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New challenges in regional development - the role of regional institutions.

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Abstract

The paper is based on an institutional survey in Austria. The aim of the survey was to identify different types of regional institutions - traditional versus new innovative institutions. The main research focus concentrated on new challenges in regional development processes resulting from the EU-strategy to foster sustainable regional development in the member states. As a consequence the question of the relevance of completely new types of institutions arises on the one hand. These new types are directly linked to the EU structural fund policy, e.g. LEADER+ manager, EU regional manager. With respect to this focus these institutions mainly concentrate on EU programmes and initiatives. On the other hand the traditional institutions have their specific focus on e.g. tourism, economic development etc. not necessarily with any direct link to EU-programmes. Therefore this contribution starts with a general institutional analysis (i.e. organisational attributes, activity profiles, regional embeddedness, position in the regional stakeholder network, etc.) to find differences between traditional and new innovative institutions.

Based on these attributes we will present the institutional landscape in Austrian regions. This landscape consists of the above mentioned traditional and the new innovative institutions. Are these co-existing institutions able to concentrate the top-down (i.e. regional policy) and the bottom-up (i.e. project initiatives) interests in order to foster sustainable regional initiatives? For answering this question we have chosen several case-studies in different Austrian regions. This case study analysis will be presented as follows:

- Strengths and weaknesses of different institutional settings (e.g. various competing institutions versus one strong institution)
- Comparison of strategic decisions in the case study regions
- Is there any ideal solution identifiable for other regions?

1. Introduction

1.1 General backcloth

As pointed out in earlier papers on this project sustainable regional development is one of the core topics of regional policy within the European Union. Its implementation in European regions is one of the most recent discussed challenges for both the European Union and each member state. In this context the importance of the local and regional level is of primary interest. Indicators like a lower complexity, directly involved and well-known stakeholders and the knowledge about the strengths and weaknesses are forming a specific co-operative climate which supports the implementation of sustainable regional strategies. If co-operation is one of the limiting factors for implementing regional sustainable strategies than the question arises how co-operation could be organised within a region. Co-operation between stakeholder groups are extremely offended by conflicts. Are there any stakeholders in the region that are able to cope with such conflicts? How should these stakeholders be organised to support the region in implementing sustainable regional development strategies which is one of the most urgent European regional policy goals that the Commission agreed upon in the Treaty of Amsterdam (1997)? The main goal of European regional policy in general and especially of EU structural fund policy was originally strengthening less developed regions within the Union. The core instruments to reach this goal focused at international competitiveness approaches based on innovation and new technologies. In order to fulfil both goals – sustainable regional development on the one side and competitiveness on the other side – the following research questions need to be discussed:

How could these two main regional policy goals of the current period (2000-2006) be reached? What are the most effective instruments to support these strategies? What role do institutions on the regional level play?

This contribution focuses on the third research question and will lead to a picture of the institutional landscape supporting sustainable regional strategies.

1.2 Methods and data basis¹

The overall analysis is based on a survey about regional institutions. In a first step we designed an E-mail based questionnaire for different regional institutions (see Gaube and Sedlacek 2002). One major result was a picture about the institutional profiles and some indicators about their ability to support the region in implementing sustainable regional strategies. To get a concrete and more completed vision about the institutions' activities and their embeddedness in the regional development process a detailed case study analysis was conducted. This contribution presents on the one hand the results of the case study analysis and on the other hand it tries to combine the survey and case study data.

In our research design case studies are defined as a detailed interview based analysis of regional institutions concerned with regional development tasks and with a direct link to EU programmes (e.g. the distribution of EU structural fund money). We conducted four case studies in four different provincial states in Austria – i.e. regional management agency Vöcklabruck (Upper Austria), regional management agency Voitsberg (Styria), regional management and LEADER+ agency Mittelkärnten (Carnithia), LEADER+ agency Südburgenland (Burgenland). Our interview partners were the managing directors of these selected institutions. Only in the case study of the LEADER+ agency Mittelkärnten beyond the regional manager two other stakeholders – on the one hand the director of the planning department of the provincial government and on the other hand a representative of an economic funding institution (“*Kärntner Wirtschaftsförderungsfonds*”) – were interviewed. The results of these interviews provided further information for the case study Mittelkärnten. Beside the interviews for all four case studies informational material like regional development strategies, project information and so on serve as an additional database for the analysis.

The interviews were concept based (“*konzeptbasiertes Tiefeninterview*”, Lamnek 1995). The duration of each interview varied between one and two hours. The recorded interviews were transcribed for the further analysis.

1.3 Structure of the paper

Section 1 provides an introduction to the topic. After the introduction of the general backcloth and the aims of the study in section 1.1, the methods and the data basis is briefly outlined in

¹ This contribution is based on the research project “*Nachhaltige Regionalentwicklung – Die Rolle regionaler Institutionen zur Umsetzung umweltorientierter Innovationsstrategien (NAREINNO)*” funded by the Austrian National Bank (“*Jubiläumsfonds der Österreichischen Nationalbank*”)

section 1.2. In section 2 the theoretical background for the institutional analysis is provided on the basis of organisational theories. Section 3 deals with a typology of regional institutions and their role in the regional development process. Section 4 concludes the main results of the four case studies. The synthesis in section 5 focuses on these results combined with general statements out of the analysis of the E-mail based questionnaire and supplies a short overview about the institutional landscape in Austria.

