

MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

“Rescaling regional development:

**The impact of institutional restructuring in rural and suburban areas
in Lower Austria”**

verfasst von / submitted by

Lukas Alexander, BA BA

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Arts (MA)

Wien, 2020 / Vienna 2020

Studienkennzahl lt. Studienblatt /
degree programme code as it appears on
the student record sheet:

UA 066 824

Studienrichtung lt. Studienblatt /
degree programme as it appears on
the student record sheet:

Masterstudium Politikwissenschaft
Master's degree programme Political Science

Betreut von / Supervisor:

Univ.-Prof. Yuri Kazepov, PhD

Affirmation in lieu of oath

I declare that I have composed this Master's thesis entirely on my own. Any outside sources have been clearly quoted in the text.

Moreover, this Master's thesis has not been submitted to any other authority for grading.

.....

Eidesstattliche Erklärung zur Masterarbeit

Ich versichere, diese Masterarbeit selbstständig und lediglich unter Nutzung der angegebenen Quellen und Hilfsmittel verfasst zu haben.

Weiters erkläre ich, dass die vorliegende Arbeit nicht im Rahmen eines anderen Prüfungsverfahrens eingereicht wurde.

date; location / Datum; Ort

Lukas Alexander

Table of content

Introduction.....	7
1. Discussing regional policies and institutions	9
1.1. Regional Governance.....	9
1.2. Theories on Regional Development	12
1.3. Regional Development in Europe and Austria	17
1.4. Corporatism in Austria.....	23
1.5. Theories of Institutional Change	26
1.6. Theoretical Conclusion	34
2. What else to know about regions: Research question	36
2.1. What I think to know about regions: Assumptions	37
3. Data and how to look at it	38
3.1. Documents and Interviews.....	38
3.2. Methods of Analysis	41
4. Turning the spotlight to the case studies	44
4.1. Micro-Regions.....	44
4.2. NÖ.Regional GmbH.....	49
5. Investigating territorial difference: Empirical results	52
5.1. What do the documents tell us: Regional differences and communalities	52
5.2. What do the interviews tell us: Freedom on a leash	61
6. Putting theory and empirical results together: Analysis and Discussion	77
Conclusion	86
Reflexion and Outlook	87
References.....	89
Appendix.....	94

Tables and graphs

<i>Figure 1: Framework of institutional change</i>	p. 31
<i>Figure 2: Categorization of modes</i>	p. 32
<i>Figure 3: Modes of institutional change</i>	p. 32
<i>Figure 4: Categorization of agents</i>	p. 33
<i>Figure 5: Change agents</i>	p. 33
<i>Figure 6: Coalitional alignments</i>	p. 34
<i>Figure 7: NÖ.Regional shareholder</i>	p. 50
<i>Figure 8: Institutional change in Lower Austria</i>	p. 79
<i>Figure 9: Implicit and explicit rescaling</i>	p. 85
<i>Table 1: Strategy documents</i>	p. 39
<i>Table 2: Expert interviews</i>	p. 41
<i>Table 3: Waldviertler Kernland</i>	p. 47
<i>Table 4: Kleinregion Ebreichsdorf</i>	p. 48
<i>Map 1: Regional development in European regions</i>	p. 17

Introduction

In 2014, the government of Austria's biggest federal state, Lower Austria, has restructured regional development policies fundamentally. The centre of the process was the founding of NÖ.Regional.GmbH, an organisation which unites regional associations (Regionalverbände), village renewal (Dorferneuerung) and the regional management office. Its role as agenda setter made it the leading actor in drafting regional development strategies. Furthermore, NÖ.Regional is supposed to act as an intermediate office for municipalities and communal groups to foster, support and coordinate local projects. Regional consultants (Regionalberater) stimulate initiatives and provide expertise in planning, implementing and funding. Their self-proclaimed goal is to build bridges - connect actors that are interested in regional development within and across institutional levels (NÖ.Regional GmbH, 2019b).

Despite the engaging appearance, interviews with governance actors in Lower Austria's rural and sub-urban regions have shown that the local players like municipal politicians, economic stakeholders or community actors respond differently to NÖ.Regional, which questions the harmonic unity proclaimed by the organisation. In some cases, previously well-working structures of regional coordination became obsolete and stand in opposition to the new structures; in other cases, local actors profited from support schemes offered by NÖ.Regional. Those different responses to the shifting institutional ties are the core of my research interest. Moreover, I investigate the dynamic of power centralisation hidden in seemingly corporatist structures and a simultaneous regionalisation of services. To frame all of that theoretically, I will refer to institutionalist approaches following Mahoney and Thelen (2010) and Di Maggio and Powell (1983). In the further discussion, the concept of rescaling (Brenner, 2004; Kazepov, 2010) is useful because it describes implications of organisational and institutional change. This will allow me to explain the political transition towards a Multi-level Governance System following the logic of shared power (Subsidiarity).

The first aim of my research is to describe the role of the NÖ.Regional in regional development policies including the institutional and governmental context that surrounds it by looking at recent strategy papers and other relevant documents. Secondly, I investigate the introduction of NÖ.Regional in 2014 by analysing policy documents on regional development before and after 2014. However, this doesn't allow making causal links and thus merely provide an overview. To gain deeper insight, interviews with local key actors (political, economic and

community stakeholders) are examined. They were conducted for the EU research project COHSMO¹ and are, therefore, secondary data. Lastly, I draw attention to political arrangements of institutional structures in the micro-regions in particular related to Corporatism and connect them to national patterns. My underlying assumption is that rural and sub-urban actors are influenced differently by NÖ.Regional, as their coping strategies and policy outcomes vary. This makes the inclusion of a territorial dimension and the circumstances that might go along with it indispensable in my research. To see processes beyond the ones portrayed in official documents, it is again necessary to focus on actor specific views, which require a thorough analysis of the key actor interviews.

My thesis is divided in 6 chapters and starts with an introduction of the theoretical foundation. Here I show state-of-the-art research on regional development, especially considering modes of governance and the Austrian context including its corporatist structures. Moreover, I elaborate on institutional theories and discuss concepts that can cover processes of institutional change. Next, follows chapter 2 with the research question and assumptions of different topic-related issues. A self-reflexion is particularly relevant as I have been working with the interview and document material beforehand during my research activity in the COHSMO project. In chapter 3, I describe my empirical data and outline the methods. Drawing on official documents, the following chapter 4 discusses micro-regional structures and the NÖ.Regional. This provides an overview of the given institutional settings. Thereafter, the results of my analysis are presented; firstly, micro-regional documents before and after 2014 and secondly, interviews with governance actors. Subsequently, those results are analysed, discussed, connected to the research question, and allocated in the scientific literature. In the conclusion, I synthesise my results, reflect on them critically and give an outlook.

¹ COHSMO is a European research project, funded by the H2020 scheme for a period of 48 month (2017-2021). It investigates inequality, urbanization, and territorial Cohesion and furthermore, aims at Developing a European Social Model of economic growth and democratic capacity. Partner institutions in 7 EU-countries are involved in the research covering all geographical directions of Europe (<https://www.cohsmo.aau.dk/>).

1. Discussing regional policies and institutions

Abend (2008) has shown that the word 'Theory' is understood very differently among social scientists. Theory can for example mean an explanation of social phenomena, the contributions of distinguished authors or the logically connected system of general propositions. An easier and more common distinction is between short-, medium-, and long-ranged theories, which plainly spoken refers to the scale of explanatory power. However, this thesis will not discuss possible interpretations but only use theoretical inputs as structural frame in the complex field of institutional political networks. In general, the focus will lie on small and medium-ranged theories with a direct reference to the relevant subject areas.

In the first part of this chapter, I will address regional governance - a concept that puts attention to political processes beneath the national level. Additionally, some connected theories will be discussed. The focus of the next part is regional development, especially how it is understood and investigated. Apparently, most scholars approach this field of research with an economic perspective and apply quantitative methods. Later, the centre of attention will be regional development in Europe and Austria. This part aims at understanding the organisation and essential elements of the policy field. Subchapter 1.4. discusses a crucial piece of contextual information of Austria's political system; namely, (Neo-)Corporatism and its implicit impacts on institutional practices of all levels. The final part of the theory chapter introduces an analytical concept to capture institutional change. Starting from some general trends, I will have a close look on institutional approaches and outline an interpretative frame for the depiction of my empirical results. The underlying premise was to have a wide-ranging concept in order to capture as much as possible of the case's complexity. Finally, the most important points of the whole chapter will be drawn together in a short summary.

1.1. Regional Governance

The concept of regional governance tries to describe complex political arrangements beneath the state-level. It allows getting a first idea of political structures and relations on multiple scales with a special focus on regions. Therefore, it provides an ideal theoretical frame to cover the broader topic of this thesis and helps to structure the field of research.

The notion 'regional governance' started to appear around 1980 and became increasingly relevant over time. It originated from the 'governance' concept, which describes a mode of

political coordination beyond the government and between different actors like state organisations, private-economic payers and public interest groups (Jessop, 1998). The analytical focus of governance lies on the nation-state level, which made it increasingly difficult to capture political arrangements in smaller areas. As a consequence, the concept was enhanced through a place-sensitive lens creating regional governance. This orientation was especially necessary to describe institutional developments in the EU, which strengthened the regional level significantly - e.g. the establishment of the advisory Committee of regions in 1994 (Dieringer, 2010). Kacowicz (2018, p. 63) even concluded that the EU is *"the paradigmatic manifestation of regional governance"*.

Foster and Barnes (2012, p. 273) systematised the regional governance concept and defined it as *"...deliberate efforts by multiple actors to achieve goals in multi-jurisdiction environments."* With this understanding, the authors highlight three points: the sectoral (e.g. public, private) and functional (e.g. social, economic) difference of levels, which consequentially affect the juridical frame; the variety of institutions, structures and actors; and the focus on regional objectives and purposes. Furthermore, Foster and Barnes (2012) propose five analytical dimensions to measure regional governance. Those are relevant as they expand the definition and underline additional important aspects. The dimensions are 1) actor group, 2) agenda, 3) internal capacity (financial resources, information and authority), 4) external capacity (influence beyond the regional level) and 5) experience of implementation. Kacowicz (2018, p. 63) defines regional governance as *"... institutionalized modes of social coordination to produce binding rules or public goods and services in one or several issue areas at the regional level, as a regional process of setting rules and creating rules enforced by regional organizations in a given geographical space."* Although the wording and some minor nuances of that definition are different, the key elements – actors, goals and level/space – are very similar. The salient aspect of Kacowicz's (2018) contribution is that she investigates the links of regional and global governance. The outcome was a typology, which describes the interwoven relations and ultimately highlights the variation of actors and levels. There are four types of linkages outlined: irrelevance, conflict, cooperation and harmonic relations. Those linkages vary depending on the issue at stake, the role of the state and the process of ideation. Regional governance actors are therefore well advised to pay attention to the global level and establish prosperous relations or at least avoid conflict.

Heintel's (2006, 347f) idea of regional governance is similar to the previous, however he also sees it as a loosely institutionalized network that is connected to context and modes of regional communication. The longer those networks are established, the higher the trend for denser institutionalisation. Consequentially, highly flexible intermedia institutions are likely to develop and take over key roles in the network. They don't belong to any of the classic actors like state, market or society but depend on the voluntary commitment of all involved players. Their main concern are tasks of public interest, which they try to fulfil using different logics of control depending on the actors they are currently involved with. Intermedia institutions in the case regions of this thesis would be the Waldviertler Kernland and the Kleinregion Ebreichsdorf. Both are institutions that set themselves common goals, depend on voluntary commitment and hold a key role in the network.

Interesting in Heintel's (2006) contribution is that he reveals theoretical links and further developments of the regional governance relying heavily on Fürst's (2001) work. In the following paragraph, I will briefly go through the most relevant concepts mentioned in order to shed light on the surrounding debates and streams of thinking. The network theory stands in close relation as it also assumes a low degree of institutionalisation and underlines the importance of network structures. The milieu-approach focuses on social systems, which is relevant for regional governance too, as the constellation of regional actors with shared norms and values plays an essential role. A pivotal concept that is concerned with the development of regional networks is the one of learning regions – it will be thoroughly discussed in the next subchapter. The debate around it is more or less strongly oriented on economic expansion but still allows to understand inter-organisational learning. However, whereas established institutionalised actors like leading companies are the sole agency in this concept, they are seen only as part of a bigger group in regional governance. Another theory that shares similarities is the redundancy theory. It says that regional innovation often comes with unnecessary parallel structures, which if too linear can lead into a dead end or if heterogeneous increase flexibility and be an asset. Finally, the theory of institutional thickness pays attention to the whole array of formal as well as informal institutions and organisations, which are a precondition of regional development. In order to act efficiently they need to have a mode of communication that is guided by rules, a joint decision-making process including sanctions and a collective consciousness. That kind of institutional landscape with heterogeneous actors and regulations is just as much relevant.

A critical argument has been brought forward by Pike *et al.* (2017), who highlighted that a more complex understanding of governance should be applied. Despite the general trend of decentralisation, the process takes on very different forms all across the world. Therefore, it is important to be cautious with generalisations. Charron *et al.* (2014) support that statement as their research has shown significant variations in the quality of government between and more importantly within EU states, which again affects regional economic development and the use of regionally directed funding like the Cohesion Policy fund. Large urban areas tend to lack behind, especially due to a high value in corruption. Furthermore, Germany and Austria, in contrast to Spain and Italy, have a low degree of interstate variation although all countries are decentralised federal systems. Centralisation is therefore not (or at least not directly) linked to regional inequality. Again, there is little room for generalisations.

This brief theoretical overview provided an outline of the main argumentations and streams of regional governance. Now, the question arises: What implementation does it hold for this thesis? Firstly, a wide range of elements has to be considered to understand governmental arrangements on geographical levels especially below the national state. Secondly, the concept allows to identify commonalities and delineations, which serve as a frame and help to improve focus. Lastly, regional governance varies in different spaces and is linked to multiple theories like learning regions or redundancy theory.

1.2. *Theories on Regional Development*

Heintel *et al.* (2018) see regional development as the combination of sectoral politics and societal activities to achieve a desired outcome for a specific area – a rather broad definition. In many cases, regional development is understood foremost as economic progress of a certain territorial unit. Those different approaches to the concept vary however in their definition of development, geography, actors, and role of institutions. They follow the argumentation of already existing economic theories as described by Pike *et al.* (2017)²:

-The neo-classical approach: This approach explains spatial disparities through different economic growth and income levels, which are linked to technical progress. An improvement of market efficiency, flexibility and mobility are supposed to dissolve those

² The book “Local and regional development” published by Pike *et al.* (2017) summarises the scientific contributions on regional development and therefore is a central source of this chapter.

inequalities. Furthermore, the neo-classical approach believes in a trickle-down effect between rich and poor regions through an exchange of capital and labour force. Criticism is similar to the ones on the general theory and go from imperfect market arguments to uneven development and problems with the adjustment mechanisms like trickle-down.

-The Keynesian approach: Spatial disparities are seen here as uneven economic growth, that lowers demand or rather investment and intensifies the problem of structural shortcomings. An external or internal shock that negatively effects a region's export capacity like the closure of a factory has lasting consequences beyond the mere loss of capital. The reason for this is that the Keynesian approach understands income/investment as initial impulse that triggers further investment and so on (Multiplier theory). There is the idea of spatial Keynesianism, which aims at a balanced spatial distribution of economic stimuli like infrastructure to maximise national output. As this requires substantial national expenditure, it is criticised by neo-classical scholars.

-Transitional approaches: There are multiple theories seeing economic development as something moving that goes through stages, cycles, waves or phases of change. The reason for spatial disparities is uneven economic transitions due to institutional and geographical structures. A targeted upgrade of activities is supposed to stimulate and accelerate innovation and with that regional development. Furthermore, business services could help to balance concentrations of economic enterprises. The cycle theory believes in an evolutionary, economic loop with rises and falls and therefore argues for regional diversification to foster stability.

-Post-developmental and sustainability approach: Opposite to all other approaches, those two fundamentally question the narrow and linear understanding of economic development. The first sees spatial disparities as failure of the global North, who controls and dictates modernisation. A solution would be to give more power to local communities and strengthen social enterprises. The sustainability approach argues in a similar direction and adds the critique that there is a lack of economic, environmental, and social far-sightedness. Those dimensions have to be balanced to establish long-lasting regional development models. Regional development is closely linked to the idea of shifting contexts, which require flexible solutions. The concept of learning regions captures exactly this thought and covers the general trend of professionalization and institutionalisation of regional policies (Heintel and Fasching,

2011). A core assumption is the fundamental willingness of relevant regional actors to change, innovate and actively participate in the development of their area. In fact, they are more or less forced to do so as global markets pressure them to hold pace in the competition by improving dissemination of knowledge. The regional learning process occurs in different ways through communication and interaction, requires a high degree of flexibility and demands coordinated cooperation of regional actors. The learning region approach implies an increasing emergence of intermedia institutions as an expression of the economic and socio-cultural change. They can be seen as evidence of a growing professionalization (Heintel and Fasching, 2011; Heintel, 2006). From 2007-2013, the Austrian government supported learning regions and therefore established a platform including a funding scheme, which was partially backed by the EU. The central aim was providing educational programs for the regional population. Networks with regional actors assessed the individual needs of all 38 regions that took part in the project. Already existing institutions like LEADER were involved as local partner organisations to help with the processing. Based on structured guidelines, the offers have been systematised and adjusted to local needs.³ (Heintel and Fasching, 2011) It appears that the focus of this governmental program was the educational development of the citizens rather than the development of the region themselves, which means neglecting a core element of the learning region concept.

Local and regional institutions play a central role in local and regional development. Even the greatest financial support funds won't help if there are no competent actors to put the money to use (Charron *et al.*, 2014). Institutions and organisations are forming a multi-level structure in their cooperative processes, an extremely complex web of relations that varies in different territories and makes every intervention challenging (Rodríguez-Pose, 2013). Besides financing and implementing policies, local institutions have an accumulating function; hence, diagnosing regional circumstances and issues, identifying priorities, formulating strategies, shaping the actors' choice and coordinating resources. Institutions are constantly developing and diverse as they can be informal (like social networks built on tradition, habits, and values) or formal (like legal regulations and official structures). Furthermore, they might overlap in time and space, making them and their impact hard to assess for quantitative methods (Pike *et al.*, 2017, 153f). However, it is not just the institutions themselves that matter, but the

³ <http://www.oieb.at/lernende-regionen/de/default.html> (accessed on the 14th August 2019)

environment they are imbedded in, as Rodríguez-Pose (2013, p. 1043) put it: “(...) *it is crucial to distinguish between the ‘institutional environment’ and ‘institutional arrangements’ [meaning networks], that is, to target not the institutions which shape the unique character of any territory, but the intuitional factors that represent barriers for the efficacy of the factors influencing economic development (that is, education, training and skill, innovation, infrastructure and the like).*” In essence, the author argues for a more complex and wholistic view of institutional structures, which allows to find better targeted regional development policies. A balance between institutions and strategy is crucial to achieve a successful outcome. Rodríguez-Pose (2013) uses the metaphor of “the regional development bicycle” to describe this, saying that both “wheels” have to be proportional and properly working to make regional development go somewhere.

A key institution in local and regional development is the state. Even in an open and dynamic environment that incorporates many different organisations and institutions like a multi-level governance system, it is considered as “*the first among equals*” (Jessop, 1997, p. 575) and is the centre of countless scientific studies (Evans et.al. 1985). The state (government) takes over steering and organisational tasks, basically governing a network of relevant actors. This shift from a former hierarchical government to an open governance structure appears to be a natural step of development; an assumption of linearity which has to be questioned (Pike et al., 2017, 158f).

In regional development, partnerships are used as tools to give structure to a governance system. However, those networks often fail to address their target groups as they merely try to dissolve distrust but stay in the “*shadow of hierarchy*” (Jessop, 1997, p. 575). As a result of those inherent political struggles, some networks eventually become regional institutions formalised in development strategies. According to Pike et al. (2017, 182f) those strategies follow two rationales: fairness of resource distribution among regions (equity) and most optimal outcome (economic effectivity). Whereas the first rational is concerned with the distribution of resources, the second one refers to policy interventions that stimulate the economic activity, like infrastructure and minimizing information asymmetry. Furthermore, there are two logics concerning the target of development policies - the people and the place-based approach. The people-based approach aims at fighting inequality in society with generalisable policies like health care and education, no matter spatial dimensions. It is believed to generate the most economic benefit for a country, especially within urban centres.

Rural regions are anticipated to catch-up over time. The place-based approach considers spatial and historical contexts and tries to provide mixed policies. In most cases, this stands in opposition to a capitalistic market logic although it is no prerequisite.

Pike *et al.* (2017, 193f) highlighted the paradigm change in regional development policies described by the OECD (2009), which doesn't share the opposing view of equity and efficiency, but argues for an overall place-sensitive economic strategy. The old paradigm identified regional disparities as main problem and proposed targeted policy interventions for lagging locations. Those interventions were standardised (one-size-fits-all), limited to a short period and controlled by the central government. The new paradigm sees a lack of regional competitiveness as an issue and aims at stimulating the local economy with individualized policies. Those should cover all regions beyond administrative boundaries for long term, involve multiple actors and include different forms of investment in infrastructure, human capital, and innovation (or more plainly research & development). Nevertheless, the new paradigm has its pitfalls too, like a lack of accountability or the absence of coordination if multiple actors are involved.

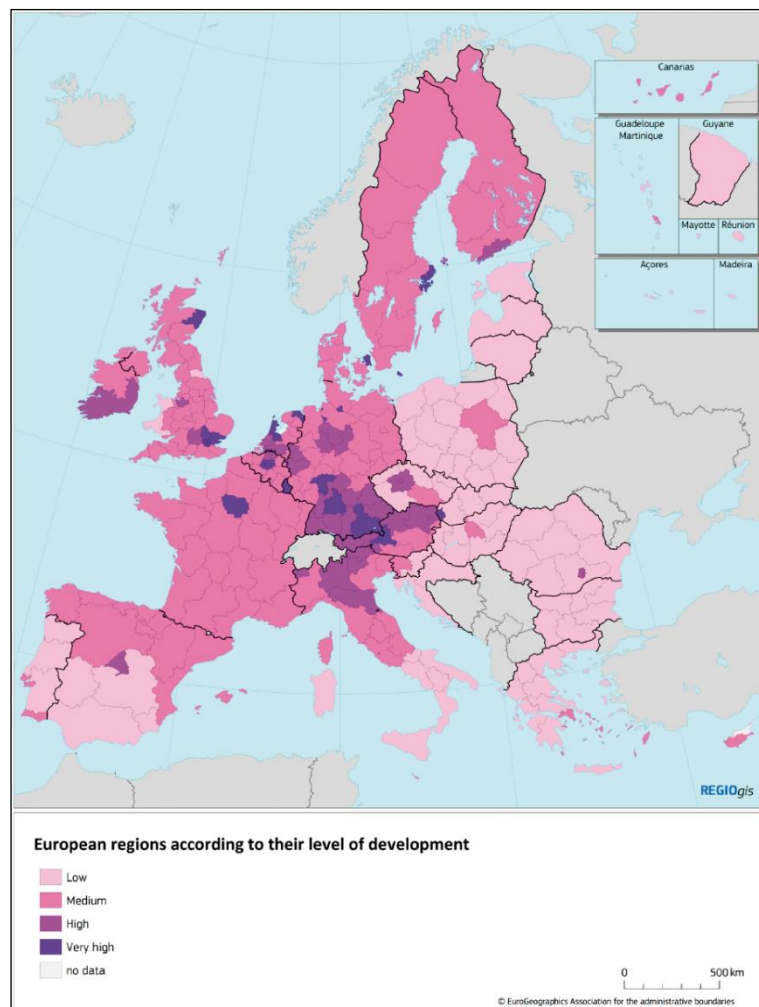
This subchapter gave a brief overview of regional development, its theoretical backgrounds, involved institutions and paradigmatic orientations. It provides a sense of the depth and complexity. Although, some progresses and descriptions appear to be solid, we have to be aware that regional development is a controversially debated topic.

"What must be banished is any lingering idea that policy is some highly rational process in which expert technicians are firmly in control using highly tuned instruments to achieve easily predicted outcomes. Such an image is inappropriate for OECD countries let alone the developing world." (Turner and Hulme, 2003, p. 58)

1.3. Regional Development in Europe and Austria

Regional Development is a crucial topic for the future of Europe, according to Iammarino *et al.* (2017). Due to a declining industrial sector and a growing importance of Research & Development, High-Tec and the financial sector, big metropolitan areas gain, whereas rural and former industrial hotspots lose economic relevance. Differences among countries are becoming less significant than difference between single regions and even municipalities – immediately evident in *Map 1*. According to Pike *et al.* (2017), who again refer to data from the European Commission, there has even been a slight trend of regional convergence at the beginning of the 21st century, which ended with the financial crisis in 2007. Regions were differently affected by the consequences, which again fuelled divergence. These results stand in contrast to the calculations of the OECD, who says that in the period between 1998 and 2008 regional inequality rose in 70% of all OECD countries, including the EU (OECD, 2009, p. 4).

