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GLOBAL CRISIS AND THE SYSTEMS OF SPATIAL GOVERNANCE AND PLANNING: A EUROPEAN COMPARISON

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GLOBAL CRISIS AND THE SYSTEMS OF SPATIAL GOVERNANCE AND PLANNING: A EUROPEAN COMPARISON

Abstract

Inadequate regulation of spatial development is at the origin of the current global crisis and increases, in years of crisis, the unequal distribution of wealth. The importance of the related risks for democracy draws attention to the systems of spatial governance and planning, through which States regulate the spatial development. In Europe, the countries most affected by the unequal effects of the crisis have spatial planning systems that are traditionally based on the preventive assignation of rights for land use and development through a plan. The systems of other countries had established beforehand that new rights for land use and for spatial development are rather assigned only after the public control of development projects and their distributional effects. Despite the evidence that some models can operate better than others in ensuring the public government of the spatial development, the improvement of spatial planning systems is however limited by their complex nature of "institutional technologies". Especially in a context of crisis, planners are responsible for the increase of public awareness concerning the role of spatial governance in economic and social life.

Keywords

crisis, space, governance, planning, systems, Europe.

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Introduction

The political and technical practices used to order space play an essential role in all societies (Sassen, 2006). Any social and economic activity needs a space to take place and, through the ordering of space, can therefore be promoted, addressed or, if necessary, prevented. Moreover, due to their deep involvement in the economic and social life, such practices contribute to shape the citizenship in places concerned by their action (Mazza, 2015). Although, for the reasons given, the origin of the spatial governance processes and of spatial planning practices is lost in the mists of time, their contemporary characters took shape with the establishment of the modern State. Every State in the world provides constitutional functions of spatial governance, thus setting also the conditions for the technical development and social affirmation of spatial planning in its institutional context. By virtue of constitutional powers, States exert the public control of spatial development through their respective 'systems' of spatial governance and planning. Implying the comprehensive action of legal devices, administrative bodies and technical cultures, these can be described as complex 'institutional technologies' (Janin Rivolin, 2012) that allow and rule the spatial development in each institutional context, with the resulting consequences for the life of entire cities, regions and countries.

Due to its long history and the most recent events, Europe has a variety of characteristics, which is also reflected in the different ways of ordering space through the spatial governance and planning. Foremost, the European continent is characterized by a very large number of independent States (almost a quarter of the world's nations) in relation to its total land area, which is the smallest of the continents, with Oceania, amounting to less than a quarter of America and Asia and about one-third of Africa. However, this can hardly suggest the extreme diversity of the European territory, which is made more evident by the wide variety of environments, landscapes, cultures and languages (Dubbini, 2002), consolidated in modern times within relatively circumscribed spaces of territorial sovereignty, the States.

The particularity of Europe is recognized also for the existence of the European Union (EU), a supranational organization of currently 28 member States that, however, does not hold formal powers of spatial governance and planning (Faludi, 2002; Janin Rivolin, 2010; Zonneveld et al., 2012; Schmitt and Van Well, 2016). In promoting 'informal' spatial policies, the process

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of EU integration has nevertheless pushed for almost 30 years the comparative study of systems, cultures and practices of spatial governance and planning in the European States (Davies et al., 1989; Healey and Williams, 1993; Newman and Thornley, 1996; CEC, 1997; Balchin et al., 1999; Larsson, 2006; Janin Rivolin, 2008; Nadin and Stead, 2008, 2009; Knieling and Othengrafen, 2009; Muñoz Gielen and Tasan-Kok, 2010; Nadin, 2012; Reimer et al., 2014). The results of this long-term comparison can be valuable to understand how different systems of spatial governance and planning influence the economic and social life in respective institutional contexts, therefore exhibiting also different impacts on the current global crisis. One assumption in support of this argument is the evidence that '[i]n its causes and consequences, the global financial crisis of 2008 was fundamentally an urban phenomenon' (Siemiatycki and Siemiatycki, 2016, p. 1258). Another is the 'evidence that the perception of the impact of the crisis on planning has been different in different regions of Europe' (Kunzmann, 2016, p. 1317).

Although the functions of a spatial governance and planning system can be generalizable (e.g. Healey and Williams, 1993; Mazza, 2003), these comparative studies have shown that systems developed over the last century in Europe operate in different ways, producing different specific and overall outcomes by virtue of the legal, technical and cultural characteristics that are attributed in various institutional contexts. With particular respect to the modalities of assigning rights for land use and for spatial development, the course of history has delivered in the world and within Europe a variety of models, which are discussed and compared in this paper. Without disregarding the major variables involved in the phenomenology of the current crisis – such as the various features of the 'neoliberal turn' (Brenner et al., 2010), the role of different fiscal policies (Cottarelli et al., 2014) and the varying behaviours of market investors (Mattarocci and Pakdemir, 2015) –, the proposed comparison is aimed at discussing how different systems of spatial governance and planning can affect differently the economic, social and even political life of a country. This may contribute to explain some main differences in the long run, and to suggest why, at least in Europe, some countries are suffering the unequal effects of the current crisis more strongly than others.

The next section highlights the crucial role of space in determining the unequal effects of the current crisis and shows how inequality is distributed differently in the EU countries. The following section illustrates the development of comparative research on spatial governance

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and planning systems in Europe as a context for the analysis. On this basis, the section after distinguishes the features and effects of the so-called 'conformative', 'performative' and 'neo-performative' models of spatial planning systems, which are currently in operation throughout Europe, arguing that the first model is a contributory cause of the unequal effects of the crisis. A further section considers whether the current crisis could be also an opportunity for the renovation of the systems of spatial governance and planning that are less effective. The last section rounds off the contribution by summing up the main findings, which indicate a possible commitment for planners.

Space and the effects of global crisis in Europe

Since modernity, the role of space in economic and social life 'is less and less neutral, more and more active, both as instrument and as goal, as means and as end' (Lefebvre, 1992, p. 411). And more and more this has to deal with politics, since a 'politicized space destroys the political conditions that brought it about', and often 'the management and appropriation of such a space run counter to the state' (*ibid.*, p. 416). This has become even more evident under the cultural conditions of postmodernity, insofar as space can be more 'flexibly' exploited for purposes of power (Harvey, 1989). Indeed, no one should forget that the current global crisis, originating from the US subprime mortgage crisis in 2008, was triggered by a generalized financial speculation on the housing market under the lack of adequate regulations (Zandi, 2010; TFCIC, 2011). Moreover, due to the lack of adequate regulations, urban markets are worldwide the main 'space' through which the crisis is being metabolized through privatizing gains and socializing losses (Forrest and Yip, 2011; Fujita, 2011; Harvey, 2012).

