Arbeitspapier

182 (english version)

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Modern local and regional economic development policies in times of mass-unemployment – the example of Dortmund

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Abstract

The city of Dortmund, part of the Ruhr area in Germany, has experienced a radical structural change of its economic situation. In the last 40 years it lost its main export basis branches coal, steel and beer, but gained new ones, especially the software and logistic industries. Nevertheless the unemployment rate persisted at a level of about 15 percent since the beginning of the 80th, about 50 % higher as the national average.

The paper discusses the local and regional structural programmes, instruments, institutions and actions which deal with these structural deficits. One conclusion is that the institutional and instrumental system of the local and regional economic development strategy is managed by the ‘state of the art’, an advanced innovation and cluster orientated approach since the middle of the 80th. The persistence of high mass unemployment rates show that deep regional structural crises can not be solved only by excellent regional and local policies. The national (and today the European) economic and regional policy has to support intensively those regions. But in continental Europe and especially in Germany a very contractive macroeconomic regulation and policy has been realised since the beginning of the 90th (Maastricht). At the end of the 90th the city of Dortmund intensified its cluster approach. With the help of the EU (objective-2 funds) and the state of North Rhine-Westphalia new technology centres for software start ups, e-commerce, e-logistics, microstructure and biomedical industries have been launched. But the collapse of the new economy in combination with the austerity policies with respect of the European Stability and Growth Pact destroys the – in any case overambitious - prospective of creating 70.000 new jobs in these key industries until 2010.

Whereas the USA and GB again push their economy by huge public deficit spending programmes continental Europe and especially Germany continue to reduce public demand by programmes of reduction of social help, unemployment benefits and public investments. These so-called structural reforms deconstruct fundamental pillars of the “Rheinischer Kapitalismus”, the German model of the social market economy. Especially regions in deep crisis like the Ruhr area of East-Germany will be affected by the disastrous social and economic effects of these neo-liberal policies. International and interregional comparisons demonstrate theses effects.

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Introduction

This paper deals with the interrelation between the “big” policies (economic, social and structural) on the national and European level and the regional and local economic development strategy in the case of the Rhine-Ruhr-area and the City of Dortmund¹. I try to answer the question why the very ambitious and modern local economic development strategy (supported by the regional structural policies and funds of the EU and the state of North Rhine-Westphalia (NRW)) does not produce better results in terms of unemployment rates (Figure 4). An alternative multilevel economic approach like the proposals of the European Economists for an Alternative Economic Policy in Europe is presented very shortly. In December 2003 and 2004 the so-called Euromemorandum Group (see www.memo-europe.uni-bremen.de) presented a new analysis and a system of proposals for attacking the main problems of the macroeconomic environment of the regional development strategies in depressed regions (Chapter I.3 and III.1). Chapter II deals with a very detailed analysis and description of the local economic development institutions, instruments and strategies of the City of Dortmund. Sometimes life in praxis is more advanced as theory believes. On the other side the politicians and civil servants need an independent scientific analysis and evaluation for assessing their actions and strategies.

In April 2004 again there began an intensive debate about the future of regional policy in and for East-Germany (and of course quiet simultaneously in and for the Ruhr area, the largest region in crisis in West-Germany). Some statements of a working group (under the presidency of Mr. Klaus von Dohnanyi, a former chief of the government of Hamburg and a minister for science and education in the early 1970th), which consulted the federal government in the field of a structural and economic strategy for East-Germany, have been published (von Dohnanyi, 2004). One merit of this study is the assumption that the present strategy will not reduce the disparities on income, productivity and unemployment rates between the West and the East of Germany in the next fifteen years. But the proposed way-out strategy is horrible. Instead of discussing the overall poor economic performance of Germany and the EMU – and this results from the false macroeconomic policy in Germany and the EU (see chapter I.3 and III. 1) - as the main reason of stagnation new steps of deregulation and austerity policies are proposed in this paper. At the same time politicians, economists and journalists began a campaign for a reduction of the public transfer payments from the West to the East which have been decided in the so-called Solidarity Pact II, which runs from 2004 to 2019.

This debate about East Germany is also relevant for the structural policy concepts for the Ruhr area and therefore for the city of Dortmund, because parts of this region reached the level of crisis of East Germany. The intensity of these austerity proposals reminds of the so-called Brüning’sche Notverordnungs-politik, the pro-cyclical social and wage cut- policy after 1929, the great depression (Heine 2003). Of course there are some good proposals, for example to

¹ The second edition of this paper actualises statistics and the description of the institutions of the economic development unit of the city of Dortmund, because new EU regulations forced new institutional arrangements. The strategic orientation will be unchanged. But the division of economic development and employment policy after the introduction of the new labour market regulations (Hartz IV) is important and will perhaps change the quality of policies significantly.
shift from the funding of general infrastructure investments to more innovation infrastructure expenditures like r&d, universities, innovation centres, qualification and trainee programs and so on, also a shift from the spatial watering can principle policy (Gießkannenpolitik) to a more growth-pole orientated approach (Berlin, Dresden, Leipzig, Erfurt, Rostock, Schwerin). But in the same time there must be given answers, how to deal with the economic and social problems in periphery regions which have unemployment rates of more than 25%.

The new economic and structural policy debate about the cluster approach and the leading role of metropolitan regions and the assumption that these growth-poles will push the development also of the weak regions via the infamous “trickle-down-effect” leads more and more to end of the regional cohesion policy, which is claimed by the German constitution (Art. 72, chapter 3) (see Rehfeld, 2005). Not only the EU with her failed Lisbon-Strategy, but also the new black-yellow government of the state of Northrhine-Westfalia is enhancing the principle of “strengthening the strength” and therefore concentrates most of the resources in the metropolitan areas. This seems to be plausible, but it means at the end of the day that the ongoing overall economic stagnation of Germany is unchangeable, quasi a natural law. The tax income reduction which results from the overall economic stagnation and the tax cuts, indeed enhance this new regional and economic model of acceptance and enhancement of social and regional disparities, which also will be enforced by the promotion of elite universities.

Imagine that this model would have been realised 20 or 30 years ago! In this case the regional structural funds of the EU and the state of NRW would not have been used for the basic development of the scientific and technological infrastructure of the Ruhr area, but for strengthening the elder scientific growth poles in Cologne, Aachen and Bonn. The conditions of a high-tech development policy in the Ruhr would not exist. Redevelopment policy would be impossible. High qualified workers would have left the region.

Of course there are some reasons to change the economic development strategy for depressed regions cautiously. The general expansion of the infrastructure should be reduced in favour for research, development and qualification. The financial resources should be more concentrated in the larger cities (but not only in the very big ones), that means in the Ruhr in the cities with universities, in East Germany in cities like Berlin, Dresden, Leipzig, Rostock, Schwerin, Jena etc. But in the same time there must be given an answer how also in the other regions the social cohesion should be realised. A better economic and social policy at the national and European level is an absolute precondition of this objective.

A systematically alternative explanation and strategy approach for attacking overall economic and regional crises is developed since many years by scientists (economists, sociologist and so on), who are not inspired by the neo-liberal mainstream, as the Working Group for an Alternative Economic Policy (Arbeitsgruppe Alternative Wirtschaftspolitik, 2001; 2004). On the European level see European Economists for an Alternative Economic Policy in Europe (2003, 2004).
Although the federal government until now rejects the proposal of a so-called special economic zone (or free enterprise zone, Sonderwirtschaftszone) with social, ecological and wage deregulations and tax reductions) it must be supposed that the walls will brake down in the next future. The plans of the CDU and the Liberals (FDP) to cut the protections against unlawful dismissals and the collective bargaining agreements for economic branches (Flächentarifvertrag) indeed would transform the whole FRG in a special enterprise zone.
I. The interrelations between local economic development and the performance of the national and European economic and social policies

1. The radical structural change of the Dortmund economy

Figure 1: Dortmund economy: shares of sectors in % (1976-2000)

From above to below (in the year 2000 in %): Other services: 30.3%; State/Non Profit: 26.4% Wholesale/Retail/Logistics: 23.7%; Production: 13.4%; Construction: 4.9%; Energy/Mining: 2.6%
(Source: Kiehl, 2003).

Figure 1 demonstrates the radical structural change of the Dortmund economy in the last 25 years. Popular spoken the three most important basic sectors mining, steel production and beer disappeared from about 80,000 jobs in the year 1970 to less than 3,000 in 2004. The total number of employed people has been reduced by about 45,000 in that time. The expansion of the services sector was not able to compensate the losses of the industrial sector. It is obvious that – theoretical spoken - the deindustrialization of these three export-basic sectors has to be substituted by the development of new export-basic sectors. The new endogenous potentials of this city (universities and other higher education, research & development- all implanted and implemented by the national and state governments in the 60th and 70th – and the software industry which has developed since the 80th) present the only chance to strengthen the existing basic sectors like the software industry, e-commerce, micro-systems technology, logistics and to generate new ones like biomedical technologies. These sectors are the main branches which are pushed by the dortmund-project, an important pillar of the local economic development strategy (see chapter II). Politicians and consultants set up the target to generate 70,000 new jobs from 2000-2010, 60,000 of them in these new anchor industries. It will be discussed in this paper whether
this is a realistic target or not. It will be argued that it is necessary not only to implement the dortmund-project but also to change fundamentally the macro-economic policy on the national and European level and to continue a strong and high funded European regional policy even in the period 2007-2013.

2. Private investments instead of public subsidies?

The Department of Economic Development Policy of the City of Dortmund (WF DO) and the dortmund-project, a special task force for promoting innovative branches (see chapter II.3) speak about “investments instead of subsidies”. But a large part of their activities deals with attracting huge public subsidies from the EU regional funds (Objective-2) and the state government of Northrhine-Westfalia for financing productive projects in the field of innovation infrastructures. This is not bad but good, because it is organised with the aim of developing new branches and of stimulating private investments, which at the end of the day generate jobs and income. I agree with public subventions in regions in crisis, if they support the creation of jobs and training projects and if they are proved and evaluated very precisely by independent searchers and consultants. Public supports are positive and compatible with the constitution of the FRG (Art. 72, Sec 3.GG) and the European treaties, if they are aiming the reduction of regional disparities. Proved and evaluated very precisely means that the State of North Rhine-Westphalia and the EU need to have a solid concept of structural policies with sectoral and spatial priorities. The state government – consulted by Roland Berger & Partner - elected twelve main clusters (Westrick/Rehfeld, 2003). All large projects are ex-ante evaluated by independent consultants. For example the health-business and exhibition centre and – park beneath the very successful Shopping Centre CentrO in Oberhausen has been evaluated negatively and will not be realised in the first designed concept. This structural policy program of the state of NRW will be continued in the period 2004 until 2006 and also in the next period 2007-2013 as a phasing-out-period for the Ruhr-area, in which probably the EU-regional funds will be reduced substantially (Commission of the EU, 2004). Probably subsidies will be more concentrated on projects in the large cities of this area. Under the given circumstances and the framework of the EU-regulations I believe that the structural policy approach of the state of NRW and the City of Dortmund are advanced and successful.

In contrary there exists an arbitrary general macroeconomic policy approach of the state government, which hits permanently especially the weak regions like the Ruhr area. Instead of fighting for an expansive economic and employment policy in Berlin and Brussels (Chapter I.3 and III.1), the prime ministers of the state of NRW (formerly Mr. Clement, who later was minister of economic and labour affairs in the federal government, and later Mr. Steinbrück and actually Mr. Rüttgers (CDU)) support the austerity policies in Berlin and Düsseldorf. Additionally there is an inflation of incantations (Beschwörungsformeln) and symbolic policies. The so-called Beschäftigungspakt Ruhr (Employment Pact Ruhr), a public private partnership which includes politicians, entrepreneurs, managers and person of the public live, which has no budget at all, is nothing else than public relation action, which can not take the place of good economic governance.
3. The overall importance of the general economic policy

Mass-unemployment in the areas of crisis in the Ruhr and East-Germany (and also in other regions of the EU) depends only partly on inner regional problems. Creating new jobs for compensating over-proportionally shrinking industries in old industrial areas depends very much on an overall growing economy. The economic self blockade of the Maastricht Treaty, the Stability and Growth Pact (SGP) as well as the consolidation policies (which do not reduce the deficits, but led them explode ex-post), led to stagnation since 2001 as especially in Germany they led to relative low growth rates in the 90th (European Economists, 2003 and 2004). The aim of reducing the budget deficits therefore failed fundamentally. In the opposite, France under the Prime Minister Jospin and also the United Kingdom under a new-Keynesian economic regulation framework expanded much more as Germany and therefore created much more new jobs (AG Alternative Wirtschaftspolitik, 1998; see also Figure 2).

