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Policy Strategies to Overcome Regional Structural Change:
A Comparison of Merseyside and the Ruhrgebiet

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1. Merseyside and the Ruhrgebiet: Two experimental grounds for policy strategies to overcome regional structural change in Germany and Britain

Merseyside and the Ruhrgebiet are two traditional industrial regions in Europe which, for a number of reasons, have been hit more by the impact of technological and economic change than other urban agglomerations in the Federal Republic of Germany and in Great Britain. In both regions the transition from the industrial to the post-industrial society has caused enormous social, economic and political problems, which, given the socio-political context in Germany and England, did, and still do require considerable state intervention. Usually central and regional governments strategies do aim at two political goals: supporting the process of industrial innovation and economic regeneration and cushioning the negative social repercussions of this process for the regional population. Both the Ruhrgebiet and Merseyside have experienced a variety of such policy strategies and both regions do continuously experiment with newly developed strategies, hoping that they will, in the long run, succeed to overcome the negative regional impact of structural change.

For decades, the responsible national, regional and local governments and/or institutions in both regions have been responding to those problems, which are felt and articulated by the people, by regional and local politicians and by influential interest groups. In most instances the reaction was geared to just solve a single problem, for which a cause could easily be identified. In a few cases a more comprehensive policy strategy was formulated, but often for a limited time period only.

Given the complexity and the world wide interdependence of causes and effects of structural change, the formulation of consistent and comprehensive policy strategies is certainly much more an academic dream than politically feasible. Moreover, it is not difficult to assess all those strategies which, during the past twentyfive years, have been developed for the Ruhrgebiet and

