# Different Approaches to Governance and Best Practices

Ivan Tosics
**Institute of Metropolitan Research,
Budapest, Hungary**

Europe will face many challenges in the future

Many challenges lie before us. We do not know which one will come first. Will it be the real collapse caused by the climate change or the fossil fuel problems, or the ageing society, or the migrant flows, or sharply growing inequalities? Each one is a serious danger.
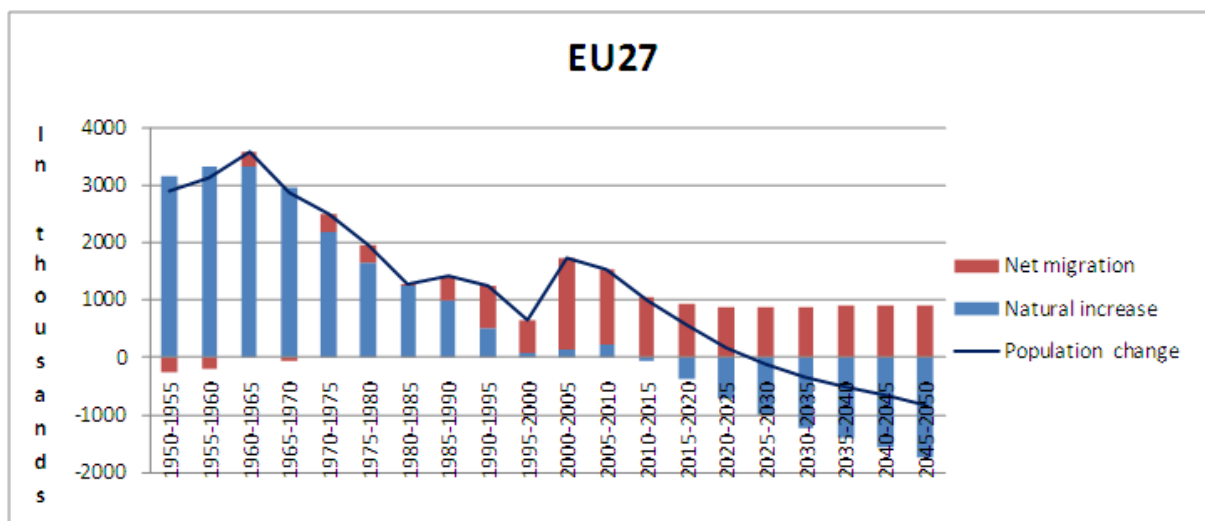
Source: United Nations 2008

Considering demography, Europe has passed the tipping point and is already shrinking regarding the natural population processes. The European population is still growing because migrants are coming.

However, after 2025 the migration gain will not anymore counterbalance the demographic loss and Europe's population will start decreasing.

Urban riots in August 2011 in English cities, a reflection of growing social inequalities

Slovakia: a controversial attempt by the government to solve the problem of Roma ghettoes.

Unfortunately we address the emerging problems one by one, so we decide for solutions which are good in one angle but make the situation worse in other aspects.

Let's see what the problem with environmental solutions is: we can use technologies to put the carbon below the ground. However, these are so expensive that if we use them, there will be no money left for any other (e.g. social) programs. A lot of other problems will emerge and there will be no money for cohesion policy anymore.

We can make our cities more compact. But even this might lead to unwanted consequences. Inside the city, the density is growing and some neighbourhoods are demolished to attract rich people back to the city. Consequently, the poor people are slowly pushed out. So if you take compact development to the extreme, this will create a lot of social problems.

One-sided solutions will not bring us forward. Moreover our urban areas have outdated administrative systems within which these very complex problems cannot really be addressed.