Figure 2 Growth of the macroeconomic components of demand 1998-2002 – an international comparison

Source: ver.di Bundesvorstand, Bereich Wirtschaftspolitik
Germany, a country which since decades tried to expand via export offensives, has had the lowest success in terms of GDP and employment development. The main reason is the stagnation of the domestic markets, and this depends on wage-rate growth below the growth-rate of the productivity plus the inflation and on the public austerity policies. So the world champion in exports is the looser in income and jobs — compared to the most important competitors USA, France and UK. Especially regions in crisis suffer because of this stagnation, not at least because the budgets of the public institutions in these regions (the state government of NRW and the local authorities budgets) lose tax incomes and have to pay high rates of social security. So cuts of expenditures characterize the business as usual. Therefore good and high performance of the local and regional economic development policy does not result necessary in low unemployment rates (Figure 4 and Table 1)\(^2\).

**Table 1: Real GDP-Growth, Growth rate of Contributions of Domestic Demand and Export-Import Balance, Rate of Unemployment and Inflation, yearly average 2001-2004**

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>European Monetary Union</th>
<th>USA</th>
</tr>
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<tbody>
<tr>
<td>Real GDP (%)</td>
<td>0.6</td>
<td>1.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Contribution of Domestic Demand</td>
<td>-0.4</td>
<td>1.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Export-Import Balance Growth</td>
<td>1.0</td>
<td>0.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>Unemployment (%)</td>
<td>8.5</td>
<td>8.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Inflation (Customer Prices)</td>
<td>1.5</td>
<td>2.2</td>
<td>2.3</td>
</tr>
<tr>
<td>State Consumption</td>
<td>0.8</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Public Investments</td>
<td>-4.6</td>
<td>1.2</td>
<td>4.1</td>
</tr>
<tr>
<td>Social Transfers</td>
<td>1.3</td>
<td>2.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Overall Expenditures</td>
<td>0.0</td>
<td>1.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Overall Income Public Income</td>
<td>-1.5</td>
<td>0.5</td>
<td>-1.2</td>
</tr>
</tbody>
</table>

Source: Hein/Horn/Truger 2005, 411 and 415

\(^2\) Normally local and regional politicians in the field of economic development policies think and act supply and innovation orientated (cost reduction strategies, cheap supply of industrial sites, labour and innovation orientated infrastructure) because of the very high export and import rates of small territorial entities. If they transfer this paradigm in countries which have large domestic markets to the overall economic and social policies on the European and national level, they ignore the importance of the effective demand, especially the demand on the domestic markets. At least since Keynes it is well known that high developed market economies have the problems of overcapacities and capital surplus and not the problem of capital shortness. In a multi-level system of economic and social policies a complex mixture of supply-side, innovation and demand-side policies is necessary. The upper state levels (and of course the associations of entrepreneurs and the trade unions) carry the central responsibility for the stabilisation and enlargement of the effective demand (and/or the reduction of the individual work-time).
The following figures 3 and 4 (F.J. Bade) demonstrate that in times of good macroeconomic growth rates (1988-1992 and 1998-2000) even cities like Dortmund, Bochum or Essen realised an absolute growth of jobs, although the relative position continued to become worth (at least in Duisburg). In the case of Dortmund you can see a stabilisation and a soft improvement of the relative position. It remains to be seen whether this trend will be stable. But in every case the unemployment rate remains very high even in Dortmund (see Figure 4).

Figure 3: Employment development in Dortmund in comparison to selected cities in absolute terms

Figure 3 makes clear that Dortmund as well as Bochum, Essen and especially Duisburg lost enormous amounts of jobs. Only in times of an overall good macroeconomic performance (at the end of the 70th and the transformation time (1988-1992) and at the end of the 90th) they gained also a lot of jobs. But even in these phases the large cities of the Ruhr area weakened their position in relative terms (Figure 4).
Figure 4: Employment development in Dortmund in comparison to selected cities in relative terms (standardized by national average)

Figure 5: Unemployment rates in Dortmund and Western Germany 1983-2004

The persistence of high unemployment depends on many causes: beneath the importance of deficits of the education system (see chapter II.16), which are very high especially in regions in crisis, the middle-term effects of the end of the steel production in 2001 and - most important – the overall stagnation of the
German economy. The last reason has not been discussed by the officials of the City of Dortmund until this year. Now it seems to be clear also for the officials that the local and regional actions are not able to compensate the weakness of the national and EMU policies.

Table 2 Social-economic indicators of the City of Dortmund

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<tbody>
<tr>
<td>Inhabitants</td>
<td>587.965</td>
<td>589.661</td>
<td>590.837</td>
<td>589.240</td>
<td>588.994</td>
<td>590.213</td>
<td>591.733</td>
</tr>
<tr>
<td>(at 31.12)</td>
<td></td>
<td>(30.6.03)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All employees at working place location (31.12.)</td>
<td>279.500</td>
<td>279.100</td>
<td>276.500</td>
<td>277.000</td>
<td>275.200</td>
<td>265.300</td>
<td>267.400</td>
</tr>
<tr>
<td>Employees with social insurance (working place location)</td>
<td>191.801</td>
<td>192.257</td>
<td>195.685</td>
<td>196.586</td>
<td>197.214</td>
<td>191.059</td>
<td>186.453</td>
</tr>
</tbody>
</table>

Source: dortmund-project, 2004 (1), 6 (Auszug); dortmund-project, 2004 (2), S. 9; 1
The following figure demonstrates the social-spatial division and fragmentation of the city of Dortmund in terms of income, unemployment and demographic development.

Figure 6: The social-spatial segregation of the City of Dortmund

Emerging districts of the middle class
Privileged districts of the upper-classes
Family dominated lower class districts
Family dominated lower class districts with high immigrant-shares
City near districts with high single-shares and high unemployment rates

Source: Strohmeier, P. (2002); authors own translation

Nevertheless since 1999, when the boom of the new economy expanded the high tech industries in Dortmund again, the relative downswing of the economy has been stopped (Fig. 4). And in the period from 2000 to 2004 in the target branches of the dortmund-project (IT, MST and Logistics) about 6600 new jobs have been created by internal growth in existing companies, new firms and secondary effects (Dr. Heuser AG, 2005, see Figure 6; Stadt Dortmund, 2004a, p. 2). Other branches lost about 2300 jobs. But the loss of about 5.500 jobs with social insurance from 2000-2004 is obvious. Nevertheless these results are quite successful in times of overall stagnation. It seems to depend on the special activities of the local and regional economic development approach of the city of Dortmund and the state government of NRW. Therefore this approach will be described and analysed in the next chapter.
4. Dortmund and the region Ruhr – defensive and offensive components of the previous structural policies.

The economic development of the city of Dortmund is only understandable if we take into account the overall development of the Ruhr area, its deep crisis and the kind of structural and regional policies for this region. Figures 7-9 show the Development of the employees with social insurance, Figure 9 in the 8 most important industrial branches (1985-2000), Figure 8 in the 10 sectors of the economy and Figure 9 for these sectors in comparison with the average of West Germany (1976-2000).

Figure 7: Development of employment in the eight largest industrial branches in the conurbation of the Ruhr 1985 - 2000

The development of the sectors of business orientated services, household orientated services and also banking & insurance looks quite good in absolute terms (Figure 8), but these gains could not compensate the losses of the industrial sectors. Furthermore, in relation to the average standard of the (old) Federal Republic, and especially in relation to their large agglomerations, the performance of the economy of the Ruhr area is still very weak, as Figure 9 demonstrates.

Figure 9 indicates that the capacity for generating employment in the production-orientated services (including r&d) of the region has declined relative to the old FRG. Bade’s hypothesis (1998) is that in the last 20-30 years there has been a strong correlation between the development and dimension of business-orientated services and the development of jobs in the processing industries and the other service sectors. This is the so-called parallel thesis. Because science-based industries are traditionally located in other regions, for example, in Munich or Düsseldorf, and because it is not possible for the governments to reproduce such an environment in every old industrial area in the space of two or three decades, this parallel thesis seems to make a good contribution to explaining the weakness of the Ruhr economy. Although the public part of innovation
policy in the Ruhr area seems to be in some cases a success, the number of innovation-orientated new jobs in private business is not large enough in comparison with other regions in Germany (see Figure 9). As the whole, therefore, the process of job creation in the Ruhr has, in comparison with other German metropolitan areas, not been very successful (Figure 10).

Figure 8: Employment development in the ten economic sectors in the Ruhr conurbation 1976-2000

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Source: Bade, University of Dortmund, statistics of employment, own presentation
Figure 9: Employment development in the ten economic sectors in the Ruhr conurbation 1976-2000 in comparison to West Germany

![Graph showing employment development in various economic sectors in the Ruhr conurbation and West Germany from 1976 to 2000.](image)

Source: Bade, University of Dortmund, statistics of employment, own presentation

Figure 10: The development of employed persons (Erwerbstätige) in the Ruhr conurbation compared with selected metropolitan areas in West-Germany 1976-1998

![Graph showing the development of employed persons in the Ruhr conurbation compared to selected metropolitan areas in West-Germany from 1976 to 1998.](image)

Source: Bade, University of Dortmund, statistics of employment of the Länder, own calculation and presentation

Results: a decline of the basic and other industries, an under-proportional growth of new industries and services, high unemployment rates (see Figure 5)
and a financial crisis in the local communities (Table 8a-8c) and the budget of the federal state of North Rhine-Westphalia and the Federal Republic of Germany (Table 1).

**Policies in the last three decades: defensive and offensive regional strategies**

**Defensive strategy:** socially (by co-determination) controlled decline (early retirement, working time reduction, trainee programmes, subsidies for the shrinking mining industries) and modernisation of both basic industries (high modernisation investments, huge steps of productivity growth, but reductions of capacities) (Bömer, 2000b, chapter 2 and 4; Bömer, 2001, chapter 2). **Offensive policies:** five new universities, new infrastructure in the field of other education and qualification sectors, transport and housing, intensive inward investment activities, cultural and ecological revitalisation of the region (International Building Exhibition Emscherpark).

Since the 80s the phase of launching new high tech clusters, like the software complex in the city of Dortmund or the logistics complex in Duisburg, has begun. This approach has been intensified since the mid 1990s when it became clear that the decline of the coal mining industry was accelerating and the concentration of the steel industry was generating a new wave of pit closing and steelwork rationalisation. Without reducing the steel production in the Ruhr area the Thyssen-Krupp company closed the steelworks in Dortmund in the year 2001, whereas in 1979 about 25,000 steelworkers earned their money in these factories.

Today the Ruhr area and the city of Dortmund as one important part of this region is a semi-de-industrialised region, and today the different parts of this area have very different economic and structural profiles. In the 80s and 90s the city of Dortmund was very successful in generating a strong high tech complex, especially a 12,000 job software cluster.