Fig. 1
Merseyside and Ruhrgebiet in the European Context

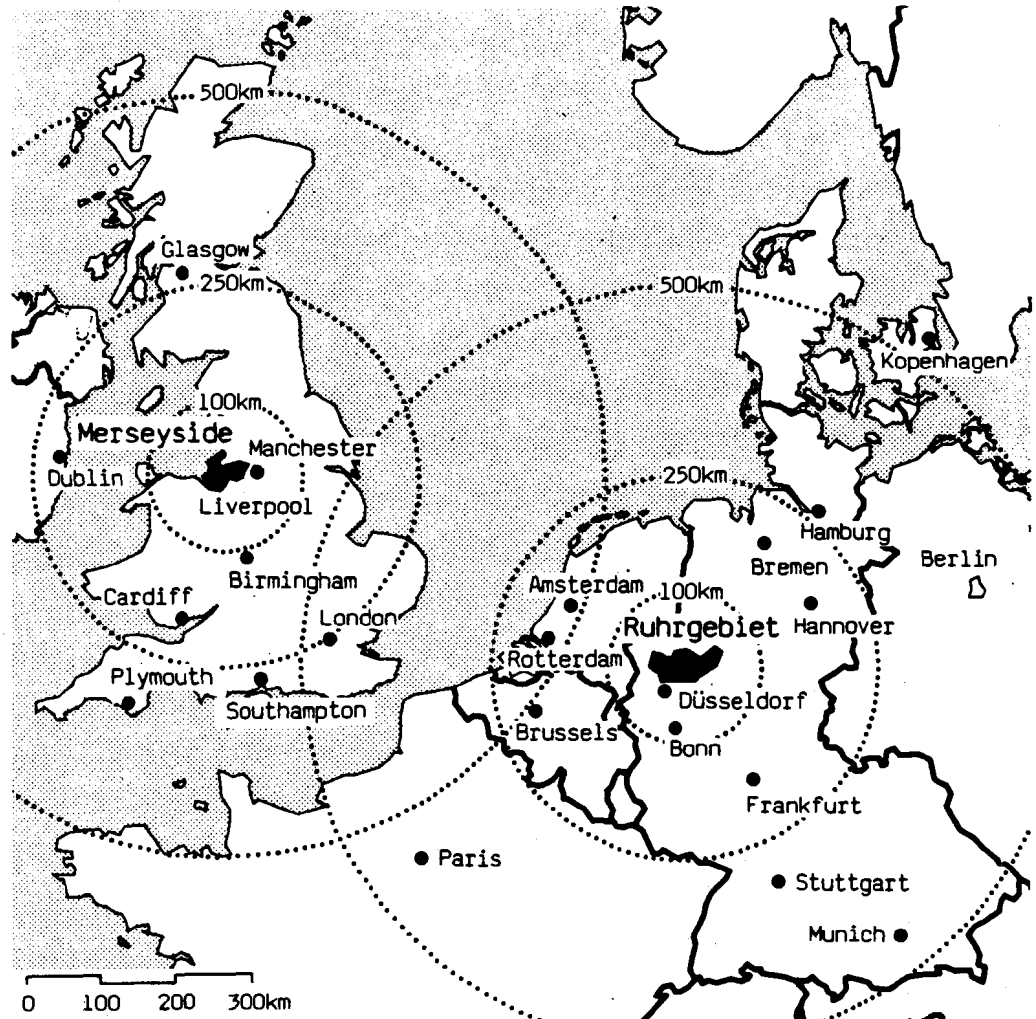


Fig. 2

Merseyside

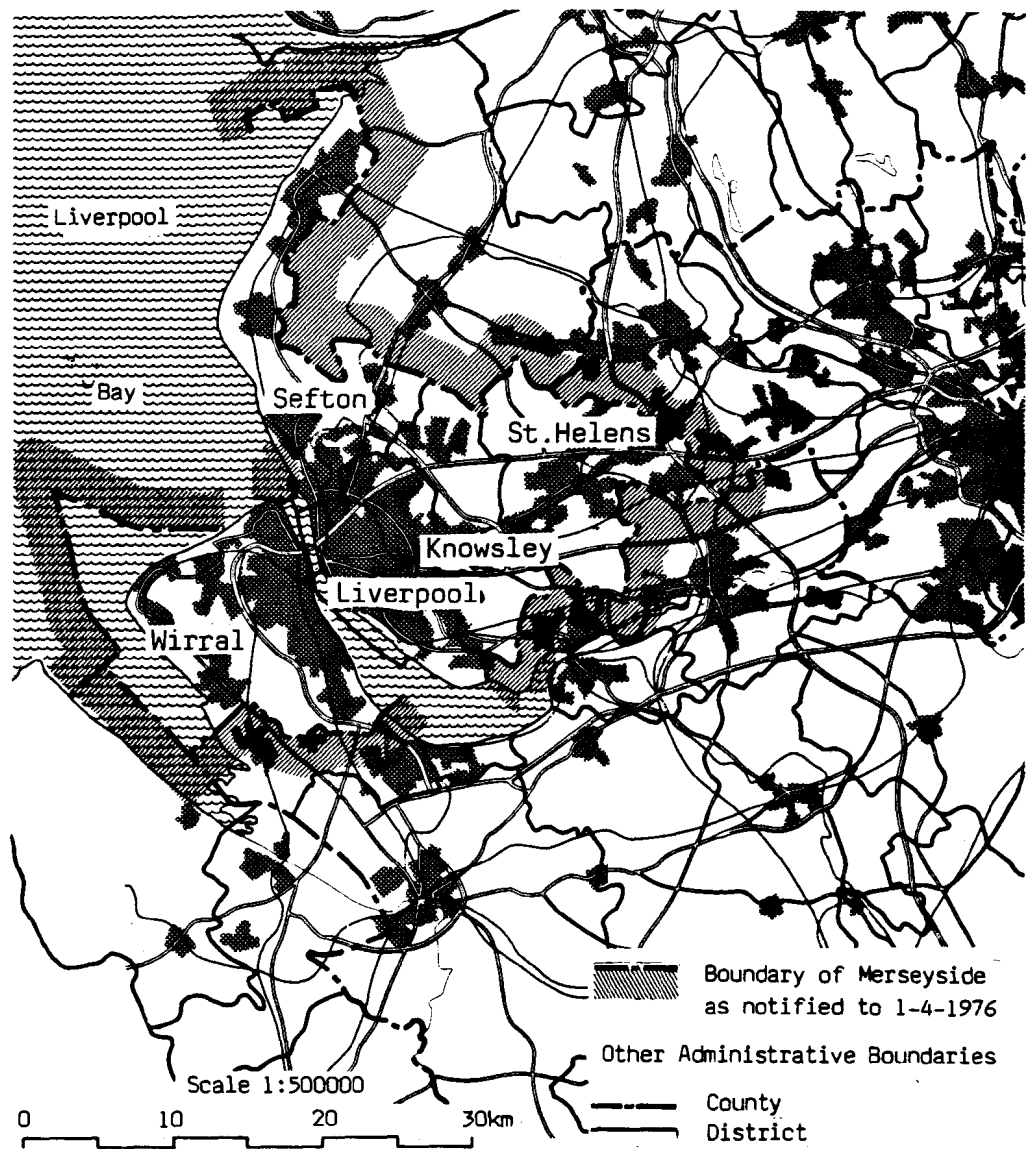


Fig. 3 Ruhrgebiet



for Merseyside without full description of the evolution and the regional causes of structural change, which is not feasible in the context of this paper.

What I can do with three quarters of an hour is

- i. to sketch the regional causes of decline in both regions by describing some similarities and differences,
- ii. to describe past and present policy strategies to overcome regional decline in the Ruhrgebiet and in Merseyside and
- iii. to assess these policy strategies.

Before doing so I will try to justify that the Ruhrgebiet and Merseyside, despite quite considerable differences, are comparable.

2. Merseyside and the Ruhrgebiet: Are they comparable?

At a first glance both regions can hardly be compared. Merseyside and the Ruhrgebiet do considerably differ in size and population. Their geographical location is quite different.

Merseyside's economic development in the past was very much linked to Liverpool's function as one of the most important European ports. This port which played an eminent role in the slave trade triangle (Africa to West Indies/North-America to Europe). In addition to the port related trade and industrial activities, textile and manufacturing industries characterized the regional hinterland of Liverpool and Merseyside.

The economic evolution of the Ruhrgebiet to become one of the most powerful industrial regions in Europe was primarily based on coal exploitation and steel production, with a considerable proportion of dependant manufacturing industries. With its 4432 sqkm and its 5,5 million inhabitants in 1978, the Ruhrgebiet is six times bigger in size and utmost four times bigger concerning population size than Merseyside.

