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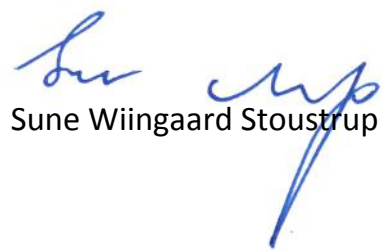
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Abstract

Throughout the member states in the European Union projects in urban settings are increasingly being co-financed by the Structural Funds. At the same time the European Commission does not hold any legal competences on the issue of spatial planning. The study uses a comparative approach to understand how the local context transforms the mechanism of the co-financing. Through a discourse analysis a multi-level governance structure is mapped and unveils how the practices of different actors and statements of policy papers are embedded in the local context. The results show on one hand, the effect of fluent rescaling of the state and the conflicts the funding leads to, and on the other hand, how the funding becomes an extra asset for adding quality to projects already planned. By tracing the discourse of European spatial planning, the research points out how EU strategies are connected to the city on a local scale.

Kurzzusammenfassung

In den Mitgliedstaaten der Europäischen Union werden Projekte in Städten zunehmend aus Mittel der Strukturfonds kofinanziert. Gleichzeitig hat die Europäische Kommission jedoch keinerlei rechtliche Kompetenzen bezüglich Fragestellung der Raumplanung. Die vorliegende Arbeit verwendet einen vergleichenden Forschungsansatz, um zu untersuchen, wie auf lokaler Ebene der Mechanismus der Kofinanzierung umgesetzt wird. Anhand einer Diskursanalyse wird eine Multi-Governance-Struktur abgebildet. Dabei wird aufgezeigt, wie die Vorgehensweise verschiedener Akteure sowie die Aussagen von Strategiepapieren auf lokaler Ebene eingebettet sind. Die Ergebnisse zeigen zum einen, die Effekte des 'Re-scaling' des Staates und die Konflikte aufgrund von Förderungen, und zum anderen, wie Förderungen zu einem zusätzlichen Asset der Qualitätsbereicherung bei schon geplanten Projekten werden. Mit der Skizzierung des Diskurses über europäische Raumplanung zeigt diese Forschungsarbeit auf, wie EU-Strategien mit der Stadt auf lokaler Ebene verbunden werden.

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1. Introduction

“Writing about European spatial planning is like sailing into the wind: planning seems anonymous and distant, and Europe the more so...”

(Faludi,2010,pIX)

Researching into the topic of European spatial planning from the perspective of Urban Studies can be quite the frustrating. And besides accounts of the EU funded URBAN programme, the planning, the actions and projects that ‘we know’ take place with (and sometimes only because) of the funding from the EU, are as Andreas Faludi (2010) describes ‘in theory’ non-existent.

Looking at the foundation of the European spatial planning; the cohesion policy, it can be seen as the EUs attempt

“...to achieve balanced, inclusive and sustainable development of territories and to make value of their specific potential, by taking an integrated, partnership-based approach to organising cooperation between territories at all levels and coordinating the policies applicable to these territories.” (Salez,2009,p13)

But besides the lofty words in the policy papers and the reports coming out of the different organs and institutions connected to the European spatial planning policies, the EU can only work with incentives, with guidelines and plans, but no legal or authoritative actions to push the member countries in the direction set out by the European Commission. Nonetheless the finances allocated to the cohesion policy for its seven years periods are extensive: 346 billion euro, equal to 35.7 percent of the EU budget. It is divided into three distinct funds: the European Regional Development Fund (ERDF, or Regional fund) makes up 58 percent, the European Social Fund (ESF, or Social fund), 22 percent, and the “Cohesion Fund” that accounts for the remaining 20.0 per cent (Barca,2009,p60-61). For the members of the SEiSMiC network which the case studies Budapest (Hungary) and Vienna (Austria) are both members of, we can see that the urban areas are not receiving the bulk of the EU funding, but nonetheless, the flow of funding into urban areas are substantial (Figure 1).

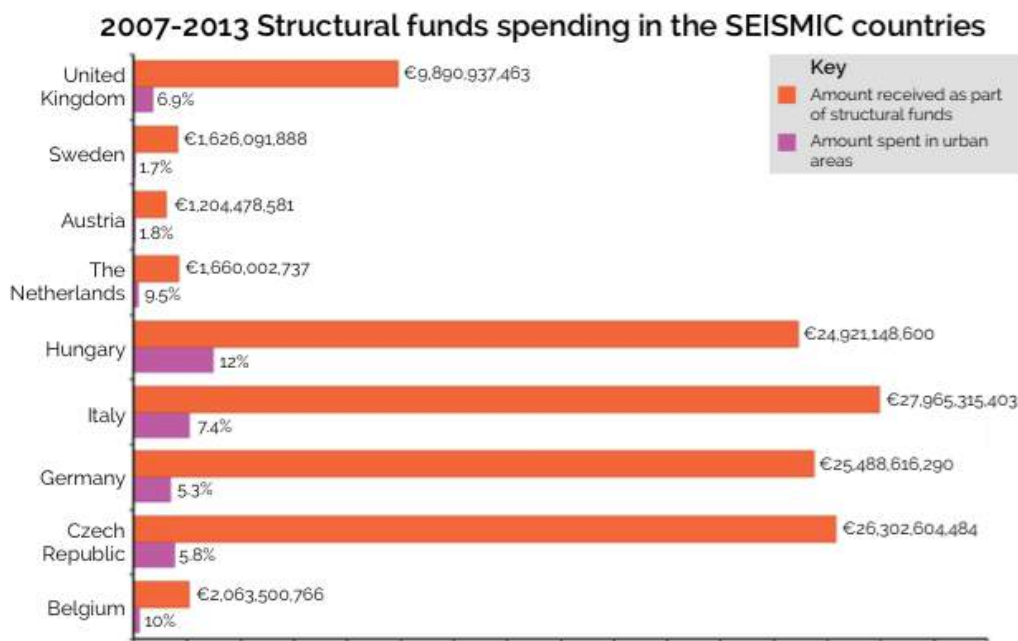


Figure 1 SEISMIC,2014,p14

If we chart what type of projects the funding is spend on, we can observe that even though *Clean urban transport* are the main receiver of Structural Funds in Hungary, *Urban and rural regeneration projects* define a majority of the projects in the SEiSMiC members (Figure 2).

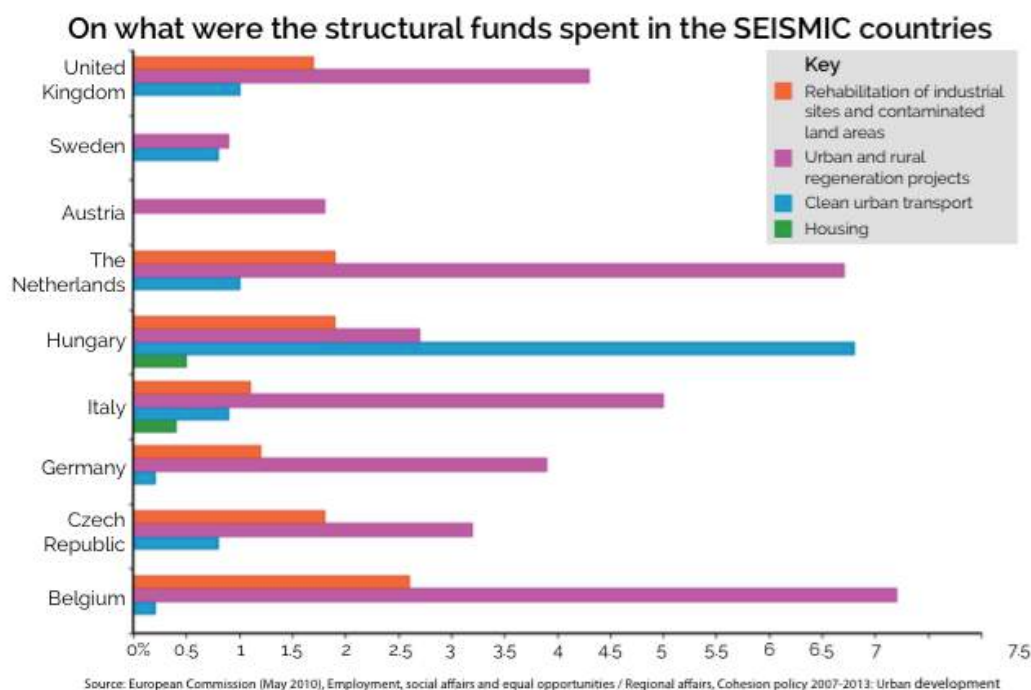


Figure 2. SEISMIC,2014,p14)

The allocation of so much money through the cohesion policy does make it unpopular with some of its contributors (and is it often the point of departure for anti-EU politicians). As the funding scheme makes the money seem to go from national coffers, to the EU coffers and then back again, it can give the interpretation that all it amounts to is more interference in national considerations from the Commission who wants to 'police' that the funds are used "...to pursue set community objectives: [and thus just] the 'pumping around of money',..." (Faludi,2010,p173). Besides the topic of the amount of money channeled through the funds, and the (further) loss of national independence the "Cohesion policy is unpopular because of its intangible effects." (Faludi,2010,p173). These two sides make the cohesion policy to be perceived "...as a mere redistributive tool in the form of block grants has been reinforced." (Barca,2009,p95).

If we look at the way European spatial planning is conceived and how it is applied, we can see it as something 'strategic', something that works to make the member countries aspire to a specific way and level of territorial form and structure (Faludi,2010,p177), as such the "European spatial planning is not primarily about funds! It is about software." (Faludi,2010,p181), meaning that it is concerned with the 'soft' spaces of urban planning, i.e. the strategies, the 'dreaming up of space', and not the 'hard' spaces, i.e. where the 'spade hits the ground', where there is actual (tangible) planning projects taking place.

Without disagreeing with Faludi's assessment that the European spatial planning is very much about the "soft" parts of planning; i.e. the communicative, the interaction, cooperation, integration between different actors. Nonetheless the funding scheme, the financing of urban developments can and should also be seen as "hard" planning projects that leave tangible traces on the urban structure. These two 'dimensions' cannot exist without each other. Without hard spaces financed (in part) by the structural funds, there would be no reason to talk about the soft parts, the governance and administration.

The importance of an investigation into the topic of how the cohesion policy and thus the European spatial planning. If we look at how it is carried out, there is "...a noticeable paradox: although cohesion policy is undoubtedly the most important EU policy for economic and social development, an EU-level, continuous political and policy debate on cohesion policy and its progress has been lacking." (Barca,2009,p104). What

we see is that beside the anti-EU parties, pointing to ‘uncontrolled and inefficient spending’s by the EU on infrastructure’ there is an “...absence of any linkage at EU level between the debate on cohesion policy and the debate on growth and stability, in spite of cohesion policy financing a large share of European total fixed capital formation,..” (Barca,2009,p104). Combined with “...the very limited number of academic evaluation studies in this policy area does probably signal also a lack of administrative and political commitment that deprives domestic regional policy of a powerful tool to learn and improve.” (Barca,2009,p80).

Research Question

*How and with what implications does the European spatial planning
(and thus funding) translate into tangible **urban** spatial planning
and projects in Vienna and Budapest?*

Introducing the topic

Understanding the goals and visions of the cohesion policy is a must if we want to understand how it translates from vision into tangible spaces. The "Cohesion policy is central to the European project because of the emphasis, [...], on solidarity in the face of growing disparities." (Faludi,2010,p1). The term ‘cohesion’ a ‘a condition in which people or things are closely united’ (merriam-webster.com,2014) does describe at least the initial vision, but in more recent times, the cohesion policy has also its place in promoting and furthering a EU that compete and stay as a affluent and advanced area. With the focus on cities (among other factors) as a place where economic growth is fostered, then “The regions of the EU can only be competitive and hence contribute to the reduction of unemployment if towns and cities, especially those outside the global integration zones and metropolitan regions, have enough economic potential.” (EC,1999,p22). As a vision we then see the European Commission having an outlook where “The future of the towns and cities in the EU depends on fighting growing poverty, social exclusion and stemming the loss of certain urban functions.”

(EC,1999,p22). To have good social, environmental and economic development in cities, the material and social welfare is an important factor.

This comes out as a list of five aspects that the Commission relates to how cities and towns should be developed:

The five following aspects are of particular importance to the sustainable development of towns and cities:

- control of the physical expansion of towns and cities;
- mixture of functions and social groups (which particularly applies to large cities in which increasingly large sections of the population are threatened by exclusion from urban society);
- wise and resource-saving management of the urban ecosystem (particularly water, energy and waste);
- better accessibility by different types of transport which are not only effective but also environmentally friendly; and
- the conservation and development of the natural and cultural heritage.

(From EC,1999,p22)

As scholars like David Harvey have also pointed out (in his text on the entrepreneurial city from 1989), the European Commission also states that “It is important [...] that competition between cities, regions and Member States is socially inclusive and environmentally responsible.” (EC,1999,p65) An competition, where everyone see themselves as working only for themselves - and not an ‘EU together’, is not a sustainable way forward (nonetheless, if we look at the recent polemic surrounding Ireland and Luxemburg as places in the EU where private companies can gain favorable business climate, it does challenge if this is followed.) Still we see every city trying to attract companies, especially now where “‘Innovation’ is chosen as a key word for boosting a cohesive EU in the global arena, strengthening the single market and social inclusion.” (EC,2013,p7). Another example of discrepancy between vision and what takes place is while of networks of transport “...ought to contribute to territorial cohesion by linking remote and peripheral regions to the centre of Europe, the chosen projects are almost all aimed at reducing congestion on the main routes to and from this

centre, based on the criterion of traffic density.” (Salez,2009,p14). What we see is that with the shift from ‘reducing disparities’ to “...ensuring that the capacity and the potential of all places are exploited and utilised to the full.” (Barca,2009,p78), Member States are predominantly focused on being *efficiency* as the planning objective. Fabrizio Barca’s 2009 report: *An Agenda for A Reformed Cohesion Policy - A place-based approach to meeting European Union challenges and expectations*, refer to a ‘conceptual fuzziness’ that takes place because of a:

“...failure to distinguish between efficiency and social inclusion (equity). The Treaty reference to ‘reducing disparities between the levels of development of the various regions’ has progressively come to be interpreted as ‘convergence’ between regions, and convergence has been interpreted as implying both efficiency and equity.” (Barca,2009,p94)

And because of this the goals related to the social aspects has sometimes been “camouflaging” as efficiency goals, and efficiency goals has been “justified” by connecting them with local social dynamics. Bastiaan Matthijs Hissink Muller who in his PhD. Thesis *The place where streams seek ground - Towards a new territorial governmentality: the meaning and usage of the concept of territorial cohesion in the European Union* (2013) discourse analysis on the usage of ‘territorial cohesion’ reflects that “The confusion surrounding territorial cohesion is also formed by its complex and uncertain, although promoted, usage within the European Union organisation.” (Hissink Muller,2013,p2). The territorial cohesion here works as “...adding to European Union competency, promoting European spatial planning, the substantive expansion of Regional/Cohesion policy, and/or the channeling of European funding.” (Hissink Muller,2013,p4). He states that: “One cannot simultaneously talk about politics and territorial cohesion.. [...] One can likewise not simultaneously talk about territorial cohesion and tangible matters.” (Hissink Muller,2013,p3) - something that makes sense related it to the fuzziness that Barca (2009) writes about, the distant and anonymous European spatial planning from Faludi (2010), and the contradictions stated by Salez (2009).

Outlining the Issue

“The regional disparities in GDP per capita provide a starting point for European regional policy.” (EC,1999,p60)

This might have been the case for 1999, but the 2009 report by Barca denounce this focus on economic convergence between member states, stating that it:

“...is not a good measure of development. It does not give information on the capacity of a region to escape either inefficiency or social exclusion traps. [...] convergence refers to only one dimension of well-being that cannot be taken as a summary measure of all the others.” (Barca,2009,p81)

The convergence of older and newer member countries that the discourse of convergence refers to, does not take into account that the new member states (simplified east European) often have a (economic) growing pace much greater than the older members (simplified west and north European), but that “...since the mid-1990s within-country gaps have actually widened.” (Barca,2009,p81). Therefore there has been a strong focus on the regional disparities and the convergence between them, producing research that mostly delve into “...the empirical macro-analysis of the impacts of cohesion policy.” (Barca,2009,p86), but does not offer “...a conclusive general answer on the effectiveness of cohesion policy.” (Barca,2009,p86). The analysis for the results of cohesion policy appliance, fail to take into account local context of countries, regions, cities (and maybe even neighborhoods) as they “...are characterised by very different institutional, economic and social conditions.” (Barca,2009,p87). This is particularly true for two of the most relevant dimensions of any evaluation effort in the field of place-based policies: an understanding of which interventions work and which do not;” (Barca,2009,p89).

There is then a lacking knowledge of what the ‘European Space’ that the cohesion policy is set out to help come into being. The methodological implications of the macro analysis as *the* tool to approach the cohesion policy produce no “...understanding of whether cohesion policy makes a difference to the capacity of specific populations in specific places to increase their unused potential or to reduce social exclusion...” (Barca,2009,p87) - this can only be derived through a micro-analysis of specific projects that were aimed at of solving these goals. A study collecting information and evaluations from Member States was collected for the 2000-2006 programme. This showed “...that very little and fragmented results have been achieved by Member States in this area of evaluation,...” (Barca,2009,p89). The mapping, understanding and evaluation of the interventions carried out through the cohesion policy then again moves into muddy

water. As the EC have no competence into the 'spatial planning' itself, or its evaluation, the Member States themselves are in charge of choosing evaluation indicators, but there are no knowledge about if they "...comply with minimal requisites of statistical validation, clarity of interpretation and responsiveness to [cohesion] policy intervention..." (Barca,2009,p89).

Making it Tangible

The goal of the research is to carry out a micro analysis of the implementation and projects connected to and funded by the cohesion policy - and thus attempting to outline the European spatial planning schemes and the EU - as related to the fuzziness, anonymity (and contradictions) stated earlier (Figure 3). It will be outside the scope of this master thesis to follow up with a macro-analysis, meaning aggregating the micro-evidence into one, as Barca (2009) suggest. Instead it is suggested that by working with particular cases we can explore how the European spatial planning translates into tangible projects 'on the street' - thus sketch a specific urban agenda that may or may not be compliant with that of the goals of European spatial planning.

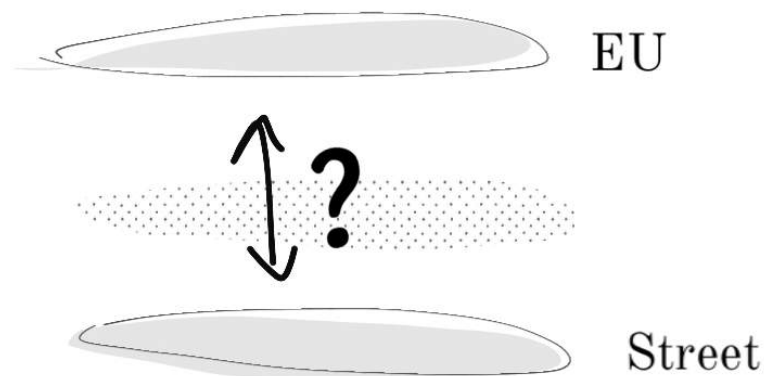


Figure 3 - Author's illustration

A recent publication by the European Commission: *Urban Development in the EU:50 Projects supported by the European Regional Development Fund during the 2007-13 period* (2013), might be the right direction for a micro-analysis approach to evaluation - even if it might be more directed to being a catalogue to showcase best practices. It collects 50 practices and projects over eight themes, that showcases how cities on a local level can respond to urban challenges from the cohesion policy period 2007-2013. (EC,2013,p3). The themes are although more developed, related to the five aspects that

'are important for the sustainable development of cities' - as showed earlier in this paper. Among the many issues, the report write about is:

- Preventing "...gated scientific communities, [for] cities need to define their role as brokers, above all taking the needs of citizens and the wider economic and social context into account." (EC,2013,p3)
- That "Inclusive growth is based on the premise that any growth, if it is to be economically, environmentally and socially sustainable, needs to be inclusive in order to reach all parts of society." (EC,2013,p4)
- As "The physical aspect is also the main driver of ERDF use in brownfield redevelopment, housing, neighbourhood renewal and infrastructure. Some cases are at the edge of being monofunctional projects because physical regeneration is the sole goal. In the most sophisticated cases, physical regeneration is only a driver for more comprehensive and integrated approaches to rethinking the future of an area – and of an entire city." (EC,2013,p6)

2. Theoretical Framework

To approach the subject of European Spatial Planning and its outcomes and consequences, this thesis builds on a literature review that combines three (implicitly) connected but often in literature separate lines of theories (figure 4), that in explores the EU as a new phenomenon and with a common ground on “...an alertness to the new ways in which geopolitics of knowing inscribes a privileging of certain places and approaches. (McFarlane & Robinson,2012,p767). The three theoretical branches are 1) the *Rescaled Competition State Regime* in Neil Brenners book *New State Spaces: Urban Governance and the Rescaling of Statehood* (2004), and maybe more importantly on his interpretation of the current multi-scalar, non-hierarchical geographical space that according to him, define contemporary governance organization as the space in which the EU funding scheme maneuver in. 2) A review of the theoretical framing of the EU as working with a multi-level governance (MLG) framework where the attention is on a new interconnectedness of the actors that take part in policy making and implementation, especially in relation to the cohesion policy and EU co-financing. 3) A concept that Brenner comment upon, but does not unfold in depth is the notion of *Europeanization*; a way in which the European countries (and those aspiring to be) undergoes changes in strategies and urban governance to “fit into” the framework and policies of the EU institutions. To review this concept, this thesis builds its foundation on the books *European Cities: Social Conflicts and Governance* (Le Gales,2002) and *The Europeanization of Cities* (Hamedinger & Wolffhardt ,2010).

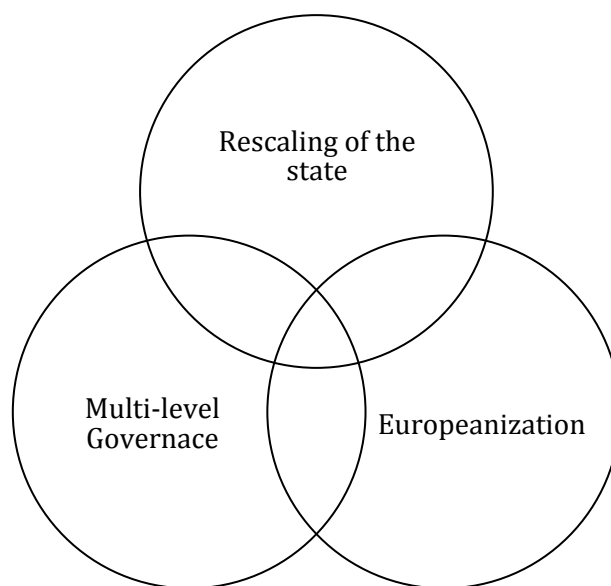


Figure 4. - Authors illustration

Through building this theoretical framework the analysis brings into play a perspective that spans over the meso-level perspective and “general” processes of society where the rescaling of the state (and emergence of the European Union as an entity takes place). The multi-level governance focuses on the practical assembling of actors connecting and disconnecting to form governance structures, and lastly the process of Europeanization describes how different discursive layers shape the organizational practices. As the three strings of literature are distinctively separate but connected, they are presented separately.

A New State Space

Brenner builds his work upon Henri Lefebvres understanding of the *production of space* (1991); a view where “...space is not opposed to time and historicity, but must be viewed as a co-constitutive, dialectically inseparable moment of the latter.” (Brenner,2004,p32); where the emphasis is on space as a arena, continually, produced, contested and transformed: ‘space-as-process’ (Brenner,2004,p32). With this processual view of space, we talk of active continuous processes:

“...localization, regionalization, nationalization, or globalization [...] rather than as a permanently fixed, pregiven thing; Conceptualizing the intrinsic relationality of all geographical scales and their embeddedness within broader interscalar hierarchies;” (Brenner,2004,p8)

In this process-based approach the focus is on the social conflicts and political-economic struggles that constitutes the scale transformations taking place, i.e. where “...the importance and role of certain geographical scales, reassert the importance of others and on occasion create entirely new scales.”(Swyngedouw,2004,p33). This theorization is embedded in understanding of society, focusing on the relation between social space and modern capitalism, and thus how the sociospatial configurations are produced; how they are “...torn down, reconfigured, and reterritorialized during recurrent waves of systemic crisis, disinvestment, and institutional reorganization. “ (Brenner,2004,p34). In this view, the concern is in how urban governance has changed from “...the managerial, welfarist mode of the Fordist-Keynesian period to an entrepreneurial, growth- oriented, and competitiveness-driven framework during the post-1970s period...”

(Brenner,2004,p177), and how these processes of state rescaling has changed the relation between geographical scales through state spatial projects and state spatial strategies as part of "...a wider and more global restructuring of the political economic geography of accumulation..." (Swyngedouw,1996,p1500).

According to Brenner, urban regions and their paired urban policies, are sites for observing a spatial restructuring of the contemporary state space. He approaches state theory with a scale sensitive approach, meaning that it is in the current rescaling processes that we can observe the making of contemporary configuration of geographical scales, and that these can only be understood relationally, as in which "...upwards, downwards, and transversal links to other geographical scales situated within the broader scalar order in which it is embedded." (Brenner,2004,p10). As such hierarchies of the relations between different scales are organized as mosaics connected in interscalar networks (Stubbs,2005,p76). In this different mosaic structure scales inhibits particular "...spatial practices and the construction of symbolic meanings..." (Richardson & Jensen,2003,p13), and the struggle to command a particular scale then also makes a continuous reshuffling by the social strategies and meanings embedded there as the importance increases and declines (Swyngedouw,2004,p33). As such "The mobilisation of scalar narratives, scalar politics and scalar practices, then, becomes an integral part of political power struggles and strategies." (Swyngedouw, 2004,p34).

This is a change from the pyramid-shaped model of territorial organization (see figure 1) that existed pre-1980s patterns of globalization and Europeanization, and in general the interconnectedness of national economies that has been destabilized by:

"(a) embedding national economies within European and global spatial divisions of labor; (b) expanding the geographic scope of transnational corporate activities; and (c) enhancing the significance of horizontal linkages among large metropolitan regions situated in different national territories." (Brenner,2004,p168)

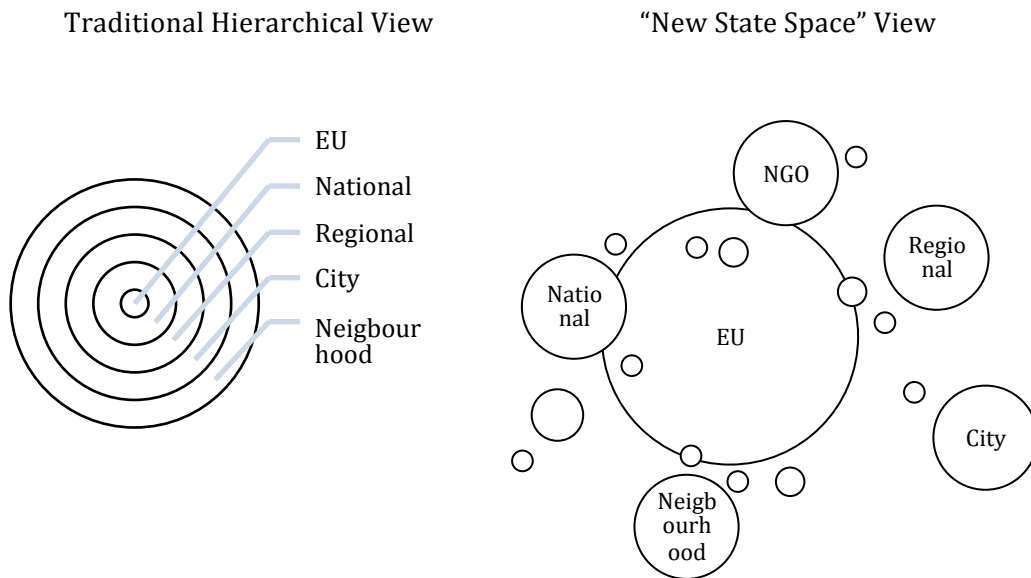


Figure 5, Authors illustrations

In this new relational scalar order, cities and city regions have stopped being only subunits of national systems as in a “matrouchka’ system. [where] Like Russian dolls, governments were conceived of as fitting inside one another (local fits into regional, fits into national, fits into international).” (Hajer & Versteeg,2005,p340) (Figure 5). In the transformed model of scales, they have lost their “...fixed or pregiven scaffolds of social interaction, [and] are themselves produced and periodically modified in and through that interaction.” (Brenner,2004,p8). We can experience examples of these restructuring processes in newly emerged geographical scales such as “...urban neighborhoods, metropolitan regions [which] have become important sites of scale-specific transformations of statehood since the early 1990s.” (Brenner,2004,p274). These has now emerged as important scales for both state intervention and interaction across scales that we did not see before. Examples of this could be the elevation of cities in national planning strategies, focus on specific neighborhood strategies (e.g. in one end creative hubs, in the other deprived areas), constructing large metropolitan areas by connecting cities physically and/or imaginably (e.g. the Lille metropolitan area, the Øresund Region, Vienna-Bratislave) or the inter urban networks. Through this development we can see different meanings are contested and attributed “...between actors from the local to the European level, given what is at stake in terms of the perceived link between connectedness and economic competitiveness. (Richardson & Jensen,2003,p12).