2. Organisational theories

Organisational theories have a long tradition in several disciplines – i.e. sociology, economics, management, geography, etc. There is a common knowledge about society's perception of organisations or institutions but there is no consistent general organisational theory existing. Organisations are systems of implicit and explicit rules focused on specific objectives (Scherer 2001, p. 1). Actors within and outside these organisations need to behave along these rules.

The question of designing institutions for environmental management and sustainable development is discussed with several aspects in the literature (e.g. Baumol and Oates 1975, Loehman and Kilgour 1998). *“Rather than waiting for new institutions to evolve, we favour proactively designing systems to improve environmental and resource management.”* (Loehman and Kilgour 1998, p.1). By arguing along these lines Loehman and Kilgour (1998) referred to the need to analyse management institutions, organisations and policies. Reorganisation is one of their main arguments that comes out of the faster growing decentralisation processes especially within the sustainability debate. Regions and municipalities are receiving new responsibilities as a result of state failure (*“Staatsversagen”* Jänicke et al. 1999) but in many cases they are not able to handle it without adequate assistance. On the regional and local level institutions are actively involved in the political decision process, therefore they could have the ability to cope with challenges such as implementation of sustainable regional development strategies. *“Organisations are described by decision-making relationships associated with resource and information flows, relationships that are contained in contracts, treaties, or informal understandings among actors.”* (Milgrom and Roberts 1992, quoted in Loehman and Kilgour 1998, p. 7). According to the above mentioned importance of regional institutions as central actors involved in implementing sustainable strategies it seems helpful to use a framework for designing institutions (Ostrom 1998, p. 68): *“The focus of the Institutional Analysis Development (IAD)*

framework is on how rules, physical and material conditions, and community attributes shape action arenas and incentives faced by individuals, and hence how these conditions combine to determine outcomes.” In the early 1970s the IAD framework was developed in political sciences and was used in several cases of studying common pool resources and diverse property regimes. Ostrom (1998) pointed out that one of the results of these empirical studies was that no types of institution can by themselves cope adequately with the vast array of environmental problems. The components of the IAD framework are the following (Ostrom 1998, p. 68ff.):

- **Action arena:** Is the basic conceptual unit for the analysis of behaviour within institutional arrangements. It concludes a set of variables that are described below. It can be described as a social space where actors interact.
- **Action situation:** Is the structure that includes immediate choices and outcomes. It can be described by a set of variables:
 - set of participants or actors
 - rules of each participant
 - information of each participant about the action situation
 - outcomes from the action situation
 - technologies or links that are used
 - costs and benefits of actions and outcomes for each participant
- **Actors:** Are individuals or groups that are functioning as a unit. An action is the actor’s behaviour. An actor is specified by the following variables:
 - resources that the actor brings to the situation
 - valuations of actions
 - knowledge and information
 - actor’s method of action selection
- **Community attributes:** Can be summarised as culture which includes behavioural norms, the level and nature of the common understanding, homogenous or heterogeneous preferences and the distribution of resources.
- **Rules:** Rules serve to specify the action possibilities of actors, their levels of control over outcomes and the structure of the action situation.
- **Physical and material conditions:** They have an enormous influence upon the effects of rules.

- **Outcomes:** The outcome of an action situation is determined by the rules and the nature of the community.

This framework provides the basis for the following classification of regional institutions (see section 3). The E-mail based questionnaire was designed along this classification.

3. Institutions and their role of fostering sustainable regional development strategies

It is generally agreed that institutions are important actors in the regional context. The main question is could these institutions act as “*organisational mediators to combine regional and local strategies*” (see Schubert and Sedlacek 2000). The regional development process which is mainly based on regional and local strategies is more than a political process where political decision makers are exclusively involved. Regions are dynamic organisms with a quite high participation of several stakeholders.

Following the main research focus of this paper the first step is to identify those regional institutions that are supporting corporate and private stakeholders in their innovation activities with the aim of fostering sustainable regional development. There are several institutions co-existing but with a quite different variety of tasks and addressing completely different target groups. Within one of the first investigation steps of the here presented study such a differentiated picture of the institutional landscape resulted in the following typology of regional institutions:

- (a) Traditional or arrived regional institutions:** Arrived institutions are extremely focused along specific industries or labour groups with the aim of supporting these particular target groups. Institutions belonging to this group are e.g. chambers of commerce trade associations, industrial unions, trade unions, rural associations, economic development agencies, etc. Their contribution to implement sustainable regional development strategies is only rarely incorporated. The main reason for this is their concentration on specific target groups which does not allow a systemic strategy of allocating scarce regional resources between all relevant stakeholders. These institutions are essential for the regional network or the regional innovation system but they are not fully integrated in the regional development process.
- (b) “New” regional institutions:** This type of institution was originally founded with the intention of creating integrative stakeholders for the regional development process. The federal system in Austria empowers the provincial governments (“*Landesregierung*”) to

shape the regional development process in the provincial states (“*Bundesländer*”) on their own (top-down orientation). The necessity of implementing sustainable regional development strategies forces the provincial governments to delegate competencies to institutions embedded on lower regional levels (“*Teilregionen*”) to guarantee a participatory approach (bottom-up approach). This step was directly linked to the requirements of the European Union regional policy – i.e. implementation of sustainable regional development within the structural fund period 2000-2006. The Austrian provincial states decided to establish EU regional management agencies responsible for supporting regional stakeholders to apply for structural fund money from Brussels. These agencies are located in NUTS-III² regions which are parts of the provincial states in Austria. Additional institutional actors linked to European Union community initiatives are the agencies (“*Lokale Aktionsgruppe*”) managing the LEADER+³ regions.