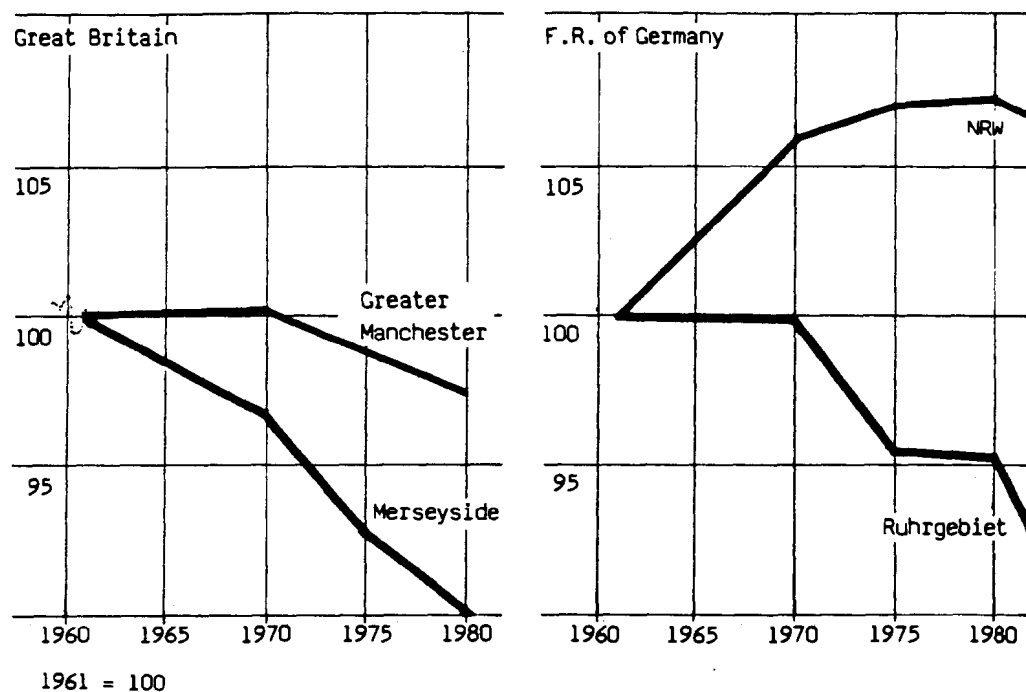
The socio-political context and administrative structure in Britain and Germany and the administrative structures differ. A very much centralized decision-making system in Britain contrasts to the more decentralized system in Germany in which the local governments of the Ruhrgebiet are acting.

However, despite such and many other differences both regions have also a number of common, which do justify a comparative assessment of policy strategies to overcome regional structural change. Such similarities are:

- For decades both regions played (and they still play) an outstanding role for the respective national economy;
- The economic strength of both regions was primarily based on a leading function (in Merseyside the port, in the Ruhrgebiet coal and steel), which determined the overall economic, social and environmental structure of the region;
- Both regions were hit much earlier by the negative impacts of structural change than other urban agglomerations;
- Regarding quality of life, environmental conditions and political culture, both regions have a comparably low profile and image within their country (whether this is justified or not);
- Both regions do suffer from economic decline and structural changes in a much bigger scale than elsewhere in the country and in both regions new strategies and instruments had to be developed and applied;
- Both regions seem to be favourite training grounds for the testing of those new strategies and instruments have been thought out and elaborated by policy advisors and academic thinktanks;
- With their considerable export orientation and dependency both regions are much more affected by altering international trade patterns and shifting world markets than other regions in the respective country.

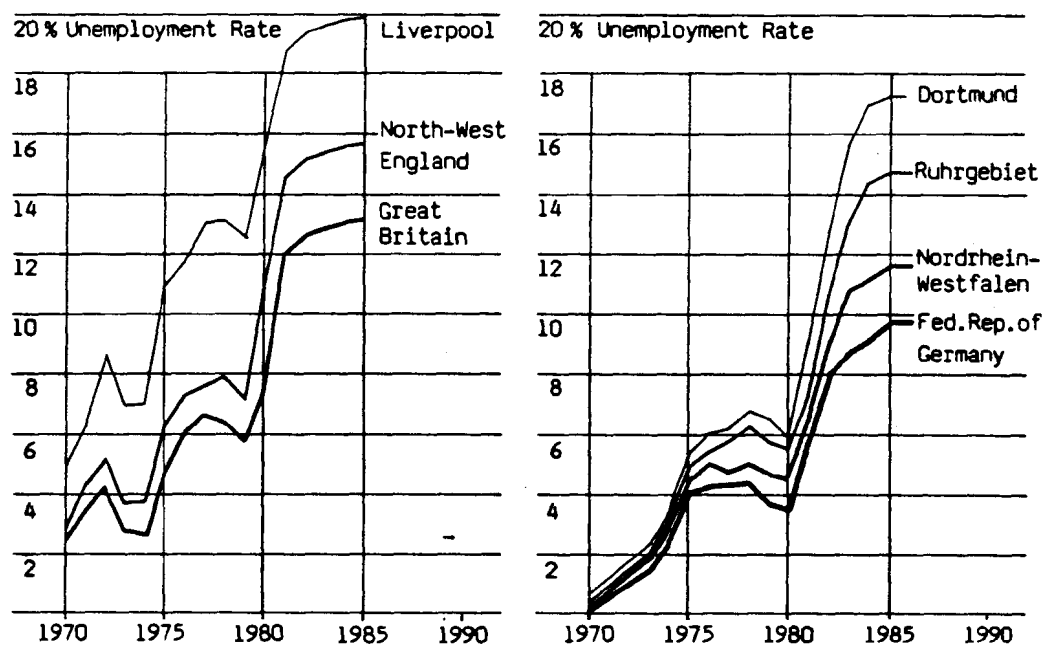
Given such and other reasons it may be legitimate to compare policy strategies for the restructuring of the Ruhrgebiet with those for Merseyside.