Regional disparities threaten the balance, spatial justice and with that the peace within Europe. Therefore, proper policy interventions are needed. Iammarino *et al.* (2017; 2018) argue for place-sensitive distributed development policies in disadvantaged non-centre areas⁴. The EU shares this point of view and is aware that it is important to have tailored measures for each region and local authorities actively involved in design and implementation. Policy interventions are controversially



Map 1: Regional development in European regions (Iammarino *et al.*, 2018, p.

⁴ This approach is more or less a refined version of something the OECD (2009) proposed 10 years ago.

debated and can roughly be divided between the argumentation of economic efficiency and spatial equality. The EU is trying to combine the two rationales in their strategy making (Pike *et al.*, 2017, 182f). Otherwise, if a national authority would govern strictly by an economic logic, it would predominantly invest in innovative metropolitan areas as those areas promise the best returns and neglect rural areas with low potential. However, this would lead to a catastrophic inequality and further fuel depopulation of the countryside. Moreover, regional divergence hinders the spreading of prosperity and threatens the overall economic progress. There are concepts that argue in favour of the balancing powers of the market like the misguided thought of trickle-down theory⁵. New urban economic debates promise that investment in urban hubs helps disadvantaged regions through labour mobility and knowledge spill-over. However, they didn't prove to reduce inequality yet (Iammarino *et al.*, 2017, 21f). Furthermore, regional development should not be seen as economic advancement only. New companies alone don't help to improve and develop a territorial unit; it is about how those companies are incorporated and linked to the location and its community (Pike *et al.*, 2017).

In the 1950 and 1960, regional policies were introduced in most OECD countries with the objective to balance growth and improve equality in the ongoing massive economic expansion. The EU for example mentioned regional disparities for the first time in 1957 in the Treaty of Rome. At that time, instruments were mainly wealth redistribution and public investment to target economic imbalances (OECD, 2009). Nowadays, regional development policies have to be more diverse to counter other challenges like an increasing degree of globalization, over-aging and climate change. Regional policies in the EU took their current shape in the late 80s, when financial instruments (funds) were introduced. Later in the Treaty of the European Union in 1993, Cohesion⁶ as a policy goal was established. This means that more attention was put on regional solidarity, collaboration, and cooperation. An important milestone in the EU's policy development was the Lisbon Strategy, which focused on (economic) growth activities and competitiveness. The main objectives in the current programming period 2014-2020 for Cohesion Policies are directed towards employment,

⁵ Especially in the United States there is a continuous discussion going on about the validity of the trickle-down theory. Prof. Paul Krugman and Prof. Joseph E. Stiglitz are renowned critics and publicly question its validity (Krugman 2008, 2013; Stiglitz 2019).

⁶ According to the Oxford dictionary, cohesion means "*the action or fact of forming a united whole*" (<https://www.lexico.com/en/definition/cohesion>, assessed on the 14.10.2019). In the EU context, it refers to regional solidarity and cooperation.

Rescaling regional development

innovation, education, social inclusion and energy/climate. Cohesion Policies are part of the Structural Funds and funded with almost a third of the EU budget – 351,8 billion € plus national contribution shares. Those financial resources are distributed through three core funds:

- Regional Development Fund*: aims at improving regional economies and reduce imbalances

- European Social Fund*: focuses on education and employment, especially for people at risk of social exclusion

- Cohesion Fund*: supports sustainable growth and development of underperforming countries

Referring to the previous Cohesion Policy period 2007-2013, Poland took the most financial support with about 67.2 billion € followed by Spain, Italy, Czech Republic, Germany and Hungary with about 25.3 billion€ (European Commission, 2014; OECD, 2010). The distribution of funds is particularly in favour of regions that lack behind. However, all EU countries get a certain amount of financial support. The distribution within states is the responsibility of local authorities.

Before money is allocated by the EU, specific goals are set individually for each Member State and period in an Operational Programme, which is oriented on the National Strategic Reference Framework (basically a translation of EU objectives to national circumstances). Once the Commission accepts the Strategy and Programme, it is mostly up to the regions to select and manage projects. In addition, frequent Strategic Reports have to be delivered to show the overall impact. Audits and evaluation are performed on a regular basis by independent evaluators. In case of substantial errors, the funding will be withdrawn (OECD, 2010). Despite the constant reforms and monitoring process, the EU's regional development policy is permanently under harsh critique from politicians as well as scientists. Manzella and Mendez (2009) summarised recent critical statements, which tend to constantly repeat themselves over time. Actors complained about the policies complex and bureaucratic nature, about their insufficient focus that tries to include everyone instead of setting few meaningful goals and about inadequate instruments applied, which forget the aspect of economic growth.

A regionally targeted, decentralised approach is also applied in European international development and support policies. In 1985, 45 Member States of the Council of Europe signed

the European Charter on local self-government. The principals have been taken up and used for the UN Habitat Agenda (1996) and Guidelines on Decentralisation and Strengthening of Local Authorities (2007) (Bossuyt and Steenbergen, 2013, p. 7). Those documents show the general awareness that some challenges and affairs are better dealt with on a local level – in short, the principle of subsidiarity. Bossuyt and Steenbergen (2013) identified pre-conditions in their report, that are salient for a successful decentralisation process: an existing legal frame, reliable leadership of the central government, wider public reform that integrates decentralisation, inclusion of local stakeholders in the design and implementation of policies and respect of local autonomy. An issue that is present also within international development policies is that local and regional authorities struggle with accessing funding⁷. Furthermore, according to the report's authors, there seems to be a micro-macro gap. This refers to a lack of intermedia institutions that mediate between the local and regional/national level. The way Europe cooperates with regional and local governments changed over time. After WWII, twinning, cultural exchange and later solidarity partnerships were on the agenda. Around 1980, institutional development, thematic networks and territorial partnerships with NGOs were established. Finally, in the last decade, the economic dimension grew in importance and business relations were promoted.

This rather small excursus to international development policies show that the increasing importance of local and regional actors is an entire process overarching multiple fields. A further interesting point is the fact that similar characteristics and problems are present, no matter the geographical location, economic background, and political situation.

Austria's regional development policies result from geographic particularities. Many remote rural areas and few, unevenly distributed urban centres (Vienna, Graz, Linz) create a relation of dependence and a concentration of resources within and around cities. On the countryside, the provision of public services is difficult, as they are hardly economically efficient, making peripheral areas even less attractive for people to live and invest in. Urban-periphery disparities are therefore a constant challenge in Austria. Regional policies in the beginning of the second half of the previous century aimed at a large-scale improvement of basic infrastructure. Once those projects were finished in the 1960s and 1970s, much smaller

⁷ During the interviews in Lower Austria, the local authorities reported on having the same problems with funding especially INTERREG, as they lack the resources to properly apply and manage the complex administration.

coordinative actions were taken. In 1971, the Austrian Conference on Spatial Planning (ÖROK) was created, an instrument that coordinates land use and infrastructure across Länder borders and therefore plays a crucial role in regional development. It is organised in a typical “corporatist” Austrian manner, which means a consensus-based design and the involvement of multiple actors (federal ministries, Länder governors, interest groups, local unions) (OECD, 2010). Regional policies gained substantial relevance in 1995 when Austria joined the EU. In order to access the Structural Funds, a National Strategic Reference Framework and an implementation system in the Länder (NUTS2) were needed. The Framework (currently “STRAT.AT 2020” for the period 2014-2020) is a general guideline required by the EU Cohesion Policy and all other Structural Funds. It is developed for each funding period, frequently updated and has been created in a long and inclusive process lead by the ÖROK. In terms of content, it orients itself very much on the EU 2020 Strategy but puts special financial emphasis on environmental protection (26,3% of the budget), climate change (25,9%), economic competitiveness (17,2%) and social inclusion (11,8%). Second order goals are research & development (5,8%), education (5,6%) and reduction of CO² emission (4,7%) (ÖROK, 2017). Those objectives defer partly from the previous National Framework, which focused on competitiveness, attractive regions and vocational qualification (OECD, 2010). According to the Ministry of Sustainability and Tourism (2018) new priorities in regional policy emerged, which basically mirror the environmental and economic focus of the Framework but add cross-border cooperations and equality between genders.

Through the joining of the EU, Austria’s regional development policies became decentralized, fragmented and professionalized (Heintel, 2004). Micro-regions (Kleinregionen) were established with the authority to manage programmes on a local level. Furthermore, regional management offices were installed to support and give advice to their main members - municipalities. They are financed by the Bundesländer, co-financed by the EU and coordinated on a national level in an umbrella network (OECD, 2010). Those institutional rearrangements mark a turning point in Austria’s regional policy. Local confrontations and conflicts lost their importance in the growing trend of cooperation. Very remote areas are no longer the sole focus of policies but also towns, sub-urban spaces and regions as a whole. Regional management and consultation shifted from process-orientation to output-orientation, which reflects the growing importance of economic thinking. According to Heintel (2001, p. 198) *“Regions with a long (successful) history of (own) regional development and structural*

*connections and duties that are connected to that, have more need to adjust than those who established regional management recently.”*⁸ This quote refers to a potential struggle through the transition of competences from formally municipal organizations to centralized regional management offices; an assumption that is highly relevant in context of this thesis. Heintel (2001) sees the reason for the struggle in local, informal, closed, patriarchal networks of power. Those old-boy clubs consist of few central actors in crucial positions of the community and hinder long-term development as they try to resist all changes that might threaten their position. It is therefore necessary to formalize and open up the field of regional policies to kick off a future-compliant process. Wirth and Biwald (2006, p. 20) give a different possible explanation for the centralization besides a more accessible and efficient structure. They describe it as a countertrend to the shifting of competences. As the EU redistributes former national and Länder authorities to EU organs and local communities, those actors take competences from municipalities, leading to a gradual loss of significance and less place-specific solutions. The diverse streams of argumentation outline some pros and cons of centralization and might provide a first overview of different approaches.

Heintel *et al.* (2018) identified some lines of conflict or as they put it “fields of action” of regional development focusing on Austria as an example. The authors proclaim a loss of solidarity among spaces and with that mutual support between regions, especially between rural and urban ones. Therefore, it is important to come closer and maintain connections; something Austria is well-known for in the EU. Furthermore, regional bonds are influenced by the trend of multi locality. About one million Austrians are living in more than one residence, a lifestyle that puts much additional pressure on regional infrastructure and local, rural communities, who are also threatened by emigration of their higher educated young. The shrinking of rural municipalities has long been a taboo in Austrian discourses, although in some cases not much can be done about it. In other cases, however, local authorities try to rise their own attractiveness through investment in new infrastructure. The logic at play is cooperation rather than competition, as projects are easier to implement and more efficiently used. This is a rather new approach and replaced the former parish-pump politics (in German: *Kirchturmpolitik*). The shift from local egoisms to cooperative thinking is also described in a

⁸ Translated from the German original: “Regionen mit einer langen (Erfolgs)Geschichte (eigenständiger) Regionalentwicklung und damit einhergehenden strukturellen Verbindungen und Verbindlichkeiten haben hier mehr Umstellungsbedarf als solche Regionen, die erst seit jüngerer Zeit ein Regionalmanagement eingerichtet haben.” Heintel (2001, p. 198).

book edited by Vogl (2013). In the last few decades, regional development in Austria became increasingly innovative and closely connected to the notion of authenticity and traditionality, in particular concerning the sustainable commercialization of regional products. Those aforementioned trends highlight some particularities and give an overview on current state of the art research.

This subchapter outlined the history, contexts, and structure of regional development in Europe and Austria. It emphasizes the importance of regional disparities, describes a growing professionalisation and illustrates policy implementations. Furthermore, the subchapter provides an overview of current strategies and their objects. All of this knowledge will be used in the discussion part of the thesis to put the results into perspective.

1.4. Corporatism in Austria

The following subchapter is concerned with a political mode of organisation and stakeholder involvement in Austria's policy-making process. This will provide an additional frame to contextualise findings and help to identify latent structures.

Interest accumulation and stakeholder involvement in Austria's political system follows a (Neo-)Corporatist logic. Corporatism (also Corporativism) refers to a mode of political organisation that involves stakeholders representing different groups of society in a hierarchical, planned, and coordinated way in a decision-making process (Grzeszick, 2010, p.13). The stakeholders - mostly associations (interest groups like unions and chambers) - hold a monopoly position in the negotiations and build the connection between citizen and state. Membership is compulsory if one fits into the characteristics of the represented group - employer or employee/worker (Eyßell, 2015, p.75ff). Social policies and labour market policies are the core fields of their activities. Grzeszick (2010, p.26) lists pros and cons of Corporatism. Among the advantages is a gain in information and an integration of interests of a great share of society, which institutionalises and improves the influence especially for groups with limited resources. Moreover, transaction costs (for information and negotiations) are low and the involved stakeholders aim at a consensual solution for problems minimizing the risk of strikes. On the contrary, corporatist stakeholders block reforms that might threaten their position and they prevent the working of a free market economy. In addition, this form of policy-making creates untransparent accountability and doesn't represent the interests of all groups.

Furthermore, Corporatism is much criticised for its lack of democratic legitimation. Based on this critique a new stream of interest accumulation developed – Neocorporatism. According to Grzeszick (2010, p. 15), it refers to a reformulation of the state/interest group relation and should give corporatist arrangement a new, positive appearance. The priorly interorganisational conflicts gave way to intraorganizational ones and responsiveness was increased (Schmitter, 2001).

Besides (Neo-)Corporatism, there are other, more recent forms of stakeholder involvement. Cucca and Kazepov (2016, p. 9) identified three additional types commonly used in the literature:

-*Associative Democracy* refers to a governing format with inclusionary negotiations between associations, NGOs, organized interests, and public institutions. In contrast to Corporatism, Associative Democracy is more inclusive (less institutionalised actors) and does not solely follow a top-down logic.

-*Deliberative Democracy* involved a great number of stakeholders with technical/expert knowledge in the decision-making process. It backs discursive argumentations mainly supported by supranational institutions (e.g. the EU).

-*Participative Democracy* means the involvement of the whole community in the decision-making process. A bottom-up logic is applied, although supranational institutions sustain it.

The EU supports governing formats that involve multiple stakeholders as it hopes to strengthen its weak institutional structure. In the 1990ies, the main form of stakeholder involvement followed a neo-corporatist logic. Over the years, it became increasingly complex, diversified in different sectors and sustained multiple forms of participation (named above). The applied tools also target the local level but have proven to be less effective in empowering local stakeholders (Cucca and Kazepov, 2016).

Corporatism as a mode of governance has a long tradition in Austria. At the end of the 19th century, economic associations and trade unions began to form but had only little influence under the oppressive, monarchic rule. After WWI, the associations and unions were leading actors in the creation of the first republic and gained substantial political power. During Austro-fascism and the Nazis' rise to power, they lead a shadowy existence and were stripped

of all their authority (in particular the workers' unions). Again after WWII, the interest groups and their leading figures were in the centre of constructing the second republic. This solidified their ties to the government and created the Austrian social partnership system. The social democratic party had/has strong ideological and personal connections to the trade unions and the Chamber of Labour. The latter is an interest group with compulsory membership, an elected board and is the long, scientific arm of the trade unions. The conservative party had/has similar involvements with the Chamber of Agriculture, Chamber of Economy and the Industrial Association. Similarly, membership is compulsory, and the board is frequently elected by the members. Together all these institutions form the social partners, which are negotiating policies mainly in social and work-related areas. The logic underneath is oriented on the political situation in the second half of the 20th century, a balance of interest between the two big political powers called 'Lager' (translates to camps) – the social democrats and the conservatives. After the heyday of social partnership influence in the 1970s (Austro-Keynesianism), their involvement in the government and parliament declined substantially, but stayed persistent in some policy fields (labour market and social policies). In the 1990s, the chambers came under harsh critique and the participation rate for their internal elections dropped significantly. The members' opinions were swayed with a more service-oriented approach and economizations. The central-right government (2000-2007) tried to deprive the social partners (in particular the Chamber of Labour) of influence but could not do much harm. After their reign, a legislation on a constitutional level was passed to protect the social partners from political interference (Karlhofer, 2012; Karlhofer, 2006; Pernicka and Hefler, 2015).

What is extraordinary in Austria's Corporatism, besides its resilience, is the societal scope and the self-evident penetration of (almost) all layers of society. The logic of involvement, compromise and balance is deeply rooted in the political culture⁹ and everyday life (Pernicka and Hefler, 2015; Ulram, 2016). For example, youth organisations, sport clubs, care organisations for elderly and automobile clubs exist twice – each with affiliations to either the social democratic or the conservative party. However, according to Karlhofer (2012) the political links become more blurred and are hardly noticeable for members nowadays.

⁹ Political culture is understood as "*systematic patterns of orientations, which are important for the behaviour of the members of a polity and their attitudes towards the political system*" (Ulram, 2016, p. 269).

The way of interest accumulation in a corporatist system and the surrounding political culture provides a valuable contextual frame for this thesis. Cooperation, balance of interest, compromise, and mutual recognition are taken for granted by most stakeholders. However, all previous explanations refer to the national level. The question is: What does Corporatism mean on a regional or local level? To my best knowledge, I wasn't able to find scientific contributions that look at political culture of citizens and local politicians. However, there is evidence of a corporatist organisation in all levels of society. The membership rate in Austrian clubs and associations is very high – 150 organisations per 10.000 inhabitants and 74% are members in at least one club (Karlhofer, 2012, p.527). This leads to the assumption that the Austrian population is familiar with the idea of congregating in organisations to pursue a goal. Moreover, most corporatist stakeholders like the Chambers have regional and even district-level branches that allow a broad involvement and foster awareness of political processes, which again influence actions of local actors. For example, micro-regions (cooperation networks of municipalities) show similar modes and logic of Corporatism in the way they organise and balance different interests. The involved actors might be unaware of the underlying structures and streamlined way of thinking as the political culture appears as a natural way of 'doing politics'. Those explanations are partially based on the knowledge and insight gained while conducting the expert interviews.

1.5. Theories of Institutional Change

This subchapter aims at finding a proper analytical frame to describe the change triggered by the introduction of NÖ.Regional. In the beginning, some general trends of political, institutional relations are briefly discussed, like shifts in the governance structure to understand ongoing, overarching developments. Later, I will focus on theoretical approaches that are concerned with institutional processes; mainly in the stream of (Neo-) Institutionalism, as it focuses on the role of institutions and follows a holistic view incorporating contextual, mutual relations to the economy, society and politics. However, these approaches vary substantially in the way they investigate phenomena, often due to the disciplinary orientation of the researching scholar. For example, some highlight the historical background whereas others look at rational economic choices. Therefore, it is crucial in a first step to discuss a variety of options and afterwards choose the most suitable approach to capture institutional change.

The political, economic, and societal system(s) are in a constant process of change. In an older article, Jessop (1997) described three most central institutional developments of the state in the late twentieth century. First, he identified a “denationalization of the state”, by which he understands a fragmentation of former state competences in all directions (up to the EU and other international bodies, down to local communities and sideways to national organisations). This questions the construction and function of a classical nation state model and holds the potential for conflict. In addition, civil society loses part of its previous identity, that has long been based in strong national states. Jessop’s second trend adds on the first one and describes a “destatization of the political system”. In previous decades (maybe even centuries), there was one actor in charge of political leadership - the national government. At the turn of the 20th century however, there is a system of different actors involved in a dynamic process usually referred to as governance. That process opens new pathways for civil society to engage actively in politics. The governance concept is expended to multi-level governance if the actors involved diverge scalarly in their institutional background. This understanding seems to fit neatly into the previously introduced regional governance logic; however, Sturm and Bauer (2010, 20f) argue for the use of the intergovernmental relation approach as it too takes complex relations into account but focuses more on the role and situation of the region. In contrast, Jessop (1997) sees the state as “first among equals”, meaning that it is no more the sole barer of political power but still the central actor. The state is eager to keep its role and therefore tries to dominate meta-governance, which is understood as settings and frames for governance. In other words, it accepts the loss of direct power but gains it back by stirring politics indirectly through the organisation of governance and its networks. Third, there is an ongoing trend of “internationalization of policy regimes”, which is fuelled by globalization tendencies like an increasing international, economic competitiveness or a rising pressure of supra-national organisations. As a consequence, national citizenships lose more and more meaning to international constructions of rights, like human rights or industrial citizenship (Zhang and Lillie, 2015). This trend emphasizes again the statement of a decreasing relevance of the national level (foremost the national government) to the benefit of other levels (in this particular case the international one). More recent literature discusses that very process thoroughly under the term “decentralisation”, which refers to a fragmentation of formerly centralised competences. Regional governance can be seen as its result. Pike *et al.* (2017, p. 166) describe multiple forms of decentralisation resulting

in an autonomy in fiscal, political, administrative and functional matters. Potential advantages would be a more precise/localised allocation of policies, improved political accountability, higher efficiency, and a more flexible budget. On the contrary, there might be increased administrative costs, more pressure of interest groups, less monitoring and fewer financial support of the central government leading to a growing inequality among regions. Faguet (2011) speaks of decentralisation as a world-wide trend that is believed to improve the quality and stability of governance partially by intensifying political competition.

“Defining institutions is notoriously difficult and the current literature on the topic does not agree on a common definition.” This quote by Rodríguez-Pose (2013, p. 1037) describes a key issue in institutional theories. As mentioned in the introduction of this subchapter, they follow quite varying research approaches. One of the few common denominators would be the joint focus on institutions, however there are multiple definitions in use, each highlighting different aspects. Since issues of definition are a crucial point, I will start with a general interpretation that allows us to delve deeper into the subject. Referring to a scientific dictionary (Hillmann, 2007, p. 381), institutions are, in a common use of language, understood as organisations, companies or departments that fulfil certain cooperative tasks and functions embedded in a set of rules within a bigger frame of an organisational system. In a more abstract sociological understanding, institution means a pattern of (forced) human relations in a society, especially associated with legitimacy of a certain order. That incorporates e.g. culture, law and religion. Institutions are produced in a process of institutionalisations, which means a solidification of repeating patterns. Organisations stand in close relation to institutions and are seen in social science as a planned or unplanned social process of certain actions within a surrounding system (institution). Plainly, organisations are a number of people that cooperate to achieve a specific goal. It is important to be aware of the multi-contextual and multi-causal embeddedness of organisations. All of this underlines the complexity and makes us aware that there are multiple understandings with no clear boundaries. More detailed definitions are utilized in theoretical research that draws attention to certain aspects depending on the research interest. They will be introduced in the next paragraph.

The institutionalist approach at the beginning of the 20th century focused on traditional and historically grown norms and patterns of behaviour in society that distinguish themselves from previous economically rational or social liberal considerations. Old institutionalists like Merton, Stinchcombe and Gouldner systematically investigated organisations, which are seen

as crucial social unities within society (Senge, 2011). In the 1970s a new approach started to develop, Neo-Institutionalism. It drew attention to mutual relations of institutions incorporating the state, politics and economy. Furthermore, institutions are seen as connecting link between organisations and society, strengthening the importance of their “social embeddedness” (Giddens, 1990). According to Senge (2011), this multi-contextual and integrating view is “the new thing” in Neo-Institutionalism, although lately economically centred orientations dominate the research like the contingency theory, resource-dependence theory and transaction-cost theory. Mahoney and Thelen (2010a) distinguish roughly between three big theoretical streams in Institutionalism:

-*Sociological Institutionalism* considers a wide range of possible interpretations of institutions, especially focusing on their social properties. It highlights self-reproduction and resistance as modes of institutional survival. Organisations adapt to given circumstances in particular to already existing ones (Isomorphism - (Di Maggio and Powell, 1983)).

-*Rational-choice Institutionalism* thinks of institutions as coordinating mechanism to establish a balance or equilibria. Actors within a coherent institution are believed to act in a most rational way, which leads to the conclusion that impulses to change originate from outside. Rational-choice Institutionalist scholars often base their analysis on comparative statistic and are not able to catch more dynamic developments.

-*Historical Institutionalism* sees institutions as powerful political actors of coordination with culturally based elements. Furthermore, it assumes a certain path dependency or in other words continuity of institutional change that originates from a process of historical and/or political struggle. As a consequence, institutional reforms are more likely to happen in times of severe crisis.

Those three streams highlight different aspects of institutions and provide according explanations of how they might change. Now there is the task of finding the right approach for this thesis. As shown in the previous subchapter, regional development is a broad policy field including multiple actors at diverse levels that follow economic, political and also social logics. To incorporate all of these views and paint an encompassing, dynamic picture, I will go with a broad understanding of institutions as proposed in the sociological stream.

