning decisions concerning highly vulnerable land uses depend on their projected location relating to a defined hazard area. Usually, these are top-down decisions which provide legal security both for planning authorities and landowners.

Scientific statements on climate change and its impacts are subject to a high degree of uncertainty (Birkmann and Fleischhauer 2009). Especially forecasts on extreme events, such as heavy rainfall and subsequent flooding, prove to be difficult in modeling and contain various uncertainties. Regarding the effects of climate change “simple” flood risks turn into “complex risks” (Renn 2008) which are characterised by low experiences with hazards, complex cause-and-effect relationships as well as multiple, heterogeneous and long-term impacts. Complex risks are future-oriented; their assessment is based on scenarios and

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\* University of Natural Resources and Life Sciences Vienna (BOKU), Institute of Spatial Planning and Rural Development, Austria.

projections, rather than on statistical quantifications of probability and intensity (Birkmann and Fleischhauer 2009). Relying on this kind of uncertain information persistent planning decisions are made with long term impacts for the future development of flood plains. This leads to a problematic situation for spatial planning, as planning decisions are reliant on the existence of causalities. Conditional programming, however, is not able to reflect the uncertainties concerning climate change influence on future flood hazards.

Risk management strategies can seek to transform complex flood risks into simple flood risks in order to better cope with the underlying uncertainties. A common option is to standardize flood hazard information with high uncertainties by adding safety margins to the input values of hydrological modeling (e.g. discharge, water depth), resulting in extended flood hazard zones and reducing the scope of zoning decisions concerning highly vulnerable land uses. The safety margin approach is usually applied in construction or mechanical engineering for dimensioning structural and mechanical components but has recently also found its way into flood-related modeling. In Bavaria, for instance, river discharges at gauging stations have been increased by a 15% climate change allowance. Nonetheless, uncertainties still remain, such as the amount of the safety margin or the economic losses caused by a more cautious zoning of building land and transport infrastructure due to an overestimation of climate change impacts.

This contribution goes beyond this “better-safe-than-sorry” approach and discusses two risk governance mechanisms in floodplain areas:

- *Vertical risk-sharing* implies that climate change related uncertainties can be met by taking decisions on “acceptable” flood risks in discursive platforms, making use of expert knowledge as well as experience-based knowledge of local stakeholders.
- *Horizontal risk-sharing* implies that a joint risk management approach at regional level (catchment or river basin area) is able to cope with climate change related uncertainties by making use of an increased scope in sharing “acceptable” risks between municipalities.

Based on the results of empirical research the authors intend to:

- identify uncertainties with relevance for flood risk management in general and flood-related planning in particular;
- put the approaches of horizontal and vertical risk-sharing up for debate and
- discuss whether these flood risk governance mechanisms are suitable to cope with the respective uncertainties.

## 2. Methodology

This contribution puts flood risk governance strategies in the context of climate change up for discussion without having completed a research project connected to this very subject

so far. The chosen research approach is based on literature reviews and, in particular, on experiences from research projects presented below.

The current interdisciplinary research project “Anticipatory flood risk management under climate change scenarios: from assessment to adaptation (RiskAdapt)” funded by the Austrian Climate Research Programme (ACRP) was one of the main incentives for this contribution. This project applies a dynamic flood risk assessment approach. It analyses both aspects of risk – hazard and vulnerability – and considers their potential spatial and temporal developments under climate change scenarios on a macro scale (federal territory of Austria) and a micro scale (regional/local case studies) (Neuhold et al. 2012). At the regional and local case study level participatory methods, such as scenario workshops, are tested as tools for deriving dialogue-based options for the improvement of integrated flood risk management. These context specific regional and local flood risk governance approaches have the objective, amongst others, to stimulate communication and participation in flood risk related planning processes, to transmit the results of flood hazard and vulnerability scenarios to flood policy and planning and to better cope with climate change related uncertainties in water management and spatial planning. The considerations on vertical risk-sharing in this paper can be regarded as an intermediate result in the course of conceptualising the RiskAdapt case study workshops from the viewpoint of spatial planning.

The findings of the project “Implementation of future strategies concerning risk-reducing land uses – cooperation of municipalities” (Seher and Berger 2009), funded by the Austrian Ministry for Transport, Innovation and Technology delivered the background for the issue of horizontal risk-sharing. The main objective of this project was to evaluate options of catchment-oriented regional cooperations using a process and stakeholder-based analysis in Austrian case studies.

The results of research in another Austrian case study in the framework of the INTERREG IIIB Alpine Space project “Climate change, impacts and adaptation strategies in the alpine space” (Lexer et al. 2007) provided evidence for the difficulties in translating climate change scenarios and their possible impacts into planning practice at regional and municipal level. Stakeholders involved in the case study perceived climate change impacts as an issue to be dealt with at a high-ranking strategic planning level. They were missing a communicative link in order to get detailed information to set adaptive measures at their level of political and planning action. Finally, the project findings suggest that mainstream planning processes based on causalities are not suitable to cope with climate change related uncertainties and that new planning approaches should be considered.

### **3. Vertical risk sharing**

Climate-change based uncertainties in flood-related planning increasingly call for vertically elaborated risk management strategies. For one, this implies the coordination between the respective administrative levels (e.g. federal ministries, provincial governments and



municipal councils). More importantly, however, a vertical form of shared risks is based on the involvement of a wide range of stakeholders in the process of collecting, analyzing and communicating relevant risk information as well as taking flood-related planning decisions in a complex risk environment (Renn 2008).

### 3.1 Collecting and analysing relevant flood risk information

Flood-related planning decisions regarding hazard zoning or land-use regulations are predominantly based on experts' flood risk assessments. While it is certainly reasonable to have professionals determine the risk of flooding, the aforementioned changes in flood risk presuppose planning decisions which regard future land-uses in flood plains on the basis of a "plural discourse of values" (Zwick and Renn 2008), taking into account experts' assessments and local perceptions of (current and future) flood risk alike. While the call of the EU Flood Directive<sup>1</sup> for actively involving interested parties in drawing up flood risk management plans (Art. 10) provides a legislative basis for such a paradigm shift, it is yet to become common (flood related planning) practice.

Drawing on local, experience-based knowledge and perceptions of flood risk may, in fact, provide useful complementary information for experts' flood risk assessments and, consequently, for flood-related planning decisions. Studies indicate perceptions of flood risks to be strongly experience-based and that local inhabitants' identification of flood sites significantly correlate with those assessed by flood experts (Siegrist and Gutscher 2006). Empirical surveys further suggest that people who experienced flooding reassess the effectiveness of different flood protection and mitigation measures as they generally consider land-use restrictions, widening river beds or creating additional retentions areas to be more useful than structural measures of flood prevention (FLOODsite 2005).

Whereas public perception of risk is shaped by local knowledge and past flooding experience, experts assess flood risks on the basis of mathematic calculations and modelling. Due to the spatial and temporal complexity of fluvial and hydrological systems, flood risk assessments contain a number of uncertainties: these can be generally distinguished in aleatory (or inherent) uncertainties and epistemic (or knowledge) uncertainties. Aleatory uncertainty refers to quantities that are inherently variable over time, space or populations (Apel et al. 2004). Rainfall, as the root cause of flood hazards, represents such an inherent uncertainty. Epistemic uncertainty, on the other hand, results from incomplete knowledge and is "related to our ability to understand, measure and describe the system under study" (Apel et al. 2004). Considering lay persons' and local residents' perception of flood risk may, accordingly, provide insightful complementary risk information for assessing current and future flood risks.

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<sup>1</sup> Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the Assessment and Management of Flood Risks

### 3.2 Communicating relevant flood risk information

Due to the above-mentioned climate-change based uncertainties in flood risk assessment, communicating the relevant flood risk information to local stakeholders and local residents (who are potentially affected by future flood events) provides a key principle of vertical risk sharing.

While the type of communication process is dependent on its aims and expected outcomes as well as on the extent of the area of study, they certainly allow for the discussion of possible flood risk scenarios and the negotiation of future land uses in potential hazard areas. For instance, in the course of such scenario workshops or “risk dialogues”, flood risk experts can present possible flood risk scenarios, arising due to an (expected) increase in precipitation and runoff or predicted settlement developments in flood plains (Neuhold et al. 2012)<sup>2</sup>. These expert scenarios can be visualized in flood risk scenario maps and checked with local knowledge regarding actual land-use and settlement developments in the given flood plains. Visits to flood sites or flood areas of high future flood risk can support these processes of risk communication.

Scenario workshops, thus, allow a reflection of climate-change based impacts on residual risks and a critical reassessment of land uses behind structural measures of flood prevention. Experience from a participatory planning process in Wandse (Germany) shows that scenario workshops foster an open discussion as to what represents an ‘acceptable risk’ with regard to both current and future flood risks (Manojlovic et al. 2012).

### 3.3 Taking flood risk management decisions

For local authorities who base their flood-related planning decisions on flood risk assessments, a preliminary plural risk discourse may help in coping with long-term changes, such as climate-change based shifts in precipitation and runoff patterns, changes in the river morphology or land-use changes in flood plains. Because many of these long term changes – in particular where they relate to the consequences of future human actions and choices (Hall and Solomantine 2008) – are inherently uncertain, the above-outlined forms of risk analysis and risk communication may provide suitable ways to reduce the “decision uncertainty”.

This does not imply in an immediate sense that the responsibilities and liabilities are transferred to those potentially affected by flooding, though this poses a controversial issue for further research. Rather, vertical risk-sharing must be seen as a step towards establishing a “culture of risk” (Höferl 2010) – i.e. a holistic approach to security concerns – in flood-related planning, where risks are not merely perceived, assessed and managed on the basis of scientific judgment, but in which hazards are handled pre-emptively by considering individual and collective values, perceptions or experiences with risk. As such, flood-

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<sup>2</sup> The on-going research project RiskAdapt will conduct a series of risk dialogues in selected case study municipalities to communicate future flood risk scenarios and to reflect possible adaptation strategies.

related planning practice could shift from a state-centred top-down administrative process to a multi-agent, participatory one, where planning effectively becomes part of a learning process.

#### 4. Horizontal risk sharing

##### 4.1 The regional dimension of floods and corresponding planning approaches

Floods usually do not stop at municipal borders. The different location of municipalities along a river creates different options, as well as one-sided dependencies. In technical literature (see among others Heiland 2002; Frerichs et al. 2003) these dependencies are characterised by the term “upstream-downstream relations”. Structural flood protection measures as well as development in potential flood plains are rational decisions from an upstream municipality’s point of view because economic benefits for the municipality can be expected. Potential negative consequences, such as an increased risk of flooding, are at the expense of downstream municipalities. On the other hand, the risk of flooding in a downstream municipality can be significantly reduced by protective measures established in the upstream parts of the catchment. The mechanism of horizontal risk-sharing is based upon this interaction and allows to cooperate at catchment level and to set up risk management processes in a regional context in order to spatially distribute risks.

The regional dimension of floods calls for corresponding approaches in flood risk management. A regional access in flood risk management, especially in the case of preventive planning, faces overlaps of different spatial types, i.e. the catchment area and the respective area of political and administrative action. Planning in catchment areas creates a gap between this newly-defined administrative area and existing territorial institutions and stakeholders (e.g. municipalities). Young (1999) and Moss (2003) refer to this kind of institutional gaps as “problem of fit”. Spatial misfits usually result in negative external effects (e.g. upstream-downstream conflicts) and involve a high coordination demand. In order to internalise negative external effects by mechanisms of coordination and compensation, two types of regional governance approaches are appropriate with regard to spatial planning:

- regional planning and
- (voluntary) cooperation of municipalities.

*Regional planning* is characterized by a formalized approach in creating and organizing (normative) planning regions. The planning process, however, usually includes elements of regional governance (Beutl 2010), such as the involvement of regional managements or regional planning advisory boards. The advantages of legally binding regulations are met by the problems related to conditionally-programmed zoning decisions, comparable to every other formal planning scheme. In order to avoid the shortcomings of conditional programming in regional planning the process of horizontal risk-sharing can be prepared in regional governance settings such as *intermunicipal cooperation schemes*.

Cooperation of municipalities in flood risk management is characterised by an institutional collaboration of stakeholders and decision-makers from two or more municipalities in a river-basin or catchment area aiming at a reduction of flood risks by implementing joint mitigation measures. Common tasks of municipal cooperations in flood risk management consist in developing retention basins, in keeping potential flood plains of regional importance free from highly vulnerable land uses and in raising acceptance for all kinds of flood mitigation measures to be realised at a regional level. Coordination of structural flood protection measures and fostering planning strategies for catchment areas could be further fields of cooperation (Seher and Berger 2009).

Content, organization and financing of cooperations in flood risk management is based on the professional evaluation of flood hazards (including climate change impacts and related visualizations of flooding scenarios) and an analysis of respective mitigation options. Furthermore, legal information, like standardized bylaws for water boards, proves to be very useful for the municipal stakeholders involved. Establishing cooperations significantly relies on initiative, commitment and persuasiveness of individual persons who are capable in initiating and supporting the cooperation process. Besides that political and administrative support is essential.

#### 4.2 From regional governance to regional flood risk governance

Finding an agreement about cost allocation for intended risk management measures is the decisive factor when it comes to establishing municipal cooperations in flood risk management. Cost allocation systems of cooperations established in Austria consider existing flood risks and options of the municipalities involved. In different composition they include amongst others (Seher and Berger 2009):

- catchment areas in the respective municipality classified according to land use categories (e.g. developed – undeveloped);
- potential flood damages within a municipality, area percentages in different hazard zones according to land use categories;
- damages caused by a defined singular flood event within the municipality;
- reduction of flooded area in a municipality as a result of common protective measures implemented, weighted according to land use categories;
- economic losses in a municipality as a result of development not being realised because of the necessity to preserve areas for flood retention.

These criteria for evaluating the financial contributions of cooperation members include compensatory elements. Municipalities with a high risk of flooding will contribute significantly more than those which provide land for retention purposes or structural flood protection and thus face development restrictions. The low contributions of the latter (also absolute financial benefits are possible) can be regarded as compensation for taking over or sharing risks in a regional setting. So the question of cost allocation – which is in fact one

of the most important stumbling blocks in establishing flood-related cooperations – leads to the issue of allocating “acceptable” risks in the catchment and marks the transition from regional governance to regional flood risk governance. Negotiation processes in scenario-based “risk dialogues” in horizontal risk-sharing are not just limited to a regional allocation of flood risks but substantially include compensatory mechanisms. The authors cannot provide any evidence so far that “risk dialogues” are also able to help establish the cooperation structures necessary for horizontal risk-sharing and to facilitate negotiations concerning financial compensations.

Due to its cooperative regional approach and a higher variety of stakeholders horizontal risk-sharing significantly enlarges the scope in risk management. Climate change adaptation requests a higher flexibility in flood risk management. Applying a regional approach, flexible designs of risk management strategies can be realized based on scenarios and projections concerning the future development of flood hazards and vulnerabilities. As a consequence, the influence of climate change related uncertainties on land use decisions is decreasing. However, horizontal risk-sharing also considerably increases the time and organisational efforts and may lead to political problems as a result of disagreement among potential cooperation partners and the restriction of municipal autonomy.

## 5. Discussion

While the above-outlined strategies of vertical and horizontal risk-sharing cannot fully eliminate climate change related uncertainties in flood risk management, they do provide suitable governance mechanism to cope with them by:

- taking into account expert-based assessments as well as experience-based perceptions of flood risk, thus increasing the available knowledge-base for planning decisions;
- evaluating different flood risk scenarios, thus reflecting the uncertainties at the basis of planning decisions;
- developing coordinated measures of flood prevention among riparian municipalities, thus distributing risks over a larger planning area;
- moving from causality-based planning decisions to a negotiated form of risk evaluation and
- accepting to plan and live with risk, thus fostering a culture of risk in flood-related planning on the basis of risk-minimized land uses.