After the 1997 decision to close the steelworks in Dortmund a public private partnership of the city of Dortmund, the Thyssen Krupp company, the state government of North Rhine-Westphalia, the chamber of industry and commerce and the trade unions launched the so-called **dortmund-project** as a specific local, economic development approach to push the economy of the city forward and to decouple the development in Dortmund away from the ongoing general decline of the region (see chapter II). McKinsey designed this project, although years ago some similar proposals had been made by the trade unions and some consulting firms which designed these basic lines for the economic development department of the city of Dortmund (Arbeitnehmerfraktion, 1997). All these proposals based on the famous cluster approach, and the government of North Rhine-Westphalia also founded its structural policies for the Ruhr area on this concept. Table 3 indicates the dimension of 12 sectors / cluster which were selected by the state government for the Ruhr area.
Table 3: The development of employment in the sectors of competence 2000 und 2002 in the Ruhrarea (without mining and steel industry)*

<table>
<thead>
<tr>
<th></th>
<th>Ende Juni 2000</th>
<th>Ende Juni 2002</th>
<th>Veränderung</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in 1.000 v.H.</td>
<td>in 1.000 v.H.</td>
<td>in 1.000 %</td>
</tr>
<tr>
<td>Versicherungspf. Beschäftigte insgesamt</td>
<td>1.583,8 100 x</td>
<td>1.561,9 100 x</td>
<td>-21,9 -1,4</td>
</tr>
<tr>
<td>darauf</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>im Bereich der Kompetenzfelder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>darunter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informationstechnologien</td>
<td>37,1 2,3 5,6</td>
<td>40,8 2,6 6,1</td>
<td>+3,8 +10,2</td>
</tr>
<tr>
<td>Logistik</td>
<td>106,4 6,7 16,1</td>
<td>105,5 6,8 15,6</td>
<td>-0,9 -0,8</td>
</tr>
<tr>
<td>Mikrostrukturtechnik u. Mikroelektronik</td>
<td>15,2 1,0 2,3</td>
<td>14,5 0,9 2,2</td>
<td>-0,7 -4,6</td>
</tr>
<tr>
<td>Maschinenbau</td>
<td>60,8 3,8 9,2</td>
<td>60,2 3,9 8,9</td>
<td>-0,6 -1,0</td>
</tr>
<tr>
<td>Neue Werkstoffe</td>
<td>10,8 0,7 1,6</td>
<td>10,9 0,7 1,6</td>
<td>+0,2</td>
</tr>
<tr>
<td>Gesundheitswirtschaft</td>
<td>228,5 14,4 34,5</td>
<td>239,1 15,3 35,5</td>
<td>+10,7 +4,7</td>
</tr>
<tr>
<td>Design</td>
<td>3,9 0,2 0,6</td>
<td>4,1 0,3 0,6</td>
<td>+0,2 +6,4</td>
</tr>
<tr>
<td>Wasser- u. Abwassertechnik</td>
<td>23,2 1,5 3,5</td>
<td>22,5 1,4 3,3</td>
<td>-0,7 -3,8</td>
</tr>
<tr>
<td>Tourismus, Freizeit und Kultur</td>
<td>59,5 3,8 9,0</td>
<td>62,9 4,0 9,3</td>
<td>+3,5 +5,9</td>
</tr>
<tr>
<td>Energie u. neue Energietechniken</td>
<td>44,8 2,8 6,8</td>
<td>44,2 2,8 6,6</td>
<td>-0,6 -1,3</td>
</tr>
<tr>
<td>Bergbautechnik</td>
<td>24,8 1,6 3,7</td>
<td>23,1 1,5 3,4</td>
<td>-1,7 -6,8</td>
</tr>
<tr>
<td>Neue Chemie</td>
<td>47,7 3,0 7,2</td>
<td>46,3 3,0 6,9</td>
<td>-1,3 -2,8</td>
</tr>
</tbody>
</table>

Quelle: Beschäftigten- und Entgeltstatistik der Bundesagentur für Arbeit und eigene Berechnungen
* in dieser Variante erfolgte die Berechung ohne die Wirtschaftszweige Bergbau und Metallerzeugung/-bearbeitung. Unterschiede in den einzelnen Kompetenzfeldern ergeben sich aus der Berechnungsmethode (siehe method. Anmerkungen)

Stand: März 2004

Summery: The former industrial heart of Germany, the Ruhr area, nowadays is a very low-industrialised region in NRW with different economic structures of the different parts and cities of the Ruhr area. Looking at these differences it seems to be understandable that all main local groups and politicians are trying to get away from the decline trends of the common regional tanker Ruhr, just as the city of Dortmund is trying to do.
II. The institutional and instrumental system of the local economic development policy in Dortmund

1. The Department of Economic Development Policy of the City of Dortmund (WF DO) (former: Economic and Employment Department)

The department of economic development policy of the City of Dortmund (Wirtschaftsförderung Dortmund (WF DO)) is part of the local administration, but with a special legal form, a so-called Eigenbetrieb, which gives more flexibility than an ordinary administration unit. The control board of this unit is the Economic and Employment Development Committee of the local parliament. Since the second half of the year 2005 two important institutional changes have been realised. Firstly the project group dortmund-project (see II.3) which was formerly placed directly under the command of the mayor is now placed as one main division in the Department of Economic Development. Secondly important parts of the employment policy are now situated in a new body called ARGE, which is a joint organisation of the Federal Employment Agency and employment departments of the city.

In 2003 the staff of the WF DO consisted of about 80 people with 60 full time jobs. The budget of the year 2003 included 8.34 mill. € from the City of Dortmund and 1.98 from the state of NRW and the EU. 4.26.mill. € have been paid for wages in the year 2003 (see Stadt Dortmund, Wirtschafts- und Beschäftigungsförderung Dortmund, 2004 b). Until 2004 one special approach was the very narrow cooperation of economic development and employment policies within the same institution. Normally you can find different ones in German cities. Nevertheless employment policy was also realised by other departments of the local administration, especially the department of Social Affairs (Sozialamt).

After the integration of the Department of Economic Development and the dortmund-project and another institution, the service centre for businesses, the budget has the following dimensions in the year 2005: funds from the city: 12.59 mill.€, from the state and the EU: 1.165 mill €. Wages and salaries: 5.964 mill €, 71 full time jobs. These figures do not include the investments and the running costs of the different technology centres (see II.3). The merger of the announced three institutions led to a reduction of the staff of ten persons.

2. Working departments of the WF DO: Cluster- and Employment orientation

2.1. Division dortmund-project and sector development

In the dortmund-project division there are pooled the cluster and branches development activities, the development of industrial and business sites and parks, the start up promotion and competitions. The new anchor branches IT, MST; logistics and bio-medicine will be especially promoted as done before. Also the financial and insurance industry, metal and electric, retail, hotel and restaurant, food, energy and construction industries are on the focus of this division. The structure and means of the cluster policy will be transferred also to these
branches (Stadt Dortmund 2005). The WF DO implements the cluster orientation (Grote Westrick/Rehfeld 2003, Rehfeld 2005) for branches which have good preconditions in the city of Dortmund. Additionally it brings the leading industrial and technology parks to the markets, together with the special public or private developers of these sites.

2.2. Service Centre for Businesses (DLZW)

This centre is the first contact and one stop agency for businessmen and companies, special services, SME-promotion, business friendly administration and the requirements of the local economy.

2.3. Cooperation Agency Employment and Region

This division deals with themes like peoples qualification, the Regional Agency Westfalian Ruhr Area, in which the cities of Dortmund, Hamm and the county of Unna work together in the field of structural policy and qualification. Also the Regional Agency Woman and Region is located in this division. The acquisition of funds for different state, EU and federal programmes for employment and qualification of target groups is also an important activity of this division.

The managing directorate are responsible for the overall activities and especially for public relations, which is very important for such an ambitious local economic development program as well as within the city and outside

One speciality of the situation in Dortmund is that the trade unions have been and still are involved very deeply in this strategy and because of that gave much incentives and made initiatives to push this approach. This was prepared by some studies (Arbeitnehmerfraktion., 1997; DGB Dortmund/Unna/Hamm, 1998), a standing committee of scientists, working people and trade union officials dealing with structural and regional policy strategies (Arbeitskreis Strukturpolitik der Kooperationsstelle Wissenschaft und Arbeitswelt, see Kock, 2003) and some workers pressure on the big companies like Thyssen.-Krupp, who closed the steelworks in Dortmund and had to create some new jobs (and to sell a huge amount of derelict land to new users!). Theoretical work of this trade union activities was done by Kock (2003), Besse, Dörre and Röttger (2004) and Bömer/Mazier, Mouhoud (2004).

3. The dortmund-project from 2000-2010 (see: www.dortmund-project.de)

The project group 05 dortmund-project, founded in the year 2000 for a ten years period and since 2005 integrated in the Department of Economic Development (WF DO) can be defined as an additional task force for the economic development policy in the administration of the City of Dortmund. Until 2004 this group directly was located at the mayor’s office (see appendix overview 2). The staff consisted of 18 people. Planning and communication services have been bought additionally. In the first three years Thyssen-Krupp AG sold three staff members and also consultant services. A project committee with networking people from all important local actors and delegates from the state government supervises the project.
The dortmund-project has got three departments:
- Leading branches / company development (IT Microstructure Technics, Logistics)
- Leading sites (mainly Phoenix West and Phoenix Ost, Stadtkrone Ost, Technologiepark, the port and the old airport (see Map A1 appendix).
- Human resources.

*The overall target of the dortmund-project was to create 70,000 new jobs from 2000 until the year 2010, 34,000 of them in the IT-industry, 16,000 in the microstructure industry, 10,000 in logistics and 10,000 in the other core branches. In my mind, this was a very unrealistic vision from the beginning (Bömer, 2000, p.11).*

Until 2004 the budget was 6.5 mill. € a year, from which 1.5 mill. € are wages and salaries, the other are expenditures for start up competitions, growth initiatives, industrial and office park sites developments (planning costs, not investments), qualification and training and communication. Reports are given every year. In the year 2005 a substantial halftime-evaluation has been realised. The results are discussed in chapter II.6.

There have been many good arguments to integrate this task-force in the WF DO after the first 5 years period. (The CDU tries to take the WF DO into private ownership and to convert it into an Ltd, taking private companies as owners into this company. This would not produce better results as we can study it by comparing for example the local economic development and employment activities and results of Dortmund and Essen, the other leading city in the Ruhr area. The City of Essen has got a privatised agency for economic development. In any case the democratic control of the economic development policy would be weakened by privatisation and launching another *quango* (a quasi non government agency).

4. The Technology Centre Dortmund Ltd. (TZDO GmbH) and the Special Property Leasing Technology Centre Company (SVTZ DO)

Only for political and administrational insiders the complex structure of the local economic development institutions is familiar (see Overviews 1-6 in the appendix). The Technology Centre is well known (Overview A1), but the SVTZ DO is mostly unknown for students, scientists and in the public. The SVTZ DO is completely owned by the City of Dortmund and managed by the treasurer and the chairman of the WF DO. The SVTZ DO owns all the physical technology centres (incubators) of the innovation orientated infrastructure. The management of these different centres was until the year 2004 organised in public-private-partnerships in form of a Ltd. (GmbH). The TZDO GmbH (itself a PPP, see Overview. A1) and the Dortmund-Foundation (Dortmund Stiftung) play the central role in this institutional web (Overviews A1-A3). This management structure changed because of new EU-regulations of tendering procedures of public works³.

³ New EU-regulations of tendering procedure towards public works forced a new organisation of the institutional structure of the economic development policy in Dortmund. Until 2004 the
5. Financial resources of the Special Property Leasing Technology Centre (SVTZ DO)

The money for the investments of the SV TZ DO comes from the EU (objective-2 funds), the state of NRW (co-finance) and the City of Dortmund (see Stadt Dortmund, 2004 Drucksache Nr. 05651-04). The City pays in form of pieces of land and credits/debts, taken at the long term capital markets. So the SVTZ DO in praxis was a shadow budget. The technology offensive of the city could be financed, although the general local budget is not balanced since many years (with the exception of years 1999 and 2000) and although local economic development policies are not a so-called Pflichtaufgabe (compulsory field of local policies). And the district government, which has to supervise the local financial affairs, only allows financing compulsory expenditures and investments in times of unbalanced budgets. About 200 mill. € have been invested in the different incubator centres since 1985 (until 2005) (see Fig. Overview A5).

6. The overall success of the innovation oriented economic development strategy

The concept of the local innovation policy described above (see also Baranowski, 2005) is combined with the regional structural policies of the EU and the state of NRW very intensively. Of course, it can only produce good results, if firstly the technology centres use their full capacities hosting for rent private companies and start ups, and if the rents, which are paid by these firms, finance the local part of the investment budgets of the SVTZ DO and the overhead costs. The parts financed by the EU and the state government do not have to be refinanced, because they are subsidies (lost grants). Secondly the companies, which have to leave the incubator centres after two years and of which many invest in the technology parks beside these incubator centres, must produce so much local taxes that the City of Dortmund is able to invest into the general infrastructure of these parks (streets, properties and so on).

Since the middle of the 80th about 12.000 new jobs have been created in new branches, especially in the software industries. About 8.500 people are now working in the technology park just besides the University of Dortmund, where also most of the incubators are located. Especially periods of general economic boom times (1989-1992 and 1998-2000) have been successful times (see Fig. 3). But some projects failed also in this period, for example the Digital Media Centre (TCC) which had to push forward the media industry in Dortmund. Therefore in 2001 the SVTZ DO had to realise a 3.65 mill. € depreciation on this technology centre.

TZDO GmbH has managed the whole real estate and infrastructure stock of the Special Property Leasing Technology Centre Company (SVTZ DO). The tenants of the technology centres made contracts with the TZDO GmbH (which is not controlled completely by the city of Dortmund). This procedure is not allowed anymore. The service-contract must be tendered EU-widely. Therefore the local administration developed a so-called inhouse solution. The Technology Centre Management Ltd. (TZM GmbH) was founded. The SVTZ DO takes over 100% of this company. The change of this structure is shown in overview 6 (appendix).
The emergence of the technology centre and technology park with its software-complex and of the core of the microstructure and nanotechnology industry with no doubt has been the great success of the innovation policy. Also the dortmund-project very quickly developed new specialised technology centres (e-commerce-centre, e-port for e-logistics, MST-factory, B1 software factory, biomedical technology centre) and new technology parks (Stadtkrone Ost, Phoenix West, extension of the technology park beside the university).