A convenient analytical frame that follows this tradition is provided by Di Maggio and Powell (1983). They look at changes in the organizational field and presume that the driver is a

general trend of homogenisation or in other words *isomorphism*. Competition and endeavours to increase efficiency are currently less relevant factors (We need to be aware of the time the paper was published.). However, organisations change in an isomorph way to get a specific benefit. A main driver in this is the state and its bureaucracy that aim at homogenisation of output, structure and culture. Di Maggio and Powell (1983) identified three mechanisms of institutional isomorphic change; coercive, mimetic and normative. *Coercive isomorphism* means that an organisation formally or informally pressures another one to change in a homogeneous way. This can happen through political influence (e.g. governmental mandate) or through financial flows given that there is a relation of dependence. The impulse to initiate a process of change might originate from a lack of legitimacy. *Mimetic isomorphism* describes an institutional homogenisation due to a situation of uncertainty. It can also be a wilful act of modelling to imitate innovative processes of another organisation in the same field, which is perceived as successful. Finally, *normative isomorphism* is connected to the notion of professionalisation. Organisations change as their professional networks grow and their staff members professionalise as well. This is especially evident for people in management positions, who are formally trained (and with that socialised) in university and are therefore to some degree homogeneous in their approaches. All of that leads to a certain idea of what is seen as professional within a field of organisations and will therefore be imitated.

Di Maggio and Powell (1983) draw some hypothesis from their typology, which deepen the logic of their explanation. However, what is missing in the approach is a clear distinction between organisation and institution. They use both words as the same and never specified it further. In conclusion, Di Maggio and Powell's (1983) institutional isomorphism is an interesting approach with a very suitable point of view, but its rough frame leaves a lot of functions up to speculation.

In their book "*Explaining Institutional Change: Ambiguity, Agency, and Power*" Mahoney and Thelen (2010a) provide a more recent and refined analytical frame following an institutionalist tradition that goes beyond classical streams; although Thelen starts from a historical perspective (Mahoney, 2017). "*A Theory of Gradual Institutional Change*" as they name their approach, developed out of critique on existing theories' capability to capture shifts that don't mean a radical replacement of institutions, like a revolution. This shortcoming is especially evident when it comes to lighter, more gradual forms of change, which originate from both endogenous and exogenous impulses. What is interesting is their way of looking at

institutional change, namely as necessary mode of adoption to create stability. The reasons for change are described as shifts in the balance of power and issues of compliance. Institutions themselves have a stabilising function as they structure behaviour and enable expectations that are, however, to some degree vague and subject to interpretation.

Mahoney and Thelen (2010a) identify three links in the framework of institutional change; namely modes, actors and context. *Figure 1* shows the connections between the links, which are the core of their theoretical conceptions. In the following paragraphs, I will go more into detail and focus on the types and categories that hold substantial analytical value.

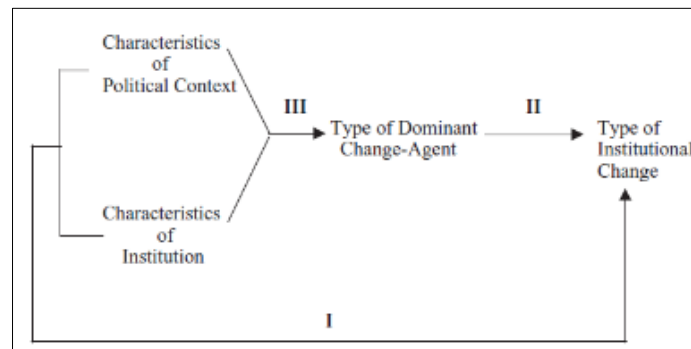


Figure 1: Framework of institutional change (Mahoney and Thelen, 2010a, p. 15)

Link I: Modes of Institutional Change describe the character and impact of an alteration in the field and the existing structures. Mahoney and Thelen (2010a) distinguish four types, which are defined according to how they handle the “old rules”¹⁰ (see *Figure 2*). Furthermore, they look at the political context and characteristic of the institution, which are measured by the possibility of veto and the level of discretion in enforcing change (see *Figure 3*).

1. *Displacement* means the replacement of existing rules for new ones; a strategy often followed by disadvantaged actors in the old set of rules. This change might be radical and quick but could also be a slow, gradual process.
2. *Layering* means the integration of new rules in the pre-existing set of old ones, which changes the structure and logic of the previous institution.
3. *Drift* refers to a shift in the external environment that changes the impact of rules, which formally stay the same.

¹⁰ Mahoney and Thelen understand rules as institutions or more precisely as structural elements of an institution.

4. *Conversion* describes the situation when old rules are interpreted in another way and change their meaning and impact. Objectives, functions and orientations of an institution might be completely different.

	Displacement	Layering	Drift	Conversion
Removal of old rules	Yes	No	No	No
Neglect of old rules	–	No	Yes	No
Changed impact/enactment of old rules	–	No	Yes	Yes
Introduction of new rules	Yes	Yes	No	No

Figure 2: Categorization of modes (Mahoney and Thelen, 2010a, p. 16)

		Characteristics of the Targeted Institution	
		Low Level of Discretion in Interpretation/ Enforcement	High Level of Discretion in Interpretation/ Enforcement
Characteristics of the Political Context	Strong Veto Possibilities	Layering	Drift
	Weak Veto Possibilities	Displacement	Conversion

Figure 3: Modes of institutional change (Mahoney and Thelen, 2010a, p. 19)

Link II: Change Agents and Institutional Change highlight the different actor types with a special focus on those who initiate the change. This goes beyond common distinctions of winners and losers. Mahoney and Thelen (2010) identify four types of agents, which are again linked to a certain mode of change (see *Figure 5*). The agent's categorization happens on bases of two questions: Does it want to preserve the institution? Does it follow the rules of the institution? (see *Figure 4*)

1. *Insurrectionaries* are actors that aim at radically removing the existing institution(s). They reject the given set of rules and are likely to be disadvantaged by the previous structure.
2. *Symbionts* are actors who benefit from the institution although they are not involved in designing and making it. Symbionts can be parasitic and mutualistic. The first means that they exploit and act against the institution's objective, which fosters *Drift*; The second type refers to actors that bend and take advantage of rules, but don't act against the institution.
3. *Subversives* are the hidden opposition within an institution. Those actors neither break the rules nor do they openly act against the system until the right

moment arrives, where they can publicly rebel. In the meanwhile, they might support new reforms and institutional change.

4. *Opportunists* are actors who exploit the given situation as well as possible. They don't act against the system, as this is a cost intensive venture, but also don't fight to preserve the status quo. For them their own interest is pivotal.

	Seeks to Preserve Institution	Follows Rules of Institution
Insurrectionaries	No	No
Symbionts	Yes	No
Subversives	No	Yes
Opportunists	Yes/No	Yes/No

Figure 4: Categorization of agents (Mahoney and Thelen, 2010a, p. 23)

		Characteristics of the Targeted Institution	
		Low Level of Discretion in Interpretation/ Enforcement	High Level of Discretion in Interpretation/ Enforcement
Characteristics of the Political Context	Strong Veto Possibilities	Subversives (layering)	Parasitic Symbionts (drift)
	Weak Veto Possibilities	Insurrectionaries (Displacement)	Opportunists (Conversion)

Figure 5: Change agents (Mahoney and Thelen, 2010a, p. 28)

Link III: How Context and Institutions Shape Change Agents connects the actor types with certain contextual elements that are drawn from the modes' categorisation like veto possibilities and level of discretion (see *Figure 5*). Furthermore, attention is drawn to possible coalitional alignments (see *Figure 6*). Insurrectionaries and Subversives will seek allies among those actors, who challenge the institutional setting. Symbionts try to preserve the environment from which they profit and will therefore forge alliances among its defenders, who might rely on the symbionts support, but are in conflict due to their exploitative character. Opportunists are open for all kinds of coalitions as long the outcome will (most likely) be in their favour. Therefore, it is important for the other agents to convince the opportunists of their intentions.

	Allies with Institutional Supporters	Allies with Institutional Challengers
Insurrectionaries	No	Yes
Symbionts	Yes	No
Subversives	No	No
Opportunists	Yes/No	Yes/No

Figure 6: Coalitional alignments (Mahoney and Thelen, 2010a, p. 30)

Van der Heijden (2010) reviewed Mahoney and Thelen's (2010b) book and identified three issues in their theory referring to scholars who applied it¹¹. Firstly, the modes are not adequately defined making their boundaries indistinct. This is a classical dilemma of analytical frames; they should be simple enough to be easily applied on a broad scheme and still complex enough to cover all details. Secondly, it is unclear if the typology is able to explain institutional change and its context. This is a tough question as it depends on the definition of institutional change. Thirdly, there is not enough attention paid to the modes' sequences and patterns. In essence, the claim is to deepen and refine the theory to enable a more detailed analysis.

Despite the critique, Mahoney and Thelen's (2010a) analytical frame appears to be the best option to describe the institutional change in my cases. It is well refined, allows a broad incorporation of actors and motives and is still structured enough to have only little flaws or rather blind spots in its analytical capacity. Furthermore, the concept incorporates contextual conditions and the characteristic of the institution; again, an argument underlining the wholistic character of the approach.

1.6. Theoretical Conclusion

This subchapter is a summary of the theoretical basis. It is supposed to be an intermediate step and to prepare the grounds for the analysis and discussion of the empirical results. Central concepts are highlighted and swiftly described starting from regional governance, going further to regional development, and concluding with institutional theories.

Regional governance means the networks and systems of governing on a regional-level. It can be measured by its characteristic features like actor groups, agendas and capacities (Foster and Barnes, 2012). Moreover, context matters as well as modes of regional communication. Regional governance is connected to other concepts, which try to explain it even further –

¹¹ Together with Streeck, Thelen (2005) already introduced a similar theoretical, analytical frame in her previous book.

following, the three most central ones are described. The redundancy theory says that regional innovation comes with unnecessary parallel structures. The theory of institutional thickness assumes the necessity of a thick network of heterogeneous organizations with collective consciousness as precondition for regional development (Heintel, 2006). Lastly, the concept of learning regions mean that regions are forced to adopt and professionalize their policy approaches. Hence, intermedia institutions are created as agents of communication (Heintel and Fasching, 2011).

Regional development as a research topic is mostly found in economic science and geography. Whereas the first discipline uses predominantly quantitative methods, the second one relies on hard facts. Nonetheless, both stress the dynamic of the topic and its links to the governance structure. Regional development in Austria is highly influenced by the EU, which sets funding schemes and dominates the general discourse. That becomes, for example, clear, when looking at the principle of subsidiarity – an EU ‘hobby horse’ which found its way into all layers of regional governance. Furthermore, Austria went through substantial changes in previous years. Regional development was increasingly professionalized and became output-orientated. Economic as well as cooperative thinking replace the old local single-fighter mentality. Despite, key actor-centred networks are the most essential steering institution. Concerning the structures of policy-making and the surrounding political culture, a corporatist logic of compromise and broad stakeholder involvement guides the organisation of interests also on a local and regional level. This unique character of Austrian politics structures political actions in a seemingly natural way and should be reflected in the thesis.

The introduction of NÖ.Regional triggered a process of institutional change in the field of regional development in Lower Austria. To properly describe it, it is necessary to use an analytical frame. On a meta-level, Jessop (1997) provides a theoretical overview on some general developments in (Western) governance - concepts like denationalization, destatization and meta-governance. For a more precise analysis, the sociological institutionalism appears to be most promising as it applies a broad, more social definition of institutions and therefore allows to look at all minor details of local particularities. Mahoney and Thelen (2010a) offer a frame to capture lighter, gradual forms of institutional change. They focus on three links in the process: namely modes, actors, and context. In essence, it is about how former rules are handled, which intentions agents follow and how veto powers are distributed.

2. What else to know about regions: Research question

My research question did not develop directly out of the theoretical literature, as scientific investigation in that field is rather scarce. First, there was a suspicion that derived from multiple interviews with local politicians, which were conducted for the COHSMO Project. Some interviewees were very keen on the support of NÖ.Regional, whereas others framed it more as a kind of oppression. Through reflections with colleagues of our research team¹², the impression grew that the attitude might be linked to the micro-regions and geographical heritage (rural vs. sub-urban). Thus, I constructed a research question exactly about this issue.

RQ: How does NÖ.Regional influence regional development policy in rural and sub-urban micro-regions in Lower Austria?

To describe my research project in a nutshell, I conduct a place-sensitive analysis of an institutional process of change in Lower Austria's regional development; furthermore, I assess the effects of NÖ.Regional on a policy field in general and from the point of view of a rural and sub-urban micro region. The shift of regional policy organisation that happened through the implementation of NÖ.Regional is not included specifically in the research question. However, it is a central event and the questioned actors link it to their perception of the institution's impact.

The challenge was to find a research design that is able to provide an answer. Unfortunately, previous scientific inquiries are going in very different directions. When explaining disparities in regional development, economic approaches focus on statistical data and the geographers base their narratives rather on hard facts. At the best of my knowledge, there is neither quantitative nor qualitative political and sociological research on similar issues that incorporate a spatial dimension. As a consequence, I will proceed only incorporating elements of previous studies if needed. My research design will be thoroughly discussed in the method section.

The term "institution" has been mentioned multiple times in the previous paragraphs and was intensively discussed in the theory section. For this thesis a broad definition is applied, which incorporates the former, more fragmented institution of regional development in Lower

¹² A special thanks goes to Tatjana Boczy

Austria and also the newly established, more centralised practice of NÖ.Regional, which is run as an organization but should also be seen as a henceforth institution. In other words, I see the structural character of the policy field “regional development” and the way it is organised as an institution too (which changed through the implementation of NÖ.Regional). Therefore, Mahoney and Thelen’s (2010a) analytical frame to describe institutional change can be used to interpret the shift in regional development.

Another term that might need a closer definition is the territorial typology of “rural and sub-urban”. As the cases were already determined by the research project COHSMO, I will go with its understanding of those spaces. In principle, there are only two patterns taken into account – urbanisation and demographic change. Sub-urban areas are defined as having a medium population density and a relatively high influx of population. Rural areas, on the other hand, are depicted as being scarcely populated, which is fuelled by out-migration (COHSMO, 2016, p. 45). Those two characteristics are very general and therefore don’t provoke a deeper discussion.

2.1. What I think to know about regions: Assumptions

In the following subchapter, I will briefly reflect assumptions that go along with my research. This is especially relevant as I use secondary data, which I have partially collected myself during my employment in the COHSMO research project. Thus, I already carry a decent knowledge of the interviews’ content. Furthermore, I have been working on the broader topic for more than two years now and developed some ideas about certain connections. Exactly because of that, it is important to back my observations with solid research. Since the “[...] *structure of an organisational field cannot be determined a priori but must be defined on the basis of empirical investigation.*” (Di Maggio and Powell, 1983, p. 148)

The starting point of this research is the assumption that the implementation of NÖ.Regional in 2014 influenced the regional development policies in Lower Austria. Supposedly, it also changed the political setting, in a way that it took autonomy from the municipalities, respectively the micro-regions and centralised this power in itself – more precisely in the regional government. The rural area in my case already had well-established cooperations and networks to handle regional development. NÖ.Regional made those in part obsolete, which lead to a certain degree of frustration and resistance to adopt the new patterns. The sub-

urban region, on the other hand, adopted easily as it barely had previous networks and handled everything on a municipal level. Therefore, it developed coping strategies more successfully and eventually profited more from NÖ.Regional. As the cases were picked considering representative parameters (thoroughly discussed in chapter 4), I hypothesize that rural and sub-urban areas react differently to institutional change in regional development policies according to their territorial context and institutional history.

Moreover, I suspect that the introduction of NÖ.Regional meant a significant institutional change in the Lower Austrian regional development, including an upwards shift of competences and with that power. This process appears to work against the common trend of decentralisation and might be described through the rescaling approach used by Kazepov (2010b). It could be a first step towards concentration of power and indication of another phase of upscaling. Otherwise, the shift is a mere action of fine-tuning the institutional structure of a policy field, which would not question the general tendency of fragmentation at all. If and how my research results can be described with the rescaling concept, will be taken up in the discussion section of this thesis.

3. Data and how to look at it

3.1. *Documents and Interviews*

The empirical material used consists of two data types, political documents, and interviews with governance actors in the micro-regions and in NÖ.Regional. The document analysis aims at providing contextual insight, which might prove to be very relevant when connected to statements in the interviews that are the main focus of the empirical part. Since, my research question goes in a particular direction and addresses a potentially controversial topic; anonymous talks are more likely to reveal valuable information than publicly accessible strategy papers. Moreover, the official documents are centrally produced and don't stress diverse opinions.

The analysed documents, which are listed in *Table 1*, are strategy papers downloaded from official websites (four from each micro-region/main-region). They were gathered with a great number of other files and organized in a database for the COHSMO research project. Out of there, I selected eight documents as they are produced by the micro-regions themselves, respectively NÖ.Regional and as of their guideline character for municipalities. Moreover,

Rescaling regional development

these strategy papers were published before and after the introduction of NÖ.Regional and will therefore allow me to see changes of the agenda and strategy construction overtime and between regions since the documents focus on micro-regions as well as on NUTS¹³ 2 and more or less on NUTS 3 unities. However, this demands caution, as a causal link cannot be assumed. Changes might be connected to the general political discussion or to other players like the EU and national governments.

Code - Based on COHSMO Database	Title	Production date	Source (URL)
RURAL CASE			
WaldKern01	Kleinregionaler Strategieplan Waldviertler Kernland - by Kleinregion manager and municipalities	09/2012	http://www.waldviertler-kernland.at/wp-content/uploads/2013/11/KLEINREGIONALER-STRATEGIEPLAN-2013-2015-2.pdf
WaldKern17	NÖ.regional Hauptregionsstrategie Waldviertel 2024 - by NÖ.Regional staff, federal agents	09/2015	https://www.noeregional.at/fileadmin/root_noeregional/service/PDF_noeregional_151006_Broschuere_Hauptregionsstrategie_Waldviertel.pdf
WaldKern19	Hauptregionsstrategie 2024. Wirkungsorientierter Fortschrittsbericht 2015-16 - by J. Strummer (regional manager and NÖ.Regional) and NÖ Dorf-&Stadterneuerung	03/2017	https://www.noeregional.at/fileadmin/root_noeregional/dokumente/waldviertel/PDF-noer-Fortschrittsbericht_2016_WAV.pdf
WaldKern20	Strategie Waldviertler Kernland 16-20 - by Doris Maurer (chief executive of Kleinregion)	02/2016	http://www.raumordnung-noe.at/fileadmin/root_raumordnung/region/kleinregion/Strategiepläne/KR_Strategie_Waldviertler_Kernland_oFP.pdf
SUBURBAN CASE			
Ebreich01	Hauptregionsstrategie Industrieviertel 2024 - by NÖ.Regional and regional state department for regional planning and policy	09/2015	https://www.noeregional.at/fileadmin/root_noeregional/service/PDF_noeregional_151006_Broschuere_Hauptregionsstrategie_Industrieviertel.pdf
Ebreich19	Hauptregionsstrategie 2024. Wirkungsorientierter Fortschrittsbericht 2015-2016 – by Franz Gausterer (NÖ.Regional), Annemarie Trojer	03/2017	https://www.noeregional.at/fileadmin/root_noeregional/dokumente/industrieviertel/PDF-noer-Fortschrittsbericht_2016_IV.pdf
Ebreich12	Kleinregion Konzept 2011 (2008) - by Local Authority and Business order by Local Authority	03/2011	https://www.emrich.at/kleinregionales-rahmenkonzept-ebereichsdorf/
Ebreich13	Kleinregion & KEM Strategie Ebereichsdorf 2016-20 - by NÖ.Regional	09/2016	https://www.raumordnung-noe.at/fileadmin/root_raumordnung/region/kleinregion/Strategiepläne/KR_Strategie_Ebereichsdorf_oFP.pdf

Table 1: Strategy documents (based on COHSMO data base)

In summer/autumn 2018 and 2019, 75 semi-structured expert interviews have been conducted partially by myself for the COHSMO research project. On average, they lasted between 60-90 minutes and were done with governance-related (political, economic or community) actors in the case micro-regions, including talks with staff members of NÖ.Regional and the regional government. Subsequently, the audio records were

¹³ NUTS (Nomenclature of Territorial Units for Statistics) is an international classification for territorial unites. In the Austrian case, NUTS 2 refers to Bundesland (e.g. Lower Austria) and NUTS 3 to a region within (Viertel – e.g. Waldviertel and Wiener Umland/Süd). – See *Appendix 1*

professionally transcribed in an easy and linguistically smoothed way – only allowing the use of analytical methods aiming at the manifest content. The selection of interviewees intends to target a broad set of actors with different characteristics following COHSMO's research interests. Since the interviews were conducted for another purpose, they are secondary data in my research; meaning that more analytical attention had to be devoted to the identification of relevant parts. To be more efficient in handling the extensive corpus of material, I located promising parts by looking at the structure set by the interview guideline. Furthermore, the search function has proven to be helpful (key words – NÖ.Regional and regional development).

COHSMO research partners predetermined the common interview guidelines for 2018, which were translated and contextually adjusted by the Austrian team. The guidelines were clearly structured and covered a broad range of topics including regional development, different policy areas, current issues, organisational structures, societal networks and intercommunal cooperations. Since there were no questions directly related to NÖ.Regional, not all interviewees talked about it. For 2019 different guidelines were predetermined targeting particularly institutional topics. Moreover, they were less dense allowing to go more into detail on emerging issues. I went through all interviews selecting those that mention NÖ.Regional, structures of regional development policy and institutional change. In total, 14 interviews for the rural case and 12 for the sub-urban one from 2018, as well as another 3 general ones from 2019 prove to contain interesting material (see *Table 2*). Although the guidelines varied in different years, they were evenly used in the micro-regions. Therefore, enough comparable material is available for both cases. After all, compromise is often inevitable in secondary data analysis.

Rescaling regional development

Interview code	Year	Interviewee background	Interview code	Year	Interviewee background
RURAL CASE					
AL01	2018	NÖ.Regional staff	AL09	2018	Mayor
AL02	2018	NÖ.Regional staff	BL01	2018	Head of development association
AL03	2018	Mayor	BL02	2018	Regional development actor
AL04	2018	Mayor	BL03	2018	Regional development actor
AL05	2018	LEADER staff	BL04	2018	Head of development association
AL06	2018	Mayor	CL01	2018	Business and development actor
AL08	2018	Mayor	CL02	2018	Business and development actor
SUB-URBAN CASE					
AS01	2018	Regional developer (government)	AS08	2018	Mayor
AS02	2018	NÖ.Regional staff	AS09	2018	Regional development office (government)
AS03	2018	Regional developer (government)	AS11	2018	Member of municipal council
AS04	2018	Regional developer (government)	BS01	2018	Head of development association
AS05	2018	NÖ.Regional staff	BS03	2018	Head of development association
AS07	2018	Regional developer (government)	BS04	2018	Business and development actor
LOWER AUSTRIA IN GENERAL					
KR02	2019	NÖ.Regional staff	KR07	2019	Regional development office (government)
KR05	2019	Regional development office (private)			

Table 2: Expert interviews (based on COHSMO data base)

3.2. Methods of Analysis

The choice of methods derives or arises from the research question's properties. Its inductive nature demands a qualitative approach. As mentioned in the previous section, the research material of my work are documents and transcripts of semi-structured expert interviews. The collection of data was not done in the course of this thesis and will thus not be discussed; yet it is described together with the research material's properties in the subchapter above. In general, the approach applied here is explorative and can be interpreted as mixed-methods or maybe mixed-data since the method of analysis for the two kinds of data are similar, as explained below. The analysis of strategy documents is used as contextual frame to improve the understanding of the interviews.

The characteristics of the material are a challenge and constrain the selection of methods. Firstly, it is a sizable amount with 8 strategy documents and 29 interviews á 75 minutes. Secondly, the transcriptions are done in a rough way, smoothing the language (especially the Austrian dialect) and leaving only the direct content or in other words pieces of information

intact. Therefore, a method of analysis has to be used that is relatively swift and aims at manifest meanings. Fine structure analysis as for example intensively described by Froschauer and Lueger (2009) would need a lot of time to interpret and a perfectly accurate transcript with indications of all linguistic elements even including the length of every break by seconds.

Document analysis is a highly debated method starting from the definition of the term “document”. Ethnographic research focuses on the use, role, and function of documents in organizational or interactional contexts. Meta-synthesis tries to summaries already abstracted, scientific papers. The discourse analysis approach found in all kinds of social sciences draws attention to the function of documents in constructed versions of reality. Also, content analysis is used to analyse documents, however, only to gain a general systematic overview. Its capacity to draw attention to all kinds of underlying functions and meanings that are connected to each word is rather limited (Rapley and Jenkins, 2010). Anyhow, for the purpose of my research a general overview is enough to serve as contextual frame for the main empirical part - the study of the interviews. I use the approach of content-structuring qualitative content analysis (described below) to highlight four key aspects in the documents: the general content, the production/origin of the paper, the role/depiction of actors and the function of the document in the system.