CITIES (million)	Admin city	MUA	MUA/city	FUA	FUA/city
London	7,43	8,27	*1,1*	13,71	*1,8*
Berlin	3,44	3,78	*1,1*	4,02	*1,2*
Madrid	3,26	4,96	*1,5*	5,26	*1,6*
Rome	2,55	2,53	*1,0*	3,19	*1,3*
Paris	2,18	9,59	*4,4*	11,18	*5,1*
Bucharest	1,93	2,06	*1,1*	2,06	*1,1*
Budapest	1,70	2,12	*1,2*	2,52	*1,5*
Warsaw	1,69	2,00	*1,2*	2,79	*1,7*
Vienna	1,60	1,67	*1,0*	2,58	*1,6*
Barcelona	1,58	3,66	*2,3*	4,25	*2,7*
Milan	1,30	3,70	*2,8*	4,09	*3,1*
Prague	1,17	1,18	*1,0*	1,67	*1,4*
Lisbon	0,53	2,32	*4,4*	2,59	*4,9*
Manchester	0,44	2,21	*5,0*	2,56	*5,8*
Liverpool	0,44	1,17	*2,7*	2,24	*5,1*
Bratislava	0,43	0,44	*1,0*	0,71	*1,7*
Katowice	0,32	2,28	*7,1*	3,03	*9,5*
Lille	0,23	0,95	*4,1*	2,59	*11,3*
AVERAGE			*1,7*		*2,3*

The table shows in some selected European cities the population in the administrative city area, in the morphological area and in the functional urban area. The data indicate that cities (regarding their

morphological, i.e. geographically connected, continuous area) are 1.7 larger in reality than the area within their administration borders. This means that the city local governments have not at all control over the whole urban territory of their cities. Of course the functional urban area (the area of commuters) is even more different from the administrative city.

This is not only a European problem. Here is a quote from Katz which I like very much: "American metropolitan areas can no longer afford the crazy quilt of tiny fragmented governments that they have inherited from the 19th century". These small local governments have nothing to do with the present reality and economic life.

Let me tell you an example from Budapest. There are seven settlements just outside the city border. They are independent settlements, all having their elected mayor. They have a size of 30000-40000 persons each. Each of the settlement is planning its own sewage system because the mayor wants to show "I can solve the problems of my own settlement". Each of the settlements makes its own development plans, having discussions independently with potential investors and the investors make use of this opportunity: they can choose that settlement which offers the best opportunities (has the lowest tax rate, etc.). There is no cooperation between the neighbouring settlements; no thought that these areas should develop together and all should cooperate with Budapest.

For me it is clear that we have to go for integrated urban development: economic, environmental, social challenges have to be addressed at once, and at a suitable regional level which should be the functional urban area.

Now what are the European institutions saying in this regard? The Committee of the Regions says: give more power to the administrative regions. METREX says: more power to the functional urban regions. The believers of creative governance say no to administrative regions, no to functional urban regions, they believe in flexible solutions. In their view if you make one solution fixed, the next day it will not be valid anymore (the FUA area changes dynamically). So there are at least three different approaches on the European level.

Governance and spatial planning in our metropolitan areas

The book written by Salet, Thornley and Kreukels from 2003, Metropolitan governance and spatial planning, states that metropolitan coordination is important.

The key is not in formal reorganisation of the administrative structure but "… in new methods of 'organising connectivity'." "Metropolitan policies are made in private sector domains, in European programmes, in national policies and in manifold initiatives within the metropolitan setting.

The main challenge to metropolitan policies is to find the keys to unlock the connections between different spheres of action."

The book discusses four governance models:

1. **The unitary government metropolitan region.** They use the case of Madrid which has a regional government, one of the 17 autonomous regions of Spain. It is covering more or less the functional urban area even though Madrid is sprawling.

2. **The duality of equally strong local and regional levels of government**. Catalonia is as strong as Barcelona; Lombardy is quite strong against Milan. It is very difficult to come to an agreement in such situations.

3. **The duality of the two levels with the regional government taking a mediating role**. In this case the regional government tries to solve the problems and get partners into discussion. One example is Baden Württemberg which is helping the development of Stuttgart.

4. **Ad hoc coordination.** There is no real regional level and policies are either according to sectors, like transport associations, or along symbolic, large events.

The key factor is to have both a top-down hierarchical framework organised by the higher level and bottom-up attempts to work together in a more flexible way. Formal reorganisation of government is not the only factor for success but it might be important. "Reform of government structures should not attempt to keep pace with the social and spatial dynamics of metropolitan development, but durable institutions of government should adopt flexible policies of coordination."