The increase of the number of new jobs since the year 2000 on the other hand did not reach the official expected figures. The former expectations until 2010 spoke about +70,000, 60,000 of them in the new anchor industries (+34,000 in IT, +16,000 in the micro-structure industry, + 10,000 in logistics; see Table 4).

Table 4: Employed people in the city of Dortmund in the years 1970, 2000 and 2010 (forecast of the Dortmnd-project)

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>2000</th>
<th>2010 (forecast**)</th>
</tr>
</thead>
<tbody>
<tr>
<td>basic industries</td>
<td>80,000 (coal, mining, breweries)</td>
<td>28,000 (IT, MST*, Logistics)</td>
<td>additional 60,000 (IT, E-commerce, logistics); 10,000 in existing companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,000(steel, mining, breweries)</td>
<td></td>
</tr>
<tr>
<td>All sectors</td>
<td>277,000</td>
<td>225,000</td>
<td>295,000</td>
</tr>
</tbody>
</table>

*MST: microstructure technology (incl. nanotech.); ** forecast by McKinsey, the official project managers of the Dortmnd project and the local mayor

Source: Stadt Dortmund, 2001, page 4

Since the beginning of the ongoing decade many account regulations for employment and so on have changed. The new figures can be seen in Figure 11 which presents the halftime balance of the dortmnd-project from 2005 (Dr. Heuser AG, 2005). In contrast to Table 4 in Figure 11 the basic year for the controlling of the dortmnd-project was replaced from 2000 to 1997 which accounts additional 18,200 jobs as a result of the project policy.
From the year 2000 to 2004 6,640 new jobs have been created in the new anchor industries, mainly in logistics (+2,246), IT (+2,040) and MST (+688). The other sectors lost 2,300 jobs. Having in mind the deep crisis of the new economy and the halftime prediction of the dortmund-project (+11,665 until 2005) these results nevertheless are quite good. The new projections of the evaluation propose a minimum variant (+15,700 from 2005 until 2015), which I think is very realistic; whereas the maximum variant (+42,100 until 2015) is very utopian even if the overall economic development would be extremely good.

The “second stage of globalisation”, in which not only back offices like call centres are placed into countries like India or Eastern Europe, but also high qualified engineering jobs, of course puts also pressure on the young software industry in the Dortmund region. Therefore it is not self-evident that this complex with its about 12,000 jobs can continue this sector without any problems. In the second stage of globalisation also the internal and dislocation structures of the firms, which are global players in this sector, are reorganised. In this field local authorities do not have much influence. In the beginning of the year 2004 Hewlett Packard for example bought Triaton, the former software company of the Thyssen-Krupp AG. Only three month later hp announced that 330 of the overall 1900 jobs will be cut. In Dortmund about 500 people are on the pay role of this company. The headquarter which was located in the City of Essen will be transferred to Böblingen in South-Germany. I is an open question how many jobs will be lost in Dortmund.

The dortmund-project prospected (by McKinsey, the main consultant of the dortmund-project) 34,000 (!) new jobs in the IT-industry until the year 2010. Even at the beginning of this project in the year 2000 this was a very unrealistic target (Bömer, 2000, p.11). Nevertheless the crises of the New Economy in the years 2000-2003 did not lead to a enormous shrinkage of the local software industry, but to a burst of the bubble dreams of the actors of the Dortmud policies. Now it is not so easy for the officials to communicate this approach as a successful one. Towards my opinion even 15,000 or 20,000 new jobs from 2000
until 2010 in these new key-industries would be a great success of local economic development policies.

7. Intensifying the technology centre and incubator concept since the year 2000

The dortmund-project was designed in 1999 and decided by the local parliament in the year 2000. This was an extension of the incubator and cluster approach, which began in 1985, when the Technology Centre Dortmund was founded. The new incubator centres (MST-Factory, B1.st-Software Factory, Biomed Centre, e-port Competence Centre (e-logistics), Robotic and Automatisation Centre etc.) and their investment costs are described in the Overviews A4 and A5. Without the construction-stages 1-5, which had been realised before the dortmund-project started, about 137.9 mill. € have been invested in the new incubator centres. The EU and the state of NRW put in 72.2 mill. € grants. The SVTZ DO took 61.9 mill. € loans. For comparison: the investment costs for the new airport in Dortmund have been about 125 mill. € for the new concert hall about 50 mill. €. See also the budget tables in chapter II.18 in order to get an overview towards the local financial situation.

The political decisions to strengthen this innovative cluster approach and to invest in the new centres have been a result of the optimism which has been taken place in the boom times of the new economy. As I argued above the creation of 15,000 to 20,000 new jobs until 2010 could be regarded as very successful. All other expectations obviously depend on the general performance of the German and European economic development in the next years (see chapter I.3 and III.1).

8. Biomedical- Technology: Phönix rising from the ash in Dortmund?!

It is surprising to look at the very fast realisation of the new main development field of biotechnology and proteom –competences in the City of Dortmund. 54.5 mill. € have been invested until the year 2005 into this new technology and incubator centre. It is located just beneath the Max-Planck-Institute for Molecular Physiology at the university campus. In this sector there is an intensive competition for attracting firms and public grants, especially taking into account the City of Bochum, just 15 kilometres west of Dortmund. The University of Dortmund and the Dortmund University of Applied Sciences support this new focus with special study courses (chemical biology and microsystems technologies). Only in the new incubator there is enough place for offices and laboratories for about 650 people. This project will be realised in times when the first boom of biotechnology will have come to an end and when the competition with other biotechnology growth poles in NRW (Cologne, Aachen and Bochum), Germany (Heidelberg, Munich and Berlin), Europe and worldwide will have been extremely intensified. Nevertheless Dortmund has much endogenous competences, different “blue-chip” research institutes and excellent university curricular. Also the MST-Factory, the technology and incubator centre for nano- and microstructure-technologies, which also interfaces to the bio-technology, has been realised until spring 2005.
9. Finance facilities of the whole approach and the flagship-project Phoenix

The City of Dortmund is very successful in appointing and realising EU-Objective-2 funding projects and the co-finance budgets of the state of NRW. From the year 2000 until January of 2004 about 160 mill. € have been accepted (and paid) including the flagship-project Phoenix-West (see Overview A5) (Küpper, 2004, p. 20, See also chapter II.14). In comparison with other cities of the Ruhr area this is a very successful result. The reason for this is, that Dortmund has begun the cluster-oriented economic development strategy in the middle of the 80th and has now excellent conditions (r&d capacities, experiences, PPP’s, networks and administrational capacities) to extend this approach once more.

The city owned Real Estate Company bought the Phoenix-East site (about 100 hectares) for 16.8 mill. €. This site, the former steelwork of Thyssen-Krupp-Hoesch, will become a city-lake with high value waterfront housing areas. The general developer is the Phoenix-East-Development Company, a daughter of the city-owned Stadtwerke AG, the public facilities company. The Stadtwerke AG got about 70 mill. € by a cross-border-leasing deal with the track facilities of the Dortmund underground and tram infrastructure. This money will be used for financing the purchase and the transformation works converting the steelworks landscape into the housing and lake district described above (see map A 2). It is expected that in the year 2007 the lake will be complete.

The total costs of the Phoenix-East project are estimated at 182 mill. €. Perhaps it will be subsidised up to a maximum of 30 mill. € by the state government of NRW via the urban regeneration budget. The difference has to be mobilised by selling the properties around the lake to housing companies and investors. Of course the success of this concept very much depends on the overall trade cycle of housing investments which have been reduced in the last years because of the stagnation of the whole economy. So the lake-investments have to be pre-financed by the Stadtwerke AG.

The Phoenix-West- site (about 110 hectares), the former blast furnace site of Thyssen-Krupp steelworks, mainly will be transformed into a new technology park (40 hectares), green parks and an exhibition centre of BMW (see map A 2). The Landesentwicklungsgesellschaft (LEG), a state-NRW owned developing company, bought the main part for about 20 mill. €. This technology-park shall be specialised on micro-technology and IT-industries.

Since the year 2000 huge public investments for developing new branches and sites have been realised. The amount and the size of these activities are new. Of course the end of the 2000-2006-period of the EU-objective-2 funding is in the background. On the other hand the risks of such a policy should be kept in our mind. They are as larger as worth the overall economic development of the FRG and the European Monetary Union is going on.
10. microParts – a special approach of economic development policies in Dortmund

A special approach of economic development policies in Dortmund is realised with the existing Microstructure Technology Centre (not to mix up with the new MST-Factory which is under construction at the Phoenix West site). microParts, formerly a subsidiary company of STEAG, the energy subsidiary company of the RAG (Ruhrkohle AG), and in 2004 bought by the pharmacy company Boehringer AG, is the main leaser of this microstructure manufacture. The SVTZ DO leads out this technology centre completely to one private company, which produces sprayers for a pharmaceutical company (Boehringer-Ingelheim) and needs high clear rooms for production. As long as this company is successful and able to pay the local part of the investment and permanent running costs in form of rents respective leasing rates, this is a good business for the SVTZ DO and the City of Dortmund. In the autumn of the year 2003 about 270 people were employed in this manufactory. The investment sum for the nowadays planned extension of this fabric includes 25 mill. € for the building construction and another 55 mill. € for the equipment (Stadt Dortmund, 2003c). The equipment has to be financed by the private company in any case, but of course it can be subsidised with the ordinary rate for Objective-2 areas (15-20%). The building would be financed in the same way as the first stage, by the SVTZ DO. The projected extension will create about 400 new jobs (company’s own information). The standing committee for economic development and employment policy of the local parliament decided to agree with this kind of financing the extension only if the payment of the leasing rates had been strongly guaranteed by the parent company for at least 20-25 years.

If this investment can be realised this would be a great success of the local economic development policy in the new key-sector microstructure technology, even if the number of new jobs would be only 200 or 250. Nevertheless there remains one problem: instead of realising the complex extension the new MST-technology Park at Phoenix-West, it would partly have to be taken in the green belt which adjoins the existing manufacturing complex of microParts.

11. Risks of the economic development policies in Dortmund

In general I would describe the risks in the following way: firstly the yearly losses of the Special Property Leasing Technology Centre (SVTZ DO) have to be financed. In the year 2002 for example losses were 1.2 mill. € and in 2003 1.9 mill. €, in 2004 in the same dimension, by reasons of some empty office spaces in the technology centres and too less leasing rate earnings. They have to be balanced by the reduction of reserve funds or by putting in new property sites in this company, in the worst case by paying cash from the local budget.

Another risk is that the unrealistic provision of 70,000 new jobs until the year 2010 led to on overcapacity of new technology park sites, compared with the realistic demand for say 15,000 to 20,000 new jobs in the leading sectors. Actually the supply of new technology parks includes the extension of the (old) technology park beside the university campus, the Stadtkrone-Ost site, the new Phoenix-West area and the different opportunities for modern office blocks at
the main office axes B1 (see map A1). These sites and business districts are developed by different developers, and the City of Dortmund does not have the full control to coordinate this supply and the time share, although the WBF DO have signed agreements especially with the LEG, the owner of the Phoenix-West site, and the Entwicklungsgesellschaft Stadtkrone Ost which owns the Stadtkrone Ost park. Another big supplier of business park sites is Thyssen-Krupp-Properties who owns the LEP IV site near the channel (logistic park) and the Westfalenhütte, the largest former (and mostly closed) steelwork site in the North of the city (about 450 hectares). If the stagnation of the overall economy is going on, the financial pressure on the public and private developers will increase. This might reduce the quality of the developments and destroy the price level of business and technology park properties.

Especially the Green Party in the local parliament therefore argued against the extension of the technology park beside the university because their members intended to protect the green belts in this area as well as to force new private investments of high tech firms in the new technology park at Phoenix West, the most ambitious project of the “New Dortmund”. It will become difficult enough to develop this site which has wonderful old industrial buildings (blast furnaces and huge industrial halls, the most important industrial heritage of the City of Dortmund).