Despite contributing to a wide range of gains and benefits in flood-related planning, vertical and horizontal mechanisms of risk-sharing raise a number of important questions which have not been addressed in this contribution and would require further research. For one, the presented form of negotiated risk evaluation poses problems of liability. If risk management decisions are not based on pre-defined, codified regulations but rather on collaboratively elaborated values and tolerable levels of risk, then who is to assume responsibility or who can be held accountable for the “shared” risks? To this regard, there is

further need for clarification how such mechanisms of flood risk management decisions can be implemented in practice and how a high level of acceptance may be ensured.

Secondly, there remain research gaps with regard to the organisation of the vertical/horizontal risk-sharing processes. Possibly the greatest challenge is to ensure the participation of stakeholders and “interested parties” (2007/60/EC) beyond immediate concern. To this effect, preliminary empirical surveys on risk awareness may be useful tools (not only to collect risk information but also) to facilitate and raise interest in participatory flood-related planning processes. Yet, there remains the danger that only those who are directly affected by flood risk measures will attend with the aim of influencing risk negotiation in their immediate favour. Furthermore, it is unclear, how risk-sharing processes are best initiated. While the EU Flood Directive aims at establishing a system of preventive flood risk management which works on a pre-emptive basis, experience has shown that flood-related planning is essentially disaster-driven and respective measures are generally implemented in response to an experienced flood event.

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# Post Disaster Relocation and Resettlement Process in Rural Areas of Turkey

## Abstract

Disasters are events that occur in uncertain periods of time and threaten a society or a relatively self-sufficient part of a society with major unwanted consequences. They are mostly unavoidable events coming in unexpected times. However, setting of pre and post disaster activities like mitigation, preparedness, response, recovery and development have very important roles in reducing the future hazard risks in disaster prone areas.

By this study it is exposed that, post disaster resettlement processes are important for reducing future hazard risk in a disaster prone area. Resettlement in urban areas is more successfully implemented than in rural areas. Also the study shows that relocated families from rural areas to the urban areas are faced difficult residential (insufficient houses, shed and sheepfold) and socioeconomic challenges (employment, income, transportation, neighborhood and lifestyle issues) after relocation and regrouping.

## 1. Introduction

Resettlement after disaster or from disaster prone areas has been a major policy in post-disaster reconstruction especially in developing countries. Resettlement can result in significant adverse impacts on the resettled population. Conversely, a well-planned and managed resettlement process can produce positive long-term development outcomes.

The major concern of this study is to make a critical evaluation of the relations and the role of resettlement in reducing post disaster hazard and risk reduction in some districts of Turkey.

This study, presents the results of some cases undertaken a period of time after earthquake, fire and flood disasters in Turkey. During the reconstruction period, a policy of planned resettlement was pursued extensively. The physical and socioeconomic changes that occurred as a consequence of this policy of resettlement are analyzed. Most of the data were collected via a questionnaire survey that involved a sample of relocated households and interviews with mukhtars of villages, mayor of districts.

## 2. Natural hazards in different countries and Turkey

### 2.1 Natural hazards in different countries

Turkey is located within the sector bounded approximately by the latitudes 36°-42° N and longitudes 26°-44° E occupying an area of approximately about 775,000 sq. km with a

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\* Abantlzzet Baysal University, Faculty of Engineering and Architecture, Department of City and Regional Planning, Turkey.



population of approximately 76.5 million in 2013(<http://www.turkstat.gov.tr>). It lies between the Black Sea and the Mediterranean Sea, bridging Europe and Asia.

As a result of its geology, seismicity, topography and climate, Turkey is exposed to various kinds of natural hazards sometimes causing substantial losses of life and property.

## 2.2 Natural hazards in Turkey

The percentage of houses damaged by natural disasters in the last 100 years in Turkey is indicated in (Table 1).

Table 1: Percentage of the total number of houses damaged in turkey by natural disasters during Last 100 years (AİGM, 2001; BIB, 2000; Ergünay, 2007; TUAA, 2013)

Types of Natural Disasters	Collapsed Buildings	% of the Total Number
Earthquakes	495.000	76
Landslides	63.000	10
Floods	61.000	09
Rock Falls	26.500	4
Avalanches, Storms, Excessive Rain	5.154	1

Between them earthquakes represent the greatest hazard, causing about 75% of dwelling destruction and a higher share of fatalities and monetary losses. In the period since 1960 the impact of floods, landslides and rock falls has decreased as a result of regulating river flow and more effective land use planning measures. However, because of climate change effects, some of the related disasters may increase in next decades. We can anticipate that earthquakes will engender the major natural threat that faces Turkey in the future (Figure 1 and Table 2).

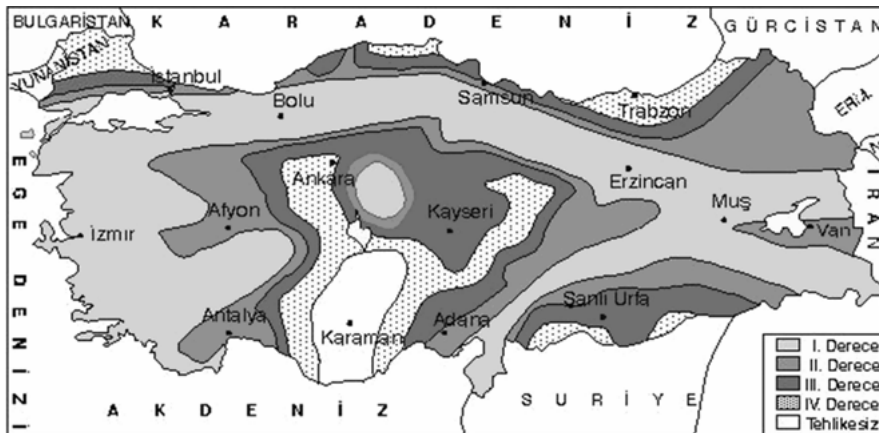


Figure 1: Earthquake Hazard Figure of Turkey (GDDA, 1996)

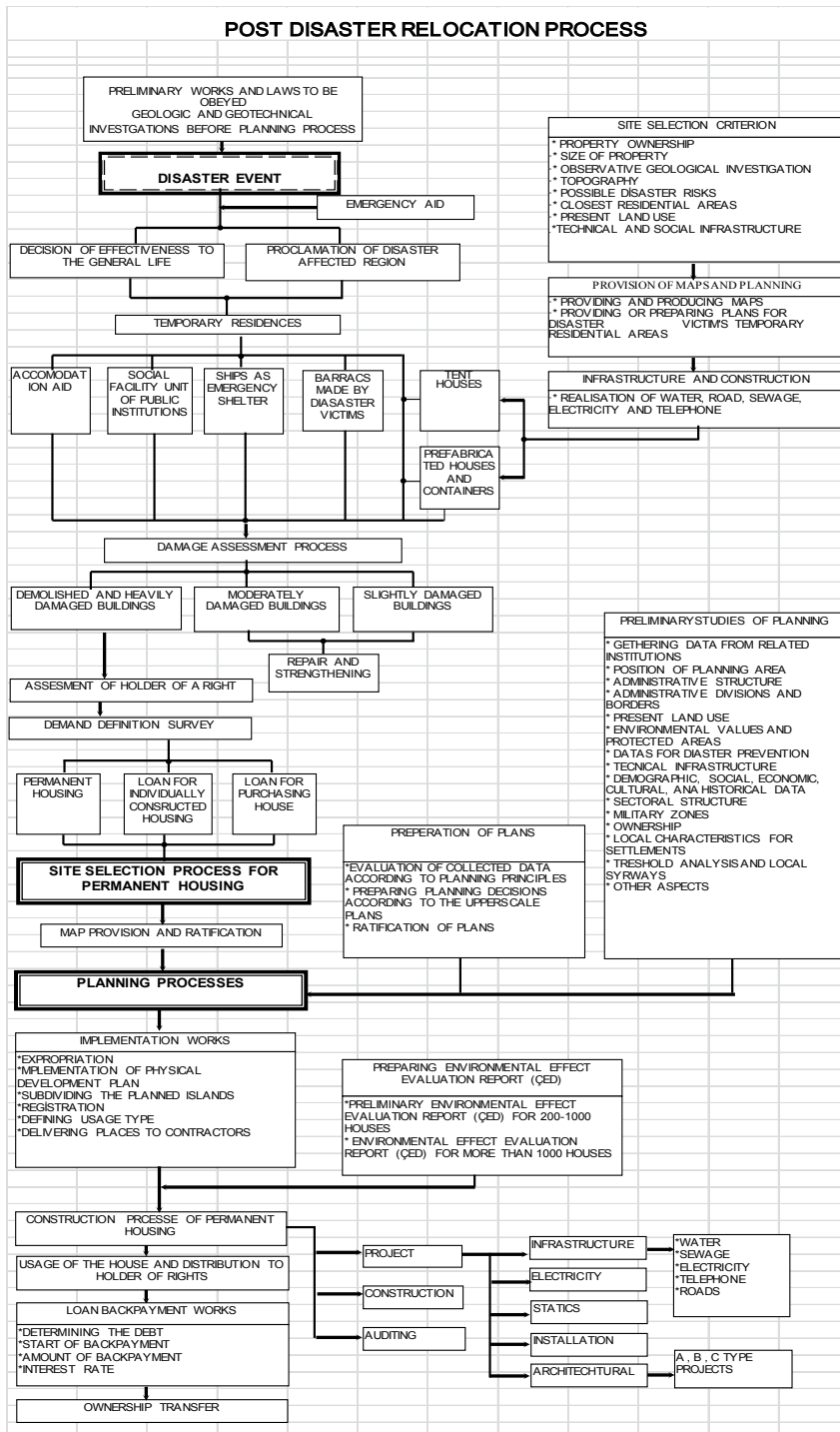


Figure 2: Post disaster relocation process in Turkey updated and modified based on Tercan, 2001

Table 2: Distribution of Population, Land Area, Industry and Dams with Respect to the Seismic Hazard Zones, Özmen, 2000

Earthquake Zone	Population (%)	Surface area (%)	Major Industrial Centres (%)	Dams (%)
First degree (I > IX)	44	42	24,7	10,4
Second degree (I = VIII)	26	24	48,8	20,8
Third degree (I = VII)	15	18	12,0	33,3
Fourth degree (I = VI)	13	12	12,6	27,1
No Hazard Zone (I < V)	2	4	1,7	8,4

### 3. Post disaster relocation process in Turkey

Turkey has suffered significant losses of life and property due to earthquakes and other forms of natural hazards in its history. This has led to the acquisition of long standing experience and the gradual evaluation of a centralized disaster management system. During Ottoman times, the central authority responded to natural disasters by enacting post event assistance and relief measures on a case specific basis. But in the Turkish Republican period, especially after 1959, with the Law No. 7269 entitled “Measures Assistance to be put into Effect Regarding Natural Disasters Affecting the Life of the and General Public”, the central authority responded to natural disasters on a national boundary wide basis.

The Marmara Earthquake of the 17<sup>th</sup> August 1999 was another turning point for the Turkish disaster management system. Just after the relief operations had been completed following the earthquake, preliminary damage assessment processes started immediately, synchronous with debris removal works (Figure 2). Parallel to these studies aiming at quick removal of the debris, the necessary activities to protect the legal rights of the disaster victims pertaining to probable construction faults were carried out. According to the results of preliminary damage assessment, the initial tents were erected to meet the urgent shelter need, whilst field hospitals and kitchens serving hot meals were set up.

After the preliminary damage assessment, strict damage assessment works were started as a preliminary damage assessment. Definite damage assessment results were listed and conveyed to the citizens as written announcement for one week and disaster victims had 5 days in which to object. Following the acceptance of objections the evaluation time takes about one week. When the damage assessment of a building was completed, the demolition works of heavily damaged buildings and large-scale temporary residential work started.

There is an important time factor in solving the demand for shelter after disaster. Tents and other short-term solutions can usually be organized overnight, but large-scale camps of prefabricated buildings may take between 8 and 10 weeks to plan, construct and assign units to families.

Holders of a right assessment works were made according to the “Regulation About Assessment of Holder of a Right” of Law 7269. In the assessment period, two things are very important: one is the damage assessment result; and the other is nature of the property ownership.

There is a clear contrast between policies depending on housing tenure. There is a full support for property owners while there is no policy at all for tenants. No policy for permanent housing was planned for those who lived in rented housing prior to the disaster.

Also in many cases in rural areas of Turkey, tenants live in housing belonging to their relatives or acquaintances. There is a possibility that the circumstances of tenants will deteriorate due to a shortage of absolute number of rental housing units, a steep rise in the rental housing market and the collapse of the quake-affected tenants’ income.

Assessment of holder of right processes began with a preliminary study about province, damage assessments results, guiding and participating the victims of disaster. Then demand and contracting application period had started.

#### 4. Site selection processes for permanent housing

##### 4.1 Procedures and principles on site selection

Post-disaster recovery works is being done by the help of some central government units, ministries, municipalities and The governor(s) of the province(s) where empowered to organize preliminary works for site selection (Figure 3), according to the *16th article of Disaster Law* (7269-1051: On Measures and Assistance to be Put into Effect Regarding Natural Disasters Affecting the Life of the General Public: May 25. 1959).

According to the *first article of Disaster Law*; after preparing a damage assessment report for an existing disaster, or a survey for possible disaster, The Ministry of Public Works and Settlement determines whether disasters are of a magnitude to affect the life of the general public or not. The criteria for declaring a village or a residential unit as “affected”, depend on the general rule of “one out of ten” which is ten percent of the houses in a village with less than 100 houses or, at least 10 houses in villages having more than 100 houses should be damaged. After the proclamation of the decision of effectiveness to the general life, the site selection process and works commences.

After the amendments to the Disaster Law numbered 7269, in 1968 by Law numbered 1051, some deficits were completed by Circular Numbered 8257 and Dated 26.04.1972. By this circular of General Directorate of Disaster Affairs, for definition of possible flood plain areas in newly selected areas, participation of representative of General Directorate of State Hydraulic Works to the site selection commission was realized. After 17 Dec. 2009, duties of General Directorate of Disaster Affairs transferred to the Disaster and Emergency Management Presidency.

Circulars with many details defined the criteria that must be taken into consideration during the site selection survey. In addition to the previous circulars, some new details

were explained by Circular numbered 6465 and Dated 23.09.2011, which published by Disaster and Emergency Management Presidency.

#### 4.2 Criteria for the site selection

Some of the criteria for the site selection according to the geologists from the Disaster and Emergency Management Presidency are listed:

- Does the newly selected site stand on an active fault or not?
- Is there any existing or potential landslide signs exist on the newly selected site?
- Is that site stands under a flood potential area?
- Is that site stands under the avalanche potential area?
- Topographic situation,
- Characteristics of the ground base,
- Underground water level,
- Degree of earthquake zone,
- Size of the site
- Distance to the electricity power lines ...

However, the criteria for the construction of new permanent housing sites were determined by the city and regional planners. These are:

- The size of the site,
- Land-use decisions in upper scaled territorial plans,
- Existing land-use structure on the site,
- The availability of surrounding area for further residential area,
- Distance from the settlement centre and location,
- Ownership pattern of the site,
- Properties and ownership of the adjacent areas,
- Characteristics of the sites and current usage,
- Existing natural, urban, historical and archaeological site areas
- Infrastructure possibilities,
- Drainage condition and risk of flood,
- Topographic situation,
- Underground water level,
- Location of the site with respect to dominant wind direction,
- Degree of earthquake zone.



According to this determination, the houses can be constructed by “The Loan for Individually Constructed Housing (EYY) Method” or by “Mass Housing Area (Inner Inhabiting) Method”.

EYY model is generally used in *rural areas* or in partially damaged small unit residential areas.

As indicated in (Figure 3), by EYY method, at first “Site Selection Commission” surveys the place of damaged building. If the place is suitable, loans are provided to the victims of disaster for construction. If that place is not suitable, another place, located in the village or municipality, owned by the victim of disaster is surveyed. Again if this new place is not suitable, a public property (state land or land which was common property of the village, or village pasture) in the village or municipality of victim of disaster is surveyed. If that kind of property doesn't exist, a private property, which is in victim of disaster's village or municipality, can be expropriated for construction. Also if such property cannot be supplied, victim of the disaster is relocated to the “mass housing area”.