Consequently where the national state used to be the level of “...negotiating and implementing (urban and regional) development policy...” (Swyngedouw,1996, p1503) there is now both an:

“...up-scaling of governance whereby the national state increasingly delegates regulatory and other tasks to other and higher scales or levels of governance (such as the EU, IMF, WTO and the like) and, [...a...] down-scaling of governance to ‘local’ practices and arrangements that create greater local differentiation combined with a desire to incorporate new social actors in the arena of governing.” (Swyngedouw,2005,p1998)

How EU is creating its Statehood

Reading from Lefebvre, Brenner states that it is through state projects and state activities that are coherently articulated agendas—that the image of the state as a unified organizational entity (‘state effects’) can be projected into civil society.” (Brenner,2004,p85) and thus:

“....each new form of state, each new form of political power, introduces its own particular way of partitioning space, its own particular administrative classification of discourses about space and about things and people in space. Each such form commands space, as it were, to serve its purposes.” (Lefebvre,1991 in Brenner,2004,p79)

If we put our view on the European Union (EU) as either a new form of statehood, or a new form of political power, it produces a certain way of influencing space by how it articulates and produces discourses, all to steer the development of urban space in a specific direction it has determined. The EU Commission has produced a range of spatial discourses and policies connected to the European territory. As such it figures as an important level of combined discourse and policy formation that extends from a supranational level to the local urban scale:

“The development of Structural Funds policy and related principles contributed to establishing a discourse on the making of the Europe of the Regions and, a little later the Europe of Cities. [... the] Commission recognized regions and cities as political actors,

fully integrated within European governance. The Commission thus legitimized regions and cities attempting to establish their role within national political systems.” (Le Gales,2002,p100)

Since the early 1990s, the European Commission has attempted to enhance territorial cohesion through several policy programs. One such is the Structural Funds where considerable amount of financial resources from the EU budget has been allocated “...towards the promotion of economic development in disadvantaged, marginalized cities and regions among the EU member states.” (Brenner,2004,p301). With the development of the European Spatial Development Perspective (ESDP) this goal was articulated as a strategy of a dispersed, balanced, polycentric spatial development pattern of across the countries of the European Union. Despite this goal, the:

“...project of promoting polycentric territorial development is thus designed not to redistribute socioeconomic assets towards structurally disadvantaged areas, but to position European local and regional economies strategically in the competitive worldwide race to attract external capital investment.” (Brenner,2004,p301)

As such we should not see the Structural Funds or the ESDP as taking over the role of compensatory, territorially redistributive policy instruments that we know from spatial Keynesianism – instead:

“...the Structural Funds and the ESDP serve to reinforce the supply-side, competition-based logic of locational policy, in this case at both European and regional scales [... thus they] function not as a counterbalance to locational policies, but rather as an instrument for their further entrenchment.” (Brenner,2004,p302+303).

The ‘*multilevel governance system*’ that is the outcome of EU institutions involvement in spatial planning affairs and the regulatory arrangements this involves, has further deepened the denationalization and decentralization of the state (Brenner,2004,p98) as: “...these newly emergent institutional hierarchies stretching from the EU downwards to regional and municipal governments, national states are no longer the singular, predominant scale of political-economic governance and territorial redistribution.” (Brenner,2004,p169). This has implications for how social power relations are organized through “The emergence of new territorial scales of governance and the redefinition of existing scales (like the nation-state) change the regulation and

organisation of social, political and economic power relations.” (Swyngedouw,2004,p26). To explore the rescaling of the state, we can then use “Governance as an analytical concept to trace the reorganization of statehood.” (Wukovitsch,2010,p91).

Multi-level Governance

The concept of Multi-level governance (MLG) first emerged as a way to capture developments in the EU cohesion policy, and later to understand the EU decision-making processes (Bache,2012,p1). It outlines the way the EU has been “...creating opportunities for new governance arrangements at the local level, involving co-operation between market and civil society actors and developing co-ordination between multiple policy-making scales.” (Eizaguirre, Pradel, Terrones, Martinez-Celorrío, García,2012,p 2002). The introduction of Multi-level Governance as a way to theorize the European Union came with the push for integration through the single market program, expressed in the Single European Act of 1986 (Bache,2012,p1). Before this, the study of the EU was “...developed from the study of international relations (IR) that were concerned with understanding the process of European integration.” (Bache,2012,p1).

The reason for this development can be found in the reform of the Structural Funds in 1988 that changed the state-centered regulatory model of European institutions into admitting sub-national actors into a multilateral decision-making and implementation process and required the active participation of both public and private actors (stakeholders) at various levels of policy-making (Milio,2013,p5). Through the principles contained in the reformed Structural Funds: *programming, concentration, additionality, subsidiarity, and partnership* it was then implied a “...surrender of sovereignty on the part of the member-states in favour of their regional tiers and, ultimately, to the Community itself.” (Piattoni,2009b,p19). As such the “...EU institutions typically operate less in the manner of a re-scaled, supranational sovereign state apparatus than as a nodal point in an extensive web of meta-governance operations.” (Jessop,2009,p89) where they function as a central actor, orchestrating economic and social policy in and across many different scales. Thus attention was pointed towards how not only the national and the supranational levels were relevant to understand the

“EU game” but there were other levels which mattered as well (Piattoni, 2009b,p6). Therefore MLG was used to analyze the institutional arrangements of the EU structural funds and cohesion policy, in the end being so successful that it *also entered into the language of the policy makers in the EU* (Stephenson,2013,p822).

With the 2001 White Paper on European Governance, MLG was portrayed as the most appropriate governing framework for the EU, and as such also for implementing the EU projects such as the Structural Funds (Milio,2013,p2). It promoted “...the complementarity between regional and local authorities, on the one hand, and civil society organizations, on the other, in the formulation, implementation, monitoring and evaluation of Community policies.” (Piattoni,2009a,p174) as a way “...to pursue ‘democratic governance’...” (Eizaguirre, Pradel, Terrones, Martinez-Celorrio, García, 2012,p2000). Through this imposing discourse and through implementing its policies with principles promoting MLG, “...the EU has contributed to the creation of a strong relationship between multilevel governance and competitiveness with emphasis on improving the competitive capacity of cities and regions.” (Eizaguirre, Pradel, Terrones, Martinez-Celorrio & García,2011,p2002). As the EU “...is interested in improving its own multi-level governance architectures and mechanisms.” (Stubbs,2005,p70), by contributed to funding research into MLG in the social scientific research community, the EU is contributing to creating a normative discourse about MLG, and also both promoting and legitimizing MLG (Stephenson,2013,p822):

“MLG becomes self-reinforcing as actors, such as policy officers and decision-makers, learn to function according to the behavioural rules of MLG, which encourages highly dense and frequent interaction. Arguably, MLG has itself become a normative feature or value of the EU.” (Stephenson,2013,p826)

Through this institutionalized form of MLG, the focus is on a continuing and changing equilibrium of compromise rather than “...a single method of coordination to deal with a fixed pattern of complex interdependence.” (Jessop,2009,p90), this ensures that the EU supervision is continuously needed. We should also note that this governance model might be the cause of conflict “...if applied in member states and regions where politician and stakeholder interests are not in alignment with ultimate broader economic goals.” (Milio,2013,p2). With the accumulation of different actors, these might also attempt to implement their own model of development into areas (i.e. regions, cities

etc.) that was closed off from their influence before. (Milio,2013,p2). Therefore we can talk about “...the concept of ‘contested multi-level governance’ to indicate that relations between the participants in MLG are frequently keenly disputed and that the problems centre on policy development, resource distribution, power and accountability.” (Milio,2013,p4). Thus the theoretical value of MLG is that it fosters a view of the complexity between levels and actors in the governance framework where:

“...the vertical notion of multi-level governance, including but also seemingly ‘above’ and ‘below’ the nation state, goes alongside the horizontal notion of complex governance to address relationships between state and non-state actors, and new forms of public-private partnerships.” (Stubbs,2005,p67).

With this theorization MLG thus draws attention to three new developments in politics:

- “*Political mobilization* occurs as much within institutional boundaries and through conventional procedures as across these boundaries and outside these procedures.
- *Policy-making* no longer separates neatly policy-makers from policy-receivers, nor does it distinguish between public and private actors, but rather needs to enlist all types of actors in all types of roles throughout the policy process.
- The *polity* addressed by political mobilization and producing policy decisions are less and less understandable as fixed and established, as institutions are constantly adjusted and procedures are constantly tinkered with by the decision-making processes themselves.”

(Piattoni,2009b,p2)

For cities, the large number of EU regulations and financial programmes is thus also not only important “...for the financial support involved, but also for stimulus towards the constitution of networks and co-operation agreements.” (Eizaguirre, Pradel, Terrones, Martinez-Celorrio & García,2011,p2002). As such cities take part in the MLG system, but “...the local level can have different roles depending on the position of the local public authorities within the multiscalar governance system, the strategies of local actors and their articulation with national decision-making bodies.”(Eizaguirre, Pradel, Terrones,

Martinez-Celorio & García,2011,p2004). As such the key element is the connections established between different levels of power, both trans-scalar, international, and crossing boundaries, and in relations to NGOS, civil society actors, re- search networks and international and European interest organizations (Fedeli,2014, p75).

Performing Multi-level Governance

The question is then how does these MLG networks work? “Our answer here is blunt and simple: network governance is performed.” (Hajer & Versteeg,2005,p342). We can see that in how the Commission believes it can play a key role is in the development of a more coordinated approach. It does this by “...helping coordinate the actions of, and encouraging cooperation between, different levels of government/governance (i.e. vertical coordination) and between different parts of government at the same level (i.e. horizontal coordination).” (Atkinson,2001,p387). The point here is that in the EU promotes its ‘meta-governance’ so that the Community’s responsibility “....is to complement the activities of member states by developing a ‘coordinated strategy’, to formulate common guidelines, to establish benchmarks and ‘best practice’, and to monitor the pursuit of national action plans...” (Jessop,2009,p87+88) rather than direct top-down intervention. As the partnership principle requires that the structural funding scheme is administered through *multi-level* partnerships established in each assisted region the connection of national, subnational (regional and/or local), and supranational (EU Commission) actors, subnational actors now have a formal role in the EU policy-making process (Bache,2012,p2).In the view of the European Commission the partnership principle reflects the perceived value of “...decentralisation and the involvement, at all levels, of the relevant authorities in lower tiers of government, from the preparatory stage to implementation of the measures.” (Milio,2013,p3). The contribution or even necessity to involve local authorities and actors are due to that they are “...considered potential resources for the knowledge they can bring in because of their proximity to local contexts. At the same time, cities are considered central for the capacity to bring the European Union close to citizens.” (Fedeli,2014,p75).As such:

“Actors representing subnational and non-governmental interests are authorized first and foremost by the Union itself – their involvement is mandated in the Treaties – even though their selection is governed by domestic rules. The recognition of their role in EU

policy-making, thus, creates a direct link between these actors and the Union which bypasses the member-states.” (Piattoni,2009b,p29)

At the local level projects and partnerships are expected to reinforce local and regional development opportunities by serving as interlinking mechanisms between local conditions, national policy systems and the policies of supra-national institutions.” (Godenhjelm, Lundin & Sjöblom,2015,p9). The partnership is though challenged by the duality in that although necessary for gathering knowledge, MLG “...is similarly undermined because all players have their own goals and agendas, which at times are conflicting rather than converging. Lobbying and rent-seeking are easily initiated in such a context.” (Milio,2013,p5). An example for such is when participating in networks, e.g. experts will have to establish their ‘expert role’ in negotiating situations “...where others (citizens, NGOs, activists) will bring in knowledge claims on their own. [...thus without...] their a priori legitimacy...” (Hajer & Versteeg,2005,p 346). Here especially non-governmental and civil society organizations are often here challenged in negotiations with governmental organisations in MLG (Piattoni,2009b,p27). Even with the Commission attempting to impose uniformity of partnership arrangements throughout the member states, the situation is still one where “...the newly created relations between public and private actors located at different governmental levels understandably took different forms in different national contexts.” (Piattoni,2009a, p168). Therefore, instead of structuring the MLG consultations and negotiations surrounding the Structural Funds of cohesion policy, the partnership principle rather reveals the challenge to find a common ground by the different actors for where “...they all can meaningfully contribute their vision, expertise, and capacities throughout the various policy phases.” (Piattoni,2009b,p27).

To ensure the compliance and commitment of national governments to the projects related to the EU funding scheme, the *additionality* or *Subsidiarity* principle that requires EU funds to be spent in addition to any planned expenditure in the member states (Bache,2012,p2). This both conceals and reveals the competence conflicts between governmental, institutional and non-institutional actors as “...the national authorities that felt bypassed by regulations that were decided at the supranational level and then often activated and implemented at the local level.” (Piattoni,2009b,p28). It is this bypassing of the *domestic* gates or national level *bottlenecks* without any say from this level that partly constitutes the interest and formulation of MLG (Piattoni,2009b,p6) and thus for regional or cohesion policy the debate is “...deciding whether sub- national

authorities were willing and capable of contributing to the policy-making process without the supervision of the central national governments.” (Piattoni,2009b,p6). The differences in the actors’ ability in getting organized to take part in negotiating future development plans and regulations thus creates tensions in the MLG system, and so though the network in its idea were supposed to be non-hierarchical, the reality is that only specific actors have “...agenda-setting and decision- making powers; [whereas] others [are] merely active in implementation.” (Stephenson,2013,p828). This means that even if the principle was

“...initially conceived to indicate that ‘decisions should be made at the level closest to those affected by them’ – which, in the original thinking of the Commission, meant regions and cities – it was eventually reinterpreted to indicate that ‘decisions should be made at the Community level only if the problems could not be satisfactorily handled at the national level’, a version of subsidiarity preferred by the member-states.” (Piattoni,2009b,p20).

The decentralizing of governance structure and rising influence of connections between different levels makes MLG impede democratic accountability because it delegates administrative, fiscal and legal control to the ‘technocrats and administration’ who are less politically accountable (Stephenson,2013,p826). MLG as the dispersal and redistribution of powers and competences to different levels of policy-making might thus capture and simplify the spatial configurations but not decision-making and the “...roles for both existing and newly-created institutions and bodies, i.e., of interconnected public and private actors.” (Stephenson,2013,p828). The next challenge for MLG is that with the participation of multiple actors, it is often not clear who the project entrepreneur is in the system: i.e. who is “...it the initiator of the project (i.e. the project manager) or the permanent organisation (i.e. regulatory agency) who interprets local needs in ways that can be transformed into actions?” (Godenhjelm, Lundin & Sjöblom,2015,p10). The tension emerges, as it is the entrepreneur who is central “...in interpreting how to fulfil specified objectives by using the rhetoric of the permanent organisation, or public sector organisation(s).” (Godenhjelm, Lundin & Sjöblom,2015,p10). Hereby “The challenge lies in providing a strong enough rhetoric, not only by making the situation appear real, tangible, and less ambiguous in relation to the permanent organisation, but also to other ‘listeners’, such as citizens and stakeholders.” (Godenhjelm, Lundin & Sjöblom,2015,p10).

Europeanization of Cities

Implementing a multi-level governance system through the governance principles attached to the EU funds are as such one way for the EU to influence and align policy making and implementation on a local level; a process known as *Europeanization*. The literature on the Europeanization of policies and politics builds on the assumption that no “...political processes and policy-making in an EU Member State [can] now be adequately understood without taking into account the influence of the EU.” (Jachtenfuchs,2001,p250). Brenner writes in his book that the EU “...constitutes a key institutional arena, agent, and product of the rescaling processes examined in this book. It represents a major scale on which new competitive pressures have been exerted upon cities and regions,...” (Brenner,2004,p22+23). In Hamedinger and Wolffhardt (2010) they differ from Brenner, instead stating that “...the EU is best understood as an arena rather than actor,...” (Hamedinger and Wolffhardt,2010,p19) thus leaving out the direct involvement of the EU as an actor in shaping urban space. Instead they focus on defining Europeanization as how on a local level:

“...domestic policies and discourses or institutional arrangements are influenced and transformed by EU policies and politics; how these national systems shape the way EU norms and values are being implemented; or how domestic actors engage with the policy discourse and decision-making system on the EU level.” (Hamedinger and Wolffhardt,2010,p9)

For this thesis, the question of the EU's role in active actor versus passive arena is overcome by choosing both. Rather than having a clear distinction if it is one or the other, the answer is found in the processual character of space defined earlier in this chapter. Hence the EU is an arena, a product of processes from many players and institutions, here counting EU institutions, but in the methodological and theoretical framework proposed by Brenner, we focus on how this rescales and connects, different actors. Thus the *EU level policy discourses and decision-making system that can shape local settings* that Hamedinger and Wolffhardt write, is a form of state space that involves a new kind of EU actors, i.e. the different Commissions, experts, etc. that work through this specific *EU level*. The EU as an arena (see figure 6.) is then a geographical level, defined as the frame of Europeanization processes where local and supra national actors can connect. The EU as an agent (or maybe more correctly *agents*) is the EU level

officials that exist as part of the legitimizing, regulating forces etc. that thus carry out the processes of influencing, regulating and transforming national and local policy.

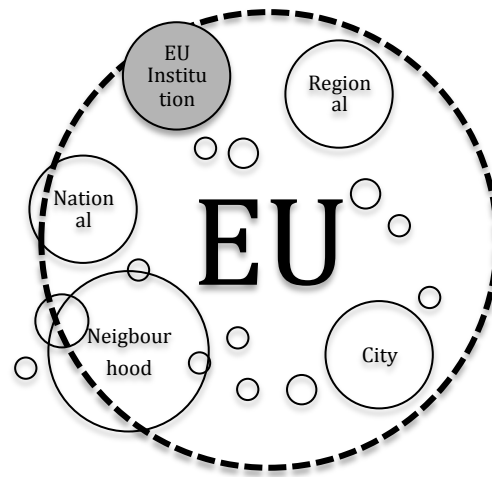


Figure 6. Authors illustrations

The interesting point from this thesis urban studies perspective is how, due to the new rescaling of space, the EU level arena can now be assessed or be connected to local stakeholder, transforming both by this those actors that share connections, i.e. the national stakeholders change their relationship to EU institutions as sub national (regional, city, neighborhood) form relations with these institutions. The EU member states adjust their national spatial development policies, plans and reports to this Europeanization by taking into account the ‘European dimension of spatial development’ (Richardson,2000,p65). With an increasing alignment of national of and EU focus on e.g cross-border collaborations, or in the framing of local problems to EU funded projects (Bache, Andreaou, Atanasova & Tomsic,2011,p6). As such “Europe-
anization... is employed here in its most prominent usage, to refer to the effects of the EU on domestic politics. Specifically, Europeanization is understood as ‘the reorientation or reshaping of politics (and governance) in the domestic arena ...’ (Bache, Andreaou, Atanasova & Tomsic,2011,p5).

For many local actors, be it cities, regions or other sub national actors, the EU is a political opening, where through new connections “...the old opposition between state and cities, between centres and peripheries, has become one dimension among others, [...]; above all, no player any possesses a monopoly of rule-production or of coercion. (Le

Gales,2002,p98). This changes the hierarchical relations between levels, and especially setting city level actors free to pursue their own agendas or recruit other actors in coalitions that support their cause:

- “Through European city networks, the EU offers the possibility for cities and city regions to position themselves in the European landscape.
- With (lobbying) offices in Brussels, close to the EU institutions, large cities and regions can try to influence policies that affect the cities competences.
- Cities can bypass national level politics through the EU, by raising issues at EU level, which again will make the EU put pressure on national governments.
- Cities can attempt to gain power in their national structures, as being involved in EU policies can seem to grant status for the city, changing hierarchical relationships.
- Cities can use the resources by EU polices and EU programmes to modernizing urban politics and policies, and to manage structural problems.
- The last manner in which a city or region can interact with the EU as constraining local management with the EU as “supra-local level of political regulation.”

(Hamedinger and Wolffhardt,2010,p23)

This is not a one way process, but as actors interact with the act in the EU arena, they change, or try to fit with the system so that they can open these connections. The Europeanization as the change in local level policies and discourses or institutional arrangements has of course been topic of academic investigation (albeit as stated not in a large scale), and can be divided into a first and second generation after the optics in which it is viewed (table 1):

First Generation	Second Generation
Top-down perspective, seeking to explain domestic reactions to pressures from above	Emphasizes both top-down and bottom-up, vertical and horizontal dimensions
Assumes a ‘mismatch’ between European and domestic levels – particularly legal, institutional and procedural	Greater emphasis on interests, beliefs, values and ideas: the ‘political’ dynamics of fit
Emphasizes the reactive and involuntary nature of adaption	Greater emphasis on voluntary adaption through policy transfer and learning

Focuses on policy and polity dimensions	Greater emphasis on politics, e.g. identities, electoral behavior, parties and party system
Expects increasing cross-national convergence	Emphasizes differential impact of Europe
Defines Europeanization in substantive terms – focus on the ‘end state’ effects	Emphasizes the impact of Europeanization on domestic political, institutional and policy dynamics

Table 1. *The two generations of Europeanization research, after Hamedinger and Wolffhardt,2010,p12 after Bache,2003,p6*

This thesis positions itself in the second generation of Europeanization research, addressing how the two case studies connect and interact and handles the top-down and bottom-up links to the EU, how the different interests are translated or interpreted from EU strategy, to spending of EU funds. In Marshalls (2005) patterns of Europeanization, we see ways through where the EU influences urban governance towards changing (Hamedinger and Wolffhardt,2010,p27), this happens through different means (see Table 2.) .

EUROPEANISATION AT THE URBAN LEVEL

Europeanisation (Structural Fund/Community Initiatives/Urban Pilot Projects)

Adaptational Pressures (‘degree of fit’ between EU/domestic norms)

Mediating Institutions (local, regional, national institutional context)

Urban Structural Change (institutional shifts / governance change)

Adapted from Green Cowles *et al* (2001).

Table 2. *Europeanisation At The Urban Level, after Marshall,2005,p8*

Thea Dukes (2010) divides Europeanization into where the focus is: on practices or organization (see table 3.), and maybe more importantly articulates a distinction between the how and where the Europeanization becomes institutionalized locally; as we will see later, through this distinction we can spot more clearly how this is embedded differently through different countries in the EU.

Focus	Europeanization of:	Input towards the EU	Output from the EU
Practices	Discourse	EU oriented Discourse	Absorption and implementation of European (Policy) Discourse
	Behaviour and Policy	Pro-active behavior and Policy (lobby, for example)	Absorption and implementation (of EU regulation and EU money)
Organization	Structure	Policy preparing bodies	EU policy implementing bodies

Table 3. Dimensions of Europeanization, after Dukes,2010,p44 based on Dukes,2007

Lastly, Hamedinger and Wolffhardt refers to how Marshall outlines four varieties or ways in which cities receiving funding through the Structural Funds get Europeanized:

- **Download:** as the Europeanization of local government
- **Download:** Europeanization of actors (partners) in urban renewal and governance programs.
- **Download:** Europeanization of local networks and partnerships.
- **Upload/Cross-load:** Europeanization that instigates the spreading of local practices first to the supranational level, or to other cities through transnational networks.

(Hamedinger and Wolffhardt,2010,p27)

As we will see, this theoretical vocabulary already indicates an imbalanced direction between the EU and the city: the download Europeanization dominates the theoretical perspectives, but mentions of how or if cities influence the EU urban policy is very limited. As the next part shows, this might be one of the challenges of the European Spatial planning. As these arrangements and relation through which Europeanization takes place are "...often imposed (from above), there is widespread distrust, particularly as rules and norms are not agreed, but decided under non-codified and often informal ad hoc principles." (Swyngedouw,2005,p1995) or as Maarten Hajer argues, they take place within an 'institutional void' (Swyngedouw,2005,p1992) where "*There are no clear rules and norms according to which politics is to be conducted and policy measures are to be agreed upon.*" (Hajer,2003 in Swyngedouw,2005,p 1992, original emphasis)

The Depoliticization of Urban Space

"The European integration process has taken the form of a vast movement of redistribution of authority."

(Le Gales,2002,p108)

The rescaling process has not happened without new challenges coming up. The new "players" in the game, cities, regions, NGOs and others who has sought out the new opportunities, have to face the complexity of national rules and regulations, procedures relating to receiving funds from a European programme, and being part of trans-national networks, all promoting or enforcing certain public policy norms and models. The "Cities, and actors within them [...] must play the European game when it is required [...] or operate within a network; but they will also comply with the rules of the more classic national game, in which the financial stakes are usually higher..." (Le Gales,2002,p109). With the introduction of MLG as the organization principle an emerging problem is "...the implications it has for democratic accountability." (Bache,2012,p8). Where the introduction of MLG *might* increase functional efficiency, it might also dismiss democratic values as "...authority seeps away from the formal institutions where democratic accountability is exercised; or where political actors use these informal and opaque processes to escape accountability for their decisions. (Bache,2012,p8). Milio (2013) argues that the EUs partnership principle that is the foundation of MLG is where the challenges for political accountability and stakeholder engagement can be found (Milio,2013,p2). With MLG being presented as "...an idealized -normative model of horizontal, non-exclusive and participatory (stake)holder-based governance [it] is symptomatically oblivious to the contradictory tensions in which these forms of governance are embedded. (Swyngedouw,2005,p1995). As participants in MLG *are allowed to take part* in the decision making only on the basis that "...the 'stakes' they hold with respect to the issues these forms of governance attempt to address." (Swyngedouw,2005,p1995). Defining (and identifying) who and where the actors are who should be permitted to have a say in policy making and implementation is at the forefront of MLG as the "...rearticulation of political scales (downward to the regional/local level; upward to the EU, NAFTA, GATT, etc.; and outward to private capital) leads to political exclusion, a narrowing of democratic..." (Swyngedouw,2004,p41). Looking at the Cohesion Policy in this view we can then see it as "...a network system of actors (European, national, regional, local and civil society representatives) and interactions governed by a hierarchy of rules that gives way to a

multi-level and multi-actor governance structure.” (Milio,2013,p3). This decentralization of power and thus the intertwine between the city and EU is not without political consequences, as the receiver of EU funding also becomes part of a struggle between national and EU interests, as Le Gales writes:

“...the more [The EU Commission] legitimizes these cities and regions, the more they recognize the Commission’s legitimacy. Almost independently of existing – strongly contrasting- political realities, therefore the Commission has created a pressure on-or, at least, has encouraged-cities and regions to become political actors in Europe.” (Le Gales,2002,p100)

This might seem a innocent at first; the cities getting the needed financing that they lost in the transition from welfare to entrepreneurial state, and (which at least to some mayors might seem like a bonus) getting a more independent role, free from the former hierarchical institutional order of national state space. But the EUs concern and strategies for territorial cohesion and interscalar cooperation and networking in European cities and city-regions, have been implemented in such a way that it has been accompanied with a “depoliticization of previously contested economic policy fields” (Tickell and Peck,2003,p177 in Brenner,2004,p298). As such the way and form in which urban policies are employed are “...increasingly positioned ‘off-limits’ to political debate” (Brenner,2004, p298). The democratic problem is that “...issues that were formally mainly linked with the nation-state are [now] shared by other agencies and institutions from the local to the supra-national scale, and [they are] frequently at odds.” (Eizaguirre, Pradel, Terrones, Martinez-Celorio & García,2011,p2005). As such policies promoted by the EU may contradict the views at the local scale; e.g. in terms of migration or social benefits. According to Milio (2013) this is due to the

“...self-interested politicians and state elites, [where] the delegation of decision-making and policy implementation responsibilities automatically opens up the possibility of significant inefficiencies [...which...] is particularly true in relation to the implementation of an SF, which is based on long-term planning and can be used by the political class to finance projects that do not always represent a priority for regional development but are useful in building consensus for personal goals.” (Milio,2013,p5)

This also holds true for the ESDP which did not develop in “...a process of rational policy-making, but one of contestation over the nature of problem definition, policy

development and the very terms in which these issues are discussed.” (Atkinson,2001,p397). If we look at Brenners examples of scale-specific transformations of statehood: The neighborhood, the metropolitan region, and the interurban network as privileged scalar and institutional arenas, according to him, they have all contributed to:

“...this depoliticization of urban locational policy: each treats urban economic development as a technocratic matter to be managed by local, regional, or national political- economic elites, while refocusing mainstream political debate on the question of how to manage the polarizing socioeconomic consequences of the new interspatial competition.” (Brenner,2004,p299).