With the interview transcripts I had two constraints in mind, as mentioned above (size of the material and its characteristics). Based on that, the qualitative content analysis seems to be the best option and capable to extract the maximum information out of the given material. Its core characteristics are the orientation on categories, the interpretative systematic approach and a focus on reliability and validity. Mayring (2015) and Kuckartz (2010) are (at least in the German-speaking world) considered as central scholars concerning methods of qualitative analysis. However, they differ in their general approach¹⁴. Mayring (2015) understands his analysis as theory-driven, whereas Kuckartz (2010) and also Schreier (2014) highlight the importance of the material in identifying categories. The second one is the better approach for my thesis, as theoretical literature on the specific topic is rather scarce. The scholars describe multiple sub-forms of qualitative content analysis, which are very similar and derive from a standard model – the content-structuring qualitative content analysis. In short, this method aims at identifying and conceptualising aspects in the content and systematically

¹⁴ According to Schreier (2014), those methods of analysis are rather blurry and fluid. Something we should have in mind when using them.

describing it. There are eight steps in the analysis, which might have to be gone through multiple times during the research (Schreier, 2014).

Familiarization with the material – Since I conducted and summarised a good share of the interviews, I am already familiar with the material.

Derivation of Upper-categories – finding categories (codes) that can be used to roughly structure (code) the material

Coding – identifying relevant parts in the material

Development of Under-categories – refinement of categories

Testing of category system – this implies going through the material again

Modification of category system – further refinement of categories

Recoding the whole material with the new categories

Depiction of results, interpretation, and reference to the research question

This procedure is the backbone of my analysis and will be adopted in the next chapter using the software tool MAXQDA, which allows me to work efficiently and maintain an overview.

In order to incorporate the contextual information from the case descriptions and the document analysis, I apply a sub-form described by Mayring (2015) and also Schreier (2014) as explicative qualitative content analysis. In essence, this method is the same as the one described above. What is different, is that it adds a step where it incorporates contextual information, if the content is not fully self-explaining. Underneath lies the assumption that meaning depends on context and should therefore be put in relation. Practically this means that I will enrich the analysis of the interview material with information of my other sources, if it improves the general understanding; nevertheless, everything will be drawn together in the discussion chapter.

4. Turning the spotlight to the case studies

4.1. *Micro-Regions*

The micro-regions were selected as unit of research for COHSMO because they are highly dynamic networks of municipalities, which are usually in a tight corset of competences with relatively few possibilities to implement own ideas. For my thesis, these unions are a good choice too as they are the main local drivers of regional development and they are hardly the topic of research especially with an empirical analysis¹⁵. In the selection of the micro-regions, the aim was to pick one with lively cooperation in a rural and sub-urban area according to the definitions presented earlier.

Before I introduce the case regions, the structure and function of a micro-region has to be explained. In the Lower Austrian understanding it is a union of small and medium-sized municipalities, which cooperate to achieve goals of regional development, joint service provision and other forms of collaboration that benefit the region. According to the regional government, 87% of the 573 municipalities are currently part in this form of cooperation. There are three categories of separation that are needed to establish an independent micro-region: (Land Niederösterreich, 2019)

-Spatial: Micro-regions are voluntary unions of at least 6 municipalities with more than 8.000 inhabitants or 3-5 municipalities with more than 12.000. The criteria exclude bigger towns and cities, who are organised in the Austrian Union of Cities (although there are some crosscuttings).

-Functional: The involved municipalities should have a similar set of challenges and issues.

-Background: Micro-regions should have something that units them like a common geographical setting, cultural background or economic and social ties.

In essence, the idea behind micro-regions is to give municipalities a tool to realize targeted projects and with that more possibilities outside of their regulated administrative planning competences. The micro-regions' actions are usually organised around strategy documents that define common objectives. All involvement is voluntary. However, some funding schemes (e.g. Kleinregionsfond – paid by the Bundesland to cover planning costs of bigger and innovative projects) create indirect pressure to join and work in micro-regions. Weichhart

¹⁵ There is some research done by geographers; however, it is mainly narrative (describing hard facts) like Wollansky and Vitovec (2006) or Heintel (2001).

(2006) describes the role of micro-regional cooperation differently, more as a necessary tool to compete in a capitalistic competition. *“In the age of globalisation, the land-use structures are determined by “turbo-capitalistic” forces of the market and communal egoisms.”* (Weichhart, 2006, p. 156)

The first micro-regions in Lower Austria were founded in mid-1980. The region “Mittleres Kamptal” in the eastern part of the Waldviertel¹⁶ was first to establish a regional development concept (strategy paper) in 1986. Through the joining of the European Union and the establishment of the LEADER program¹⁷, the profile of micro-regions has been refined and professionalised with the establishment of regional contact partners, organised by the Lower Austrian government. Now, they don’t solely aim at promoting and developing the regions but also preserving cultural, economic and social characteristics (Wollansky and Vitovec, 2006; Heintel, 2004). Moreover, professionalization also developed out of increasing internationalisation that resulted in rising competition and economic pressure on regions. Science-based information and economic interests became important and the state started to interfere in regional development. This trend continued in the last decade of the 20th century and was described by Heintel (2001) as *“Regional Mainstreaming”*. With that he means a shift from process-oriented care to outcome-oriented counselling with a pragmatic approach towards bottom-up and top-down. The profession of regional contact partners was further developed to regional managers who take a central position in strategically and operationally leading a micro-region. Their instalment is voluntary as well and can be partially paid through the Kleinregionsfond; although, the conditions for receiving this funding are vaguely formulated (Land Niederösterreich). Furthermore, regional counsellors were installed to support micro-regions. They are the connecting link to the regional government, especially the section for spatial planning, which will be later included in and coordinated by the NÖ.Regional. The next influential development step for micro-regions was the instalment of NÖ.Regional, which will be thoroughly discussed later.

In the work of municipalities and with that micro-regions, the governance relations are a crucial factor, especially the division of competences defined in the federal constitution law

¹⁶ See map in the *Appendix 1*

¹⁷ The LEADER program aims at developing disadvantaged regions in Europe through innovative projects. Their portfolio is currently focused on agriculture and forestry, although they increasingly promote social schemes too.

(B-VG). Therefore, I shall briefly elaborate on this. Austria's government structure can be described as a centralised federalism. It has three main territorial levels on which official authorities operate: the national level (NUTS 0), the regional level (Bundesland or NUTS 2) and the municipalities (LAU¹⁸). One level is not allowed to interfere randomly in the sovereignty of another, a convention that is backed by the Constitutional Court through the principle of mutual consideration (Berücksichtigungsprinzip). The network of competences is complex and overlapping, depending on administrative and legislative tasks. In essence, their division orients on subsidiarity, meaning that responsibilities are allocated to the level, which is most competent of handling it. The Bundesland has jurisdiction over planning, some aspects of education, health, social protection, local policies and matters related to nature (more detailed listing in Bischof and Karlhofer (2016)). According to Article 118 B-VG (Österreichischer Nationalrat, 2014a), the competences of municipalities encompass *“all matters of exclusive or predominant local interest, and which are suited for management by the community within its local borders.”* (Bußjäger, 2016, p. 13) Concretely, they are in charge of maintaining the local street network and lower school buildings (including primary, lower secondary, polytechnical and special education schools), local controlling bodies, garbage disposal, sewage, local public buildings (e.g. libraries, sport facilities), conducting elections, local spatial planning and citizens' service (e.g. birth and resident certificates). Furthermore, the municipalities are economic actors and can run companies. Their budget is partially based self-collected local fees and on revenue sharing (Finanzausgleich), which means the national government collects taxes and redistributes them to municipalities and regions according to a transmission scheme. Special agreements between the national level and the Bundesland are regulated in the Article 15a B-VG (Österreichischer Nationalrat, 2014b) and can change the distribution of competences in certain matters.

For this research two micro-regions were picked in the Bundesland Lower Austria (NUTS 2). It has 1,6 Mio. inhabitants, the second highest population after the capital city Vienna, which it is surrounding. Lower Austria is by far the biggest Bundesland with over 19.000 square kilometres and diverse as it has thriving sub-urbs and medium-sized urban hubs as well as shrinking remote areas. Its GDP is the third highest in the country but almost the lowest GDP per person (34.400 €). The economic sectors with the most employees are production of

¹⁸ Local Administrative Unites(LAU) are a subdivision of NUTS 3. In Austria they refer to municipalities. The aim of identifying those unities is to improve the data quality and with that to enable more targeted policies.

goods, automobile industry, research & development¹⁹ and health sector (Statistic Austria, 2019).

As rural micro-region case the Waldviertler Kernland was picked by the COHSMO research team since it has a vivid network of cooperations, innovative projects and it fulfils the criteria of a remote rural area (see definition in chapter 2). The Waldviertler Kernland is a micro-region with 14 municipalities and around 13.900 inhabitants (see *Table 3*). It is located North-West of Vienna, approximately 100 km (1 hour 20 minutes by car). Besides some mid-sized food and wood producing companies, many people are employed in the service sector or as trained crafts(wo)men. Furthermore, daily commuting to urban centres like Krems, St.Pölten or Vienna is a

Micro-region Waldviertler Kernland	
Municipalities (LAU)	Inhabitants (2019)
Kottes-Purk	1.475
Großgöttfritz	1.378
Sallingberg	1.287
Weinzierl am Walde	1.247
Waldhausen	1.209
Martinsberg	1.094
Albrechtsberg	1.022
Bad Traunstein	1.020
Ottenschlag	992
Grafenschlag	870
Schönbach	783
Kirchschlag	618
Gutenbrunn	516
Bärnkopf	355
	13.866

Table 3: Waldviertler Kernland (Eurostat, 2019)

common practice for a lot of inhabitants, although the regional labour market is desperately looking for skilled workers (mismatch). The biggest issues of the rural region are depopulation, over-aging, lacking infrastructure and a tense labour market situation – In September 2019, the unemployment rate in the district was 3,3% (AMS Niederösterreich, 2019). A quarter of the inhabitants have only primary education and more than two thirds hold an apprenticeship certificate or a high-school degree. 5% have a tertiary education (see *Appendix 2*). Surprisingly, the average municipal income (1.733€) and expense (1.339 €) per inhabitant is only slightly lower than of the sub-urban micro region (1.788 € / 1.457 €). Nevertheless, it is to assume that service provision is less cost-efficient in a rural area and will therefore put more pressure on municipal budgets (see *Appendix 3*).

The Waldviertel-region (NUTS 3) has a long history of regional development starting with the installment of an official management office in 1982 by Adolf Kastner. He was a key actor and initiated a substantial change of image improving the self-esteem of the whole region. Intensive municipal cooperation was starting to take place in 2001 especially in the areas of communal service and tourism. The micro-region was founded 14 years ago as an association

¹⁹ Includes also other types of higher economic services.

(Verein) including representatives of all shareholder municipalities in the executive board and the yearly general meeting. In 2012, a new strategy paper was developed to reorient and deepen collaborations. Thematically the Kernland's focus lies on improving its own identity, climate & environment, health & social matters, leisure & recreation, and municipal cooperation (provision of services). Particularly, the last three items are important. Moreover, the general visibility of all actions should be increased, according to their website (Waldviertler Kernland). A more detailed picture of the strategies and programs will be provided through the document analysis.

The Kleinregion Ebreichsdorf is the second case and represents a stereotypical sub-urban area. It lies 20 km South of Vienna (15 minutes by car) and consists of 10 municipalities with a total of around 38.000 inhabitants (see *Table 4*). Almost a third of them are living in the central municipality after which the micro-region is named – Ebreichsdorf. Typical for a sub-urban area, there is a strong connection to the urban centre (Vienna), evident in tight economic

Micro-region Ebreichsdorf	
Municipalities (LAU)	Inhabitants (2019)
Ebreichsdorf	11.084
Pottendorf	7.160
Oberwaltersdorf	4.682
Trumau	3.712
Mitterndorf an der Fischa	2.802
Blumau-Neurißhof	1.841
Teesdorf	1.807
Reisenberg	1.723
Seibersdorf	1.499
Tattenforf	1.438
	37.748

Table 4: Kleinregion Ebreichsdorf (Eurostat, 2019)

relations and a high share of outward commuting (for work as well as education). In September 2019, the unemployment rate in the micro-region's district Baden was with 8,3% higher than Lower Austrian average of 6,6 %. According to a statement in the expert interviews, this is less problematic as the labour market is highly dynamic and offers many chances. The long-term unemployment rate of 40% (again over average) contradicts it (AMS Niederösterreich, 2019). Furthermore, the micro-region's municipalities are constantly growing though influx of young Viennese families. The educational backgrounds of the citizens are similar to the ones in the rural case; a quarter have primary education and about two third secondary education. Only the rate of the tertiary educated is significantly higher with 9% (see *Appendix 2*).

The micro-region Kleinregion Ebreichsdorf was found in 2008 as loose working group (ARGE-Arbeitsgemeinschaft) and was later expanded/ professionalized in 2015 after the introduction of NÖ.Regional. In 2012, it started as (and still is) a climate and energy model-region, which means that it aims at producing 100% of its electricity through renewable energy sources.

Those two forms of cooperation appear to go hand in hand. Besides this focus, the micro-region is mainly concerned with an improvement of administrative services and with infrastructural projects, especially transportation and an extension of broadband internet. On its website an improved access to funding schemes was named as additional reason to unite in a micro-region (Kleinregion Ebreichsdorf). In general, the area South of Vienna has no or at best a very limited history of communal cooperation. Looking at a micro-region map from 2005 (Wollansky and Vitovec, 2006), one sees the big white spot underneath Vienna indicating that the Southern sub-urbs did not engage in this kind of collaboration. Also, there is no professional micro-regional management like in the other case; the mayors themselves together with the regional consultant stir all processes. A further indication of low importance towards the micro-region is that it is mentioned only once and rather incidentally on the municipal website of Ebreichsdorf (Gemeinde Ebreichsdorf).

4.2. NÖ.Regional GmbH

The following subchapter will discuss a key organization of Lower Austria's regional development – the NÖ.Regional GmbH. I will describe its development history, goals, budget, structure and power relations based on documents and reports available online on the organization's website (<https://www.noeregional.at>). In this, the objective is to give an integral view and tell the official/public story of the NÖ.Regional's work.

Since the 80s, the Bundesland Lower Austria provides financial and personnel resources for regional development, making it a pioneer in Austria. After some intermedia steps of professionalization (described earlier in the theory and case study chapter) and a three-years-long writing phase, the regional government agreed on a regional development concept in 2004. This basic document was the foundation of a coordinated, strategic approach and set clear objectives for spatial planning. In autumn 2014, a significant implication took place – the founding of NÖ.Regional. The idea was to establish a central organization (One-Stop-Shop) in which all streams of regional development run together. Cost-efficiency, improvement of services and reduction of complexity were named as advantages. In the course of the 2014 reform, regional development policies were united and newly positioned. NÖ.Regional follows the “Regional Development 2.0” approach that puts much attention on local needs, voluntariness, a flat and open hierarchy and good partnership between the levels

(municipality, micro-regions, main-regions, and Bundesland). In order to fulfil the last two points, it pursues a top-down / bottom-up strategy. Regional development in Lower Austria aims at four key fields of action, specified in the current general strategy document (Hauptregionsstrategie 2014-2024):

1. *Value creation*: Policies should have a positive impact on the local economy, a non-trivial endeavor since the Bundesland has very diverse structures.
2. *Environmental situation*: In this context, environmental protection and eco-friendly policies mean fostering renewable energy.
3. *Service provision*: This field of action is very much associated with elderly care - a pressing issue, especially in remote areas.
4. *Cooperation*: Most policies are meant to improve cooperation between municipalities, regions and also across borders.

Moreover, NÖ.Regional lists seven business areas hinting at where they put thematic emphasis: processes of participation, digitalization & stimulation of village centers, demographic development, mobility, EU-cooperation, municipal cooperation, and voluntaries. More detailed topics can be found in the targeted strategy documents for each of the five main-regions (sub-divisions of the Bundesland similar to NUTS 3 level). Those documents orient on the general strategy, which again draws on Austrian and EU guidelines (for a list of most essential and recent documents – see *Appendix 4*). The NÖ.Regional tries to implement policies and foster regional development through counselling, administration, and public relations, all with the aim to increase Lower Austria's attractiveness. Concerning counselling and stimulation of actions, regional consultants (Regionalberater) are the salient link between municipalities/micro-regions and other actors. This fits into the NÖ.Regional's self-proclaimed goal of building bridges - connecting actors that are interested in regional development within and across institutional levels (NÖ.Regional.GmbH, 2019). Furthermore, it supports and coordinates funding from the Bundesland (like Kleinregionsfonds), EU programs and the member

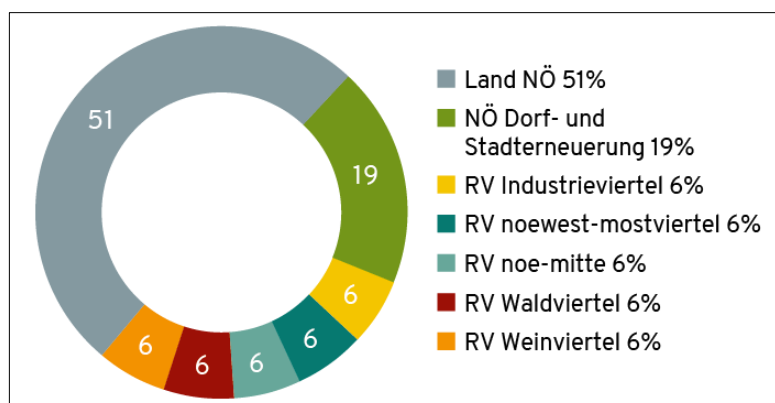


Figure 7: NÖ.Regional shareholder (NÖ.Regional 2019)

municipalities. In 2018, NÖ.Regional's budget consisted of 2.5 Mio Euros for basic operation from the regional government plus another 3.3 Mio Euros for project specific work from the stakeholder organizations, the EU (INTERREG) and other sources. A large share, 3.7 Mio Euros, was spent to pay their almost 75 employees (NÖ.Regional GmbH, 2019a).

NÖ.Regional describes itself as a “Vorfeldorganisation des Landes Niederösterreich” – meaning that it is its own organisation but directly related to the regional government. In the governance structure, it is in charge of one of the key areas, region & development. NÖ.Regional is legally organised as a GmbH (Limited partnership). Its shareholders are the regional government (51%), the union of villages and towns (19%) and the associations of the five main-regions (each 6%) – see *Figure 7*. The union of villages and towns represents local volunteers. Its members are village renewal associations and other local actors. The associations of the main-regions (Regionalverband) represent municipalities and micro-regions, which are again represented in their executive boards. In essence, the NÖ.Regional is stirred by three organs/boards (for a detail organigram see *Appendix 5*):

General assembly: The general assembly consists of one representative from each shareholder.

Supervisory board: The supervisory board consists of an undefined number of representatives of each shareholder, the NÖ.Regionals employees committee, the union of towns, the union of municipalities and the union of municipal representatives.

Advisory board: The advisory board consist only of representatives of the regional government and is meant to coordinate the NÖ.Regional's activities with those of the regional government.

Since the NÖ.Regional doesn't describe how decisions are reached, besides the ever-apparent objective of harmony and mutual recognition, one can estimate power structures from its legal form²⁰. A GmbH (Limited Partnership) is a type of company that limits the liability of all shareholders. It is managed by an executive manager, who is mandatory to report the financial status and annual business developments to all members. Key resolutions/decisions are taken in the general assembly through a simple majority (50% plus one vote) on a democratic basis

²⁰ It is important to mention that the legal information is taken from the general law. Slight variations might occur depending on the details in the partnership agreement.

(§39). The votes are weighted by the share of each member. Minority rights comprise of the possibilities to sue the manager or the GmbH if laws are broken. Additionally, a blocking minority (25% plus one vote) can be formed to stop severe changes in the characteristic of the partnership. It is not possible to enforce or object a decision that doesn't violate the legal contract. The supervisory board is appointed through the general assembly and has to keep the executive manager under surveillance (§30j). It is allowed to see all documents of the GmbH (Nationalrat, 2015).

Looking at all official characteristics of NÖ.Regional discussed in this subchapter, the question arises: What is NÖ.Regional? In a nutshell, it can be seen as a further step of professionalization and also centralization of regional development in Lower Austria. It operates as an organization but has such significant impact on the policy field that its role might be described as institution. NÖ.Regional names counselling and initiation of new cooperative projects as its core competences, all under the grand objective improving Lower Austria's regions. From its legal form it is safe to assume that the regional government has a strong grip on the organization. It holds more than 50% and can therefore overrule all other regional shareholders, whose competences are limited to have insight in business reports and file a lawsuit if a contract is violated. Furthermore, NÖ.Regional receives significant funding from the regional government. The supervisory board consists of representatives of all shareholders, a voluntary circumstance as it is appointed by a majority vote. It seems that NÖ.Regional allows each member to have deep insight, but no real impact in its operational business.

5. Investigating territorial difference: Empirical results

5.1. What do the documents tell us: Regional differences and communalities

As described in the method chapter of this thesis, the strategy documents are analysed using the content-structuring qualitative content analysis with the aim to get a general overview and enrich the information retrieved from the interviews. In a first step, each document was analysed and coded by upper-categories, highlighting four key aspects in the documents: the general content, the production/origin of the paper, the role and depiction of the actors and the function of the document in the system. In a second one, finer codes (Under-categories)

are developed and applied in a second round of coding. Eventually, each document's core information is compactly presented without going into detail on concrete policies, as this would clearly affect reasonable handling. In a final step, all is jointly discussed and compared, keeping in mind that no causal link can be drawn over time.

WaldKern01 – Kleinregionaler Strategieplan 2013-2015 (Micro-regional strategy paper)

In general, the strategy paper is concerned with topics of visibility, leisure, health, social matters and administration, respectively municipal services. The most central objective is to improve the communication between and within municipalities, local businesses, and the regional management, actively including inhabitants and raising awareness of micro-regional programs. Moreover, cooperation should raise efficiency and help the financially-pressured municipalities to save money. The strategy paper proposes policies exclusively within the period 2013-2015, which are supposed to create a joint identity and spark value creation within the micro-region. In some cases, municipal specialization is fostered too but in a broader frame (e.g. a general focus on health and each village sets a priority).

There is no clear identification of the document's origin; however, most likely it has been drawn together by the regional management, which is a key-actor in initiation and implementation of programs. Nevertheless, the micro-region claims to pursue a "bottom-up" approach allowing single municipalities, businesses, and inhabitants to bring in their thoughts and jointly discuss them. Neither the regional government nor any other related office/department was mentioned in the document. The budget for proposed programs comes from the municipal member's contributions and involved economic partners. However, in most cases the sums are below 1.000 € with the exception of joint purchase of machinery or other big equipment that the municipalities share.

WaldKern20 – Kleinregionaler Strategieplan 2016-2020 (Micro-regional strategy paper)

The strategy paper's most central topics are marketing & identity, health & social matters, education, intercommunal cooperation, and regional development (stimulation of village centres). Target groups are women, seniors and people in employment, the latter are supported with the improvement of home working spaces and childcare. 2016-2020 is the planning horizon for all policies – some initiatives are meant to stay longer, but there is no strategy about how that should be achieved. This document's thematic basis derived from the outcomes of multiple public-participation processes, which have been conducted by some

municipalities and by the regional LEADER office. In a next step, the topics have been discussed with local politicians and a regional strengths/weakness-analysis has been incorporated. The micro-regional manager drafted the document and it was subject to a vote in the general assembly (consisting of municipal representatives). It is stated that the strategy paper is not a workplan but should give a joint focus to micro-regional work and direct the attention of municipal cooperation to certain topics. Municipalities are described as own units, which are interlinked in different supportive schemes like learning region, LEADER, or marketing regions (often connected to nature, health or food). The regional government or any related organization was not mentioned – particularly interesting as NÖ.Regional was already founded one and a half years before the strategy paper was officially approved. The micro-region's budget consists of 20.000 € annually collected from member fees (municipalities) plus 100.000 € from different project specific (promotion) funds. Third party funding is especially relevant as the municipalities are said to be in a tight financial corset.

WaldKern17 – Hauptregionsstrategie Waldviertel 2024 (Main-regional strategy)

The strategy's central fields of action are (the same as the one's of NÖ.Regional) value creation, environmental situation, service provision and cooperation. Concrete objectives derive from them and are handled as proxies for success. However, no specific policies and programs are named – they are subject of several years' working programs who area based on the strategy document. All output should serve the greater good of Lower Austria's regions meaning ultimately its economy, municipalities, and inhabitants. Also, an improved use of resources, spatial planning and technical infrastructure have an indirect effect on the target groups' businesses and population. Communication and cooperation between all levels (municipal, regional, national, and international) and actors (civil, local, business and governmental) is depicted essential to achieve the objectives. In addition, the idea of vertical coordination between all layers is incorporated in the strategy and shown through a large number (24) of supportive quotes from regional key actors. However, it is written by the NÖ.Regional in collaboration with the regional government's spatial planning office in course of the new EU funding period 2014-2020 and the founding of NÖ.Regional, around which the strategy is built. The general assembly approved it in the first half of 2015²¹. In/through this document, NÖ.Regional claims to be seen as most central actors for municipalities, micro-

²¹ This information has been taken from the document *WaldKern19*.

regions and the regional government. Besides, there is the possibility to change goals and objectives allowing certain flexibility in the strategic approach. The progress in regional development is evaluated frequently, according to the agreed objectives. Budget and funding were not discussed in the paper and might be subject to the working programs that are based on it.