According to Thomas Piketty (2014), one effect of the current crisis is that in many countries the capital (i.e. wealth in the form of real estate property and financial assets) is growing now at a faster pace than the economy (more precisely, with a growth rate of 4-5% vs. 1-1.5% per year). The income produced by capital tends to be concentrated in the hands of a small group of people, while labour income is dispersed through the entire population, although with notable contractions and the consequent use of social welfare and public spending. Considering that wage growth depends on the growth of the economy as a whole, if the latter

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is slower than the increase of capital income, the unequal distribution of wealth appears destined to be screwed into a spiral of very serious growth. Aside from suggesting the solid interests in favour of the continuation of the crisis, Piketty's analysis casts ominous shadows beyond its technical findings, as history has shown that, beyond certain limits, social inequality ends up undermining the most solid democracies (Fukuyama, 2011); a risk that, seventy years after the second world war, has apparently become topical again even in wealthy Europe (Regan, 2013).

Although Europe is considered as a whole one of the continents most developed and richest in the world, the high diversity of the States that compose it is confirmed by differences of indicators of productive capacity and of well-being. According to the International Monetary Fund (IMF, 2016), the distribution of the gross domestic product (GDP) in the world in 2015 varies in Europe between the 4th position of Germany and the 154th of Montenegro, and GDP per capita varies between the 2nd position of Luxembourg and the 104th of Kosovo. While the whole EU competes with the main economies of the world (Figure 1), the level of national wealth is highly variable within its borders (Figure 2).

FIGURE 1 INDICATIVELY HERE

FIGURE 2 INDICATIVELY HERE

Southern European countries are known in general as the EU member States that have been most affected by the current crisis, and those where the unequal distribution of wealth and its increase are more evident. 'PIGS' is an offensive acronym used in economics and finance, popularized during the European sovereign-debt crisis of the late 2000s, which refers usually to the economies of Portugal, Italy, Greece and Spain (Dawber, 2015). These countries were unable to refinance their government debt or to bail out over-indebted banks on their own (therefore the term became 'PIIGS' when in 2011 also Ireland – not of course a southern country – had to take on the guarantee of banks' debt). Apart from the most known and worrying case of Greece's impoverishment, which got worse after fiscal practices imposed by the EU (Bitzenis et al., 2013), the official studies concerning Italy show that from 2007 to 2013 the net wealth of households decreased from 9,500 to 8,728 billion euro (2013 prices), with a drop of over 8% (Banca d'Italia, 2014, p. 5). In the same years, the concentration of net

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wealth grew so much that in 2012 the richest 10% of the population owned 46.6% of the wealth (compared to 41% twenty years before).

The most widely used measure for income inequality is notoriously the 'Gini coefficient', a number between 0 and 1, where 0 corresponds with perfect equality (everyone has the same income) and 1 corresponds with perfect inequality (one person has all the income and everyone else has zero income). A recent comparison within the EU shows that southern European countries – such as Cyprus (CY), Greece (EL), Italy (IT), Portugal (PT) and Spain (ES) – are among those characterized by the highest values of the Gini coefficient (Figure 3). The others are the post-Soviet countries of eastern Europe – Bulgaria (BG), Estonia (EE), Hungary (HR), Latvia (LV), Lithuania (LT), Poland (PL) and Romania (RO) –, whose socio-economic conditions of course are strongly influenced by their different political regime in the recent past and the sudden transition to a market economy from the 1990s. Moreover, the analysis of income inequality measured by the Gini coefficient across the EU countries in the period 2008-2012 'showed high levels of inequality across southern Europe', while 'there is no dominant pattern in central- and northern-European countries' (Di Falco, 2014, p. 2).

FIGURE 3 INDICATIVELY HERE

In light of the spatial valence of the crisis' unequal effects, it is legitimate to ask whether – amongst the many aspects involved – the systems of spatial governance and planning may be considered one variable in the equation. The relevant suffering of southern European countries and cities (Knieling and Othengraphen, 2016; Ponzini, 2016) leads one to wonder, in particular, whether also their systems of spatial governance and planning may be part of the problem. In general terms, the high complexity of the matter and the current lack of more specific analyses exclude the establishment of certain and exhaustive correlations between the operation of spatial governance and planning systems and the effects of crisis, as well as too firm conclusions about this point. However, comparing the different mechanisms through which different types of system manage in different ways the social distribution of profits and losses in spatial development can at least 'offer insights regarding how the planning apparatus in various different urban contexts might have been leveraged or manipulated in the run-up to the financial crisis' (Siemiatycki and Siemiatycki, 2016, p. 1259). Such comparison is possible within Europe, thanks to international comparative research in the field of spatial

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governance and planning, which has matured in the last decades in coincidence with the EU integration process.

The evolving comparison of spatial planning systems in Europe

The first 'comparative study' of spatial planning systems in Europe (Table 1) was part of a survey on public control of the spatial development, commissioned by the British government in the late 1980s (Davies et al., 1989). Focused on five States of north-western Europe – namely Denmark, France, the Netherlands, the United Kingdom (particularly England) and West Germany –, this study adopted the 'legal basis', in more detailed terms of legal certainty provided by the system, as the sole analytical criterion. It led to the distinction of two broad 'legal families' of planning systems: a) the Continental family, based on the legal traditions of Roman law, the "Napoleonic Code" and the Scandinavian law, merged into the modern age in the juridical model of civil law; and b) the English family, inspired by the juridical model of the common law. In particular, while the continental legal systems (Nadin and Stead, 2008, p. 38)

> seek to create a complete set of abstract rules and principles in advance of decision-making […], the English common law system offers far fewer rules. Government does not provide a complete set of legal rules in advance, rather the law has been built up case-by-case as decisions of the courts are recorded.