## 5. Construction materials and types of rural buildings in Turkey

Main construction materials of Turkey's rural buildings are Primitive round stones, processed stones, woods, fired bricks and mud bricks (Figures 4–7).

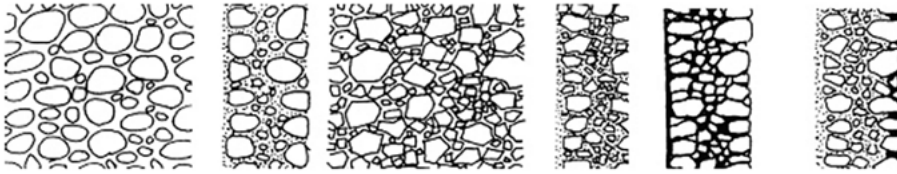


Figure 4: Primitive round stone wall construction

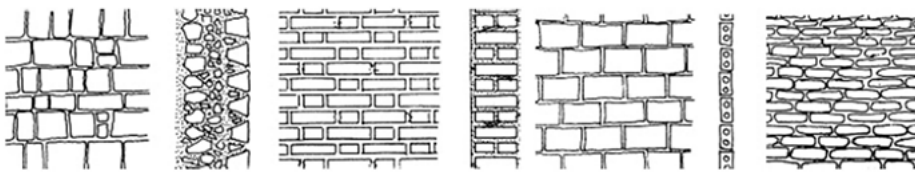


Figure 5: Processed stone or mud brick wall construction



Figure 6: Timber or concrete framed wall construction

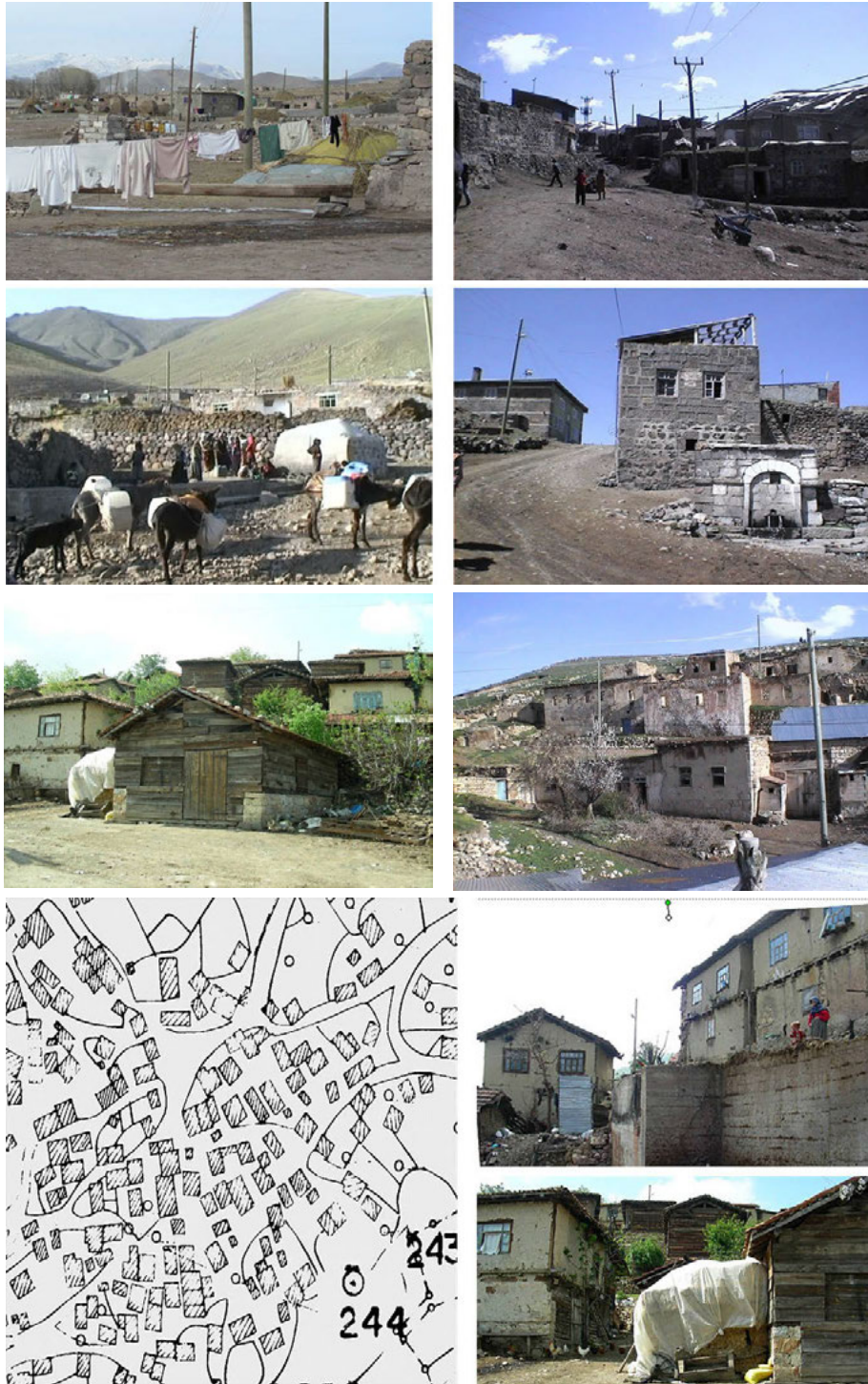


Figure 7: Different types of rural fabric and construction materials of buildings in Turkey



Although housing is a physical output, it is known that resettlements are the end products of political decisions. We know that governmental consultancy, regulations and technological assessment, have nearly none or very little knowledge about affected communities. So most of the new residential areas and housing types do not really satisfy traditional needs and they are not compatible with the local rural fabrics and patterns (Demiroz 1996, Dikmen and Ozkan).



*Figure 8: Old and New Kutlubulak Village buildings Ağrı – Turkey*

On the basis of the preceding analysis of relocation experiences a number of conclusions can be drawn and lessons learned. The main conclusion is that too often relocations appear to have caused unnecessary suffering for the people involved. It is clear that any attempt to remove people from their existing physical, social and economic environment will have far-reaching implications for their lives. However, on the basis of the more positive relocation experiences, it appears that negative implications can be limited if a number of conditions are fulfilled (Figure 8).

For this reason, site of reconstruction is one of the most important steps of the relocation process. Site selection can be done in two ways: selecting existing place of the damaged buildings or selecting a new residential area for reconstruction (Figure 9). If the situation is not surveyed well, both methods may have many advantages and disadvantages.

Involuntary resettlement often involves removal from an environment in which the society has evolved centuries old patterns of adaptation. This relationship to the environment may be based on economic, political or socio-cultural factors or a combination of any or all three. Economic dimensions such as soil fertility, resource availability, overall productivity or access to employment or labor resources; political factors such as territoriality,



*Figure 9: Old and New Tazegül Village buildings Erzurum – Turkey*

leadership structures and inter-group relations; and cultural factors such as the intimate (privacy) connections between environment and religion, cosmology, world view, and individual and cultural identity may all play significant roles in the relationships of a society to its land base and general environment.

## 6. Concluding remarks

Although risk reduction works (mitigation and preparedness) are often done before disasters, recovery process (relief, rehabilitation and reconstruction) after a disaster becomes a risk reduction work for the next disasters. So the relocation gains quite importance in reducing the damages of the future disasters together with the aim of decreasing the current disaster damages.

The consequences of relocation itself may even be more harmful than the impact of the disaster. While a disaster may kill and injure many, disturb community organizations and economies, destroy infrastructure and dwellings, it rarely remove everything and structures of organization emerge from the rubble, often quite rapidly as the society undertakes the task of reconstruction.

Disaster management systems, post disaster relocation, resettlement and site selection process in Turkey has many contradictions. For example, Turkey should learn to cope with and live with the many types of natural disasters since it stands on a disaster-prone region. The most important lesson learnt is the value of disaster planning through a number of different ways. The country has strict construction laws and is one of the main actors in the international construction centre largely as a result of its past history and future certainty of natural disasters. This has led to the evolution of a detailed institutional background and the experience of hundreds of relocation and resettlement experiences in rural areas. However, despite all these plans it is still and forever will be seriously effected by small or medium-scale disasters.

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# Bodenschutz in der Stadt- und Landentwicklung<sup>1</sup>

## 1. Umfassender Bodenschutz ist notwendig

Seit Jahrzehnten ist der Bodenschutz als wesentliche Grundlage für die Raumentwicklung in der Wissenschaft und im geltenden Recht unbestritten; in den letzten Jahren wird ein umfassender Bodenschutz angestrebt. Der 13. Raumordnungsbericht der ÖROK – Österreichische Raumordnungskonferenz (2012)<sup>2</sup>, S. 126 führt u.a. aus, dass der umfassende Bodenschutz in der Raumordnung eine wichtige Rolle spielt.

Die ÖROK – Österreichische Raumordnungskonferenz ist eine Einrichtung von Bund, Ländern und Gemeinden zur Koordinierung der Raumordnung. Die ÖROK hat keine rechtsetzenden Befugnisse, sondern gibt Empfehlungen zur Umsetzung der Empfehlungen durch die zuständigen Organe des Bundes, der Länder und Gemeinden; eine Umsetzungspflicht besteht nicht, wird aber vielfach wahrgenommen.

Schwerpunkte des umfassenden Bodenschutzes sind die Bodengesundheit, die bodengerechte und bodensparende Flächenwidmung, die Bodenverbesserung und die Verwertung industrieller und gewerblicher Brachflächen.

Im September 2013 erschien eine sehr umfangreiche ÖROK-Studie über Flächenfreihaltung für linienhafte Infrastrukturvorhaben: Grundlagen, Handlungsbedarf & Lösungsvorschläge.<sup>3</sup> Diese Studie untersucht die Flächenfreihaltung für linienhafte Infrastrukturvorhaben für Eisenbahnen, Straßen, Energieleitungen für Strom und Gas. Eine effektive Planung, Errichtung und Betrieb der Infrastruktureinrichtungen ist für die Entwicklung in den Gemeinden, in den Ländern und im Bund sowie darüber hinaus auch für die grenzüberschreitende Zusammenarbeit in Europa notwendig. Diese ÖROK-Studie untersucht den gegenwärtigen Rechtsbestand sowie Verbesserungsvorschläge zu den genannten Infrastrukturvorhaben.

Die von der EU-Kommission 2011 eingesetzte Expertengruppe für den Bodenschutz kommt zu dem Ergebnis, dass ein umfassender Bodenschutz sowie eine Reduktion der Bodenversiegelung notwendig sind.

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\* Direktor des Oö Gemeindebundes a.D. / Universitätsdozent für Verwaltungsrecht Universität Wien

<sup>1</sup> Zum gegenständlichen Thema verweise ich auf meinen Beitrag „Bodenschutz – Alltastensanierung in Österreich“, in: Edmundas Kazimieras Zavadskas (Hrsg), 33. Symposium International FESF, Straßburg, Neuere Entwicklungen im Umweltschutz vor 10 Jahren.

<sup>2</sup> 13. Raumordnungsbericht. Analysen und Berichte zur räumlichen Entwicklung Österreichs 2008-2011, ÖROK-Schriftenreihe Nr. 187 (2012).

<sup>3</sup> Flächenfreihaltung für linienhafte Infrastrukturvorhaben: Grundlagen, Handlungsbedarf & Lösungsvorschläge. Bearbeitung: Ass.-Prof. Dipl.-Ing. Dr. Arthur Kanonier (und) Mag. Claudia Schönegger, ÖROK-Schriftenreihe Nr. 189 (2013).

## 2. EU-Rechtsvorschriften zum Bodenschutz

Aus dem EU-Recht sind für den Bodenschutz die Klärschlamm-Richtlinie (1986) und die Richtlinie (RL) über die Behandlung von Kommunalabwässern (1991) zu nennen.

Die EU-Richtlinien (EU-RL) gelten nach Art.288 AEUV nicht unmittelbar, sondern sind von den EU-Mitgliedern in nationales Recht umzusetzen.<sup>4</sup> Die Umsetzung der genannten EU-Richtlinien ist in Österreich bereits erfolgt.

Der EU-Kommissionsvorschlag für eine umfassende Bodenrahmenrichtlinie (2006) fand in der Sitzung des EU-Rates vom 15.3.2010 keine Mehrheit und ist damit gescheitert. Der Kommissionsvorschlag einer Bodenrahmenrichtlinie beinhaltete u.a. Regelungen zur Verhinderung der Erosion, Bodenkontamination, Bodenversiegelung, Bodenverdichtung, Versalzung von Böden, Erhaltung der biologischen Vielfalt.

## 3. Bodenschutz-Kompetenzen von Bund und Ländern in Österreich

Österreich ist ein Bundesstaat, die Gesetzgebung und Vollziehung des Bodenschutzes sind zwischen dem Bund und den 9 Bundesländern nach den Kompetenzbestimmungen (Art.10-15 Bundesverfassungsgesetz / B-VG) geteilt.<sup>5</sup>

Der Bund hat im Zusammenhang mit den einzelnen Kompetenz-Materien sehr umfangreiche Zuständigkeiten für den Bodenschutz, u.a. Forstrecht, Wasserrecht, Mineralrohstoffgesetz, Abfallwirtschaftsgesetz 2002, Altlastensanierungsgesetz usw (Art.10 B-VG). Die Länder haben aus der Generalkompetenz des Art.15 (1) B-VG sehr bedeutsame Zuständigkeiten für Bodenschutzgesetze für landwirtschaftlich genutzte Flächen, Naturschutz, Landesraumordnung ua.

Ein umfassender Bodenschutz erfordert eine Koordinierung von Bund und Ländern. Es ist hier nicht möglich und auch nicht notwendig, alle bodenschutzrechtlichen Gesetze des Bundes und der Länder darzustellen. Zwei aktuelle bodenschutzrechtliche Gesetze, nämlich das Altlastensanierungsgesetz (ALSAG) des Bundes und das Oberösterreichische Bodenschutzgesetz (Oö. BSG) wurden für diesen Beitrag als Beispiele ausgewählt. Die Leser dieses Beitrags werden nicht mit Details der beiden relativ umfangreichen Gesetze belastet, sondern es werden nur die rechtlichen Möglichkeiten für einen umfassenden Bodenschutz herausgestellt.

## 4. Altlastensanierung<sup>6</sup>

Die Altlastensanierung ist ein Teil des umfassenden Bodenschutzes, nämlich die Wiederherstellung entsprechender Nutzungen. Das Ziel des Altlastensanierungsgesetzes (ALSAG),

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<sup>4</sup> Vgl. zur Umsetzung von EU-Richtlinien u.a. *Öhlinger/Potacs*, Gemeinschaftsrecht und staatliches Recht, 3. A (2006), S. 109 ff.

<sup>5</sup> Vgl. u.a. *Walter/Mayer/Kucsko-Stadlmayer*, Bundesverfassungsrecht, 6. A (2007), S. 147 ff.

<sup>6</sup> Vgl. im Näheren den Kurzkomentar von *Scheich/Zauner*, Altlastensanierungsgesetz ALSAG (2010).

BGBl (Bundesgesetzblatt) II 299/1989, ist die Finanzierung der Sicherung und Sanierung von Altlasten (§ 1). Altlasten sind Ablagerungen und Altstandorte sowie kontaminierte Böden und Grundwasserkörper im Sinne der Begriffsbestimmungen in § 2 (1) ALSAG.

Der Landeshauptmann hat dem Bundesminister für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW) die Altlastenverdachtsflächen bekanntzugeben; der BMLFUW hat die Altlasten im Sinne des § 13 zu erfassen und nach einer Prüfung durch das Bundesumweltamt die Altlasten im Altlastenatlas auszuweisen und als Verordnung im Bundesgesetzblatt kundzumachen. Auf Antrag hat der BMLFUW „jedermann“ bekanntzugeben, ob eine bestimmte Liegenschaft im Verdachtsflächenkataster geführt wird und welcher Art die Verdachtsfläche ist; für einen Käufer ist es wichtig, ob das Kaufgrundstück mit Altlasten belastet ist.

