

# **Inspirational practices from East German Regional Growth Pole (RGP) experiences**

Frank Wältring

Annual Reflection 2020

## Introduction

*"I had more than ten years of experience in the same work in West Germany. But I had to learn again from scratch in Brandenburg."*

(From an interview with a leading employee in the Brandenburg Ministry of Economics and Energy)

During 2018 and 2019 we were asked by different regional governance and private sector development projects in the Ukraine and Peru to identify key procedures and learnings from regional growth pole (RGP) strategies and institution-building processes in East Germany. The interest focused primarily on the region of Lusatia and the Federal State of Brandenburg. The clients wanted to understand how the East German region had adapted in a short time from highly centralised and socialist planning to decentralised, market-oriented structures. They were keen on taking away the learning from this experience for their own countries. We got the impression that there was still the notion in other countries that there is something like "best" or

"good" practices in structural change processes. We emphasised instead that our clients would learn about "inspirational" practices and less about "best" practices. Regional and economic development and structural change processes are highly context specific and complex, and learnings from them are highly localised. The learning in Brandenburg was that only top-down and bottom-up efforts do not lead to success. It requires the right mixture of bottom-up and intelligent top-down procedures. Notwithstanding contextual differences, this article summarises the learnings and principles identified as relevant for most localised transformation processes.



## I. Initial learnings in East Germany/Brandenburg with a rather top-down style of management

Structural change and transformation processes take place in a complex environment where cause-and-effect relations can often only be perceived in hindsight. The two German regions gained some early learning experience in the first decade (1990 to 2000s) of the structural change process:



- It was realised that the local context could only be changed *with* and not *for* the local people and their organisational and network structures.
- Heavy structural change processes need to address some fundamental problems, such as the improvement of generic infrastructure, the preservation

of existing growth poles, and the promotion of new businesses and investors. This was, for instance, the situation in Brandenburg. But this is not enough.

- Openness to experimentation is highly relevant. Only when trying different things will possible solutions emerge
- Bottom-up does not mean abandoning local actors to develop their own solutions.
- Supporting newly emerging organisational and innovation network structures is vital for change.
- Strengthening outliers (already existing groups of actors who behave differently and do things differently) through financial backing as well as guiding incentives. The so-called “intelligent top-down support” encourages ideas for implementation that emerge from a bottom-up perspective through communication and creative friction between local people and external views, ideas and experience.

## II. Learnings in the process of strengthening a bottom-up approach

The Federal State of Brandenburg had the advantage – unlike in many regions in other countries – to enter the West German system after reunification in 1990 where solid structures and financial support were available. Only in 2005 did the region start a growth pole approach, in which selected cities with economic and meso-organisational support structures (R&D, NGOs and civil society groups, clusters and

business networks) received support to encourage new development paths.

During the period of implementing the growth pole approach (2005 to the present), we were able to discover several inspirational practices and relevant principles, namely:

- Local development poles with real competitive advantages and social

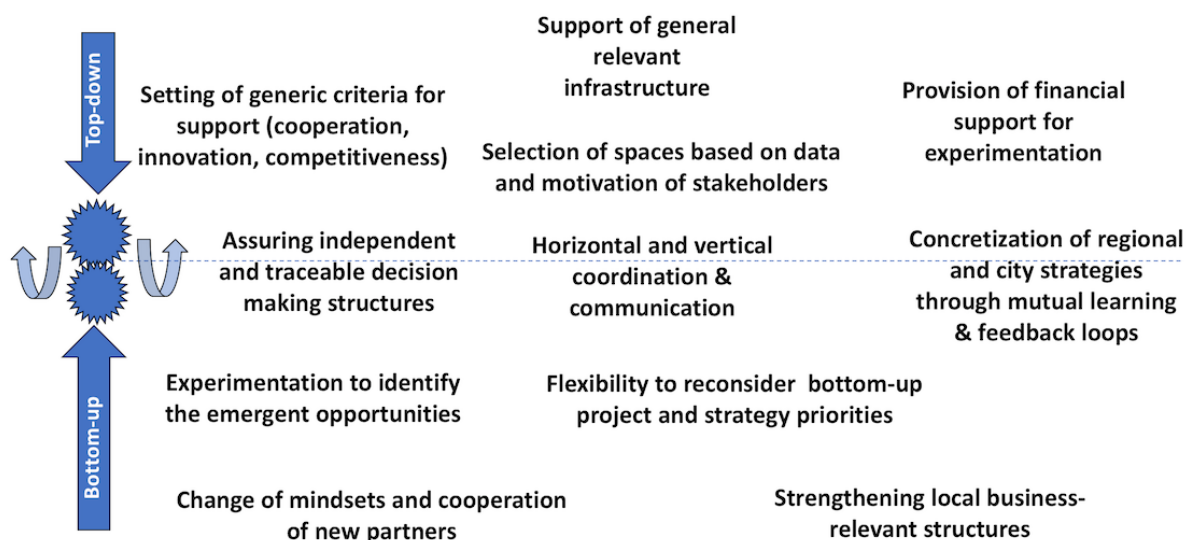
capital that radiate into their rural surroundings were identified.