This is done by “...presenting the erosion of territorial cohesion within European city-regions as an ineluctable consequence of global economic forces,...” (Brenner,2004, p299) thus the logic is the only spatial level fit to solve the problems the new levels of rescaled geographies have created, is on the global – or at least the EU level. By dislocating certain geographical scales and areas, and thus policies for these, “...modes of governance are structured in the aim of organizing a social order within the context of institutionalization of the EU.” (Le Gales,2002,p274), the city might end up as a “pawn” in the game between EU and national state as they try to find their position in the new state space and thus face constraints from both institutions. As the EU institutions are decoupled from national structures of citizens representation and influence, “Mayors suddenly discovered that European rules could limit their activities just as effectively as the state, if not more so... and that room for political negotiation within the system was more limited for local authorities.” (Le Gales,2002,p105). As such political legitimacy MLG sees the elected representatives often occupy a more peripheral role than in ‘normal politics’ (Hajer & Versteeg,2005,p341).

The EU Policy on Housing

To exemplify this depoliticization, an eclectic citing and recount of the discussion between the Commission and the V4 group consisting of member states from the 2004 enlargement is used. It is taken from Iván Tosics *Negotiating with the Commission: the debates on the ‘housing element’ of the Structural Funds* (2008), and a summary can be found in the appendix. It was also chosen, as even though the literature do enunciate

tensions in systems of both the rescaled state, MLG and Europeanization, the explicit elaboration of them are rare, especially in a so thoroughly dissemination as by Ivan Tosics. The example also relates directly to one of the used case studies, and so appear both fit and relevant as a starting point of discussing EU spatial planning to proceed from.

Through the member states there is challenges dealing “...with poor quality, unaffordable and low energy efficiency housing.” (Dodd, Fox, Güntner, Provan & Tosics,2013,pi), but in CEE the development has a different face due to the state-led distribution mechanisms and a state-controlled economy which “...were followed by a transition period during which an aversion against collective forms of ownership emerged. The resulting problems are centered on the large scale deterioration of urban peripheral housing estates or traditionally built inner city areas.” (Dodd, Fox, Güntner, Provan & Tosics,2013,pi). Looking at the Severe Housing Deprivation Rate from 2010 (figure 7) we can read a clear spread divide between western European member states and their Eastern counterparts.

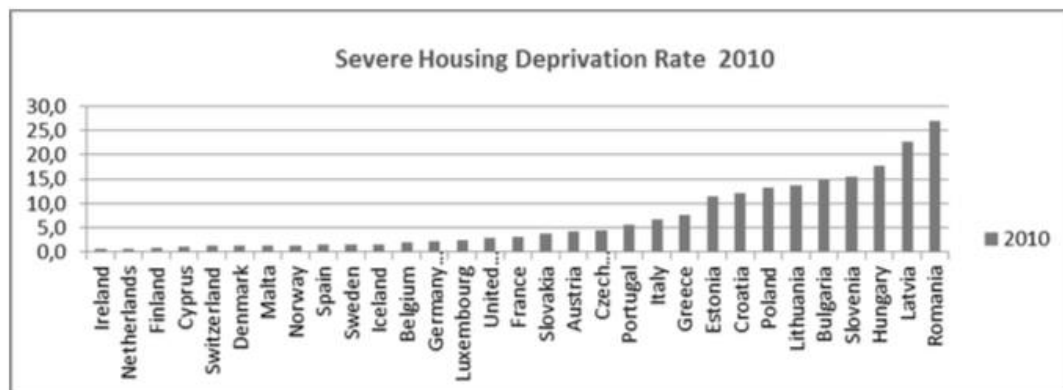


Figure 7 (Source: Eurostat in Dodd, Fox, Güntner, Provan & Tosics,2013,P 19)

The outcome of the debate, the amendment to the ERDF Regulation Article 7.1 a, specified that only existing housing stock would be eligible for EU co-financed renovation, but maybe more importantly that “Interventions were limited to instances where an integrated urban development operation or priority axis for areas experiencing or threatened by physical deterioration and social exclusion were in place.” (Dodd, Fox, Güntner, Provan & Tosics,2013,p9). As such even when the V4 got the housing element added, the commission still set up the rules for the implementation of the funding, adding the integrated, i.e. social dimension as a requirement for

renovation. From a where the struggle for competences and influence it is interesting that the EU holds no legal competence on the issue of housing, but in the Kok report on growth of economies and jobs in the EU there is nevertheless

“...statements about desirable housing outcomes. Insofar as these are statements about housing outcomes in, and on behalf of, member states they could be seen to constitute a European housing policy, albeit one that could also be seen as a housing policy by stealth.” (Doling,2006,p335)

As Tosics write: “It would be unfair to say, however, that the Commission bureaucracy is closed and does not listen to outside arguments.” (Tosics, 2008,p99). Instead it could be argued that the account shows the view of the Commission as embedded in a local logic, be it a ‘Brussels view’ or less EU hostile, a ‘French’, ‘British’, ‘Dutch’ etc. (i.e. embedded in the EU15 countries where the EU policies where first developed) not only planning view, but view of the state and its responsibility, that has a hard time adjusting, changing or incorporating new modes of operating or governing. From the Publication on Housing investments supported by the European Regional Development Fund 2007-2013 (Dodd, Fox, Güntner, Provan & Tosics,2013,p), among other places, we can read this change, and maybe also indicate where the conflict originated.

The lesson from this account is how lobbying in the EU arena requires cooperation of different actors, in this example a coalition of new member states. The debate between the new member states and delegations of colleagues from other member states; these were missing completely (at least from Tosics account). Instead it seems the this kind of discussion here takes place as the ‘technocratic’ Commission versus the ‘political’ opposition for that specific disagreement. Tosics notes, that “...the experts and ministry officials had some network relationships with other EU institutions (Parliament, DG Regio) and also to relevant lobby organizations at the EU level (Cecodhas, Feantsa, Eurocities...)” (Tosics,2008,p99-100), but also that this what not very developed. We can in this account see the tension that “...exist between the emergence of overarching EU spatial policy objectives, and the individual programmes of national planning systems [...that works...] with separate and potentially exclusive objectives...” (Richardson,2000,p56).

Forward from the Theory

To proceed with the research what we are then looking for are an “... ‘actor-centredness’ of MLG [that] emphasize[s] how the different levels were travelled and linked by institutional and non-institutional actors moving rather freely across traditional levels and spheres of authority,... ” (Piattoni,2009a,p 167) thus an approach that registers the Europeanization or alignment of EU and national (or local) practices and discourses connected to specific scalar level. Reading from the account on the EU Policy on Housing the conflict or contradictions also becomes an explicit point for noticing the direction or change of logics, especially if this connects groups of actors as we saw with the V4 group. The “...Spatial policy processes at all levels are [thus] pursued within this field of discursive conflict, which shapes the relations of power and knowledge, and affects the fine grain of policy making.” (Richardson,2000,p55). This makes it possible to identify the differences in what is said (to be or happen) and what actually takes place, and by “...finding and analysing critical moments in policy-making, it may be possible to provide critical feedback on policy practices that may help in reflexive activity by policy communities.” (Sharp & Richardson,2001,p201)

We should apprehend that multi-level governance is in a didactic relationship between MLG as a theory and MLG as a practice as” ...the construction of the EU as an MLG system may create an area of discursive consensus which may keep the process of European integration going while leaving its exact shape and competences unspecified.” (Piattoni,2009a,p176). This meaning we should classify MLG as both constitutive discourse and explanatory of the working of the European Spatial planning governance system.

We should be bring to attention is the discursive level and difference between Eastern and Western European countries. This started of as a minor point by learning from the debate on housing, but as the research continued, developed into a recurring theme in relation to the implementation of policies from the EU and thus a intrusive element in the Europeanization process

3. Methodology

If we look at the process of developing an EU spatial policy, we can see it “...as being as much about politics and power as it is about rational policy making.” (Richardson,2000,p56). The introduction of certain objectives and the development of normative positions are something ‘constructed’ in the policy and planning discourses and so an analysis of spatial policy “...will benefit from using a theoretical and analytical framework that deals not only with discourses but also with spaces and spatiality.” (Richardson & Jensen,2003,p7). In this method that is anchored in the Foucauldian approach, the question is not about the truth of a given argument, but “...how, why and by whom truth is attributed to particular arguments and not to others. This insight is of particular relevance to the understanding of the policy process as being shaped by the relations between power and rationality.” (Sharp & Richardson,2001,p197). We then can begin to see the power struggles between competing actors and discourses that create the conditions that give shape to the social and physical world. The research here use the Foucauldian definition of discourse defines them as “...multiple and competing sets of ideas and metaphors embracing both *text* and *practice*:...” (Sharp & Richardson,2001,p196 emphasis in original).

As such we attempt to overcome the limits or challenges to the operationalization of MLG as an analytical tool by turning the attention to the internationalization of policy regimes hereunder the role of “...foreign agents and institutions as sources of policy ideas, policy design, and implementation”. (Jessop,2004 in Stubbs 2005,p73). The question asked should then target:

“Why do actors engage in policy transfer? Who are the key actors involved in the policy transfer process? What is transferred? From where are lessons drawn? What are the different degrees of transfer? What restricts or facilitates the policy transfer process? How is the project of policy transfer related to policy success or policy failure?” (Stubbs 2005,p74)

Hereby planning becomes more than (only) rhetorical discourses but also discourse as defined as a ‘world making’ where words, signs and symbols become the frame of mind for social agents as well as being the outcome of the historical and contextual conditions under which they are articulated...” (Richardson & Jensen,2003p 15).

Discourse Analysis

Even though *discourse* and *discourse analysis* have both a long history and a very heterogeneous body of theory, a common feature are the a textual orientation where

“...policy discourse might be understood as the bundle of exchanges which give shape through metaphors and practices to a particular policy-making process or debate. Policy documents often become a focus for analysis as they are seen to mirror the changing balance of power between competing discourses (of, say, economic development and social and environmental justice).” (Richardson & Jensen,2003,p16).

As discourses defines as the ensemble of specific ideas and concepts that frames an issue in a certain way, the constitution of a discourse “...can vary in character: they can be normative or analytic conviction; they can be based on historical references; they can reflect myths about nature.” (Hajer,1993,p45), but they are “...produced, reproduced, and transformed in a particular set of practices through which meaning is given to physical and social realities’ (Hajer,1995 in Sharp & Richardson,2001,p196).The analytical approach is then an “...examination of argumentative structure in documents and other written or spoken statements – provides insight into this interplay.” (Hajer,1993,p44). In this we follow the Foucauldian notion of governmentality, we then examine the “...rationalities and tactics of governing and how they become expressed in particular technologies of governing, such as—for example, the state.” (Swyngedouw,2005,p1997). Here it is the “apparently humble and mundane mechanisms which appear to make it possible to govern” (Miller and Rose 1993, in Richardson,2000,p55). With the endpoint to provide “...legitimacy for particular spatial strategies whilst marginalizing others.” (Richardson,2000,p55) these discourses “...aim to subject the agency and mold cultural, political, and socio-economic understandings.” (Akçalia & Korkut,2015,p78). As such

“This insight suggests the need to analyze how discourses and strategies of inclusion and exclusion, control and resistance are connected with particular spatial ideas, policies, practices and lived spaces. This means focusing on how [...] spaces are constructed within the policy process.” (Richardson,2000,p55)

These discourses and strategies can be tied to specific actors and when reaching a certain mass – a *discourse* coalition - that use it to conceptualize the world, it solidifies

into an institution, as organizational practices, as a specific way of reasoning in what is defined as *discourse institutionalization* (Hajer & Versteeg, 2005, p. 343). As policy making (especially in MLG) needs the different actors to find a common language, “Productive networks would be characterised by a particular discourse stabilising the interaction over time. Discourse is then not only a policy language, but also includes a shared identification of core problems that need to be resolved...” (Hajer & Versteeg, 2005, p. 343). The policy making is thus dominated by discourse coalitions where (1) central actor accepted (by persuasion or force) a new story line; (2) new organization practices for the given field (Hajer, 1993, p. 66). This development is especially interesting in the case of EU policy making. Since the early 1990s many reforms related to neoliberal market-restructuring “...have been articulated through the EU or associated with ‘European ways of doing things’.” (Moisio, Bachmann, Bialasiewicz, dell’Agnese, Dittmer & Mamadouh, 2013, p. 746). This ‘EU logic’ is “...characterised by emphasis on integrated planning and on consistent and rigorous management and monitoring being accepted by actors across the board.” (Bache, Andreaou, Atanasova & Tomsic, 2011, p. 27). This trend towards a smooth harmonization or homogenization of planning systems (at least on a discursive level) that inhibits planning and governance theories, is although opposed by the evidence of the impact of ‘cultural differences’ in the organization of local planning practices on the local level. (Hamedinger, 2014, p. 31).

In analyzing policy processes we then have to move beyond an only textually oriented approach to one that embraces not just “...a communicative exchange, but a complex entity that extends into the realms of ideology, strategy, language and practice, and is shaped by the relations between power and knowledge.” (Sharp & Richardson, 2001, p. 199) where at the “...relation between textual discourse and materiality [exists] in a dialectical way.” (Richardson & Jensen, 2003, p. 16). Any policy discourse brings about effects on power and influence, but they do not do so by themselves but are “...taken up in a *process of mutual positioning*: the ways in which actors intersubjectively create and transform political conflicts using language.” (Hajer, 2003, p. 107 emphasis in original). Thus we are able to analyze how specific policy documents express the balance of power of different actors, but also how the documents are connected to a wider political process and how the documents are shaped by power struggles. As such e.g. the ESDP can be seen as

“...framing a common vocabulary of symbols and visions, part of the structuration of a new discourse of European spatial development; and secondly embedding new

institutional forms and relations which reproduce the discourse across and beyond the European spatial policy arenas, [...] The ESDP document itself is not seen as containing the discourse, but as one manifestation of it.” (Richardson,2000,p56).

Defining the Research Field

To attempt then an analysis that traces how European Spatial planning *discourse* translate into *tangible* local project, we can distinguish three elements:

1. “Firstly, the study of the *terms* of policy analysis, i.e. the (new) vocabularies, story lines and generative metaphors, the implicated division of labour and the various ‘positionings’ for the actors and stakeholders involved;
2. secondly, the formation of particular discourse coalitions around these story lines; and
3. thirdly, the analysis of [city] development can then be examined (1) as a shift in *the terms of policy discourse*, (2) in relation to the formation of alternative discourse coalitions and (3) in terms of the particular *institutional practices* in which the discursive conflicts are played out.”

(Hajer,2003,p103 emphasis in original)

For researching governance MLG) the challenge is that:

1. “First, all activities are grounded in particular places and times;
2. second, activities are not reducible to their coordinates in space and time but have other material and discursive dimensions that contribute to their specificity as potential objects of governance;
3. third, the conditions for successful performance of activities nonetheless exceed these times and places; and,
4. fourth, the repercussions of activities, successful or not, spread out in space and time. “

(Jessop,2009,p79+80)

This means that “A sound analysis of governance should cover five crucial issues: modes of governance, agents of governance, subjects of governance, objects of governance, and aims of governance. “ (Jessop,2009,p80), combined with an “Analysis of conversations,

speeches, articles, statements, can all be regarded as examples of this type of *discourse as text*. “ (Sharp & Richardson,2001,p195). To locate where, what and who to direct the analysis, the direction that should guide us is:

- “which actors, institutions, organizations and technologies are involved in the development and dissemination of urban policy models,
- which socio-spatial consequences the circulation of policy models in certain cities/regions produces, and more fundamentally,
- how changes in urban governance and the making of cities could be explained.”

(Hamedinger,2014,p25)

The end goal of the research thus being understanding the of how the different actors in the governance network positions themselves, and how the relationship between the EU and the local context shape the imported and implemented urban policies in a way that is attentive to how

“...these policy models mutate in the course of movement and that they are a kind of refracted through historically developed local/regional political and planning cultures as well as through the social and economic structures of cities or regions.”
(Hamedinger,2014,p25)

Choosing Case Studies

With the influence of local contexts in mind, for this thesis a comparative urban studies approach has been chosen. In the focus of such an approach “...are questions of how cultural representations change or, if they are removed from their ‘original’ context, how they are integrated with other local cultures and recontextualized.” (Wiest,2012,p841). This means that we approach the topic with a view where European Spatial planning as practices, policies and discourses are embedded – or attempted to be embedded in local situations – here cities. With an increasing European and “...international integration it becomes evident that the city does not constitute a distinct social unit or an ‘independent’ mode of production and life, but rather a diffuse local formation of varying globalization processes.” (Wiest,2012,p841), as such hereunder also Europeanization. As such the challenge of comparing case studies is that they can not be separated, that

they are interrelated and influence each other, and as such we need to understand what should be attributed to outside influences and what to the case studies themselves (Wiest,2012,p841).

For this thesis two case studies was chosen to explore how and with which implications “a city” does connect to the EU funding scheme. The cities chosen are Vienna in Austria and Budapest in Hungary. Besides the relatively equal population size (as two large difference might make the variables in the organization territorial scales almost unavoidable) this research focuses on the actors and connection, scales that are related to the co-financing. As such the direct variables are secondary to the delineations of the research field that specifies ‘a European city’.

Vienna was the first city chosen. This was due to the practical implications of good access and availability of data and publications concerning the implementation and use of EU funding for projects. Vienna also holds a long history of connection to European Spatial planning, having been a partner in the URBAN Programme as well as regular Structural Funds co-financing. From a MLG and organizational point the city is interesting as it with the ascension to EU membership constructed a separate department for handling the affairs connected to the EU. The last asset Vienna’s position as a separate region in the Austrian regional system meaning they encompass a higher grade of agency and competences than cities who have a regional tier between them and the nation level.

This is also the case for the second case study Budapest who are located in ‘the central Hungarian’ region. Budapest (as an example of an eastern European country) was chosen after the recommendation by experts from the University of Vienna as its late ascension made it possible to observe differences from Vienna. As such the consequences of a recent EU membership was also hoped to make reorganization of governance still observable. Due to the structure of planning departments in Budapest, the mediating of EU funding connections are external, either to the national level as an independent agency, or to private consultants.

The two case studies can then be representative – to a certain degree – of two directions for national implementation for developing a network dedicated to cohesion policy. Here the emphasis is between *integrating* system – as in Vienna, where the roles of Managing Authorities, Intermediate Bodies etc. can be filled by existing organization, or as in the case of Budapest with a *differentiated* system, where , a wholly new and specialised network of organisations dedicated to cohesion policy may be created.” (Károly & Gábor,2014,p26). As

such the two cases was not chosen because of their similarities but exactly because the interest is in what “Changes that take place during the transfer of concepts, standard, images and representations from one culture to another are shaped by the terms and mechanisms of transfer.” (Wiest,2012,p841) to the local context. As the case studies are connected to the larger EU policy system we should be able to track “...travelling urban processes...” (McFarlane & Robinson,2012,p765). The approach is thus one that follows that while:

“Comparativism always entrains relations of similarity and difference, [...] we believe than in the wake of the emphasis placed on most-similar cases in much recent comparative work it is useful to interrogate the figure of ‘difference’ itself as it has become operative in the field of urban studies.” (McFarlane & Robinson,2012,p766

As the differences are as such almost certain to be found, the similarities then show us how generalizations can be made when following the discourses in text and practices into “..the ‘third’ term of comparison – the ‘patterns’ for ‘understanding connection and even causality’, which places cases in relationship to one another.” (McFarlane & Robinson,2012,p766). As we are interested in the actors who occupy and connect in the MLG, the large numbers of relevant informants are a challenge. One observation that helps lead the way is that “the EU is governed in, rather than by networks, and these networks are not only managed but clearly dominated by public actors.” (Borzel 2012 in Bache,2012,p6). Therefore for both cities the research was (attempted to be) anchored in the city hall departments.

As appendices are attached further details and elaboration on gaining access to the field, a brief of the interviewed actors and their connection and relevance, and summaries of the conducted interviews.

4. Discourses of European Spatial Planning

Europe needs cities and regions which are strong and good to live in.

(EC,2007,p7)

To begin the analysis of European Spatial planning the first step is to investigate how policies frames practices, developments, attributing of value etc. are represented in the discursive and rhetorical level in policy documents. These documents “...charts the progress and shifts in policy-making, the emergence of new ideas, the entwining of strategies, policies and actions. Key documents are fragments of different knowledge-framing processes.” (Richardson & Jensen,2003,p17). For our research, “In the context of European spatial policy, it amounts to seeing the discursive practices of scaling and ‘rescaling’ from the nested territories of cities and urban regions to the nation-state, the new transnational regions and the European Union.” (Richardson & Jensen,2003,p14). With the EU initiatives, the member states are increasingly integrating the language and framing of spatial relations and policies into national, regional and local level planning strategies in a process of *Europeanisation* of planning systems (Richardson & Jensen,2003,p10). To start from the beginning, the General Directorate for Regional Development’s engagement has

“...changed dramatically from its early interest [in the late 1980s] in restructuring the Regional Development Fund to facilitate the redistribution of benefits under its cohesion policy. In the 1990s, through Com- mission initiatives and the work of, amongst others, the Committee on Spatial Development (CSD), the EU progressed a series of initiatives on spatial co-operation in Europe marked by the publication of key policy documents setting out spatial analysis and policy issues at the scale of the.” (Richardson & Jensen,2003,p9)

During the 1980s, the EU realized (or identified) the role of the cities and the cities could play in both a construction of European citizenship as a specific normative image, which could at the same time promote the “...distinctive characteristics of the cities of Europe that could remain or become pillars for the construction and success of the European Union as such.” (Fedeli,2014,p71) where cities as centers of social and cultural life traditionally and still play “...a central role in the development of European civilization.”

(Atkinson,2001,p386). At the same time a range of programmes and policies were promoted "...to foster the exchange of 'best practice' or to stimulate 'learning processes' between cities and regions through the dissemination and exchange of policy models." (Hamedinger,2014,p24). This has since continued through the 1990s with the inclusion of 'good' or 'best' practices for spatial planning. During the 1990s this exchange of practices became embedded in an emerging worry in Europe with how economic, technological and social changes in the European and global systems restructured urban areas. As such the EU took upon themselves to facilitate the adaptation of cities to these changes and work towards how to solve the new challenges (e.g. social exclusion, social segregation, industrial decline, unemployment).

With the Commissions First Report on Economic and Social Cohesion in 1996 it was noted that most of the total wealth creation in the EU takes place in urban areas – "Thus the Commission views urban areas as central to the future economic development and competitiveness of the EU." (Atkinson,2001,p386). With the before mentioned subsidiarity principle the Commission implied the view that "...the majority of policies to address urban issues are most appropriately carried out by cities themselves..." (Atkinson,2014,p3) which at the same time (or maybe as a consequence of) were combined with the lobbying of cities in the EU to become more involved in urban issues, both by individual cities and through urban networks such as EUROCITIES which can be traced back to 1986. As an end product of the Commissions engagement in cities two publications were issued by the Commission *Towards an Urban Agenda in the European Union* in 1997 and *Sustainable Urban Development in the European Union: A Framework for Action* in 1998, supported by the *European Urban Forum* in Vienna in 1998. (Atkinson,2001,p385). At the same time DG Regio developed reports on European spatial trends and concepts, in *Europe 2000* from 1991 and *Europe 2000+* from 1994 and finally the *Compendium* of studies of spatial planning systems and policies in the member states from 1997. As such "In these documents can be found explicit evidence of an intertextual connection of plans and visions for the EU which all are part of the discursive construction of a new spatial policy and planning field." (Richardson, 2000,p57).

With the Lisbon Agenda from 2000 the social objectives became part of the goal as it "...proposed competitiveness and social cohesion as its key objectives in 2000." (Novy, Coimbra Swiatek & Moulaert,2012,p1876). The following URBAN Acquis in 2004 articulated "...the necessity to develop new approaches to urban policy based on area-based projects, integration, subsidiarity, public-private partnership and participative

approaches.” (Fedeli,2014,p71). It is important to note that the URBAN Acquis”...does not constitute a body of accumulated law, but rather an accumulated body of knowledge, actions, ‘ways of doing things’ and behaving.” (Atkinson,2014,p2). This knowledge had been developed through EU funded programmes and projects such as URBACT (from 2003), URBAN AUDIT (which began as a pilot project in 1998) and ESPON (from 2002) that all were “...introduced in order to generate knowledge on urban and territorial processes with a comparative approach,...” (Fedeli,2014,p71). With the 2005 paper on *Cohesion policy and cities: the urban contribution to growth and jobs in the regions* and the documents accompanying the policies for the funding period 2007– 2013, “...a new compromise between competitiveness and social cohesion,...” (Novy, Coimbra Swiatek & Moulaert,2012,p1877). The EU engagement in cities was further developed with the Territorial Agenda in 2007, while in 2008 the implementation of the Leipzig Charter was wished for in the Marseille Statement by the EU urban development ministers, and in 2009 “...the *Barca Report* emphasized place-based approaches in regional and urban developments, while the 2010 Toledo Declaration stressed the necessity to include cities in Europe’s 20/20 Strategy.” (Fedeli,2014,p71+72).

The latest development in the engagement in cities is the 2011 report *Cities of Tomorrow – Challenges, Visions and Ways Forward* that together with results from the second iteration of the URBACT programme

“...have re-launched a discussion on the necessity to change the roadmap and develop a thoroughly new urban agenda. The central idea is, in fact, that cities are more than ever confronted with relevant challenges, while the policy response at European Level has remained slow and piecemeal.” (Fedeli,2014,p72)

To sum up the development of an analysis of the discourses in selected policy documents from the Commission has been concluded. For further elaboration a more detailed account has been attached as appendix. The specific documents were selected as they came up in literature, through the mentioning of interviewees, or as they referred to each other, or combinations hereof. An timeline of the development can be seen in figure 8. Lastly by funding and involving itself into the SEiSMiC and JPI Urban projects, these should also be seen as one of the recent additions to an EU urban development discourse.