Das Umweltbundesamt hat ein Datenwerk über die Gefährdungsabschätzung und Prioritätenklassifizierung zu den Verdachtsfällen und Altlasten zu führen und die Daten im Internet des Umweltbundesamtes zu veröffentlichen (§ 13 Abs. 2 ALSAG).

Der Landeshauptmann hat über die notwendigen Maßnahmen zur Sicherung und Sanierung der Altlasten in einem konzentrierten Verfahren zu entscheiden (§ 17 ALSAG in Verbindung mit den darin genannten Bestimmungen des Wasserrechtsgesetzes, der Gewerbeordnung 1994 und des Abfallwirtschaftsgesetzes 2002).

Sofern nicht den Verpflichteten nach § 17 (1) ALSAG die Sicherung oder Sanierung von Altlasten aufgetragen werden kann, führt der Bund die erforderlichen Sicherungs- und Sanierungsmaßnahmen durch; die Kosten trägt der Bund nach Maßgabe des § 18 ALSAG bis zur Höhe der ALSAG-Beiträge.

Der Altlastenbeitrag ist eine ausschließliche Bundesabgabe mit der Zweckwidmung für die Erfassung und Sanierung der Altlasten nach Maßgabe des § 11 ALSAG. Das Aufkommen des Altlastenbeitrags betrug im Jahr 2012 53 Mio €.<sup>7</sup>

Dem Altlastenbeitrag unterliegen nach der näheren Regelung des § 3 ALSAG das Ablagern von Abfällen, das Verbrennen von Abfällen und das Einbringen von Abfällen in einem Hochofen.

Abfallbeitragsschuldner ist nach Maßgabe des § 4 ALSAG der Anlageninhaber, der Beförderer außerhalb des Bundesgebietes sowie derjenige, der die beitragspflichtige Tätigkeit veranlasst hat oder die beitragspflichtige Tätigkeit geduldet hat. Der Beitragspflichtige oder der Bund (vertreten durch das Zollamt) können bei der Bezirksverwaltungsbehörde den Antrag auf Erlassung eines Feststellungsbescheides stellen, ob Abfälle vorliegen oder die Beitragspflicht gegeben ist (§ 10 ALSAG).

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<sup>7</sup> Finanzstatistik des Bundes, Statistik Austria.



Seit Inkrafttreten des ALSAG am 1.7.1989 bis 2011 wurden in Oberösterreich 58 Projekte für die Sanierung von Altlasten vom BMLFUW genehmigt; die Förderungssumme für Oberösterreich betrug im Jahr 2011 58 Mio €.<sup>8</sup>

## 5. Oberösterreichisches Bodenschutzgesetz

Alle neun Bundesländer Österreichs haben bodenschutzrechtliche Bestimmungen über die Ausbringung von Klärschlamm auf landwirtschaftlich genutzte Böden, weisen aber ansonsten eine unterschiedliche Regelung auf; eine Darstellung der länderweise Unterschiede kann hier nicht erfolgen.<sup>9</sup>

Relativ umfassend ist das Oö. Bodenschutzgesetz 1991, Oö. LGBl (Landesgesetzblatt) 63/1967 in Verbindung mit 115/1991. Das Oö. Bodenschutzgesetz 1991 in der geltenden Fassung (Oö. BSG) dient der Erhaltung des Bodens, dem Schutz der Bodengesundheit vor schädlichen Einflüssen, insbesondere durch Erosion, Bodenverdichtung, Schadstoffeinträge sowie der Verbesserung und Wiederherstellung der Bodengesundheit.

Für den quantitativen Bodenschutz gilt nach § 2 (1) Z 6 Oö. Raumordnungsgesetz 1994 (Oö. ROG 1994), Oö. LGBl 114/1993 in der geltenden Fassung, der Grundsatz der „sparsamen Grundinanspruchnahme“. Hiezu ist auf die Beschlüsse der Oö. Landesregierung über die „stetige Verringerung des jährlichen Flächenverbrauchs für Siedlungs- und Verkehrsflächen“ (2004) und auf die Landes-Förderung einer „flächensparenden Baulandentwicklung in Gemeinden“ (in den Jahren 2007/2008 und 2010/2011) hinzuweisen.<sup>10</sup>

Bemerkenswert ist die „Jedermann“-Pflicht, sich so zu verhalten, dass Beeinträchtigungen der Bodengesundheit ... im Sinne eines vorbeugenden Bodenschutzes möglichst vermieden werden (§ 1 Abs 1 Oö. BSG).

Festzuhalten ist, dass auch auf die Pflicht, in den Verwaltungsverfahren nach anderen landesgesetzlichen Vorschriften über den Schutz des Bodens, insbesondere über eine Vermeidung der Anreicherung von Schadstoffen über Vorsorgegrenzwerte, Bedacht zu nehmen ist (§ 1 Abs 4 Oö. BSG).

Für den Vollzug des Oö. BSG sind die Begriffsbestimmungen (§ 2) beachtlich, z.B. sind „Böden“ alle nicht versiegelten Flächen (Bodenkörper), öffentliche Grünflächen, Straßenbegleitflächen, Hausgärten, ... alpine Grünflächen und Ödland, landwirtschaftliche Kulturlflächen.

Der II. Abschnitt des Oö. BSG (§§ 3-13) regelt die Ausbringung von Klärschlamm in einer sehr detaillierten Weise; kurz gesagt darf nach eingehenden Untersuchungen und

<sup>8</sup> Vgl. den Umweltbericht 2012 des Landes Oberösterreich, S. 80 f.

<sup>9</sup> Vgl. die Bodenschutzgesetze der Länder mit Literatur-Hinweisen bei *Hollay*, Bodenschutz, in: *Pürgy* (Hrsg.), Das Recht der Länder (2012), Bd. II, S. 191 ff.; s auch *Mannsberger*, Gedanken zur Bodenordnung aus der Sicht eines Geodäten, in: *Neuhofer/Jäggi* (Hrsg.), Aktuelle Probleme der Stadt- und Landesplanung, Social Strategies, Vol. 31, S. 77 ff.

<sup>10</sup> Vgl. im Näheren Oberösterreichischer Umweltbericht 2012, S. 64 f.

behördlichen Eignungsbescheinigungen nur geeigneter Klärschlamm aus einer Abwasserbeseitigungsanlage in Oberösterreich (mit Ausnahmen) auf geeigneten Böden ausgebracht werden. Nach dem Boden-Informations-Bericht 2010<sup>11</sup> wird – bei Einhaltung aller Vorsichtsmaßnahmen für die Bodengesundheit – eine Verwertung der Klärschlämme u.a. für Düngezwecke angestrebt; nähere Regelungen enthält die Oö. Klärschlammverordnung 2006, Oö. LGBl 62/2006. Im Jahr 2009 wurden vom kommunalen und betrieblichen Klärschlamm (45.626 t) für die Landwirtschaft 19.651 t (= 43,1%) verwendet.

Auch Kompost oder Erde aus Abfällen dürfen nur unter sehr einschränkenden Eignungsvoraussetzungen auf Böden ausgebracht werden. Hiezu ist auf die Anwendung der Bodenschutzverordnung, BGBl II 292/2001 hinzuweisen, welche die Herstellung und Verwendung von Kompost aus Abfällen regelt.

Die Ausbringung von Klärschlamm ist auf verkarsteten Böden, Wiesen, Gemüse-, Beerenobst- und Heilkräuterkulturen gesetzlich verboten (§ 6 Oö. BSG); weitere Ausbringungsverbote kann die Landesregierung unter bestimmten Voraussetzungen verordnen.

Die Ausbringung von Senkgrubeninhalten und Klärschlämmen aus Kleinkläranlagen ist verboten; Ausnahmen bestehen für häusliche Abwässer und Almböden (§ 7 Oö. BSG).

Bei der Düngung der Böden (III. Abschnitt, §§ 14ff Oö. BSG) sind die Grundsätze der Düngung in § 14 zu beachten; eine Überdüngung ist zu vermeiden, eine geordnete Humuswirtschaft ist anzustreben. Die Düngung mit Gülle (Jauche) ist nur unter bestimmten Voraussetzungen erlaubt (§ 15). Die Oö. Landesregierung fördert Maßnahmen für die Gesunderhaltung und Verbesserung der Böden; eine gezielte Gülleverwendung kann Mineraldünger ersetzen.<sup>12</sup>

Der IV. Abschnitt des Oö. BSG (§§ 16-21b) regelt sehr eingehend die Verwendung von Pflanzenschutzmitteln und Pflanzenschutzgeräten durch „sachkundige Personen“ mit einem Sachkundenachweis. Das Spritzen oder Sprühen von Pflanzenschutzmitteln mit Luftfahrzeugen ist verboten. Pflanzenschutzmittel dürfen nur verwendet werden, wenn sie im Pflanzenschutzmittelregister eingetragen sind (§ 18 Oö. BSG in Verbindung mit § 4 Abs 2 Pflanzenschutzmittelgesetz 2011, BGBl I 10/2011).

Die Landesregierung hat einen Aktionsplan über die nachhaltige Verwendung von Pflanzenschutzmitteln zu erlassen (§ 21a); subjektive öffentliche Rechte werden damit nicht begründet.

Von besonderem Interesse für den Bodenschutz sind im V. Abschnitt (§§ 22-33 Oö. BSG) die Bodenzustandsuntersuchungen, deren Ergebnisse im Oö. Bodenkataster einzutragen sind; jedermann kann in den Bodenkataster Einsicht nehmen (§ 22). An der Landes-Bodenuntersuchungsaktion 2009 haben 3351 Betriebe mit einer Fläche vom

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<sup>11</sup> Vgl. im Näheren den Boden-Informations-Bericht 2010 des Amtes der Oö. Landesregierung, S. 31 ff. mit einem Diagramm über die Klärschlammverwertung auf S. 32.

<sup>12</sup> Vgl. im Näheren den Boden-Informations-Bericht 2010 des Amtes der Oö. Landesregierung, S. 40 ff.

89.000 ha teilgenommen.<sup>13</sup> Die in Oberösterreich untersuchten Böden sind weitgehend gesund.

Die Maßnahmen zur Bodenverbesserung (§ 27 Oö. BSG) sind sehr umfangreich. Hinzuweisen ist auch auf das Nutzungsverbot oder auf Nutzungsbeschränkungen für die Produktion von Nahrungs- und Futtermitteln (§ 28 Oö. BSG).

Der Bodeninformationsbericht mit einem Entwicklungsprogramm ist in einem fünfjährigen Rhythmus von der Landesregierung zu erstellen.

Für Straßenbegleitflächen besteht ein Herbizidenverbot (§ 33 Abs 1 Oö. BSG).

Der Gemeinde wird ein Ordnungsrecht eingeräumt, die Verwendung von Salz als Auftaumittel zu verbieten (§ 33 Abs 2 Oö. BSG).

Die Naturschutzbehörde hat in naturschutzbehördlichen Verfahren für Skipisten und Aufstiegshilfen bodenschutzrechtliche Vorschriften wahrzunehmen, insbesondere Auflagen zur Verhinderung der Erosion vorzuschreiben.

## 6. Effiziente Bodenschutzbestimmungen

Zusammenfassend kann man sagen, dass die bodenrechtlichen Bestimmungen in Oberösterreich am Beispiel des Altlastensanierungsgesetzes und des Oö. Bodenschutzgesetzes gute Grundlagen für einen effektiven umfassenden Bodenschutz sind.

Der Oö. Umweltbericht 2012 und der Oö. Boden-Informationen-Bericht 2010 mit dem Bodenentwicklungsprogramm 2010 zeigen, dass die Bodenschutzmaßnahmen nach dem Oö. Bodenschutzgesetz sowie nach dem Altlastensanierungsgesetz voranschreiten und namentlich im Bereich der chemischen Bodenbelastungen einen besseren Bodenschutz bewirken; es bleibt aber für die nächsten Jahre noch viel zu tun, nicht zuletzt im Sinne der Erhaltung ökologischer Bodenpotenziale (dazu Hepperle, 2013).

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<sup>13</sup> Vgl. im Näheren den Boden-Informationen-Bericht 2010 des Amtes der Oö. Landesregierung, S. 43.

# Guarantees of the Rights of Indigenous Peoples to Save Their Traditional Activities in the Russian Federation

## 1. Introduction

The processes of globalization, the development of new industrial technologies, and global warming have formed a steady demand for the development of large hydrocarbon and other kinds of deposits, which were previously located in underdeveloped and remote Russian regions of Eastern Siberia, the Far North and the Arctic. Now in this area of 12,600,000 km<sup>2</sup>. (total area of the Russian Federation is 17 million km<sup>2</sup>) live only 19 million people, which is only 13% of the total population of Russia. Population density in this region is 1.5 people per 1 km<sup>2</sup>.

At the same time this region is rich in resources and huge amounts of the Russian resources are concentrated in its territory: 90% of gas and oil, 85% of Russian reserves of lead and platinum, 80% of carbon and molybdenum, 71% of nickel, 69% of copper, 44% of silver and 40% of gold.

In Soviet times, the development of these sites for objective reasons basically came to the construction of a limited number of cities along the banks of large Siberian Rivers. Construction of transport communications (for example, the construction of the railway along the Arctic Circle Salekhard – Igarka) was not completed and was destroyed despite attracting the huge number of prisoners of the Gulag (the Main Office of correctional camps), forced relocation of entire nations, or the promotion of the voluntary removal of the qualified personnel from the European part. Overall, in the post-Soviet period (20 years), these areas of Siberia and the Far East have lost up to 20% of the population. Many cities, which previously seemed prospective, have lost its industrial base. The experience has shown that the real opportunity to eliminate the accumulated environmental damage to the nature and to the inhabitants of these territories can not be compared with the scale of possible environmental disaster.

Now the Russian government puts a question of the new industrial jerk in these regions at the expense of the active development of mineral deposits and construction of transport infrastructure, in particular, the new railway from Salekhard to Magadan. A new stage in the development of Siberia requires the comprehension of this experience. One of the most important components of the modern politics is the implementation of international

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\* University of Economics under the Government of the Russian Federation, Finance faculty, Russian Federation.

agreements concerning compensation of the loss of land for indigenous peoples living in these territories.

## 2. The problem of preservation the traditions

Currently in Russia there are more than 316,000 people who, according to the law, are classified as indigenous peoples. They live mostly in the resettlement sites of their ancestors in the northern regions of Russia, Siberia and the Far East. These people preserve their traditional way of life, management and crafts. In accordance with the list approved by the government, indigenous peoples include 40 nations, the largest of which are the Evenks, Khants, Nenets and Abazins. The smallest nation is Kereks, which account only 4 people.

Rights of indigenous peoples in Russia are guaranteed by the constitution and by a number of federal laws in accordance with the generally recognized principles and norms of international law and the international treaties of the Russian Federation. However, the problems of preservation and development of the territories of residence and traditional economic activities of these people have recently started to occupy an important place both in Russian and in the world, in science and in real life. Issues of interaction between government, businesses and communities in the northern and the far eastern parts of the country, which are mostly inhabited by indigenous peoples, are now becoming increasingly important and are becoming every day more and more acute. This situation is mainly caused by the fact that the economy of these regions is mainly focused on the extraction and exploitation of natural resources. The main feature is the development of so-called "white spots", where indigenous minorities possessing large reserves of natural resources live. Moreover, in these regions, there is no infrastructure. The nearest communication facilities are situated hundreds of kilometres away and the transport infrastructure (roads and railways) does not exist in principle.

In addition, it is worth noting that the relationships between industrial companies and northern peoples obtain a particular specificity, due to the fact that small nations have specific traditional land use and traditional ways of life, which are subject to serious transformation during the industrial development of their territories. The selection and legalization of seized territories as well as the estimation calculating of compensation and of damages caused by withdrawal become important challenges. In addition, issues of social importance of natural areas, particularly in the areas of the life and economic activities of indigenous peoples, have to be considered. Therefore, the main goal of public policy should be to ensure sustainable socio-economic development of these areas, without prejudice of the rights and freedoms of the people living on it. At the same time it is necessary to save the traditional way of life, traditional land use and culture of indigenous peoples, which are huge challenges in the context of globalization.