The here presented analysis was primarily focussing on “new” institutions and their contribution to foster sustainable regional development. The main research question is ranked around the organisational features and the scope of activities of these institutions on their own and within the regional innovation system in form of co-operations with other institutions. Based on the questionnaire survey and general knowledge about arrived institutions we tried to compare arrived and new institutions in the following manner before starting with the case studies (see table 1).

Criteria	Arrived institutions	"New" institutions
Size	medium – large	small
Budget	medium	small
Activities	focused	widespread
Position in the region	partly integrated	integrated
Independence	low	low
Sustainability	no relation	weak relation

Table 1: Institutional comparison

² The Nomenclature des Unités Territoriales Statistiques (NUTS) are EU wide statistical spatial units. In Austria Nuts-III regions consist of two or more districts ("*politische Bezirke*").

Comparing arrived and "new" institutions (see table 1) leads to a completely different institutional profile in terms of explicitly organisational criteria like size and budget. New institutions are generally small scaled which limits their effectiveness. Their average number of employees is only comparable to one department or section within arrived institutions. Looking at their scope of activities which is relatively widespread a picture of a well equipped institution might arise. Arrived institutions' activities are extremely focused along specific industries or labour groups with the aim of supporting these target groups. This is also the reason for not being completely integrated in the regional development process. These institutions are part of the regional innovation system and therefore important actors within the economic development process of the region but they tend to support only their target group's field of activities whereas new institutions are linked to different regional stakeholders (institutional, corporate, individual, etc.) in different spatial contexts (provincial, regional and local level). This depends mainly on the persons themselves – i.e. the regional or the LEADER+ manager, and their permanent presence in the region. In terms of their institutional independence both types of organisations are extremely dependent, arrived institutions mainly on their mother institution (they are affiliated institutions) whereas the "new" ones on the provincial government or the mayors. Their ability to foster a sustainable regional development differs in terms of their mission. Traditional institutions that are supporting and looking after their target groups interests were not established with such a mandate. New institutions do have a concrete mission to foster sustainable regional development paths.

4. Case studies

1. Case study Vöcklabruck

- General features

The regional management agency Vöcklabruck (Upper Austria) is organised as an association. It was founded in 2001 and has therefore recently started with its operational work. A co-ordination office embedded in the provincial government supervises the work of all regional management agencies in Upper Austria. The installation of a common platform as a kind of umbrella institution for all management agencies in Upper Austria in the year 2001 was an innovative step compared to other provincial states in Austria. The main goal of this

³ The community initiative LEADER+ („Liaison entre actions de développement de l'Economie Rurale“) focuses on the needs of rural areas. In the current structural fund period 2000-2006 the initiative supports all rural areas without exception.

platform is to foster communication and information exchange between the agencies and the long-term perspective is to initiate co-operation between them. Vöcklabruck is furthermore member of the Austrian regional management since the beginning of 2003. This Austrian wide umbrella organisation was founded with exactly the same targets as the Upper Austrian platform.

- Personnel and budget

With five employees Vöcklabruck is a rather well equipped agency compared to other Austrian agencies. Two of these members are coming originally from the region. The scope of activities for the regional managers ranges from economic affairs, tourism and culture to labour, social affairs and agriculture. The share of work is organised along this scope. The managing director, Mag. Staudinger, is additionally responsible for economic affairs, tourism and culture, whereas the other two regional managers are working in the field of labour & social affairs (Dr. Konrad) and agriculture (Dipl.-Ing. Dobringer). The team is completed with a secretary and one project assistant. Compared to other cases within this study the personnel structure is quite good and unique in terms of the personnel sharing model within the NUTS-III region Traunviertel (consisting of the district Vöcklabruck and Gmunden). This model defines a division of labour in the field of labour & social affairs and agriculture. This is the reason why the regional manager Dipl.-Ing. Dobringer is physically located in Gmunden, whereas Dr. Konrad is employed in Vöcklabruck. This personnel sharing model along thematic areas is under action in many regions of Upper Austria. The main reason for this is the possibility to acquire European structural fund money within these particular fields – e.g. labour & social affairs (ESF), agriculture (EAGFL).

Looking at the total budget per year it consists of 125.000 Euro, 30% coming from the provincial government another 30% from the EU structural funds (ERDF, ESF and EAGFL) and 40% provided by the municipalities of the region Vöcklabruck. Parts of the labour costs are indeed provided by the above mentioned EU structural funds – i.e. 75% from ERDF for the regional manager Mag. Staudinger, 100% from ESF for Dr. Konrad and 90% from EAGFL for Dipl.-Ing. Dobringer.