TABLE 1 INDICATIVELY HERE

A few years later, other British authors have tried to apply the same analytical criterion to the planning systems of as many as 14 European states (Newman and Thornley, 1996), taking as reference the models of legal system defined by the most known international studies of comparative constitutional law. This resulted in the distribution of the systems analysed in four families – i.e. Germanic, Scandinavian, Napoleonic, British – with the addition, in the absence of cases analysed, of the east-European family or of a family 'in transition' from the Soviet influence. This initial comparative approach however proved to have various limitations, namely the abstraction of the real variety of the planning practices, and a tendency to overemphasize the role of the legal and administrative structures. Other analyses began

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therefore to consider further contextual variables, like property markets' behaviours as observable in representative cities (Berry and McGreal, 1995).

The *EU Compendium of Spatial Planning Systems and Policies* (CEC, 1997), the first EU attempt to investigate the field of spatial governance and planning in a systematic way, adopted a more complex approach in order to position the planning systems of the then 15 EU member States. Here the legal context is one of seven 'interrelated factors' that were used to analyse and distinguish planning systems, namely (*ibid.*, p. 34):

1) the scope of the system;
2) the extent and type of planning at national and regional levels;
3) the locus of power;
4) the relative roles of public and private sectors;
5) constitutional provisions and administrative traditions;
6) the maturity or completeness of the system;
7) the distance between expressed objectives and outcomes.

This led to the identification of four 'ideal types' of planning system existing in the EU – namely the 'regional economic planning approach', the 'comprehensive integrated approach', the 'land use management', and the 'urbanism tradition' (*ibid.*, pp. 36-37) – representing approximate reference models to guide an understanding of the concerned systems. Despite a considerable caution in judgments, the EU compendium makes, albeit implicitly, some first assumptions of comparative evaluation of systems, which are suggested by the formulation of the last two 'factors' that are listed above. At a distance of a dozen years, Nadin and Stead (2009) – the first was one of the compendium's authors – have revealed the summary of evaluations that emerges from the intersection of the seven factors with the four ideal types (Table 2). In particular, this summary highlights – even if the compendium was careful not to make explicit these conclusions – the lower maturity of system and the wider distance between goals and outcomes (or lesser effectiveness) of the 'urbanism tradition' characterizing the southern European countries.

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Overall, progress and challenges in this nascent field of comparative analysis have mainly served to emphasize the need to define the 'nature' of a system of spatial governance and planning for a better understanding. Further reflections on the role of the 'planning cultures' in guiding the operation of the systems (Sayal, 2005; Knieling and Othengraphen, 2009) and on the final outcomes of the systems' action (Janin Rivolin, 2008; Muñoz Gielen and Tasan-Kok, 2010) have thus led to more advanced methodological considerations (Nadin, 2012) and to more careful comparative analyses (Reimer et al., 2014).

In this evolving debate, the observation that spatial governance and planning systems are 'institutional technologies' (Janin Rivolin, 2012) can be of particular value as regards what is discussed here. A technological approach, aware at the same time of the institutional nature of the processes in question, focuses on the overall effectiveness of the system in relation to expected results. In the case under discussion, it helps to compare how systems based on different mechanisms to assign the rights for spatial development can achieve different effects in the related distribution of profits and losses, thus attenuating or amplifying the unequal effects of the current crisis. In this respect, and excluding the 'exception' of the eastern countries previously subjected to the influence of the Soviet regime (Balchin et al., 1999, pp. 161-192; Adams et al., 2011; Maier, 2012), three models can be currently recognized in Europe.

Three models of rights assignation for spatial development

The 'conformative' model affecting southern Europe

The institutionalization of modern spatial governance and planning put down roots in the phase of industrial and bourgeois revolution and the formation of modern States (Taylor, 1998; Hall, 2002). In the past century, particularly, the pressing needs of greater urbanization, of Fordist development and of post-war reconstruction have supported the establishment of a model for the public control of space based on the ideals of hierarchy (top-down relations between planning tiers) and of dirigisme (State-led implementation of plans) almost everywhere in the world. The universal success of the model, which has resulted in a pervasive consolidation throughout the whole western world, depends precisely on its

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operating through the progressive assignation of rights for land use and for spatial development, as the main legal effect of urban plans. In times of greatest change and uncertainty, this model could indeed ensure some degree of 'certainty': to owners and developers for their investments, and to public authorities and reformist planners, convinced that it was thus possible to 'conform' any project of property development to public strategies.

This traditional model of a spatial planning system, still largely prevailing in the world and applied in southern European countries, can be labelled as the 'conformative' model, as it pursues literally a 'correspondence in form, manner, or character' or actions 'in accordance with some specified standard or authority' (Janin Rivolin, 2008, p. 168). It pivots on a 'preventive' binding zoning of a comprehensive urban area, which implies in general that:

a) a public spatial strategy is transposed in a binding plan, which assigns rights for land use and for spatial development;
b) based on this rights assignation, the delivery of building permits is subject to a control of the proposed development projects in terms of conformity (whether they conform to the plan);
c) if projects are considered for any reason preferable to the existing assignation of rights, a new plan (or a substantive variation of the existing one) is needed in order to assign new rights for land use and spatial development.

In Europe, countries like Greece, Italy, Spain and, to some extent, France and Portugal have shown a structural path dependence on their 'urbanism tradition', characterized by 'a strong architectural flavour and concern with urban design, townscape and building control', and by regulations 'undertaken through rigid zoning and codes' (CEC, 1997, p. 37). But this allegiance to the traditional model of spatial governance and planning has proven to be deleterious over time in terms of 'public-value capturing', which means 'the level at which public bodies manage to make developers pay for public infrastructure – infrastructure provision, public roads and space, public facilities and buildings, affordable and social housing – and eventually capture part of the economic value increase' (Muñoz Gielen and Tasan-Kok, 2010, p. 1097).

For if the public authorities claim to rule the spatial ordering through the 'preventive' overall assignment of rights of land use and of spatial development (for the effect of zoning plans and

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variants), the first overall outcome of the model is the progressive generation of property incomes. While the privatization of profits derivable from the spatial development is thus guaranteed (even in the absence of development), this is not the case of the social loss compensation that may arise from development. The public control of respective projects at the time of issuing the building permit is in fact reduced, in general, to mere formal aspects of conformance with the plan. In point of law, a permit to build in conformity with the plan, even if the project proves to imply unexpected social costs, cannot be denied. While spatial development for private (and speculative) interests is thus incentivized, the public control of development projects is generally reduced, despite more or less genuine expectations, to a mere 'administrative formality', with the possible creation of patronage and corruptive practices (Vettoretto, 2009).