12. Technology and incubation centres of the “second division” as economic development instruments for the deprived urban districts, especially in the North

Additionally to the large projects described above there have been developed some less spectacular, but nevertheless very important projects, or they are in a planning phase. The Depot Immermannstraße is a 4 mill. € IBA-Emscherpark-project (International Building Exhibition Emscherpark 1990-1999). It is an incubator for artist and art craft firms, a wonderful old tram depot in the Nordstadt which includes also a new theatre with about 250 seats and a fine restaurant. Since two decades the Gewerbehof Huckarder Straße has put up firms and consultants in the field of ecological products and services. The WF DO will establish a second innovation centre (additionally to the e-port, the centre for e-logistics, at the Mallingrodt-Street near the harbour) in the Nordstadt. The EU-URBAN II project tries to establish many local-economy and urban regeneration projects in the Nordstadt in which about 55,000 people live, about 40 percent of them immigrants. The Nordstadt is a high density district with functional mixed structures and as such in principle well prepared to accommodate creative and innovative firms and people, especially with an immigrant background (Läpple, 2003). The local economy development promotion is an absolutely necessary, but not sufficient political approach for a substantial reduction of the unemployment rate (more than 25%) and the poverty and integration problems of such urban districts. (Overschmidt, 2003; Bömer, 2000, 174ff.). The volume of all URBAN II Nordstadt projects from 2002 until 2007 is about 28.5 mill. €.

Additionally to the public or public-private centres and initiatives in different districts, there exist some private incubators (Hörder Burg/Stiftsbrauerei, Defdahl etc.) which are very successful.
13. Some information about the employment policy activities of the WBF DO (until 2003)

In Chapter II.1 there was remarked one speciality of the local economic development policy: the unity of local economic development and employment policy within one agency (although also the department of social affairs of the city-administration realised employment projects). The following tables inform you about the wide spectrum of activities in the fields of employment and training and their budgets. The secondary effects of these instruments are remarkable. The staff of the WBF DO acquired huge amounts of European, federal and state government money. But on the other side it may not to be forgotten that in relation to the overall number of unemployed people in Dortmund only about 10% of the unemployed a year gained from these kinds of active labour market policies (public employment, training and so on). The so-called Hartz-reforms (Mr. Hartz, Chief Executive for Labour Force of Volkswagen VW) of the years 2002-2004, part of the deconstruction of the German welfare state and the Agenda 2010 of the former red-green government in Berlin, have reduced the budgets for these instruments of active Labour market policies very significant.

Table 5: Employment and trainee activities of the WBF-DO

<table>
<thead>
<tr>
<th>Fields of activities</th>
<th>Instruments</th>
<th>Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>- ESF-regional office</td>
<td>Employment and trainee agencies</td>
<td>Dortmund Forum Women and Trade and Industry</td>
</tr>
<tr>
<td>- local and European labour market projects</td>
<td>Employment transfer from job to job, Modernising firms and training</td>
<td>German-Austrian URBAN Network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EFS- Labour Market Conference Working Group Training</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ISB e.V.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>KPFM-Network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Learning Region: LernDO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Competence Network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment Transfer (LOKON)</td>
</tr>
<tr>
<td>- Local economy/ Urban II</td>
<td>Single Firms Consulting</td>
<td>Dortmund Permanent Education Forum</td>
</tr>
<tr>
<td>- Regional agency women and trade and industry</td>
<td>Start up- Consulting Funding Conceptual Studies Youth into Jobs Local Labour-market Funds Projects promoting the local economy</td>
<td>Permanent Education Initiative NRW</td>
</tr>
<tr>
<td>- start up-promotion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Finance means for labour market projects in Dortmund in the year 2003

| City of Dortmund Social Security Department * ca. | 12,4 Mio. € |
| URBAN II-Local Economy | 1,8 |
| KAF – Local Labour-market Funds | 1,3 |
| Sum (rounded) | 15,5 |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>unknown</td>
<td>26,3</td>
</tr>
<tr>
<td>2000</td>
<td>109,0 Mio. €</td>
<td>5,0</td>
</tr>
<tr>
<td>2001</td>
<td>123,0</td>
<td>11,6</td>
</tr>
<tr>
<td>2002</td>
<td>119,0</td>
<td>13,9</td>
</tr>
<tr>
<td>2003</td>
<td>111,6</td>
<td>6,9</td>
</tr>
</tbody>
</table>

*(Mittel der eingesparten Sozialhilfe, Kommunales Beschäftigungsprogramm, Landesprogramm ASS (Arbeit statt Sozialhilfe) und ESF, Dortmunder Dienste); Source: Küpper, 2004 Folie 9, S. 6

“The Federal Agency for Employment proposed a budget for the year 2004 which in the city of Dortmund reduces the expenditures for public employment jobs (ABM), trainee-programs and other instruments by about 26 mill. €, which is one quarter of the whole budget of the year 2003” (Küpper, 2004, 9. authors own translation). One effect of these cuts is that many employment and training companies, which are engaged since many years in this field, will lose their specialists for working with deprived people and will disappear. If a “reform of the reform” which should happen in the future, takes place, a high potential of experiences will be destroyed, this can not be regenerated without big problems.

14. EU structural policies: Dortmund as a prior area in the Ruhr District

In comparison to other cities of the Ruhr area the City of Dortmund very successfully has acquired money from the EU-NRW-Objective –2-programm

Table 7: All projects which got permission from the year 2000 to April 2004 in selected cities of the Ruhr area

<table>
<thead>
<tr>
<th></th>
<th>From the EU (1000€)</th>
<th>Whole Invest (1000€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dortmund</td>
<td>69,000</td>
<td>242,400</td>
</tr>
<tr>
<td>Bochum</td>
<td>34,700</td>
<td>93,200</td>
</tr>
<tr>
<td>Essen</td>
<td>25,200</td>
<td>75,100</td>
</tr>
<tr>
<td>Duisburg</td>
<td>51,000</td>
<td>146,400</td>
</tr>
<tr>
<td>Oberhausen</td>
<td>16,900</td>
<td>87,500</td>
</tr>
<tr>
<td>Kreis Unna</td>
<td>4,800</td>
<td>43,800</td>
</tr>
</tbody>
</table>
Table 7-continuation: of which (whole sum in mill. €)

<table>
<thead>
<tr>
<th></th>
<th>Dortmund</th>
<th>Duisburg</th>
<th>Essen</th>
<th>Bochum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. Grants for industrial investments</td>
<td>63,9</td>
<td>36,1</td>
<td>8,3</td>
<td>13,9</td>
</tr>
<tr>
<td>2.1 Technology+ Innovation</td>
<td>35,4</td>
<td>17,2</td>
<td>6,8</td>
<td>10,4</td>
</tr>
<tr>
<td>2.5 Media + Communication</td>
<td>10,2</td>
<td>-</td>
<td>-</td>
<td>1,0</td>
</tr>
<tr>
<td>3.1 Sites Development (Industry, Services)</td>
<td>15,2</td>
<td>38,2</td>
<td>26,7</td>
<td>9,6</td>
</tr>
<tr>
<td>3.3 Technology Transfer, Training</td>
<td>110,9</td>
<td>37,0</td>
<td>28,1</td>
<td>1,0</td>
</tr>
</tbody>
</table>

Source: Wirtschafts- und Beschäftigungsförderung Dortmund (2004) Tischvorlage zum AWBF am 17.03.04 zu Top 3.4 Ergänzende Unterlagen von GF Dr. Küpper zum TOP: Europäische Strukturförderung

According to data of the dortmund-project are from 2000-2003 for 110 projects, with a total volume of 243 millions, ca. 108 millions structure promotion assistance flowed to Dortmund (Stadt Dortmund, 2004 a, S. 2).

If there is no fundamental change of the financial and budget policies of Berlin and other net-pay-countries of the EU like France and the UK, the Objective-2 grants for the Ruhr and other West-European regions in crises will be reduced substantially in the next period 2007-2013, although their problems will not be solved by the year 2006. The reason is the financial and budget policies approach of the net-payers to constrain the EU-budget at 1% of the EU-GDP and not to follow the proposal of the EU-Commission, which proposed 1.14% of the EU-GDP for the period 2007-2013 (Kommission der europäischen Gemeinschaften, 2004a). In this case the predominant part of the regional funds of the EU would be paid to the new members of the EU. The western European Objective-2 areas only would get some out-phasing programs. This position is contra-productive in terms of the macroeconomic development as well as in terms of regional structural policies (see Ettxazarreta, M./Grahl, J./Huffschmid, J./Mazier, J. u.a.(2004), chapter 5).

15. „Invisible“ structural policies:

The quality of education and training plays a central role for the employability of the young and elder generations. Although the following Figure 6 demonstrates that also high qualified people risk getting unemployed in times of economic stagnation, it is very clear that good educational conditions improve the employment chances. Nevertheless good education policies can not replace an advanced macroeconomic policy.
In the year 1999 the City of Dortmund launched a reconstruction and refurbishment program for schools with a 100 mill. € budget until 2004. Nevertheless for the refurbishment of the buildings of the professional training schools they have been in the need of another 40 mill. € which are not financed until now. In comparison with some other investment projects, which are described in chapter 16, it is much better to invest into those education and training objectives. The bad results of Germany, referring to international studies which compare the education systems (like the OECD-PISA-studies), require for a fundamental structural and financial reform of our system. One main point will be to expand very rapidly the full-day schooling instead of keeping the very traditional half-day schooling in Germany. The City of Dortmund over-proportionally participates on a federal government program to expand the full-day supply of schools.
16. “Local investment programmes” of special kind: 3do and the B1-tunnel

The former NRW prime-minister Peer Steinbrück called the eternal planned 3do-project, a 550 mill. € shopping mall above the main rail station in Dortmund, a special local economic growth program. But there is a phase of nearly ten years of discussion and planning about this project. On my opinion this project is “stupid” because there are enough sites to be developed within the inner city of Dortmund. Stores and leisure facilities above the main station would be very expensive, and also the overcapacities of the retail-sector would expand again. Public grants for the rail and transport facilities are estimated at about 130 mill. €. This money could be used much better for a smaller and nevertheless attractive refurbishment of the main station and some other stations within the city and the region. The employment effects of such giant projects in the period of construction are of course well known. But it is questionable whether such a new shopping mall would create more permanent jobs in the inner city.

Programmes with similar effects in the construction period are some investments for the infrastructural preparation of World Football Championship 2006 and – another eternal planned project - the B1-motorway tunnel, a four kilometre East-West-tunnel of the main motorway axis crossing the Ruhr area, also an axis of office blocks. The tunnel would cost about 400 mill. €. Of course, this project would improve the congestion situation of this road, but on the other side it would increase the accessibility and therefore the transport distances and so on. In times of increasing oil prices it should be clear that investments in the transport systems should be given mainly into the public mass transport facilities like railways and water-canals.

Of course, directing such investments sums from the retail and motorway-sector to the education and technology sector and public transport needs some reconstruction and changes in the tax-, grant- and public expenditure systems. But nevertheless in the long run it would be much better and more effective to invest in human resources and ecological friendly infrastructure instead of motorways and tunnels.

17. The burden of the local financial crisis

In the years 1999 and 2000 the local authority’s budget was balanced after a long period of deficits. With the foundation of the Special Fund for Housing Areas Sites in the year of 1999, which is as well as the special Fund for Leasing the Technology Centres (SVTZ DO) a shadow-budget, the City of Dortmund gained some flexibility for getting loans and presenting a balanced budget just before the last local elections which saw the Christian Democrats and the Social Democrats head to head and the Green Party as a joker. But in comparison with the exploding deficits since 2001, these were really moderate circumstances. At the beginning of the Year 2002, when the double-budget for the years 2003 / 2004 have been prepared, the middle-term financial plan looked like written down in the table 8a.
Table 8a: Estimated budgets and deficits without the investment budget (Verwaltungshaushalt) of the City of Dortmund (2002-2007) in mill. €

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
<th>Deficit*</th>
<th>Deficit in % of the budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,471</td>
<td>116,8</td>
<td>7.9</td>
</tr>
<tr>
<td>2003</td>
<td>1,535</td>
<td>189,2</td>
<td>11.8</td>
</tr>
<tr>
<td>2004</td>
<td>1,630</td>
<td>253,6</td>
<td>15.6</td>
</tr>
<tr>
<td>2005</td>
<td>1,652</td>
<td>261,9</td>
<td>15.9</td>
</tr>
<tr>
<td>2006</td>
<td>1,659</td>
<td>269,7</td>
<td>16.3</td>
</tr>
<tr>
<td>2007</td>
<td>1,663</td>
<td>258,8</td>
<td>15.6</td>
</tr>
</tbody>
</table>

Source: Stadt Dortmund (2002), Drucksache 02683-02, 3.5.02

*gross deficits

The main reasons for this bad development were firstly the reductions of the tax-income; especially for profit and company taxes (see Fig. 13). This was the result of the in-acceptable tax-reform of the federal government of the year 2000. Secondly the whole economy stagnated since the second half of the year 2000 until now. And thirdly the expenditures for social security, which have to be paid by the local authorities expanded because of the growth of unemployment and poverty.