### 3. The conflict between the interests of indigenous peoples and industrial corporations

The main types of traditional economic activities of indigenous peoples include deer-raising, fishing, animal husbandry, hunting, farming, mining and processing of common minerals for their own needs, art crafts and folk crafts. The main source of revenue is primarily deer-raising – for example on the Yamal, a major gas province of Russia. In Russia the number of reindeers is 1.2 million, which amounts to almost 70% of world total number of reindeers. These northern peoples per se have nomadic life and this differs them from the rest Russian population, which from 15-16 ages actively explored the northern areas, and many villages are still living at the expense of the income from commercial hunting and fishing, gathering of forest products and agriculture.

Annually expanding volume of industrial production, including mining and timber industries have a very negative impact on the life and preservation of the traditional ways of managing of indigenous peoples, including:

- Socio-economic development of the nation as a whole;
- General ecological condition of the territory, where indigenous peoples live, which is deteriorated under the influence of industrial companies' activity;
- Reproduction of renewable resources, which are the basis for economic managing of indigenous peoples and the basis of further existence of these peoples as ethnic groups.

In this case, the size of compensation of material damage can not take into account the disposition of the cultural and historical ethnic group. Moreover, all major public or private companies are doing their best to minimize the cost of acquisition of land rights. Of course, it is publicly declared about the necessity of the preservation of sacred places and peoples and the establishment of the resettlement sites worthy of accommodation.

On the one hand, the existing legal framework guarantees the ability to save traditional land use and way of life of indigenous peoples and the government spends a lot of effort and money to support them. But on the other hand, the government, cannot prohibit the oil, gas, coal and power companies to grow and develop, as they are the main sources of funds in the budget, though they displace the natives from the traditional places of residence.

The process of development of the northern territories requires industrial companies as well as the state, who controls their activities and who solves the complex and interconnected problems, namely:

- Implementation of intended goals to supply the country's economy with competitive natural resources;
- Creation of the conditions for a comfortable existence of indigenous peoples, by improving the quality of their lives, by facilitating their development and their pros-

perity, and by preserving their traditional activities, languages, traditions and habits. This challenge is particularly important because in recent years some indigenous peoples have disappeared from the face of the earth and the number of many others declines rapidly. As this process is irreversible, languages, traditions and crafts, which have always been the cultural heritage of our country, will be lost forever.

#### 4. To the issue of the rights for natural resources

The question constantly raises, if the areas of wealth should belong to the people living there. Practical experience in Russia, carried out for the last 20 years, suggests that the free granting of resources to the population with vitally importance to them is justified only if the purchasers are able to use the resources effectively. For example, in the nineties all the residents of public housing in Russia obtained ownership of their apartments. For most of them it became the only benefit of the past reforms. However, the new owners refuse to pay for the maintenance of this property, first of all, it's rebuilding. On the other hand, 20 years ago the peasants got all agricultural land for free, but about a half of this land is not being cultivated now (approximately 130 million hectares).

A number of northern communities also could get the rights to the fields for free. For example, the family-tribal community "Dylacha" from Buryatia got the rights to the mine of stone nephrite. As a result, only between 2010 and 2013 the income of the family of 4 persons amounted to 500 million dollars. The derived income is not spent on the development of the national culture, the traditional way of life or the protection of nature. Revenues are spent on the purchase of luxury commodities (such as expensive cars) and luxury real estate, situated far from the traditional places of residence. None of the tax systems, in principle, can adjust it, if we recognize the right of private ownership for the natural features primordially given to these peoples.

Thus, the dilemma appeared:

Transnational corporations (TNCs), even with state participation, are able to buy the rights for residence and traditional way of life from the indigenous peoples at a price considerably higher than the established benefits of doing their traditional economy, but they are not willing to share a significant part of their profits, including in the form of a blanket guarantee of the compensation of environment damages. At the same time we can see a depletion of the culture – in the broadest sense as a way of life of whole peoples, including the ecology of the place.

Currently, about 50% of the territory of traditional nature of indigenous peoples of the north was granted on a long-term lease to mining corporations. There is the transformation of agricultural land to the tecnogeno territory, which in turn leads into conflict of interests of the subsoil user and the owners of the land, which is assigned now for the development of mineral resources. The best solution, which was found for today, is the conclusion of the economic agreement. The terms of such agreements state, that in addition to compensation paid to owners for the removal of land, industrial companies will

also conduct specific activities for socio-economic development of the regions of placement of indigenous peoples and a number of other privileges that were agreed by the parties at the initial stage and regulated by the contract.

The negotiation process is one of the most convenient and mutually beneficial methods to resolve contradictions, which usually occur between the peoples occupying Northern territories, extractive companies that claim to these territories, and government authorities. Today the negotiation process is one of the most demanded and popular form of avoidance of conflicts in many developed countries, for example Canada, where even stages of negotiation process and its types exist. In Russia, unfortunately, this method of interaction between indigenous peoples and manufacturers has not received a widespread use; however, now it is in the stage of active development. The complexity in the application of the method of negotiations in the framework of relations of companies and indigenous peoples is caused by many reasons. Among the main reasons, in my opinion, are national features of our country, as well as the lack of experience in negotiating process each party has.

## 5. The consequences of industrial development of northern regions

Based on the above mentioned we can conclude that the Northern regions of our country carry out three important functions: they are the place of accommodation and traditional activities of indigenous peoples, they are the largest mineral resources base, and they are the main ecological reserve of the country. For this reason, in my opinion, for sustainable and balanced development of these regions it is expedient to develop several models: one will be aimed to the preservation of traditional nature use of indigenous peoples; the second will be aimed to the industrial development of the region. When choosing the model and its implementation, it is necessary to consider the interests of the state, of the extracting companies and the indigenous peoples, which are the key element of this system. Development of transport infrastructure and increasing volume of industrial production in the traditional settlement of aboriginal negatively affected their lives, undermined the demographic situation, and led to serious socio-cultural consequences. As practice showed, industrial development and the development of indigenous peoples has a close inversely proportional correlation. The more massive, widespread and intense is the process of exploration of the North, the deeper it affects the life of the peoples living there, causing serious and irreversible consequences. As a result, we can see the decline in the volume of production of the traditional crafts of Northern peoples, which subsequently leads to the growth of unemployment, the decline of the economic and social activity of the working-age population and the growth of alcoholization of society. Another factor affecting the level of employment of the indigenous population which is not less important is reduction of the possibility of long-term employment, since the mining field becomes more automated, and being controlled mostly remotely. Taking into account the fact that half of the workers among indigenous peoples occupy positions that do not require high



qualification, so considerable and quick spread of workflow automation will have a serious impact on the level of employment of indigenous peoples.

Therefore, in order to improve and strengthen the socio-economic position of indigenous peoples it is necessary for the government to implement the following measures:

- To create the conditions for unconditional compliance with environmental and ecological legislation by the companies of fuel and energy complex during the industrial development of oil and gas fields;
- On a permanent basis both at the expense of its own funds, and funds of extractive companies to assess the environmental, cultural and social impacts of proposed implementation of projects at the places of living of indigenous peoples, taking into account the opinion of these peoples;
- To support the development of different forms of self-government for indigenous peoples and to involve their representatives to discuss the drafts of industrial activities in the places of their residence.

## 6. Conclusion

At present, we can say that in the Russian legislation the role of indigenous peoples in saving the nature and natural resources of Russia in general has not found a proper display. Taking into account the characteristics of our country, it is correct to say that for the sustainable development of the country it is necessary to preserve areas with natural ecosystems, while developing a rational non-renewable natural resource, which is especially important for the fragile nature of the Far North. Achieving these goals requires a complex state program concerning the improving of the legislation in this area and drafting the project of the forming of traditional subsistence territories. Moreover in this regard it is important to involve indigenous peoples to the issues of nature conservation and sustainable development. This is the challenge of great importance because of the following: today, it became apparent that the indigenous peoples will disappear from the ethnic map of the country, if the government does not begin to protect them seriously. Their habitat is under the threat, since large-scale industrial development of Siberia, the Far East, North causes serious damage to their places of living, disturbs the ecological balance of nature areas. For example, today the territory of Arctic has accumulated a huge amount of various industrial wastes, which cause serious damage to the fragile Arctic environment, and became the source of danger to people's life and health.

In the circumstances of such a massive industrial development of these areas it is difficult to find a reasonable compromise that would be acceptable for everybody: both the state and energy companies as well as the indigenous peoples. Current law provides that the conducting of economic activities by the industrial enterprises, which determines the content of the budget with tax payments, is possible only in cases of payment of reasonable compensation determined by mutual agreement. Companies have to negotiate not only

with indigenous communities, but also with each individual reindeer herder, who runs his business in a given location. In the case of disagreement of one of the representatives of the community the activity of subsoil users cannot be done. That creates a problem, because the mutual consent of the parties can be reached in years.

From the other hand, the accordance of such rights for the deposit directly to these people creates conflicts with other groups (strata), but does not provide the evidences that the new owners will have more rational attitude to the nature or invest these funds in the development of national culture.

As the practice has shown, as a result of large-scale industrial development of the North the ecological balance of territories where indigenous peoples live, was disturbed. The pollution of places of their traditional residence with the waste of industrial enterprises caused irreparable damage to the nature. Active exploitation of vehicles caused an irreparable damage to the vegetation cover of tundra and diminished the possible area of the pasture of deer.

The contradiction between the culture and social justice in the real world can not be solved in different ways for different socially unprotected groups of people. Perhaps the only unifying demand, which can be accepted by all the people living in these areas, is the obligation of the state and the new owners to eliminate not only the future environmental damage, but also already accumulated damage to the ecology and climate. In Russia in recent years, for example, were adopted programs of cleaning of the old industrial sites and military bases from the harmful industrial waste which have been accumulated for years. For example, it was decided to clean up the debris from the island of Novaya Zemlya in the Arctic Ocean, which was formerly the Russian nuclear test site. These state-funded programs have in many respects propaganda purposes, since the allocated funds are limited and do not allow to eliminate the accumulated in past environmental damage. TNK thus have the effect that saves money for the training areas for development.

The social impact of such events would be much greater than the direct negotiation of private companies with specific people in the area, if in the international level there is the adoption of specific agreements on the responsibilities of states and companies to eliminate environmental pollution in real terms.

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# The Land Use Transformation Process of Ankara University Medical School in Cebeci Campus

An analysis from past to present

*“With language itself, the city remains man’s greatest work of art.”*  
(Mumford, 1970)

## Abstract

Land is a very important source for the survival of all kinds of creatures. Thus, land should be viewed as a living organism, not only a soil; it is the fountain of energy for soils, plants and animals (Des Jardins, 2001). Land use policies and practices based entirely on economic self-interest and irrationally designated as “commodity” rather than life-giving process. As a result land planning has failed and the increase in land speculation has multiplied the difficulties of establishing sustainable patterns of land use (Lyle, 1994).

In the coming “Age of Urbanity”, thinking solely in terms of individual design projects will be inadequate. Land use and landscape are also crucial components for the construction of the millennium cities. Thus, land use is one of the important mechanisms of sustainability. As the formation of valuable soil takes many years it will change the equilibrium of agricultural balance so; it is important not to lose land while constructing new buildings. From this point of view, the aim of this paper is to examine the land use of Medical School of Ankara University Cebeci Campus that has build during the I. National Architectural Period and its transformation since then. The buildings were used, as the Regiment of Cavalry School. They started to be used as the Ankara University Medical School in 1945. After these years the main buildings of the school were kept the same but other new buildings were constructed and many of them have not the similar architectural identity with the current ones. Unfortunately, these current constructions in that Campus area ignore the land use and architectural identity of the previous buildings. Therefore, the land use and the loss of architectural identity in that area with the current buildings will be analyzed in this presentation.

## 1. Introduction

Perhaps the most arguing question of the year 2000 is whether the human species will survive the new millennium. Social, economic and environmental issues have been set in motion such as the desire for electricity, telephones, automobiles, structures, and clean

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\* Hacettepe University, Faculty of Fine Arts, Department of Interior Architecture and Environmental Design, Turkey.

water. Once the human experience these things, they want more of them, regardless of the ecological cost.

The list of possible solutions to environmental degradation includes improving technology, using resources more efficiently, minimizing waste, and even shifting taxes to penalize pollution. But these solutions are caught up in disputes.

Today, half of the humanity lives in towns and cities. According to the researches of UN-Habitat in 2012, this figure will reach the two-thirds in a few decades. The designers of cities can change them with better plans, healthier and greener environments where the poor feel they belong to, where women feel safer and where youth have better opportunities, more urgent than ever. This means better urban planning and design is needed for cities of present and future. In order to achieve this, designers and governments have to work with organizations at every level, including all spheres of government, communities and partners in business, academic and civil society sectors, tells us that the urban mission is arguably the most important factor confronting humanity in the 21<sup>st</sup> century (UN-Habitat, 2012).

Cities after all, are the greatest and perhaps the most enduring legacy of human civilization. We live in an age where the world's population has reached 7 billion, and the coming two decades will be unprecedented moment in human history: this global population will grow from 50% urban today to 70%. This transition to a predominantly urban world is irreversible and brings it with equally irreversible changes in the way we use land, water, energy and other resources. How we manage this rapid urbanization will be the key to our very survival and prosperity (UN-Habitat, 2012).

As designers, one of our main priorities should be working on alternative ways of urban planning. This new way of planning should emphasise; preventative planning (while preserving the vernacular architectural identity and creating a harmony between newly constructed ones); planning at the scale of the problems; and planning in phases, beginning with ensuring adequate physical access and basic urban services, especially water and sanitation, linking planning with financial capacities. Combined with modern technology, better urban planning could solve most of the problems that we are facing up today. In the 21<sup>st</sup> century the concept of need-focused approach and rehabilitation of land will be in the centre of the land-use.

## **2. Design principles for 21<sup>st</sup> century city building**

The quality of public spaces, man-made urban landscapes and architecture and urban development play an important role in the living conditions of urban populations. The interaction of architecture, infrastructure planning and urban planning must be increased in order to create attractive, user-oriented public spaces and achieve a high standard in terms of the living environment. Sustainable, accessible and affordable networks and improving energy efficiency in cities can make an essential contribution not only to the quality of life and environment, but also location quality. Building successful 21<sup>st</sup> century

cities will require new models of thought about growth, particularly as it relates to sustainability. This new thinking must be capable of encompassing and even transcending the kinds of technical problem solving. It will not be enough to simply throw around catch-phrases like “green buildings”, “sustainable growth” or “reduced carbon footprint”. Instead, designers need to think in terms of active principles like designing rich, rewarding, transit-enabled, high density cities, taking into account issues of air, water, vegetation, habitat, soil, and other essentials of sustainability. As city is an active and ongoing process, the design principles of 21<sup>st</sup> century urbanism should include some verbs such as “committing”, “renewing”, “maintaining” or “facilitating” that suggests the actions that need to be taken.

### 2.1 The ethical challenges in land-use and sustainability

Sustainable development requires a more extensive set of ethical principles to guide behavior of the habitants as it addresses relationships between generations. It is also mentioned in the classic definition of sustainable development ‘...meeting the needs of the present without compromising the ability of future generations to meet their needs.’ It is clear that between different periods of times, the responsibility of previous generation to future generations are fundamental concepts of sustainable development. As it is important for the human beings to think and understand the role of people in ecological systems requires not only understanding how people have acted in the past, and how they think about the future (Kibert, 2008).

Earth, does not depend on humans for its existence. On the contrary, humans are the only species that have ever treated the existence of earth itself. They threaten the health of the Earth’s ecosystems with their use of technology, endangering the forests and agriculture and the emissions pollute land, water and air. As Aldo Leopold (1949) suggests that there should be an ethical relationship to the land and this relationship must be based on love, respect and administration of land. The land ethic makes sense close relationship and interdependence of humans with the land that provides food and amenities and contributes to good air and water quality.

