



Rural-Urban Outlooks: Unlocking Synergies (ROBUST)

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Rural-Urban Governance Arrangements and Planning Instruments Law on Planning and Development of the Province of Styria and its Regions, 2018

Metropolitan Area of Styria, Austria

1. Overview

The “Law on Planning and Development of the Province of Styria and its Regions” (*Landes- und Regionalentwicklungsgesetz*; LPDPSR) was passed on 14 November 2017 and came into effect on 1 January 2018. With this new regulation of regional development, Styria is the first province in Austria to provide a legal foundation for regional development budgets. The law defines the tasks of the province and of its seven regions and the scope for intercommunal projects to be financed by the regions.

The seven regions of Styria have access to a budget of €12 million per year for regional development projects, which is funded from provincial and municipal resources. The allocation of the budget to the seven Styrian regions is based on the following criteria: (i) population, (ii) area of the region, and (iii) the financial capacity (tax revenue per capita). Moreover, a fixed basic amount is provided and administrated by the Regional Management Agencies (RMAs).

This new organisation of intercommunal cooperation enhances the regional autonomy and competitiveness of the Styrian regions. The autonomous use of these financial resources allows RMAs to pay attention to the development of the whole province and also simultaneously focus on individual challenges and potentials of their region.

2. Main Challenges

The main challenge in the province of Styria is that there are different needs based on different socioeconomic and demographic developments in the seven regions. In general, there are different challenges in an urban environment than in rural municipalities. With the capital of Graz, which is a vibrant city with more than 280,000 inhabitants, Styria has a centre with high-level educational institutions, creative jobs and cultural amenities. The rural areas of Styria province are characterised by very small towns and a high number of small and remote municipalities, which are often affected by isolation and poor accessibility. Out-migration (particularly) of young citizens is widespread and, recently, concern and initiatives to attract

new businesses, create new job opportunities and financial benefits from the municipality are increasing. One important concern is to enhance life quality. This competitive mind set dominates the rural areas and therefore, incentives for intercommunal cooperation, like the regional development budget, are crucial to provide cooperative strategies to develop the Styrian regions, and not to continue separated action.

The new law provides scope to foster inter-communal projects in the fields of public infrastructure, economy or common goods. In 2018, 28 projects have already been launched with a focus on inter-municipal cooperation like multi-modal mobility, city-regional location development, broadband expansion, and regional education fairs. Intercommunal cooperation is the main precondition to receive financial support for projects from the regional development budget.

3. Main Insights

In the following section the collaborative partnerships between the province of Styria, its regions and the municipalities are explained in detail. The definition and regulation of the tasks of the administrative bodies are the basis for rural-urban activities within the Metropolitan Area of Styria and to the innovative aspects applied following the new law's specification.

3.1. Insights related to the broad area of “network governance”

The cooperation between the province of Styria, the seven regions, including the Metropolitan Area of Styria, and the municipalities has now, due to the new LPDPSR, a legal basis.

The regional association in each of the seven regions is the “umbrella” organisation for the political bodies that allocate funds for projects, whereas the regional management authority is the operational unit. The Metropolitan Area of Styria, as well as the other regions, decides on the basis of a list of eligibility criteria for respective projects. The two main requirements for implementation are (i) the fact of intercommunal cooperation and (ii) a thematic focus according to the regional development mission statement. In the region Metropolitan Area of Styria these are as follows: business and research locations; mobility and environment; quality of life and public welfare. Additional criteria for project selection include the level of cooperation and the sustainability of activities.

Since the projects are chosen by the regional association together with the Styrian Regional Management Agencies, cross-sectoral relationships are crucial. In the next sections, these relationships are further elaborated.

3.2. Insights related to mechanisms of cross-sectoral coordination and cooperation

As the roles of the province and the regions are explicitly defined by the law, this provides a sound basis for cooperation and innovative rural-urban interaction.

The province of Styria is responsible for:

- The preparation and implementation of a provincial development strategy as a framework for spatial development coordination.
- The cross-sectoral coordination and structuring of spatial measures for the province and the regions.
- The establishment of a coordination group for provincial and regional development.
- Coordination of regional development strategies with the provincial development strategy.
- Coordination of regional guidelines and major projects.

The Styrian regions are responsible for:

- Coordination and support to increase intercommunal cooperation within a region.
- Elaboration of the regional development strategy based on the development strategy of the province.
- Preparation of the annual regional work programme based on the regional development strategy including the annual budget.
- Preparation and ongoing implementation of development measures and projects.
- Ongoing monitoring of regional development and participation in significant provincial spatial planning activities.
- Provision of information on implementation and regional stakeholder and citizens participation.

For the implementation of the new law, cooperation between all stakeholders at a level is essential. Furthermore, the encouragement of inter-communal projects should foster a mutually beneficial development across the whole region. However, there is too little experience of the implementation so far, since the new law has only been passed at the end of 2017.

3.3. Insights related to the role of (actual, potential) social, organizational, institutional innovations

The main innovative aspect of the LPDPSR is the installation of the regional development budget. This should foster regional commitment and contribute to a level of intercommunal cooperation that demands a stronger focus on a holistic regional development approach.

Another important innovative aspect of the new regulation is that it enhances the autonomy of the regions, which in turn fosters the adaptation of measures to local needs, challenges and potentials.

For example, a particular local need in the field of public infrastructure and services is the intercommunal use of recycling centres. With the new law, it is possible to conduct a feasibility study for the development of intercommunal and city-regional use of recycling centres.

Another important intercommunal initiative that is financed from the new regional development budget is the organisation of regional education fairs in the districts of Voitsberg and Graz-Umgebung. In order to avoid further out-migration of the local labour force and to counteract the lack of skilled workers in remote parts of the region, regional companies get the opportunity to present themselves to the local population, particularly targeting young people. Additionally, the fair presents detailed information about educational and employment opportunities in the region.

4. Effectiveness Indicators

The main effect of the LPDPSR is the improved incentive for cooperative action between the province of Styria, the seven regions and the municipalities by establishing a renewed financial basis for intercommunal activities. Therefore, the Styrian regions gain greater economic independence. The attributed budget resources foreseen by this new law enables regions to plan ahead for the next couple of years and to address individual (local) challenges and new approaches. The yearly budget of €12 million for all seven Styrian regions should address the requirements of each region and react to regional trends. The fair distribution of the financial resources should also help to enhance greater competitiveness of the seven Styrian regions and to achieve a balance between the growing cities, like the capital of Graz and the regional centres Voitsberg and Köflach, and structurally weaker municipalities. This kind of financial balance within the province of Styria will be the main beneficial effect.

Since the LPDPSR has only been passed in November 2017 and came into effect in January 2018, there are no experiences yet about the effectiveness of the implementation.

5. Illustration and further information

The ROBUST living lab is the region with the highest financial budget due to this new LPDPSR. The regional budget for the Metropolitan Area of Styria is €3.4 million per year. In this region it is especially important to consider the variety of challenges deriving from the wide scope of rural-urban interactions. While the city-region of Graz is characterised by a substantial rate of immigration, the western part of the region in particular has to deal with out-migration of young and well-educated people and its related effects.

The Regional Management Agency of the Metropolitan Area of Styria is the operational unit in the region and has to distribute the budget to intercommunal projects in the region. This new regulation of assigning financial autonomy to the regional management authority carries further the widespread coordinating tasks of these institutions with a long track record in Austria and related experience (Draxl et al. 2004). Since the law only came into force at the beginning of this year, many existing plans and priorities for intercommunal projects, such as a project on multi-modality and the development of a “master plan” for broadband expansion over the whole region, are supported and the elaboration of new projects is in progress.

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