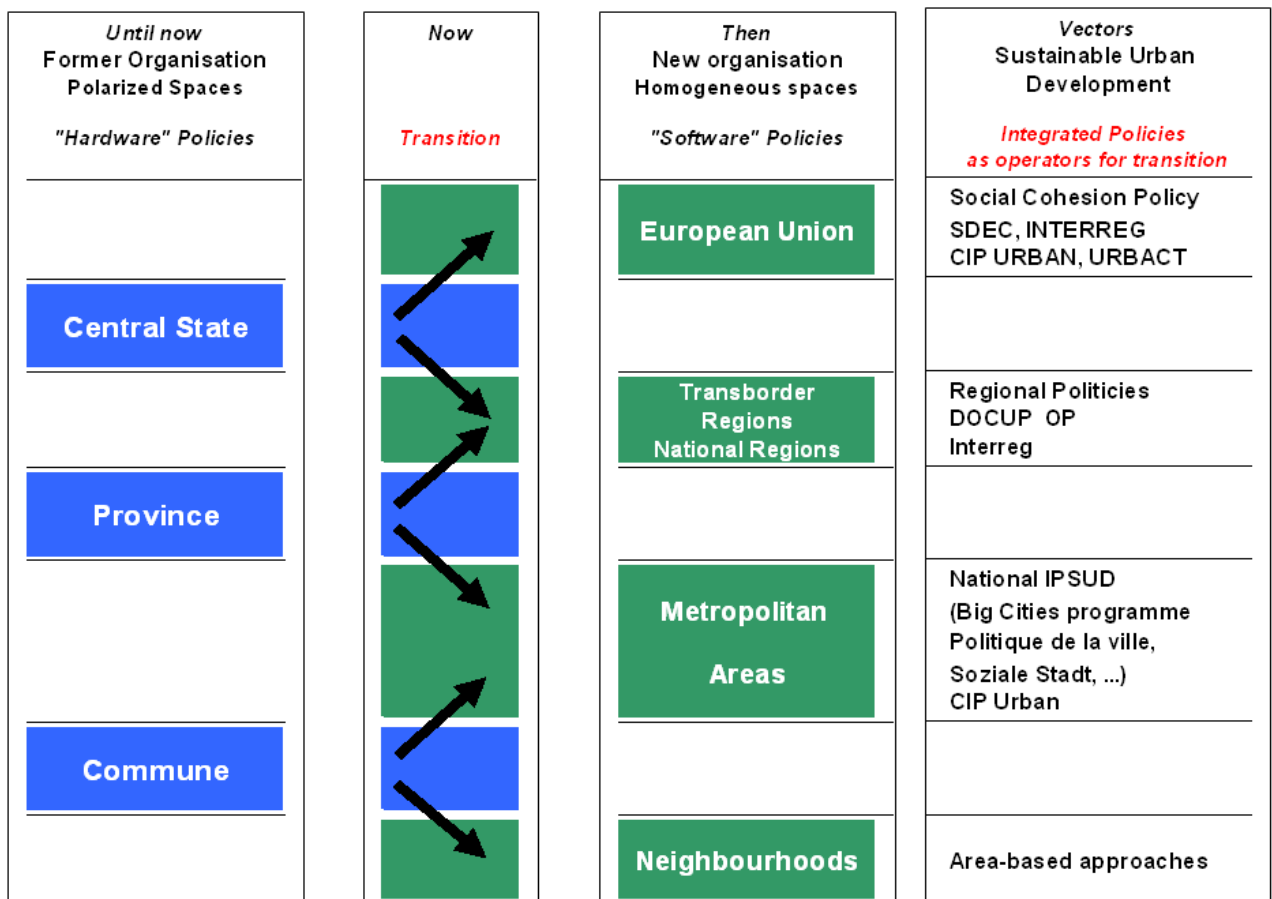## Claude Jacquier's arguments in favour of a new system of governance

Claude Jacquier says that the earlier formal structure of European central states, provincial regions and local communes is outdated. He suggests giving larger role to functional areas: the European Union at the top, the transborder or national regions, the metropolitan areas and neighbourhoods.

These are the functional areas where programs should be implemented. In my opinion, however, the "earlier" administrative structure where the political decisions have to be taken is also necessary.