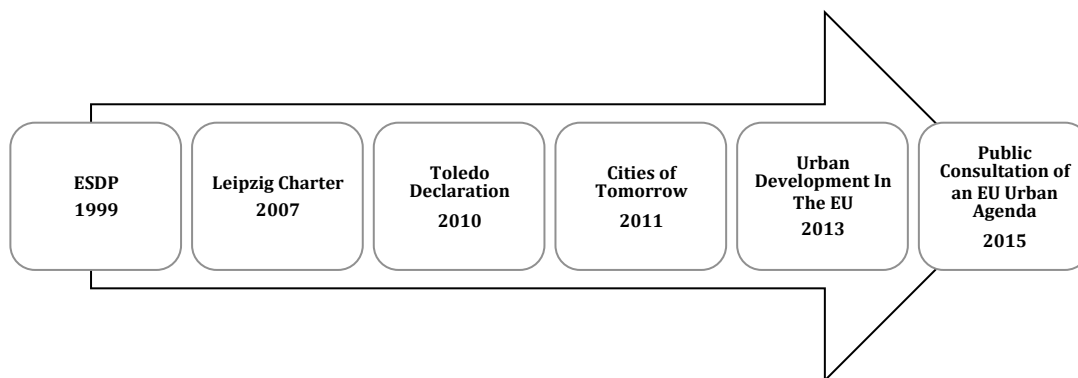


Figure 8 – elements in the development of the European spatial discourses.

Discourses embedded in the policy documents

- **ESDP**

The ‘Territory of Europe’, economic and social cohesion, from a ‘core-periphery to polycentric’ perspective, metropolitan regions, knowledge networks, cooperation, EU involvement in spatial planning in CEE countries.

- **Leipzig Charter**

Cities as both social inclusion and exclusion, effectiveness of multi-level *government*, integrated urban development, cities linked to regions, public spaces as important for living conditions, the national levels importance for urban development.

- **Toledo Declaration**

Urban regeneration, citizen participation, quality of public spaces, attractiveness of the city.

- **Cities of Tomorrow**

Informal governance structures, ‘relevant governance levels’, multi-scalar context, challenges for representative democracy, an increasing importance of the EU level in urban development, integrated plans, a ‘European normative vision of the city’, decent and affordable housing.

- **Urban Development In The EU**

Visionary local people, the ‘European added value’, good practices, location of funded projects in neglected areas.

- **Public Consultation of an EU Urban Agenda**

No new visions are necessary only implementation, an EU urban agenda is needed, cities role in transforming EU and national policy to action, key actors, evaluations, Cities need easier and less complicated access to funding.

5. Case Study: Vienna

As the city of Vienna is both the capital of the Federal Republic of Austria, federal province as well as a municipality, this makes the city have a large extent of independence with the use of planning and funding, especially due to the “...norms of subsidiarity and constitutional delegation of spatial development competences to the local/regional level, no significant vertical governance effects materialised.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005, p82). As such the municipalities can act as managing authorities for the EU programmes making Vienna “...in a position to draft, oversee and implement the programmes largely on their own.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005, p82). For Vienna the first thing to note is that

“...no new institutions were created outside the administration for delivering urban policies under EU programmes. Instead, programme steering committees are composed of various departments of the [city] administration and existing arm’s-length institutions of the municipality that were given new ‘European’ tasks.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005, p77).

After Austria became a member of the EU there was created the city of Viennas office for European affairs, the MA27. To understand how the overall strategies for urban planning in the EU embeds itself locally, the research is anchored in an interview with the MA27 and is supplied by both academic literature, studies, analysis of the city hall website, and an on ground visit, thus attempting to understand the practices and discourses that are embedded in the handling of EU co-financing of projects in Vienna. As Austria also participates in the SEiSMiC and JPI Urban through the Austrian Institute of Technology (AIT) an interview with them was organized to understand how these two aspects of EU funding for urban projects connects locally.

Vienna provides an example of a European city which has participated in the area-based EU renewal programmes (URBAN I in 1995-99, URBAN II in 2000-06, Objective 2 in 2000-06) and which also takes part the INTERREG Community Initiative with projects for of cross-border regional cooperation and development. As such Vienna “...utilises European policies both as a resource for urban and regional development and as an arena in which a pronounced ‘euro-political’ profile can be developed among European

cities.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005, p71). In Vienna the majority of the new policies “...are financed publicly but executed by non-governmental bodies serving private interests, without parliamentary or public accountability.” (Novy, 2011, p246). From the city hall website (www.wien.gv.at) it is possible to interpret how the EU contribution is portrayed. Here ‘having drinks in the renovated railway arches in the Gürtel, concerts in Sankt Marx, spending time with your kids in green parks, or using the Twin City Liner to Bratislava’ would not have been possible in its current form without financial support from the European Union (<http://www.wien.gv.at>, 2015a).

Describing their everyday work of mediating between the EU and the local planning department could be termed as one of mediation (MA27 interview, 2015). Be it the fine tunings of local projects so they fitted the perimeters that made them eligible for funding as the MA27 does not design projects by themselves, but connects local partners to the EU programmes or funding, the MA27 mediates between different the project goals and policies to make them fit. When attempting to get the perspective from the project partners in the other municipal departments (various correspondences and calls to MA18, MA21 & WSE – the publicly owned development company) was that the ones in charge of dealing with the EU funding had either left or retired, leaving any capacity for any future dealings with the funding in the hands of the MA27 only.

How is the EU co-financed projects presented?

In 2011 the MA27 published an showcase of 15 projects that had been funded in the current funding period: *EU projects in Vienna. Strengthening regional competitiveness and integrated urban development 2007–2013*. (MA27, 2011). This publication gives us an opportunity to analyze how in practice the MA27 chose to portray themselves and the EU involvement and thus produce (or add to) a discourse on EU funding of urban project, the logics and the goals. These goals are quickly exposed in the editorial as stated: “EU funding should be used to make early investments in places that need to become more attractive, particularly public spaces.” (MA27, 2011, p3). This practice of investment seems quite diverging if we refer it to the analysis of European spatial planning earlier, and is also to some extent moderated and extended afterwards as: “Vienna has made the right choices in focusing on innovation, technology, support for microenterprises and small and medium-sized businesses, and making public spaces in

selected urban development areas more attractive.” (MA27,2011,p3). The featured project consists of: 4 parks, 7 public spaces, 1 info point, 3 support projects for local business entrepreneurs, and one project for promoting citizen involvement in planning. A further elaboration can be found in the annex.

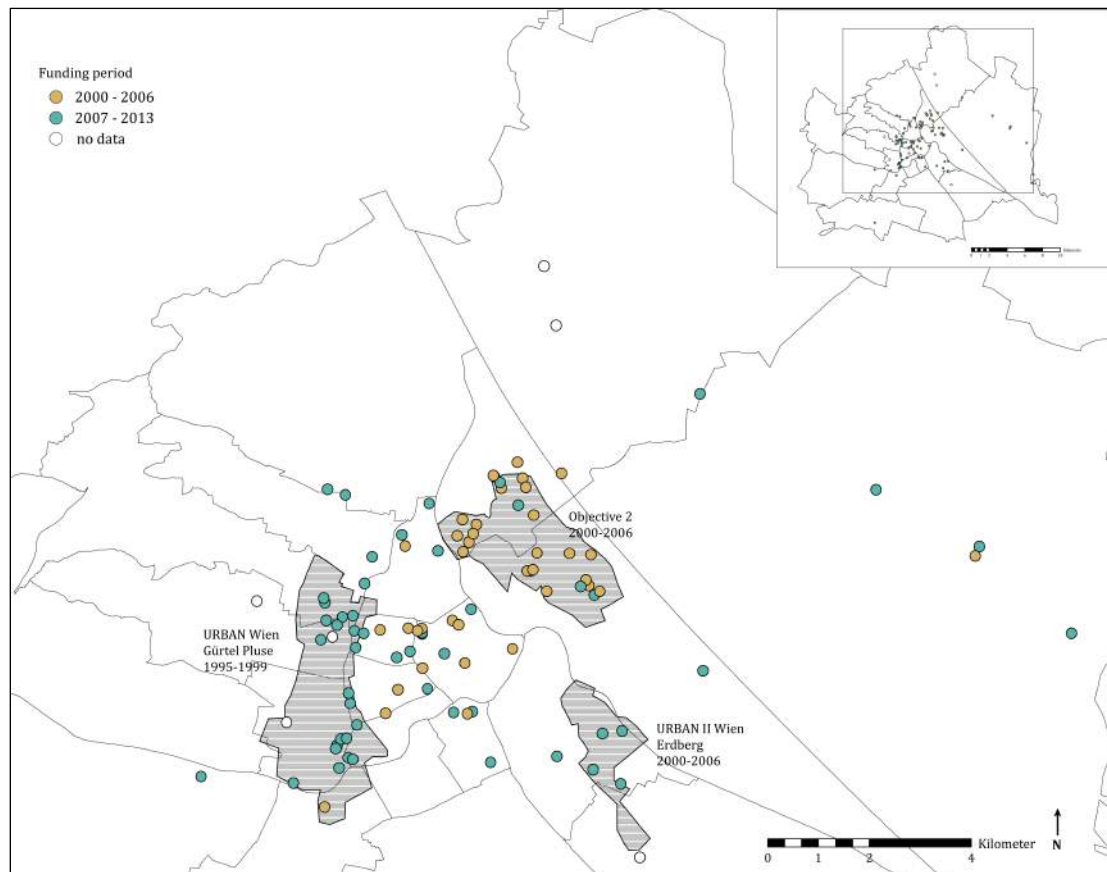
For projects like those presented in the EU funded projects 2007-2013 from MA27, the wording of what the EU money are used for seems a bit different in the interview compared to the printed material. What was notable in the interview was that the funding from EU was presented as something with a “push on” effect. This means that the employees understood that the projects would mostly have to be carried out even without the EU funding, and the extra funding provided made it possible to carry out the projects: with higher quality, or/and earlier, and this was “the additional effect” the funding provided, something that would lie outside the original goals of the project. For the examples of renovating public space, squares, parks, it is not the renewal that is paid for by the EU, but the higher quality, that it would be better design, better amenities etc. From the MA27 view, the EU funding cannot and should not solve the local problems.

A challenge or ambiguity that the MA27 faces in their work is the timetabling for when the project receives the funding they have been made eligible to. The funding only gets transferred when the project managers present an invoice for the money used. This means to secure that the project is in fact eligible. But also made so, that if it turns out the project are not eligible anyway, or if there are mistakes in the application, the funding is not transferred back and forth. This does though have the outcome, that projects are budgeted to be able to carried out without the money from the EU.

Mapping EU co-financed projects in Vienna 2000-2013

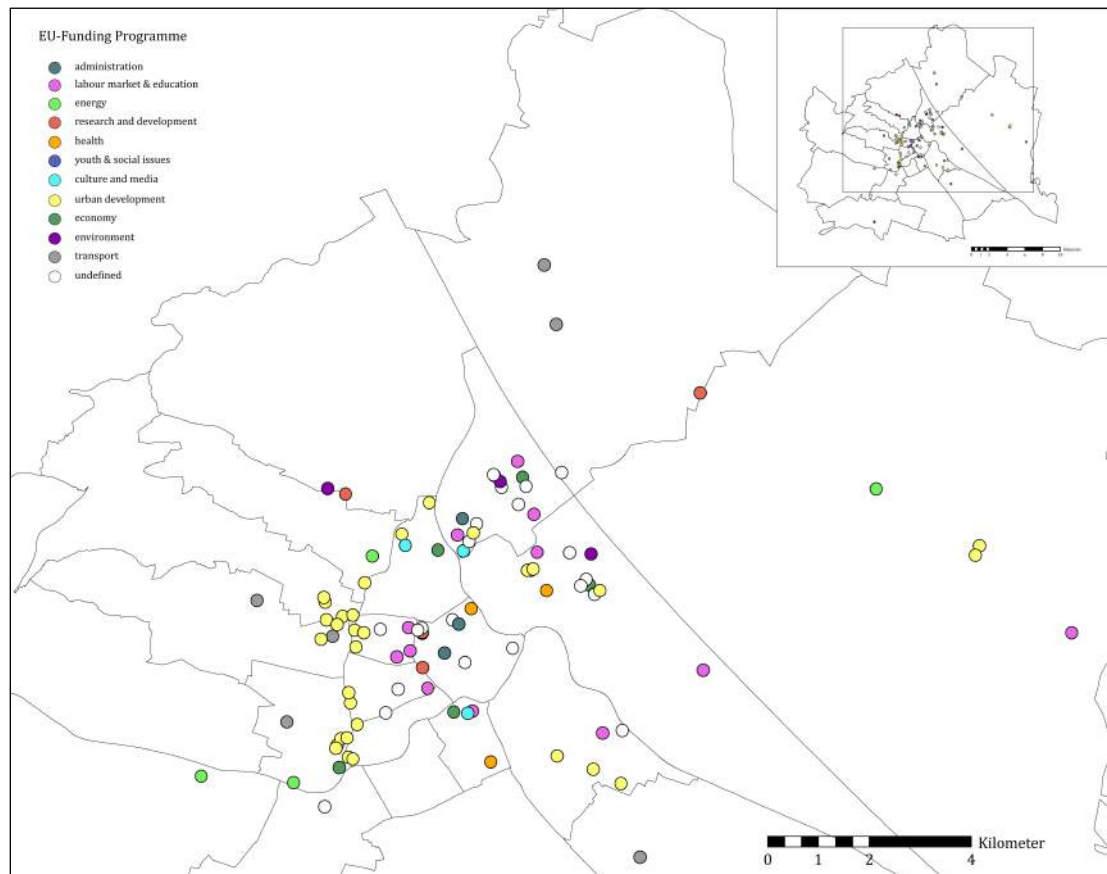
A source for information on EU funded projects in Vienna is the dataset *EU-Projekte Stadt Wien – Standorte* (open.wien.at.). This set is comprised of 149 projects supported in the period 2000-2013 (albeit with only one project supported in 2013). With this information it is possible to map the projects in this period both in relation to the time when it was begun (see map 1) and their type (map 2). When mapped after the included geo-spatial data, it is visible that the large majority is located in the inner city of Vienna, and there besides that shows a pattern of the location. If we first view the funding periods, we can structure if after the EU funding periods 2000-2006 and 2007-2013,

with the 1995-1999 period not being included in the data. In the visualization of funding periods (map 1) there has also been added the three independent EU funded programmes URBAN, URBAN II and Objective 2 (after Hatz,2008,p317). Hereby we should be able to get a very complete picture of the funding of urban projects in Vienna.



map 1 –project data open.wien.at. Outline of EU Programme areas after Hatz,2008,p317

Interestingly we can then view an overlap between the areas received funding through the independent programmes and the more recent projects. This indicates that there is a wish to pool together the funding to specific areas in need and steer the funding to specific areas, thus supporting them further. Secondly there seem to be a clear spatial division between the funding periods where the 2007-2013 periods reinforced the investment made under the 1995-1999 URBAN programme, and the 2000-2006 periods supports the Objective 2 programme that took place at the same time.



Map 2 – project data open.wien.at

As many projects combine different topics, for the mapping of the spatialization of project types were added together with similar project categories to create a readable map. Here we can then view two types that are most commonly funded: *labour market & education*, and *urban developments* which consists of mainly infrastructure projects as the ones showcased in the *EU projects in Vienna* publication. From the map (2) we can view a clustering of these urban developments in the same area as the URBAN programme, on and along the Gürtel. Also interesting is that this mapping indicates a tendency for EU funded projects that disputes the discourse that the interview expressed where ‘soft project West’ and ‘hard projects East’ were outlined. In the interview this was presented as Vienna was already “saturated with infrastructure”, they focus mostly on “soft” projects (human capital, networks), but that they experienced from their partners from outside Vienna in “less developed areas” (i.e. the eastern European partners), that it is still the “hard” infrastructure (highways, kindergartens, schools) that is the focus. This difference in focus would e.g. manifest in cross border projects, where negotiating the focus, and thus allocation of funding, would

be a give-and-take process, where the e.g. the Austrian partners wanted investment into soft projects, the partners wanted hard projects (e.g. infrastructure). This kind of negotiation where all stakeholders have to get something of what they want would according to the interviewed often turn into a quite “messy and complicated process”. (MA27 interview,2015).

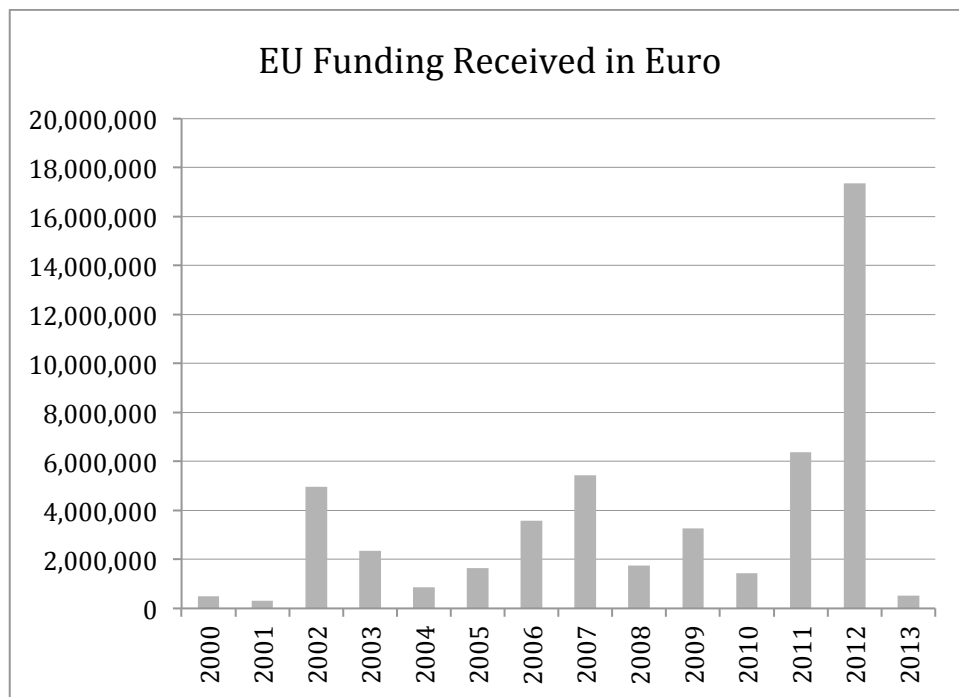


Figure 9 data open.wien.at

Lastly it is also possible to illustrate how the funding per year has developed (figure 9). With projects that has a large difference in amount of funding it can be hard to read, e.g. is 2002 very high due to the revitalization of Hannovermarkt (1.131.720 Euro) which stands for around 1/3 of the whole years spending. Nonetheless the funding does outline a pattern that correlates with funding being spend at the end of the funding periods towards 2006 and 2013.

Tangible Projects

As the interest of this thesis is the tangible projects carried out with EU funding, throughout the interview with MA27 it was attempted to combine these general

challenges with examples of tangible projects that embodied these. A challenge for the MA27 is when there is a change in the project goals or perimeters. As some projects run for more than one funding period, there might cease to be available from the EU funding and as acquiring the funding from local or national sources might not be possible. As there might be a wish to continue a project, one employees expressed that “You need to be a bit poetic and so work to label the project as something else...” (MA27 interview,2015). It should be underlined that this should not be understood as a ‘creative bookkeeping’, but as an expression of how the different dimensions of Europeanization needs to be actively used, embedded and connected to ensure between the EU guidelines and local use.

Through the project period there is two occupations with overseeing the project: A managing authority and a verifying authority. Besides that there might also be a system audit, and government authorities that sometimes partners in the projects. To oversee the project, they have to go “in situ” to where the project takes place and looks through the papers accompanying the project. Lastly officials from the Commission will also on occasion also visit the projects.

Restoration of a sewage system and job training

A project the interviewees in MA27 highlighted was the renewal of an old sewage system. Here the MA27 proposed it could be undertaken with the help of EU funding – if the project added a social ‘employment’ dimension through the use of the project as with a job training capacity. At the beginning of the project, this was accepted from the Commission employee that was managing authority in Brussels, but as a new Commission employee took over managing the project. Now this view changed and the project was now viewed as “a normal infrastructure project” thus not eligible for EU funding. As with the next case the Sankt Marx slaughterhouse, this example shows the importance of the social aspect of the funding scheme, meaning the personal relationship between the MA27 and EU Commission official. As the relationship between the EU and MA27 office was not established due to the new EU worker, their interpretation of the EU regulations and aim of the funding schemem they now conflicted. As such we can here observe the “...problem of reconciling top-down-oriented funding criteria with the development of project ideas.” (Novy &

Hammer,2007,p216). As project develops either through the participation of the different municipal departments or the local residents they might evolve into something that does not fit the criteria of the EU funding. This could for example be where a community meeting space is accepted but “...the organization of a flea market or diverse social and cultural events in the area were rejected as incompatible with the criteria...” (Novy & Hammer,2007,p216)

Renovation of Sankt Marx slaughterhouse



Picture 1 from WSE, no date,p5, editing by the author.

Another example the MA27 interviewees highlighted was the renovation of the old slaughterhouse Sankt Marx in Vienna as part of URBAN II (picture 1). It went through a development process where the renewal was first focused on fortifying the old structure, transforming it into a train museum and cultural center, but as the interviewees in MA27 told this focus shifted. Instead the focus of the project went from hard renewal, to soft renewal. Instead of a full renewal and refurbishment, it went to be mostly used for events, gatherings etc. that was supposed to promote the area as a cultural space. The

problems came when the people from the Commission came to visit (as they do sometimes, in this case twice) - how do you show the results of the funding provided? (MA27 interview,2015). If we look at the URBAN II Vienna programme dealt with a number of themes:

“...economic development, the development of urban diversity, small-scale business promotion, the provision of district management, the integration of ethnic groups, migrants and refugees in terms of creating equal opportunities, the transformation and adaptation of public open spaces, the enhancement of environmental and residential quality, the quality of living and the preservation of cultural heritage.” (Enichlmair & Borsdorf,2006,p236).

We can trace the development of Sankt Marx through a different range of statements online. Here the EU sponsored conservation of the ‘valuable historical monument’ were (by the time of the renovation) not defined for a specific re-use concept www.wien.gv.at, 2015b), but only decided for as renovation of the outer shell and the supporting steel construction as a condition for investors to see and use the place www.wien.gv.at (2015c). Here also some of the events taking place here (which might have challenged the Commissions interpretation of the project) can also be found. One example is how the building was lightened up in red by the artist Michael Gassner or how an open-air piano concert by Rupert Huber took place (www.wien.gv.at,2015d). There can then also be found it labeled as a ‘temporary culture project’ where the building is the framework for the temporary cultural project ‘mediaOpera’ (www.wien.gv.at,2015e). The Sankt Marx slaughterhouse is framed as one example of “Europe’s contribution to quality of life in Vienna” (www.wien.gv.at,2015a). To reach a common ground the Commission representatives were then taken for a trip to the project, but also invited to other activities that might seem more appropriate for tourist to establish a more personal relationship with the MA27. In the end the commission agreed with the MA27, that the project was fitting in the outlines for urban policy and thus eligible for the funding. In relation to the Sankt Marx project is located the Robert Hochner Park (mentioned above in the showcases by MA27). It is mentioned as part of the area development (together with Sankt Marx and other green developments) to make it into ‘an attractive habitat’. The 2009 park is described as located between the ‘striking buildings’ T-Mobile Center, Solaris office building, office and laboratory building Marxbox and the renovated Marx Hall. It is (supposed to be) a modern designed recreation area for employees and

visitors, built with support from the EU by the WSE, and it is supposed to be contributing to a better quality of life (<http://www.wse.at>,2015).



Picture 2. Robert Hohner Park with Sankt Marx in the background. Photo by the author, July 2015.

To gain a better understanding of the projects, a visit to the area was carried out in July 2015. As it can also be seen on the aerial view of the project (Picture 2) the project is located in-between an agglomeration of office and campus blocks and road networks. As one can read from the MA27 showcase, the park is mostly used by workers in the area, and this was also the experience from visiting it – mainly as there was no housing developments in close distance. The slaughterhouse was at the time not in use, which also matches the ‘temporal’ use described earlier.



Picture 3. Robert Hochner Park. Photo by the author, July 2015.

As can be seen in the above photo (picture 3) the park was marked with a sign describing the project, the EU logo – and also showing the amount of EU support received. The link between the EU and the local project is thus established tangibly. It was also attempted to find a sign of EU co-financing on the Sankt Marx (both on ground and on the website), but this was *not* successful. With in mind the project location, it can then be hard to identity how the project contributes to a ‘better quality of life’ for Viennese citizens. Granted it might improve lunch breaks for those in the nearby offices, and also be a very good project for a long-term strategy to renew the area, all of which would connect it to the *competition dimension* of the EU cohesion policy.

Governance Bottlenecks

In the interview with MA27, one of their perceived challenges was convincing the ‘local partners’ in the other municipal departments that they should apply for EU co-financing. For projects in Vienna the available co-financing from the EU was 50%, and for some projects there were only 25% co-financing available. Therefore “many” declined, as it is

too much paperwork compared to the gain. This was also the view in the SEiSMiC / JPI Urban team, who was recently invited to take part in a INTERREG programme, but turned it down as they did not “want to do the paperwork needed”. The experience here was that there was a lot of bureaucracy and documentation needed from the *Austrian* state administration to take part in this kind of projects. This was also experienced as making it hard for small organizations and projects in the SEiSMiC network to take part in the EU funding scheme, both from an administrative point, and because EU funding was “a game you have to understand” to be successful in getting approval. This corresponds with the report *Comparative Study Of The Project Selection Process Applied In Cohesion Policy Programmes 2007-2013 In A Number Of Member States* (Rambøll,2012). One of the cases was Austria (case studies Vienna and the Styrian region), and the conclusion is that “...In Austria, the calculation/budget was judged to be the most complex and time-intensive part of the application.” (Rambøll,2012,p101). In addition the administration takes the least time in Austria compared to the other case studies (Rambøll,2012,p108). This makes sense as the MA27 mediates any connection between local projects and the EU funding, and explains why funding applicants in Austria appears not to use any external support for project writing or management (Rambøll,2012,p101).

Another administrative dimension to EU funded projects in Austria is that the “...ERDF funds are utilised to enhance local development strategies which exist irrespective of ERDF support.” (Rambøll,2012,p94). The interpretation in the report is that “...the decision on ERDF support is first taken when the project has been approved [...] in accordance with the regional guidelines and the specific guide- lines for ERDF support.” (Rambøll,2012,p47). As such although EU programmes have become important parts of Vienna’s city development, the EU activities have never shaped the overall strategic orientation (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005,p77). Regarding the involvement of different actors (as in MLG), the experience from Vienna is that the “...projects were already “pre-selected” when programming the OP.” (Rambøll,2012,p94).

Partnerships

At the interview with the URBACT expert, the experience was that the Vienna City Hall was not interested in collaborations – but that local NGOs were. As an example of this

was that in Austria both Vienna and Graz was invited to take part in the project, but where the city hall in Vienna declined, Graz took part in the project initially (URBACT interview,2015). As such it seems that the partnership principle in Vienna is diverging from the 'spirit', if not the rules, of the principle. Here the traditional structures of urban government are favored over new partnerships (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p77). As the partnership principle is a requirement from the EU in area-based programme planning, this was established between quasi-governmental institutions and departments e.g. the other municipal departments or the publicly owned companies like the development company WSE, thus covering more than half of the partnerships. As such "...consultation with civil society institutions or citizen panels were absent from the programme planning processes." (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p77). This is also explicit in the quote from one city official who states that "The administration doesn't change just because of the Structural Funds programmes – that would be more expensive than abstaining from the programmes altogether." (Quoted in Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005, p78), and so the decision-making competence are only with the city administration with other actors only acting in an 'advisory role' when deemed suitable. As such the role of the MA27 is limited to a technical and coordinative role and not in any strategy-shaping position. That capacity stays "...with the urban development and planning departments,..." (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p78).

What we see as the MLG framework is thus not existing on the local Vienna level, but if we look at the EU funding allocation at the beginning of every programming period, this is planned at the Austrian Conference on Spatial Planning, which "...is made up of representatives from the federal government, the federal provinces and the municipalities and is also the place where the territorial grids of EU programmes are decided." (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p83). Thus with the competences in the area of spatial development seeing no change, the innovative character of the programmes is restricted by local planning culture where the e.g. "...autocratic role of the district mayor, seem to be re-established and adjusted to the requirements of EU bureaucracy." (Novy & Hammer,2007,p217). In Vienna we can thus experience that:

"The EU requirement of multi-level partnership, though formally met, led to no significant shift in the national/sub-national equation, nor to novel urban policy responsibilities for the federation or joint policy development and delivery, and

consequently to no vertical governance effect in the government-municipality relationship.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p83).