WaldKern19 – Fortschrittsbericht 2015-2016 Hauptregionsstrategie (Progress report)

This progress report gives an overview of the situation of regional development in the year 2015 and 2016, according to the objectives specified in the main-regional strategy document introduced above. The document has been written by the head of the NÖ.Regional's section main-region Waldviertel using a social reporting standard method²². In the first half, the regional strategic approach is illustrated again in all details. Next, all initiatives and programs are described and listed according to the fields of action previously mentioned: Economy (Especially agriculture/forestry, tourism, and industry), renewable energy, mobility and demographics. The focus was lying on the services provided and the effects achieved. Moreover, NÖ.Regional's core field of action is described as networking and connecting of actors. Therefore, three regional networks have been established and assessed in the frame of village and town renewal: Spatial development – Inner before outer (revitalize centres), social life and identity.

Regional development in Lower Austria has been restructured in 2014. Two organizations, the association for village and town renewal and the regional management Lower Austria, have been merged to NÖ.Regional. In course of this, a "one face to the customer" policy has been followed and permanent regional consultants (Regionalberater) for micro-regions were established²³, who cover all matters of regional development. They should work at least 5 to 10 hours a week for each micro-region in their area of responsibility. For the time period 2015-2016, regional consultants were mainly involved in preparing regional/local strategy papers and in supporting the planning of broadband internet connections. Furthermore, the target group (presumably micro-regions, municipalities, and active citizens) has been well informed in multiple events about the structural changes occurring through the implementation of NÖ.Regional. The progress report describes the two-years long start-phase after the

²² www.social-reporting-standard.de (assessed on 28 November 2019)

²³ Regional consultants were there before but had overlapping competences and were only officiated for certain topics.

restructuring as time of learning and making experiences indicating the experimental character of the process. On average, about 1,4 Mio Euros for around 140 regional development programs in the main-region Waldviertel have either been paid out or approved each year (2015, 2016).

Ebreich12 – Kleinregion Konzept 2011 (Micro-regional frame-concept)

The paper is a framework agreement including a spatial evaluation for the micro-region, which at that time had only five-member municipalities (Ebreichsdorf, Mitterndorf, Reisenberg, Seibersdorf and Pottendorf). It should be used for 10 to 15 years. Economy and spatial planning were the main issues targeted in the document. Related sub-ordinate topics were tourism, natural space, and mobility (infrastructure). The main objectives were to professionally evaluate the whole region, find commonly agreed criteria and coordinate spatial development. With this technical assessment, quarrels, and competition between municipalities for the location of new plants should be solved. The quality of the locations was determined and zones (also across municipal borders) were established, saying if an area should be used for business activity, housing, infrastructure or left as natural space. All of this aims at an improved and coordinated effort to make best use of the micro-region's potentials. Concrete projects were only discussed in the sector mobility – here especially new plans for train tracks and streets.

Different spatial planning offices have been commissioned to conduct the evaluation and draft the frame-concept, which was approved by the members' municipal councils. Technical data as well as interviews with each mayor were the basis. The regional management Lower Austria and the regional government's spatial planning department supported the process, although it is not stated how. Furthermore, in the development of the document, municipal representatives, and the micro-region itself were involved through multiple workshops, discussion rounds and surveys. Concerning financing of projects, it was mentioned that public funding might be used to co-finance big regional ones. Moreover, in the frame-concept a strategy was included to attract investment of business actors actively and passively.

Ebreich13 - Kleinregion KEM Strategie Ebreichsdorf 2016-2020 (Micro-regional strategy)

With the strategy for the period 2016 to 2020 a foundation was laid for the newly expended micro-region Ebreichsdorf. Its objectives and orientations were based in the previously presented frame-concept. Furthermore, the strategy was adopted to or rather harmonized

with the main-region strategy and the climate and energy model-region (KEM)²⁴ strategy. The driving force in constructing and drafting the document was the regional consultant (employed by NÖ.Regional – which is named three times in the title page). Albeit, the member municipalities were actively involved in the creation phase during their monthly micro-regional meetings – on their own wish.

Core topics in the strategy were mobility infrastructure and environmental protection especially renewable energy systems. Moreover, value creation, service provision, technical infrastructure and spatial planning were discussed, highlighting the potential of communal cooperation. Improvements in those fields should increase efficiency, build regional organizational structures, raise the citizens' quality of life, make better use of funding schemes and promote the micro-region itself. In order to implement all of these goals, the strategy paper provides a detailed timetable and a finance plan, which is not available publicly. In the last third of the document, specific policy interventions are presented, laying out planned impacts, inputs, outputs, external conditions, and indicators of success with target values. In the document, three target groups are mentioned: municipal, regional, and supra-regional inhabitants.

Ebreich01 – Hauptregionsstrategie Industrieviertel 2024 (Main-regional strategy)

The main-regional strategy of the Industrieviertel is in its structure and focus very similar to the one of Waldviertel. As their contextual frame differs on many levels, the proposed interventions and highlights are different or rather differently presented. Consequentially, there is a substantial overlap except in terms of programmatic content.

The main-region is presented as a heterogeneous area with thriving sub-urbans, science & technology industry, and remote natural spaces. Central fields of action are environment, value creation, service provision and cooperation. Concrete objectives derive from them and are handled as proxies for success. However, no specific policies and programs are named – they are subject of several years' working programs, which are based on the strategy document. Issues of spatial planning, economic support, and environment (preservation of nature and renewable energy) have obviously been given more attention than provision of services, indicating that those topics are more relevant in the region. There is an interesting

²⁴ Climate and energy model-region is a project scheme of the Lower Austrian government to foster sustainable energy.

formulation of the targeted characteristic of development policies – they should be “grandchildren-suitable” meaning sustainable in the future. Each form of output should serve the greater good of Lower Austria’s regions, meaning ultimately its economy, municipalities, and inhabitants. Also, an improved use of resources, spatial planning and technical infrastructure are presented as having an indirect effect on the target groups’ businesses and population. Communication and cooperation between all levels (municipal, regional, national, and international) and actors (civil, local, business and governmental) is depicted as essential to achieve the objectives. In addition, the idea of vertical coordination between all layers is incorporated in the strategy and shown through a large number of supportive quotes from regional key actors (in total 22). However, it is written by the NÖ.Regional in collaboration with the regional government’s spatial planning office in course of the new EU funding period 2014-2020 and the founding of NÖ.Regional around which the strategy is built. The general assembly approved the document unanimously. Through this document, NÖ.Regional claims to be seen as the most central actor for municipalities, micro-regions and the regional government. Besides, there is the possibility to change goals and objectives, allowing certain flexibility in the strategic approach. The progress in regional development is evaluated frequently according to the agreed objectives. Budget and funding were not discussed in the paper and might be subject to the working programs that are based on it.

Ebreich19 – Fortschrittsbericht 2015-2016 Hauptregionsstrategie 2024 (Progress report)

Like the main-regional strategy the progress reports have many overlaps in the structure and the way they have been produced. Clear differences are foremost detectable concerning programs and policies, which are linked to regional specificities.

This progress report gives an overview of the situation of regional development for the period January 2015 to December 2016 according to the objectives specified in the main-regional strategy document introduced above. The document has been written by the head of the NÖ.Regional’s section main-region Industrieviertel and a regional consultant using a social reporting standard method – the same as for the Waldviertel. In the first half, the regional strategic approach is illustrated again in all details. Next, all initiatives and fields of action are described and listed according to the working program: technical infrastructure (broadband

internet), municipal cooperation, need-based mobility chains (especially the last mile²⁵), village centre revitalization, cross-border cooperation and early-child care. The focus was lying on the services provided and the effects achieved. Moreover, NÖ.Regional's core field of action is described as networking and connecting of actors. Therefore, three regional networks have been established and assessed in the frame of village and town renewal: Spatial development – Inner before outer (revitalize centres), social life and identity.

Regional development in Lower Austria has been restructured in 2014. Two organizations, the association for village and town renewal and the regional management Lower Austria, have been merged to NÖ.Regional as already mentioned in the previous chapter. In course of this, a “one face to the customer” policy has been followed and permanent regional consultants (Regionalberater) for micro-regions were established, who cover all matters of regional development. They should work at least 5 to 10 hours a week for each micro-region in their area of responsibility. For the time period 2015-2016, regional consultants were mainly involved in preparing regional/local strategy papers and in supporting the planning of broadband internet connections. Furthermore, the target group (presumably micro-regions, municipalities, and active citizens) has been well informed in multiple events about the structural changes occurring through the implementation of NÖ.Regional. The progress report describes the two-years long start-phase after the restructuring, as time of learning and making experience indicate the experimental character of the process. On average, about 2,9 Mio Euros for around 170 regional development programs in the main-region Industrieviertel have either been paid out or approved each year (2015, 2016).

Comparison

The analysed documents reveal many similarities as well as differences. Especially in the micro-regional strategies, diverging contextual conditions appear to be the reason for their distinct approaches – although all analysed documents vary in time and space, their general thematic orientation is stable and focused on different forms of cooperation, value creation, economics, spatial planning development and improvement of the region.

The rural micro-region Waldviertler Kernland has its own regional management office and a small budget providing it with a certain degree of independence. Altogether, the structure

²⁵ “The last mile” means the last, short route to the place of residence from e.g. the train station, which cannot be covered permanently through public transport due to efficiency.

appears formally binding and rather detached from higher governmental level, evident in the fact that neither NÖ.Regional nor any other regional governmental organization was mentioned in the documents. Contrary in the sub-urban case, there is no own micro-regional management making it less capable of acting independently. The first strategy was commissioned to a private planning office by the municipalities, the second was done solely by the regional consultant of NÖ.Regional, who seems to take a key role in the micro-region. Generally, the style of cooperation is rather loose and covers foremost topics of spatial planning, including mobility infrastructure and resource & energy efficiency. Issues of social provision like care work and basic services are not mentioned at all. Less surprising, the policy focus in both cases lies on local issue areas – demographics in the rural region (limited population) and spatial use in the sub-urbs (limited space). Especially the latter is interesting as spatial planning is less relevant in the paramount strategies (besides village revitalization), but highly relevant for the municipalities in the Kleinregion Ebreichsdorf.

The main-regional strategies and the process reports show a tremendous degree of overlaps in their structure and the way they are produced. Contextual particularities are incorporated and adopted to the general agenda. Some sections (e.g. approximately about a third of the progress reports) are copied, indicating that there are either templates or other forms of centralized guidelines. Similar overlaps can be found in the policy approach, or in other words, the set of support activities. Therefore, it is safe to speak of a pre-developed “Model NÖ.Regional”, which is applied all across Lower Austria as common regional development scheme.

For all documents, the process of creation has similar characteristics. There is one driving actor in charge of setting the agenda, writing, and organizing the stakeholders, who are involved through working groups, open discussion rounds or other methods like interviews. Additionally, all documents are officially approved through a board or group of shareholders. In some cases, the local population is involved too. However, in all these forms of participation the real scale of impact is not defined more closely.

As already mentioned in the method section of this thesis, it is not possible to identify causal links along time and with that see the influence of NÖ.Regional. However, even if, it would be challenging to spot differences. In fact, the targeted topics appear stable, indicating that regional needs weigh more in setting development policies. A further limitation is, that the

conducted analysis is not able to show the discourse and its underlying power structure, which might have allowed to see how the topics of regional development are determined.

5.2. What do the interviews tell us: Freedom on a leash

In this section, condensed results of the interview analysis are presented. As reviewed in the method chapter, the interviews are analysed using an explicative qualitative content analysis, which aims at structuring manifest content and enriching it with contextual information. In a first step, (as I was already familiar with the material) each interview was coded by Upper-categories to highlight relevant sections. To be more efficient in handling the extensive corpus of material, promising parts were identified by looking at the structure set through the interview guidelines. Next, under-categories (finer codes – see a list in *Appendix 6*) were developed and applied in a second round of coding; a process that was repeated until theoretical saturation²⁶ was reached. Eventually, structured²⁷ results of the analysis are narratively summarised, enhanced with contextual information and supported through quotes. Words in bold at the beginning of some paragraphs are meant to improve the orientation in the dense sub-sections. In conclusion, main-outcomes were comparatively discussed and summarised. A detailed discussion and a theoretical integration of the results can be found in the next chapter.

Micro-region

This section provides an overview of both cases' micro-regional organization including their actors and history, positive and negative depiction of micro-regions and the relation of micro-regions and the regional government's offices including NÖ.Regional. The aim is to gain a deeper understanding, one that is closer to everyday life of involved actors.

In the sub-urban micro-region Ebreichsdorf, regional development is rather slow, and most stakeholders stay passive. Few political key actors struggle to keep policies alive and implement a tradition of cooperation. NÖ.Regional's structures and their previously described model are therefore a welcomed means of support. Four times a year there is a meeting in

²⁶ No further knowledge can be gained through additional analysis.

²⁷ The structure is based on the final codes.

the local NÖ.Regional office of the main-region. Regional governmental or as interviewees usually call it, 'Landes' representatives come together with representatives of all micro-regions (mostly mayors and vice-mayors), who present their projects and lobby for support. Micro-regional meetings are organized on a monthly base by Ebreichsdorf's mayor (head of the micro-region) but primarily by the local NÖ.Regional consultant, who many interviewees describe as highly appreciated key actor in all matters of micro-regional work. Topics for the meetings are predetermined by the organizers. A similar system with an external consultant is pursued in the mobility program and climate & energy model scheme, although for the latter the municipalities were able to choose one on their own. Both consultants often participate in micro-regional meetings as there are many overlapping topics, which are more efficiently coordinated together. Nonetheless, the NÖ.Regional consultant appears to be most important. Looking at the current micro-regional strategy, the consultant is named as single author and refers multiple times to the organizational origin, indicating the strong influence of NÖ.Regional in that region.

A great variety of local, regional, and national actors (politicians, bureaucrats, academics, politicians, citizens, and planning experts – who are payed with micro-regional budget) is involved in development policies and projects from the early formulation phase to the funding. These cooperative processes have tradition in the sub-urban case and make every actor feel included. However, it is challenging to bring together all the different interests as each e.g. mayor wants to give something to his/her citizens to get re-elected. Imbalance and an unsatisfying hierarchy in the degree of involvement has not been reported. As evident in the document analysis, mobility is a crucial topic in the sub-urban case. The micro-region actively lobbies to influence public transport networks in their favour.

"[...] in the micro-region common sense rules and of course everyone gets involved in his own way. Each mayor wants to show something to his citizens because he wants to be re-elected."
(AS11, para. 167 #00:55:10#)

Historically, Ebreichsdorf never had much regional development networks, only a loose working group. There were some cooperations on communal and climate related issues, but most died after a while. Furthermore, town and village renewal has been pursued with the help of a consultant, who after the merging became the NÖ.Regional consultant in the region. A move described as very positive and smooth. The consultant in collaboration with a local political

actor revived regional development and founded the micro-region as an association, a suggestion of NÖ.Regional so that the efforts have a more serious frame. Ebreichsdorf was rather hesitant compared to other areas in the main-region.

An advantage of micro-regional collaboration is the easier access to funding and a stronger voice in negotiations with different organizations according to the interviewees. Overall, the work of the micro-region is described as positive and improving especially in the sectors infrastructure and mobility. Key actors like Ebreichsdorf's mayor or the NÖ.Regional consultant are seen as skilled and pragmatic leading figures. Some interviewees criticize the fragmented approach currently present, which tries to find solutions for single municipalities and not the whole region. They argue that a professional regional manager would help to find together and show more political commitment. The document analysis paints the same picture; strong influence of the NÖ.Regional and a rather technical handling of superficial issues with low conflict potential like jointly organising basic infrastructure (e.g. a joint bicycle route map for the micro-region).

“There I need solutions, not just decisions for one place, but it should be solved in the region. And that is currently not done.” (BS04, para. 681 #01:47:38#)

According to some interviewed mayors **in the rural case**, micro-regional stakeholders tend to follow two different approaches on regional development policies: the sustainable and the pragmatic one. Actors pursuing the sustainable approach argue for long-term programs and turn down funding schemes, which would only cover a couple of years, if they have no plan how to keep those initiatives alive. Pragmatic ones would rather bring all possible funding into the region and at a later stage figure out how to maintain projects. Besides those approaches, there is a general preference towards funding schemes with a bottom-up logic, which fits the independent character of stakeholders in the Waldviertler Kernland. The engine of regional development are single key actors, who become multipliers through the network they built within the region over many years. This is true for the sub-urban region as well, but even more for the rural one since it feeds into the history and social characteristic of the Kernland (close private networks). Also contradictory to Ebreichsdorf, NÖ.Regional consultants play only a minor part in the rural case. A very important key actor on the other hand is the micro-regional manager of many years' standing, who bears local knowledge, sparks ideas, helps with the implementation and sets the general agenda according to current trends, which consequently

means the best areas of funding with down to 10% of own capital²⁸. In addition, the document analysis as well as the interviews show that the micro-regional strategies are written by the regional manager. The municipalities are involved too through informal networks, working groups and the general assembly. Furthermore, they can decide independently if they want to participate in a program, although some interviewees report certain kinds of peer pressure. Local politicians assess their citizens' needs predominantly informally by interacting in their communities; only from time to time there are also participative initiatives taking place. Mostly, the micro-regional work is all about communal cooperation, but according to one interviewee the Kernland municipalities take this even further, which is seen critical by the 'Land'.

"We put it on a whole new level [...]. A little more even. It simply developed and we are definitely reaching in other areas too. Something the regional government not always sees with pleasure." (CL01, para. 167 #00:27:38#)

The Waldviertler Kernland has a long history of regional development and has always had the role of a pioneer in Austria. A local business owner and politician – Adi Kastner – started in the early 80s to develop the Waldviertel, bring regional self-esteem back and counteract the trend of economic decline and out-migration. He became a key actor and influenced a whole generation of regional developers (sometimes called the Kastner disciples). Even after his death in 2011, Adi Kastner is still present in the mind of many local actors, taking characteristics of some kind of worship (e.g. commemorative website - <http://www.adikastner.at/>). According to an interviewee: *"The regional governor and Adi Kastner had at some point a power struggle. [...] once Adi Kastner left his official functions, all his initiatives were extinguished."* (CL02, para. 17, #00:03:12#) This destroyed much of the former dynamic and independence and was even intensified by the centralization of development policies under regional governmental lead. In addition, increasing bureaucratic hurdles are said to be hostile for regional development initiatives as they cause delay and add complexity. The implementation of the micro-regional model was rather swift, although parish-pump politics were still strong at that time, questioning the usefulness of cooperation. Less surprising, the first five to six years of the Kleinregion were calm. Back then, a professional micro-regional management was already established but had only few resources (one person

²⁸ Most funding programs demand a certain amount of own capital, which is usually paid by the municipalities.

with a 20h contract). Some years later, the municipalities put more money into the management, which increased the dynamic substantially and with that the external funding.

“Well, we were structured differently, we have an employee for half a day and that was in fact both the regional manager and secretary and now we have three secretaries and also a manager. Of course she knows everything way better, [...] but that costs more money.” (AL08, para.606 #01:11:35#)

Similar to the sub-urban case, the micro-region's ability to attract funding is appreciated as well as the regional management's and mayors' work in regional development. Concerning the actors, interviewees underline the importance of personal contact, a long history and deep local knowledge, which could never be reached by an outsider including NÖ.Regional consultants who only have a limited number of hours for each one of their micro-regions. A strong suit of the entire rural region are the people and the sense of community that connects them; something maintained through good, continuous communication. Contradictory, one interviewee regrets the low level of solidarity within the Kernland whereas another praises that it is good and constantly increasing. An actor criticized the thinking of some regional developers in the rural case as chauvinistic and outdated, saying that they encapsulate themselves, whereas they should rather try to cooperate, fit the common regional strategy and develop technically founded, targeted sub-concepts for their area – in other words, bow completely to NÖ.Regional. A further point of critique is the pragmatic approach pursued by the regional management office. An interviewee stated that all funding schemes are targeted to cover own expenses (overheads) no matter if the projects are sustainable or even useful for the region. Moreover, agricultural thinking is strongly over-represented in some political debates losing touch to the majority of the dwellers, who are not employed in that sector. Centralization of population and competences to regional centres are named as challenge too. One interviewee doubts how realistic some development ideas are, saying that one has to keep in mind the financial backup.

In general, regional development strategy processes in Lower Austria are believed to have much impact on the regions but only a short lifespan. They are connected to different funding schemes with more and less direct involvement of governmental offices. Distinctions are made according to technical criteria or in other words, if the public officials think it is necessary to have more guidance to successfully implement a program, then it will be a requirement in

the funding guidelines. For example, in all of Lower Austria to get access to funding for town and village renewal, a micro-region needs a strategy (basic principle guideline), which has to be accepted by the municipal councils. This underlines the legal, structural frame of municipalities, who are in fact sovereign entities and therefore are forced to act independently by themselves. After all, participating in regional development cooperation and funding schemes is voluntary. One key actor stated that the voluntariness of micro-regional collaboration is problematic as it is less formal and with that less forcing. In addition, communal cooperation has only few rules and follows the objective of increasing efficiency.

The distribution of funding follows technical guidelines and is evenly disseminated among the regions. No interviewee complained about fairness and accessibility of funding schemes, but about increasing bureaucratic requirements. Moreover, actors from different regions and with different backgrounds underline that party-political orientation doesn't play a role in funding or quality of support. Only the size of municipalities seems to make a difference as smaller one's report on being disadvantaged to bigger ones within a micro-region²⁹. The locations of joint, communal building projects are often set to the benefit of regional centres, leaving the impression for some player to be discriminated. It is arguable if technical reasons are behind it or clever use of power and networks.

"Always the strong municipalities pick out the good things from the weaker ones." (AL08, para. 67 #00:14:31#)

The relation between micro-regions and 'Landes' (regional government) offices is based on communication that is rather informal and framed through unspoken rules of good interaction. In the different case regions, NÖ.Regional and municipalities interact in a particular way, although their approach or rather set of service is the same. Consultants are a voice of the 'Land' in the region. They explicitly don't force municipalities and local politicians to go in a certain direction, but they 'recommend' to follow the general trend set by the Lower Austrian government, respectively its departments. Those soft formulations like 'recommendation', 'wish' or 'acknowledgment [not acceptance] of a document' refer directly to the independent character of micro-regions. The regional government cannot force them openly as all collaboration is voluntary; however not following the rules implicitly means consequences in the application process for funding. Micro-regional strategies have to fit to

²⁹ Wirth and Biwald (2006) describe exactly this relation.

the main-regional strategy, something that is scrutinised by the funding departments. Only when it is accepted, the micro-region can apply for funding. Here, the 'Landes' departments as well as the NÖ.Regional consultant help too, which can be seen both ways as support or as opportunity for interference. In some cases, those attempts lead to critical discussion among local actors. Moreover, the funding schemes have a disciplinary function on micro-regions as they are forced to collaborate in a good way to receive money. Another mechanism of control are fixed, frequent evaluations on every level of NÖ.Regional, including semi-compulsory evaluative talks with micro-regional managers/leaders conducted by the regional consultants.

"Well, [projects in] key areas are of course funded a little bit better, or a little bit quicker, or somehow they are favoured. That is just logical." (AS07, para. 101 #00:46:22#)

In the sub-urban case, the relation to NÖ.Regional consultants is throughout positive. The position is seen as valuable key actor and important for the micro-region. In the rural case, the NÖ.Regional consultant is way less involved in the micro-region. She is present at meetings and giving expert input but is hardly active beyond, something that has nothing to do with the person herself but with the function. After all, the Kernland is stirred by the regional management, which makes the position of the consultant in many cases obsolete. In addition, the NÖ.Regional's approach of using innovative methods to find out regional needs is seen critical as local actors claim to know that already. The NÖ.Regional is aware of the regional particularities and connected to that their varying roles – in the sub-urban case managers and in the rural case providers of information.

Some actors in the rural region have a critical stance towards NÖ.Regional, saying that it took the independence of the region and that its implementation was another step of centralization. In addition, there is a trend of bureaucratization or as an interviewee named it "golden plating", which increases the costs of administrative work for municipalities and simultaneously takes away competences. Objectives and guidelines are set in a top-down manner and don't really fit to the regional context. Often, the Land doesn't tolerate stepping out of the given program areas as they want to maintain control; something that the rural micro-region bids up to strength according to an interviewee. However, conflicts are only minor as the regional government is clearly the stronger actor. Overall, none of the case regions feel disadvantaged to other regions in excess to funding and degree of influence. The

document analysis suggests the same relation between micro-region and NÖ.Regional as described above.