Ultimately, the spatial planning systems that regulate the spatial ordering practices in southern European countries, still strongly impregnated with their 'urbanism tradition' and the cult of preventive binding zoning as a guarantee of the public interest, are shown in fact to condition the public strategies of development to the advantage of the most relevant private interests. This may have contributed to create in the long run the speculative urban markets on which the current crisis has posed its foundations. But especially in the years of crisis, despite the search for more stable markets by investors (Mattarocci and Pekdemir, 2015) and thus a general decline in local real estate values (Abate and Losa, 2017), this has contributed to boost – rather than alleviate – the effects of progressive social inequality, continuing to support the process of privatization of profits and socialization of losses in the spatial development.

The British 'performative' model

As suggested above, one remarkable price paid in exchange for the certainty afforded by the conformative model was the 'rigidity' of public strategies, inhibited somehow by the progressive creation of binding rights on land and of additional property incomes. Inspired by the juridical tradition of common law, the United Kingdom reacted early to this problem with the 1947 Town and Country Planning Act. This law put the right to build in the hands of the Crown (i.e. the State) and established that 'the development plan did not of itself imply that permission would be granted for particular developments simply because they appeared to be

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in conformity with the plan'; rather 'in granting permission to develop, local authorities could impose "such conditions as they think fit"' (Cullingworth and Nadin, 2002, p. 93). As a consequence, in the UK '[a]ll the owners were thus placed in the position of owning only the existing (1947) use rights and values in their land' (*ibid.*, p. 21), and the British spatial planning system became 'fundamentally a discretionary system in which decisions on particular development proposals are made as they arise, against the policy background of a generalised plan' (*ibid.*, p. 92). The new system was completed by the 1968 Town and Country Planning Act, assigning to structure plans the provision of strategic orientations for development and to local plans (non-mandatory and concerning only specific areas) the provision of detailed guidance on land use. Despite various subsequent changes, '[t]he essential features of the 1968 system are still in place today' (*ibid.*, p. 93; Nadin and Stead, 2014).

This different type of spatial planning system, established in the UK (especially England), Ireland and some Commonwealth countries since the post-war period (Booth, 2007), can be labelled as the 'performative' model by virtue of its distinct address to 'the execution of an action' or 'the fulfilment of a claim, promise, or request' (Janin Rivolin, 2008, p. 168). It is based on indicative and non-binding zoning for the comprehensive urban area, which means in general that:

a) a public spatial strategy is transposed into a non-binding plan, i.e. not having juridical implications for the assignation of rights for land use and for spatial development;
b) for this reason, the delivery of building permits is subject to control and the negotiation of the proposed development projects in order to ensure their performance towards the plan (i.e. their capacity to perform the public strategy);
c) new rights for land use and for spatial development are assigned contextually with the possible delivery of the building permit.

Although it may seem counterintuitive, removing from the spatial plan the power to establish rules that are legally binding does not weaken, but rather strengthens, the action of public authorities. Without legal obligations, the public authority manages in fact to reserve the right to assign new rights only to those projects that have been checked – and possibly improved, after negotiation – in their ability to pursue (or 'perform') the spatial strategy. In this model, unlike the previous one, the 'developmental' and 'regulatory' functions of the spatial planning

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system (Healey and Williams, 1993, p. 702) are therefore well separated between the activities of spatial planning and of (actual) development control. As a matter of fact, in the UK 'the main substance of the planning system is administered by governmental profession planning officers, either within forward planning teams (responsible for preparing planning policies) or development control teams (responsible for determining applications for planning permission by individuals and organisations)' (Tewdwr-Jones, 1996, p. 1).

With the passing of time, while the urban regeneration needs have taken over on the large urban expansions, the performative model seems to have ensured greater 'flexibility' to public action of spatial governance. On the other hand, uncertainty, discretionary decisions and higher administrative costs are the limitations complained about most frequently in the case of the British system (Faludi, 1987; Tewdwr-Jones, 1999; Booth, 2007). The loss of certainty supplied by the original model is complained about mainly by property owners and developers, but also often by planners, whose choices and behaviours – deprived of a 'legal' power – are more exposed to political and social judgment. Be that as it may, it seems that an institutional device that allows the public authorities to decide if, when and what is allowed to be built – not in a general plan, but after specific project control – is crucial in order to ensure an effective public government over the distribution of profits and losses in spatial development. This does not mean, of course, that all spatial developments in the UK or Ireland are automatically 'more equal' than elsewhere, but simply that, in principle, public powers in those countries are endowed with more effective means to manage economic and social effects of the spatial development.

In the years of crisis, Ireland had to take on the guarantee of banks' debt in 2011 and in the UK, as a possible collateral effect of global trends, the majority of citizens voted for leaving the EU in a referendum in 2016. But in the same years these countries did not record an increase of inequalities like the southern European countries (Di Falco, 2014). Moreover, a renewed emphasis over local control in the British planning system (Haughton and Allmendinger, 2011, 2013) might be witness of an attempt to leverage the particular and better capacities of this model.

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The spread of a 'neo-performative' model in north-western Europe

Despite their juridical regime of civil law and the constitutional linkage between land ownership and right to build (as opposed to the UK), other European countries have experienced over time the need to reform their spatial planning systems in order to pursue the effects of the performative model. The evidence of decision-making difficulties in growing societal complexity (Dahrendorf, 1968; Pressman and Wildavsky, 1973), on the one hand, and the Fordism crisis, the explosion of globalization and the consequent processes of spatial reorganization (Harvey, 1989; Amin and Thrift, 1994), on the other, have indeed highlighted further the limits of the conformative model of spatial governance and planning. The difficulty of plan implementation in the context of reconciling multilevel collective strategies to a growing plurality of local and individual projects of spatial development has been faced through substantial reforms in the north-western European countries – for instance Denmark, Germany, Sweden and the Netherlands – favoured perhaps by their traditional 'comprehensive integrated approach' to spatial planning (CEC, 1997, pp. 36-37).