The added EU value

The absence of significant change in the mode of governance thus leads to questioning of the added value of European funding in Vienna. The report by Rambøll states that it is the in the way where “High requirements are set with regard to the eligibility, quality and visibility of projects to be supported by the ERDF. This is the only way to demonstrate the European added value in these small programmes.” (Rambøll, 2012,p94). New strategies were introduced through the programmes as “...a strategy for modernizing the administration – it was about ‘managing new problems in new ways’, thereby appropriating the modernizing potential of New Public Management for reforming top-down governance structures.” (Novy & Hammer,2007,p217). Instead of seeing the governance improving potential of adding a participatory approach to planning, as in the view of the Commission, “...the EU programmes are rather seen as a financial opportunity” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger, 2005,p87). For Vienna the EU funding is thus a way to get “...compensation for the shortcomings of the national system, where explicitly urban issues are nowhere anchored in policies drawn up at the federal level.” (Wolffhardt, Bartik, Meegan, Dangschat & Hamedinger,2005,p96). With the aim of mediating from the local to the global, social cohesion in cities is focused “...on the neighbourhood and the city as a whole, but rarely takes the supra-local framework into consideration.” (Novy,2011,p248) as a barrier to Europeanization as ‘good practice’ MLG, here in the case of vertical and horizontal participation of actors from outside the municipality controlled organizations.

New Strategies: SEiSMiC and JPI Urban

As read from the development of European Spatial planning chapter, the Commission are attempting to promote their approach to planning, and so with the 7th Framework Programme for Research and Innovation, the SEiSMiC and JPI Urban were funded. SEiSMiC is an EU independent programme, but has a representative from the commission in the steering committee. It is not focused on research but on bringing city stakeholders together to formulate the challenges cities face through a bottom-up process that includes volunteer

networks. Through accumulated knowledge, policy recommendations are made and communicated to the EU commission. In the interview (AIT interview ,2015) this was viewed as SEiSMiC is connecting civil society to the commission. In Vienna it was perceived that there is a good connection between SEiSMiC and the city administration, and representatives from city administration have on occasion participated in workshops. There is although no representatives from the political level who are hard to get to participate. In the view of the interviewee the attempt to involve them has also been abandoned as the “politicians might not fit in anyway” (AIT interview,2015).

The ERDF funded JPI Urban network (jpi-urbaneurope.eu) is a tool introduced by the EU Commission to research the main and shared problems of the cities through “bringing research to the ground” and to align national research on urban challenges. The EU funds the network, but the research itself is nationally funded, and coordinated by calls for research project proposals. JPI Urban is connected nationally to the ministry level.

The interviewee told that here had also been attempts to involve cities and city NGOs, but so far without success as they often had too different interests to find a common ground. JPI Urban attempts to “connect researchers with the cities”, but from the interviewees experience, one challenge is that the researchers only contacts the city when they have a fixed project proposal, and a situation where they needed data from the city administration. When making collaboration, in the view of the interviewee, it was hard as there was no common language between city planner and researchers, which combined with a difference in the goals made it hard to make successful collaborations reality (AIT interview,2015).

In AIT it was experienced that there was a general misunderstanding from the CEE countries that JPI Urban is focused on technological solutions, but in the perception of the interviewee JPI Urban have a human centered approach (AIT interview,2015).

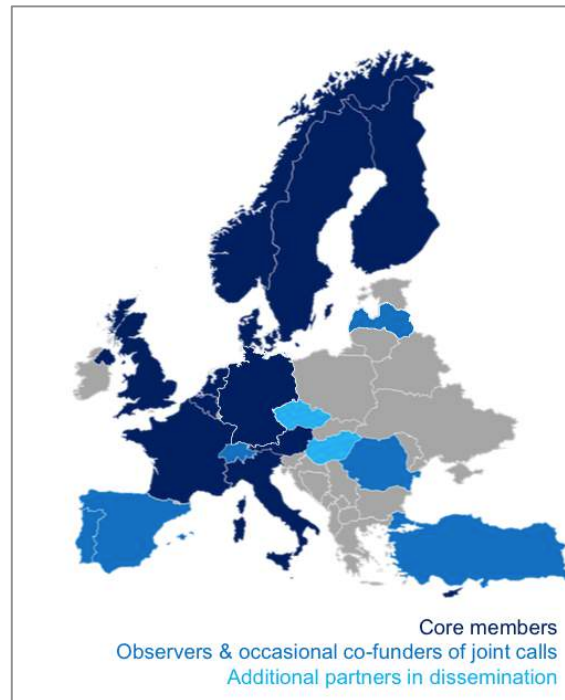


Figure 10 Members of JPI Urban Europe, from JPI Urban, 2015,p2

This correlates with the view of the MRI interviewee who stated that JPI Urban is technical oriented (here understood as hard planning projects), and only some countries were interested in becoming members. (MRI interview,2015). As such we can view a East-West division in the JPI Urban member base (figure 10). The other barrier for CEE countries for taking part is that the JPI Urban is connected to the ministry level, where it can be both hard to convince them to take part, and there is a general lack of funding for such projects. Exceptions are Romania and Poland who takes part in funding calls for projects. The experience in regard to Hungary is that there is a political opposition to the project (AIT interview,2015).

6. Case Study: Budapest

To understand the case of Budapest we should understand how the impact of EU funding impacts the Hungarian national situation. In many Central and Eastern European member states, the Structural Funds amounts to more than 40 per cent of government expenditures between 2007 and 2013, which means that in "...the overall share of programmes financed by Structural Funds peaked around 10 per cent of the national public budget." (Károly & Gábor,2014,p4). In that period Hungary is even counted as an extreme case where the EU funding was almost the "...exclusive funding of all developments in the public sector from EU Funds..." (Károly & Gábor,2014,p6). This offered both a new opportunity for developments, but also is a massive challenge for the government, "...analysis showed that even much smaller amounts of EU Funds required a 'high-quality' institutional environment to be effective." (Károly & Gábor,2014,p4). This means that "...the appropriation of European Union funds is not proceeding as smoothly as planned due to the lack of institutional capacity of the new member states..." (Hirt & Stanilov,2009,p101).

With the EU ascension in 2004 the traditional Hungarian system with 19 self governing counties with 5-600 thousand inhabitants, and then the Budapest metropolitan region of 1,8 million did not fit into the EU regional structure. As the average EU region size is roughly 1,5-3 million inhabitants, Hungary had to construct new regions so that the Hungarian scalar divisions fit into the framework of the Structural Funds. This was done by combining three counties into one unit, thus making six regions, with Budapest and its surroundings being the seventh (the Central Hungarian region). This meant that the independent counties each had to nominate one person to represent its region, but as the county leaders did not want to lose their political power, the regions were weak and had little to say. In 2010 the national government chose to close down the governing regional agencies, but for funding allocations in the EU, these regions still exist, and as Budapest shares regions with the more affluent surroundings, it receives less funding than it would have done if the funding allocation was calculated for the city alone (MRI interview,2015). As the GDP of the Central Hungarian region closes in on the EU average, the city has changed from convergence objective to competition objective, this meant that "many important public buildings or institutions are worn down in Budapest, but

“less important buildings in the country side” are new and well maintained (NDA Interview,2015).

The Hungarian capital of Budapest is an interesting case for the study of rescaling and MLG as the different government levels took an interest in the development of the city in socialist era. An example of this rescaling is the state made plans for ‘soft’ area renewal in Budapest in the 1980s, that mostly focusing on preserving the historic building stock in the inner city neighborhood. In this period the city hall of Budapest also hold a position as a strong power center with a socialist development model of state control and non-market institutional forms, and all real decisions for Budapest were taken on the city level (Tosics,2010,p128). With the entrance of the democratic/capitalist system in 1989, a decentralization of decision power from city hall to districts took place, changing the city into a two-tier system where the “...municipality has the ownership of the public utilities and has some strategic planning power, while the districts decide about the basic level services and control as much as half of the total public money available for the city.” (Tosics,2010,p128). The new model choose privatization and lack of government intervention, it was the district governments that implemented the renovation and adaptive re-use of old buildings and new construction (Hirt & Stanilov,2009,p72). Through the pro-active district government and private developers, joint public-private venture were formed, which on one side produced good response to the mixed-use and architectural quality, but on the other hand lacked in the social perspectives, thus displacing low-income residents (Hirt & Stanilov,2009,p73). With the accession the “EU rhetoric” also emerged. From the publications from the city hall we can read how

“EU membership will result in an entirely new role for Budapest. As an actor of European economic integration, Budapest will serve as an important connecting link between the EU, southeastern Europe, and the Middle East. As a consequence of its excellent geopolitical position, Budapest must actively take part in shaping the EU's regional policy, in order to stress the importance of metropolitan regions in the EU's institution network.” (Municipality of Budapest,2003,p 11)

We can also read how of the Budapest City Hall aim to steer towards “...the development and preservation of a compact city with diverse functions in accordance with the European line of urban development.” (Municipality of Budapest,2003,p7), thus aligning with a European ‘good practice’ discourse. In the Budapest’s Medium-Term

Development Programme *Podmaniczky Programme 2005-2013*, the funding scheme it self and its relation to the development of Budapest is also articulated, here as the “...*hope that City Council projects which are decided on well in advance and realised according to a clear programme will help to procure support from the EU, and also encourage district council and private developments in their respective areas.*” (Municipality of Budapest, no date,p1, emphasis in original). It is also stated that “At the same time the programme aims to make sure that Budapest and its environs receive as much European Union aid as possible in the 2007- 2013 period.”(Municipality of Budapest,no date,p4). As such urban policy in Budapest has been increasingly influenced by planning discourses promoted by the European Union and by pressures for political change due to the principles attached to the funding scheme which “...also entails developing new systems of policy development and implementation.” (Keresztély & Scott ,2012,p1115).

MLG in Budapest

For new ascension countries (and to some degree for the original members too) the “...challenge for national, regional and local levels of government lies in their capacity to adapt, [...] to systems of European multilevel governance...” (Keresztély & Scott ,2012,p1115). With the EU ascension also came the emerging planning paradigm of

“...a holistic approach to urban development and the solution of urban problems. It is also a governance paradigm that supports public participation, public-private partnerships, urban-regional co-operation, policy integration as well as long-term strategic perspectives...” (Keresztély & Scott ,2012,p1115).

As described in the beginning of this chapter, the district governments have practiced a high degree of independence. As such it was attempted from the *national level* to “...strengthen supra-local control over the very independent local self-government, with a goal of awakening interest in cooperation instead of fierce competition between neighboring municipalities.” (Tosics,2013,p90). But as there does not exist a

“... formal hierarchy between the city tier and the district tier of government. Districts are as powerful as the city in many respects: they have continued to receive central

government revenues and could leverage their increasingly attractive property portfolio for commercial development. [...] This situation has produced fragmentation and a lack of communication between different government bodies.” (ULI,2013,p15)

In Budapest we thus see a growing financial and political independence of the districts, that allows “...them to challenge the previous dominance of the central-city government in matters related to urban growth regulation.” (Hirt & Stanilov,2009,p95). As such the district prepare their own local development plans and projects independently, and often unknowingly from the city hall. (Tosics,2010,p132). As “...the Self-Government of Budapest Municipality is not superior in legal terms to the districts of the capital that are autonomous self- governments as well.” (Varró,2010,p1260), the attempts for legal control failed. Instead cooperation is enforced through making it a precondition for receiving subsidies, something that was amplified with the availability of the principles connected to the Structural Funds.

At the same time the investments into Budapest are “...largely shaped by policies at the national level.” (ULI,2013,p16), and as such the Budapest city hall stand in a uncanny position between the national and district levels. This is further amplified by a continuous tension between the city of Budapest and the national level government (ULI,2013,p16), where the prime minister trumps the city government by seizing parts of the city’s tax income, and only giving parts back when they get their requests through (MRI interview,2015). In 2003 there was established a Budapest office in Brussels (Tosics,2010,p131), but since recent changes in city government it was experienced by one interviewee as a catastrophe. They did not know how to conduct themselves and connect to the “EU game”, and was thought to be closed down (CEU interview,2015), At the same time as part of the Visegrad Group (V4) together with Czech Republic, Poland and Slovakia, Hungary are part of a very influential lobby group, leaving the lobbying or connection to EU policymaking as a national and not a city level issue.

The National Development Office

The beginning of the NDA began in the late nineties in the (former) prime ministers office where the need for a coordination organization arose with the PHARE pre-

ascension programme as an integrated plan for the development of Hungary was needed (this was later also made obligatory with the 2000-2006 funding period). As such the organization (which was then called the National development Office until 2006) was made responsible for preparing the needed documents and strategies for the EU funding periods (NDA interview,2015) and thus show an emerging interest from the national level in cities. This highly centralised system of implementation was constructed as "...a response to the perceived difficulties of the partially integrated system put in place after Hungary's accession to the EU." (Károly & Gábor,2014,p36). Although the coordinating was a competence of the NDA, the managing authorities staying in the sectorial ministries. Between the NDA and the ministries there was experienced a divide in the professional groups.

Where the NDA was comprised mostly of newly hired young economists with new ideas, expertise on EU funding and analytical tools, the ministries was comprised of administrative workers with roots in the established ruling communist party, making a divide between "policy makers and planners" (NDA interview,2015). Therefore problems arose as the "...logic of programming and project management was alien to the organisational culture of most ministries." (Károly & Gábor,2014,p36), and as the NDA worked independent from politicians and administration in the sectorial ministries, it often lead to conflicts regarding who had the authority. With the control over the use EU funding the NDA became one of the most powerful organizations in shaping the development of Hungary giving it a large degree of independence (NDA interview,2015). By changing the national system towards the EU required "...developmental strategy, as a condition firstly of the country's admission to the EU and subsequently of its economic bailout, has added to the centralised character of policy making. " (ULI,2013,p15). To further entrench the use of EU funding at the national level, the "...government explicitly denied additional municipal financing; extra central subsidies were only granted in order to avoid that municipal resource scarcity jeopardises EU funds." (Varró,2010,p1264).

As the plans for the 2007-2013 funding period was approved, much of the NDA staff was let go, as it was felt from the politicians that there was too many resources going into "intellectual work", and with the later dividing and merging of the NDA competences into the prime ministers office and the ministry of economics, both the former semi independence disappeared along with the capacity to improve the effects of the funds (NDA Interview,2015). As a consequence the EU commission put the funding allocated

to Hungary on hold for a year, until the organizational framework was clear (MRI interview,2015). As the capacity to prepare the plans for the funding period 2014-2020 was then lacking in the ministry of economy, there was established a temporary national planning office consisting of planning professionals and administrative personal. After the 2014-2020 plans was approved, this national planning office was closed down again, leaving many of those formerly employed as self-employed consultants relying on calls for project proposals (NDA Interview,2015).

Municipality of Budapest

The 2014 election of a conservative prime minister meant a reshuffling of the administrative organization on the ministerial level, resulting in a lessening in transparency (among other), e.g. making public data inaccessible online. It also led to a new “anti” EU rhetoric, but on pragmatic level the Hungarian state still need the funding for further developments (CEU interview,2015). From 1990 to 2010, the mayor of Budapest was Gábor Demszky, who represented the Hungarian Liberal Party, and with the election in 2010 replaced by the conservative (but independent) István Tarlós. This is interesting because the change in political orientation also changed the connection to the EU networks. In the 1990s, even before Hungary became a member of the EU, Budapest joined the EUROCITIES network. Here the mayor took an active role in European event, and promoted the position of Budapest as connected to other European cities, and at the same time attempted learn about new tools and solutions for city developments (Tosics,2010,p132). This process was very much helped underway by representatives from Vienna who “taught Budapest the EU game” (MRI interview,2015). The change of mayor in 2010 led to a re-centralization of the municipal offices and bureaucracy. The 2014 election of a conservative prime minister meant a reshuffling of the administrative organization on the ministerial level, resulting in a lessening in transparency (among other), e.g. making public data inaccessible online. It also led to a new “anti” EU rhetoric, but on pragmatic level the Hungarian state still need the funding for further developments (CEU interview,2015). This also led to a change in the city’s representative in the EUROCITIES network, who had been a permanent envoy between the two organizations from the beginning of the membership (MRI interview,2015). With the change of mayor in Budapest at the 2010 election, the contracts now goes to the consultants who are seen as loyal to the political ideas, often meaning that those

employed by the former mayor now has to look for employment elsewhere (MRI interview,2015).

One of the challenges for the city hall is that there was no “...medium term programme which could provide co-ordination to otherwise multiple and diffuse efforts. There appears to be no properly articulated and coordinated city development function in the city.” (ULI,2013,p6), which to a large extent can be connected to “...the creation of autonomous local governments, [where] planning became the joint responsibility of cities and their district councils.” (Keresztély & Scott ,2012,p1117). This development has diminished the capacity of the planning departments (Tosics,2010,p133), and for the EU required integrated plans, it was necessary to employ outside consultants to design these (MRI interview,2015). On a district level, the capacity to develop plans that incorporated EU planning discourses or practices (or at least the “EU rhetoric”) was only understood by 1-2 young workers in the administration (Budapest City Hall interview,2015). But from district to district there is a difference where there is developed a strategic plan – here it “was easy to have the money flow into their projects”, but where there is no strategic plan, the administration would just follows every “new wave” of money, i.e. they would make a new plan to attract funding from the new programme, then new plan to the next programme and so on (CEU interview,2015).

In Budapest urban renewal has mainly been limited to physical rehabilitation or reconstruction, and also gives evidence of a one-sided focus on new construction and without the existence of previously elaborated strategies concerning overall area development (Keresztély & Scott ,2012,p1122). In the city hall the interest lies mainly in prestige projects and not in “soft projects”, i.e. integrated renewal schemes, which are too slow to progress in the eyes of the politicians (Budapest City Hall interview,2015). On a district level, as the view is that even if the attempt to implement “new innovative projects”, the chance of them to fit into the rest of the administrative system – either city wise, or national – it not very high. An example of this from one interviewee (Budapest City Hall interview,2015) was the renewal scheme in the 8th district of Budapest, which was perceived as only renovating facades and public spaces to make it look better. The social aspect in the integrated urban renewal programmes is something that originates from the EU levels policies (seen as western European practices), and is only added in Budapest as a prerequisite for being eligible for receiving funding (Budapest City Hall interview,2015). This outsourcing leads to a challenge for the city hall, that when trying to do a cooperative planning process, involving both consultant, city hall representatives

and other stakeholders, the experience was that this was not welcomed as the consultant groups already had their idea what to do, and was unwilling to cooperate or incorporate new viewpoints (Budapest City Hall interview,2015)

Consultants

With the introduction of a European spatial planning discourse, especially as introduced through the local and regional development programmes financed by Structural Funds, the field of public policy is 'projectified' (Godenhjelm, Lundin & Sjöblom, 2015). As policies are implemented as short-term or temporary projects, there are both "...opportunities to involve previously underrepresented actors in the local or regional policy process but also as a vehicle for the emergence of a new class of experts – termed the project class – in local politics" (Károly & Gábor,2014,p8). With the URBACT project TUTUR that transforms vacant buildings into community and/or cultural uses in Budapest, an independent team of consultants were used consultants – this was the preferred mode of operation from the URBACT perspective, as the logic was that they would have a "better understanding and connection to the [urban] scene than the bureaucracy at the city hall" (URBACT interview,2015). This made some difficulties for the implementation process, as there (from the consultants perspective) was no acknowledgement from the city hall administration that "outsiders" would have much expertise to add. Nevertheless the project was green lighted by the city hall and carried forth with the city hall as an informal partner, but not as the main stakeholder (URBACT interview,2015). As the project progressed the next obstacle was to try to recruit the Budapest districts to take part in the project – as in the end, they would be the ones to supply suitably buildings for use. On this level the cooperation with the city hall turned out to be a negative association when working with districts. The URBACT team got the impression that the districts was not interested in participating – even if they would have a local gain from it – as they saw participating as having to share responsibility and power with the city hall (URBACT interview,2015). This is a general tendency when attempting to involve politicians in the planning process, as they would only take part if it would give them a better position, get their priorities through, or good publicity (NDA Interview,2015).

The negative association of certain actors were experienced also with the MRI interviewee, who stated than if the City Hall of Budapest was contacted, any contact with

the interviewee should not be mentioned as the interviewee was currently out of favour (MRI interview,2015). From the interviewee who had been employed in the NDA, this was the same experience (after the interviewee became an independent consultant) on the national government level (NDA interview,2015). In one of the 'often' mentioned cases of (EU funded) renewal in Budapest – the district level project in the Magdolna Quarter – the company that who runs it RÉV8 (<http://rev8.hu>) began as one director and one employee but has now over 25 employed, both on project basis, as thematic experts, or as social workers – all financed by the 8th district government (Keresztély & Scott ,2012,p1125), who owns 61%, with the remaining 39% is owned by the Budapest municipality (Tosics,2010,p137). RÉV8 “...acts as a mediator between local residents and the district as well as manages the overall project.” (Keresztély & Scott,2012,p1128).

The Magdolna Quarter Renewal

With the greater visibility of civil society in the politics of urban development – especially in the case of EU spatial planning - “social urban renewal” (which is the term used in Hungary) has emerged gradually as a holistic urban regeneration principle where “...urban renewal practices that have been generally limited to the physical revitalization of urban areas,...” (Keresztély & Scott ,2012,p1123), the “...aim of the program is to improve living conditions in the area,...” (Tosics,2013,p93). The project was carried out through a number a phases: the first between 2005-2008, with a budget of 2.76 million financed by the Municipality of Budapest and only 72,000 Euros from different EU sources. The second phase, completed in 2010 was financed as a pilot project through the “...Regional Operative Programme of the Central Hungarian Region with a budget of 8.8 million euros, financed totally out of European Structural Funds.” (Keresztély & Scott ,2012,p1129).

Even though the project was implemented with a combination of physical and social aims, it is still the case that convincing local politicians to prioritize the social dimension over physical improvements or economic development, is difficult – even with the added pressure from the Structural Funds programmes (Tosics,2013,p94). The upgrading of public spaces (squares and streets) is thus the closest to a social dimension as it “...contributes to regeneration by increasing neighbourhood attractiveness.” (Keresztély & Scott ,2012,p1122). This could also be labeled as ‘facade gentrification’ or

‘organised gentrification’ as it was “...with the active participation of the local governments initiating local regeneration programmes;...” (Kovács, Wiessner & Zischner,2013,p25). For the Magdolna project – with its goals of keeping the residents – the percentage of residents in the area who moved there between 2000 and 2006 is 44 (Kovács, Wiessner & Zischner,2013,p32). With a sharp divergence between rhetoric and result, the resistance to the “...of inner city renewal has underscored the increasing political nature of urban development policies in Budapest.” (Keresztély & Scott ,2012,p1123). As participation is often only taking place on the strategic level or ‘superficially encouraged’, the impact of bottom-up governance or partnership on urban development is much reduced (Keresztély & Scott ,2012,p1112).

The top-down approach of RÉV8 (and others) suffers from a lack of communicative skills, both to local residents and civil society organizations as well as to the city hall. As such the positive changes expected with the alignment with EU priorities and programmes has anyway resulted in weak social achievements (Tosics,2013,p98), and as one area increase in attractiveness (Picture 3), the focus is then turned to other deprived areas of the district instead of increasing (or working on) the social dimension (Keresztély & Scott ,2012,p1125).



Picture 3 - Magdolna Quarter Programme, photo by the author, July 2015

The integrated (EU) approach of urban renewal is not only weakened by the governance approach, but as it received added co-financing from the Structural Funds, it was also regulated by the N+2 rule, which means that the money received has to be spent within two years. As such the implementation of the project had to be sped up, thus “...not allowing any more for the time-consuming participatory processes.” (Tosics,2010,p137). From one interviewee, it was the view that the mainstreaming of the URBAN programme into the regular Structural Funds implementation had led to a “stop of [real] integrated projects” and also a “stop for the [direct] link between the commission and the city”, as the funding now (again) would flow through the national level administration, and thus through the regular national and city framework and regulations (MRI interview,2015). As projects were funded for two year periods at a time, a challenge (for sustainable development) was that as the administration found opportunities for attracting funding, they stop supporting the older ones; but many problems that the projects aiming at, had a five to ten year time frame for solving. Instead the logic was something like opportunity hunting for the next way to receive the funding. For politicians the most important feature of the projects were the visible imprint, so projects such as refurbishment of public space were preferred as projects (NDA Interview,2015).

Budapest Thematic Development Programme

Another project example of the impact of EU funding in Budapest is the Thematic Development Programme (TDP) that is the integrated development plan for the city. At the end of the last funding period 2007-2013, there was an urge from the administration in the *prime ministers office* to use all of the available EU funding, as the low rate of absorption would be hard to explain both to the public, and to the Commission. Therefore a number of programmes was set up to receive this (Budapest City Hall interview,2015). The allocation of the EU funding is “...perceived as an entitlement, and the basic expectation is that this amount should be spent by the entitled Member State, unless some serious irregularities occur.” (Károly & Gábor,2014,p15), and as the funding comes with a limited timeframe for the spending, “...the national ‘absorption’ of funds becomes a salient issue.” (Károly & Gábor,2014,p15). The TDP was set in development as a collaboration between officials from the prime ministers office, the consultant

group HÉTFA and a team from the city hall planning office. To include an external consultant group was seen as a necessity as the planning office did not have the expertise needed, and the specific company was chosen (by the city hall) as they were seen as having a good relationship with the government level, but there was no attempt to involve the EU commission or experts affiliated with them (Budapest City Hall interview,2015). This "...attempt from the national level to connect the allocation of Structural Funds means for larger cities to the preparation of Integrated Urban Development Strategies, [is nonetheless...] very slow, the large majority of EU money is continuously used for infrastructure development,..." (Tosics,2010,p136)

The TDP was mostly developed by thematic experts and planning professionals, and that as soon as any politicians (on any level) got involved the "radical or new ways" of doing things (i.e. western inspired practiced) were reduced as the politicians was only interested in hard infrastructure and renovation (Budapest City Hall interview,2015 & CEU interview,2015). This "...wish to produce visible outcomes before the next elections practically excludes the difficult, long-term integrated projects." Tosics,2010,p136). With the administrative fragmentation of governance in Budapest between the city hall and the autonomous local districts (and to the national level and the Budapest hinterlands), the "...lack of institutional linkages [...] continue to impede metropolitan strategy making." (Varró,2010,p1265).

The timeframe for developing the TDP was set to two months, and so there was doubt (from the city hall team) if there was time enough to make satisfactory plan with the added endeavor of coordinating and align the wishes of the different stakeholders – especially when the districts had to be included in the implementation phase (Budapest City Hall interview,2015). During this process the bureaucrats from the prime ministers office dropped out of the project as they felt they were outside their competences. At the same the Budapest mayor withdraw his support for the TDP as he did not want to make conflicts with the city districts (Budapest City Hall interview,2015), who saw the attempt include the social dimension as *another* attempt from the city hall to impose obligations 'from above'." (Tosics,2011,p67).

For the implementation phase another group of external consultants were brought in to provide a map for which areas in the city should be labeled as deprived, and thus could receive funding through the programme. The district mayors here pushed to have as much housing stock in their district as deprived, and was successful in overruling the

city hall experts who viewed many areas as without the need for urban renewal – e.g. in districts in the affluent suburban part of the city ‘Buda’ (Budapest City Hall interview,2015). These areas “...are predominantly Fidesz voters...” (Akçalia & Korkut,2015,p84), and thus the voters supporting both the local district, the city and national government. For designing the supported local projects, the city hall team asked for criteria for implementing and also for what kind of data the districts should supply for evaluations. As the city hall does not have the competences to neither evaluate or reject the independent districts plans, and as the prime ministers office did not want the Budapest city hall to acquire any more the power, it was decided from the prime ministers office to reject the whole plan (Budapest City Hall interview,2015).