- Organisational structure

The board of directors of the association ("Vorstand") consists of one director, six mayors and seven advisers, one at time coming from the district council ("Bezirkshauptmannschaft"), trade, labour and rural association, labour services and three at time coming from the provincial government. The region is thematically divided in six clusters – i.e. economy & technology, tourism, culture, labour & social affairs, agriculture, energy & environment, rural

space, which also effects the organisational structure in terms of the correct addressees for each thematically cluster. The main addressee within the association is the director ("Obmann") who seems co-operative and available for the regional actors. The information exchange and the communication between the advisors is rather sluggish in terms of their different institutional and/or sectoral orientation. There is only a limited interest in co-operating and supporting other regional actors including also the regional managers. The district councillor is described as highly co-operative and sympathetic vis-à-vis the regional managers. He was also one of the promoters for the regional management in the region. In total the regional actors are permanently increasing networking and co-ordination efforts.

- Projects

As mentioned above the regional management agency Vöcklabruck was recently founded therefore the total number of consulted projects was at the time of data collection compared to other cases rather low, i.e. six regional and one inter-regional projects (May 2002 – questionnaire). But the activities to increase the number of projects are growing rapidly. Many of the ideas for regional projects has been worked out in participation with other regional actors at an idea workshop in spring 2002. The result of this workshop was a written activity programme, which functions like a kind of guideline for the project management. Projects running now, are e.g. a regional online event calendar, a plant area collection, gender projects, like "women's day".

- Acceptance and participation

In order to the comparably short period of existence the acceptance within the regional inhabitants is rather weak. Therefore the amount of participation is also rather low. But both indicators are successively increasing and are extremely linked with the number of operating projects in the region. Regional actors are normally willing to participate if they gain a personal advantage. This depends on the one hand on the integration of actors in the idea finding process, which is in the region under study guaranteed since the beginning. On the other hand there has to be a minimum demand for economic, social and environmental improvements in the region, an indicator which presumes disadvantages in these three fields. Vöcklabruck is a well developed region, which is not suffering under such disadvantages⁴. Therefore the mobilisation for restructuring in the region is rather weak. Preventive strategies are therefore highly requested to strengthen the regional identity.

⁴ Vöcklabruck is not classified as an objective 2 region. Only 21 out of 52 municipalities are phasing – out regions.

- Activities

The analysis of the general activities shows a rather similar picture than in the other cases, i.e. information meetings, discussion rounds and workshops. The fact that the region can fairly gather EU structural fund money (see footnote above) is one of the most handicapping factors for the regional management agency at hand. In other cases under study where structural fund money can be used for initiating projects and mobilising regional actors, additional money coming from regional and local sources can be invested as well. The main advantage of such an independence from structural funds as in Vöcklabruck can be identified as a realisation of sustaining regional strategies going beyond 2006.

- Integration of the agency in the regional development process

In general the integration of the regional management agency Vöcklabruck has been institutionally occurred but is lacking in terms of the ratio of co-operation with other senior regional institutions. This is mainly because of pre-existing institutional structures, e.g. regional planning and development agency Vöckla-Ager ("*Planungs- und Entwicklungsgesellschaft Vöckla-Ager*"), which was founded in 1994 – i.e. before the accession to the European Union. These pre-existing institutions are now co-acting in the region, which can be identified as a hindering double structure influencing the openness and willingness of regional stakeholders to participate and co-operate. The direct competition between these institutions affects their success within the regional development process.

2. Case study Voitsberg

- General features and organisational structure

The regional management agency Voitsberg was founded in 1996 as an independent association within the association "*Wirtschaftsoffensive*", which is now the responsible body and was founded in 1989 as a consequence of restructuring processes after the steel crisis. The trade union and the trade association initiated this establishment to work out regional strategies with the aim to overcome structural crisis within the mainly state-owned steel companies. The association "*Wirtschaftsoffensive*" has 200 members in total who act as drivers for regional projects. The regional management is defined as one project of the "*Wirtschaftsoffensive*". Furthermore the "*Wirtschaftsoffensive*" acts as an office of the planning council ("*Planungsrat*") and the regional conference ("*Regionalkonferenz*"). The concentration of these important regional development functions within one association can

be stated as one of the big advantages but nevertheless the regional management could be exposed to the "*Wirtschaftsoffensive*".

- Personnel and budget

Both associations have three staff members in common, who are coming originally from the region. The regional management is as many other agencies in Austria a "one-woman-show". The budget consists of 100.000 € per year and is provided mostly by the provincial government (25%), the municipalities (25%) and the European Union (25%). The rest is coming from sponsors and other sources. Due to the very low budget the agency is not in the position to enlarge the personnel equipment, although the regional manager Dr. Pfeifenberger is overloaded with work. Her time capacity has already reached a limit, i.e. 60 hours per week and additional events during the weekend. The above mentioned "one-woman-show" is on the one side a clear positive indicator for the region, because the regional manager is well known and regional actors have more trust in persons whom they know. On the other side it limits the activities the regional manager is involved in.