Sweden has tried early on to emulate the UK in establishing a spatial planning system that distinguishes, at the urban level, between the 'general plan' (*översiktsplan*), mandatory but not legally binding, and the 'detailed plan' (*detaljplan*), legally binding but optional for some limited areas (Lundström et al., 2013). Also in Germany, as confirmed with the reforms that followed the country's reunification in the 1990s, the 'zoning plan' (*F-plan*) is binding on the administrative activities but has no legal value on property. The legally binding tools on the land use are the so-called 'building plans' (*B-plan*), which cover only some specific areas of the municipal territory that are generally indicated by the F-plan (Schmidt, 2009). In Denmark, the 2000 Planning Act introduced the concept of 'municipal planning strategies', which meant that 'the scope of planning at the municipal level was formally extended beyond its traditional focus […] to encompass more pro-active and strategic modes of planning' (Damsgaard, 2014, p. 48). Despite the formal rigidity of the Dutch system and criticism on more recent reforms (Buitelaar et al., 2011), in fact, municipalities have been allowed for a long time 'to delineate the boundaries of the plan area' without any 'legal prescription [...] to determine when a land-use plan should be approved in relation to the rest of the development process' (Muñoz Gielen and Tasan-Kok, 2010, p. 1121). This has resulted in (Buitelaar and Bregman, 2016, p. 1287)

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> a collaboration between private and public actors […] with arrangements about the building programme, the urban design as well as phasing of the various aspects of the area development, supported by a land account, upon which the plan would ultimately be turned into a legally binding land-use plan.

A third type of spatial planning system can be thus labelled as a 'neo-performative' model insofar as, while continuing to be based on binding zoning, it has neutralized in one way or another the 'preventive' legal effectiveness of the plan. Rather, as discussed for the British model, new spatial development rights are assigned as a 'final balance' after development projects (at least the main ones) have been negotiated, and thus controlled in detail by the public authority before that plan has assumed the force of law. Therefore, in this case:

a) a public spatial strategy for the comprehensive urban area is used as a basis for the collection of projects, their control and negotiation, which are finalized to share their final form and substance;
b) a binding plan assigns consequently the rights for land use and for spatial development;
c) building permits are delivered according to the plan.

'In the Netherlands, Germany, Sweden, and Denmark', in practice (Muñoz Gielen and Tasan-Kok, 2010, p. 1100),

> binding land-use rules (whether this concerns a new land-use plan or a modification of one to create new building possibilities) are only approved once negotiations with developers/landowners have taken place or, at least, when there is enough certainty about their successfully conclusion.

Despite the same juridical regime of southern European countries, their systems of spatial governance and planning tend thus to reproduce the operational advantages of the performative model in terms of 'public-value capturing'. As in the case of the performative model, and unlike the conformative model, the neo-performative model prevents a 'blind' pre-assignation of rights for land use and for spatial development through the plan, and postpones the assignation of rights until after the public control of development projects. Privatization of profits derivable from spatial development is therefore not guaranteed by the

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plan and may even be at least partly transformed in compensation for social losses that could arise from the spatial development. This can occur thanks to public control of the spatial projects that – in the absence of acquired rights – can be extended to their overall performance with respect to the plan objectives.

This seems to have created in the long run more stable urban markets (Mattarocci and Pekdemir, 2015), because the speculative purposes are generally discouraged. The German urban markets, for instance, have been considered for a long time 'boring' by international investors, who preferred deals elsewhere, such as in southern and eastern European countries. But, as the shrewder realtors suggest: '"Boring" real estate offers gradual, stable increases in property value over long-term periods of time, that provide a predictable return on investment' (Hartman, 2014, p. 1). After the crisis had started to hit Europe, indeed, investors suddenly became very interested in the German urban markets, because of the rather robust real estate values, which have remained stable throughout the last ten years (Just and Maennig, 2016). And this has rewarded somehow this country, in comparison to others, bringing new financial resources even in difficult times.

The crisis as a possible breaking point

Overall, the three models described above (Figure 4) show that different combinations between plan and control devices within a spatial governance system are possible, and can achieve very different effects in the whole process of spatial, economic and social ordering. The historical evolution of these models also shows that the systems of spatial governance and planning are not immutable, but may change over time. Moreover, a common adherence to the legal tradition of civil law and to the constitutional relationship between land ownership and right to build – unlike the UK, and similarly to southern European countries – by the States that are applying the neo-performative model has been highlighted. This is perhaps the best evidence that the legal system established does not predetermine once and forever the whole operation of the spatial governance system and, therefore, cannot become an excuse to give up on change.

FIGURE 4 INDICATIVELY HERE

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However, it must be observed that the systems of spatial governance and planning are very complex social constructs, which can be seen as an 'institutional technology of government', operating 'as a hinge between the government system […] and the spatial production and consumption system' (Mazza, 2003, p. 54, translated). This means that systems of spatial governance and planning not only contribute to design citizenship (Mazza, 2015), but also by their nature are themselves shaped by the social structure and change (Nadin and Stead, 2008, 2009).

In principle, a spatial governance and planning system is potentially oriented, like any other technology, to renovate its own 'capabilities': in this case the command options of the 'government system' on the 'spatial production and consumption system', which in general is led by individual profit and thus equally pressed by the search for innovation (Harvey, 1989; Lefebvre, 1992). Paraphrasing Schumpeter (1949), a planning system is continuously called upon to provide the public action with a 'creative response', because any simply 'adaptive response' is driven to leave the production of space the permanent hostage of prevailing interests of individual profit. However, 'in practice the process to adopt changes is rather slow and restrained by high transactions costs' (Fürst, 2009, p. 31), because of path dependence (Booth, 2011; Sorensen, 2015), the complexity of institutional processes and the conditions imposed by political conflict and economic dynamics, against the background of innate social struggle for land use control (Plotkin, 1987).

In current times, 'the loss of legitimacy of existing institutions resulting from crisis allows a heightened opportunity for policy entrepreneurs or other actors to reshape existing institutions and create new arrangements'; as far as spatial governance is concerned, '[p]articularly important is the specification of the rules that apply to new capital investment in urban space, and the distribution of the costs and benefits of such investment' (Sorensen, 2015, pp. 25-26). Ultimately, the current crisis might pose the conditions to allow that the more obsolete systems of spatial governance and planning, which contribute to limit the socioeconomic development of southern European cities and countries, are improved according to the better performance of other models. On the other hand, institutional change in the field of spatial governance and planning is not easy for the aforementioned reasons. In this light, the most worrying suspicion is that the southern European systems will have a hope to be substantially

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changed only when the social costs of crisis will have overcome the 'transactions costs' that have prevented so far this opportunity.