Administrative Bottlenecks in Budapest

The Hungarian administration of the EU funds were set up with a rigid structure. This was done to ensure that e.g. when funding SME projects, they would not end up financing “household expenditures”. The problem was that the administration and paperwork needed is often so complex external consultants would be hired to do it; e.g. for writing the project briefs or budgeting which has led to stagnation in the capacity building within the Hungarian SMEs, municipal departments and organizations (NDA Interview,2015). This also related to the general Hungarian administration culture. To avoid having to stand up to an audit, they would as an example not accept the “lump sum agreement” that meant that According to EU rules, small expenditures were allowed theoretically in the 2007-2013 period. As such up to 20 percent of project expenditures were thought to be able to be handled without invoices, but as the administration lacked trust and feared fraud, corruption or political interference, this could not be incorporated (NDA Interview,2015). As was also seen in the case of the district mayors, with the accessible EU funding also came what one interviewee called the “external hyenas” (e.g. consultant groups) and “local kings” (e.g. local politicians) who would try to get it directed towards their policy goals (NDA Interview,2015). As the EU funds were the only sources available for any policy initiatives, the national government has also ‘repacked’ the programmes co-financed by the EU, thus making it possible the funds in ways that further its own policy goals by intertwining the two (Károly & Gábor,2014,p36). In both the Magdolna case and with the TDP the balance

between absorption rate and the results were two different matters. This is further worsened, as the consultants employed to evaluate would not have the knowledge needed to get beyond a 'quantitative surface' (NDA interview,2015)

Partnerships in Budapest

In one case of attempting to build partnerships, it was terminated due to two reasons: there was a lack of trust to civic society from city hall; this was both to the consultant group who managed the project, but also to local NGOs. This combined with a lack of culture of organization between – both city hall and NGO's – but also between the city hall and the district level made it difficult to develop and implement a framework that was both innovative and worked with the needed MLG approach (URBACT interview,2015). The Hungarian situation is now one where the administration is not learning, where experts (both researchers and external consultants) and politicians are hard to connect, and a small circle of politicians push through with their ideas (mainly coming from the prime minister) (NDA Interview,2015). As the partnership principle is especially relevant in the integrated project, the lack of participation of the politicians in these programmes (Tosics,2010,p132) is especially weakening for making progress. This was also felt in the SEiSMiC network, where the workshop "...participants included social innovation practitioners, academics, researchers and NGOs. [But] No municipality or governmental organisation was represented." (REC,2015,p3). In Hungary the civil society is thus missing from the governance framework, and "...even though independent NGOs exist at the national level, they seldom interfere with local politics. On the other hand, some local NGOs operate more like political parties, engaging in local political issues, and running candidates for local election." (Kulcsar & Domokos,2005,p554). This can be seen a general tendency in post-socialist countries, which see a greater participation of the private sector but little involvement of the citizenry or civil society actors. In contrast to "Western" cases, [the] shift [to neoliberal policies] is less due to genuine political beliefs than to the attempt of old/new elites to legitimize and consolidate power by appropriating new (i.e. "western") governance notions." (Keresztély & Scott ,2012,p1116).

The added European Value

As we have seen both in regard to national Hungarian or local Budapest actors, we can observe an important feature of the post-socialist nation state where its "...economic role has changed since privatization, but the competition for redistributive resources has largely remained the same." (Kulcsar & Domokos,2005,p555). This does in many ways characterize the governance system of Budapest and Hungary in general, and does in many ways inhibit the development of a vertical and horizontal collaborations. The added value of EU funding can thus soberly be seen as adding to the internal conflicts in the governance framework, but could also be seen as another tool for forcing cooperation (as the partnership principle promotes) through using the funding as a financial opportunity for those taking part.

An interesting dimension to the development of the connection between Budapest and the EU is the high degree of influence political changes makes for the relationship. With the change of city mayor it also meant a change in city representative in EURO CITIES. This seems to be symptomatic of the Hungarian loyalty based system, which eschews expertise and knowledge for personal connection and control and can be observed on and between all spatial levels of development.

With regard to the EU promotion of integrated planning and the inclusion of the social dimension, this local culture does in many ways constrain it. On one hand as "It is widely argued that post-socialist countries are still lagging behind the developed West; therefore they must grow fast to catch up." (Kulcsar & Domokos,2005,p550), thus judgment might be a bit early. On the other hand we should also be careful to accept the "...the emotional appeal of the "goodness" of Europe [which] has been significant, making EU accession mean not simply "EU Europeanization" or "Unionization", but (also) a "return to Europe"." (Varró,2010,p1272). One criticism of CEE urban research which we should be careful about is the

"...tendency to assume irreversible, uniformly advancing processes of urban development and to treat differences from 'Western' comparative cases as evidence of a modernization backlog, backwardness, and deviations from the normal case." (Wiest,2012,p834)

REC & SEiSMiC Hungary

The first important point should be to underline that the Regional Environmental Center (REC) – which is the Hungarian partner in SEiSMiC - was established (by George Bush Senior) in the “new democracies” in Central and Eastern Europe (CEE). It is as a non profit organization working “independent” and with a status like the United Nations. As such the conception has from the start been to influence CEE countries towards implementing western discourses and methods. As national support decreased REC has in recent years towards relying on EU funding (and EU promoted issues). This is connected to their relation to the local government, which was once the number one client. The government looked for best practice knowledge from more developed countries, but with the recent change it government, REC was now “less important” (REC interview,2015).

Taking part in SEiSMiC is thought to bring in new ideas and social innovation into focus, connecting different NGO’s and stakeholders who are working to create more “liveable cities”. In the government sector (in Hungary) social innovation is not really understood, which posed a challenge when trying to invite them for partnerships. The interviewee saw SEiSMiC as a tool on the EU level as a way for the commission to embed policies in the “needs of the cities” by supporting the organization to map these needs and give policy recommendations. It is perceived that in Western Europe social innovation is more something that is “a fashion”, and often focused on applying technology to solve problems. But in CEE countries where the state does not have resources or knowledge to solve serious welfare problems through social innovations (REC interview,2015). SEiSMiC works on making collaborations because it – besides the valuable knowledge exchange – also gives a better change of attracting EU funding for projects. For the last bid REC made for a project call, there was 400 projects send in with only two receiving funding in the end, making the time and effort put into those not chosen a waste of resources. Small groups and organizations lacking e.g. the writing skills or knowledge needed to make a good application, had a hard time, and so they often end up putting the effort into the projects which has a higher chance of receiving funding – not the once they saw as needed (REC interview,2015). Another approach is to combine interest group from different issues (e.g. environment and mobility). In one collaboration involving both the Hungarian ministry of transport and local Budapest districts, the Budapest level was perceived a too large scale or area for the implementation by the city hall. Through these projects the knowledge exchange both focused on thematic issues

and capacity building but also on how to apply for funding through connecting projects to EU funded operational programmes (REC interview,2015). The last option for improving chances of funding is to join in bids with large international consultancy groups (e.g. *GOPA*, *Human Dynamics* or *INTRASOFT*) which has the expertise and manpower to make certain the projects got funded, but which lessened the decision power for the national partners (REC interview,2015).

When attempting to connect to the political level, the interviewee's perspective was that in western European countries politicians show up to events or meetings organized by civil society. This disinterested is a problem in CEE countries. To get politicians to show up in Hungary, they would want money. Not for their own pocket, but as a donation to the party, or be offered EU funding for projects chosen by the politician. Another challenge with the government in Hungary – intensified with the new government, is reaching the right person for permission or offer of collaboration. The continuous centralization makes many administrative workers send any attempt for contact “up” in the system. And lastly there is skepticism of change and of the knowledge NGOs or learning networks can supply. This is also the case for taking part in the JPI Urban network. This can only be joined on a national ministerial level and also requires a fee to be paid, which has so far been declined although REC/ SEiSMiC as organizations has pushed for it (REC interview,2015).

7. Conclusion

As the goal of this research was to uncover how and with what implications does the European spatial planning (and thus funding) translate into tangible urban spatial planning and projects, from analyzing the two case studies Vienna and Budapest two very different modes of governing the co-financing of urban projects appear.

In the case of Vienna where the mediating of co-financing is integrated into the overall structure of the city hall, the funded projects also become parts of the overall planning – by this meaning that they align with already preset aim of spatial planning. The implications is that the added value of receiving funding does not lead to different projects, but to the upgrading of these –what the interviewees called “push on” effect. As such is the public rhetoric of the EU improving the quality of life in Vienna not far from the truth, but it might nonetheless be diverging from the discourse of ‘good practice’ spatial planning principles the EU promotes through its policy documents. In many ways the European spatial planning is not *implemented* but rather *mediated* and transformed into fitting with the city’s own goal setting. As the funding is directed through this mediating, we could ask if should be seen as a *depolitization* in the sense that the funding scheme becomes predominantly technocratic management.

It is experienced that Vienna does feature a deficit in regards to the Commission goals of involving other stakeholders in urban governance (MLG) through *partnerships*. This does not necessarily mean a lack of public participation, but what we could call a one-to-one relationship in the decision-making – this also goes for the relation between the MA27 and the other public institutions. As there seem to be a strong indication of paperwork that hinder the opportunities for collaborations, Vienna would benefit for a more ‘informal’ contact to civil society organizations that the Commission promotes.

From a theoretical viewpoint the case of Vienna shows little in the way of using the opportunity of positioning itself as an explicit EU ‘player’. Instead it works through the different lobby organizations that connects cities to the EU – here we can include EURO CITIES; but to some extent the involvement in SEiSMiC and JPI Urban (with AIT being a public private partnership) does point to a strategy of EU policy making

involvement where Vienna would rather participate in coalitions that can represent them.

Where Vienna was a case of mediating, the case of Budapest is one of *conflict*. The availability of EU funding seems to promote more conflict than it does integrated solutions to planning Budapest. Where Vienna showed a stable governance structure, Budapest – and Hungary in general – shows a system that is *fluctuating* with the changes in the political power structures. As the mediating organs also become entangled in this, the planning strategies become part political part practical in the sense of solving the challenges in the city. This diluting of the planning offices into the mainstream political machinery has the consequence of planning departments lacking the competences for doing more advanced planning than the day-to-day maintenance. As such the situation opens up – or makes it necessary to employ external consultants. The conflict here appears as the system is now inhabited by ‘experts’ in the service of the political aims – which seems to differ from local, city or national level. In the view that the use of EU funds in Vienna was *depoliticized*, the case of Budapest shows the opposite. Here the technocratic control is limited by the politicians, and the whole practice of city planning is *politicized* as the EU funding is the only opportunity to implement political goals.

This situation does not promote the realization of the partnership principle and a stable MLG structure in a long-term view. On the other hand, as stated before, the situation of Hungary and Budapest is a quite recent and short-term story. As such what might appear as a historic outline of the conflict in Budapest regarding political change, it might more outline the transition points from one mode of state to the other in 1989, 2004 and maybe latest the 2010 and 2014 change to conservatism.

The case of Hungary also shows the will to take urban challenges (i.e. housing) to the EU level and instead of lobbying for changes in the EU policies, a direct conflict was played out between national and EU actors. It is unclear how big influence the lobby organizations have had here, although EUROCHIES was supposed to have played a part. What the conflict indicates on nonetheless is the difficulties in changing EU policies – even for national level actors, and maybe especially with regard to how the technocratic versus political parties were lined up – instead of a purely political discussion.

This points to an interesting discussion, as even though the public consultation was in favor for an EU urban agenda, the discussion of the EU's competences in regard to spatial planning is not explicit. Through the policy documents we can read the Commission seeking to legitimize its direct involvement, first in the CEE member states, but later promote its own importance in solving urban challenges. If we can read the EUs view on negotiation or *partnership* in its handling of the conflict with the V4, one could be a bit skeptical how this delegation of more power to the EU level would evolve into even further technocracy and depolitization of territorial planning. This leads on to the next point of Europeanization. As the 'EU way' is promoted as the only proper way of urban development, and maybe the divergence of the case studies from this, the implementation of the principles should maybe undergo a transition from the carrot-or-whip strategy, as this seem to ignore how the local contexts influence the use of funding from the EU.

The lack of 'locality' in the EU documents presents the 'European territory' as a homogeneous space, but this should be seen more as a political statement than the actual situation. In all the interviews, the impact of an East – West division discourse seemed to be in place. Interestingly this was not as one correlating discourse, but more as a 'we are different than them' narrative. Nonetheless, both Vienna and Budapest showed a favor for implementing the funding scheme as co-financing of hard infrastructure – if both cities regarding themselves as doing 'soft' projects – which of course is the 'best practice' promoted by the EU. As such the East – West discourse was one that was actively used to promote the actors practice as 'good'. The latest addition to the EUs attempt to influence cities – the SEiSMiC and JPI Urban networks – is an interesting case to examine the 'scale' targeted by the EU. As both theory and the policy documents state, the focus in the EU strategies has gone from national to regional, metropolitan and then city. With the addition of the new networks, the EU now seems to put in focus on the direct connection to the citizens through bottom-up participation in policy making. This makes an interesting case as one theoretical statement was the two-way legitimization of EU and e.g. the city as actors with role to play – and a legitimate say in policy making. As such this new focus could imply that the partnership between the city and the EU has not played out to satisfactory results, and that civil society is where the EU might find its legitimization as a *political* actor and not just a 'pumping around of money' and technocratic regulation.

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Interviews

AIT Interview ,2015

Budapest City Hall Interview,2015

CEU Interview,2015

MA27 Interview,2015

MRI Interview,2015

NDA Interview,2015

REC Interview,2015

URBACT Interview,2015

9. Appendices

Appendix 1

A Recount of Negotiating with the Commission: the debates on the 'housing element' of the Structural Funds

As new players enters the field, what used to be rules often taken for granted, is now questioned or challenged. With the 2004 enlargement of the EU, ten new member states were brought into the union. As members, they were now also partners in "...fully fledged partners in the discussion and debate about the rules for the next periods' cohesion policy, i.e. the 2007–2013 Structural Funds. (Tosics,2008,p93).

Of the new member states (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia) seven were part of the former Eastern Bloc, and in these countries "Expert analyses have shown housing, more specifically large post-war housing estates, as *one of the main urban problems confronting the new member states from Central and Eastern Europe.*" (Tosics,2008,p93 italics in original). This was due to the high percentage (40% compared to 3–7% in Western European cities) of the urban population living in large prefabricated estates in the peripheral edges of the cities. Without state intervention, i.e. physical renovation, economic and social action, these estates would deteriorate further, generating both: "*ghettoes for the urban poor*, and, on the other hand, a *large demand for (much less environmentally friendly) suburban single-family housing* for outmoving middle-class families." (Tosics,2008,p94 italics in original). For the new member states, the problem was that housing is not included in EU policies, thus "...according to EU regulations *Structural Funds money could not be spent on the refurbishment of residential buildings.*" (Tosics,2008,p94 italics in original) and so the member states had to be finance it themselves.

Among the majority of the new member states there was a strong view that in the next period of Structural Funds "*there should be more opportunities to use the Structural Funds money for the improvement of residential buildings.*" (Tosics,2008,p94 italics in

original). Even if this was voiced, for the draft proposals on the 2007–2013 Structural Funds regulation “...the *total exclusion of all housing- related measures remained unchanged*. (Tosics,2008,p94 italics in original).

It should be pointed out here that the debate was not a financial one so much as a debate over authority. What the new Central and Eastern European members wanted was “...more freedom within the scope of their Structural Funds allocations to spend the money on issues they considered to be the most important.” (Tosics,2008,p94). But from the view of the EU Commission, they were suspicious about the new proposals as they feared this could lead to an increased demand for EU money and so “...flatly rejected the idea as being contrary to the basic agreements of the Union.” (Tosics,2008,p94).

Over a two year period from 2004-2006 the experts and representatives from the disputing new member states presented their views and arguments, all to the get first the only reply repeated: “housing is not part of Community policies, no EU money will be spent on residential buildings.” (Tosics,2008,p95), and then to a “...compromise text on the draft regulations mentions the possibility of spending a limited share of the Structural Funds on energy efficiency revitalization of large-panel prefabricated housing estates and on improvements of ‘social housing’.” (Tosics,2008,p95), and at last ending in the Commissions agreement to include the use of funds for housing renewal issues (with an upper limit of the housing money of 2% of ERDF contribution) only valid for the new member states.

This dispute between what from the outside could seem like a conflict between a ‘academically arguing’ state representatives, with a good and sound arguments, and a stubborn EU Commission, who wants both to have (and keep) the higher authority and do how it has always done might not be as straight forward as is first seem. From the course of the negotiations, it was both a clear problem that “...the new member states had not yet fully established the mechanisms for communicating their needs and opinions to the EU institutions.” (Tosics,2008,p97), and also that “...the Commission bureaucracy sometimes has very partial information;...” (Tosics,2008,p98). As much as the new members states arguments was embedded in their local situation, the problem was that the Commissions view was shaped by the situation in the older member states, from where both Commission employees and their understanding came from. We already notices the large differences in the percentage of the urban population who

lived in large prefabricated housing estates, and so the Commission saw the new member states request as something to subsidize social housing, as in the old member states this sector was what covered the poorer levels of society. In the Central and Eastern European member states, this is not the case, and so the category of 'social housing' covered the public rental housing, that also covered middle income household, as well as there was many low income households in the privatized housing stock. If funding for housing renewal would also make it available for deprived inner city areas, where as stated Central and Eastern European member states also had low income households owning their own place, this would lead to that "The Commission argued that EU taxpayers' money should not be spent on housing renewal, as this would lead to increases in the value of flats, thereby making home-owners richer." (Tosics,2008,p98). To this the new member states experts argued that in areas where the URBAN and other EU area-based programmes had been carried out, it had also led to increased values for the real estate, and here there had been no action from the Commission to address this.

Appendix 2

Getting Access to the Field

Two mentions should be made about carrying out research in the two cities. In Vienna hard to find interviewees as the handling of EU affairs was centralized, on the other hand the access to online information was good. This was first perceived as a culture of being closed off from the city hall side, but as more requests for interviews etc. was sent, the reply came up more often that the competences and knowledge on the subject was not in that specific department (e.g. the departments connected to urban development and planning in Vienna), even if the case was that they were developing the projects which was EU co-financed. This was first seen as a confusing position to take, but as the research continued this turned out to make sense with how the MLG connected to EU funding was organized in Vienna, both in regard to challenge to arranging interviews, but also why the grade of information is so high – as one department was focused on it. In Budapest it was easier to find interviewees – but not from getting responses from city level or national level departments. The (epistemological) challenge is then that the interviewees (connected to public administrations) was all *formerly* employed, and as such might have both resentment towards their former employer, but also had other views than the official, and at least might be disconnected from what is the current practices. For both case studies it was unfortunately not successful to arrange a meeting with the actors or institutions that were implementing the projects on the ground and thus the receiver of the funding in the end.

Besides the public authorities that mediate and implement the spending of the structural funds, the European Commission has been the entrepreneur and sponsor of a number of research projects and networks connected to urban challenges. As such the networking project SEiSMiC (<http://www.seismicproject.eu>) was chosen as a way to research how this (new) way of EU to participate in urban issues, and how these are connected in the already implemented MLG of European Spatial planning.

Lastly, one of the initial visions for this research was to compare the projects carried out with co-financing by analyzing quantitative datasets covering the two cities. As Vienna was partly chosen for the virtue of having this data available – and due to the principle of transparency – this should also be (and is partly) available for Budapest. Unfortunately this turned out not to be the case - neither through contact with the city hall or with the ministerial level.

Introduction of Interview Participants

Before the analyses of the case studies are rolled out, an introduction to the interviews carried out will be given. This is done to ensure the readers attentiveness to the position of the actor in the MLG. The interview was carried out as semi-structured interviews supported by a guideline of questions with foundation in the theory but individualized for every interview. The full summaries of the interviews can be found in the annex.

To get an understanding on the connection between the different interviewees as actor in the MLG of the city, a mapping of the inter-organizational arrangements (Cf. Friend,2006) has been carried out. Even as it has not been possible to carry out interviews with all appropriate actors, the interviews has indicated the connection to actors from different categories, and as such these connections has been sketched into the figure as well.

The interviewees has been codified as to protect them and guard them against statements being hold against them e.g. for future employment, but still allows for understanding their role and background,. This was especially important for the Budapest interviewees as the urban planning employment are very much based on loyalty.

Vienna

- The Magistratsabteilung 27 - Europäische Angelegenheiten (MA27) is the city hall department of European affairs (<https://www.wien.gv.at/wirtschaft/eu-strategie/>). At the interview were an employee who oversaw the implementation of co-financing of projects locally in Vienna, and an employee who worked with cross-border projects.
- Austrian Institute of Technology (AIT) (<http://www.ait.ac.at>) is the *Austrian* partner in the EU funded SEiSMiC and JPI Urban Europe projects under the European Union's Seventh Framework Programme for research, technological development and demonstration. SEiSMiC attempts to build networks of urban stakeholders to tackle Europe's urban problems by "...engaging citizens, identifying social innovation needs, and contributing to future urban policies and research strategies." (<http://www.seismicproject.eu>). JPI Urban is a *joint programming initiative* that connects research that aims to "...create attractive, sustainable and economically viable urban areas, in which European citizens, communities and their surroundings can thrive." (<http://jpi-urbaneurope.eu>).

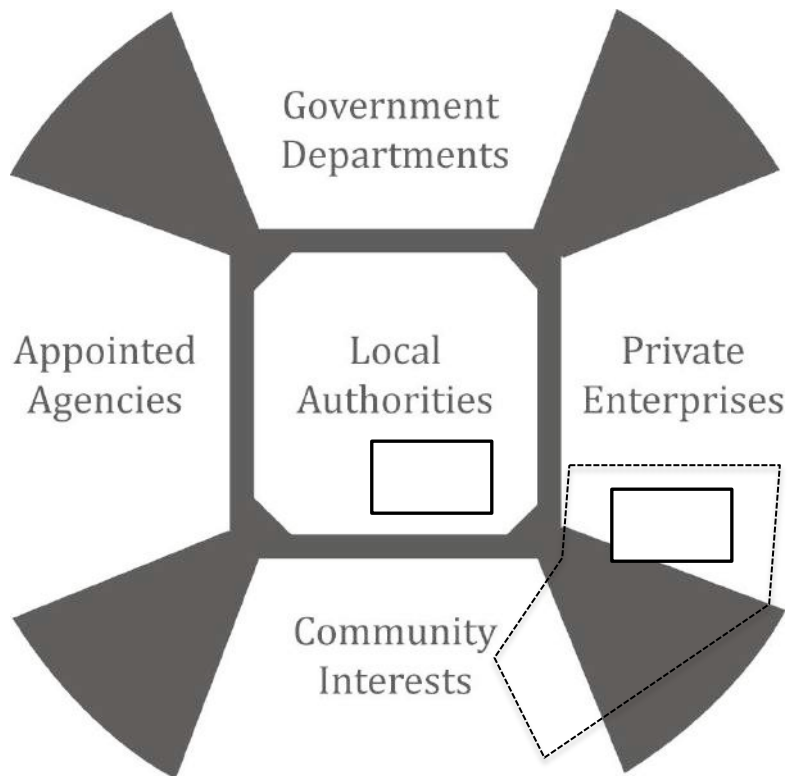


Figure X (After Friend, J. K. & Power, John. & Yewlett, C. J. L. (1974). Public planning: the inter-corporate dimension. [London] : Tavistock Publications)

Budapest

- Former employee at the Budapest City Hall department of urban planning (Budapest City Hall). The interviewee worked both in connection with the city architect and in the sub department that had the focus on the strategic planning of Budapest that the city needed for being able to receive EU funding. As a city hall representative, the interviewee also went to take part in local renewal projects in the city.
- Researcher from Central European University (CEU) who was doing research on how urban renewal practices from Western member states in the EU is transferred to the Eastern European members and how they then translated into local urban renewal practice.
- Hungarian URBACT expert who worked on policy transfer of a German type of renewal scheme with a framework that focused on using old vacant buildings for community and/or cultural uses. The interviewee took part in the process of implementation in Budapest as part of an independent team of consultants. The interviewee was connected to the Hungarian SEiSMiC network.

- Regional Environmental Center (REC) (<http://www.rec.org>) is the *Hungarian* partner in the EU funded SEiSMiC (<http://www.seismicproject.eu>) project. REC was established in 1990 (by George Bush Senior) in the “new democracies” in Central and Eastern Europe (CEE). It is as a non-profit organization working “independent” and with a status like the United Nations. They are present in the former east-block countries but are not participating in JPI Urban.
- Development and evaluation consultant and former employee in the Hungarian National Development Agency (NDA) who also was employed in the Department for EU Affairs and Strategic Planning and who took part in the development of the strategic documents as the Hungarian National Development Plan for the 2007-2013 period and the Operational Programmes and the first National Sustainable Development Strategy. After leaving the NDA the interviewee has been working as a private consultant, which also covered evaluation of EU co-financed projects in Hungary.
- Expert and Consultant on urban planning and policies from the Metropolitan Research Institute (MRI) (www.mri.hu) associated with both URBACT and EUROCITIES and have worked on the development of urban development strategies of Budapest, but with the recent change in city government does not take part in projects in Budapest anymore.

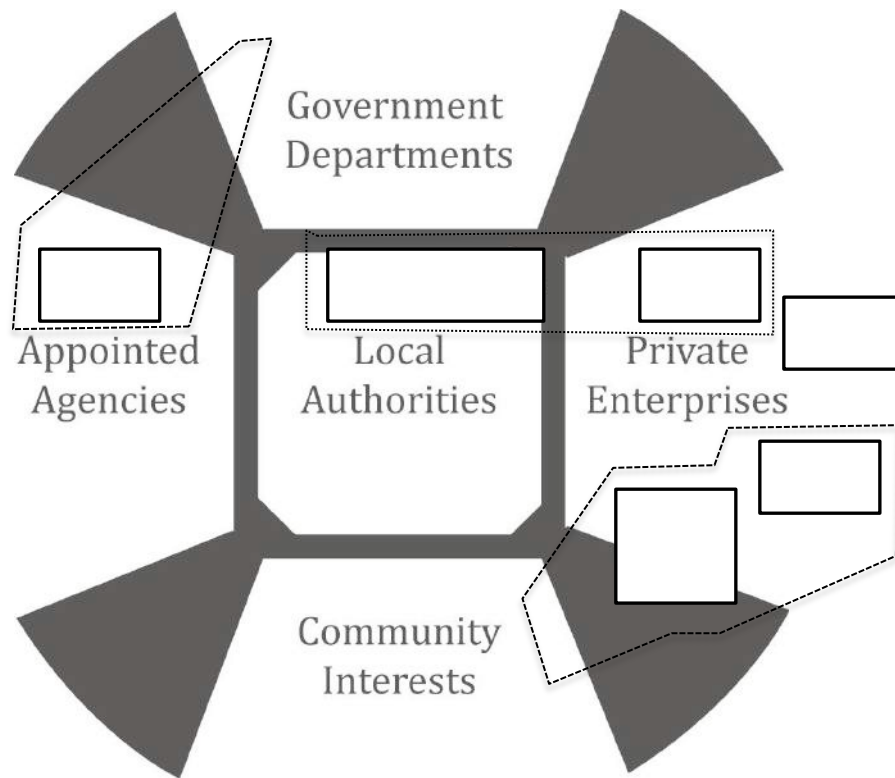


Figure X (After Friend, J. K. & Power, John. & Yewlett, C. J. L. (1974). Public planning: the inter-corporate dimension. [London] : Tavistock Publications)

Appendix 3

Collected Interviews

Mediating funding **Summary of Interview MA27**

Describing their everyday work in the office, it could be termed as one of negotiation. Be it the fine tunings of local projects so they fitted the perimeters that made them eligible for funding - or even convincing possible partners that they should apply for funding (for some projects there is only 25% funding, therefore “many” just say no thanks, as it is too much paperwork) – as the MA27 does not design projects by themselves, but connects local partners to the EU programmes or funding, the MA27 mediates between different the project goals and policies to make them fit. As Vienna is already “saturated with infrastructure”, they focus mostly on “soft” projects (human capital, networks), but they experience from the relations outside Vienna to “less developed areas”, it is still the “hard” infrastructure (highways, kindergartens, schools) that is the focus. This difference in focus would e.g. manifest in cross border projects, where negotiating the focus, and thus allocation of funding, would be a give-and-take process, where the e.g. the Austrian partners wanted investment into soft issues and the foreign colleagues hard (e.g. infrastructure). This kind of negotiation where all stakeholders have to get something of what they want would according to the interviewed often turn into a quite “messy and complicated process”.