“[...] the administration tries to take over major parts of the competences. According to their good will, because they think they know what’s best. And it is not always the good will, it is normal human behaviour. The bureaucrats want to have more people beneath them to get a higher position in the hierarchy.” (CL01, para. 550, #01:15:00#)

Nö.Regional

This subsection provides a close overview of NÖ.Regional’s organisations, its actors, history, and positive and negative depiction. The focus is lying less on hard facts that are already mentioned in the case descriptions but more on additional information and individual impressions of interviewees that arose during in their daily interactions in the micro-regions. Actor that stand in close relation to NÖ.Regional do not tend to be critical about its role and paint an overwhelmingly positive picture.

The NÖ.Regional and the main-regions are legally backed by the ‘Raumordnungsgesetz’ - spatial planning act – which lays down definitions and the organization’s funding. As already made clear in the case description, the regional government has much control over NÖ.Regional. Interestingly, some interviewees described the 51% majority rather positive as *“a strong sign of commitment for regional development”* (KR05, para. 116, #01:03:50#)). Less surprising, those interviewees had a close connection to the regional government. In general, NÖ.Regional is undoubtedly shaped by its relation to the Bundesland’s regional government or just the ‘Land’ as all interviewees commonly call it. At first, the collaboration appears to be neutral and rather technical. However, since the majority of the NÖ.Regional GmbH is owned by the ‘Land’, regional departments see themselves in the position to demand certain tasks like promoting their initiatives – something that was seldomly said explicitly. As funding institutions, the ‘Landes’ departments scrutinize ongoing regional development projects and can withhold money as sanction. According to some interviewees the NÖ.Regional is free in its daily operative tasks but needs the approval of the board to engage in more elaborate actions; especially if additional finances are required. Depending on the topic, convincing, or in other words lobbying, is crucial to get the support needed. Apparently, the hierarchy within

NÖ.Regional is rather flat, and all employees can bring in their ideas; something that is especially important as local staff members know (or are believed to know) their regions best.

Meetings between different levels of actors are institutionalized, ensuring a frequent exchange and the bottom-up/top-down approach. For example, the main-regional meeting includes micro-regional representatives, politicians (Bundesland-level) and other interest groups like social partners. Annually or twice a year, there is a meeting between all consultants and some representatives of the regional development department. Here, the idea behind it is to have local information and feedback that finds its way into 'Landes' departments and ultimately funding agendas. Besides, main-regions hold general assemblies with 100-120 members who are entitled to vote and ones who are not. The invited actors have a governmental, semi-governmental and private background; a characteristic that shows the attempt to involve a broad set of opinions typical for the corporatist political culture. NÖ.Regional itself holds an internal meeting four times a year, where all employees gather, exchange the latest information, ask for help and build synergies. Lastly, there are assemblies within micro-regions, which are often led by consultants. For those meetings there are prefabricated agenda building blocks, which are supposed to be adopted to regional requirements – another sign of a pre-developed "Model NÖ.Regional" that was also evident in the document analysis.

Strategies are drafted in a similar integrative and discursive process with much involvement of local stakeholders and regional government departments. Harmonization and adjustment of approaches on different levels are the objective behind the close collaboration – or as an interviewee named it 'interplay'. The emphasis on harmony and balance of interests is mentioned in the documents too. However, in many cases the direction of adjustments is top-down starting from EU- guidelines and national agreements. Likewise, discussion in various meetings means governmental experts explain local stakeholders why their own approach is superior.

*"And this is a guided process, where all stakeholders are involved, where all topic areas are deal with, where basics are analytically **taught**, discussed fully, well a very normal guideline development process."* (KR02, para. 23 #00:08:40#)

Crucial key actors in regional development are NÖ.Regional consultants that work in the regions but are payed and steered by NÖ.Regional respectively the 'Land'. They support in all

matters of regional development and represent the regional government in the localities. Further, they consult, organize, plan, negotiate, help with the implementation, and keep processes alive, that would otherwise scatter. Consultants have a good overview of all actors and their interests in a broader region, which enables them to foster development policies by establishing connection between the right people. A crucial element of their work is citizen participation, especially the assessment of local needs. As participative initiatives are not always easy to put into practice, they mostly work with mayors, who are believed to have a good overview about the needs of their small communes on the one hand and on the other hand, to be a solid nucleus for regional development. In the rural micro-region, beside mayors, the regional manager is an important contact person. Moreover, the consultants help with accessing funding although NÖ.Regional itself doesn't pay it out. For the regional governmental departments like the regional planning office, which develops funding schemes (with the involvement of NÖ.Regional staff), they are important distributors of information. Consultants are also breaking down complexly formulated regulations and requirements, so that local stakeholders (layman) understand it. In other words, they are linking local and regional actors, which sometimes includes mediating between the two and finding a compromise. Similar translation work is done for EU funding programs. Additionally, consultants have to spark or rather stimulate efforts in regional development. An interviewee explains that it is important to have a good sensitivity and establish informal connections to local actors. Only then you have their trust to convince them to sign binding agreements that create a certain kind of liability and as a result, sustainable, long-term endeavours. Underneath lies the assumption that free regional development programs have a tendency to disperse. Some interviewees explained this trend, saying that the burden of service provision puts much pressure on mayors and communal staff. Often there is no time or energy to pursue regional development policies.

"[...] if there is trust, I think you should have a meeting where you oblige the single municipalities to do something, urge them to sign, because otherwise if there is nothing concrete everything will go on the same [...]" (AS05, para. 87, #00:27:10#)

Historically, regional development was first loosely organized and counselling staff was employed with a vague contract of work with few rights (Werkvertrag). At that time, most competences lay with the municipalities themselves. To formalize it and include all local actors, associations were founded like the town and village renewal. Later, regional

government politicians made the decision to professionalize and institutionalize regional development further and merged everything to a limited partnership organization – NÖ.Regional. It was also supposed to limit the voluntariness of regional development policy and make actors' involvement more obligatory. Another important issue was the 51% majority of the 'Land', which gave the regional government sway over the other stakeholders; mainly the municipalities and its representatives. Before, collaboration went on without problems, however, there was always the risk that the municipal unions (representative organizations) might block governmental decisions. All organizational/institutional changes were accompanied by incorporative strategy processes, something that is evident throughout the interviews and documents. Moreover, an interviewee argued that NÖ.Regional was found for practical reason to use synergies, simplify processes, counteract the uncontrolled growth of organizations, and save money. Especially through the merging of village renewal and micro-regional counselling, about 20% of cost are estimated to have been saved; mostly through laying off staff and respectively not filling vacancies. At that time, many staff members and functionaries feared for their position, which created tensions. Also, some municipal representatives questioned the centralization. In the practical local work of consultants not much changed through the merging. However, budgetary constraints and legal obligations increased; something that is said to be connected to the new type of business form. Now, the objectives are more oriented on output fostering a technical rather than an emotional approach³⁰. Merging 'Landes' organizations to save costs and use synergies like NÖ.Regional is not a unique case. A similar development recently took place in the labour market sector. Interestingly, it was as well accompanied by a change of legal status (limited partnership), which might indicate a further centralization.

„Well, this emotionality that was maybe there at the very beginning originating from this community behaviour, disappeared a little. For that professionalism increased.“ (KR02, para.47 #00:21:42#)

An advantage of the NÖ.Regional respectively the whole system of regional development policies in Lower Austria is that it is designed in a homogenous way. This, on the other hand, creates for many interviewees the impression of NÖ.Regional not as an independent but a politically-influenced organization of the 'Land' (regional government). Therefore, they often

³⁰ An emotional approach on regional development refers to previous small-scale, less coordinated and local community initiatives that were created out of passion for the own region.

don't distinguish between them. In the sub-urban case, the consultant is (as already made clear) an important driving force in the region but also mediating between municipalities and taking action if necessary – he appears to have some kind of regulative power, which has a positive impact on overall output. As already outlined in the micro-region section of this chapter, local interviewees see the consultants in the rural case as obsolete, since they have an own professional regional management office. The situation is not conflictual, it is more like silent acceptance. The consultant is present at the meetings and brings in the 'Landes' perspective but doesn't get involved too much.

"The consultant is not so involved in recent years, because there is an own regional manager in the Waldviertler Kernland." (AL01, para. 87 #00:21:07#)

In the suburban case, interviewees speak of a good collaboration with NÖ.Regional and the benefit of a rather general main-regional strategy, which allows micro-regions to set individual points of focus. An interviewee in the rural case points out the opposite, saying that the generalization of programs kills creativity and small-scale initiatives. Another point of critique is that the development strategies are too ponderous, in a sense that they don't easily adopt to the constantly changing context. In other words, some locals perceive NÖ.Regional's prefabricated programs as not flexible enough for their needs. This stands in opposition to the feedback structure and short-term working programs that are adjusted to the current situation, which is described in frequently written local reports.

„Well regional development needs innovation, needs enthusiasm, an administrative level doesn't always feel enthusiastic." (KR02, para.59 #00:24:47#)

According to NÖ.Regional employees, a strong suite of Lower Austria's regional development policy is the high degree of citizen involvement and the accompanying of projects from creation to implementation. Further, top-down strategies and thematic focuses are seen as important guidelines for the mayor, who might otherwise feel left alone and maybe not even approach certain topics.

Regional governance

The following paragraphs will discuss aspects of regional governance. Firstly, I will draw attention to relevant organizations beside the ones already described. Secondly, I will explain regional particularities that stand in close connection to aspects of governance in the micro-regional cases. Some of the arguments have been mentioned before but are presented here in more detail.

In general, organizations with the 'Land' (regional government) as a shareholder are usually organized as limited partnerships (e.g. VOR, NÖWOG, SUM³¹). Therefore, the characteristics of NÖ.Regional fit to the common structures found in Lower Austria. This trend of centralization is described as a political decision and might therefore as well change in the opposite direction after the legislative period. Some of the rural interviewees criticize that development, saying centralization creates gigantic organizations, which are mainly concerned with bureaucracy and hardly operative action. On the contrary, there is a trend or, more precisely, endeavour of decentralization in Lower Austria concerning the location of departments. This is an interesting dynamic; the political power should be centralized in the regional government, which again should be spatially decentralized. Moreover, the provision of services is highly regionalized evident, for example, in NÖ.Regional's local branch offices and consultants directly in the micro-regions. Besides 'Landes' organizations, an important player that is often mentioned during the interviews is the LEADER program. Especially local authorities emphasize the good relation, saying that it is a valuable alternative source of funding. In particular in the Kernland, cooperation between the micro and LEADER region is frequent and stimulates the development of new projects. When the LEADER regions were established, the 'Landes' departments and the associations of the main-regions were involved and supported the process. There is still a close collaboration and they all meet regularly for Jour-fixes with NÖ.Regional, the micro-regions and other relevant stakeholders. Yet, the future might bear conflict as the focus of LEADER is shifting from agricultural and rural topics to social ones like elderly care, which overlaps with the thematic sectors of NÖ.Regional. In both micro-regions, private regional development offices were highly involved in writing the first strategy papers. After the professionalization however, their part was taken over by

³¹ VOR – Traffic Alliance East, NÖWOG – Lower Austrian Traffic organization, SUM – Urban surrounding management

regional managers, respectively NÖ.Regional consultants. This development is also evident in the document analysis.

“[...] that depends on the political commitment and it is sometimes a little better, sometimes a little worse [...]” (AS09, para. 260 #01:49:57#)

The case micro-regions Kernland Waldviertel and Kleinregion Ebreichsdorf are fundamentally different in their spatial characteristics as well as in their historic development, which are partially connected. According to an interviewee, building municipal cooperation is especially challenging in regions, which don't share a long tradition of regional development. This is true for Ebreichsdorf, where in the previous twenty years development policies were only realized by big investors like Frank Stronach and less intensively by the communes themselves. Municipalities in sub-urban areas have a high and increasing population and a flourishing economy. Both creates considerable tax income. Also, the service provision runs more efficiently than in rural regions, enabling them to take matters in their own hands and to avoid troubles that go along with cooperation. An interviewee blames the regional government for having neglected the sub-urbs south of Vienna. In the same sentence it was mentioned that the reason might be their diverging political orientation (social democratic not conservative like the government) or that the region was always seen as wealthy and therefore self-sufficient. Thus, coordinated regional development is rather young and dynamic. To run smoothly, it needs to grow and the mindset of the stakeholders with it, according to an interviewee. Currently, they are passive and need input from outside to achieve something.

“There [sub-urban case] they had no vision of the future for a long time, because everything went well for all of them.” (BS04, para. 446, #01:08:46#)

“There is no actuator [Zugpferd], everyone is always dispersed in Ebreichsdorf and one waits for something from outside and the basis [...] is just not there.” (AS01, para. 220, #00:41:07#)

In the rural case, it is the opposite. Almost forty years ago, local stakeholders became aware of the necessity to cooperate in order to be competitive and counterbalance their spatial disadvantage. This developed a strong sense of community/solidarity and drove off the old parish-pump mentality. Also, the strong commitment towards regional development persisted, making the rural municipalities more active in that sense. Another particularity in the Kernland is the agricultural mindset of the people. They perceive themselves as a farming community and put much attention to e.g. refurbishing country lanes, even though only few

people are actual farmers. As an aside, the reason for that might be the political strength of the farmers union, which is a strong section of the conservative party. Moreover, the small size of the rural community generates dense, informal and personal networks³², which make communication and subsequently cooperation much easier; although in some cases, private relations can complicate matters and rule out technical solutions (e.g. peer pressure and favours). Previous analysis has shown that the rural municipalities are more committed to micro-regional cooperation than sub-urban ones. Simply by looking at their websites, it is evident how much/little attention they put on that topic.

“[...] as long as everything in the Waldviertel is thought of as country lanes, we will not get on [...]” (CL02, para. 194 #01:42:14#)

“I would immediately be the “Pfuiteufel” [the bad guy] if I say no. And for some areas micro-regional and LEADER cooperation is necessary to get certain funding.” (AL03, para. 581 #01:33:10#)

Conclusion

The following paragraphs summarise the results of the interviews and give an overview of the main findings. This is already an intermediate step to process the outcomes and prepare them for the analysis in the next chapter.

The sub-urban and rural case regions pursue very different regional development approaches, which are linked to their history and spatial, territorial circumstances. The area around Ebreichsdorf on the edge of Vienna, is a flourishing space with a growing population and substantial tax-income. Municipalities are wealthy and service provision is comparatively easy. Subsequently, the need for cooperation in regional development was and still is low. Support schemes from the ‘Land’³³ are gladly taken, however own initiative tends to be scarce. With that it is substantially different from the Waldviertler Kernland. All municipalities suffer under their remote location and small population, both makes service provision difficult. As a consequence, collaboration in different topics started early, establishing a well-working

³² Most of the stakeholders have known each other since their early youth and some even went to school together.

³³ The ‘Land’ is a commonly used term describing Lower Austria’s regional government and its departments.

network. Furthermore, the mindset of stakeholders and their personal relations allow for easy and dynamic cooperation. Efforts in regional development were organised mostly by the municipalities themselves. In course of this, a strong regional identity evolved.

The creation of NÖ.Regional GmbH marks another step of professionalisation and latent centralisation; similar to progresses in other thematic areas (e.g. labour market and spatial planning). Besides simplification and cost reduction, the objective behind finding it was to foster the output of development policies regionwide. Doing so, NÖ.Regional constructs a 'Model' that is to some extent dynamic but yet supposed to fit all micro-regions. Some local actors criticize this aspect and spot a lack of flexibility. As main shareholder the 'Land' holds sway over everything and even controls all regional funding schemes except European ones. Despite its power, it is concerned with establishing a balance between centralised control on one hand and individualisation, spatial decentralisation, and broad actor involvement on the other hand. Political and technical considerations are both taken into account. To put it in a nutshell, it is freedom on a leash – you can move within a certain area but are fetched back as it pleases.

Less surprisingly, the micro-regions react differently to NÖ.Regional, although they are approached in the exact same way. The Kleinregion Ebreichsdorf benefited strongly from the predetermined character as its own ambitions are rather low. Therefore, the NÖ.Regional consultant immediately took over management tasks and became a key actor in the region. In the Waldviertler Kernland NÖ.Regional is seen more critical. The micro-region has its own regional management office, which has been expended and professionalized around the time NÖ.Regional was established. Thus, the role of the consultant as manager is regarded unnecessary, making her solely a passive informant and voice of the 'Land'. In general, the rural micro-region is busy in its policy efforts and gladly takes part in all kind of funding schemes, however it wants to maintain control as well as possible.

6. Putting theory and empirical results together: Analysis and Discussion

This chapter brings together theory and empirical knowledge gained throughout this thesis. In a first step, all my results are described and interpreted using theoretical concepts introduced earlier. Next, the outcomes are put into perspective and links are drawn to the research question. Lastly, everything is allocated and discussed in light of current research literature.

The introduction of NÖ.Regional was more than just founding a new organisation. Its central position and the surrounding system make it an institution in the field, which eliminated former and well-established structures. Moreover, it is an example of institutional change and is taking place under specific conditions. To understand its nature and enter a higher analytical level, I will draw on Mahoney and Thelen's concept (2010a) – thoroughly described in the theory chapter. First, we have to look at the modes of institutional change, which refer to its political and institutional characteristics. The former means possible veto power or rather the strength of political opposition, the latter refers to the discretion and manner of enforcing the change. The introduction of NÖ.Regional was a very open and well-communicated process. Changes in the field of regional development were directly applied. Therefore, we can speak of a low level of discretion. It is more difficult concerning the political context and with it the strength of veto powers. The regional government or 'Land' is by far the strongest and best equipped³⁴ actor. However, as a political key player in a democracy it has to argue well if it enforces processes of change. Otherwise, the conservative party backing it might risk giving fuel to opponents and to lose votes in the next election. Stakeholders like the associations of the main-regions and the union of villages and towns do not have much political power and with that no chance to veto against NÖ.Regional. Nonetheless, they are eager to keep their competences and might sabotage it if left out. Consequentially, the mode of institutional change is between layering and displacement. Some old rules were replaced, others persist but are newly interpreted e.g. old organisations keep their role but are incorporated and/or made shareholders. Secondly, we have to identify the agents of change, who are categorised according to their own interests. In essence, it is about how they approach institutional rules and if they want to preserve the status quo. Insurrectionaries are linked to the mode of

³⁴ concerning financial and expert human resources

displacement and want a radical change as they feel/are disadvantaged by the previous structure. This role fits to the 'Land'. It triggers a change, professionalises, centralises, and unifies regional development to have more control over the field. As evident in the empirical results, the previous setting would have allowed stakeholders to abandon the 'Land' and do their own things – an obvious disadvantage for the regional government. Under NÖ.Regional they are tied together and pacified by a set of minor competences like being involved in meetings and boards. This leads me to another category of change agents, the opportunists. The stakeholders that fit perfectly in this category are the union and associations, which are now minor shareholders of NÖ.Regional. Neither do they push for change, nor do they block it. For them, their own organisational interests are central. Those agents are linked to the mode of conversion (persistence but reinterpretation of rules), which partially fits, as their roles in the overall system stays the same but gets a new dimension of influence. However, it is arguably in how far it can be differentiated from the layering mode. The NÖ.Regional predecessor organizations, the regional management and village and town renewal, can be seen as opportunists as they will go along with all changes that don't threaten their position. Subversive agents are the hidden opposition within an institution, who agree with everything until the right moment arrives to overthrow the system. In some sense, this can be applied to the 'Land' as well. It waited for the right moment to establish NÖ.Regional, although it already was a strong actor before. Besides that, no other stakeholder had the potential to cause a substantial process of change. Lastly, there are symbiont agents. They are not really involved in designing and making of institutions but profit from them. This characteristic fits to the micro-regions, which mostly act mutualistic – not against the NÖ.Regional. However, sometimes in the rural case it might take slight parasitic turns, where resources are gladly taken but resistance still persists. Although, the regulative corset doesn't allow too much of this behaviour without suffering consequences and for that they are too opportunistic – a category, micro-regions could also be described with. In conclusion, the 'Land' (insurrectionary with slight subversive turn) is clearly the strongest, most central agent and initiated the process of institutional change. Third and lastly, the context of institutional change has to be identified. Agent types are connected with modes of change, something that has been mentioned in passing before. Also, alliances between different agents are discussed. Looking at the whole process of introducing NÖ.Regional, it can be described as relatively smooth and free of conflict, indicating that there was no real opposition. Accordingly, all

relevant agents were involved, and the outcome adopted to their interests. The 'Land' (insurrectionary) initiated the institutional change as it was striving for a more advantageous setting. Alliances with opportunists were forged, which have either been involved as shareholders or have been included in the organisation of NÖ.Regional. The symbionts (micro-regions) were afraid of losing benefits and competences through the institutional change but were not in the position to act against it. In the sub-urban case, this fear was almost not existing as it was hardly involved in the previous institutional setting. *Figure 8* provides an overview of the aforementioned categorisations.

		Characteristics of the Targeted Institution	
		Low Level of Discretion	High Level of Discretion
Characteristics of the Political Context	Strong Veto Possibilities	Relevant actor and mode	Less relevant actor and mode
		Subversives: Only the 'Land' fits partially in this category. It went along with the previous arrangements and waited for the right moment to change the system in its favour. Layering: Not all previous rules were replaced, some were rearranged around NÖ.Regional.	Parasitic/Mutualistic Symbionts: Micro-regions are symbionts that are not really involved in the change but profit from it in some way. Parasitic behaviours (acting against NÖ.Regional) is less likely as it might lead to consequences. Drift: The impact of the rules is closely monitored by the 'Land', which ensures that they are applied correctly.
	Weak Veto Possibilities	Highly relevant actor and mode	Less relevant actor and mode
		Insurrectionaries: The 'Land' was hardly involved in regional development and therefore pushed on with the institutional change resulting in the founding of NÖ.Regional. Displacement: The institutional change replaced old rules or rearranged them in favour of the 'Land'.	Opportunists: The associations of the main-regions and the union of villages and towns as well as NÖ.Regional's predecessor organisations, the regional management and the village and town renewal, went along with the institutional change, since their position was secured in the new system. Conversion: There was no sign of rule reinterpretation.

Figure 8: Institutional change in Lower Austria (based on Mahoney and Thelen, 2010a)

The following paragraphs will discuss the regional governance aspect of my case studies in the field of regional development. In essence, the concept describes a more nuanced and complex form of political leadership in a smaller region, which involves a broader set of actors than the regular top-down government. According to Foster and Abrnes (2012) and Kacowicz (2018) five aspects are central in describing regional governance: actors, common goals, capacities, experience and space. In both cases micro-regions and the organization of NÖ.Regional, a very

broad set of actors is involved, which pursue a greater, common goal – the positive development of their region. Although, different actors sometimes have different ideas how this should be done. A minimum set of capacities is provided through NÖ.Regional and public funding schemes. It can be found in both micro-regions. Since they are a cooperating network of municipalities, they hold the political authority of this administrative level – therefore, some minor competences and an own budget. Furthermore, other actors like interest groups, local associations and unions are present and active in both case regions. Concerning experience, they differ substantially. The Kernland Waldviertel has a long history of regional development and well-established networks. Consequentially, they don't rely as much on NÖ.Regional's help as the Kleinregion Ebreichsdorf, which doesn't have a lot of previous experience. For this thesis only one spatial level makes sense to be described: the micro-regions themselves as networks of municipalities. The whole of Lower Austria would also be a possible area but doesn't make sense to look at for answering the research question. Furthermore, regional communication is an important aspect that is linked to the level of institutionalisation of networks (Heintel 2006). This is similar to the previous experience, far developed in the Kernland and almost none-existent in Ebreichsdorf. In conclusion, it is fair to speak of regional governance in both regions. Yet, the strength of the actors involved varies, making the rural case a more balanced system. The sub-urban micro-region is highly influenced by NÖ.Regional.

Three related theoretical concepts described by Heintel (2006) might provide an explanation for issues emerging from the results. Firstly, the redundancy theory says that regional innovation often comes with unnecessary parallel structures and might lead to a dead end or if heterogeneous, increase flexibility. This concept of redundancy can be found in the Waldviertler Kernland. It has its own regional management including the surrounding network of actors and the support structure of NÖ.Regional, which basically provides the same services. To avoid parallel actions as well as possible, NÖ.Regional staff limit their efforts to a minimum (provision of information and voice of the 'Land'). It is therefore not a dead end but an additional feature. Still, some parallels occur, making the output less than the sum of inputs. Secondly, the theory of institutional thickness says that a dense network of formal and informal organisations is required for an efficient implementation of regional innovation. Furthermore, it requires a structured mode of communication, joint decision-making processes including sanctions and a collective consciousness. This theory explains why the

rural micro-region was and still is more active in regional development than the sub-urban one. It has a diverse network of actors, who are linked professionally and privately, which again creates peer-pressure (sanction). The long-existing micro-region is a place to make collective decisions on regional development. Through its history, the involved actors are aware and associate themselves with this kind of organisation, something that is strengthening the construct. NÖ.Regional joined this pre-existing system and had to find its position in it. In the Kleinregion Ebreichsdorf such institutions hardly existed, which explains the neglected field of regional development. Hence, NÖ.Regional is trying to establish those networks. Thirdly, the concept of learning regions (Heintel and Fasching, 2011) understands regions as actors, who need to constantly develop and learn to stay competitive. Institutionalisation and professionalisation including the establishment of intermedia institutions (here NÖ.Regional) is seen as a necessary step to do so. This development can be found in both cases. The concepts applied prove to be useful in describing the results further and highlighting additional aspects.