Fig. 4
Population Development of Selected Regions in Great Britain
and in the Fed.Rep.of Germany (1961 to 1980)



Source: Eurostat, Städte- und Kreisstatistik Ruhrgebiet 1985

Fig. 5
Unemployment in Great Britain and in the Fed.Rep.of Germany
(1970 to 1985)



Source: Department of Employment, Monthly Statements.
Kommunalverband Ruhrgebiet (Hrsg.): Arbeitsmarkt Ruhrgebiet,
various editions.

Table 1: Merseyside and the Ruhrgebiet: Some basic figures

	year	Ruhrgebiet (KVR)	Merseyside (County)
Area (sqkm)		4432	647.89
Population	1980	5,504,215 (1978)	1,545,500
	1976	5,514,467	1,578,000
	1970/71	5,750,479	1,656,544
	1961	5,758,917	1,718,186
	1950/51	4,672,139	1,662,733
Population Development (%)	1961-1976	- 4.2	- 8.2
Population Density	1976	1,244	2,436
Age structure (%)	1976		
Population 0 - 14		20.0	24.0
Population 15 - 20		7.6	62.5
Population 21 - 65		58.1	
Population 65 +		14.3	13.7
Employment structure			
Total employment	1970	2,134,849 (1971)	722,422
- Agriculture		6,571	3,951
- Mining/Industry/Construction		1,191,357	361,711
- Services		936,921	406,760
Total employment	1976	1,808,900	732,645
- Agriculture		7,236	3,576
- Mining/Industry/Construction		1,045,544	306,512
- Services		756,120	422,557
Unemployment Rates (%)	1969	1.5	3.4
	1972	1.7	6.8
	1975	5.2	7.0
	1978	6.0	11.5
	1980	(Sept.) 5.8	(Nov.) 14.6
Economic activity rates (%)			
Males	1961 -	64.0	62.4
	1970	59.7 (1971)	59.1
Females	1961	22.6	29.9
	1970	22.6 (1971)	33.1
Total	1961	42.6	45.4
	1970	39.3 (1971)	45.5
	1979	38.0	46.1

3. Causes of regional decline in Merseyside and the Ruhrgebiet

The underlying causes of structural change and regional decline are the obvious starting points of any deliberations for appropriate policy strategies. This approach, however, does create some difficulties, as even the predominant causes regional decline are manifold, complex and highly interrelated. This renders it extremely difficult to interconnect causes and policy strategies.

There is a rich and daily growing academic literature describing the causes of structural change, of urban decline and of the decreasing economic power and dominance of traditional industrial areas in Europe as well as in the United States of America. Based on different disciplinary traditions, a variety of causes have been identified and arguments suggested. They have been found either through comparative cross country evidence or in the context of single empirical case studies.

The causes identified in the literature can be grouped as follows:
There are causes

- which are a consequence of changing international relations and trade patterns,
- causes, which stem from the overall cultural, social, political and technological development of the society as a whole and
- additional causes, which reflect the environment of the region in question, its particular economic conditions, its political tradition and its socio-cultural context.

Under the assumption that the first and second group of causes have affected both, the Ruhrgebiet and Merseyside in a similar manner, the interest can focus on the intraregional causes of regional decline.

The following table gives a concise picture of a few prominent causes of regional economic decline in both regions.