Land use and landscape design connected with each other, they offer the greatest opportunity for innovation in the application of the resources needed to create built environment. Carefully designed and executed work by architects, landscape architects, civil engineers and construction managers is required to produce a building that optimizes the use of the site; that is highly integrated with the local ecosystem; that carefully considers the site’s geology, topography, solar insulation, water and wind patterns, that decreasing the impacts during construction and operation; and that employs landscaping as a powerful adjunct to its technical systems (Kibert, 2011).

Land and landscape also provide the opportunity to move beyond simple greening to the potential restoration of the land as an integral part of the building project. Until the advent of the green building movement, very little attention was paid to the construction on the environment, particularly on the land.

The concept of sustainable land-use predates the contemporary high performance green building movement. When the designers examine how the ecological order and human beings are linked with each other; long-lasting, beneficial and responsible solutions could be seen in the land-use development. Thus, sustainable land-use maintain local structure and function of the surrounding build-environment and also serve local communities rather than change or destroy them (Fox, 2006).

## 2.2 The loss of identity in land-use

All cities aspire to success: social, economic and environmental. Similarly all modern cities are built with much the same technology and many of the same materials. In the quest for easily developable sites, hills are flattened, waterways filled in and forests cleared. Taken together these factors favor fast growing cities that look and feel alike and tend to degrade the environment. The purpose of identity is to make every city distinct from other cities and to create and preserve the special character of neighborhoods and districts. Conserving local culture, preserving and reusing historic buildings can also save a unique urban identity (Kriken, 2010).

A significant source of civic identity can come from the land use's relationship with the city's natural features. Topographical features of the city are the basic natural features of the land. In order to preserve these natural features, planners generally use four main tools so that they could establish the land's identity. These can be mentioned as conservation, repair, visual and physical access and view corridors. In conservation regulations are necessary to retain or specifically limit changes to existing natural features. Mainly, the regulations are applied to hillside topography, the boundaries and edges of water features, forests, species habitats, and watershed corridors. Planning is required to repair or replace natural features that have been damaged or eliminated through thoughtless urbanization. Besides, regulations are needed to maintain and repair visual and physical access to prominent natural features. All cities need to identify the both new and existing view corridors and the cityscapes that expend personal space and promote the uniqueness and identity of a particular space (Kriken, 2010).

It is a fact that cultural differences in cities also provide strong sources of the land and land-use's unique form. In this manner privacy of the community using that land is required with help of economical and historic or cultural institutions of the city and the governments. Thus, design of the city could be established by creating or preserving the group of buildings or even single significant building or open space. Identity of land or urban areas can be also achieved by human made features other than buildings. For instance; famous streets provide powerful sense of place and sense of belonging. Parks or similar open spaces which can be named as designed open spaces can also provide or uniqueness of the land and land-use in cities. For example; iconic and important elements in the surrounding of the buildings also establish an identity in the understanding of land-use.

### 2.3 The design principles of the 21st century cities

Nearly everyone in the developed world lives in or near the city. Cities are the economic engines of their surrounding communities, providing a majority of financial growth such as job, services, income, and property values. Cities used to be small and well planned. At the turn of the 20th century, 10 percent of the world population lived in urbanized areas (Chambers, 2011). Today, most people think of an urban area as city such as İstanbul or Los Angeles but this is a concept replaced by what an urban area is today. The land area and how it is used determines the population of the city and how much is it crowded now or in the future.

As mentioned at the beginning of this paper, Mumford believed that the cities are the man's greatest work of art. It is a true statement as the designers of the urban areas, cities and land surely consider the life, physical, cultural and social texture that are the essences of the city. Well designed and sustainable city planning can be an important way to solve many of the problems that confront society in the 21st century.

The design principles below could help the designers of the 21st century to focus, organize, and simplify the current global environment and development crises (Kriken, 2010).

**Sustainability:** can be defined as the commitment to an environmental ethic. It means taking the land's responsibility by providing a way to eliminate or reduce damaging patterns of consumption of nonrenewable resources. These principles could be mainly addressed and achieved by each of the other principles.

**Accessibility:** is defined as facilitating the movements of goods and people. This principle is ultimately aided by remaking street to better serve the missing modes of travel in cities. Accessibility serves to achieve the goals of preserving open land, reducing energy waste, improving air quality and shortening commute times.

**Diversity:** is defined as maximum variety and choice in an urban land. The principle of diversity supports sustainability by promoting the widest variety of choices for employment, education and by maintaining affordable choices for living, working and health.

**Open space:** is a principle defined as regenerating natural and man-made systems to make cities green. All open space systems reinforce sustainability goals. This principle also supports identity by protecting natural features like hills and catchy views or buildings that help create a city's unique sense of place.

**Compatibility:** relates to the ability to maintain and balance among a city's built elements. This principle is important as a guide for designing new buildings to fit in with existing neighbourhoods and districts. Tools for compatibility include standards for height, bulk, setbacks, materials and building character. These help to avoid the visually destructive collocation of buildings widely varying dimensions and styles. Compatibility supports the principle of sustainability by keeping neighborhoods attractive and desirable places to live and work.



**Incentives:** are defined as ways to renew declining cities and rebuild underused industrial brownfields. It supports sustainability by promoting reuse of empty buildings, unused infrastructure and land made toxic by industrial pollution.

**Adaptability:** can be defined as facilitating wholeness and positive change. It supports sustainability by facilitating renewal of the cities to achieve greater density and higher environmental standards.

**Density:** is defined as compact, highly accessible considerations of people at home and at work. Density supports sustainability by reducing the land needed for population growth in expending suburbs. Density is also related with compatibility in that high-density, tall building districts have to taper down to fit within the scale of their surroundings.

**Identity:** is defined as a unique and memorable sense of place. The purpose of identity is to make every city or land distinct from other cities and to create and preserve the special character of districts. Unique urban identity can be saved by conserving the local culture-preserving and reusing historic buildings and identifiable places.

Taken together, these principles establish a sustainable and livable framework for settlements. They promote a comprehensive approach to the long list of challenges facing humanity in the 21st century.

### **3. The design understanding of healthcare campuses**

As the number of habitants increase on the earth, than the healthcare facilities are one of the main needs of human beings will continue to grow. The way we design, construct and operate buildings has an obvious impact on our health and health of our environment. The building area of the hospitals increases to accommodate private rooms and expending diagnostic and treatment technologies; parking requirements continue to increase in auto-dependent communities. As sprawl has redefined our cities and their edges, healthcare institutions have increasingly use site selection criteria similar to those of commercial real estate interests, choosing greenfield campus sites based on arterial highways. For the most part, healthcare organizations have not been focal advocates for smart growth, responsible land planning, or public transportation (Augustin, 2009).

We are living in an age when the conflicts between ongoing development efforts and maintaining a safe and healthy environment are crucial. As the population grows, the healthcare planners must be aware of the evolving needs. At the same time they must also consider the full spectrum of implications of every land use decisions. The healthcare industry is currently experiencing the largest building boom in history. This represents a significant opportunity to adapt a process that connects public health, quality of life and a healthy built environment (Augustin, 2009). Planning for healthy physical environment requires a manner of thinking and making decisions that considers the importance of community design goals, such as alternative transportation, brownfield recovery, and better water and waste management practices. It must also consider the interdependence of

the environment and public health by not contributing to air and water pollution, urban sprawl, habitat destruction, global warming, and by protecting natural areas and open spaces.

Generally, university buildings and campuses are very important areas for the city itself. They show the socio-cultural, economic and aesthetic characteristics of the era that they were built. They are like city in a city. Thousands of people come to learn, teach, work and live in campus areas. In the coming chapter, I will try to examine the Medical School of Ankara University in Cebeci Campus that help the progress of the city of Ankara as capital of young Turkish Republic since it was established. From this point of view the old, renovated and newly built hospital buildings at Ankara University Medical School in Cebeci Campus will be examined in this manner.

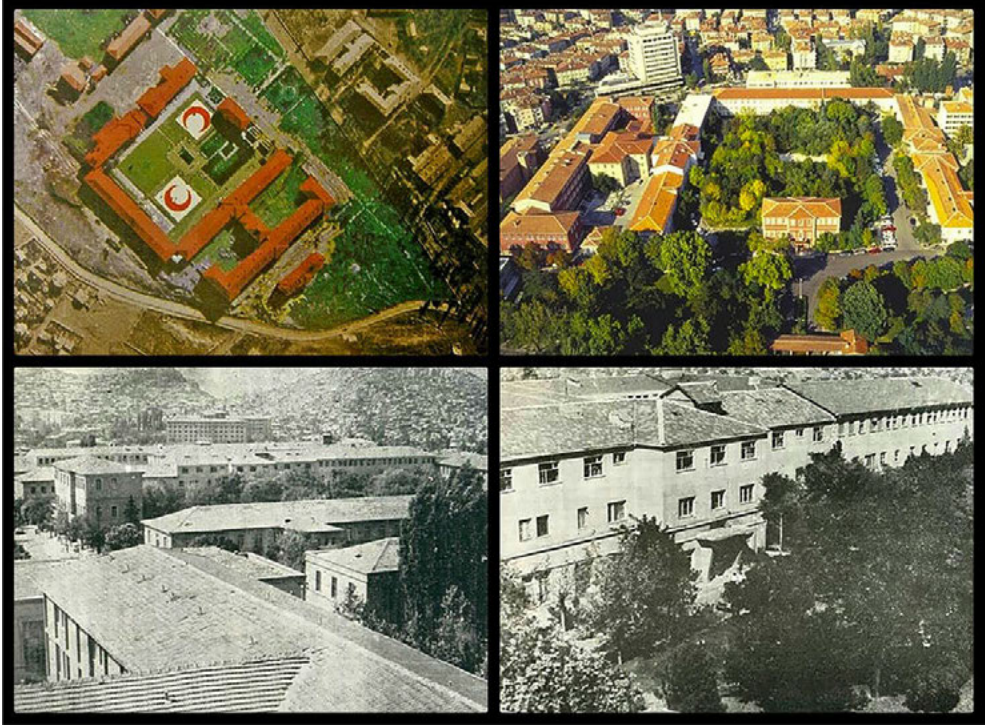
#### **4. Ankara university school of medicine from its establishment to the present day**

Today; it is accepted as a fact that; the structure of a hospital and the treatment departments of patients should be in a harmony in the aspects of technical, esthetical, economical and nearest environment features. Due to the development of conditions, hospital buildings should be well adaptable to the future improvements as any other building. This is to say, the fixed or the modular furniture's and the equipment should be adjustable and transformable, so that the hospitals would be well adaptive for the future improvements. Nevertheless it's very important for the hospital buildings that they should used in multi-functional way during the unexpected natural disasters and wars. From this extend; as the second medical school of the Turkish Republic, after the Istanbul University School of Medicine, Medical School of Ankara University will be taken up in this content.

##### **4.1 Foundation of Medical School of Ankara University**

In 1935, during his speech in the parliament, Atatürk raised the subject of foundation of a medical school in Ankara City and in 1937; this idea was officialized with a law. The French Architect Jean Walter designed the projects of the building currently used as the Morphology Building and other complex of medical faculties. The construction had started in 1942; but it was interrupted by the start of the II<sup>nd</sup> World War. This mentioned period concedes between the end of the I<sup>st</sup> National Architectural Era and the beginning of the II<sup>nd</sup> National Architectural Era. During the II<sup>nd</sup> World War, Gülhane Military Hospital was transferred from Istanbul to Ankara, and was relocated within The Cebeci Central Hospital. The Cebeci Central Hospital has ended up with a "U" shape planning and the other buildings used as the Regiment of Cavalry School. These buildings have been also preceding used as The Cebeci Gülhane Military Medical Science School, were then started to use as the Ankara Medical School by 1945. After this period of a pavilion, during the following periods, the planning had been transformed into many various planning's and lost the principal theme and identity. The buildings that were handed over to Ankara Medical Faculty had the facades which were very plain and without ornamentations like the period of the I<sup>st</sup> National Architectural Period. Since the buildings were used as the

Regiment of the Cavalry School, due to the architectural movements of the time, and parallel to the purpose of the utilization. They were constructed as single or two stories, with small windows and in harmony with the use of form, material, color and height; but afterwards the additional stories were added to these buildings.



*Figure 1: Photos of Regiment Cavalry School and the land use of the Campus during foundation and in 1980s (Source: Ankara University Archeive, 2012).*

#### 4.2 Present situation of Medical School of Ankara University Cebeci Campus

At the beginning, the buildings were constructed with stones, later raised as concrete floors and the roofs designed without ornamentations. As a result of the insufficiency of the site, additional buildings were constructed and considering the regional properties of architecture and climatization, the ground floors were built with the local stone material and the upper floors were in concrete; in the form of symmetric hospital buildings. These buildings are still in use with the current technological updates. Today, although not as spreaded as in the times of the transformation from the Gülhane, Cebeci Campus is a site well planted and horizontally established planning's. In the recent years the site is observed to be in a manner of planning where its identity fades away.



*Figure 2: Photos showing the present situation of the Campus. In the first “google map”, the present situation and the change of the campus is shown. In the other related photos, the relation of the newly constructed Children Hospital and The Social Pediatric Section. These photos are showing the land use and the loss of identity in the old Campus (Source: Personal archive, 2013).*

## 5. Conclusions

We are at the edge of incredible differences. We can create ultra-fast automatic networks where we can immediately change lands to deserted areas that can be also seen in real life. We can create motorways and a desert of land around it. We can cite that when Warhol made art with the “Campell’s Soup Can” it actually represents the end of social architecture and moving towards an architectural consumption. It’s also true in every aspect of the design understanding of today. Nowadays, the design understanding in every building type is changing rapidly. Designers are designing structures that are like monsters. They should consider their built environment more. This new city understanding has nothing to do with the organic nature but to its disorganization. According to Baudrillard, designers do not give rhythm to the city; the buildings are look like they dumped on earth like space debris “fallen from unknown disaster”. Apart from all these, the land use and landscape of

the city buildings are the main components for the well-designed city building (Proto, 2003).

Sustainable design calls the question of whether buildings that aim to heal and restore people can also be a force to restore the land and natural surroundings they are sited in. Today, it's a known fact that land planning and landscape design are bring coherence to the relationship between healing people and healing the Earth. A healthcare campus offers the opportunity of a place where people can and should experience a positive, restorative and natural setting. Thus, while constructing new buildings in these campuses land use, identity and harmony of the buildings with the environment and the nature should be considered (Guenther and Vittori, 2013).

In the previous sections, I try to mention how the university campuses could lose their identity with the new constructions. Thus, we can say that cities are like campuses and they can lose their identities with disorganization. We are in the era of sustainable understanding in every aspects of design process. The global healthcare industry is shifting its focus treating disease to creating environments for healthy people and communities. Likewise, there is an emerging evidence that land use and urbanization, with limited nature contact, creates a unique set of mental health stressors that can negatively impact health. Consequently, we can say that, sustainable, liveable urban planning does not come from complex statistics, functional problem solving, or particular decision-making process. Successful urbanization instead comes from advocating easily understood human values about the sensory qualities of the environment and then designing to transform those qualities into sustainable realities in harmony, integrity and unity.

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# The Urban Transformation Project of Northern Ankara

A case study

## 1. Introduction

The concept of urban transformation is being used in Turkey more frequently during the last several decades. The need to implement upgrading or renovation projects in squatter settlements was the main motive behind it. Although possibilities were provided by various legislation to carry out urban transformation projects in metropolitan cities, economic, social and even political considerations prevented central and local governments until recently from engaging themselves in such endeavours.

The need originates from the pace and patterns of urban development in Turkey, and particularly rural to urban migration. Throughout the second half of the 20th century a rapid urbanization characterized the development process all over the world, including the developing countries. Turkey is one of the countries facing the problems brought about by rapid urbanization mainly due to her structural features. However, urbanization in Turkey had also its own peculiarities. In addition to its features such as its extent, pace and imbalances in the geographical distribution of population and economic activities, Turkey's urbanization manifests itself as an essentially demographic phenomenon, a constant flow of population from rural to urban centers, which caused not by an essentially rapid industrial development that might create extensive employment opportunities in metropolitan centers to justify its pace. Instead, a substantial portion of the population migrating to cities had a chance to begin working in a variety of employments which is called the "informal sector".