The process of institutional change and the dynamics in Lower Austria's regional development policies indicate a close link to corporatist logic of policy-making. Multiple stakeholders, often in a representing function, were involved in the founding of NÖ.Regional and became shareholders. This might have contributed to the smooth implementation process and lead to general acceptance of the institutional change. However, as discussed before, the stakeholders have only limited power and are overruled by the 'Land', which holds a 51% majority. The corporatist appearance tends to disguise this fact. It cannot be said for certain if the regional government intended the distortion or if this structure of involvement is part of a seemingly natural political culture of Corporatism (defined in the theory chapter). The actors with governmental background don't reflect on these political arrangements, besides stressing the inclusiveness of all processes. On a local level, there are similar logics of political coordination. For example, micro-regions organize assembly meetings where different political, economic and community stakeholders are invited to discuss and bring forward certain issues. Moreover, all citizens are (said to be) free to participate and formulate wishes and concerns. Yet, real influence and power within the micro-regions lays with the municipal politicians.

After all empirical and analytical research work, I will draw the line back to the initial research question: *How does NÖ.Regional influence regional development policy in rural and sub-urban micro-regions in Lower Austria?* The first important thing is to clarify what can be said with the

material at hand. A clear restriction is the content of policies. It cannot be directly related to NÖ.Regional as it is also changing due to shifts in the contexts like need structure, funding requirements and different debate. For example, new EU legislatives or recent scientific output might influence the design or implementation of policies, which makes it difficult to allocate who is responsible for what. Therefore, the focus lies on institutional and organisational changes that are connected to NÖ.Regional. It is evident that the micro-regions react differently, although they are approached in the exact same way – NÖ.Regional operatives are structured like a 'Model' that is applied on all regions and leaves only a limited room for adaptation to spatial contexts and local requirements. The Kleinregion Ebreichsdorf benefited strongly from the predetermined character as its own ambitions in regional development were/are rather low and they had few previous structures. Their growing population and economy generated high tax income enabling the sub-urban municipalities to realize e.g. infrastructure project on their own. So, the local NÖ.Regional consultant had to take over management task and built structures to implement regional development. The micro-region has a dense and unified network of stakeholders and the self-confidence to take and maintain control (theory of institutional thickness). It has its own regional management office, which has been expended and professionalized around the time NÖ.Regional was established. Thus, the role of the consultant as manager is regarded unnecessary (redundancy theory), making her solely a passive informant and voice of the 'Land' - a situation that doesn't seem to be criticized by the NÖ.Regional itself. In general, the Kernland is busy in its policy efforts and gladly takes part in all kinds of funding schemes, however it wants to maintain control as well as possible. NÖ.Regional is a further step of professionalisation in Lower Austria's regional development and forces the micro-regions to professionalise as well (theory of learning regions). In the sub-urban case, it creates structures that were not there before. In the rural case, it forces the actors indirectly to professionalise their own regional management to hold pace. Otherwise, they would risk losing independence as the NÖ.Regional consultant would take over more tasks. The question is, are those findings linked to the territorial level? I would answer this with a cautious no. What seems to be more relevant is the context (private networks, structure of needs and collective consciousness) and history (previous cooperations and experience). Of course, both are linked to territorial particularities.

Now that I clarified if and what NÖ.Regional has changed in the case regions; I will argue how it is done. The introduction of NÖ.Regional GmbH marks another step of institutional

professionalisation, latent centralisation of power and simultaneously a regionalisation of services. Besides cost reduction and simplification, the objective behind finding it was to foster the output of development policies regionwide. Doing so, NÖ.Regional constructs a 'Model' that is to some extent dynamic yet supposed to fit all micro-regions. To put it in a nutshell, it is freedom on a leash – you can move within a certain area but are fetched back, when it pleases. As main shareholder the 'Land' holds sway over everything and even controls most regional funding schemes, which is the main tool of sanctioning. Despite its power, it is concerned with establishing a balance between centralised control on one hand and individualisation, spatial decentralisation, and broad actor involvement on the other hand. Political and technical considerations are both taken into account. In this context, one has to keep in mind the Austrian tradition of corporatist policy-making that considers a wide range of interests. This might be a standard pattern of organizing certain policy fields or/and the regional government uses the mechanisms of involvement to disguise the centralization of power. Referring to Crouch's (2010) Post-Democracy theory³⁵, the developments around NÖ.Regional could be described as 'Post-Corporatism'. Formal structures of involvement and consideration of mutual interests seem to cover up the real power structure built around the 'Land'. Through the eyes of Mahoney and Thelen's (2010a) theory of institutional change, it is evident that NÖ.Regional, respectively the 'Land' (insurrectionary) attempts to find broad consent among crucial actors (opportunists) and simultaneously puts itself in a more powerful position. Micro-regions (symbionts) are voluntarily accepting the loss of competences for the gain of resources (funding and other support).

In the final part of this discussion chapter, the results are allocated in the scientific literature. The aim is to identify where they add on and what they mean. Heintel (2001, 2005, 2006) intensively discussed the trend of professionalisation in Austria's regional development. Moreover, he spoke of mainstreaming (unification), centralisation and identified intermedia actors as translators between the regional and local level. All of this fits perfectly to the results found here, but Heintel made his statements about 10 years before NÖ.Regional was introduced and 15 years before my research. Hence, I must conclude that the professionalisation and mainstreaming trend still continued and maybe even intensified over the past decade. Intermedia actors like NÖ.Regional consultants and regional managers were

³⁵ In essence, Crouch (2010) says that democratic structures are eroded in current Western societies but remain formally intact. Real power and influence rests on small circles of political and economic actors.

transformed and professionalised as well. The balanced approach that is incorporated in NÖ.Regional with all its involvement of actors and interests fits seemingly well into Austria's traditional corporatist structure, which is very typical for labour market policies and also not legally binding. However, the role of non-state actors, like interest groups, is significantly less strong giving regional development policy only a similar appearance. Jessop's (1997) meta-governance concept relates to the organisational characteristics in a same way. The state (in this case the 'Land') is the first among equals and coordinates regional development. With the introduction of NÖ.Regional however, it puts itself in a stronger, more central position and simultaneously cuts competition and competences of other actors. Therefore, meta-governance might have been a good concept to describe regional development in the past but is no longer applicable as it would relativize the current power of the regional government. Another theoretical strand, which has not been mentioned before but fits to the developments, is the new public management approach (e.g. described by Müller 2014). It basically says that public sector organizations have to follow an economic logic, meaning cost-efficiency and flexibility. The introduction of NÖ.Regional can be explained through this approach as well; an argumentation especially used by 'Landes' actors. They say that the institutional change was necessary to improve efficiency and overall management. Therefore, it is fair to say that NÖ.Regional is another step in the direction of new public management.

As already mentioned before, it is not easy to connect my results with territorial locality, since context and history appear to be more important factors in regional development. However, beyond the distinction of rural and sub-urban there is a significant shift from local to regional. In previous decades, Lower Austria's regional development was heavily carried by the municipalities themselves. Through multiple steps of professionalization and centralization (the introduction of NÖ.Regional marks the temporary end) most competences moved to a higher political level – the regional government or 'Land'. This can still be argued for with the principle of subsidiarity as the region might be more successful in the implementation than the local level. However, it goes against the general trend of decentralization and represents a countermovement. The concept of rescaling describes exactly this continuous and dynamic trend of shifting competences, which goes together with territorial re-organization. Rescaling as a scientific concept and term came increasingly into fashion at the beginning of the 1990s³⁶.

³⁶ See *Appendix 7: Ngram viewer - rescaling*

Rescaling regional development

It refers to the word 'scale', which scholars mainly see as a territorial, governmental unit, a socially constructed dimension (Marston *et al.*, 2005) or a hierarchy of spaces (Delaney and Leitner, 1997). Based on Brenner's (2004) research, Kazepov (2010a) looked at scales within the field of social policies and highlighted the shifting institutional responsibilities. If these alterations mean a change of responsibility over governance levels, we speak of rescaling. *Figure 9* shows this effect in Europe's social policy over the last 300 years. Furthermore, it indicates that not just the responsibilities changed over time, but also the institutions themselves and their organisation.

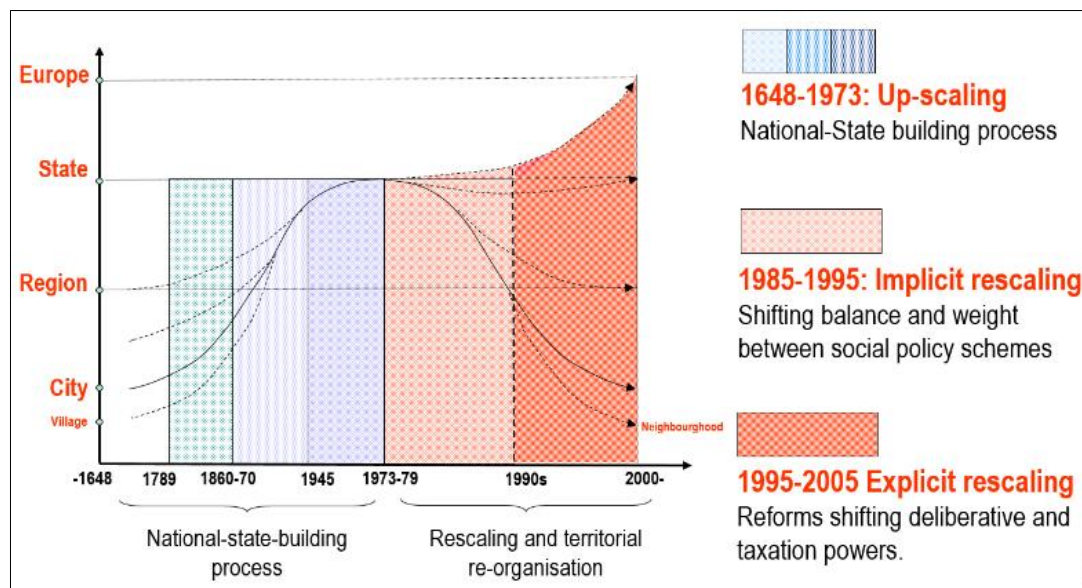


Figure 9: Implicit and explicit rescaling (Kazepov, 2018, 2010b)

In Lower Austria's regional development, territorial re-organization is only minor and limited to the establishment of intermediate levels like micro and macro-regions. Concerning shifting competences, there is an upwards trend from a municipal to the regional scale. This can be interpreted in two ways: Firstly, it might be the beginning or part of a re-centralization, which ends decentralization or happens parallelly. Second, it is only a minor process of fine-tuning responsibilities and has no big effect on the overall system at all. Nonetheless, the regional level (Lower Austrian government) gained influence and political power previously held by the municipalities.

Conclusion

This thesis researches the influence of an institutional restructuring in the field of regional development in a rural and sub-urban micro-region in Lower Austria. The centre of the process was the founding of NÖ.Regional.GmbH in 2014, an organisation which unites regional associations (Regionalverbände), village renewal (Dorferneuerung) and the regional management office. In essence, the restructuring had three main objectives: New public management goals (cost-efficiency, better services, etc.), improvement of regional development and power of taking control. The latter is not executed by hard but reserved for stalemate. Furthermore, it meant a professionalisation and unification but also a centralization of regional development, on which the two case micro-regions reacted differently. The rural one had already well-developed structures and networks and hence didn't profit much from the restructuring. The Waldviertler Kernland has its own regional management office, which makes the local NÖ.Regional consultant partially obsolete. Yet, the micro-region had to further professionalise itself to hold pace. Nonetheless, some local rural actors were afraid to lose competences and freedom through the change. In the sub-urban Kleinregion Ebreichsdorf regional development was hardly pursued before. Therefore, the services offered by NÖ.Regional were easily absorbed and had a positive stimulating effect. Despite the differences, I don't think that they are directly connected to the territorial character. What seems to be more relevant is the context (private networks, structure of needs and collective consciousness) and history (previous cooperations and experience). However, both are indirectly connected to territorial particularities.

My findings confirm the continuing (maybe even increasing) trend of professionalisation and unification in regional development and add on to current research literature. Moreover, there is a regionalisation of services and spatial decentralisation evident in multiple local branch offices. Yet, jurisdiction and power are increasingly centralised which influences the structure of regional governance in the policy field. Some actors like micro-regions and their interest groups are formally involved in seemingly corporatist modes of policy-making. However, they are marginalised and lost power, authority, and independence for the benefit of the regional government. That process of shifting competences across territorial and political levels (or scales) can be captured with the concept of rescaling. It is evident that there

is an upwards trend from municipal to regional, which goes against the general tendency of decentralisation.

Finally, it is important to say that the identified centralization is not necessarily something to disapprove, although it appears to have a negative connotation in current public debates. In the case of NÖ.Regional, one can argue in both directions, making it a political decision of consideration.

Reflexion and Outlook

While working on this thesis, I constantly reflected and tried to be my own most sceptical critic. Looking right at the research design, it is immediately apparent that it is far from the standard ones described in textbooks. A solid theoretical basis, which is applied on the exact same topic and interviews that are conducted only for the thesis would have been more ideal. However, this lack of fitting literature underlines the necessity to do such kind of research and the vast amount of data material available allowed to gain thorough insight. It is hard to imagine getting that many interview appointments with management staff for as “simple Master’s thesis”. Therefore, the compromise appears to be a good one and more essentially, all rules of good scientific practise were followed through the whole research. Concerning my method of analysis, I found it difficult to put the explicative qualitative content analysis into practice. As I was already familiar with the general topic, it was seldomly necessary to draw from the documents to acquire a deeper understanding. Foremost, I used them as additional arguments to underpin my findings, which was useful but initially not meant like that. Another issue in my research is the transferability of my results. Austria’s political, administrative context is rather unique, same as the case regions themselves. Thus, I had to be and was very careful with generalisations.

An interesting aspect in my results were the roles of key actors. As this didn’t fit into the research interests, they didn’t find their way into the analysis. Yet, key actors appear to be crucial multipliers in regional development, who create synergy effects with their interlocking memberships. This might be a topic to pursue in the future.

As mentioned above, regional development has not been studied in a similar way as done here in this thesis (or at least I wasn’t able to find such research). Mostly, economists and

geographers are investigating the topic, which implies that certain aspects of regional development, namely place-sensitive political and institutional ones, remain concealed. But it might be about to change. The research project COHSMO is a strong step to uncover that blind spot and even more reveal territorial relations of many political and social spheres across Europe. As the political landscape is permanently changing, a critical scientific assessment of the situation will always be a precious addition. Hopefully, my thesis proves to contribute to this effort.

References

- Abend, G. (2008), "The Meaning of 'Theory'", *Sociological Theory*, Vol. 26 No. 2, pp. 173–199.
- AMS Niederösterreich (2019), "Arbeitsmarktinformation Oktober 2019", available at: https://www.ams.at/content/dam/download/arbeitsmarktdaten/nieder%C3%B6sterreich/300_201910_am_information_nieder%C3%B6sterreich.pdf (accessed 20 November 2019).
- Bischof, G. and Karlhofer, F. (Eds.) (2016), *Austrian Studies Today, Contemporary Austrian Studies*, Vol. 25, UNO Press; innsbruck university press, New Orleans, Innsbruck.
- Bossuyt, J. and Steenbergen, R. (2013), *Development effectiveness at the local and regional level*, Brussels, available at: <http://platforma-dev.eu/publications/> (accessed 13 August 2019).
- Brenner, N. (2004), *New state spaces: Urban governance and the rescaling of statehood*, Oxford Univ. Press, Oxford.
- Bußjäger, P. (2016), "Austria's Cooperative Federalism", in Bischof, G. and Karlhofer, F. (Eds.), *Austrian Studies Today, Contemporary Austrian Studies*, UNO Press; innsbruck university press, New Orleans, Innsbruck, pp. 11–33.
- Charron, N., Dijkstra, L. and Lapuente, V. (2014), "Regional Governance Matters: Quality of Government within European Union Member States", *Regional Studies*, Vol. 48 No. 1, pp. 68–90.
- COHSMO (2016), *Research Proposal - COHSMO*.
- Crouch, C. (2010), *Post-democracy*, Repr, Polity Press, Cambridge.
- Cucca, R. and Kazepov, Y. (2016), "Improving territorial cohesion: the role of stakeholders in OMC and cohesion policy", *ImPRovE Working Paper*, No. 16/06.
- Delaney, D. and Leitner, H. (1997), "The political construction of scale", *Political Geography*, Vol. 16 No. 2, pp. 93–97.
- Di Maggio, P. and Powell, W. (1983), "The Iron Cage Revisited. Institutional Isomorphism and Collective Rationality in Organizational Fields", *American Sociological Review*, Vol. 48, pp. 147–160.
- Dieringer, J. (2010), "Regionen und Regionalismus im europäischen Kontext", in Dieringer, J. and Sturm, R. (Eds.), *Regional governance in EU-Staaten*, Budrich, Opladen, pp. 347–363.
- European Commission (2014), "An introduction to EU Cohesion Policy 2014–2020", available at: https://ec.europa.eu/regional_policy/sources/docgener/informat/basic/basic_2014_en.pdf.
- Eurostat (2019), "Korrespondenztabelle LAU - NUTS 2016, EU-28 und EFTA", available at: <https://ec.europa.eu/eurostat/de/web/nuts/local-administrative-units>.
- Evans, P.B., Rueschemeyer, D. and Skocpol, T. (Eds.) (1985), *Bringing the state back in*, Cambridge University Press, Cambridge.
- Eyßell, T. (2015), *Vom lokalen Korporatismus zum europaweiten Wohlfahrtsmarkt: Der Wandel der Governance sozialer Dienste und zugrundeliegende Strategien, Sozialpolitik und Sozialstaat*, Springer VS, Wiesbaden.
- Faguet, J.-P. (2011), "Decentralization and governance", *Discussion paper series*, No. 27.
- Foster, K.A. and Barnes, W.R. (2012), "Reframing Regional Governance for Research and Practice", *Urban Affairs Review*, Vol. 48 No. 2, pp. 272–283.

- Froschauer, U. and Lueger, M. (2009), *Interpretative Sozialforschung: Der Prozess, Utb-studie-book*, Vol. 3306, 1. Aufl., UTB GmbH, Stuttgart.
- Fürst, D. (2001), "Regional governance - ein neues Paradigma der Regionalwissenschaften'?", *Raumforschung und Raumordnung*, Vol. 59 No. 5-6, pp. 370–380.
- Gemeinde Ebreichsdorf, "Klima und Energie", available at:
<https://www.ebreichsdorf.at/system/web/zusatzseite.aspx?detailonr=223444497&menuonr=223387015&noseo=1> (accessed 22 November 2019).
- Giddens, A. (1990), *The Consequences of Modernity*, Wiley, Oxford.
- Grzeszick, B. (2010), *Wohlfahrt zwischen Staat und Markt: Korporatismus, Transparenz und Wettbewerb im Dritten Sektor, Schriften zum Öffentlichen Recht*, Vol. 1164, 1. Aufl., Duncker & Humblot, Berlin.
- Heintel, M. (2001), "Mainstream-Regionalentwicklung", *Landnutzung und Landentwicklung*, Vol. 42 No. 5, pp. 193–200.
- Heintel, M. (2004), "Regionalpolitik in Österreich. Retrospektive und Perspektive", *Österreichische Zeitschrift für Politikwissenschaft*, Vol. 33 No. 2.
- Heintel, M. (2005), "Regionalmanagements in Österreich. Ergänzendes Instrument der Raumordnungs- und Regionalpolitik in eineme politischen Mehrebenensystem", *ÖGL*, Vol. 49 No. 6.
- Heintel, M. (2006), "Regional Governance. Modetrend oder brauchbare Theorie?", *Wirtschaft und Gesellschaft*, Vol. 32 No. 3, pp. 345–368.
- Heintel, M. and Fasching, H. (2011), "Lernende Regionen. Theoretische Grundlagen und praktische Beispiele einer lernorientierten Regionalentwicklung", *Grazer Schriften der Geographie und Raumforschung*, No. 46, pp. 177–188.
- Heintel, M., Wanner, A. and Weixlbaumer, N. (2018), "Regional Development Between Cohesion and Competition – Current Theses and Fields of Action", *European Countryside*, Vol. 10 No. 3, pp. 516–527.
- Hillmann, K.-H. (2007), *Wörterbuch der Soziologie*, Alfred Kröner Verlag, Stuttgart.
- Iammarino, S., Rodríguez-Pose, Storper, M. and Rodríguez-Pose, A. (2018), *Regional inequality in Europe: evidence, theory and policy implications, Papers in Evolutionary Economic Geography*.
- Iammarino, S., Rodríguez-Pose, A. and Storper, M. (2017), *Why Regional Development matters for Europe's Economic Future, Working Papers - European Commission*, available at:
https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwj9nPvMjariAhXhx6YKHfo2DC4QFjAAegQIBRAC&url=https%3A%2F%2Fec.europa.eu%2Fregional_policy%2Fsources%2Fdocgener%2Fwork%2F201707_regional_development_matters.pdf&usg=AOvVaw1elsCjPsj77TllgPg2G57x.
- Jessop, B. (1997), "Capitalism and its future: remarks on regulation, government and governance", *Review of International Political Economy*, Vol. 4 No. 3, pp. 561–581.
- Jessop, B. (1998), "The rise of governance and the risks of failure: the case of economic development+", *International Social Science Journal*, No. 50, pp. 29–45.
- Kacowicz, A.M. (2018), "Regional Governance and Global Governance. Links and Explanations", *Global Governance*, No. 24, pp. 61–79.
- Karlhofer, F. (2006), "The Long Shadow of Corporatism. Scope and Limits of Think Tank Activities in Austria", *German Policy Studies*, Vol. 3 No. 2, pp. 347–381.