Table 2

Causes of regional decline in Merseyside and in the Ruhrgebiet

	Merseyside	Ruhrgebiet
i) <u>Economic causes</u>		
- The leading economic function of the region with all its forward and backward linkages has lost its national/ international importance.	The loss of importance of Liverpool as a world port and the resulting decline of the regional ship-building industry are major causes for the economic decline of the region as a whole.	The continuously declining importance of coal exploitation and steel production is primarily responsible for the economic decline of the whole region.
- Long-lasting industrial mono-structure and industrial concentration in a few powerful enterprises has created an economic and socio-political environment which is hostile to other economic sectors. Vested interests of those enterprises hinder new development.	Only partly true! The dominance of a few industrial branches was not a major obstacle for other sectors to develop.	Yes! The dominance of the coal, energy, steel and iron sectors in the regional has hindered the establishment of small firms and of enterprises in other industrial sectors. It has also contributed to the bad environmental image of the region and to a distorted land market.
- Due to considerable technological changes of military tools and weapons and due to the resulting locational shift of military production, old industrial regions have lost a key driving economic force.	No direct relation! However, concentration of military related R & D activities and production along the MA corridor in South England has contributed to the economic decline of North-West England.	Does affect the region. For a number of reasons the Ruhrgebiet has lost its former importance as a centre of military research, development and production to other regions (e.g. to Munich, Ulm, Friedrichshafen).
- Scarcity of appropriate land for new industrial development has <u>prevented the attraction of hightech industries</u> to the region.	The availability of suitable land for new investments is not a problem in the region.	For decades the unchallenged land monopoly of the big industrial land owners has badly affected the necessary physical restructuring of the region as a whole. Attractive and developed land, ready for immediate use, is still a scarce resource.
ii) <u>Political causes</u>		
- Traditionally very strong industrial labour unions, which are militant, comparably conservative and inflexible towards innovations.	The very militant dock workers' union has certainly contributed to the national spatial re-orientation of harbour related economic activities.	The region is a traditional stronghold of the unions. Especially mining and steel unions are very powerful. However, due to the continuously declining labour force in the coal and steel sector their membership and the influence is shrinking.
- The unchallenged dominance of one political party has nourished regional nepotism and corruption paralysed creativity within the party and discouraged the political opposition.	Not true! The labour party has lost power to the liberals in the sixties and seventies.	Generally true. Most major cities in the region are traditional strongholds of the Social Democratic Party and no political change has occurred since 1945.

Table 2 (continued)

Causes of regional decline in Merseyside and in the Ruhrgebiet

	Merseyside	Ruhrgebiet
<u>Political causes (cont.)</u>		
- Centralized decision making and state intervention does discourage the region to develop their own consistent policy strategies.	The continuous sectoral intervention of the central government is extremely counterproductive and has caused more tension than feelings of "gratitude".	Excessive centralization of political decision making is not a problem in the region. Local self-government is rather strong and effective. Intercommunal competition within the region, however, has occasionally endangered regional solidarity.
- European policies do often disadvantage traditional industrial regions.	The entering of Britain into the common market has caused the diversion of commodity and trade flows to Southern England.	The regional steel industry complains that the European steel policy does continuously crimp steel production in Germany.
<u>iii) Socio-cultural causes</u>		
- The bad image of the region among investors and qualified labour force does discourage the evolution of new firms in high-tech sectors.	Yes! Merseyside is an often quoted synonym for a dying region. It is considered to be the prototype of a declining industrial region in Europe. Based among others on economic evidence, on social aspects (riots), on ideological dissension (local left wing labour government) and on environmental conditions.	Yes, frequently articulated. Based mainly on prejudice against environmental conditions (mainly air pollution), the quality of life - an area with heavy industries is considered to be lower than in Southern Germany or along the Rhine corridor.
- Cultural deficits in the region are among the major reasons for the outmigration of young qualified professionals.	This is partly true if compared with London, Edinburgh and Glasgow. But cultural events in Liverpool are not less frequent than in other industrial regions in Britain.	Often brought forward, but in fact not relevant for the region as a whole! Based mainly on the absence of a big (traditional) opera house and internationally known orchestras. UNESCO has recently classified the Ruhrgebiet (after Paris and London) as the third cultural regional of Europe. Consumption of cultural supply, however, requires access to information and regional mobility to travel within the whole regional agglomeration, across urban boundaries.
- A low educational profile and intellectual climate did prevent the region to continuously respond to the repercussions of regional structural change.	The existence of the internationally renowned University of Liverpool and a strong Polytechnic could little contribute to overcome the structural crisis of the region.	The lack of (technical) universities (up to 1968) and the overall low intellectual climate was certainly one of the major reasons for the economic decline of the region. However, conditions have changed considerably since the early eighties.
- Bad environmental conditions and low aesthetical quality of major parts of the region have negatively affected the quality of life of its population and contributed to the outmigration of its qualified labour force.	Probably just a minor reason for outmigration.	Does undoubtedly play a certain role among the (young) economically ^{active} population but is more of secondary importance.

4. Tracing policy strategies for the restructuring of Merseyside and the Ruhrgebiet

Given the particular regional conditions which the enumeration of a few possible causes of regional decline in both regions does reflect, it is obvious that policy strategies have to respond to a variety of problems in a rather comprehensive manner. Before analyzing in a comparative way some of the policy strategies which have been adopted in Merseyside and in the Ruhrgebiet to overcome the most negative impacts of regional structural change, it is necessary to shortly point to a few general dissimilarities.