The Salet book also says that metropolitan areas are very important but you need the provinces or the administrative regions as well, creating the circumstances for the metropolitan areas. So you need to have a mixture between administrative fixed structures and flexible ones

JACQUIER Multilevel table: yesterday, today and maybe tomorrow

A building process : the role of urban and regional policies

| Until now Former Organisation Polarized Spaces "Hardware" Policies	Now Transition	Then New organisation Homogeneous spaces "Software" Policies	Vectors Sustainable Urban Development Integrated Policies as operators for transition
		European Union	Social Cohesion Policy SDEC, INTERREG CIP URBAN, URBACT
Central State			
		Transborder Regions National Regions	Regional Politicies DOCUP OP Interreg
Province			
		Metropolitan Areas	National IPSUD (Big Cities programme Politique de la ville, Soziale Stadt, ...) CIP Urban
Commune			
		Neighbourhoods	Area-based approaches

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Differences between Western and Eastern countries

How are the metropolitan areas in Eastern Europe performing? They started with a major handicap.

Motorways planned in 1936

Motorways built in 1996
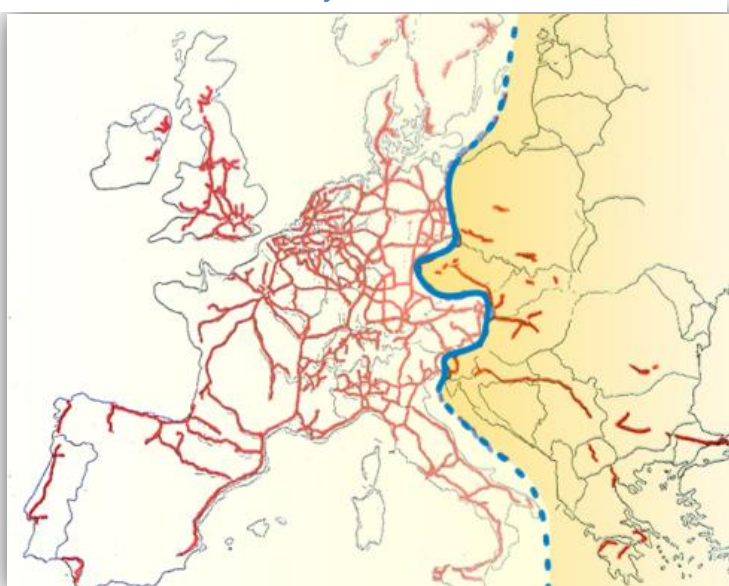
The first map dates 1936 when the first motorways were built in the world. The plans of this time for the future motorways show equal density between Western and East-Central Europe. The blue dividing line did not exist at that time, this came into being after 1945.

The second map dates 1996 and shows dramatic changes: all the planned motorways (or even more) were built in Western Europe, but almost nothing in the socialist East-Central European countries.

Socialism was not willing to build infrastructure; it was to go for industry, for productive investments. So there was a big handicap in infrastructure with which the East-Central European countries started their transition into free-market economies and later into the EU.

Another specificity of the East-Central European area is the frequent change in the national borders. In 1914, only five capital cities existed in Eastern Europe.

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By 1992, another fifteen came as capitals. How can you make metropolitan areas within such circumstances? What does it mean to be a capital city or a secondary city, if your national borders change every twenty years and the new government is building up a new city as a capital city? Under such circumstances usually no public money remains for stable metropolitan policies.

Capital cities of independent countries in East-Central Europe

Before 1914	After 1920	After 1945	After 1992
Vienna	Vienna	Vienna	Vienna
Belgrade	Belgrade	Belgrade	Belgrade
Bucharest	Bucharest	Bucharest	Bucharest
Sofia	Sofia	Sofia	Sofia
Cetinje (Montenegro)	Budapest	Budapest	Budapest
	Warsaw	Warsaw	Warsaw
	Prague	Prague	Prague
	Tirana	Tirana	Tirana
	Tallinn		Tallinn
	Riga		Riga
	Vilnius		Vilnius
			Bratislava
			Ljubljana
			Zagreb
			Sarajevo
			Podgorica
			Pristina
			Skopje
			Minsk
			Kiev
			Chisinau

Prague, Warsaw and Budapest are all suffering heavily from metropolitan governance problems.

The **Budapest** municipality has 1.7 million people; The NUTS-2 region around Budapest has 2.9 million inhabitants.