- Projects

The projects in the region are mainly intra-regional ones (45%), which are handled in co-operation between several regional actors, e.g. inhabitants, corporations, municipalities, associations. The regional management agency functions as a moderator or co-ordinator within these projects. In some projects the agency is actively involved in the operative project work, which overloads again the regional manager in terms of limited time capacity. The initiative for most of the projects is coming from institutionalised actors, e.g. regional management agency, "*Wirtschaftsoffensive*", municipalities.

- Acceptance and participation

The general acceptance is recently relatively high in terms of the above mentioned ubiquity of the regional manager ("one-woman-show"). Directly after the establishment of the regional management agency there was a widespread more sceptical engagement in the region. During this period the regional manager was not well known and was therefore appraised the same as an external actor, although Dr. Pfeifenberger was originally coming from the region. Especially the mistrust against the establishment of the institution regional management raised in terms of public money a critical discussion within the region. The necessity and usefulness is especially in a region with major structural problems over a long period (since 1986) a critical indicator which has to be slowly embedded in the feelings and heads of the regional stakeholders. First success projects and other outputs helped successively to

overcome such prejudices. The fact that not each project can support all the municipalities in the region was responsible for this mistrust. One initiative enormously helped to overcome this particular problem, i.e. the establishment of a panel ("*EU-Leitungsgremium*") for the existing common financial pool ("*Initiativtopf*"). Each municipality is supporting this pool with 3 € per inhabitant. The money can be seen as a kind of seed money for new projects until they start. The panel consists of several actors, i.e. social partners ("*Sozialpartner*"), federal and provincial political actors, actors from the labour services, the rural association and the regional manager, who are negotiating upon the money distribution within monthly meetings. The decision upon the final distribution is devoted to the mayors ("*Bürgermeisterkonferenz*").

- Activities

The field of activities is characterised by the structural problem of the former state-owned steel industry. Within the current structural fund period the whole region is designated as objective 2, which is compared to the former period with no designated objective 5b regions an enormous advantage in terms of applying for more structural fund money, e.g. LEADER+. With this additionally money the region tries to invest in the integration of tourism, food & beverages and agriculture ("*Natur-Kultur-Genuß-Kulinarik*"). Therefore projects and activities under the LEADER+ initiative will be primarily pushed with the aim of implementing sustainable regional development strategies. A second strategy is the support of cross-border activities within the EUREGIO Styria-Slovenia with several INTERREG III projects. A third field of activities concerns labour market problems and is linked to the EU initiative regional employment agreement ("*regionaler Beschäftigungspakt*"). The overall regional strategy focuses on (1) regional marketing and (2) new technologies.

- Integration of the agency in the regional development process

The regional management agency Voitsberg seems perfectly integrated in the regional development process, especially in terms of networking, e.g. member of EUREGIO, co-operation with the regional management agency Süd-West-Steiermark concerning LEADER+, part of the regional financial pool panel (see above), etc. The institutional network within the region is perfectly organised and has a relatively long tradition because of the above mentioned structural problem in the mid 1980s. Altogether the regional manager Dr. Pfeifenberger is extremely overloaded (see "one-woman-show" argument), which can develop to a future problem in terms of the broad variety of activities.

3. Case study Mittelkärnten

The regional management agency Mittelkärnten was founded in 2001 and is established as a sole-organised ARGE. The provincial state Kärnten organised their original 11 management agencies as different organisation types to analyse which type fits best. At this time it is not possible to determine one optimal organisational structure for fulfilling the function of a regional management. Additionally Kärnten tries to reduce the number of regional agencies in the province, because maybe it will be easier to solve problems and initiate new projects in larger regions than in small units. The ARGE Mittelkärnten represents an umbrella organisation of three regions (Norische Region, Hemmaland and Kärntner Holzstraße). Therefore this common umbrella institution is confronted with the co-ordination of the requests of three partly very different regions. Kärnten installed in the beginning of the structure fund period of the LEADER+ programme 2000 – 2006 only four LEADER+ regions. Therefore the ARGE Mittelkärnten represents the in addition the LEADER+ agency Mittelkärnten.

- Personnel and budget

The regional agency Mittelkärnten is equipped with two employees – one regional manager and one secretary. Concerning to the fact, that this organisation units three regions this number of staff can be indicated as rather small. These two employees are not originally coming from the region. This is untypical, because more than 90% of all regional managers in Austria are from the regions they are working for. The total budget for the organisation per year consists of about 58.000 Euro, in comparison to other regional agencies a rather small budget. 50% from the budget are coming from the EU structural funds, 10% are from the provincial government, 10% from the federal government and 30% are provided by the municipalities of the region Mittelkärnten.

The regional managing director of the ARGE Mittelkärnten, Mag. Helga Kurat, reports that she is a regional consultant and a co-ordinator, but also she is responsible for preparing and distributing information. For these tasks it is necessary to communicate with all actors in the region. The region Mittelkärnten has in contrast to the rest of the provincial state a lack of tourism. But the region is rich of traditional cultural variety, therefore the regional manager identifies her main vision in establishing a better position of the tourism sector. The valuable landscape and the traditional culture in this region could be a chance to differ from the rest of the provincial state Kärnten and to use this special characteristics of the region for initiating alternative forms of tourism (“*sanfter Tourismus*”). On the one hand these measures could be a positive impulse for the economic situation in the region on the other hand they could be a

reason for the population to realise the strength of their region and importance of the cultural assets.