- Britain has experienced economic, social and physical impacts of regional structural change and subsequent processes of urban decline much earlier than Germany. For the Ruhrgebiet, the early industrial modernization process in the fifties and early sixties which resulted from the Marshall-Fund supported reconstruction activities after World War II could be one of many explanations. Others may be the more decentralized decision-making system in Germany, the early incorporation into the newly created European Economic Community or just better overall economic conditions in post-war Germany.
- State intervention in Britain and Germany seems to be quite different. Whereas structural problems of the Ruhrgebiet are a major concern of the State government, it is rather the Central Government in Britain which responds to local development problems of Merseyside through direct intervention by sector ministries.
- Local governments in Britain and in Germany are acting under quite different conditions. British local governments do continuously depend upon particular responsibilities warranted by the central government. German cities in turn have considerably more scope for self-government than the British ones.
- There seems to be a tendency in Northrhine-Westphalia to favour more comprehensive policy approaches responding simultaneously to a wider range of regional structural problems. Shorter geographic distances between the region in crisis and the

State government do certainly facilitate the communication process between political decision makers and influential opinion leaders of regional interest groups. Such short-cut-communication is indispensable to accept, at least for a certain time period, joint comprehensive programmes.

- There are a number of structural dissimilarities in both regions which result in quite different policy approaches. Energy policy for example, is such an area, housing policy another one. Either policy is a key issue in the respective region, but less eminent in the other.
- Another distinct dissimilarity is the quite different function and role of the regional chambers of commerce in both countries. Whereas a German Chamber of Commerce is a very active body engaged in economic promotion and in professional training and retraining, a British Chamber of Commerce has more the character of a traditional business men's club.

The following concise analysis of exemplary policy strategies in both regions will be based on the comparison of policies formulated by the respective bodies to achieve five key goals of regional restructuring. These goals are:

- . Supporting regional industries in their innovation process,
- . Fighting unemployment and cushioning social problems and disparities,
- . Increasing the qualification of the regional labour force,
- . Improving environmental conditions and quality of life
- . Creating a new image for the region

The most important policies/programmes or projects are shown in the following table:

Table 3:

Strategies and programmes to overcome regional structural change in Merseyside and in the Ruhrgebiet

	Merseyside	Ruhrgebiet
1) Supporting regional industries in their innovation process	<p>- The Advance Factory Programme was the first programme (since 1936!) to regenerate Merseyside's economy. Under this programme factories are built by the public sector in advance and let to private entrepreneurs. There have been up's and downs which had considerable visible effects, but with little economic impact.</p> <p>- Upon initiative of the Central Government creation of "Enterprise Zones" (in Speke and Liverpool, 1981)</p> <p>The "Enterprise Zones" have contributed to the local economic regeneration, but without major impact. It seems that the incentives connected with the Enterprise Zones have just caused local firms and enterprises to move to a more physically and economically attractive site within the region.</p> <p>- In 1978 upon regional initiative MERCEDO (Merseyside Centre for Economic Development) with its Industrial Liaison Service and its Micro-electronics Advisory Service and CHASE (County Help for Active Small Enterprises) have been established to support small firms in the region.</p> <p>- <u>Formation of Wavertree Technology Park in 1983. It is a joint venture between the public and private sectors, involving the Plessey Company plc., English Estates, Liverpool City Council and Merseyside Community Council, with close links with the both the University of Liverpool and Liverpool Polytechnic. (85.000 sq ft., 14 tenants, 400 employees in 1986 on a former derelict site in inner Liverpool.)</u></p> <p>- Another example of public-private-partnership in Merseyside in the Community of St. Helens Trust which provided finance, consultancy premises, business opportunities and training to small firms in the town of St. Helens.</p>	<p>- At three occasions during the last twenty years the state government of Nordrhein-Westfalen a major effort to modernize the economic structure of the Ruhrgebiet. The main state programmes resulting from these efforts were:</p> <ul style="list-style-type: none"> • 1969 the "Entwicklungsprogramm Ruhr" (Development Programme for the Ruhr) 1968-1973; • 1971 the "Nordrhein-westfalen-Programm" (Programme for Nordrhein-Westfalen) 1971-1975; • 1979 the "Aktionsprogramm Ruhr" (Action Programme for the Ruhr) 1979-1984. <p>The last of the three programmes integrated and synchronized a large number of formerly disjointed programmes and individual policies and provided substantial additional funds totalling some 7 billion DM over the six years duration of the programme.</p> <p>- As earlier programmes, the Aktionsprogramm Ruhr contained subsidies for industrial research and development, in particular in the coal, steel, and energy industries, in which up to 50 percent of R & D expenditures could be subsidized by the state. Another programme provided funds for establishing "transfer institutions" designed to facilitate the transfer of university research into industrial production. The Federal Government contributed to the R & D scenery of the Ruhr by allocating a number of important research institutions and university-based research units in the region.</p> <p>- In a rather recent policy effort, state and local governments collaborate to encourage the establishment of innovative firms. Near three of the Ruhr universities, in Dortmund, Essen, and Duisburg, science parks have been founded. The cities of the Ruhr compete in offering land, advisory services and other assistance to new enterprises, while the state government helps with loans and liability agreements.</p>

Table 3 (continued):

Strategies and programmes to overcome regional structural change in Merseyside and in the Ruhrgebiet