The so-called Haushaltssicherungskonzept, a five years budget consolidation programme for winning back again a balanced local budget mainly included (1) cuts of investments and local facilities (revision of infrastructure), (2) higher tax income because of the expected local financial reform which was discussed in Berlin (60 mill. € a year since 2005), and (3) expected earning from the join of the Arbeitslosenhilfe, the unemployment wage after the first year of unemployment, financed by the federal government, and the Sozialhilfe, the social security which is financed by the local authorities (42 mill.€ per year since 2004).

Table 8b: Budget consolidation programme 2003 to 2007 (Verwaltungshaushalt). Local parliament decision from 19.12.02 (in mill. €)

<table>
<thead>
<tr>
<th>Year</th>
<th>Deficit Included deficits of the former years</th>
<th>Local financial reform incl. A recovery of the economy.</th>
<th>Revision of infrastructure</th>
<th>Law for reducing Tax reductions</th>
<th>Unemployment money II</th>
<th>Origin deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>2002</td>
<td>116,8</td>
<td>0,0</td>
<td>0,0</td>
<td>0,0</td>
<td>0,0</td>
<td>4,0</td>
</tr>
<tr>
<td>2003</td>
<td>213,6</td>
<td>56,3</td>
<td>0,0</td>
<td>0,0</td>
<td>4,0</td>
<td>157,3</td>
</tr>
<tr>
<td>2004</td>
<td>224,1</td>
<td>116,8</td>
<td>0,0</td>
<td>0,0</td>
<td>10,0</td>
<td>42,0</td>
</tr>
<tr>
<td>2005</td>
<td>239,9</td>
<td>213,6</td>
<td>60,0</td>
<td>30,0</td>
<td>19,0</td>
<td>42,0</td>
</tr>
<tr>
<td>2006</td>
<td>241,2</td>
<td>224,1</td>
<td>60,0</td>
<td>40,0</td>
<td>20,1</td>
<td>42,0</td>
</tr>
<tr>
<td>2007</td>
<td>239,9</td>
<td>239,9</td>
<td>60,0</td>
<td>50,0</td>
<td>21,2</td>
<td>42,0</td>
</tr>
<tr>
<td>Summe</td>
<td>180,0</td>
<td>120,0</td>
<td>74,3</td>
<td>168,0</td>
<td>424,8</td>
<td></td>
</tr>
</tbody>
</table>

Source: Stadt Dortmund, Kämmererei (20.1.2004): Ergebnisse und Auswirkungen Vermittlungsausschuss Hartz IV, S. 4

Only one year later all these hopes of the “reforms” have passed away. As Table 8c indicates, the new origin deficit for the year 2007 is still prospected at a level of 75.6 mill. €. The cumulated origin deficit from 2002 until 2007 is now estimated at 645.7 mill. € instead of 424.8 mill. €. So the district government of the state of NRW did not accept this budget until 2004. This means that every expenditure and investment, which is not a so-called statutory expenditure (Pflichtaufgabe), has to be agreed by the regional government.
Tab. 8c: Budget consolidation programme 2003 to 2007 (Verwaltungshaushalt)

New calculation of the consolidation instruments (January 2004) in mill. €

<table>
<thead>
<tr>
<th>Year</th>
<th>Deficit in the budget-plan 03/04</th>
<th>Included deficits of the former years</th>
<th>Old origin deficit</th>
<th>Included improvements</th>
<th>Old deficit (col.4+5)</th>
<th>Property tax improvement</th>
<th>Revision of infrastructure</th>
<th>Reducation of wages</th>
<th>New origin deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>50.6</td>
<td>0.0</td>
<td>50.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>50.6</td>
</tr>
<tr>
<td>2003</td>
<td>213.6</td>
<td>56.3</td>
<td>157.3</td>
<td>4.0</td>
<td>161.3</td>
<td>0.0</td>
<td>0.0</td>
<td>2.2</td>
<td>155.1</td>
</tr>
<tr>
<td>2004</td>
<td>157.9</td>
<td>116.8</td>
<td>107.3</td>
<td>52.0</td>
<td>159.3</td>
<td>-2.3</td>
<td>0.0</td>
<td>10.6</td>
<td>148.1</td>
</tr>
<tr>
<td>2005</td>
<td>239.9</td>
<td>213.6</td>
<td>26.3</td>
<td>151.0</td>
<td>177.3</td>
<td>7.4</td>
<td>30.0</td>
<td>11.1</td>
<td>116.9</td>
</tr>
<tr>
<td>2006</td>
<td>157.9</td>
<td>224.1</td>
<td>17.1</td>
<td>162.1</td>
<td>179.2</td>
<td>16.5</td>
<td>40.0</td>
<td>11.1</td>
<td>99.4</td>
</tr>
<tr>
<td>2007</td>
<td>239.9</td>
<td>239.9</td>
<td>0.0</td>
<td>173.2</td>
<td>173.2</td>
<td>23.1</td>
<td>50.0</td>
<td>11.1</td>
<td>75.6</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>∑</td>
<td>44.7</td>
<td>120.0</td>
<td>46.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>645.7</td>
</tr>
</tbody>
</table>


Table 8d: City of Dortmund budget indicators 2003

<table>
<thead>
<tr>
<th>Income €</th>
<th>Expenditures €</th>
<th>Deficit €</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Running budget</td>
<td>1,340,913,300</td>
<td>1,554,507,000</td>
</tr>
<tr>
<td>2. Investment budget</td>
<td>249,912,500</td>
<td>249,912,500</td>
</tr>
<tr>
<td>3. Sum</td>
<td>1,590,825,800</td>
<td>1,804,419,500</td>
</tr>
<tr>
<td>Commitments for the next years</td>
<td>95,287,000</td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Debts 2003</td>
<td>973,035 T€</td>
<td>per head: 1,651,34 €</td>
</tr>
<tr>
<td>Debts of the special property budgets (without hospitals)</td>
<td>177,337 T€</td>
<td></td>
</tr>
<tr>
<td>4. Tax income</td>
<td>399,4</td>
<td>448,6</td>
</tr>
<tr>
<td>5. State governm. payments</td>
<td>297,7</td>
<td>342,8</td>
</tr>
<tr>
<td>6. Wages</td>
<td>316,0</td>
<td>306,7 + 3.03</td>
</tr>
<tr>
<td>7. Social sec. Expend.</td>
<td>243,3</td>
<td>219,3 + 10.94</td>
</tr>
<tr>
<td>8. Investments</td>
<td>161,8</td>
<td>176,5 - 8.33</td>
</tr>
<tr>
<td>9. incl. construction investments</td>
<td>113,7</td>
<td>129,5 - 12.2</td>
</tr>
</tbody>
</table>


If there isn’t any substantial change of the economic, financial and budget policy in Berlin after the local and regional elections, which in the state of NRW took place in September 2004, and after the elections in NRW which took place in May 2005, we have to expect decisions about cuts on public jobs, income and services in dimensions which have never been seen in West Germany after World War II. This would weaken again the general economic performance because of its pro-cyclical character. With the own potentials of the local authority
it is impossible to leave the debt trap. There are two main reasons why these
decisions about cuts have been replaced until September of 2005: firstly the lo-
cal authorities as well as the state government of NRW did not try to do so be-
fore the federal elections of 16th of September 2005. Secondly from the begin-
ning of 2006 the city of Dortmund will introduce a new local financial account
system (New Local Budget), the opening balance sheet of the city occurred
some financial reserves which will reduce the financial pressure for some more
years. But on the other side the budget deficits of the state of NRW and of the
federal state are much larger than expected at the beginning of 2005. So a new
wave of consolidation policy will reach the local level.

Figure 13: Different Estimations of the local tax income of the German local
authorities from May 2000 until May 2004

Local tax income estimations (bill. €)

Source: Busch, 2002, actualised in May 2004

18. Politics and planning in Dortmund in times of radical structural
changes

In the times of radical structural transformation with temporal delay also the
political structure and culture changed (for the whole Ruhr area see Bömer,
2000, Chap.3.4.). But there did not emerge a stable middle class constellation.
It is on the one side characteristic e.g. that since mid of the 90's until 2004 the
IHK, the chamber of industry and commerce, was led by a software entrepre-
neur (Mr. Materna), who on the one side supported completely the modernisation
policy of the economic development strategy of the city of Dortmund. On
the other side he was a typical representative of the New Economy (which
means that he was against active trade unions and a strong welfare state).

The landscape of political parties also adapted – likewise with temporal delay -
the new social and economic realities, but not very clearly and stable. The SPD
has lost in 1999 the absolute majority of seats in the local parliament and got as
much as the CDU whereas the Greens got 8 seats. The SPD with Mr. Lange-
meyer won at the same time the direct mayors election (the first direct election
after a change of the constitution of municipalities in the state of NRW), but
only in a second ballot, against a right populist business man (Dr. Geers). The
mayor represents completely the “New Dortmund”. In his first legislation period he was supported – despite some not unimportant conflict topics (main station shopping mall, motorways within the city, extension of the exhibition centre and financial problems of the new concert hall) mostly by all political forces of the city.

At the European parliament elections in May 2004 the SPD dropped down from 47.3% to 33.2%, the CDU lost very few from 34.7 to 33.4%, whereas the Greens expanded from 8.9% up to 15%. At the local elections (Sept.2004) the SPD got 41.3%, the CDU 32.7% and the Greens 11.5%, the Liberals 3.8 and the left wing PDS 2.8%. The mayor Mr. Langemeyer again won the direct election with 62.5% in the second ballot. SPD and Greens made a coalition, the first time in the city of Dortmund. At the state elections of NRW (May 2005) the SPD lost the government and got 37.1%, the CDU 44.8%, the FDP 6.2%, the Greens 6.2% and a new left formation (WASG) 2.2%. Obviously the policy on the federal level (the Agenda 2010 with its deconstruction elements of the welfare state and 5 mill. unemployed people in the winter 2004/2005) was responsible for these results on the state level. The SPD was the big loser, although also the CDU and the Greens on the national level have been responsible for these deep social cuts and the persistence of high unemployment rates.

At the elections for the Bundestag (18.9.05) in Dortmund the CDU lost again and got 24.9% (2002: 25.0%), whereas the SPD got 49.4 after 53.1%. The Greens got 9.3 after 10.3%, the FDP 7.4 after 7.4%, and the new Left party 6.4%. In this election campaign the Social Democrats and the Greens hid their former national state level policy of the deconstruction of the welfare state successfully.

Since the elections of 1999 the large parties mostly cooperated, interrupted by a short period of consultations between the CDU and the Greens immediately after the elections and a very short arrangement phase of the SPD and the Greens in the year 2003 and the beginning of 2004. Since September 2004 the SPD and the Greens work together in the city hall.

Planning policy

The structural economic and social transformation and crisis of the Ruhr and the city or Dortmund was answered by an enormous engagement of the political leaders and the administration in the fields of economic development and planning policy. Thyssen-Krupp left behind about 800 hectares of brownfields which will be transformed into new uses (special sites for high technologies and logistics, green belts, a city lake of about 30 hectares (Phoenix-East, see map A2) and housing areas) in a very short time, which has never been seen in the Ruhr area for the last four decades. At the same time a new land use plan for the whole city, a structural plan for the region (Eastern Ruhr area) and different master plans (transport, retail, environment, housing, economic development areas) as well as a master plan for the whole Emscher landscape park, have been developed and intensively discussed by the public. These master plans are an informal planning instrument. Spoken in terms of planning theory a new phase of strategic urban development planning occurred, which is not a new observations in cities of metropolitan importance like Barcelona but in depressed areas like the
Ruhr. This strategic development planning is characterised by a very strong cooperation between the city, the public facilities company of the city (Stadtwerke AG), other public property companies like the Landesentwicklungsgesellschaft (the state of NRW) and private companies, especially Thyssen-Krupp as the biggest private land owner beneath the coal mining corporation RAG.
III: Germany and Dortmund – international and inner-German Comparisons.

As argued in chapter I the City of Dortmund in cooperation with the state government of NRW was successful in developing new key industries. But the main problem, the substantial reduction of the unemployment and poverty rate, has not been solved. To my opinion it is impossible to reach high employment rates in old industrial areas by using only local and regional structural instruments. In this chapter III again some macroeconomic conditions, a comparison of the performance of other cities and some political consequences are discussed.