Conclusions

Basically, 'there is a bidirectional relationship between planning and the crisis' (Ponzini, 2016, p. 1239):

> On the one hand, urban planning contributed to the conditions for the mortgage and financial bubble to occur by seconding the real estate market and allowing great surpluses in different manners. On the other, the crises and their subsequent stages showed the weaknesses of planning systems in different countries and put pressure on their reform or reorientation.

It is arguable, to a certain extent, that in Europe the effects of crisis and the weakening of planning have been boosted since most EU countries and the European Commission have based their economic policies on the neoliberal free market ideology (Kunzmann, 2016). Comprehending the variety of the European context, however, has been valuable to understand that different systems of spatial governance and planning may have had different impacts on the crisis evolution, especially with regard to its effects of increasing inequalities. In particular, the southern European countries, which are more seriously affected by the unequal effects of crisis, are still ruled by 'conformative' systems of spatial governance and planning. In spite of the most ancient customs and noble expectations, these prove incapable of ensuring an effective public government of the 'production of space' in the contemporary socio-economic contexts.

It is clear that the extreme complexity of the matter and the absence of more systematic analysis to this respect impede too assertive conclusions. It seems difficult to deny, however, that a balanced social distribution of profits and losses resulting from the spatial development – always desirable, but essential in times of crisis – can be achieved with some effectiveness if, as these systems determine, new rights on land use and on spatial development are allocated in advance of an effective public control of development projects. Ultimately, it (Muñoz Gielen and Tasan-Kok, 2010, p. 1126)

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> seems that when municipalities fix development possibilities early in the development process, this might stimulate land price increases and might also lead to the loss of a valuable negotiation tool. Municipalities might be giving away their 'treasure': that of being the only institution entitled to decide, with certain discretionary powers, if, when and what is allowed to be built.

This appears to have been understood over time in other European countries, which have modified the operation of their respective systems of spatial governance and planning long before the crisis. Their 'performative' systems ensure thus that in one way (e.g. the UK) or another (e.g. some north-western European countries) new rights on propriety are assigned only after that the related projects of development have been controlled by the public authority and appropriately renegotiated to rebalance profits and losses within the urban community. This does not mean, of course, that these systems are immune from the pressure of crisis (Buitelaar and Bregman, 2016), nor that they should not be improved. The effects of crisis have suggested, looking for instance at the British system, possible reforms in order to make it less 'growth dependent' in future (Rydin, 2013). This kind of proposal assumes, however, that a minimum of 'planning gain' is already ensured by the system that needs improvement. In other words, one precondition is that '[p]olicies that weaken this regulatory control, for example, by establishing a firm presumption in favour of development' (*ibid.*, p. 45) are already prevented by the system, which does not happen in the conformative model.

More in general, the coexistence of such different systems of spatial governance in Europe poses serious problems to the effectiveness of the EU policies (Janin Rivolin, 2008). Looking beyond Europe, the circumstance that the traditional conformative system is arguably still prevalent in the world may suggest to the vast majority of 'careless' planning scholars (Siemiatycki and Siemiatycki, 2016) a commitment far more effective than simply complaining against the neoliberal turn (Moroni, 2016). After all, if 'a bridge exists from the technical knowledge that planners embrace to the institutional change that seems necessary for planning to be effective' (Beauregard, 2005, p. 206), this is made by an increased public awareness of the crucial role that the whole system of spatial governance and planning plays for economic, social and even political life. Against the global crisis, rather than engaging in 'sophisticated international academic discourse aiming to bridge theory and practice and to come from knowledge to action' (Kunzmann, 2016, p. 1317), the planning scholars should foster this awareness.

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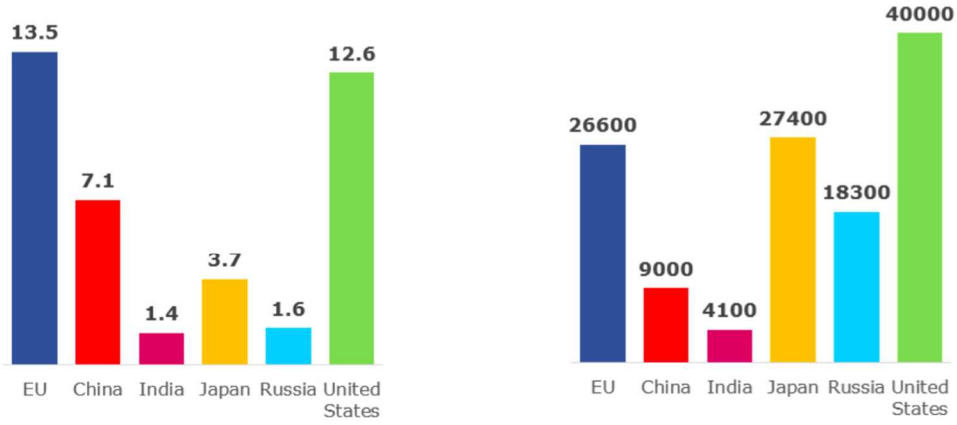