- Projects

The initiated projects of the regional management agency Mittelkärnten were mainly supported by the European Union, the provincial state, various funds and the federal government. As mentioned above the regional management agency Mittelkärnten focuses its activities and therefore also its projects on an improving of the tourism situation by concentrating the projects on strengthening the supply of cultural activities. Projects about this theme are mainly concerning on e.g. co-operations with Slovenia, to activate the cultural tourism in both countries, combination of cultural programmes and museums, but also combination of the regional agricultural initiatives and agricultural products which were founded the last years. The budget for these projects is coming from the European Union, the provincial state, the federal government and various funds. The initiative for regional projects is matter of many regional actors like citizens, municipalities, firms and further regional institutions. On the contrary the project management and –controlling is exclusively indicated as a task of the regional management institutions and the provincial state. Again the role of the ARGE Mittelkärnten in projects is many-sided. Informing and consulting, contact initiative, moderation and mediation and also active co-operation are important tasks of the regional manager.

- Acceptance and participation

On the one hand the acceptance and the participation of the citizens and farmers seems to increase permanently since the foundation of the institution in 2001. On the other hand for the manufacturing, restaurants, hotels and trading industry it is of importance to get a minimum of economic or social improvement to support the activities of the regional management. The willing of all regional actors to co-operate is increasing with the number of successful operated projects.

- Activities

Before Mag. Helga Kurat became the director of the regional management Mittelkärnten she was working in the field of public relations, therefore she is also in her function as a regional manager very interested in organising i.e. information meetings, discussion rounds and workshops to integrate the citizens, firms and other regional institutions in the activities and projects of the regional management. Unless projects these activities cover a huge amount of

the regional manager. These activities are supported by the EU, the rest of the budget has to be organised by the regional management.

- Integration of the agency in the regional development process

The regional management represents a central actor in the region, exclusively the regional manager as a well known person has to communicate and to co-operate with all other actors in the region. Especially the regional manager of Mittelkärnten tries to integrate all dimensions of sustainability (economic, ecological and social factors) in all projects and activities, therefore she has to work together with a lot of different co-operation partners. In other words to keep a good and sustainable integration of the agency in the regional development process, the regional manager has to invest most of her time. One defined aim of Mag. Helga Kurat for the future of her agency is to strengthen the identity of the region Mittelkärnten. She hopes her work can improve the position in the provincial state as a region with important cultural treasures and a valuable landscape. But it will be very difficult to fulfil this visions because of the limited personnel and financial resources. However all activities of the regional management aims in becoming a well developed region which is independent of the supports from the European Union funds until 2006.

4. Case study Südburgenland

The LEADER+ agency (“*Lokale Aktionsgruppe*”) südburgenland plus was founded in the year 2001 as an independent association. The staff consists of three employees – two regional managers and one secretary - who are all coming originally from the region Südburgenland. The director of the regional management Mag. Thomas Novoszel was during his study of economics already concentrating on tourism and regional development. The second regional manger Dipl.Ing. Ursula Maringer was studying Landscape Design and Planning on the University of Natural Resources and Applied Life Sciences, Vienna. The budget consists of 200.000 € per year and is provided 50% by the EU and 35% by the municipalities of the region. The rest is coming from the federal government and the provincial states. At the beginning the LEADER+ agency was organising an information event to inform every municipality about the EU-program LEADER+ and the function of this new organisation.

- Projects and activities

The projects in the region are mainly local projects which is not untypical for a LEADER+ agency. Because in comparison to the regions of regional management institutions LEADER+ regions are the smaller units therefore LEADER+ projects often take place in the near neighbourhood. The main part of the projects is supported by the EU, the provincial state, the

federal government and the municipalities. The initiative for most of the projects is coming from the citizens, the municipalities and the LEADER+ agency. In contrast the project controlling is defined as a task of the LEADER+ agency, but also of the citizens and the provincial state Burgenland. Above all during a project the LEADER+ agency is responsible for information, consulting and mediation. A LEADER+ project has to fulfil special criteria to be accepted, for example it should have a positive regional effect and it should integrate several regional sectors. In addition the person who is going to take over the project responsibility should come from the region Südburgenland. Finally defined limits of time and money should not be exceeded. Beyond this mentioned criteria the regional development strategy ("*regionaler Entwicklungsplan*") includes a list of themes which should be integrated in new project ideas, for instance tourism, agriculture, culture, technological innovation and so on.

Beyond concrete projects the LEADER+ agency Südburgenland is organising information meetings, discussion rounds and workshops. All these activities are part of a separate project, therefore the financial support is again coming from the European Union, the provincial state, the federal government and the municipalities of the region.