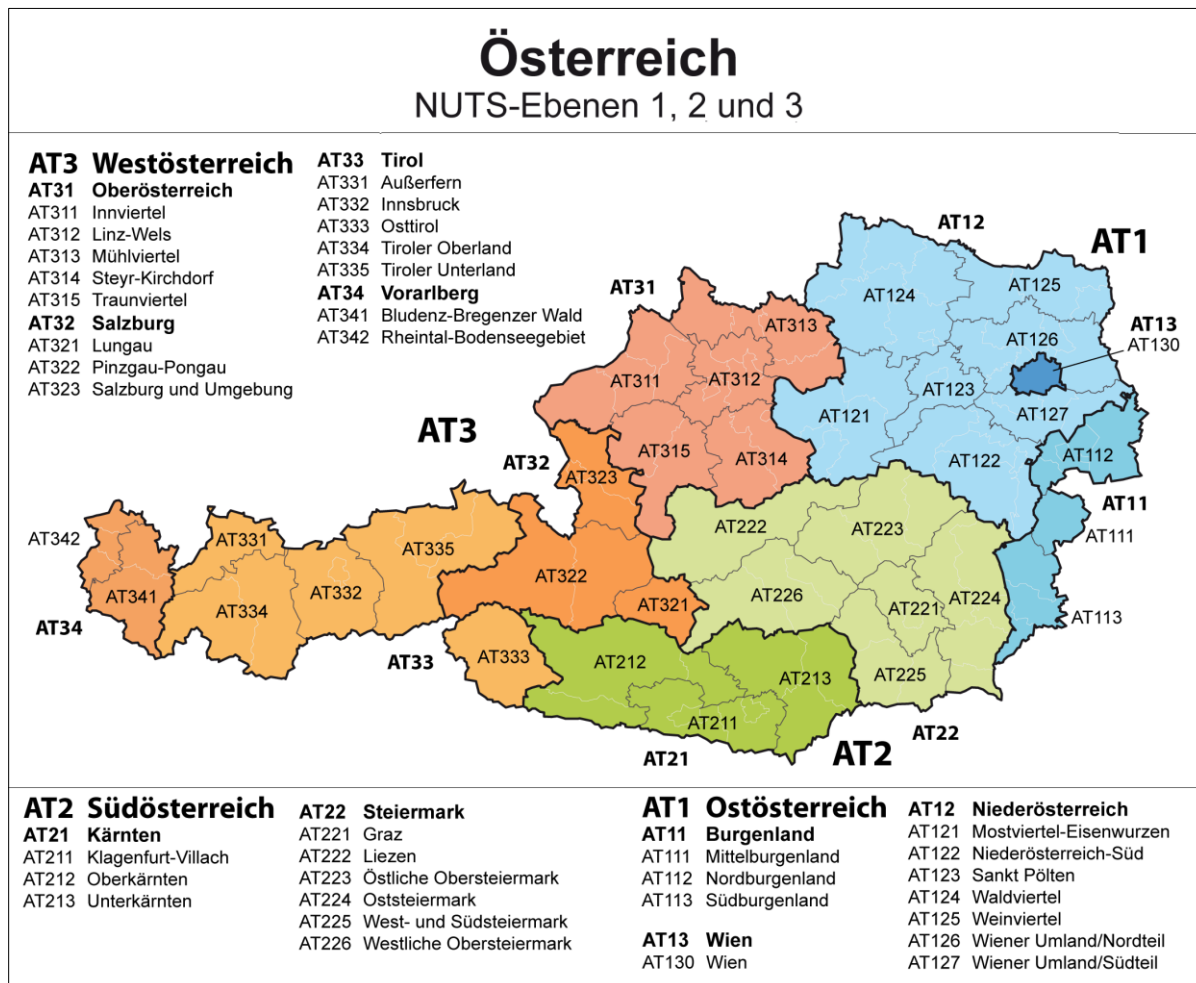
- Karlhofer, F. (2012), "Österreich. Zwischen Korporatismus und Zivilgesellschaft", in Reutter, W. (Ed.), *Verbände und Interessengruppen in den Ländern der Europäischen Union*, 2., aktualisierte und erw. Aufl., Springer VS, Wiesbaden, pp. 521–549.
- Kazepov, Y. (Ed.) (2010a), *Rescaling Social Policies towards Multilevel Governance in Europe: Social Assistance, Activation and Care for Older People, Public Policy and Social Welfare*, 1st ed., Taylor and Francis, Florence.
- Kazepov, Y. (2010b), "Rescaling Social Policies towards Multilevel Governance in Europe. Some Reflections on Processes at Stake and Actors Involved", in Kazepov, Y. (Ed.), *Rescaling Social Policies towards Multilevel Governance in Europe: Social Assistance, Activation and Care for Older People, Public Policy and Social Welfare*, 1st ed., Taylor and Francis, Florence.
- Kazepov, Y. (2018), *Implicit and explicit rescaling*.
- Kleinregion Ebreichsdorf, "Kleinregion Ebreichsdorf", available at: <http://www.kleinregion-ebreichsdorf.org/index.php/kleinregion> (accessed 22 November 2019).
- Krugman, P. (2008), "Debunking the Reagan Myth", *The New York Times*, 21 January, available at: <https://www.nytimes.com/2008/01/21/opinion/21krugman.html?mtrref=www.google.com&assetType=REGIWALL> (accessed 13 August 2019).
- Krugman, P. (2013), "No Trickle", *The New York Times*, 30 March, available at: https://krugman.blogs.nytimes.com/2013/03/30/no-trickle/?rref=collection%2Fbyline%2Fpaul-krugman&action=click&contentCollection=undefined®ion=stream&module=stream_unit&version=search&contentPlacement=1&pgtype=collection&mtrref=www.nytimes.com&assetType=REGIWALL (accessed 13 August 2019).
- Kuckartz, U. (2010), *Einführung in die computergestützte Analyse qualitativer Daten, Lehrbuch*, 3., aktualisierte Aufl., VS Verl. für Sozialwiss, Wiesbaden.
- Land Niederösterreich, "Kleinregionale Betreuung. Kleinregionsmanagement", available at: <https://www.raumordnung-noe.at/index.php?id=110> (accessed 20 November 2019).
- Land Niederösterreich (2019), "Kleinregionale Zusammenarbeit", available at: http://www.noe.gv.at/noe/Raumordnung/Kleinregionale_Zusammenarbeit.html (accessed 24 May 2019).
- Mahoney, J. (2017), "Shift Happens. The Historical Institutionalism of Kathleen Thelen", *PS: Political Science & Politics*, Vol. 50 No. 04, pp. 1115–1119.
- Mahoney, J. and Thelen, K.A. (2010a), "A Theory of Gradual Institutional Change", in Mahoney, J. and Thelen, K.A. (Eds.), *Explaining institutional change: Ambiguity, agency, and power*, Cambridge University Press, Cambridge, pp. 1–36.
- Mahoney, J. and Thelen, K.A. (Eds.) (2010b), *Explaining institutional change: Ambiguity, agency, and power*, Cambridge University Press, Cambridge.
- Manzella, G.P. and Mendez, C. (2009), *The turning points of EU Cohesion policy, Report Working Paper*.
- Marston, S.A., Jones, J.P. and Woodward, K. (2005), "Human geography without scale", *Transactions of the Institute of British Geographers*, Vol. 30 No. 4, pp. 416–432.
- Mayring, P. (2015), *Qualitative Inhaltsanalyse: Grundlagen und Techniken*, Beltz Pädagogik, 12., überarb. Aufl., Beltz, Weinheim.

- Ministry of Sustainability and Tourism (2018), "Regional policy in Austria", available at: <https://www.bmnt.gv.at/english/agriculture/Regional-Policy/Regional-policy-in-Austria-.html>.
- Müller, W.C. (2014), "Governments and bureaucracies", in Caramani, D. (Ed.), *Comparative politics*, 3rd edition, Oxford University Press, Oxford, pp. 129–149.
- Nationalrat (2015), *Gesetz vom 6. März 1906, über Gesellschaften mit beschränkter Haftung (GmbH-Gesetz – GmbHG): GmbH-Gesetz*.
- NÖ.Regional GmbH (2019a), *Hauptregionsstrategien 2014-2024 Wirkungsorientierter Fortschrittsbericht: Berichtszeitraum 2018*, St.Pölten, available at: https://www.noeregional.at/fileadmin/root_noeregional/dokumente/Eigene_Publikationen/FB-noer-190315-Fortschrittsbericht_2018.pdf (accessed 22 November 2019).
- NÖ.Regional GmbH (2019b), "Homepage. www.noeregional.at", available at: <https://www.noeregional.at/> (accessed 16 May 2019).
- OECD (2009), "How Regions Grow", available at: <http://www.oecd.org/regional/searf2009/42576934.pdf>.
- OECD (2010), *Regional Development Policies in OECD Countries*, 1. Aufl., OECD, s.l.
- ÖROK (2017), "STRAT.AT 2020. Partnerschaftsvereinbarung Österreichs zur Umsetzung der Europäischen Struktur- und Investitionsfonds 2014–2020", available at: https://www.oerok.gv.at/fileadmin/Bilder/3.Reiter-Regionalpolitik/2.EU-Kohaesionspolitik_2014_/Nationale_Strategie_STRAT.AT2020/2017-10_STRAT.AT_2020_Brosch%C3%BCre.pdf.
- Österreichischer Nationalrat (2014a), *Bundes-Verfassungsgesetz Artikel 118: B-VG*.
- Österreichischer Nationalrat (2014b), *Bundes-Verfassungsgesetz Artikel 15a: B-VG*.
- Pernicka, S. and Hefler, G. (2015), "Austrian Corporatism – erosion or resilience?", *Österreichische Zeitschrift für Politikwissenschaft*, Vol. 44 No. 3, p. 39.
- Pike, A., Rodríguez-Pose, A. and Tomaney, J. (2017), *Local and regional development*, Second edition, Routledge, London, New York.
- Rapley, T. and Jenkins, K.N. (2010), "Document Analysis", in Peterson, P., Baker, E. and McGraw, B. (Eds.), *International encyclopedia of education*, 3. ed., Elsevier, Oxford, pp. 380–385.
- Rodríguez-Pose, A. (2013), "Do Institutions Matter for Regional Development?", *Regional Studies*, Vol. 47 No. 7, pp. 1034–1047.
- Schmitter, P.C. (2001), "Corporatism.", in Krieger, J. (Ed.), *The Oxford companion to the politics of the world*, 2. ed., Oxford Univ. Press, Oxford.
- Schreier, M. (2014), "Varianten qualitativer Inhaltsanalyse. Ein Wegweiser im Dickicht der Begrifflichkeiten", *Forum Qualitativer Sozialforschung*, Vol. 15 No. 1.
- Senge, K. (2011), "Einleitung", in Senge, K. (Ed.), *Das Neue am Neo-Institutionalismus: Der Neo-Institutionalismus im Kontext der Organisationswissenschaft, Organisation und Gesellschaft*, 1. Aufl., VS Verlag für Sozialwissenschaften / Springer Fachmedien Wiesbaden GmbH Wiesbaden, Wiesbaden, pp. 11–31.
- Statistic Austria (2019), "Regionales BIP und Hauptaggregate nach Wirtschaftsbereichen und Bundesländern (NUTS 2)", available at: https://www.statistik.at/web_de/statistiken/wirtschaft/volkswirtschaftliche_gesamtrechnungen/regionale_gesamtrechnungen/nuts2-regionales_bip_und_hauptaggregate/index.html.

- Stiglitz, J.E. (2016), "Inequality and Economic Growth", in Jacobs, M. and Mazzucato, M. (Eds.), *Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth, Political Quarterly Monograph Series*, 1. Aufl., Wiley-Blackwell, s.l.
- Sturm, R. and Bauer, M. (2010), "Governance und Regionen. Die theoretische Debatte", in Dieringer, J. and Sturm, R. (Eds.), *Regional governance in EU-Staaten*, Budrich, Opladen, pp. 11–36.
- Thelen, K.A. and Streeck, W. (2005), *Beyond continuity: Institutional change in advanced political economies*, Oxford University Press, Oxford, New York.
- Turner, M. and Hulme, D. (2003), *Governance, administration and development: Making the state work*, [Nachdr.], Palgrave, Basingstoke.
- Ullrich, P.A. (2016), "Political Culture in Austria", in Bischof, G. and Karlhofer, F. (Eds.), *Austrian Studies Today, Contemporary Austrian Studies*, UNO Press; innsbruck university press, New Orleans, Innsbruck, pp. 269–278.
- van der Heijden, J. (2010), "A short history of studying incremental institutional change: Does Explaining Institutional Change provide any new explanations?", *Regulation & Governance*, Vol. 4 No. 2, pp. 230–243.
- Vogl, M. (Ed.) (2013), *Gemeindekooperationen - vom Kirchturmdenken zur vernetzten Region: Tagungsband 2012 ; [Symposium 2012]*.
- Waldviertler Kernland, "Kleinregion", available at: <https://www.waldviertler-kernland.at/cms/kleinregion/> (accessed 21 November 2019).
- Wirth, K. and Biwald, P. (2006), "Gemeindekooperationen in Österreich. Zwischen Tradition und Aufbruch", in Biwald, P., Hack, H. and Wirth, K. (Eds.), *Interkommunale Kooperation: Zwischen Tradition und Aufbruch, Öffentliches Management und Finanzwirtschaft*, NWV Neuer Wiss. Verl., Wien, Graz, pp. 19–34.
- Wollansky, I. and Vitovec, M. (2006), "Interkommunale Zusammenarbeit in Niederösterreich am Beispiel der Kleinregion", in Biwald, P., Hack, H. and Wirth, K. (Eds.), *Interkommunale Kooperation: Zwischen Tradition und Aufbruch, Öffentliches Management und Finanzwirtschaft*, NWV Neuer Wiss. Verl., Wien, Graz, pp. 144–166.
- Zhang, C. and Lillie, N. (2015), "Industrial citizenship, cosmopolitanism and European integration", *European Journal of Social Theory*, Vol. 18 No. 1, pp. 93–111.

Appendix

Appendix 1: Map NUTS-levels Austria



Dörrbecker, M. (2009) Österreich NUTS-Ebenen. Eignes Werk.

https://de.wikipedia.org/wiki/NUTS:AT#/media/Datei:C3%96sterreich_-_NUTS1,_NUTS2,_NUTS3.png (accessed 20.11.2019)

Rescaling regional development

Appendix 2: Highest Educational attainment by Municipality, age 15-64, October 2009; [Secondary education (ISCED level 4,5,6)]

Kernland Waldviertel

Highest Educational attainment	Primary education	Secondary education	Tertiary education
Municipality			
Albrechtsberg an der Großen Krems <31302>	23%	72%	5%
Weinzierl am Walde <31350>	25%	71%	4%
Bärnkopf <32503>	31%	67%	2%
Grafenschlag <32506>	19%	75%	6%
Großgöttfritz <32509>	27%	70%	3%
Gutenbrunn <32511>	25%	69%	6%
Kirchschlag <32514>	23%	73%	4%
Kottes-Purk <32515>	26%	70%	4%
Martinsberg <32517>	21%	75%	4%
Ottenschlag <32518>	19%	70%	11%
Sallingberg <32522>	24%	70%	6%
Schönbach <32523>	28%	67%	5%
Bad Traunstein <32528>	21%	73%	6%
Waldhausen <32529>	27%	69%	5%
Average	24%	71%	5%

Kleinregion Ebreichsdorf

Highest Educational attainment	Primary education	Secondary education	Tertiary education
Municipality			
Ebreichsdorf <30607>	23%	68%	8%
Pottendorf <30626>	28%	65%	7%
Oberwaltersdorf <30623>	22%	66%	12%
Trumau <30641>	23%	67%	10%
Mitterndorf an der Fischa <30621>	25%	68%	7%
Blumau-Neurißhof <30646>	26%	67%	7%
Teesdorf <30637>	23%	67%	10%
Reisenberg <30629>	25%	70%	6%
Seibersdorf <30633>	18%	74%	8%
Tattendorf <30636>	23%	67%	11%
Average	24%	67%	9%

Own table, database - <https://statcube.at/> (accessed 20.11.2019)

Appendix 3: Municipal income and expenses per person for 2018 not including financial capital

Micro-region Waldviertler Kernland					
Municipalities (LAU)	Inhabitants (2019)	Municipal income per inhabitant (2018)	Municipal expense per inhabitant (2018)		
Kottes-Purk	1.475	1.372 €	1.119 €	2.023.494 €	1.650.304 €
Großgöttfritz	1.378	missing	missing		
Sallingberg	1.287	1.597 €	1.295 €	2.055.957 €	1.666.369 €
Weinzierl am Walde	1.247	missing	missing		
Waldhausen	1.209	missing	missing		
Martinsberg	1.094	missing	missing		
Albrechtsberg	1.022	1.779 €	1.317 €	1.817.647 €	1.345.974 €
Bad Traunstein	1.020	1.575 €	1.380 €	1.606.276 €	1.407.702 €
Ottenschlag	992	2.501 €	1.806 €	2.480.556 €	1.791.691 €
Grafenschlag	870	1.960 €	1.342 €	1.705.400 €	1.167.401 €
Schönbach	783	missing	missing		
Kirchschlag	618	1.516 €	1.170 €	937.141 €	722.831 €
Gutenbrunn	516	missing	missing		
Bärnkopf	355	missing	missing		
	13.866	1.757 €	1.347 €	1.733 €	1.339 €
		average		weighted average	

Micro-region Ebreichsdorf					
Municipalities (LAU)	Inhabitants (2019)	Municipal income per inhabitant (2018)	Municipal expense per inhabitant (2018)		
Ebreichsdorf	11.084	1.889 €	1.500 €	20.938.341 €	16.621.456 €
Pottendorf	7.160	missing	missing		
Oberwaltersdorf	4.682	1.793 €	1.531 €	8.394.217 €	7.165.988 €
Trumau	3.712	missing	missing		
Litterndorf an der Fisch	2.802	1.790 €	1.479 €	5.016.841 €	4.144.018 €
Blumau-Neurißhof	1.841	1.421 €	1.207 €	2.615.306 €	2.221.700 €
Teesdorf	1.807	missing	missing		
Reisenberg	1.723	1.703 €	1.397 €	2.933.494 €	2.406.635 €
Seibersdorf	1.499	missing	missing		
Tattenforf	1.438	1.567 €	1.242 €	2.252.900 €	1.785.421 €
	37.748	1.694 €	1.392 €	1.788 €	1.457 €
		average		weighted average	

Own table, database- <https://www.offenerhaushalt.at> (assessed 21.11.2019)

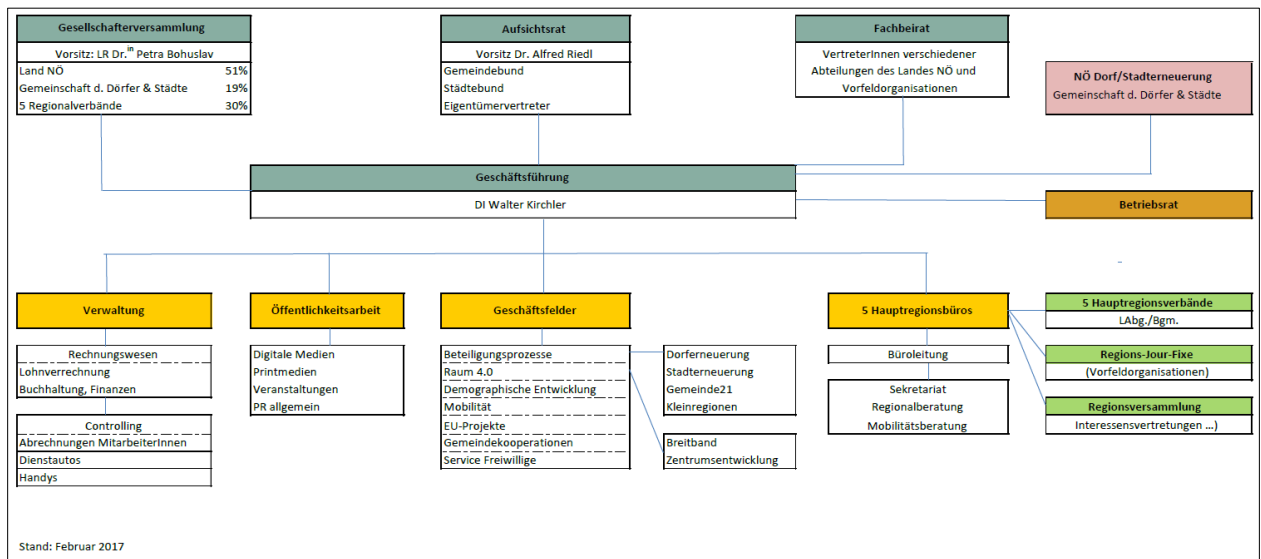
Appendix 4: List of NÖ.Regional's strategy documents

REGION NÖ			
NOE06	NÖ.regional Hauptregionsstrategien 2014-2024 Wirkungsorientier Fortschrittsbericht 2015-2016. 2017		https://www.noeregional.at/fileadmin/root_noeregional/service/PDF_noer_170227_Fortschrittsbericht_NOE.Regional_2015-2016_landesweit-final-2.pdf
NOE07	NÖ.regional Hauptregionsstrategien 2014-2024 Wirkungsorientier Fortschrittsbericht 2017. 2018	02/2018	https://www.noeregional.at/fileadmin/root_noeregional/dokumente/Eigene_Publikationen/FB-noer-180412-Fortschrittsbericht_2017.pdf
NOE08	NÖ.regional Hauptregionsstrategien 2014-2024 Wirkungsorientier Fortschrittsbericht 2018. 2019	03/2019	https://www.noeregional.at/fileadmin/root_noeregional/dokumente/Eigene_Publikationen/FB-noer-190315-Fortschrittsbericht_2018.pdf
NOE25	Perspektiven für die Hauptregionen (Regionalmanagement) 2005	30/4/2019	http://www.noeregional.at/noe/Raumordnung/perspektiven_fuer_die_hauptregionen.pdf
NOE26	Hauptregionen Fortschrittsbericht NÖ.Regional 2015-2016 landesweit		https://www.noeregional.at/fileadmin/root_noeregional/service/PDF_noer_170227_Fortschrittsbericht_NOE.Regional_2015-2016_landesweit-final-2.pdf 30/4/2019
NOE27	Hauptregionen Fortschrittsbericht NÖ.Regional 2018 landesweit	30/4/2019	https://www.noeregional.at/fileadmin/root_noeregional/dokumente/Eigene_Publikationen/FB-noer-190315-Fortschrittsbericht_2018.pdf

Own table, based on COHSMO data base

Rescaling regional development

Appendix 5: NÖ.Regional Organizational structure



NÖ.Regional.GmbH (2015-2016) Hauptregionsstrategien 2014-2024. Wirkungsorientierter Fortschrittsbericht.

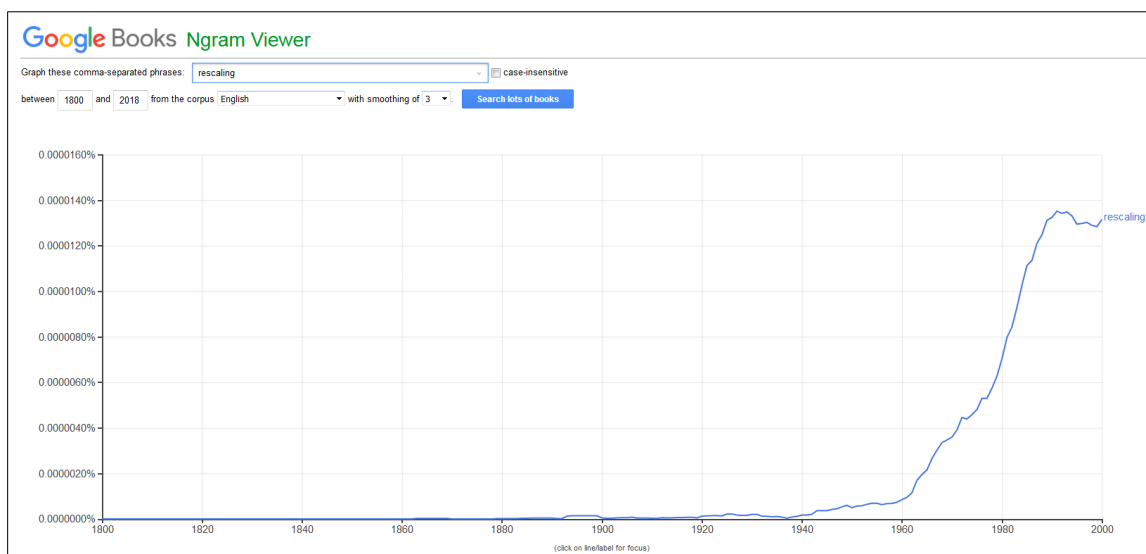
<https://www.noeregional.at/service/> (accessed 25.05.2019)

Appendix 6: List of Upper/Under-Categories (Codes)

Upper-Categories	Under-Categories
Micro-region	History
	Depiction (Pros/Cons)
	Organization incl. actors
	Relation Micro-region and NÖ.Regional
Regional governance	Regional particularities
	Other regional organizations
NÖ.Regional	Depiction (Pros/Cons)
	Organization incl. actors
	History
Conflicts	Local vs. Regional
	Within organizational level
Quotes	

Own table

Appendix 7: Ngram viewer - rescaling



Google ngram viewer (accessed 20.05.2019)

Abstract

This thesis researches the influence of an institutional restructuring in the field of regional development policy in a rural and sub-urban micro-region of Lower Austria. The centre of the process was the founding of NÖ.Regional GmbH in 2014. Theoretically, the research is backed by institutionalist approaches and the concept of regional governance. The data material consists of strategy documents and expert interviews, which were conducted for the research project COHSMO. A multi-method approach is applied combining document analysis and explicative, qualitative content analysis. In essence, the results show that the restructuring had three main objectives: New public management goals, improvement of regional development and power of taking control. Concerning the micro-regions, the rural one had already well-developed structures and hence didn't profit much from NÖ.Regional. The sub-urban one had none and therefore easily utilized all services offered. Still, there is no causal link to the territorial level, as context and history seem to be more important factors. The introduction of NÖ.Regional, however, rescaled the power structure in the policy field, putting former municipal competences into the hand of Lower Austria's government.

Zusammenfassung

Diese Arbeit untersucht den Einfluss der institutionellen Restrukturierung der Regionalentwicklungspolitik in einer ländlichen und suburbanen Kleinregion in Niederösterreich. Im Mittelpunkt des Prozesses stand die Gründung der NÖ.Regional GmbH 2014. Die Forschung baut theoretisch auf institutionalistischen Ansätzen und dem Regional Governance Konzept auf. Das Datenmaterial besteht aus Strategiedokumenten und strukturierten Experteninterviews, die für das Forschungsprojekt COHSMO geführt wurden. Es kommt ein Multi-Methoden Ansatz zur Anwendung, der eine Dokumentenanalyse und eine explizite qualitative Inhaltsanalyse kombiniert. Im Kern verweisen die Resultate auf drei Ziele der Restrukturierung: New public management Bestrebungen, Verbesserung der Regionalentwicklung und die Macht bei Bedarf Kontrolle zu übernehmen. Bei den Kleinregionen hat sich gezeigt, dass die Ländliche bereits ausgereifte Strukturen hat und daher wenig von NÖ.Regional profitierte. Bei der Suburbanen waren diese nicht vorhanden, weshalb alle Serviceleistungen rasch übernommen wurden. Dennoch besteht keine deutliche kausale Verbindung zur territorialen Ebene, da Kontext und Historie wichtiger erscheinen. Die Gründung der NÖ.Regional „rescaled“ (≈verschob) die Machtstruktur in diesem Politikfeld und gab vormalige Gemeindekompetenzen in die Hand der Landesregierung.