Though the project period there is two occupations with overseeing the project: A managing authority and a verifying authority. Besides that there might also be a system audit, and government authorities that sometimes partners in the projects. To oversee the project, they have to go “in situ” to where the project takes place and looks through the papers accompanying the project. Lastly officials from the Commission will also on occasion also visit the projects.

A challenge for the MA27 is when there is a change in goals or perimeters (or other things). Some projects run for one, then maybe two funding periods, then there might cease to be funding available from the EU, then what? Should they seek to acquire the funding from local or national sources or stop the project? Here there might be a wish to continue a project, but due to the new circumstances there might not be EU funding for that category. Here the employees expressed that “You need to be a bit poetic and so

work to label the project as something else...". I will underline that this should not be understood as a creative bookkeeping, but more as an expression for how the different dimensions of Europeanization needs to be actively used, embedded and connected between the EU guidelines and local use.

Another challenge or ambiguity that the MA27 faces in their work is the timetabling for when the project receives the funding they have been made eligible to. The funding only gets transferred when the project managers present an invoice for the money used. This means to secure that the project is in fact eligible. But also made so, that if it turns out the project are not eligible anyway, or if there are mistakes in the application, the funding is not transferred back and forth. This does though have the outcome, that projects are budgeted to be able to carry out the project without the money from the EU (at times) – the question is then, if the projects (or on a grander scale the city) really need the funding in the first place?

As the interest of this thesis is the tangible projects carried out with EU funding, throughout the conversation we tried to combine these general challenges with examples of tangible projects that embodies these.

For projects like those presented in the EU funded projects 2007-2013 from MA27, the wording of what the EU money seems a bit different in the interview compared to the printed material. What was notable in the interview was that the funding from EU was presented as something with a "push on" effect. This means that the employees understood that the projects would mostly have to be carried out even without the EU funding (thus maybe why they sometimes just see it as a burden to do the paperwork), and the extra funding provided makes it possible to carry out the projects: with higher quality, or/and earlier, and this was "the additional effect" the funding provided, something that would lie outside the original goals of the project. For the examples of renovating public space, squares, parks,, it is not the renewal that is paid for by the EU, but the higher quality, that it would be better design etc. From the MA27 view, the EU funding cannot and is not supposed to solve the local problems.

For the renovation of an old slaughterhouse in Vienna, it went through a process were even though a lot of the renewal was going towards fortifying the old structure, transforming it into a museum and cultural center. Instead the focus in the project went from hard renewal, to soft renewal. Instead of a full renewal and refurbishment, it went to be mostly used for events, gatherings etc. that was supposed to promote the area as a

cultural space. The problems came when the people from the commission came to visit (as they do sometimes, in this case twice): how do you show what they got for the funding provided? What came out in the end of the project? Thus the representatives from Brussels were taken for a trip to local wine tavern and other activities that might seem more appropriate for tourist, but here seen as a guided tour to establish a relationship with the MA27. And so in the end the commission employees agreed with the MA27, that the project was fitting in the outlines for urban policy and thus eligible for the funding.

With a projected restoration of an old sewage system the MA27 proposed could be undertaken with the help of EU funding – if the project was used to make more people employed through the use of the project as a job training capacity. At the beginning of the project, this was accepted from the Commission employee that was the anchorman or verifier in Brussels, but as a new employee took over this work. Now this view changed, and the project was now seen as “a normal infrastructure project” thus not eligible for EU funding, which was then transferred back. As with the case of the slaughterhouse, his example shows the importance of the social aspect of the funding scheme, meaning the relationship between MA27 and EU Commission employees. As the relationship between the EU and MA27 office was not established due to the new EU worker, their interpretation of the EU regulation and funding scheme now conflicted.

Regarding the evaluation of projects, the focus of MA27 seemed to be in the way of checking if they comply with the EU rules and regulations. That means checking if the milestones and benchmarks are met, so that funding could be given. In the MA27, the overall policies and strategies of Cohesion Policy and Structural Funds seem to be gone, or at least not expressed. Instead the goals were the eligibility and benchmarks, regulations and as long as it “fits” into a category that receives funding in the period – it was a success. In this light the social aspect of the connection between the local office and the commission policy must be stressed. The interpretations of the goals of the funding scheme were a fluent thing, with both local and external readings contrasting thus the described problems. As seen in the case of both the “job creating” sewage system, and the slaughterhouse redevelopment, the Commission – in the visits – also fit the projects into these categories – but not the overall goals. The local office focus on the “push on” effect of the funding, and so as with the park renewal, where the effect of the funding is that the renewal has a higher quality than what would be possible without, so can the sewage project be seen (in the eyes of the MA27) as normal infrastructure (and

here the commission is right to view it like this), but with the added push on effect of local job creating, that was only possible with the added funding from the EU. To understand the network that the MA27 takes part in as expressed by the interviewed employees, the relations has been mapped out, connecting the actors with an arrow indicating what direction, and what or who has the authority to influence the other.

New waves of money, buzzwords,

Summary of Interview with Researcher from Central European University

From the interviewees research on government level policies with a historic perspective stretching back from the 1970s to recent time and a focus on governance and the Europeanization of Budapest municipalities, there is certain shifts that are central: In 2010 the conservative party replaced liberal mayor in Budapest; this led to a re-centralization of the municipal offices and bureaucracy. The 2014 election of a conservative prime minister meant a reshuffling of the administrative organization on the ministerial level, resulting in a lessening in transparency (among other), e.g. making public data inaccessible online. It also led to a new “anti” EU rhetoric, but on pragmatic level the Hungarian state still need the funding for further developments.

As part of the Visegrad Group (V4) together with Czech Republic, Poland and Slovakia, Hungary are part of a very influential lobby group. Another way of lobbying to the EU – the Budapest House in Brussels, was experienced by the interviewee as a catastrophe. They did not know how to conduct themselves and connect, and was thought to be closed down.

In Hungary there seemed to be a regional difference in the expertise on the EU funding scheme and the according discourse or rhetoric needed. An example was from the North part of the country, with a falling population and deindustrializing, and a want for infrastructure developments, the rhetoric was absent, and all they cared about was funding – not policies or ways of doing things. On the other hand in some Budapest districts they were often 1-2 young experts or social workers in the projects who used the “EU rhetoric”. But combined with interviews in Brussels, the interviewees experience was that defining what EU goals were clearly, e.g. the cohesion policy, all were vague, as such seeming more resembling buzzwords only. On a municipality and

district level, there seemed to be a difference in if the administrations where there was made a strategic plan – here it “was easy to have the money flow into their projects”, but where there is no strategic plan, the administration would just follow every “new wave” of money, i.e. they would make a new plan to attract funding from the new programme, then new plan to the next programme and so on.

Through the interviewees research on the Budapest *Thematic Development Plan*, the interviewee found that it was mostly developed by experts and planning professionals, and that as soon as any politicians (on any level) got involved the “radical or new ways” of doing things were softened as the politicians were only interested in hard infrastructure and renovation. This made many who had worked on it disillusioned. It also made the plan a failure in regards to the integrated perspective (which was the innovative part). On the other hand it might have made the city more ready for new governance innovations in the future.

Attempt of Policy transfer and Multi-level Governance in Budapest

Summary of Interview with Hungarian URBACT expert

The specific URBACT project TUTUR in which the interviewee participated was focused on policy transfer of a German type of renewal scheme with a framework that focused on using old vacant buildings for community and/or cultural uses. The interviewee took part in the process of implementation in Budapest as part of an independent team of consultants – this was the preferred mode of operation from the URBACT perspective, as the logic was that they would have a “better understanding and connection to the [urban] scene than the bureaucracy at the city hall”.

This made some difficulties for the implementation process, as there (from the consultants perspective) was no acknowledgement from the city hall administration that “outsiders” would have much to add in the sense of expertise. Nevertheless the project was green lighted by the city hall and carried forth with the city hall as an informal partner, but not as the main stakeholder.

As the project progressed the next obstacle was to try to recruit the Budapest districts to take part in the project – as in the end, they would be the ones to supply suitably buildings for use. On this level the cooperation with the city hall turned out to be a

negative association when working with districts. From workgroup got the impression that the districts was not interested in participating – even if they would have a local gain from it – as they saw participating as having to share responsibility and power with the city hall. And so in the end only 2 districts contributed with vacant buildings, and these were in the periphery of the city.

In the end the consultants terminated the project mainly due to two reasons: here was a lack of trust to civic society from city hall; this was both to the consultant group, but also to other NGO's locally. This combined with a lack of culture of organization between – both city hall and NGO's – but also between the city hall and the district level made it had to develop and implement a framework that was both innovative and worked with the needed multilevel approach. As such the interviewee considers it hard to make overall strategy for Budapest, and impossible with the current organization of city hall and districts.

The experience was that political actors on all levels got involved to take advantage of the project. This was both from politicians and also from the local activists group, entrenching the opposition between administration and civil society. In the consultants view there seemed to be no way to get the different actors to recognize the mutual gain in the project. For a project like this to work it experienced that the knowledge transfer from a city with good governance and a culture for cooperation, was no use if the local planning culture did not encourage it.

At last it should be noted that the project was implemented as an experimental policy in a number of in both Western and Eastern European cities through a network of NGO's and the URBACT programme. In Austria both Vienna and Graz was invited to take part in the project, but here the city hall in Vienna declined, and Graz took part in the project initially, but never tried to implement it as it lacked support, also from the city hall.

Summary of Interview with former City Hall of Budapest employee

As an employee in the Budapest city hall department of urban planning, the interviewee worked both in relation to the city architect and in the sub department that had the focus on the strategic planning of Budapest that the city needed for being able to receive EU funding. As a city hall representative, the interviewee went to take part in certain

renewal projects in the city. But as a city hall representative the experience was that this was not welcomed, and for the renewal strategies, the consultant groups already had their idea of how to do it, and was unwilling to cooperate or incorporate new viewpoints.

As a young urban professional with the international perspective, the interviewee felt it was hard to fit in with the local planning culture of Budapest city hall. In regard to the learning network (i.e. through EUROCITIES) that some employees took part in, the view was that they were shallow. Even if inspirational, they don't relate the projects to local contexts of land use, legal or the financial frameworks/situation in other countries. As such they might be more harmful than useful leading to a copy-paste planning that does not address the east – west differences. An example of this was the Corvin project, which was imagined as a promenade, but due to the different situation relation to profit margins in the local context of Budapest, it was instead developed as a shopping mall by the developer.

The general experience from the interviewee was that in the city hall, they were mostly interested in prestige projects, and not any no “soft projects”, i.e. integrated renewal schemes, which are too slow to progress in the eyes of the politicians. This also turns into a problem on district level, as the view is that even if the attempt to implement “new innovative projects”, the chance of them to fit into the rest of the administrative system – either city wise, or national – it not very high. An example of this from the interviewee was the renewal scheme in the 8th district of Budapest, which was seen as only renovating facades and public spaces to make it look better. The social aspect in the integrated urban renewal programmes is something that originates from the EU levels policies (seen as western European practices), and is only added in Budapest as a prerequisite for being eligible for receiving funding (e.g. they add crime prevention to the urban renewal plans, thus adding a social aspect).

At the end of the last funding period there was an urge from the prime ministers office to use all of the available funding as (at least on the national level) it would look bad not to absorb all of the available funding. Therefore it was decided by the administrators in the prime ministers office to make up more programmes. One such programme was the Thematic Development Programme (TDP). The overall programme was developed in negotiation between people from the prime ministers office, HÉTFA (an independent consultant group) and a team from the city hall planning office, the last in which the

interviewee was part of. To include an external consultant group was seen as a necessity as the planning office did not have the expertise needed, but there was no attempt to involve the EU commission or experts affiliated with them. The choice of the specific consultant group was questioned by the team from the city hall, but was chosen by the head of the urban development office, as the Managing Director seemed “confident, able to take charge and to stand up to question from the public”. He was also seen as one with good connections and contacts in the prime ministers office as he had worked with many of them in the NDA, which also made him experienced in regard to the EU funding system.

The thematic development plan was divided into three themes: social urban renewal, brown field development and development connected to the Danube waterfront. Due to that the EU Commissions already were focused on social urban renewal schemes, they knew they could attract co-financing for this, but the work group was not sure if there would be funding for the two other categories. The timeframe for developing the TDP was set to two months, and so there was doubt (from the interviewee’s group) if there was time enough to make satisfactory plans for all three themes, and especially with the added endeavor of coordinating and align the wishes of the different stakeholders – especially when the districts had to be included in the implementation phase. Chairing the meetings, formulating documents etc. was the head of HÉTFA, who pushed to make very concrete document including rules for spending the money and defining the action areas. The district mayors (represented by their administrative personal) wanted hard infrastructure, not the integrated projects proposed by the city hall team.

For the implementation phase another group of external consultants were brought in (from the Metropolitan Research Institute – but the MRI interviewee was not part of this team). They provided a map for which areas in the city should be labeled as deprived, and thus could receive funding through the programme. It should be noted that during this process the bureaucrats from the prime ministers office dropped out of the project as they felt the growing pressure from the top and that they were outside their competences. Also the Budapest mayor withdraw his support for the TDP as he did not want to make conflicts with the city districts, which was also the priority of the deputy mayor who took over the supervision of the process. The district mayors thus pushed to have as many deprived housing stock in the district and overruling the city hall experts, ending in many areas on the map, which didn’t really need urban renewal – e.g. in districts in the richer Buda part of the city. Also the map did not take into account the

upward development of some areas (due e.g. to gentrification). As to design the supported local projects, the city hall team asked for criteria for implementing and also for what kind of data the districts should supply for evaluations. This caused trouble as the city hall does not have the competences to neither evaluate or reject the independent districts plans, and as the prime ministers office did not want the Budapest city hall to have the deciding power, as such it was decided from here to reject the whole developed plan and make new rules.

The end conclusion by the interviewee was that there were too big expectations for an integrated plan for Budapest as it was a doomed-to-fail project, disconnected from the political and legal (i.e. competences) reality of the city with the independent districts. This gave the doubt of if it was ever imagined to succeed or just a way to save jobs in the department(s), or even if spending the money was more important than the outcome.

Civil Society, Policy Transfer and Social Innovation

Summary of Interview with REC / SEiSMiC Hungary

The first important point should be to underline that the Regional Environmental Center (REC) – which is the Hungarian partner in SEiSMiC - was established (by George Bush Senior) in the “new democracies” in Central and Eastern Europe (CEE). It is as a non profit organization working “independent” and with a status like the United Nations. As such the conception has from the start been to influence CEE countries towards western discourses and methods. It works with a diplomatic approach to changing policies and not a confrontational one. It does not lobby (in its own view), but tries to influence policies and discourses through its consultant work, here pushing for more green or sustainable ways. It is receiving state grants and gets donated buildings to use for free, but in recent years have turned more and more towards relying on EU funding. This is connected to their relation to the local government, which was once the number one client. The government looked for best practice knowledge from more developed countries, but now REC is “less important” for the government. From being mostly focused on environmental topics, it turned towards transport and mobility projects, and is now focused on urban topics such as SMART cities – much connected to the eligibility for EU support.

Taking part in SEiSMiC is thought to bring in new ideas and social innovation into focus, connecting different NGO's and stakeholders who are working to create more "liveable cities". In the government sector (in Hungary) social innovation is not really understood, which posed a challenge when trying to invite them for partnerships. The interviewee saw SEiSMiC as a tool on the EU level as a way for the commission to embed policies in the "needs of the cities" by supporting the organization to map these needs and give policy recommendations. It is through these recommendations that the EU commission has realized the potential in social innovation to solve urban problems. It is perceived that in western Europe social innovation is more something that is "a fashion", often focused on applying technology to solve problems. But in CEE countries where the state does not have resources or knowledge to solve serious welfare problems through social innovations (were in the west these are already solved, or there is money to do so).

As SEiSMiC works on with an international (although European) scope, taking part in something as the SEiSMiC meetings in Brussels where the best projects from member countries are shared poses a challenge as many from the Hungarian network does not speak English. In a national context SEiSMiC attempts to let the working groups in the network steer the focus (to a certain degree), and creating working groups from different organizations where interests can be combined. Making collaborations like this – besides the valuable knowledge exchange – also gives a better change of attracting EU funding for projects. For the last bid REC made for a project call, there was 400 projects send in with only two receiving funding in the end, making the time and effort put into the not chosen projects a waste of resources. Small groups and organizations lacking e.g. the writing skills or knowledge needed to make a good application has a hard time, and so they often end up putting the effort into the projects which has a higher chance of receiving funding – not the once they see as needed. By connecting people in working groups with small financial support by SEiSMiC, they are able to make coalitions e.g. by the connecting people from the URBACT originated project for use of vacant building in Budapest (described elsewhere in this paper) with groups representing green and environmental concerns, NGO's working with immigrants etc. building a stronger position for also getting government support – which is supposed to have been now accomplished by the combined partnership. This was also the case for an CEE dedicated project on the bike friendliness of cities (www.mobile2020.eu) where the knowledge exchange also focused on both how to improve cycling infrastructure, capacity building and applying for funding through connecting projects to EU funded operational programmes. In this collaboration both the Hungarian ministry of transport took part as

well as most cities – but not Budapest which were perceived a too large scale or area for the implementation by the city hall. Instead a number of districts in the city took part. The last option for improving chances of funding is to join in bids with large international consultancy groups (e.g. GOPA, Human Dynamics or INTRASOFT) which has the expertise and manpower to make certain the projects get improvement.

Working in Hungary, the main way to work is through networks based on friendships. This is not only by getting commissioned inside the network, but also because of the network, i.e. by REC having contacts in other countries and so they “can get the phone number of the Romanian ministers in five minutes” by contacting their local sister organization. In the change from former liberal government to current conservative the work is experienced as harder. This is both on a national level, but also municipal, which is predominantly conservative as well. It is a challenge to involve city administration and government institutions in the projects – both in REC and SEiSMiC. The interviewee’s perspective was that in western European countries politicians show up to events or meetings organized by civil society. This disinterested is a problem in CEE countries. To get politicians to show up in Hungary, they would want money. Not for their own pocket, but as a donation to the party, or be offered EU funding for projects chosen by the politician. One way to get government connected to projects, was to ask them to send civil servants who would get capacity building from taking part, and travelling would be paid for. Another challenge with the government in Hungary – intensified with the new government, is reaching the right person for permission or offer of collaboration. The continuous centralization makes many administrative workers send any attempt for contact “up” in the system. And lastly there is skepticism of change and of the knowledge NGOs or learning networks can supply. This is also the case for taking part in the JPI Urban network. This can only be joined on a national ministerial level and also requires a fee to be paid, which has so far been declined although REC/ SEiSMiC as organizations has pushed for it.

Experts, Politics and National Perspectives

Summary of Interview with development and evaluation consultant and former employee in the National Development Agency (NDA)

The beginning of the NDA began in the late nineties in the (former) prime ministers office where the need for a coordination organization arose with the PHARE pre-accession programme as an integrated plan for the development of Hungary was needed (this was later also made obligatory with the 2000-2006 funding period). As such the organization (which was then called the National development Office until 2006) was made responsible for preparing the needed documents and strategies for the EU funding periods. Although the coordinating was a competence of the NDA, the managing authorities staying in the sectorial ministries. Between the NDA and the ministries there was experienced a divide in the professional groups. Where the NDA was comprised mostly of newly hired young economists with new ideas, expertise on EU funding and analytical tools, the ministries were comprised of administrative workers with roots in the established ruling communist party, making a divide between “policy makers and planners”. Overseeing the organization was the minister in charge of EU affairs, which was at the same time cut from the ministry of foreign affairs (this was the case until 2006). This meant that the NDA worked independent from politicians and administration in the sectorial ministries, often leading to conflicts regarding who had the authority. As such the NDA was one of the most powerful organizations in shaping the development of Hungary due to independence, competences and the control over the use of EU funding. With the 2006 restructuring of the government (and the change from ND-Office to ND-Agency) the responsibility of managing authority was brought from the ministries into the NDA. In 2007, as the plans for the 2007-2013 funding period were approved, much of the NDA staff was let go, as it was felt from the politicians that there were too many resources going into “intellectual work”, and with the later dividing and merging of the NDA competences into the prime ministers office and the ministry of economics, both the former semi independence disappeared along with the capacity to improve the use of the funds. As the capacity to prepare the plans for the funding period 2014-2020 was then lacking in the ministry of economy, they established a national planning office consisting of planning professionals and administrative personnel from VÁTI, described as a “Hungarian Regional Development and Town Planning Office” (www.vati.hu). After the 2014-2020 plans were approved, this national planning office was closed down again, leaving many of those formerly employed by VÁTI as self-employed consultants employed on calls for project proposals. One challenge of having a situation with many consultancy groups in a system built on loyalty is that they become affiliated with certain political parties or figures, making some consultants be seen as opposition and some loyal, thus neglecting expertise as the main feature for employment. The Hungarian situation is now one where the administration is not

learning, where experts (both researchers and external consultants) and politicians are hard to connect, and a small circle of politicians push through with their ideas (mainly coming from the prime minister).

From the NDA view the EU funding scheme has a number of obstructive mechanics. An example is that Budapest due to its economic growth changed from convergence objective to competition objective. This means that many needed projects that before could receive funding, now was ineligible. As such “the most important public institutions” in Budapest stand derelict and worn down, while “less important countryside buildings” are new and well maintained due to their status as convergence regions. In the NDA perspective investment in Budapest would give a better effect for the overall Hungarian situation.

The impression of the interviewee was overall the EU funding had a negative impact on Hungary. All the funded advancements in the country amounted to new built or renovated buildings, public space etc. But in a long perspective there was doubt that this was a sustainable way to develop. The situation was compared to the developing aid sent to the third world countries. Here funding always goes foremost to capacity building, and not to the construction new buildings. The view was that the EU funding only supports “hard projects” (here included also integrated programmes), but as there were no external experts to go with the funding, there was no improvement in the intellectual capacity in the receiving countries. Another example was that the EU regional support was focusing on the supply side (e.g. education) and not on the demand (e.g. the amount of jobs), making the effect of the projects futile.

For the administration of the funding, the “entrepreneurial development system preferred loans versus presents”. This means that there was an expectation of getting something specific back from investing in the project, when in the view of the interviewee “presents” could be of more use, and then there they (the authorities) “should just hope it was worth it”. The system was set up to ensure that e.g. when funding SME projects, they would not finance “household expenditures”. The problem was that the administration and paperwork needed is often so complex that there would be hired external consultants to do it, e.g. for writing the project briefs. This leads to stagnation in the capacity building in the Hungarian SME and organizations. For larger funding investments the problem was that there was no attempt to assemble the affected stakeholders to develop a plan together, they were only allowed a say in smaller

scale projects as schools, public spaces etc. The local stakeholders then also had to compete for the funding with what the interviewee called the “external hyenas” (e.g. consultant groups) and “local kings” (e.g. local politicians) who would try to get their way (and the funding). Another problem in the view of the interviewee was the Hungarian administration culture. To avoid having to stand up to an audit, they would not accept the “lump sum agreement” that meant that According to EU rules, small expenditures were allowed theoretically in the 2007-2013 period. As such up to 20 percent of project expenditures were thought to be able to be handled without invoices, but as the administration lacked trust and feared fraud, corruption or political interference, this could not be incorporated. In addition to this the Hungarian political and administration culture is characterized by a lack of transparency regarding the EU funding. From the political side, they would only advert the projects as required, or if able to be included in success story propaganda. Even in the case where e.g. certain information or data was needed for evaluations the administration would not supply it, and as such the EU commission had to step in.

When implementing the EU funded projects, the interviewee found that there were problems regarding the efficiency and results of projects. Often the consultants employed to evaluate would not have the knowledge needed to get beyond surface. Projects were usually funded for two years, and as the administration found new projects to fund, they closed down the older ones; but many problems that the projects were attempting to solve had a five to ten year time frame for solving. Instead the logic was something like opportunity hunting for the next way to receive the funding. For politicians the most important feature of the projects were the visible imprint, so projects such as refurbishment of public space were preferred as projects. This was also the case when attempting to involve them in the planning process, were they would only take part if it would give them a better position, get their priorities through or good publicity. Only in the cases where the politician had academic training related to the project would he or she support it, but often this would not mean the politicians would take part themselves, as there would be more important things that needed attention.

European connections, Conflicts between city and state.

Summary of Interview with Expert and Consultant from the Metropolitan Research Institute (MRI)

Even before Hungary became part of the EU, Budapest joined the EUROCITIES network in 1996-97, thus beginning the transfer of policies from the more developed western European cities, and became very well prepared for the EU ascension in 2004. This process was very much helped underway by Vienna who “taught Budapest the EU game”. In the eyes of the interviewee who had taken part in meeting and event arranged by the network, EUROCITIES has a number of qualities: with the required fee to take part it ensures dedication from the member cities. As the city mayors gives a mandate to the city representative, it ensures that decision can be made. And there is a general appreciation of the network as the level of commitment and knowledge is very high.

Another network the interviewee took part in was the ERDF co-financed URBACT programme, which works to connect cities to work together to develop new solutions to urban challenges (urbact.eu). This does not function as a stable network, but works on project basis. The programme managers make a call for project proposal for specific topics, which are then answered by teams from cities or expert consultants. With the programme comes financing for travel costs, and also a standing group of thematic experts. Two other networks are the JPI Urban (jpi-urbaneurope.eu), which in the eyes of the interviewee was more technical oriented (i.e. hard planning projects), and only some countries were interested in becoming members. Another is the European Urban Knowledge Network (www.eukn.eu), but also here are only around 50 percent of the EU countries members. Through the EU’s Framework Programmes which funds research and innovation (e.g. for smart cities, energy efficiency, public sector reforms etc.), the interviewee considered the FP7 as important as it opened up for private research groups to make bids for project funding.

For receiving EU funding of urban related projects in Budapest, one problem was that as the URBAN programme was already under implementation in 2004, it was not open to the new member states. As the programme was ended as a *community project* with the 2007 mainstreaming of it, funding for this kind of projects would then have to come from the regular main funds. In the interviewees experience this had led to a “stop of [real] integrated projects” and also a “stop for the [direct] link between the commission and the city”, as the funding now (again) would flow through the national level administration. This has recently been changed as with the ERDF article 7 (2015), 5% of the ERDF money now is targeted directly for cities as it was in the URBAN programme. For urban renewal projects, integrated plans were highly important, but as worn down

housing stock was one of the most serious challenges for Hungary and the CEE countries in general, making the EU policies and funding scheme allow co-financing for renovation a very important fight for the V4 to take up (this is described elsewhere in this paper). As integrated plans for renewal projects are a requirement for EU funding eligibility (since the 2000-2006 period), the work to develop these exceed the capacity of the local planning office in Budapest (and also in the rest of Hungary), making it necessary to employ outside consultants to design these. With the change of mayor in Budapest at the 2010 election, the contracts now goes to the consultants who are seen as loyal to the political ideas, often meaning that those employed by the former mayor now has to look for employment elsewhere.

Implementing integrated renewal schemes does suffer under the administrative rules of the funding scheme. With the N+2 rule, it can be hard in to incorporate e.g. participation processes including the public, as this would take around a year in the interviewee's experience, leaving little time for the political and administrative part of implementing the integrated plan. As a rule it not so bad – but only in the case that the projects are planned in a way that incorporates it – in Hungary were the programmes are “always” implanted in two year time frames, and with a political unwillingness towards soft projects, when there are also administrative barriers, it makes it very hard to implement.