- Linkages and synergies between urban and rural development opportunities were strengthened.
- The capabilities of local actors at all levels were strengthened: new insights were discovered through space for learning by doing, exchange with stakeholders from inside and outside the regions, including the outliers, with different perspectives, behaviour and knowledge.
- Horizontal networking and communication were institutionalised between similar cities and rural spaces and between economic, social and environmental support organisations and the people.
- Vertical networking was institutionalised between urban and regional governance representatives, decision-making structures and with representatives of the Federal Ministry in charge of setting up the political and supportive framework.
- Regional transformation was interpreted as economic, social and

environmental processes that cannot be separated from each other

- Overcoming the belief that change is possible through short-term and predominantly infrastructure projects (from donors or governments). It requires long-term orientation and public commitment
- Provision of organisational and management support to weak support organisations with a role to play in promoting the transformation process, such as new emerging start-up associations, lateral-thinking NGOs or citizen fora.
- Making use of decentralised funding schemes to create local learning networks and space for local experimentation.
- Assuring economic and social potential versus spatial planning opportunities, which rarely reflects the real local opportunities.
- Flexibility in setting bottom-up strategy priorities and centralised steering procedures.

**Figure 1: Synergies between bottom-up and intelligent top-down processes**



Source: Mesopartner

### III. The requirement to link bottom-up with intelligent top-down responsibilities and roles

In the studies we emphasised the importance of initiating dynamic bottom-up processes together with intelligent top-down ones. Both gain their dynamic through mutual learning and joint horizontal and vertical feedback loops. In reality, however, this is not a common practice.

Figure 1 shows how different governance levels create mutual synergies and change benefits.

- Top-down funding support for the encouragement of new experiments with dynamic local actors or networks provides the chance to understand better what is possible.
- Put in place locally required infrastructure to utilise local economic and social potentials.
- The setting of specific quality and coordination criteria by the Ministry or funding body that finances projects and development programmes in the growth poles (e.g. the evidence that different players cooperate and create synergies, the request to design local strategies that identified space-related competitive and social advantages, the need to explain the planned initiative in its context, etc.).

- The mutual exchange between different administrative levels (local-regional) creates trust and direct learning at the ministerial and local level.
- The need to change traditional mindsets and behaviour patterns for central, regional or local representatives in government as well as in the private and civic sector.

Promoting structural change requires people and organisations to transform their behaviour and their future orientation. It is a complex and sensitive process that can be enforced neither from below nor from above. Incentives need to be offered and trust to be built through learning by doing, learning by interacting and mutual feedback loops.

The experience of the regional growth poles in Brandenburg and the set-up of regional governance structures demonstrate a fundamentally different reality from that in Peru or the Ukraine. This experience has emerged in its very unique context with mistakes made and lessons learned. This case can provide inspirational practices for regions in other countries, but it is neither good nor best practice.

#### Reference

Waeltring, F. (2019). The Regional Growth Poles. Understanding the instrument, looking behind the curtain of its success and identifying principles for transferability to the Ukrainian context, commissioned by the U-LEAD with Europe Program. Available at: <http://rdpa.regionet.org.ua/276-the-regional-growth-poles>