	Merseyside	Ruhrgebiet
2) Fighting unemployment and cushioning social problems and disparities	<p>- Responding to high (youth) unemployment and its underlying reasons (e.g. lack of skills) an increasing number of job creation and (re-)training programmes has been introduced by the Manpower Services Commission of the Central Government such as the</p> <p>1964: Establishment of "Industrial Training Boards"</p> <p>1972: "Training Opportunity Scheme" (TOPS)</p> <p>1975: Job Creation Programme (JCP)</p> <p>1978: "Youth Opportunities Programme" (YOP)</p> <p>1980: Special Temporary Employment Programme (STEP)</p> <p>1980: "Temporary Short-Term Working Compensation Scheme"</p> <p>1981: "Community Enterprise Programme" (CEP)</p> <p>1985: "Temporary Employment Subsidy" (TES)</p> <p>These programmes were based, introduced and again abandoned on the basis of different ideologies. They were mainly targeted to unemployment youth in so-called development areas.</p> <p>- The Merseyside Development Fund, Merseyside Improvement Ltd. and Merseyside Training Ltd. are two regional efforts to provide and to prime jobs and training.</p>	<p>- Surprisingly successful have been recent policies and strategies to relieve the most depressing consequences of high-level youth unemployment. The backbone of most measures in this fields are funds provided under the Federal Advancement of Labour Act to finance a part of the wage or salary paid in newly created jobs. To more effectively use these funds, some cities have launched "employment initiatives" encompassing, among others, measures such as increasing the number of inservice trainees beyond the administration's own needs, promoting the increase of the number of apprentice-ships in private firms, and assisting the creation of job opportunities in the "informal sector" of the economy with the aim of establishing them in the long-term as independent new enterprises in the local economy.</p>
3) Increasing the qualification of the regional labour force		<p>- Already in the sixties, the Federal Government launched a substantial programme to modernize the educational system of the country on the university level. In the Ruhrgebiet, four new universities were established in Dortmund, Bochum, Essen and Duisburg. At present more than 100,000 students are enrolled at the existing institutions of higher education. In addition, the state of Nordrhein-Westfalen invested substantially into improving the level of secondary education and vocational training in the Ruhr to accommodate the large number of young persons born in the sixties. Considerable efforts have been undertaken to retrain the existing labour force in order to better qualify it for future oriented jobs.</p>

Strategies and programmes to overcome regional structural change in Merseyside and in the Ruhrgebiet

	Merseyside	Ruhrgebiet
4) Improving environmental conditions and quality of life	<p>- There have been numerous efforts to improve the physical appearance of Merseyside's decaying townscape, profiting from national legislation and programmes such as the</p> <ul style="list-style-type: none"> • "Inner City Partnership" • "Inner Urban Areas Act (1978)" • "General Improvement Areas and the Housing Act (1969)" <p>In addition there are regional initiatives such as</p> <ul style="list-style-type: none"> • Operation Groundwork • Management Schemes for the improvement of the neglected environment • Projects to restore regional canals • Land reclamation schemes <p>- Based on the Inner Urban Areas Act (1978) local governments were authorized to set up Industrial Improvement Areas and to give financial help to businesses within them.</p> <p>- Improvement of existing industrial areas (e.g. KIRKBY Industrial Improvement Area, Great Howard/1977/78, Wirral Docklands/1979).</p>	<p>- To overcome the notorious bad image of the Ruhr as a place to live, the communities have made great efforts to enhance the quality of the physical environment in the region. Large recreational parks have relieved the lack of green open space in the centre of the region. Urban renewal, recycling of derelict industrial land and buildings, and various neighbourhood improvement schemes were part of the Aktionsprogramm Ruhr allowing local governments to finance privately initiated programmes.</p> <p>- Similar emphasis has been given to fighting the image of the Ruhr as a "black country" by environmental policy. Nordrhein-Westfalen was one of the first states in the Federal Republic to establish a tight early-warning system for air pollution hazards and has legislated a unique bill to enforce various levels of traffic restrictions for the case of smog alarm. Another problem related to the industrial past of the region, the abundance of contaminated soil on former industrial sites, has been attacked by establishing a comprehensive inventory of all such areas ("Altlastenkataster") and starting to rehabilitate a first few of them.</p>
5) Creating a new image for the region	<p>- Establishment of the Merseyside Development Corporation (and of a Development Corporation for London Docklands) by the Central Government (Department of Environment) to regenerate ("exterritorial") problem areas in old industrial region.</p> <p>Responsible for the regeneration of four derelict areas on both sides of the river Mersey.</p> <p>- The regeneration of the Albert Docks was a major effort to revitalize the waterfront in Liverpool and to find new users for the derelict docks. The result so far (the Albert Dock Village, the Maritime Museum) is encouraging. It has considerably contributed to the efforts to overcome the bad image of the region.</p> <p>- To further improve the image of the region, studies are under elaboration to dam the River Mersey at its mouth through a barrage with a tidal power plant. The creation of a new huge inland water resort together with the regeneration of Liverpool's waterfront</p>	<p>- The cities and the KVR (Kommunalverband Ruhrgebiet) make great efforts to promote the region, i.e. its parks, lakes, modern cityscape, good transport connections, diversified job market, its excellent public facilities, and its attractive housing (and by doing that to hide its also still existing bleaker aspects). The cities compete with each other in their support of municipal theatres, orchestras, and ballet companies and of many less costly neighbourhood-oriented cultural activities. It is even considered to apply as a candidate location for Olympic Games.</p>