1. Growing isolation of the ‘German’ macroeconomic paradigm and the deconstruction of the “Rheinischer Kapitalismus”

In chapter I.2 the macroeconomic self-blockade of the EU, which is generated by the Maastricht Treaty regulations and the Stability and Growth Pact SGP, was described. Internationally this stability fetishism and especially the German position have become more and more isolated. The mainstream of economists in the USA and in UK for example is characterised by kinds of post- or new-Keynesianism (Truger 2003) and not by the hegemonic neoclassical and monetary policy of the primate of price stability and budget balances (which is the position of the ECB and the Deutsche Bundesbank). Neo-Keynesianism means very shortly that in the short run (which can take some years) the classical anti-cyclical trade cycle policy and not the so-called structural reform policy of the labour market conditions can reduce an important share of the unemployment (as it is done in the States and in the UK). Financial and monetary policy must be anti-cyclical in a situation of crisis and stagnation and should not reduce public expenditure rates at the beginning of an upswing. If it is done in the opposite way - enforced by the regulations of the SGP – stagnation, ex-post explosion of the budget deficits and the social insurances costs will follow “like the amen in the church” (see European Economists, (Euromemo Group), 2004). And in the worst case there follows the danger of deflation (Heine, 2003; Hein/Horn/Tober/Truger 2005).

The stereotype paradigm of the necessity and priority of “structural reforms” of the labour market and the social security systems is weak. It intends to reduce the labour costs and the expenditures for health and pensions, to strengthen the flexibility of labour and to push up the profits and the inequality of income and wealth alleged as the most important incentives of performance and excellence. The realisation of this neo-liberal vision of human beings and the nature of markets (F.A. Hayek’s vision, see Schui, et al., 2003)) also should guarantee that an upswing of the economy will become a permanent development without to much pressure of wage induced inflation and not instead of a short straw fire upswing. An upswing under these conditions would create more low cost jobs. And that would be better than a higher permanent unemployment rate. But firstly every fire must be lighted by a straw fire which means that in a situation of crisis and stagnation an external push, given by the state, is absolutely necessary. Secondly indeed there exist different visions of good life and society. New-Keynesianism indeed is compatible with a neo-liberal approach of the society as it is realised in the Anglo-Saxon world (neo-feudalism, extremely disparities between richness and poorness, which lead to a large working poor
class). But it is also compatible with the Western Europe social welfare state paradigm in which higher flexibility and competitiveness is guaranteed not by low labour costs and poor social security conditions but by high standards of education and professional training including long life learning and therefore a high level of productivity. Also a global ecological orientation of economic development is necessary. The wage inflation problem in this case is handled by a strong cooperative deal between trade unions, the state and the entrepreneurs (productivity orientated wage policies and so on). In the long run a social ecological new deal is the target of an alternative socio-economic policy (see III.7).

2. Compared regions in Western Europe mostly present better performance

As Table A1 indicates in countries, which realise a neo-Keynesian economic policy, the regions in crisis (like Merseyside in the North-West of England) present a better performance of development in the last ten years like the Ruhr area. Especially the region Merseyside, which was the regional crisis address ‘par excellence’ in the 1980s (with unemployment rates of more than 25 percent), has changed its situation. In 1993 it became Objective-I area of the EU and got huge amounts of money from Brussels and London. Good overall economic conditions in the UK plus a high regional funding plus a modernisation of the structural policy instruments and institutions within this region did affect the economic and social performance very positively.

3. City-ranking in Germany

Table 9 demonstrates that the City of Dortmund has improved its performance since the end of the 1990s.

<table>
<thead>
<tr>
<th></th>
<th>Dortmund</th>
<th>Duisburg</th>
<th>Bochum</th>
<th>Köln</th>
<th>München</th>
<th>Essen</th>
<th>Düsseldorf</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per employed people 1996</td>
<td>51.153</td>
<td>52.375</td>
<td>55.049</td>
<td>63.005</td>
<td>64.519</td>
<td>59.344</td>
<td>71.449</td>
</tr>
<tr>
<td></td>
<td>57.707</td>
<td>56.007</td>
<td>55.926</td>
<td>64.885</td>
<td>69.835(01)</td>
<td>60.144</td>
<td>79.858</td>
</tr>
<tr>
<td>Unemployment rate 2000</td>
<td>14%</td>
<td>13,3%</td>
<td>11,3%</td>
<td>10,8%</td>
<td>4,8%</td>
<td>11%</td>
<td>9,6%</td>
</tr>
<tr>
<td></td>
<td>15,4%</td>
<td>14,3%</td>
<td>12,4%</td>
<td>11,9%</td>
<td>6,6%</td>
<td>12,2%</td>
<td>9,9%</td>
</tr>
<tr>
<td></td>
<td>156.741</td>
<td>158.461</td>
<td>457.875</td>
<td>676.147</td>
<td>676.147</td>
<td>221.015</td>
<td>348.980</td>
</tr>
<tr>
<td></td>
<td>191.801</td>
<td>154.292</td>
<td>143.508</td>
<td>439.882</td>
<td>694.559(03)</td>
<td>206.494</td>
<td>333.561</td>
</tr>
</tbody>
</table>

Source: dortmund-project, 200r, S. 61f
Figure 4 and Table 9 show that the increase of the relative distance to other cities seems to come to an end. In some new publications of the more and more popular city-ranking business this result is underpinned. Table 10 shows that the dynamic indicators of the City of Dortmund are much better than the level indicators. But of course we should not forget that in general, rankings seem to be a soft instrument of neo-liberal competition policy and cost-reduction strategies.

Table 10: Socio-economic city-ranking of the Journal “Wirtschaftswoche” in the year 2004

<table>
<thead>
<tr>
<th>Overall Rank</th>
<th>München</th>
<th>Düsseldorf</th>
<th>Essen</th>
<th>Dortmund</th>
<th>Gelsenkirchen</th>
<th>Berlin</th>
<th>Leipzig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levelranking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>1</td>
<td>5</td>
<td>25</td>
<td>27</td>
<td>41</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Labourmarket</td>
<td>1</td>
<td>7</td>
<td>25</td>
<td>41</td>
<td>44</td>
<td>49</td>
<td>47</td>
</tr>
<tr>
<td>Location quality</td>
<td>3</td>
<td>1</td>
<td>16</td>
<td>42</td>
<td>50</td>
<td>48</td>
<td>44</td>
</tr>
<tr>
<td>Economy structure</td>
<td>3</td>
<td>2</td>
<td>13</td>
<td>25</td>
<td>42</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Social structure</td>
<td>1</td>
<td>36</td>
<td>33</td>
<td>34</td>
<td>39</td>
<td>49</td>
<td>48</td>
</tr>
<tr>
<td>Local budget sit.</td>
<td>24</td>
<td>1</td>
<td>30</td>
<td>29</td>
<td>26</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>Overall level rank</td>
<td>1</td>
<td>4</td>
<td>30</td>
<td>28</td>
<td>42</td>
<td>47</td>
<td>49</td>
</tr>
<tr>
<td>Dynamic ranking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>3</td>
<td>21</td>
<td>20</td>
<td>17</td>
<td>34</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Labour market</td>
<td>26</td>
<td>9</td>
<td>25</td>
<td>22</td>
<td>41</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Location quality</td>
<td>31</td>
<td>3</td>
<td>26</td>
<td>12</td>
<td>13</td>
<td>34</td>
<td>23</td>
</tr>
<tr>
<td>Economy structure</td>
<td>10</td>
<td>8</td>
<td>38</td>
<td>4</td>
<td>6</td>
<td>45</td>
<td>23</td>
</tr>
<tr>
<td>Social structure</td>
<td>15</td>
<td>34</td>
<td>43</td>
<td>28</td>
<td>48</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>Local budget sit.</td>
<td>26</td>
<td>6</td>
<td>40</td>
<td>28</td>
<td>20</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td>Dynamic overall rank</td>
<td>13</td>
<td>11</td>
<td>29</td>
<td>16</td>
<td>36</td>
<td>49</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Wirtschaftswoche Nr. 17/15.4.04,S.25; eigene Zusammenstellung

Also the newest demographic prognosis of the Statistical Agency of NRW emphasises that the City of Dortmund seems to be able to stop the negative trends which were prospected in the 1999 study. In the year 1999 the figures for the years 1995 to 2015 were minus 11,8% (in comparison to the whole Ruhr area 7,3%) whereas the 2004-estimation says minus 1,2 % from 2002 until 2020. These fundamental changes seem to me to be too optimistic. But nevertheless it is remarkable. Three factors seem to be virulent: firstly the City of Dortmund expanded the supply of housing areas and therefore reduced and stopped the sub-urbanisation process crossing the city boundaries. This was possible because the spatial size of the city is much larger than in any other large city of the Ruhr area. So the sub-urbanisation process can be managed within the city-boundaries. Secondly the offensive economic development policy created new core industries and an optimistic change of mood. Thirdly the city seems to be attractive for immigrants and students. But the structure of the migrations flows is not like it was expected by the actors of the dortmund-project (i.e. to attract high qualified IT workers and so on). But all three trends and factors have been taken into consideration by the Statistical Agency of the state of NRW for the first time. This explains the huge change of the forecasts.

Also the employment-development prognosis indicates the overall better development as it was expected in the late 1990’ (Bade 2004, see map A3). Nevertheless all these prognoses do not allow to agree with the exorbitant optimistic
forecasting of a job-creation which have been published by the Dortmund-project (+ 70.000 new jobs from 2000 to 2010).

4. Political short circuit reactions and a growing right wing populism and market radicalism

The persistence of mass unemployment and poorness in Germany, especially in its regions of crisis, leads to the believe of some key people (entrepreneurs and their activists, politicians, economists and journalists, who in Dortmund for example are organised in the Citizen Forum Phönix) that a radical new approach is necessary, that Germany and also the Länder and the local authorities need a kind of Thatcherism and therefore new leaders, although the regional and local structural economic development policies are very ambitious like in Dortmund. They postulate the break down of the public sector and call for the privatisation of public companies like the Stadtwerke AG (the public facilities supplier for water and sewage, electricity and transport) or the hospitals and so on. They want to reduce substantially wages, social security expenditures, pension and so on.

In the City of Dortmund such proposals are made not only by the Citizen-Forum Phönix, but also by the FDP and the head of the CDU, who on the other side mostly agreed in the past with the decisions in the fields of local economic development and budget policies. Those political forces sway between reasonable step by step decisions in local policy making and the demagogic battle about the basic socio-economic targets of the society, in which they express their class interests. And indeed this neo-liberal vision in combination with the anti-Keynesian macroeconomic policy would lead to a deflationary situation with long-term stagnation, permanent high unemployment rates and exploding budget deficits. The provision of 70.000 new jobs as a result, which will be generated only by a good local and regional structural policy, must fail and therefore weakens the support of such a good local approach.

5. De-bureaucratisation as a growth machine?

All parties claim de-bureaucratisation as an important instrument of the local economic development strategy. But this is a double-edged sword. On the one hand it would be useful, if public and private investment projects get their permissions very quickly. The political answer is the vision of the “Fast Dortmund”. See for example the introduction of a new agency called “Dienstleistungszentrum Wirtschaft” (a one stop service centre for firms applications of all kinds), which was consulted by Roland Berger Consultants. On the other hand the quality of planned projects, the social, ecological and environmental implications of larger projects need an intensive process of proving and interactive (and also public) discussion and participation. And those procedures need time. For a long time the large retailers for example argued that the crisis of the private consumers demand would depend on the restrictive opening times for retailers. But after some big steps in the direction of deregulation it seems to be clear that this was a wrong hypothesis, but in reality only an argument of the
department stores and green belt markets against the small and medium retailers within the cities.

6. An new opposition

Against such an economic and social policy, which declares the failure of neoliberal politics and the business world as failures of the losers of these policies (the unemployed and less qualified people), a new opposition movement seems to be necessary and is growing up (look for example at the results of the federal elections which pushed the new left party up to 8.7 percent). This social movement has good theoretical and practical economic policy arguments which are bundled in a New Socio-Ecological Deal approach which is very shortly described in the next chapter.