The main reasons for rural-urban migration are identified as high population growth, mechanization of the agricultural sector and uneven economic boundaries development which have caused disparities among geographical regions and between rural and urban areas. In this respect, while the share of urban population in the total was 25.1 percent in 1960, it rose to 55.4 percent in 1990, and to 76.0 percent in 2013.

Rapid urbanization created numerous bottlenecks in meeting the increased service needs of the migrants as well as those of the existing inhabitants of the cities. These included housing, slum upgrading, urban regeneration transportation, urban infrastructure, environmental protection, public health and education, security, and the like. It was assumed for a long

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\* Hacettepe University / Faculty of Fine Arts, Ankara, Turkey

\*\* Ankara University / Faculty of Political Science, Turkey



time that most of such unmet needs could be attributed to the imperfections of the market mechanism. Finally, it was realized that uneven income distribution was the main variable causing the crisis and therefore measures of long-term had to be taken for their improvement.

Socio-economic marginality seems to be the major reason for huge emergence of squatter settlements in metropolitan centers of Turkey. 50 to 65 percent of the urban population of such cities as Ankara, İstanbul, İzmir still lives in squatter settlements. Despite the fact that squatting was generally regarded a rational action of the homeless poor, attempts have been made to indicate that the expenditures made for building squatter houses were, to a greater extent, a waste on the part of the national economy. If repetitive and sink costs are taken into consideration one could undeniably argue that squatting is not a cheap technique of meeting the housing needs of the poor.

The Dictionary of Town Planning<sup>1</sup> defines “the gecekondu” (overnight built house, Figure 1) as a dwelling which is constructed without a building licence, in contravention of the building and construction regulations, on the lands owned by public authorities or private



Figure 1: Gecekondu scene from Ankara  
(<http://emlakkulisi.com/karsiyakada-gecekondulara-gecit-yok/201543>).

<sup>1</sup> Ruşen Keleş, Kentbilim Terimleri Sözlüğü, İmge Pub., Ankara, 1998 (2nd ed.).

are called elsewhere as “spontaneous”, “illegal”, “unauthorized” or “uncontrolled” types of dwelling and settlement, and they are, in principle, distinguished from either slums, which are also regarded as non-conventional, or from conventional public or private type of housing.

Slums and squatter houses are the formations which possesses most of the physical and socio-economic qualities attributed to marginal populations. They reflect those characteristics in more pronounced and aggravated measures of magnitude. Although they are often used in the literature interchangeably, the terms of “slums” and “squatter settlements” are entirely different concepts.<sup>2</sup>

## 2. Measures taken to upgrade squatter houses and settlements

Up to 1960's, attempts have focused on prevention rather than upgrading because it was assumed that squatting could be prevented by strict measures to be implemented by police power of the State and the municipal authorities. The main characteristics of the approaches adopted during the pre-planned period can be summarized as a) the prevention of gecekondu building by providing urban land to be acquired by cities to the homeless, b) the prohibition of the construction of new illegal houses, and c) to legalize the already built ones. During 1960 and 1980, major approaches to the upgrading of squatter settlements have been shaped by the Five Year Development Plans starting by 1963. The policies implemented in this period aimed at mainly five targets: a) To designate the squatter settlements in the city where upgrading, prevention or demolition works will take place. b) To increase the land stocks of the cities in order to make them powerful enough to help the families to live in decent housing conditions. c) To create several funds, one in the control of municipalities and the second at the central government level, to be used for upgrading of squatter settlements and for providing housing credit to build social housing. d) To get the residents of squatter settlements to participate in expenditures incurred to municipalities in connection to such public services as sewerage systems, road construction, water installations, electricity and the like. And finally, e) To demolish houses built illegally.

During the post 1980 period, the fundamental principles adopted by the Law on Gecekondu (1966) did not change substantially. However, new concepts and practices such as the sites and services, and public-private partnership have been added to them. A new Law of 1984 regarding slum upgrading and prevention (No: 2981) provided the transfer of titles, in principle, to the gecekondu owners, if they were built on public lands. The concept of “development and improvement plan” introduced by this law has played a guiding role in transformation of squatter settlements during the following two and a half decades until the beginning of a new stage where municipalities and the Mass Housing Administration (TOKİ) will be cooperating along the lines influenced by past experiences

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<sup>2</sup> Ruşen Keleş, *Urban Poverty in the Third World: Theoretical Approaches and Policy Options*, Institute of Developing Economies, AJIKEN, Tokyo, 1988.

(Figure 2). Other minor steps have also been taken in the direction of upgrading of squatter settlements during the post 1980 period.



Figure 2: Signboard of TOKİ (Mendilcioğlu, 2011).

### 3. Urban transformation projects for the city of Ankara

A shift was realized by the Metropolitan Municipality of Ankara during the 1990's from the preparation of development and improvement plans to the preparation of urban transformation projects. In this context, Dikmen Valley Project and the Project of Orange Flower Valley have been realized through public-private partnership scheme and through the corporations unconnected with the legal personality of the city.<sup>3</sup> The model that was put into effect in connection to the projects initiated by the city of Ankara was called “the consolidation of development right”, meaning the amalgamation of existing development rights instituted traditionally on the land parcel basis with those formed on the basis of a project, in order to consolidate them and to redistribute them within the framework of the principle of private-public partnership.

<sup>3</sup> Faruk Göksu, “Kentsel Dönüşüm Süreci ve Proje Ortaklıkları” (The Process of Urban Transformation and the Partnership on the basis of Project), Bulletin, Mimarlar Odası Ankara Şubesi Yayını, No:40, May-June, 2006, pp.40-44.

#### 4. The transformation project on the northern access to Ankara

The Municipality of Ankara has undertaken to carry out a clearance project along the highway in the north of the city connecting the center of the city with the Esenboğa Airport that was named as Protocol (VIP) Road. This project was realized by the enactment of a special law, namely the Urban Transformation Law concerning Northern Access to Ankara of 2004 (No: 5104) and the Law of 2006 (No: 5481), amending the said law. These legislations enabled the City of Ankara to tear down all the gecekondu on both sides of the main road towards the main road to the Airport and to transfer the vacated lands to the municipality to be used according to a new urban design project to be prepared by the City of Ankara in cooperation with the Mass Housing Administration (Figure 3).



*Figure 3: Tearing down the gecekondu for urban transformation project (Mendilcioğlu, 2011).*

The new law authorized the municipality to dispose not only of the vacated urban lands but also the revenues to be obtained from the project together with the Mass Housing Administration. It was announced that the project site with an area of 3.6 square kilometres, 18.000 units will be built in cooperation with the Mass Housing Administration.<sup>4</sup> In addition to the laws concerning transformation and upgrading of some Ankara squatter

<sup>4</sup> Ruşen Keleş, (with the assistance of Meltem Yılmaz), "Lessons Learnt from Slum Upgrading and Prevention in Turkey", Report prepared for the United Nations Center for Human Settlements, Nairobi, 2007, p.40.

settlements during 2004-2006, a more comprehensive law was passed in June 2005 in order to facilitate similar undertakings in other parts of Turkey. This was called the Law on the Protection, Renewal and Utilization of Dilapidated Immobile Historical and Cultural Assets. The aim of the law was to protect, to reconstruct, to restore, to renew the sites of historical and cultural assets, which began to dilapidate, to create districts of housing, shopping, culture, tourism and social amenities, and to take measures against the risk of natural disasters. A more recent law was put into force in 2012 (No: 6306), while narrowing down the scope of the concept of urban transformation into the renovation of the buildings constructed in disaster prone areas, and enlarging the geographical scope of the transformation undertakings all over Turkey.<sup>5</sup>

Recent urban transformation projects which claim to be prepared on the basis of the intentions to develop the culture, social and economic conditions of such areas, are supported not only by local administrations, but also projected and implemented by the Mass Housing Administration (TOKİ) attached to the Office of the Prime Ministry. Urban Transformation Project of the Northern Access of Ankara is one of these projects situated on a land of 1582 hectares and its borders are designated by the above mentioned Law numbered 5104.

Within this project situated on the northern access of Ankara, the road to Esenboğa Airport roughly constitutes the border of the Ankara Metropolitan Municipality. The area on the west of the road remains within the borders of Keçiören District Municipality and the area on the east remains within the borders of Altındağ District Municipality. The whole Project covers an area of 1582 hectares that hosted 10.500 squatter dwellings. The area of the First Stage of the Urban Transformation Project of the Northern Access of Ankara is 324.90 hectares, on which 209.23 hectares belong to private owners and 115.78 hectares to various public authorities and institutions. Although some urban transformation projects were realized previously, like those of Dikmen Valley and Orange Flower Valley, neither the superstructure nor infrastructure work was realized within the urban transformation project site of Northern access to Ankara. Therefore, this part of the city deteriorated to become the most underdeveloped residential sections of the city. Nevertheless, as the area lies on the highway that connects Ankara to other cities and close to the Esenboğa Airport, it has become an area where important industrial establishments are located.

Esenboğa Airport which was put into service in the 1950's increased the importance of the northern axis of the city. The new Protocol Road starting from the Esenboğa Airport, passing through the districts of Pursaklar, Hasköy, Dışkapı and the historical city center called Ulus, continuing along the Atatürk Boulevard, going through the new city center of Kızılay, passing by the compound of Ministries, and running up to Çankaya Presidential

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<sup>5</sup> Ruşen Keleş, "Türkiye'de Yerel Yönetimlerde Kentsel Dönüşüm Yönetim Süreci" (The Management of Urban Transformation Project in Turkish Local Authorities), Paper presented to the Symposium on Management of Urban Transformation in Turkish Local Governments, The Public Administration Institute for Turkey and the Middle East, Ankara, 10-11 December, 2012.

Palace. The new location of the Turkish Grand National Assembly also endowed even greater importance to the northern axis. The construction of a two way highway between the airport and the city center furthered the significance of the northern axis. On both sides of the highway appeared illegally constructed squatter settlements. During the process of industrialization which began during the 1970's, establishments in the specialized sectors, like medicine, electronics, furniture, printing, and the like, which needed quick and easy access to the airport, selected the land on this axis as their place of operation.

Towards the beginnings of the 1980's, the area had lost its physical attractiveness and its appearance got disfigured. Consequently, it became a must to conduct some work in order to achieve a series of revitalization, rehandling and rehabilitation for the area. A project for this purpose was launched jointly by the Metropolitan Municipality of Ankara and TOKİ and its implementation was started in December 2004. It was planned to demolish the buildings in the area and replace them on a larger land, with 18.000 dwellings, two five-star hotels, cultural buildings, recreational areas, educational and sportive facilities, parks and green areas. As the number of the squatter houses to be demolished is around 10.500, it is decided to carry out the implementation of the project in two stages, to prevent possible difficulties that may arise. Within this framework, the ownership rights of 115 hectares of land in the area that belonged to public authorities and institutions were transferred to the Metropolitan Municipality of Ankara, free of charge, according to the Law numbered 5104. The remaining land was expropriated in accordance with the agreements separately signed with the other owners of the land, houses, work places and industrial establishments, be them registered or not at the Land Registry.

The agreements signed have it recorded that the entitled parties receive houses or work places in defined square meters that are equivalent to what they owned prior to the implementation and that they receive rental assistance during the construction period to prevent any grievances. Even though the project will bring some contemporary characteristics to the area in terms of infrastructure and superstructure, it would not be exaggerated to assume that the residents of the area may be regarded as victimized from social and economic perspectives.

The In-site observations demonstrate that the people whose houses were demolished and who are to receive in return an apartment flat (Figure 4) complain about the rapidly rising rents in neighboring communities like Mamak due to a rising demand. Against considerably high rents, the symbolic rental assistance they are paid remains insufficient. A further economic difficulty is posed by the prices of the houses constructed by TOKİ for the former land and house owners.

For instance, former squatters, according to agreements they have signed, made an advance payment of 500 TL for a 80 square meter house located at Karacaören, City of Tebessüm, and committed to pay instalments of 226 TL/month for the duration of 10 years as principal payment. However, as the agreement signed, this amount increased to 370TL/month, in line with the salary increase given to the civil servants as of March 2012. This created



*Figure 4: Transformed gecekondu areas with its inhabitants (Mendilcioğlu, 2011).*

financial difficulties for the people of which great majority work for the private sector for quite low levels of remuneration. The people, while they lived in their squatter houses, used to receive a certain amount of heating assistance, but once they moved into their new houses, this assistance was discontinued. Their new houses are heated by natural gas which brings high-sum invoices to be paid for the heating costs of the new home. On the other hand, the rights of the people who lived in the slum as tenants were not even considered. As the houses were demolished such people had to move out to other districts where rent prices floated at much higher rates. When we review the matter from a socio-cultural perspective, it is observed that the house owners are unhappy and not pleased with the place they are now living at. For example, the people who used to have cordial and strong relationships with their neighbors in their former communities and who were now living at Karacaören (City of Teebessüm)(Smiling City), stated that they are experiencing difficulties in adapting themselves to the new cosmopolitan structure of apartment house life-style.

Another factor that appears to displease and causes difficulties for the residents of the apartments is the plan and layout of the house. In the layout plans of these apartment flats even though a separate stocking area (eg. For coal) is allocated for each family, they are placed at the back, thus creating problems in their utilization. Furthermore, the residents of the Karacaören (City of Tebessüm) inform that they also experience difficulties in reaching their schools, job-sites as the TOKİ housing area is distant to the center of Pursaklar and the schedules of the public transportation vehicles are very limited.

Consequently, despite all the constructive and contemporary approaches adopted to constitute its objectives, while it was structured, the Urban Transformation Project of the Northern Access of Ankara creates certain problems since it did not consider the social and economic conditions of the peoples involved. Facts such as the distance between the houses constructed for the peoples whose squatter houses were demolished and various centers, high heating expenses, heavy loan back-payment conditions, placed the people of the area under difficulties and caused the project to deviate from its originally intended objectives. Yet, on the other hand, estranging the people formerly living in squatter settlements from their new residential locations brings forth another socio-cultural problem.

## 5. General overview and concluding remarks

Since the beginning of the process of squatter formation in Turkey, local authorities and the central government have cooperated closely with different degree of involvement in implementation. This was proved reasonably successful. Recently, there have been attempts to concentrate all powers regarding the prevention and upgrading with the central authorities, namely the Mass Housing Administration (TOKİ). It could be more advisable to revise the institutional set up on a power sharing basis not to exclude municipalities. This would not only enable the State to benefit from the experience of local authorities in this field, but at the same time, it would be more in line with the international obligations of Turkey stemming from the European Charter of Local Self-Government.

In the power sharing between upper-level and lower-level municipalities in metropolitan areas, initiatives for regeneration, urban renewal, transformation and upgrading should not be used to exclude the district municipalities. At present, urban transformation projects, including those implemented in Ankara, are usually carried out as separated from each other without establishing necessary linkages between them. Partial planning approaches create considerable waste of time, energy and resources. There is also a need to establish a system of cooperation between different tiers of administration together with full consultation with and participation of the residents of squatter settlements.

Perhaps the most neglected aspect of the process of urban transformation is the lack of attention to employment opportunities. Unless measures directed to poverty reduction are taken, physical rehabilitation of squatter zones will not suffice to talk about a real urban transformation and upgrading. Market driven displacement in the upgrading zones within central locations of the cities, as in the case of Ankara, caused great number of low-income families over the years to seek for accommodation in other parts of the cities. These families either felt the need to escape prohibitive living expenses in the upgraded new environments or to settle elsewhere in less expensive parts of the city by renting out the flats acquired as a result of transformation of *gecekondu* settlements.

A particular attention must be paid to the environmental quality of upgraded zones. Resources of municipalities must be complemented by the necessary transfers from the State budget in order to improve the quality of infrastructure.