Further out there are other cities, all with 60,000 – 80,000 inhabitants around the city, 50-100 km away, belonging to other regions.
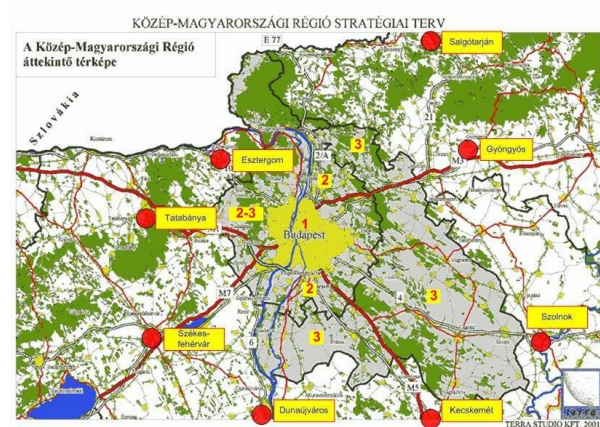
These cities still belong to the economic area of Budapest; this area together would be 4 million people if they would cooperate. Unfortunately no one cooperates with anyone else. One of the examples is Székesfehérvár, an industrial city. If a foreign investor is coming and lands in the Budapest airport, he can reach Székesfehérvár in less than one hour, which is very important for developers. He will live in Budapest and each day go to Székesfehérvár. Thus this city clearly belongs to the FUA of Budapest. However, the city does not talk to Budapest; the strategy is to develop itself against the capital.

Let's see another case, Romania, where EU money was linked to the condition to cooperate across the functional urban region. The 2007-2013 regional development plan defines (besides Bucharest) seven regional centers. These regional centers have to develop an integrated development plan in such a way that first they create their functional urban area, then they develop an integrated plan and, on the basis of this integrated plan, they develop projects. What are the consequences of this cooperative approach?

GROWTH POLES AND URBAN DEVELOPMENT POLES
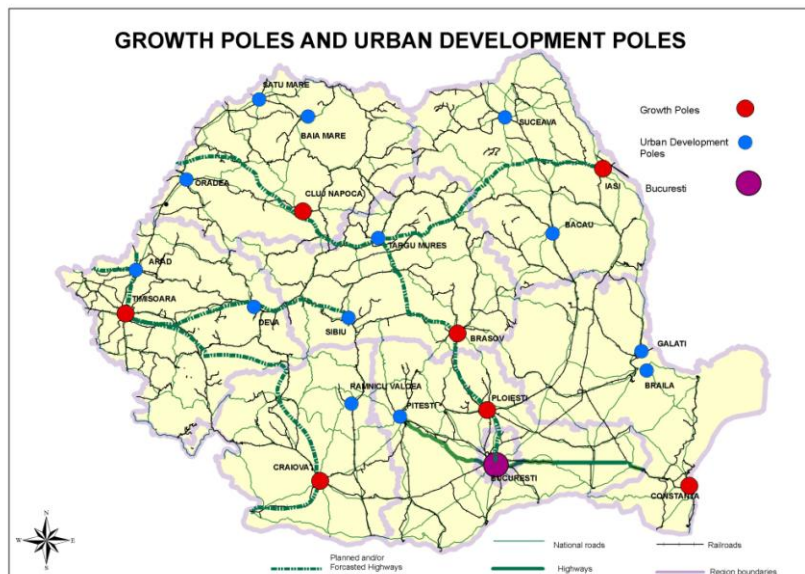
Timisoara, which is on the Hungarian border, is a city with a population of 300,000 inhabitants. It was the first one to cooperate with 14 other settlements. One of them refused, but all the others cooperate and in this way Timisoara is now really doing an integrated plan for its FUA. In that way the EU regulations forced municipalities to cooperate, municipalities which would otherwise not at all talk to each other.

The Ile-de-France region has the potential to become a thriving metropolitan area

So what about the Paris Ile-de-France region? This is a large and growing urban area which has a lot of public planning ideas, some coming for the central government as I understand.

It has already developed a strategy which balances between polycentric development with stronger urban cores and compact development. The governance background is well established.

The Paris Ile-de-France metropolitan area nearly represents the functional urban area. It has a metropolitan master plan which has to be taken into account at the local level and it has a regional council. What else do you need for a metropolitan region?

Of course you have problems: sometimes the top-down control is too much, it took a long time for the region to be accepted as a legal partner in planning, and the involvement of private actors is not yet solved totally as I understand. And obviously the morphological area is a big problem: everyone knows that the city of Paris is ridiculous within its peripheral ring road ("Le périphérique").