5. Some generalizations drawn from the comparison

When comparing the policy strategies designed for the restructuring of Merseyside and the Ruhrgebiet, the following observations can be made:

- In both regions there is little continuity in state intervention. Most policies and programmes designed to respond to regional structural problems are very much limited to regional elections and to the political party being in power. Discontinuity in turn leaves little scope for careful assessment, for objective monitoring and adjustment procedures, which is indispensable for the design of consistent policy strategies. The government in power is often forced to give priority to strategic considerations (to hold the power!) at the costs of comprehensive long term programmes.
- There is much evidence that any effort to successfully restructure a traditional industrial area has to accept considerable population decline for quite a while. This seems unavoidable in order to gain some scope for the introduction of innovative policies.
- Efforts to improve the regional image or even to create a new regional image do play a key role in the process of restructuring both Merseyside and the Ruhrgebiet. To overcome prejudice against the region is one of the key challenges, regional authorities are faced with and it is not easy to find a fair compromise between superficial commercial public relation campaigns designed for a region and over-sophisticated and/or political biased information strategies by the state.
- There is no doubt as to the important role the unions play in the process of restructuring the regional economy. Liverpool is probably the prototype of a region where conservative and militant attitudes of the unions contributed considerably to the negative regional investment climate. The steel workers union in the Ruhrgebiet in turn continuously demonstrated its will to compromise.

- Both regions are pertinent examples for the fact that political and ideological congruence between regional and central governments does facilitate and speed up top-down support for regions in crisis. On the other hand, it is obvious that such assistance is lacking, if such a congruence does not exist. The Ruhrgebiet has much profited from direct and indirect central government support as long as the Social Democratic Party was in power both in Bonn and Düsseldorf. This are considerably cut backs since the conservatives took over central government.

The steady political conflicts between local (labour) government in Merseyside/Liverpool and Whitehall in London, which culminated in 1985 and ended in the dissolution of the Merseyside County Council, did certainly not create an atmosphere of confidence and regional accountability.

- Since the eighties qualitative locational factors play certainly an increasingly dominant role in the decision-making process of investors. With a certain ubiquity of the usual location factors (infrastructure, land and qualified labour) it is the quality of the local and regional environment which counts more. Strategies to improve the quality of life in a region are now more essential for regional efforts to encourage innovative entrepreneurs to invest in the region.

Cultural policies, urban design and conservation projects of transregional importance, consequent environmental policies protecting or developing the remaining inner urban nature reserves do probably more contribute to an innovative regional economy than additional financial grants and subsidies to cut down research and production costs of firms to be attracted.

- International, national and regional competition does force the potential investor to come to quick decisions over expansion or removal of plants. Thus from the administrative environment in which construction permits are given and environmental control is executed, much will depend. It is less the restrictive attitude that matters than the speed with which such decisions are made.

- Starting point for all promising activities, this is demonstrated by both examples, is the existing endogenous potential of the region. To identify and quantify this potential, to convey it to the policy makers and to other regional opinion leaders must be of major concern for the planners working in such a region.

The long neglected river Mersey is such a regional resource which now seems to be rediscovered. The important overseas links, in turn, once Liverpool's assets, are still underused for any post-industrial development strategies. This is similarly true for the Ruhrgebiets' intellectual, social and cultural potential.

- In a number of sectors, the urgency to regenerate old industrial regions such as the Ruhrgebiet and Merseyside has necessarily been accompanied by innovative approaches. Consequently these regions have undeliberately become lively training grounds for policy makers and policy advisors, experimenting with strategies, programmes and projects. As experiments can fail, programmes can easily fail, but should not be blamed for.
- The continuous observation of regional policies in both areas does emphasize the eminent role individual persons and political leaders play, can play in the regeneration process. It seems to be extremely important that the right persons, meet at the right time in the right location. It is important, that there is continuity in political leadership and also that the major interest groups in a region are in a continuous fruitful dialogue about possible ways and means to overcome regional/local bottlenecks and constraints. A good private - public partnership is certainly an essential key for successful implementation of regional and local policy strategies.

This has to happen in an atmosphere of increasing intraregional and interregional competition, which requires considerable personal commitment and high calibre networks, to mobilize and shortcut political and economic forces. Having influential friends with the central government undoubtedly facilitates the bargaining process for the regional lobbyists.

- There is finally some evidence that comprehensive policy packages which combine efforts in a variety of fields (such as the Ruhrgebietsprogramm 1980) are more effective than individual sector programmes which are designed and managed by central government sector ministries and later implemented by local institutions and representatives.

It is not easy to draw conclusions for future action or even to suggest comprehensive policy strategies for an accelerated restructuring of such regions as Merseyside and the Ruhrgebiet. However, the points mentioned might be a basis for further considerations.

What is certainly needed in an old industrial region is a carefully guided regeneration process which is characterized by "innovative continuity", a process which takes place in a socio-cultural environment where technological, social and economic innovations are carefully scrutinized as to their applicability in the region, a process in which the potential regional creativity is supported and not suppressed, in which the regional utopia can be thought again and again.

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