Between Budapest and the national level there has been continuous tension. One example is the public transportation in the city. It is not privatized, but has low public subsidies. As Budapest has higher tax income than the rest of the country, the national government takes away a large amount that from a Budapest perspective should rather have been used to run the public transportation network. As such “every year” the city says “we cannot finance it as you take our money”, the answer from the national level is “we give the money to other cities that needs it more”. The mayor of Budapest responds with the ultimatum “then we shut it down!” that finally end up with the state giving Budapest the financial support needed to run it (for one more year). As such the transportation system acts as a hostage for the national level to trump through with conditions for their projects. One example is the prime minister wants to move into the Budapest Royal Castle, so that the museums located here have to move, “he” proposes they can move to the park Varosliget which sparks complains from planners and civil society in Budapest – but central government does not care and uses the public transport to trump the city government. Another event involving the national

government was their decision to close the National Development Agency and taking the planning “rights and competences” back into the ministries, which made the EU commission put the funding on hold for a year, until the organizational framework was clear.

With the ascension in 2004, the Hungarian scalar divisions had to be transformed to fit into the framework of the Structural Funds. As the funding is divided also on a regional scale, the Hungarian system of 19 self governing counties with 5-600 thousand inhabitants, and then the Budapest metropolitan region of 1,8 million did not fit into the EU structure. As the average region size is roughly 1,5-3 million inhabitants, Hungary had to construct new regions which was done by combining three counties into one unit, making six regions with Budapest and surroundings (the Central Hungarian region) into the seventh. This meant that the independent counties now had to nominate one person to represent each region, but as the county leaders did not want to lose their political power, the regions were weak and had little to say. In 2010 the national government chose to close down the governing regional agency. As such they have lost any importance in the Hungarian political system, but as the regions still exist in the EU framework for calculating the amount of funding allocated, it still means that e.g. the city of Budapest gets less funding (than needed in the view of the interviewee) as the region it belongs to is closer to average GDP of the EU member states. The EU categorization for e.g. cities is quite larger than the Hungarian city size where most cities are 80-200 thousand inhabitants, making it hard to match funding and projects.

Summary of Interview with AIT / SEiSMiC Austria / JPI Urban Austria

The SEiSMiC network, where the local partner is the Austrian Institute of Technology (www.ait.ac.at), is funded by the Coordination and Support action programme (?) is not focused on research but on bringing city stakeholders together to formulate the problems in the city. The formulated problems are created in a bottom-up process including volunteer networks that form workgroups on specific topics. This ends up as recommendations for policy making and research in a communication to the EU commission. This has led the commission to construct JPI Urban to follow up on these in the sense that they “pick up” from where Commission sponsored research stops (e.g. URBACT or the EU’s Framework Programmes for Research and Innovation). SEiSMiC is independent, but has a representative from the commission in the steering committee. Another partner in the project is the EUROCITIES network, which promoted SEiSMiC

through its network of member cities. In SEiSMiC they are focused on the particularity of each city how local context shapes the different challenges aim at highlighting the differences. In some places they “focus on filling a gap in the local welfare system” and in other they see “need on the street” and then tries to solve it.

Every half a year, SEiSMiC organized workshop in the national network on a common theme. This knowledge is then accumulated together in a workshop taking place in Brussels where also representatives from related NGOs, the EU Commission and UN HABITAT are participating. The EU commission is afterwards asked to react to the paper that is the outcome of this workshop. As such SEiSMiC connects civil society to the commission. This is even more pronounced in the cases where commission representatives participates in local workshops and ask how to deal with certain topics (e.g. new phenomena like Airbnb, Über etc.). In Vienna they feel there is a good connection between SEiSMiC and the city administration, and city representatives have on occasion participated in workshops. There is although no representatives from the political level who are hard to get to participate. In the view of the interviewee it was abandoned to involve them more as the “politicians might not fit in anyway”.

The ERDF funded JPI Urban network (jpi-urbaneurope.eu) is a tool introduced by the EU Commission to research the main and shared problems of the cities through “bringing research to the ground” and to align national city research. The EU funds the network, but the research is nationally funded, and coordinated by calls for research project proposals. JPI Urban is connected nationally to the ministry level which are part of the governing board (this is the case in Austria, in other countries it is in the organization managing the funding used in JPI Urban). There have been attempts to involve cities and city NGOs, but so far without success as they often had different interests that were hard to align.

In the view of the interviewee there is “a focus on tangible results and not just research for its own sake”. JPI Urban attempts to “connect researchers with the cities”, but from the interviewee experience, one challenge is that the researchers only contacts the city when they have a fixed project proposal that they want the data for from the city. For JPI Urban the aim is then to create the milieu for “real” (equal) collaboration, where both parts take part in developing the proposal thus embedding it in both in academia and in the challenges the cities feel they face. This is also the aspiration from the city of Vienna, but in the view of the interviewee it was hard as there was common language between

city planner and researchers, which combined with a difference in the goals made it hard to make successful collaborations reality.

There is experienced that there is a general misunderstanding from the CEE countries that JPI Urban is focused on technology, but in the perception of the interviewee they have a human centered approach. One suggestion for explaining this misconception is that the last JPI Urban call was for smart city proposals, which some could view as technology focused. The other barrier for CEE countries for taking part is that the JPI Urban is connected to the ministry level, where it can be both hard to convince them to take part and there is a lack of funding for such projects. Exceptions are Romania and Poland who takes part in funding calls. The experience in regard to Hungary is that there is a political opposition to the project - even though the country is somehow connected through the SEiSMiC partnership to REC (describes elsewhere in this paper).

One interesting note is that the SEiSMiC / JPI Urban team in AIT was proposed to make a partnership through the EU INTERREG programme, but turned it down as they did not “want to do the paperwork needed”. The experience was that there was a lot of bureaucracy and documentation needed from the Austrian administration to take part in this kind of projects (but not for the traveling in SEiSMiC / JPI Urban relation), which was not necessarily a requirement from the EU commission. This also made it hard for small organizations and projects to take part, as EU funding was “a game you have to understand”.

Appendix 4

Analysis of Commission Policy Documents

The European Spatial Development Perspective

The *European Spatial Development Perspective - Towards Balanced and Sustainable Development of the Territory of the European Union* (ESDP) (EC 1999) was agreed upon at the Informal Council of Ministers responsible for Spatial Planning in Potsdam, May 1999. With this document the application of the ESDP was defined as "...at Community and transnational levels." (EC,1999,p37). The document is interesting in that it states the success criteria for a successful EU spatial development policy as depending on "...far more on co-operation with the local and regional levels than in other policy areas. Transnational or cross-border actions at this level are crucial for the application of the ESDP." (EC,1999,p 37). At the same time it also draws attention to a specific framing of street level environment, which is framed as in need of further improvement:

"...urban development measures have often diminished the historic fabric of many cities and eroded their identity. This not only has a negative effect on the quality of life and the health of their inhabitants but can also have an economic impact due to loss of attractiveness and reduced investment, employment and municipal financial resources." (EC,1999,p66).

The Commission thus defines the aim of spatial development policies as to include a balanced and sustainable approach that should encompass the whole of the 'territory of the European Union':

"In the Ministers' view, what is important is to ensure that the three fundamental goals of European policy are achieved equally in all the regions of the EU: I) economic and social cohesion; I) conservation and management of natural resources and the cultural heritage; I) more balanced competitiveness of the European territory." (EC,1999, preface)

Simultaneously it stresses that those cities and regions who "...know how to exploit their own economic opportunities and potential do not do so at the cost of others but, on the contrary, can strengthen the world-wide competitive position of the EU." (EC,1999,p65). Here it is thus 'local' level growth that is connected to a growth that is good for the

common member states. Another interpretation could be linked to the EU's lacking competences in spatial planning, thus underlining the independence of other levels of decision-making. This is backed, by the stressing that

“Competition in the Single European Market is one of the driving forces for spatial development in the EU and will be intensified even more by EMU. Even though regions, cities and local authorities have already started co-operating in diverse fields, they compete with each other for economic activities, jobs and infrastructure.” (EC,1999,p7)

The publication also articulates a change in policies, stating that previously policy measures that affected spatial developments were “...primarily concerned with improving the links between the periphery and the core area through projects in the field of infrastructure.” (EC,1999,p20) but are now also “required to offer a new perspective for the peripheral areas through a more polycentric arrangement of the EU territory.” (EC,1999,p 20). The new goal is the

“...creation of several dynamic zones of global economic integration, well distributed throughout the EU territory and comprising a network of internationally accessible metropolitan regions and their linked hinterland (towns, cities and rural areas of varying sizes), will play a key role in improving spatial balance in Europe.” (EC, 1999,p20)

This is followed by the identification of what is the desired financial development shape, i.e. metropolitan regions exemplified by: “...the pentagon defined by the metropolises of London, Paris, Milan, Munich and Hamburg. This zone offers strong global economic functions and services, which enable a high income level and a well-developed infrastructure.” (EC,1999,p 20), and also expanded to cover other growth areas such as Barcelona, and the Region of the Øresund. The document thus brings the regions to play, but nonetheless scalar delineation is also connected to smaller scales as “The regions of the EU can only be competitive and hence contribute to the reduction of unemployment if towns and cities, especially those outside the global integration zones and metropolitan regions, have enough economic potential.” (EC,1999,p22), thus promoting a connection (and dependency) between cities and regions, that nonetheless should not only focus on economic factors, but also “...be expanded to all urban functions, such as culture, education and knowledge, and social infrastructure.” (EC,1999,p21).

The document also begins constructing the discourse the knowledge networks between cities, that should “...co-operate in networks aimed at solving common problems.

Beyond the exchange of experience, common objectives should also be pursued and joint projects implemented.” (EC,1999,p21). This also goes for the “Promotion of the networking of urban regions: All cities and regions must be capable of contributing to reducing unemployment, to economic growth and to social harmony in the EU.” (EC,1999,p35). As such the Commission begins (or continuous) to specify (or framing) the challenges facing cities in future, a future that

“...depends on fighting growing poverty, social exclusion and stemming the loss of certain urban functions. Both the reconstruction of neglected areas and derelict industrial land and a balanced supply of inexpensive, high-quality housing in urban areas have to be promoted. Through integration of urban functions in the city, all citizens should have appropriate access to basic services and facilities, open spaces, general and professional education and health care.” (EC,1999,p22).

It is also in this document that the method of overcoming conflicts between different sectoral and spatial delineations and differences in priorities by the application of the policies through co-operation between

“..the authorities responsible for sectoral policies; and with those responsible for spatial development at each respective level (horizontal co-operation); and between actors at the Community level and the transnational, regional and local levels (vertical co-operation – see Fig. 7). Co-operation is the key to an integrated spatial development policy and represents added value over sectoral policies acting in isolation.” (EC,1999,p 35).

As one of the two case studies for this report is a city in CEE it is also interesting to note that even before the expansion east, the disparities between European regions were noted, and framed in a way that it

“...complicates the strengthening of the economic and social cohesion of the EU. It is therefore important gradually to aim at a spatial balance designed to provide a more even geographical distribution of growth across the territory of the EU (aiming at cohesion).” (EC,1999,p7)

Furthermore the Commissions competences on spatial planning is articulated in the relation to the Accession Countries and it could even be seen as the Commission sees itself as implicitly having as say in this as it is stated that

“Even though spatial planning is not an explicitly defined Community task, the Community’s financial commitment in the Accession Countries clearly indicates its

responsibility for ensuring that different policy measures do not counteract or neutralise each other.” (EC,1999,p49).

As such we can say that there is an awareness towards the existence of specific challenges posed by the enlargement of the EU, but we can also read that they state that the work done to address these have not been done (EC,1999,p47). We can also read that the responsibility for meeting the challenges involved in the process of enlargement is “...considered a national responsibility in the Central and East European Accession Countries. This does not leave any scope for applying regionally differentiated strategies.” (EC,1999,p48). The consideration is however deep enough to state that the

“The weak, and in some cases absent, regional level in the political and administrative structures of Central and Eastern European Accession Countries is one of the most important issues that requires the specific support of the EU for the establishment of regional institutions.” (EC,1999,p 49).

Leipzig Charter On Sustainable European Cities

In the 2007 *Leipzig Charter on Sustainable European Cities* the Member States’ Ministers responsible for Urban Development agreed upon common principles and strategies for future urban development policies. It is stated that it was “...drawn up with the broad and transparent participation of European Stakeholders. (EC,2007,p1) as well as with “...the knowledge of the challenges and opportunities as well as the different historical, economical, social and environmental backgrounds of European cities,..” (EC,2007,p1). Again cities – but first without the linking to regions – is framed as possessing “...unique cultural and architectural qualities, strong forces of social inclusion and exceptional possibilities for economic development.” (EC,2007,p1). As well as being “...centres of knowledge and sources of growth and innovation.” (EC,2007,p1). This is then counter weighted with the statement that the European cities also “...suffer from demographic problems, social inequality, social exclusion of specific population groups [and] a lack of affordable and suitable housing and environmental problems. “ (EC,2007,p1).

The tool to solve the challenges are stated as ‘holistic strategies’ and ‘coordinated action’ by all actors and institutions that are involved in urban development – also by those not located on city level, this introducing MLG:

“Every level of government - local, regional, national and European - has a responsibility for the future of our cities. To make this multi-level government really effective, we must improve the coordination of the sectoral policy areas and develop a new sense of responsibility for integrated urban development policy.” (EC,2007,p2)

At the same time integrated urban development is framed as an approach where “...the spatial, sectoral and temporal aspects of key areas of urban policy are coordinated. The involvement of economic actors, stakeholders and the general public is essential.” (EC,2007,p2), thus promoting the forming of an coalition between state, regions, cities, citizens and economic actors. This coordination also re-introduced the city-region link as a relation where “...cities should be focal points of city-regional development and assume responsibility for territorial cohesion.” (EC,2007,p3). Also in this document is the addition of new scalar delineations, such as the “...public spaces, urban man-made landscapes and architecture and urban development [that] play an important role in the living conditions of urban populations.” (EC,2007,p3). But again this ‘social’ concern is counter weighted by the economic concern, as these “...soft locational factors, [...] are important for attracting knowledge industry businesses, a qualified and creative workforce and for tourism.” (EC,2007,p3). Another new scalar delineation is the neighbourhoods – or maybe more precise the *deprived* neighbourhood which need ‘special attention’ (EC,2007,p5). Here the

“Government must offer an outlook and incentives for improvement to residents in affected areas. Active involvement of the residents and a better dialogue between the political representatives, the residents and the economic actors is essential to find the best solution for each deprived urban area.” (EC,2007,p5).

Again this concern is linked to the economic but more interestingly it is also framed with an additional concern that of energy efficiency as it is seen as “...necessary to improve existing building stock in deprived neighbourhoods with regard to their design, physical conditions and energy efficiency.” (EC,2007,p5), and later with this being combined with housing and climate change as “Improvements in housing standards in new buildings as well as in existing large prefabricated, old and low quality buildings bear the biggest potential for increasing energy efficiency within the EU and thereby combating climate change.” (EC,2007,p5).

Interestingly it is stated that the "Urban development policy should be laid down at national level and the stimuli for innovative solutions should also be created at national level, as well as at other levels." (EC,2007,p7), thus in some way turning away from the local level as the one for designing and implementing solutions. This is continued with the statement that "At national level, Government Departments need to recognise more clearly the importance of cities to deliver national, regional and local ambitions, and the impact of their policies upon them." (EC,2007,p7), and so having "...to be better aligned and integrated so they complement rather than conflict." (EC,2007,p7).

Lastly the document articulates the funding scheme itself through stressing that is it important "...that Member States have the opportunity to use the European structural funds for substantial integrated urban development programmes." (EC,2007,p7).

Toledo Informal Ministerial Meeting On Urban Development Declaration

The 2010 meeting of Urban Development Ministers was held with the focus on "integrated urban regeneration" (EC,2010,III). In the document is stated that the context is the "...global financial, economic and social crisis, which is having a strong impact on Europe's economy and also on its citizens' quality of life." (EC,2010,III). It is then stated that while

"Taking into account the urban dimension of the current crises and future challenges faced by European cities, the Ministers examined the Europe 2020 strategy in detail and consequently highlighted the need to promote a smarter, more sustainable and socially inclusive urban development in European urban areas, cities and towns." (EC,2010,III)

This is again framed in a way where "... the integrated approach in urban policies as one of the main tools in order to advance in the direction set out in the Europe 2020 strategy..." (EC,2010,III), particularly in the indication that "...integrated urban regeneration and its strategic potential for a smarter, more sustainable and socially inclusive urban development in Europe." (EC,2010,III). This means a stressing of need to assure the

"...citizens' quality of life and welfare in all the existing communities and neighbourhoods of the city, stressing the need of their involvement in urban

development through citizen participation, and also acknowledging the importance of the alliance and implication of all other stakeholders (private sector, civil society, etc.) as a crucial tool for an integrated approach,...”(EC,2010,IV)

Also again is stressed the overall urban quality as

“...determined by the quality of public spaces and urban man-made landscapes and architecture is an essential requirement for establishing a pleasant environment for the urban population and also for the global attractiveness and competitiveness of the city,...” (EC,2010,IV).

From the overall analysis of the situation of European cities, the assembled ministers outlined both cities as the place “...where most of the current and future potentials and challenges lie, and that they are key to achieve the goals of Europe 2020, by making Europe's economies smarter, more competitive, sustainable and socially inclusive.” (EC,2010,VI). To support this strategy, it was also requested that the FP7 to promote a more urban dimension. (EC,2010,VIII). Lastly it was also explicitly stated that a multi-level policy “...is a prerequisite for the implementation of an integrated urban development policy.” (EC,2010,VIII).

Cities Of Tomorrow - Challenges, Visions, Ways Forward

The 2011 flagship publication assembled urban experts and representatives of European cities to think about the status and future trajectory of city developments. It builds on the foundation established by the Leipzig Charter and Toledo Declaration. Again the duality of cities is framed as both engines of the economy, places of connectivity, creativity and innovation – here again added the environmental virtues of “...huge potential for energy savings and a move towards a carbon-neutral economy.” (EC,2011,pIV). But the cities are again also “...places where problems such as unemployment, segregation and poverty are concentrated.” (EC,2011,pIV). As building on these to other documents, it also promotes the MLG as the appropriate governance system to steer cities, so that it combines

“...formal government structures with flexible informal governance structures that correspond to the scale at which the challenges exist; [and] Develop governance systems capable of building shared visions reconciling competing objectives and conflicting development models;” (EC,2011,pVII)

The publication states that 'the relevant governance level' for solving the challenges of European cities may both be located from the local to the European level or combine several levels thus "...operate in a multi-scalar context." (EC,2011,p2). It is important to note that it clearly states that "Adapting government structures to better respond to challenges is a futile task: not only would the dynamic nature of challenges demand a constant re-adaptation, but their multi-dimensional nature requires responses at different scales." (EC,2011,p65). Furthermore it addresses the legitimacy of governance where

"In terms of representative democracy, each level plays a particular role and has its own benefits. [...] Problems are experienced at the city or neighbourhood level, and inhabitants may be more easily mobilised around issues that are of direct concern in their daily life." (EC,2011,p68)

This is an interesting theme as it promotes a mode of governance where the representative democracy should be complimented by a "...new governance frameworks, individual citizens and communities will take more responsibility for their own welfare and for the local policy processes that shape their lives and the places in which they live." (EC,2011,p84). Lastly the MLG is developed further with a stressing that "...a higher governance level is being replaced by a lower one, but also that new relations are being forged between different levels, e.g. between the European and the local levels." (EC,2011,p93). The document also introduces a confrontation with GDP measurements and different types of quantitative input and output indicators, instead stressing the need for these to be complemented with qualitative indicators stating that "GDP data in particular should be used with great caution when applied at the urban level, as many people living in cities work outside them and vice versa. Pockets of deprivation may also not be visible in GDP data." (EC,2011,p74).

This articulation of the importance of the European level is also stressed where although urban planning is not a European policy competence, as "...the last two decades have witnessed an increasing importance of the European level in both urban and territorial development." (EC,2011,p12). The document argues that as

"...the vast majority of Europeans live in or depend on cities, their developments cannot be isolated from a wider European policy framework. The EU has had a growing impact on the development of cities over recent decades, notably through cohesion policy."

(EC,2011,p7)

An interesting addition to the discourse is how housing condition have entered as a “...key to making a city and its agglomeration attractive and liveable.” (EC,2011,p24). This merges with the earlier mentioned segregation processes and social polarization, but here also with “The gentrification of city centres and the rising cost of housing make it increasingly difficult for a number of people to find decent or affordable housing where they grew up.” (EC,2011,p24).

The policy approach of integrated plans are also addressed in this document as a tool to counter the “...contradictions between ambitions, visions and objectives at different territorial scales and between neighbouring territories.” (EC,2011,p60). This is due to the view that “If neighbourhood problems are addressed only at neighbourhood level, the problem at hand may be moved on to another part of the city or beyond it.” (EC,2011,p60). The MLG is again employed as the tool for solutions to coordinate “...at a higher level, to avoid transferring problems from one local level to another, or from the city centre to its periphery.” (EC,2011,p71).

Lastly the implicitly normativism of the EU vision of the city is addressed as it is stated that:

“...a European normative vision of the city of the future may seem like a futile exercise; cities must develop their own visions, engaging their inhabitants, organisations, administrations and other local resources and stakeholders. But Europe has a role to play in setting the framework, providing guiding principles and enabling the cities to shape their future.” (EC,2011,p10).

Urban Development In The EU: 50 Projects Supported By The European Regional Development Fund During The 2007-13 Period

As this thesis attempts to understand the ‘tangible’ results of the EU funding scheme, this publication (EC,2013) was chosen to embody the Commissions vision on a more ‘local scale’ than what is often described on a city, national or European level. It should be noted that this document was prepared by AEIDL which is the European Association

for Information on Local Development, who is founded by: "...like-minded individuals who believed that European integration could make a positive contribution to citizenship and to the sustainable development of local communities." (<http://www.aeidl.eu>). As many documents like this, it is stated: "The opinions expressed in this publication do not necessarily reflect the views of the European Commission." (EC,2013,cover page) but nonetheless strongly affiliated with this institution (and copyrighted to the European Union). Secondly albeit in different topics, the case studies in the report includes one from Vienna (Smart growth) and one from Budapest (Housing for marginalized groups), and as such also links the greater theme of European spatial planning to this thesis' case studies.

For the theme of smart growth Mingo is feature as a good example of an incubator for start-up and growth SMEs. Investigating smart growth projects, the authors found that "...the main function of the ERDF seems to be to provide physical space or buildings for targeted activities." (EC,2013,p13). The other conclusion was that due to the size and complexity which made the tendering process be "...much more complicated and time-consuming than originally foreseen, leading to long delays and consequences for the project. (EC,2013,p14). Lastly the original project idea seemed to have "...evolved considerably during the process of implementation." (EC,2013,p14), first being embedded in 'visionary local people, groups and organisations', but as the complexity grew there was brought in more institutionalized management structures (EC,2013,p14).

For the theme of Housing for marginalized groups, the perspective of the AEIDL work group was that even while being "...only one dimension of a much larger problem, they contribute greatly to keeping socially vulnerable groups in a disadvantaged position." (EC,2013,p33). The description of the project depicts the 'regeneration project' as aimed "...to build cohesion and to improve housing and living conditions." (EC,2013,p35) by combining hard infrastructure investments with "...soft projects which aimed to tackle the severe social problems of the marginalised groups in the neighbourhood." (EC,2013,p35). The report also highlights certain problems with the EU funding, i.g. that the way in which "...EU rules are interpreted by Managing Authorities lacks flexibility when dealing with complex regeneration schemes." (EC,2013,p37) but also highlights this a clash between timeframes where EU programmes can last up to 7 years, the N+2 rule, the managing authority and the national authorities.

Lastly the report includes a very interesting discourse by highlighting in explicit a

“...European added value;...” (EC,2013,p9, also p37), or as “The ERDF’s added value is clearly visible in all cases.” (EC,2013,p37), as the “...ERDF has on one hand inspired local practices by insisting on the principle of a sustainable and integrated approach, and on the other hand it has financially sustained the implementation of the projects.” (EC,2013,p6). This is made tangible where

“...the availability of ERDF funding for the project played a decisive role in targeting the chosen area. [E.g. where] Several interviewees mentioned that selecting an area known for its social problems and Roma population went against mainstream local politics.” (EC,2013,p37.) Furthermore, the study states that the “...capacity, knowledge, readiness and experience to develop good practice at different scales is very unevenly distributed.” (EC,2013,p69) between the EU-12 and the EU-15.

Results of the Public Consultation on the Key Features of an EU Urban Agenda

The 2015 Commission Staff Working Document which summarized the public responses (in 2014) to the development of an Urban Agenda by the EU, hereunder the responses to the Cities of Tomorrow document. Here it is stated that this document is agreed upon as the reference document at the European level: “No new visions are necessary; no new conceptual works are needed. The real challenge is how to deliver on its main ideas.” (EC,2015,p3). It is also voiced that “...an EU Urban Agenda is needed so that cities can provide their input and expertise in developing and putting EU policies into practice and, in turn, that these are better adapted to urban realities.” (EC,2015,p1). From the document it is stated that the focus should be that “...an EU Urban Agenda should fully acknowledge the key role cities play in translating national and EU policy objectives into concrete action.” (EC,2015,p3). This should be done by involving the “...key actors responsible for putting legislation into practice more closely. Do this early on, already in the policy design phase, and also at a later stage, when evaluating/assessing urban impacts.” (EC,2015,p5). Interestingly the respondents were criticizing that the access to EU funding is being “...complicated and funding is limited.” (EC,2015,p5), and moreover that “Cities often find it confusing to find their way through a maze of initiatives, rules and regulations. Efforts are needed to ensure that cities [...] have easier access to European funding...” (EC,2015,p9).

Appendix 5

Featured Showcases by the MA27

Featured Showcases

Fritz Imhoff Park -A special garden for Mariahilf. 'The European Union spruces up Vienna's parks'. A renovation of a run down park.

Robert Hochner Park - Wellness between the former cattle hall and the biotechnology centre. A small park connected to the renewal of the Sankt Marx slaughterhouse. Mainly used by office workers and students from the bio tech campus.

Anton Baumann Park - Children get involved. A participatory redesign of a park.

Leon Askin Park -Vienna's "park funnies" give kids a place to play. A redesign of green space into a park.

Yppenplatz.- Multicultural meeting place. Redesign of a public space. This project is located in the area where URBAN was also taking place (years before).

Urban-Loritz-Platz - A successful redesign. A redesign of a public space and park, with participation of local residents.

A "HerZ" for Hernals: Making the 17th district safer and more modern. A public space made safer by widening sidewalks and installing pedestrian crossing.

Elterleinplatz & Kalvarienberggasse. Here guardrails were installed along with wider bicycle paths, bicycle storage facility and larger sidewalks, benches and a canopy to "...create an inviting atmosphere." (MA27,2011,p24).

Hernalser Gürtel: More space and green. The project was to plant greeneries along a 325 meter stretch and add glass screens too protect pedestrians from the traffic passing by.

Christian Broda Platz - Gateway to Mariahilfer Straße. Here a public space was refurbished with 80 sitting spaces, two drinking fountains and playground equipment as well as some greenery.

Spittelau walking and bicycle paths - The safe way from Döbling to Alsergrund. Here an previously unused area on top of the old urban railway was used as a skywalk, where "The planting of grasses and flowers has given the new path a park-like feel – with lovely views to top it all off." (MA27,2011,p29)

aspern Infopoint. Everything about aspern Vienna's Urban Lakeside. An lookout tower with informative posters and brochures about the new large scale development of aspern - Seestadt.

Mingo - *Services for small and medium-sized enterprises.* A project where the Vienna Business Agency offers entrepreneurs free coaching on founding a company, financing and innovation.

INiTS - *Support for innovative ideas.* Support and guidance for Viennese university graduates with a technological background who wants to found innovative businesses.

Local Agenda 21 Plus - *Residents of Vienna shape their district.* An organization that support ideas for “...improving the quality of life in the area where you live or work.” (MA27,2011,p38) - This could be redesigning a park, safety improvements for children, revitalization of shopping streets. It does so by connection different local actors.

VITE. *Linking up companies.* This project is a network for IT companies and research and development organizations established by the Vienna Business Agency.