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The idea of Grand Paris, the idea of Paris basin.

There is a real debate and you have to think about what are the realities. Now thinking about the future, obviously this area will go for further economic development, attracting talents, to become a real world city. But what are the dangers if the development is only going along economic lines? Obviously there is a danger of one sided economic development: growing inequalities. You have to do something with the poor people who are living in the suburbs (banlieues) and not to deal only with the young talents. You have to take care of the negative externalities of successful development. I already saw pictures of London trains, where two times more people are travelling than the number of places. It is like Tokyo where you have to push people into the trains, and it could come to Paris if it becomes economically very successful.
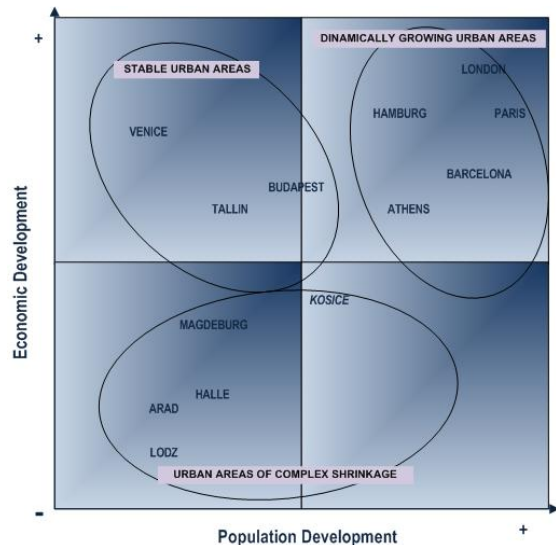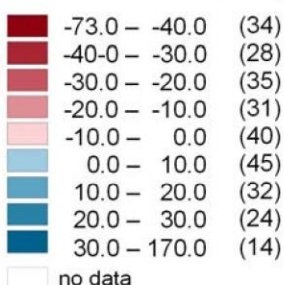
Change in Population in 2005-2050, STQ Scenario
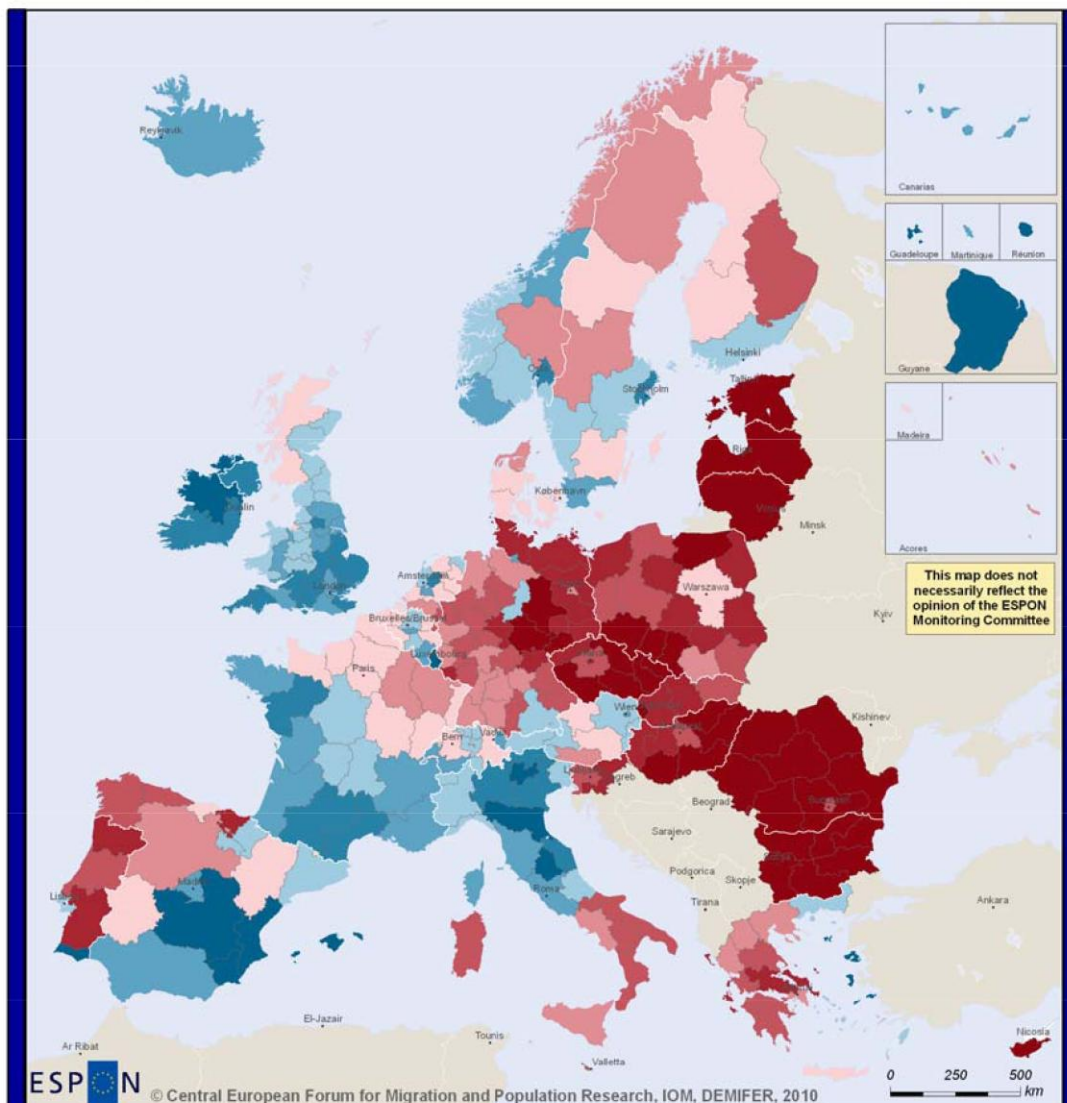
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Regional level: NUTS 2
Source: ESPON 2013 Database, 2010
Origin of data: Eurostat, NSIs, Estimations, 2010
© EuroGeographics Association for administrative boundaries