- Co-operations and contacts

The LEADER+ manager is co-operating with a variety of local actors like citizens, farmers, industrial association and trade unions. Additionally the LEADER+ agency uses to have regular contacts to the regional management of the provincial state, although at the moment no common projects are in planning. The board of the LEADER+ association of Südburgenland has no representative of the provincial government. This fact should demonstrate the independence of the LEADER+ agency of the provincial government. In addition at the beginning of the LEADER+ agency in the year 2001 the communication basis between the new regional institution and the provincial government has several organisational and structural difficulties. But today the relationship has improved and a good co-operation partnership is existing.

- Acceptance and participation

The general acceptance in the region of the relatively "new" LEADER+ agency is estimated averaged. The best contacts are existing between the LEADER+ agency and the tourism unions and farmers of the region. In the same way the LEADER+ manager estimates the actors support. Again tourism unions are supporting the activities of the organisation mostly.

- Field of activities

The most important task of the regional institution is to act as an initial point for new LEADER+ project ideas. If a regional actor is coming to the LEADER+ agency with an idea for an new project the institution tries to inform and support from the first meeting until the concrete beginning of this project. Additionally the institution is establishing new contacts and co-operations. Further tasks of the LEADER+ manager are the organisation of board meetings, the co-ordination of EU structural fund money and the regular information of all regional actors about the projects and activities of the LEADER+ agency. Before a LEADER+ agency can be established the LEADER+ manager has to develop a regional development strategy ("*regionaler Entwicklungsplan*") with a description of the strength and weaknesses of the region and with concrete aims until the end of this structural fund period in 2006. The LEADER+ agency südburgenland plus points out as a main vision for the future, the strengthening of a regional identity with all typical specifications, landscape, traditional clothes and food. To fulfil this tasks there is a need of motivated active people who support this process. Additionally it is of importance that all regional stakeholders realise the significance of co-operations in and outside the region.

5. Synthesis

The following synthesis of the results of the above mentioned four case studies and the returned questionnaires of all interrogated regional managers and LEADER+ managers is based on a list of criteria which seems of importance for an explanation of these new regional institutions. This analysis does not intend to function as an evaluation of the quality of the projects and activities of the organisation. But it could support to realise on the one hand the potential and on the other hand the risks of these institutions by being an important part in the development process of a region. The criteria in Table 2 help to reduce the complexity of information. The selected criteria are based on the research design of the project and they are a combination of relevant criteria to analyse institutions in the literature (Minsch et al. 1998, Ostrom 1998).

Criteria	Region			
	Mittelkärnten	Voitsberg	Südburgenland	Vöcklabruck
Participation	2	3	3	4
Acceptance	2	3	3	3
Support of the regional process	1	1	1	2

Efficiency	3	3	1	1
Flexibility	1	2	2	0
Regional integration	3	1	1	3
Institutional profile	2	3	2	2
Long-term perspective of the institution	3	3	2	2
Long-term perspective of the activities	4	1	3	1
Independence of the institution	3	2	1	2
Well-known in region	2	2	2	3
Mediation	2	2	2	0
Sustainability as a focus	1	4	4	2

Table 2: List of important criteria (0-neutral; 1-very good; 2-good; 3-satisfying; 4-sufficient; 5 – unsatisfactory)

The above presented list of criteria provides an overview for a comparison between the four regions. The assessment is based on qualitative data coming out of the case study interviews. In the following section we will focus on those being essential for at least two of the regions under study and functioning as general criteria to draw a picture of the institutional landscape in Austria.

Participation and acceptance

Directly after the establishment of the regional management and the LEADER+ agencies a tendency to widespread scepticism arises in the particular regions. During this period the regional and the LEADER+ managers are not well known. This is an indicator for estimating them like external actors, although most of them are coming from the region. Therefore the amount of participation and acceptance is rather low immediately after the foundation of the new institutions, but it tend to increase gradually with the number of successful operated projects in the region. Normally regional actors are willing to participate and to co-operate as long as there is a possibility for personal advantage or economic impulses. Additionally the regional institutions have to get in contact and co-operate with various target groups especially citizens, tourism unions, manufacturing firms and farmers. All these single actors and institutional units have different visions how the region should develop. Therefore it is one of the most important tasks of the regional and the LEADER+ manager to co-ordinate these different visions. In other words without being accepted and well known in the region the regional and the LEADER+ manager will hardly be able to fulfil their mission. The fact

that a region is well developed and has no demand for economic, social and environmental improvements is another reason why the amount of participation and acceptance is rather low. An example for such a situation is the region **Vöcklabruck**, which is hardly suffering under disadvantages. **Voitsberg** fits to a completely other type of region with tremendous structural problems over a long period of time (since the steel crisis in the mid 1980s). The need and demand for structural changes is in this region comparably high. **Südburgenland** has a rather long tradition in environment-oriented strategies – i.e. renewable energy know-how. Comparing the assessment these three regions do have similar amounts of participation and acceptance although the conditions are quite different within the regions under study.

Regional integration and support of the regional process

In order to get a picture of the institutional embeddedness in the region the interviews of the case studies focused on the main tasks, visions and handicaps of both the regional and the LEADER+ managers. The results of the case studies confirm the impression of the analysis of the responded E-mail based questionnaires (i.e. 60% of the regional and LEADER+ managers), namely that these new institutions co-ordinate, communicate, inform and support contacts in the region. Consequently the regional integration of the new institutions depends above all on the acceptance of the institution in the region. The integration increases over the time and additionally with the increasing knowledge of the regional actors about the projects and activities of the newly formed regional institution. Such examples are **Voitsberg** and **Vöcklabruck**, two institutions in different development stages (Voitsberg since 1996 and Vöcklabruck since 2001). Voitsberg has the experience that the acceptance is gradually increasing after successfully completed projects (“best practice projects”) whereas Vöcklabruck has no finished projects until the time of data collection.