Figure 1: Size of economy (GDP in trillions euro) and wealth per person (GDP per person) in the main economies of the world, 2013 (source: europa.eu).
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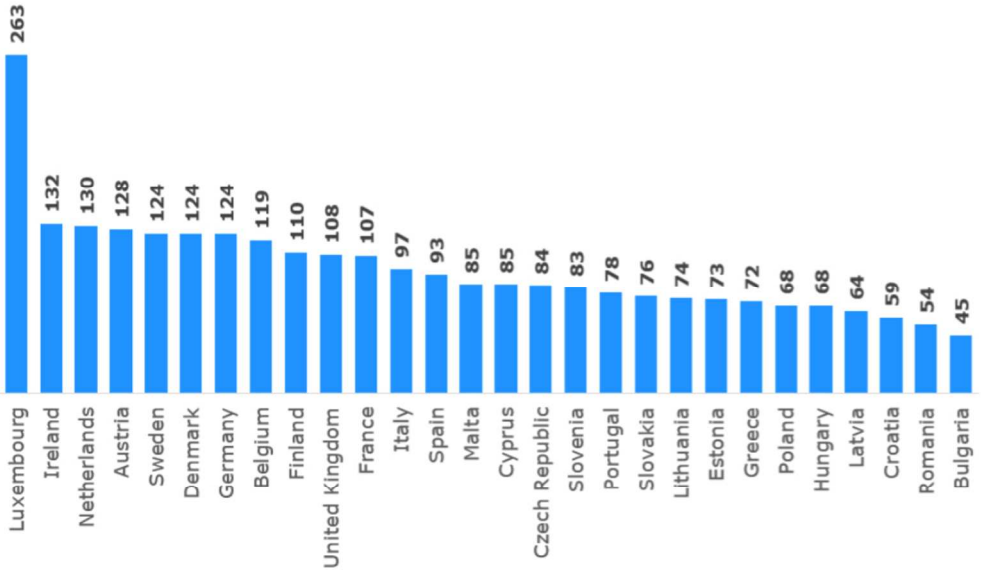
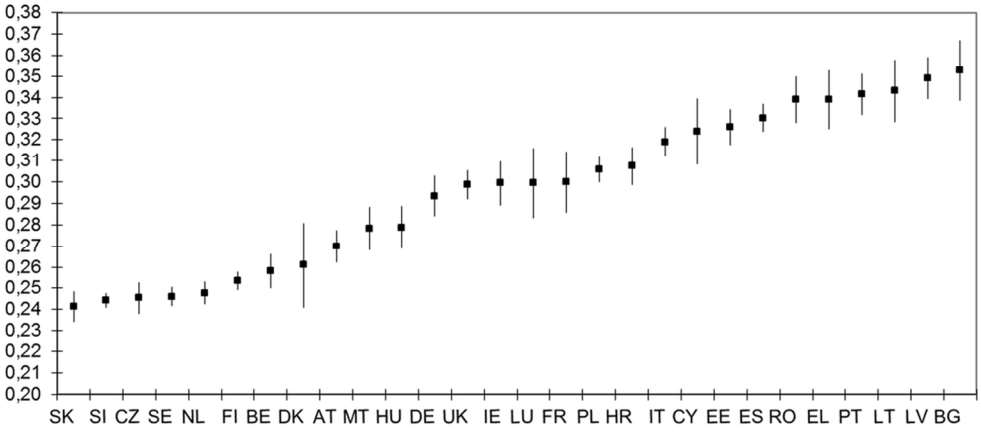


Figure 2: GDP per inhabitant in the 28 EU member States in 2014: index where the average is 100 (source: europa.eu).
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Note: no bottom or top coding was applied.
Source: European Commission, Eurostat, cross-sectional EU-SILC 2013 UDB August 2015
European Commission, Social Situation Monitor

Figure 3: Gini coefficients and 95% confidence intervals for disposable household income in EU Member States, 2012 income year (source: CEC, 2016).
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Davies et al, 1989 [1]		**Common law**		**Napoleonic codes**		
		England		DK, DE, FR, NL		
Newman & Thornley, 1996	**Nordic**	**British**	**Germanic**	**Napoleonic**		**East European**
	DK, FI, SE	IE, UK	AT, DE	BE, FR, IT, LU, NL, PT, ES		
CEC, 1997 [2]	**Comprehensive integrated**	**Land use regulation**		**Regional economic**	**Urbanism**	
	AT, DK, FI, DE, NL, SE	IE, UK (+ BE)		FR, PT (+ DE)	GR, IT, ES (+PT)	
Farinós Dasí, 2007 [3]	**Comprehensive integrated**	**Land use regulation**		**Regional economic**	**Urbanism**	
	AT, DK, FI, NL, SE, DE (+ BE, FR, IE LU, UK)	BE, IE, LU, UK (+ PT, ES)		FR, DE, PT, (+ IE, SE, UK)	GR, IT, ES	
	BG, EE, HU, LV, LT PL, RO, SL, SV	CY, CZ, MT		HU, LV, LT, SK	CY, MT	

Notes:
1. Davies et al. do not give a specific name to the two groups but contrast England and other systems based on their legal frameworks.
2. The EU Compendium identifies 'ideal types' of planning traditions. Each country may exhibit combinations of ideal types in different degrees. The ideal types are dominant in the countries indicated here.
3. The ESPON project took the EU Compendium traditions as a starting point and examined how countries, including the transition states of central and eastern Europe, were moving between them.

Table 1: Most known typologies of spatial planning systems in Europe (source: Nadin and Stead, 2009).
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	Legal basis	Scope of planning	Scale of planning	Locus of power	Public or private	Maturity of system	Distance between goals and outcomes
Regional economic planning	Mixed	Wide	National planning	Centre and local	Public	Mature	Mixed
Comprehensive integrated	Mixed	Wide	Multi-level planning	Mixed	Public	Mature	Narrow
Land use management	Discretion	Narrow	Local	Centre	Mixed	Mature	Narrow
Urbanism	Code	Narrow	Local	Local	Mixed	Immature	Wide

Table 2: Traditions and criteria from the EU Compendium of spatial planning systems and policies (source: Nadin and Stead, 2009).

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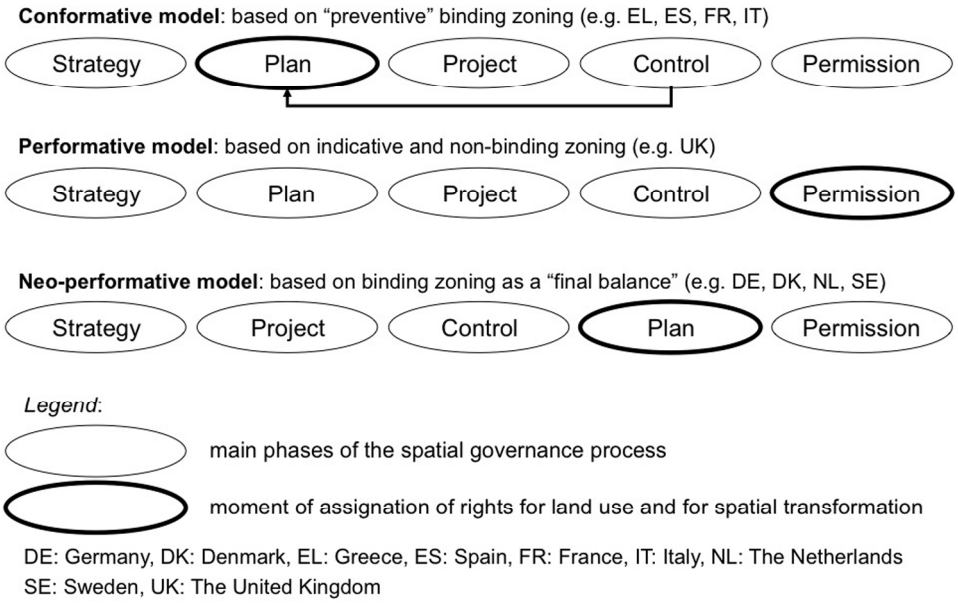