Change in Population in 2005-2050 in %
after "Status Quo (STQ)" Scenario

	-73.0 – -40.0	(34)
	-40-0 – -30.0	(28)
	-30.0 – -20.0	(35)
	-20.0 – -10.0	(31)
	-10.0 – 0.0	(40)
	0.0 – 10.0	(45)
	10.0 – 20.0	(32)
	20.0 – 30.0	(24)
	30.0 – 170.0	(14)
	no data	

And what about migrations to the western part of Europe? This picture shows that by 2050 some countries from Eastern Europe will lose 30-40% of their population, partly because of demographic loss, partly because these people go to the West. If you do not improve the situation in the East, then you, here in Paris and in other successful metropolitan areas, will get much more people than you would like to have. Many of the East-Central European cities are economically and demographically

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decreasing cities. Many of the inhabitants do not see their future in these cities. Due to language reasons – because French is not as widely spoken as English – most of the migrants are going to England instead of France, at least for the time being.

The United States has four global international zones, not only one as Europe. Polycentricism has to be taken seriously at the European level otherwise the Pentagon, the only one central area of Europe, will die by its success.

So I think that the Paris region has all the potentials to develop into a successful metropolitan region. The heritage of active public intervention can here be adapted to a broader governance approach. Of course this region has to analyse its existing problems, has to talk about what is the new size of Paris and what should be Grand Paris, what are the Paris basin potentials... But the focus should be on better running the existing political institutions and planning frameworks. I recognise Paris and Ile-de-France are very active in international cooperation; you have cooperation with Warsaw, you are a part of METREX: please continue. Be active on the European level. And be aware that if the governance of the metropolitan areas will not improve in the eastern European area, then the most successful western areas will get in trouble very soon, because of the common market and the easy movements of labour. On every level incentives are needed for integrated development and modernisation of governance. Cohesion policy and structural funds are needed more than ever. However, the money of the Structural Funds could be better tied to conditions for recipients. The introduction of governance innovations could be the condition for the eastern countries. The French regulation is a very good example for helping the modernisation of governance in metropolitan areas across Europe. France was successful with its top-down system with innovative planning and policy measures into more decentralised system, yet keeping the control of the center.

I believe that the French planning and government innovation programme – SCOT - is one of the most developed in Europe. Legislation on urban communities can be used, giving us a top-down framework which also has to be fed from bottom-up. These are innovations which are very important for other regions, especially in the new Member States. Yet these models and experiences are very little-known in these countries.