More than 60% of all projects take place on the regional and local level which underlines the importance of the acceptance of local actors. In Austria the regional institutions are confronted with especially two challenges. On the one hand the institutions have to inform the citizens, farmers and other regional institutions permanently about their projects and activities to reduce their scepticism. Additionally the new regional institutions have to convince firms, citizens and further regional institutions to co-operate with the regional and the LEADER+ manager. On the other hand the provincial governments are often establishing new institutions with similar tasks and functions as the regional management institutions and the LEADER+ agencies. Therefore the institutions and their activities have to convince all the regional stakeholders that they are an important part of the regional development process. The regional

management institutions and the LEADER+ agencies have different strategies to survive. For example the regional management institutions in Kärnten (including **Mittelkärnten**) try to establish a network of the regional institutions by organising regular meetings two or three times a year. Generally the strategy to have a strong network and a good information flow between the regional institutions of one provincial state is a typical way of the regional management institutions and the LEADER+ agencies to prevent the own institution from a dissolution.

- **Efficiency and flexibility**

The fact that most of the regional management institutions and the LEADER+ agencies are rather small units with one to five employees and an institutional budget of about 100.000 to 200.000 € per year indicates that these organisations are equipped with very limited resources. In comparison to the field of activities the regional and the LEADER+ managers are confronted with, these resources seem very limited. Beyond this the fact that these new institutions have to co-operate with many different actors indicates that they have to be very flexible. The results of the case studies determine the impression that the regional and the LEADER+ managers as well known persons are partly overloaded with their tasks. For example the regional manager of **Mittelkärnten** has to co-ordinate the targets of originally three regions which are forming the single region Mittelkärnten since 2001. Additionally the provincial government of Kärnten started an assessment of all regional agencies in the provincial state in 2002. Resulting from this assessment the regional manager is confronted with the need for more meetings and above all more pressure. In consequence the time capacity of the regional manager of Mittelkärnten has already reached an upper limit. On the contrary the number of consulted projects of the regional management agency **Vöcklabruck** which was recently founded in 2001 is rather low, therefore the time capacity of the regional manager compared to other regional management agencies in Austria seems to be enough – at least at the time of data collection.

Long-term perspective of the institutions and their activities

The main visions of the regional and the LEADER+ managers of the most regions in Austria focus on the one side on an improvement of the regions location factors in terms of job creation and competitiveness. On the other side there is a tendency to strengthen the increasing development of tourism. Above all the regional and the LEADER+ managers are interested in supporting a development process which finally leads to an independent position

of the region with actively involved regional actors who are interested in a sustainable pathway of the region beyond 2006. The concrete situation of the long-term perspective of the activities of the regional management institutions differs from region to region and depends on the situation of the region at the early stages of the institution after the establishment. For instance the region of **Vöcklabruck** is not classified as an objective 2 region, therefore this region is not able to apply for structural fund money. In consequence of this independence in terms of structural fund money the implementation of sustaining regional strategies beyond 2006 seems realistic. On the contrary the long-term perspective of the regional agency of **Mittelkärnten** is uncertain even for the structural fund period till 2006 because of the assessment process of the provincial state Kärnten at the time of data collection. Generally the further development of the institutional landscape in Kärnten depends on the results of this assessment.

Sustainability

Our here presented research design focuses on these institutions which are intending to reorient the current regional development process into a **sustainable** regional development process. Therefore the understanding of sustainability is an important criteria to describe the activities of these institutions. The results of the case studies afford a general interpretation of sustainability with long-term perspective. Although the regional and LEADER+ managers know that sustainability includes a focus on environmental tasks, the projects and activities are more concentrated on the economic and social improvements in the region. An explanation could be that the willingness of the local actors to co-operate with the regional management agency increases as soon as there is a realistic possibility for economic impulses and advantages. Nevertheless especially the regional manager of **Mittelkärnten** is realising the whole complexity of sustainability including all (environmental, economic and social) effects. For this reason the projects and activities of this regional management institution show compared to all others a rather widespread focus.

To sum up the above discussed criteria and their significance for the regional institutional landscape and its ability to foster sustainable regional development the question of the integration of policy driven top-down and participatory bottom-up approaches – both are co-existing in the regions – is warranted. The regional management agencies have more potential to act as a general integrative link between the provincial governments and the local stakeholders compared to the other types of "new" institutions under study. The intensity of

networking is in the case of regional management agencies comparably higher on all different spatial levels – i.e. local, regional and provincial state level, which is an indicator for the above mentioned function as an integrative link in the regional development process. On the contrary the LEADER+ agencies do have a concrete focus on the LEADER+ community initiative and therefore on these particular regions. In consequence these institutions are mainly concentrating on rural development and therefore the agricultural sector.

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