Figure 4: Three models of spatial governance systems (adaptation on: Knieling et al., 2016).
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Response to the reviewer

Comments - Referee 1	Author's answers and *corrections*
The paper starts from a very provocative and stimulating idea: the real estate and financial crisis which started 2007/2008 relates to European planning systems. The distributive impact of the crisis, the idea continues, also depends on the nature of the respective planning system.	This is correct, although the author's intention is not intended to be provocative. The paper's attempt is simply to recall the attention on the institutional and political value of the overall system of spatial governance and planning, which in some European countries seems to be recognized better than in others. The context of global crisis supplies a suitable opportunity for doing so. *Some corrections have been included throughout the paper in order to avoid the (annoying) impression of being provocative.*
Unfortunately, the author fails to implement this idea in the course of the paper. Rather, a misleading representation of European planning systems takes over the narrative. This representation distinguishes between performative, neo-performative, and preventive planning systems.	A distinction between conformative, performative and neo-performative planning systems has already been welcomed by the scientific literature, as shown by various references in the paper. Such possible modelling can be of course rejected as "misleading", but the proposed article limits itself to resume it against the backdrop of the global crisis. *Having said this, however, various amendments have been made especially in section 4, according to the following and more detailed reviewer's observations, in order to achieve a less misleading representation.*
None of these systems is properly examined from the perspective of spatial justice (as promised in the article's title).	It is true that the topic of spatial justice is addressed much too indirectly by this paper, which certainly does not justify the mention in the title. On the other hand, the space allowed for one article prevents facing this topic with the complexity of arguments that would be deserved. *The term "spatial justice" has been therefore deleted from the article's title, and specific references to this topic have been also eliminated from the text.*
Also, it remains unclear why performative, neo-performative, or preventive planning would have had ANY impact on the financial crisis.	The proposed article argues that, having a different effect in the public control of the social distribution of profits and losses in spatial development, the three models of planning systems are not set to counteract the unequal effects of the crisis with the same effectiveness. *However, further implications with regard to the preconditions for investors on the real estate markets have been added in section 4, according to what is discussed below.*
The reviewer remembers quite well from before 2007, that German land markets were considered "boring" by international investors, who preferred the UK and Ireland, but also countries in Southern and Eastern Europe. Many a shopping mall was put into the landscape, with little or no regard to the aspirations of local planners. After the crisis had started to hit Europe, however, investors suddenly became very interested in "boring" land deals in Germany. The reason for the re-allocation of funds was not the nature of the German planning system, but the rather robust market value of real estate in Germany. Surely, this has nothing to do with the -- wrong -- characterization of the German planning system as "neo-performative".	This is an interesting objection. In the author's view, however, it does not weaken but supports the paper's arguments. The point is that the proposed article does not differentiate the planning systems for the "performance" of respective real estate markets but, more simply, for their capacity of public control on spatial development. In this view, the "boring" real estate market in Germany can be seen (also) as one consequence of more effective public regulation in the long run (less speculation is allowed). As in times of crisis investment choices become wiser, the sudden attentions of investors for the German real estate market after 2008 are also understandable. And these have rewarded somehow this country, in comparison to others, bringing new financial resources even in difficult

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	times. *These considerations have been included in section 4.*
In Ireland and Greece, the financial crisis also was influenced by peculiar tax practices (with no connection to the planning system).	This is certainly true (also in consequence of the EU impositions). However, the proposed article does not argue at all that the planning systems are the unique reason of countries' trends with respect to the crisis. It recalls more simply that also the spatial planning systems are one variable in the equation, and tries to argue how this variable should be understood. *Some amendments have been made to the text, especially in the introductive and concluding sections, in order to avoid this possible misunderstanding.*
The paper claims that the countries of Southern Europe (why not also Republic of Ireland?) are entrenched in preventive planning from which fact the author concludes that these countries inevitably will remain in crisis. This conclusion is not convincing.	This is not completely exact. The proposed article argues rather that: a) a conformative planning system can be one reason of the increasing inequalities of South European countries, especially in times of crisis (section 4); and b) if so, these countries should improve their systems according to the better performance of the other models, but institutional change is not easy for various reasons (section 5). As regards Ireland, it is true that this country had to take on the guarantee of banks' debt in 2011, but was the second in the EU for GDP per inhabitant in 2014 (fig. 2) and, however, seems to be less hit by the problems of unequal distribution of wealth that characterize especially the southern (and eastern) countries. As far as the author is aware, the Irish planning system operates similarly to the British one, albeit with some differences. One might conclude that even a performative planning system cannot guarantee the refinancing of the government debt, but such a discussion would lead the article away from its more modest ambitions. *Amendments have been made, however, throughout the text in order to clarify these issues. The title of section 5 has been also changed.*
The reviewer does not buy into the accusation of neo-liberalism which is so prevalent in contemporary planning and geography literature.	Also the author believes that an excessive emphasis on the faults of the neoliberal turn – which are however demonstrable to a certain extent – can divert the attention of planners and planning authorities from the matter of which they are mainly responsible. This is one reason that has motivated the proposed article. *This point has been clarified in the conclusions.*
The reviewer insists, however, that academic reasoning must take into account all facts and theories available. And both the factual and the theoretical foundation of the strong conclusion are insufficient. The reviewer is convinced that the author has not yet identified and employed all possible arguments. Hence, the recommendation for a major revision.	From the author's view this is the most valuable objection, for which the reviewer should be thanked. *A major revision of the proposed article has been therefore carried out in accordance with all the detailed observations that were addressed above, in order both to consider further arguments and to lighten the impression of a much too "strong conclusion" (which the complexity of the matter cannot allow).*

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