The approach of public-private partnership has proved to be a workable tool for slum upgrading and transformation. But recent experiences relieve that the real balance in this partnership is rather distorted in favor of the construction firms in the private sector. In order not to allow this distortion to grow to an extent that would jeopardize the public interest, it would be advisable the establishment of housing cooperatives for low-income families in those settlements. Since more than ninety percent of the national territory is situated within the earthquake belts and makes millions of residents subject to immediate risks, any upgrading and prevention schemes and redevelopment plans concerning them must take into account the incorporation of the findings of micro-zoning works together with strict building controls into the planning process.

Allocation or renting out of publicly owned lands by the State and the municipalities must be used in a very restricted manner and an increasing emphasis must be put upon the supremacy of public interest. The method of sharing the incremental value of the land previously occupied illegally by those who violated the legislation concerning building and development would create consequences contrary to the public interest. Because the basic factor behind the increase of the value of the land are infrastructure investments of public authorities and its return directly to those authorities without being shared with private interests would be socially more meaningful. Therefore, the distribution of the plus-value among private interests within the framework of bargains with private individuals under such names as “consolidation of development rights”, or “transfer of development rights” would not be in favor of the society as a whole and future generations.

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# Protection of Historical and Cultural Tissue in Ankara

A Case Study on Urban Transformation in Hacıbayram

## Abstract

Many historical and cultural buildings of Ankara are located in the Ulus section of the city, the old town centre. There are also squatter dwellings in Ulus. This is also a neglected part of the city. The main objective of the project to be summarized in this paper is to realize the transformation of this historical and cultural centre.

The Urban Transformation Project encompassing Hacıbayram Mosque and its Surroundings has been initiated by the Ankara Metropolitan Municipality in 2005. Hacıbayram Project is one of the three parts of the Renovation Project of the Historical City Centre of Ulus. The project aimed at renovating the historical city centre as an essential component of Ankara's urban identity. During the process of implementation, registered buildings were rehabilitated as a part of street rehabilitation works and those which were not registered were demolished. It is financed through the public funds.

The purpose of this paper is to analyse the objective, method and results of urban transformation practices in Turkey in the framework of Ankara Hacıbayram Mosque Project.

## 1. Introduction

“Urban transformation” and “urban renovation” concepts as the main focus of today's urban policy have been on the agenda of Turkey especially since 1980s. Rehabilitation of squatter areas, re-organisation of the areas with disaster risk, construction of solid buildings in these areas, renovation of blighted areas, re-organisation of historical city centres are the main objectives of urban renovation and urban transformation projects in Turkey. These projects are implemented especially in metropolitan cities through social, economic, cultural and political interferences where the urban land is very valuable (Keleş 2013: 388). It is observed that valuable urban areas are reused by the central government and local administrations under the name of urban transformation through urban renovation projects. Due to these reasons, urban transformation has been an important challenge for urban areas in Turkey.

Instead of “urban conservation” which aims at protecting historical and cultural values by not neglecting the economic development, “urban revitalisation” approach has been accepted in the urban transformation projects for historical city centres. This rent seeking

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\* Ankara University, Faculty of Political Sciences, Ankara, Turkey.

approach has led to value increases, commercialisation and reconstruction of historical city centre to attract tourists. In this regard, “conservation by renovation and actively using” have been promoted in such projects rather than “protection” of the historical tissue. As a result, urban transformation and urban renovation practices in Turkey differ from the ones in the United States of America and European countries (Özden 2001). Urban transformation practices in Turkey are not developed as part of urban development plans, but realised as individual projects.

## 2. Urban transformation in Ankara

In Ankara there are fifty urban transformation project areas designated by Ankara Metropolitan Municipality which cover squatter areas, blighted areas and historical city centre. By declaring these areas as urban transformation project area, the municipality contributes to the increase of the urban land values in these areas. Most of these fifty project areas are shown as project area on paper, but there is neither any implementation is ongoing nor it is allowed to do any urban activity on these areas. In other words, keeping these areas empty eases the municipality to make speculations.

The Urban Transformation Project encompassing Hacıbayram Mosque and its Surroundings is one of the urban transformation projects in Ankara. Hacıbayram Project is one of the three parts of the Renovation Project of the Historical City Centre of Ulus. This large-scale project covers Anafartalar Shopping Centre, Bentderesi, old Agora and its surroundings, and finally, the Hacıbayram Mosque. It was not possible to implement the first part of the project due to its very busy commercial structure. The second part covering Bentderesi was not realized simply because a proper urban design project for the squatter houses in the area was lacking. Therefore, only the Hacıbayram section of the project has been carried out. As witnessed in other parts of Turkey, this area is also commercialized by being declared as urban transformation area. This led to establishment of new shopping centres in the heart of the historical city centre.

## 3. Hacıbayram mosque project

Ulus section of the city is the oldest and traditional commercial centre of Ankara. Different civilizations like Roman, Seljuk and Ottoman brought their cultural, political, and architectural accumulations to Ankara. Thus, many historical and cultural buildings of Ankara are also located in Ulus, the old town centre. There are also squatter dwellings in Ulus. This is also a neglected part of the city.

As time passes the area has experienced various fundamental issues regarding urban transformation. In the early years of the Republic, Ulus was the heart of Ankara. However, Ulus lost its central position and prestige. The interest of upper and upper-middle income groups in Ulus has been decreased and the area has lost its central position. In parallel to losing its importance and prestige, Ulus started to be a centre basically serving lower income groups.

Although many of the buildings in the area have historical value and they are the symbols of the Republic, they are not protected. The maintenance and repair of the buildings was neglected, thus buildings in this region have been dilapidated. The number of empty buildings increased and this caused escalation of fire and collapse risk. When the region was attracted by lower income groups, they settled down in the empty buildings. Thus, living in these buildings has caused a big threat to the lives of such inhabitants.

These urban problems in Ulus have also impacted Hacıbayram Mosque and its surroundings. In order to preserve this historical tissue, starting with 1980s firstly “protection” and then “renovation” projects have been developed for Hacıbayram Mosque and its surroundings.

### 3.1 The importance of project area

There are three well-known sages in Turkey: Mevlana, Hacı Bektaş and Hacıbayram. Hacıbayram-ı Veli (veli means sage in Turkish) is known as one of these three famous sages in Anatolia. He was born in 1352 in Ankara and died in 1429 also in Ankara. Hacıbayram who wrote in Turkish language is known for his tolerance and wisdom. Hacıbayram’s motto was to respect elderly and to be gentle to young people, to keep out evil, to be humble, and to be helpful to the people in need (TDV 1996: 442-447).

In line with Hacıbayram’s interpretation of Islamic philosophy and accommodation of Eastern and Western cultures together under its roof, Hacıbayram Mosque is an important cultural heritage. Hacıbayram Tomb is located next to the mosque. In the project area, the Mosque and Augustus Temple lays side-by-side as an indication of co-existence of Islam and other religions in Anatolia. It is believed that this area encompasses the concepts of sage, tolerance and holiness. Additionally, Hacıbayram Mosque and its surroundings are located on an important archaeological site (Aktüre 1984: 5-19; Aydın et al. 2005: 85-87, 145-148). For these reasons, it is very important that the protection work to be carried out in the area is planned and designed to reflect these concepts and values.

Hacıbayram Mosque is a place for prayers, funerals and its tomb is visited by many people. The Mosque is considered as the most important religious site in Ankara where many funeral ceremonies are held. People from different cities and different segments of the society visit the area for religious purposes, touristic tours and etc. Therefore, the area is considered as an important public space. Inevitably the commercial activities are also developed in the region. The site gives commercial services to foster religious activities. The bookstores sell religious books about Islam (Yardımcı 2008: 84-90).

### 3.2 Historical origins of the project

The rehabilitation work carried out within the project area is not a new initiative. The policy of protection and preservation of historical and cultural assets according to the identity of the city in harmony with its historical tissue has been emphasized especially since 1980s. In 2000s, the “protection” perspective has been evolved into “renovation”

policy. Furthermore, the concepts of “conservation by renovation” and “actively using” have been referred in the relevant laws. It is possible to see this change of mentality and approach in the individual projects. Hacibayram Mosque and its surroundings are not called as “protection area”, but “renovation area” (Erkal et al. 2005).

Ulus region where Hacibayram Mosque is located has been declared as urban protected area in 1980 (the decision no 12.04.1980/A-2167 of High Council of Immovable Monuments and Antiquities) (Bademli 2002). Between the years 1984 and 1989 a project came on the agenda for the region. However, public support was not ensured, problems with public funding experienced, political will was not strong enough. For these reasons the project was put on hold.

Planning competition for Ulus was launched in 1986 by Ankara Metropolitan Municipality in order to find solutions for conservation and rehabilitation problems for the area. This project is called as “Hacibayram Mosque and its Surrounding Urban Design Project” covering 1989-1994. The objective of the project was to transform Ulus into an important city centre as it was in the past (Bademli and Ülkenli 1992).

In 1990 Ulus Historical Centre Conservation and Improvement Plan was ratified by the Ankara Metropolitan Municipality (decision no: 15.01.1990/33). This plan was cancelled by the decision of the City Council of Ankara Metropolitan Municipality in 2005 until a new plan is designed (decision no: 14.01.2005/210).

In 2005, the decision that designated Ulus Historical City Centre as “Renovation Area” was approved by the City Council of Ankara Metropolitan Municipality (decision no: 15.07.2005/1952) and entered into force by the decision of Council of Ministers (decision no: 2005/9289). This area covers Roman Bath, Hacibayram Mosque and its surroundings and Ankara Citadel. It is argued that one of the reasons for cancelling Ulus Plan and designating this area as urban transformation and development area have been to demolish the unregistered, but protected buildings in the framework of Ulus Plan (Erkal et al. 2005: 42).

The Master and Implementation Plans with protection purposes prepared for the renovation area were approved by the City Council of Ankara Metropolitan Municipality in 2007 (decision no: 15.06.2007/1619 and 17.08.2007/2127).

### 3.3 Legislative ground of the project

The legislative ground of the Urban Transformation Project of Hacibayram Mosque and its Surroundings is the Law on Renovating, Conserving and Actively Using Dilapidated Historical and Cultural Immovable Assets numbered 5366 (Official Journal no: 05.07.2005/25866).

The purpose of the Law is to reconstruct and restore, in a manner consistent with area development and to create zones of housing, business, culture, tourism and social facilities in such areas, and to renovate, conserve and actively use historical and cultural immovable

assets. According to the law, the power of planning and implementing renovation projects for historical parts of cities is given to local administrations. Designation and all control of renovation areas are under the responsibility of the Metropolitan Municipalities within their boundaries. Municipalities may impose temporary restrictions of construction, utilization or operation on the existing immovable properties. The law also specifies that mutual agreement shall be the fundamental rule in dealing with the evacuation, demolition and expropriation of buildings located in the renovation area.

The Protection Implementation Bureaus (KUDEB) have been established by law numbered 5226 under the municipalities, metropolitan municipalities and governorships. KUDEB's function is to carry out all the operations regarding immovable cultural and natural property, implementation and inspection of the construction. In renovation areas the Bureau is responsible for project appraisal and operations related to the permissions and housing. In 2007, KUDEB of the Ankara Metropolitan Municipality was established under the Construction and Urbanisation Department of the Municipality. KUDEB is responsible for the implementation and inspection of the Renovation Project of the Historical City Centre of Ulus. The project was designed by KUDEB in cooperation with an architectural firm.

### 3.4 Project

The area of the Urban Transformation Project of Hacıbayram Mosque and its Surroundings covers approximately 11 hectares of land. If the ownership details of the land is considered: 3,5 hectares are public land; 3,2 hectares belong to Ankara Metropolitan Municipality and 4,4 hectares, which equal to 40%, belong to the individual people. Most of the buildings are wooden and without a skeleton structure. In 2007, 30 individual building lots and 1.454 m<sup>2</sup> land were acquired by Ankara Metropolitan Municipality through mutual agreement. The total payment amount is 1,689,260 Turkish Liras. However, 245 individual building lots and 42.815 m<sup>2</sup> land obtained through accelerated expropriation by identifying the value of the real estate. In this framework, 54,114,877 Turkish Liras transferred to land owners' accounts by court decision. 82 buildings were demolished by the Ankara Metropolitan Municipality.

Although it is regulated by the law that mutual agreement should be the fundamental rule, only approximately 11% of the buildings were obtained through this way. 89% of the buildings were obtained through accelerated expropriation.

In addition, the newly constructed buildings as part of urban transformation are transferred to the new owners rather than their original owners.

In the framework of Hacıbayram project there are three staged projects that were designed and tendered. Some of the objectives of street rehabilitation projects are; to protect the natural, cultural and architectural identity of the region, to regenerate economic activities and daily life in the region. These projects aim at rehabilitation of the area by preparing and implementing measured drawings, restitution and restoration techniques.



#### 4. Concluding remarks

Main problems experienced around Hacıbayram Mosque are mainly related to the religious and commercial activities and traffic and parking issues. The limited prayer area, the crowds spreading outside the Mosque's garden during prayers, the crowded funeral ceremonies, street peddlers, nonexistence of indoor parking lots for visitors and the bookstores mostly selling only religious books can be listed among these issues. Due to these problems, the project could not meet the expectations. Main critics against the project can be summarised as follows:

- There are no satisfactory developments regarding the completion of the project. It is not easy to get information about the project, thus the transparency is questionable.
- There are critics that the participation aspect of the project is very weak. The landlords, tenants, shop owners, *muhtar* (Chief Executive of the Ward) and municipality staff did not come together in project preparation and implementation. This caused to ownership issues. On the other hand, it would have been expected that not only the stakeholders in that area, but residents of Ankara as the owner of historical and cultural heritage would have been taken in part in the project.
- The project was not implemented through participatory and transparent mechanisms, and has not been designed in the framework of a plan. In this regard, it is argued that the project is implemented in line with the initiative of the mayor of Ankara Metropolitan Municipality.
- Almost all of the buildings in the region have been defined as in need of heavy maintenance or under the threat of collapse. Thus, in the project instead of protection of the historical building stock by renovation, these buildings were demolished and reconstructed.
- The ownership problems can be regarded as important bottlenecks of the project.
- Based on all these criticisms, it is obvious that the project is not an urban renovation project. It is clear that the economic, social and environmental aspects of sustainability is lacking.

As a result, the following assessment can be made for the project:

- The “protection” perspective has been evolved into “renovation” policy. Hacıbayram Mosque and its surroundings are not called as “protection area”, but “renovation area”.
- The project puts forward the symbols of Islam and Seljuk and eliminates the spatial identity of other periods.
- As witnessed in other parts of Turkey, this area is also commercialised by being declared as urban transformation area.

- The project was not implemented through participatory and transparent mechanisms, thus social reaction and opposition existed.

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Erwin Hepperle, Robert Dixon-Gough, Vida Maliene,  
Reinfried Mansberger, Jenny Paulsson, Andrea Pödör (Hrsg.)

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The governance structures in urban and regional development have undergone processes of transformation since the medieval period, resulting in them becoming increasingly decentralised, diversified, and centred about “middle-class values”. An essential part was played by the initial concepts of land ownership and planned land use. These were then complemented by additional items from land taxation to the concepts that began to evolve during the 20th century, including diverse elements such as land economics and social responsibility.

This volume concentrates on a diverse range of topics centering on the relationships between governance and the organization of entities within both urban and rural areas. The essays indicate that the development of systems of governance runs parallel to and reflects the indelible print humankind has made upon all forms of landscape. Over time various forms of governance evolved, but in the course of the last century they also became more accountable. Together this resulted in a continual process of evolving boundaries and territories, of political changes, and of the subsequent divisions between urban and rural areas as well as urban subdivisions. In addition to this complex mixture of land and spatial planning issues, we are faced today with rapidly changing demographic profiles across all of Europe – and not the least with the emerging awareness of how social responsibilities impact this issue.

Even though this volume cannot provide all the answers to the many complex problems, together the essays present a stimulating, interdisciplinary approach that challenges conventional thoughts in European land and spatial planning.