7. A rough outline of the New Socio-Ecological Deal

Key elements of the New Socio-Ecological Deal are an investment and employment offensive in the fields of education, professional training, r&d, environmental and ecological improvements, health, public transport as well as the continuation of reducing work-times and generating a new normal work-relation model (a gendered one). For financing such an approach look at the proposals of the European Economists for an Alternative Economic Policy (2004) as well as the German Arbeitsgruppe Alternative Wirtschaftspolitik (2004) or Bömer, 2000 (chapter 5.2). The main financing instruments are the self financing effect of a faster growing economy, higher tax rates for the rich people and speculation taxes (Tobin), inheritance and property tax and so on. In the short run also an offensive deficit spending policy is necessary. Also the following proposal of the large trade union ver.di (unified trade union for public and private services) argues in this direction. It supposes that the (failed) attempts on the European, federal, state and local level to consolidate the budgets in times of stagnation under the Maastricht regime have led to an extremely reduction of public investments and services. Therefore ver.di proposes a clear expansion of public investments and expenditures. The employment situation as well as the quality of public services would be improved. And in the medium and long run there exists a chance to reduce the public debt quota.
Figure 14: Future Investment program (public gross investments in bill. € and in percent of the GDP)

Quelle: Statistisches Bundesamt, Volkswirtschaftliche Gesamtrechnungen, ab 2003: eigene Schätzung und Forderungen von ver.di
Literature:


Stadt Dortmund, Wirtschafts- und Beschäftigungsförderung Dortmund (2005): Branchenbericht 2005


Wirtschafts- und Beschäftigungsförderung Dortmund (o.J.(2003)): High-Tech in der Mitte Europas. Technologiepark Dortmund (o.O. Dortmund)
Wirtschafts- und Beschäftigungsförderung Dortmund (2004) Tischvorlage zum AWBF am 17.03.04 zu Top 3.4 Ergänzende Unterlagen von GF Dr. Küpper zum TOP: Europäische Strukturförderung

Overview 1: Technology Centre Dortmund: Associates, Board Members, Competence Centres (September 2005)

**Associates**
- City of Dortmund: 46.5%
- Credit institutions of Dortmund: 25%
- CCI and CH of Dortmund: 16%
- Univ. and academy of Dortmund: 12.5%

**Technology Centre Dortmund (TZDO) Ltd**
- Capital stock: 1,500 TC
- Executive board:
  - Herr Baranowski (Chairman)
  - Frau Blank
  - Herr Mager (WBF-DO)
  - Herr Schreiber (CCI)

**Supervisory Board**
- Chairman: Dr. Eiteneyer
- Assist. chairm.: Michalski
- Members:
  - Poschmann
  - Schulz
  - Kentzler
  - Wissmann
  - Prof. Menzel
  - Dr. Bömer
  - Pisula
  - Samulewicz
  - Prüsse
  - Schwagmeyer

**Holding Companies**
- Technology Centre Dresden Ltd: 25%
- Leasing company technology park: 25%
- Patent- and innovation-agency NRW Ltd: 33.3%

**Competence Centres**

<table>
<thead>
<tr>
<th>EMV Labor (electro-magnetic compatibility)</th>
<th>Software Factory</th>
<th>Centre of AVT (Configuration and assembly-technology)</th>
<th>TCC Television Communication Centre</th>
<th>Micro Structure Centre¹</th>
<th>Bio Medicine Centre</th>
<th>e-Logistics Centre</th>
<th>RACE Television Communication Center</th>
</tr>
</thead>
</table>

¹) main leaseholder: Microparts

**Source:** www.tzdo.de
Overview 2: Political decision structure of the institutional network of the economic development of Dortmund (Sep. 2005)

Do-Foundation (under private law)

City of Dortmund

Municipal Council Do

Lord Mayor (direct election)

Standing committee on economic and employment policies

Entrepreneurship: city of Do / CCI

advice

control

Investment in operating companies

Technology Centre Dortmund (TZDO) Ltd

Economic Development Agency Do (own establishment)

- dortmund-project
- Services-Centre Businesses (DLZW)
- Cooperation agency labor and region
- Special Property Leasing Technology Centre Dortmund" (SVTZ DO)

Sources:
- Stadt Dortmund, Beteiligungsbericht 2002/2003
- Stadt Dortmund, Drucksache Nr.: 02400-05
- Stadt Dortmund, Geschäftsbericht 2002/2003
- Stürmer, D. 2001: dortmund-project. Dipl.-Arb., Dortmund

Bömer / Barwisch, own illustration
Overview 3: Personal structure of the economic development institutions of the City of Dortmund (September 2005)

City of Dortmund

Lord Mayor:
Dr. Langemeyer

Special Property Leasing Technology Centre Dortmund

Equitable works manager:
Pehlke (city-treasurer)
Mager (Chairman WBF DO)

Technology Centre Dortmund (TZDO) Ltd

Board of directors:
Baranowski (chairman)
Blank
Mager (WBF-Do)
Schreiber (CCI)

Supervisory board TZDO Ltd

Chairman: Dr. Eiteneyer
Assist. chairm.: Michalski

Members:
Poschmann
Schulz
Kentzler
Wissmann
Prof. Menzel

Dr. Bömer
Pisula
Samulewicz
Prüsse
Schwagmeyer

WBF Dortmund

Conduct of business:
Mager

dortmund-project

Bömer / Barwisch, own illustration

Sources:
- Stadt Dortmund, Beteiligungsbericht 2002/2003
- Stadt Dortmund, Geschäftsbericht 2002/2003
- www.tzdo.de
Overview 4: The technology centres of the Technology Centre Dortmund and the Special Property Leasing Technology Centre Dortmund (SVTZ DO) (September 2005)

- Technology Centre Dortmund (TZDO) Ltd (operating company)
- Technology Centre Dortmund Management Ltd
- Special Property Leasing Technology Centre Dortmund (holding company)

Tenants as founders of new companies; Future-oriented companies

Technological infrastructure

Plots + Buildings
Now 68,820sqm GFA, beneath BA I - V

* Leases closed before 01.01.2005, remain as contracts between the TZDO Ltd and the respective users. Leases starting from 01.01.2005 are closed between SVTZ and user.

Development

Technology Park Dortmund

B1.st-software factory
Microstructure Centre
Bio. Med. Centre
Proteom-competence-Centre
e-port-competence Centre
MST factory
Roboter- and Autom. Centre
Pharma-Logistiksystem
EMV-competence Centre

e-port-dortmund Ltd 49,8%
IT-Centre Dortmund Ltd 40%
ECC Ltd 25,2%

100% MST.factory dortmund Ltd

Shareholding to the operating companies

Investment grants by the EU
Investment grants land NRW
NRW Borrowed capital

Bömer / Barwisch, own illustration

Sources: Stadt Dortmund, Beteiligungsbericht 2002/2003; Stadt Dortmund, Drucksache Nr.: 02400-05
Overview 5: Investments and Finance Budgets of the Special Property Leasing Technology Centre Dortmund (SVTZ DO) (Feb. 2004)

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Capital investment (without I-V BA)</th>
<th>Enlargement quality-centre</th>
<th>e-port Dortmund</th>
<th>Bio-medicine-centre (I and II BA)</th>
<th>Proteom competence centre</th>
<th>Reconstruction AVT</th>
<th>Reconstruction of the foyer</th>
<th>MST factory</th>
<th>Microstructure Centre and AVT (2BA)</th>
<th>I-V BA</th>
<th>Total volume for the project</th>
<th>Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enlargement quality-centre</td>
<td>2,659 Mio. €</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>e-port Dortmund</td>
<td>4,203 Mio. €</td>
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<td>Proteom competence centre</td>
<td>30,36 Mio. €</td>
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<tr>
<td>Reconstruction AVT</td>
<td>0,511 Mio. €</td>
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<td>Reconstruction of the foyer</td>
<td>0,511 Mio. €</td>
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<td>MST factory</td>
<td>37,5 Mio. €</td>
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<td>Microstructure Centre and AVT (2BA)</td>
<td>29,859 Mio. €</td>
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<td>I-V. BA</td>
<td>65,124 Mio. €</td>
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<td>Total</td>
<td>136,947 Mio. €</td>
<td>72,218 Mio. €</td>
<td>61,904 Mio. €</td>
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Sources:
- Stadt Dortmund, Beteiligungsbericht 2002/2003
- Stadt Dortmund, Geschäftsbericht 2002/2003
- Jahresabschluss und Lagebericht des Sondervermögens „Verpachtung Technologiezentrum Dortmund“, Dortmund 2002
- Drucksache Nr.: 05651-04, Bericht über die Geschäftsentwicklung des zweiten Halbjahres 2003
- www.dortmund.ihk24.de

Bömer / Barwisch, own illustration
Overview 6: Reorganisation of the "Wirtschaftsförderung Dortmund":

City of Dortmund

Lord Mayor (direct election)

Municipal council Do.

Standing committee on economic and employment policies

Control committee

Project group 05 / dortmund-project

Department 1 DLZW

01.01.2005: Integration

Wirtschaftsförderung Dortmund (own establishment)

dortmund-project

Service Center for Businesses (DLZW)

Cooperation Agency Employment and Region

ARGE

Bundesagentur

Bömer / Barwisch own illustration

Integration

Corporate client oriented services

Business development KMU
Map A1: Future sites in Dortmund

Map A2: Masterplan Phoenix

Source: dortmund-project (2004), S. 25

Source: dortmund-project 2004, S. 24
Map A3: Prognosis of the development of all employed people 2001-2010, regional planning areas (Raumordnungsregionen); changes in comparison to the federal development in percentage

Abbildung 1: Prognose der Entwicklung der Erwerbstätigkeit 2001 bis 2010 nach Raumordnungsregionen

Veränderung der Erwerbstätigkeit im Vergleich zur Bundesentwicklung in %
**Table A1: Indikatoren für die europäischen Vergleichsregionen (NUTS-2)**

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<tbody>
<tr>
<td>Cataluna / Barcelona</td>
<td>6,1</td>
<td>82,3</td>
<td>99,1</td>
<td>99,5</td>
<td>100,7</td>
<td>55,3</td>
<td>64,7</td>
<td>17,4</td>
<td>8,8</td>
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<td>Pais Vasco / Bilbao</td>
<td>2,1</td>
<td>89,5</td>
<td>92,3</td>
<td>101,5</td>
<td>105,1</td>
<td>49,7</td>
<td>61,1</td>
<td>23,2</td>
<td>18,8</td>
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<td>Pas-de-Calais / Lille</td>
<td>4,0</td>
<td>88,2</td>
<td>85,4</td>
<td>80,6</td>
<td>83,0</td>
<td>49,5</td>
<td>54,1</td>
<td>13,9</td>
<td>16,6</td>
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<tr>
<td>South Yorkshire / Leeds</td>
<td>1,3</td>
<td>84,8</td>
<td>74,4</td>
<td>74,8</td>
<td>77,1</td>
<td>61,5</td>
<td>67,9</td>
<td>15,7</td>
<td>10,0</td>
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<tr>
<td>Merseyside / Liverpool</td>
<td>1,4</td>
<td>85,6</td>
<td>73,1</td>
<td>70,2</td>
<td>74,5</td>
<td>61,7</td>
<td>64,2</td>
<td>18,2</td>
<td>12,1</td>
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<tr>
<td>EB Arnsberg / Dortmund</td>
<td>3,8</td>
<td>106,2</td>
<td>104,5</td>
<td>99,7</td>
<td>92,2</td>
<td>60,1</td>
<td>61,7</td>
<td>8,9</td>
<td>9,7</td>
</tr>
</tbody>
</table>

- *BIP pro Kopf in KKS Kaufkraftstandards (EUR15=100);
- **Beschäftigungquote: Erwerbstätige in % der Bevölkerung im Alter zwischen 15-64 Jahren;
- ***Die NUTS-2 Regionen des Ruhrgebiets sind die Regierungsbezirke Arnsberg, Münster und Düsseldorf

Quellen: Kommission der EU (2001/2004); Zweiter und Dritter Bericht über den wirtschaftlichen und sozialen Zusammenhalt (Kohäsionsbericht). Luxemburg
List of abbreviations:
AG: Work Group (Arbeitsgruppe)
BMW: Bavarian Motor Works
CCI: Chamber of Commerce and Industry
CDU: Christian Democratic Union (Germany)
Chap.: Chapter
DGB: German labour union (Deutscher Gewerkschaftsbund)
DO: Dortmund
ECB: European Central Bank
EMU: European Monetary Union
EU: European Union
FDP: Liberal Democratic Party (Germany)
FRG: Federal Republic of Germany
Fig.: Figure
GB: Great Britain
GDP: Gross Domestic Product
GG: Constitution of the FRG (Grundgesetz)
HP: Hewlett Packard
IHK: see CCI
LEG: a state-NRW owned developing company (Landesentwicklungsgesellschaft)
LEP: regional development plan adopted by a land
mill.: millions
MST: Micro System Technology
Nr.: number
NRW: North Rhine-Westphalia
PPP: Public-Private-Partnership
r&d: research and development
SGP: Stability and Growth Pact
SPD: Social Democratic Party
SVTZ DO: Special Property Leasing Technology Centre Dortmund Company
TZ DO Ltd: Technology Centre Dortmund Corporation
VW: Volkswagen
WF DO: Department of Economic Development Policy of the City of Dortmund (former: Department of Economic and Employment Policy)
UK: United Kingdom
USA: United States of America