



The European Metropolitan Region of Stuttgart

Dr. Bernd Steinacher

Check against delivery

Verband Region Stuttgart
Kronenstraße 25
70174 Stuttgart
Tel: 07 11/2 27 59-0
Fax: 07 11/2 27 59-70

A . Challenges for the Stuttgart Region

The **common denominator of recent** developments in European conurbations is the **intensification of all areas of life. Rationalization, continuous growth,** growing **consumption of natural resources** are symbols of this development.

Our situation is **worsened** by increasing **pressure on public budgets**, which is becoming ever more apparent. Additional problems are created as a result of **globalization**:

- Companies are **less and less bound to specific locations**.
- **Cost problems** in the provision of public goods, such as **energy** and **water supply** or **public transport**.

I will give you **three examples** of these trends:

1. **Long-term demographic growth** accompanied by disproportionate soil surface sealing. From **1965 to 2001**, the population of our region grew by 24%. Settled areas expanded **by 88%**. Today, some 2.6 million inhabitants live on an area of **3,654** square kilometers or approx. **2,282 square miles**.
2. We have not only been confronted with "**jobless growth**" but "**job-killing growth**", that is to say growth through rationalization, which means reduction of jobs and increased productivity at the same time. From **1992 to 2001**, the **gross added** value generated in our region rose from **67 billion** to **81 billion** euros – over the same period of time, 65,000 jobs vanished.
3. **Increase in traffic movements** and distances traveled.
The number of vehicles registered in the Stuttgart Region has more than doubled over the past 25 years – from **826,000** to **1.75 million**.

B. 179 isolated solutions do not constitute a regional concept

- A sustainable concept for the development of our region cannot consist in adding **179 isolated solutions** adopted in 179 towns and municipalities.
- Without regional green belts and areas, we would now have a **continuous strip of settled areas** between Geislingen in the Southeast of our region through to Göppingen, Esslingen, Stuttgart, Ludwigsburg and Bietigheim-Bissingen in the Northwest, covering a distance of more than 90 kilometers.
- Summing up **179 local demands** for the construction of by-passes is no solution to the doubling of registered vehicles over the past 25 years, let alone to the forecasts of a further 12% increase in traffic volume by 2010.
- Only the **regional transport plan** can provide a regional concept.
- For a metropolitan area that counts two and a half million inhabitants, **uniform location marketing** is the only way to cross the **threshold of Europe-wide visibility**. Middle-order centers will not succeed in making themselves seen. And in spite of being the capital of the federal state of Baden-Württemberg, even the city of Stuttgart would have difficulties getting proper recognition on its own.
- **Europe-wide competition of locations** no longer takes place between municipalities but regions. When looking for new locations, investors focus on entire metropolitan regions, not individual towns or municipalities.
- **Regional concepts** are **booming**:
 - Greater London
 - Randstad in Rotterdam and Amsterdam
 - HUR in Copenhagen
 - Grand Lyon
 - or the Province of Turin
 - Emilia Romagna

C. The role of European metropolitan regions necessitates internal regional integration

Global society and global economy are no longer a **patchwork of nation states** and **national economies**. Many players create **networks** in which **metropolitan regions play the part of interfaces**.

They are **nodal points** where **financial and manufacturing forces** come together. The concentration of **highly specialized service providers**, networks of **scientific institutes**, **political decision-makers** and **well-developed infrastructure** are decisive factors.

Metropolitan regions fulfil a **“gateway” function**. They provide **access to knowledge**, new **developments** and have the power to put new findings into **practice**.

Internal and **external** integration of European metropolitan regions are important steps on the way towards successful completion of the Lisbon process.

Internal integration of our European metropolitan regions ensures cooperation between **all forces** in industry and **public authorities** striving for successful projects. The central towns of metropolitan areas are of great importance. In our European metropolitan regions, however, they are only part of a greater whole.

- The city of Stuttgart counts **589,000 residents**, while the Region has a total of **2.6 million inhabitants and 179 towns** and municipalities. Our successful networks in the areas of **biotechnology** and **mobility technology** as well as our **centers of excellence** are spread all over the region.
- **Only 20%** of a **Porsche** is manufactured in the company's own shops, **80%** is provided by ancillary suppliers from all over the region and beyond.
- In the **polycentric Stuttgart Region** people live in one town, while they **work** in another part of the region and **spend their leisure time** in yet another part.

- This is why the Verband Region Stuttgart aims at developing **unity of ideas and projects**, but also **unity of citizens** in our region. Our **regional planners** are therefore committed to sustainable development. We **promote business** in the region and expand the **regional rail network**.

Metropolitan regions, the **driving forces** in Europe, have become a **category of their own** and are important **political players in Europe**. **In their long and joint history**, the cities and urban regions have been the drivers of social, economic, technical and cultural development since the Middle Ages. The same was **true for the former city states of Italy**, the strong **regional centers in Spain**, **German imperial towns** and **Hanseatic towns in the North and East** just as it is true for the **urban** and metropolitan regions in the whole of Europe.

External integration, cooperation between European regions is the other side of the coin. **Internal unity** is complemented by Europe-wide networking, European unity in the face of intercontinental competition.

I. Regional management for the economy

1. Taking on the competition with regional clusters

In order to safeguard employment and wealth, regional business promotion must support the **adaptation of existing** and **creation of new clusters**. The Verband Region Stuttgart has initiated **several projects** in order to trigger this process.

To this end, we have launched a number of **networks** over the past years. Together with our partners from industry, science and public authorities, we were able to raise a total of **155 million euros** in **grants and third-party funding** from industry. These funds are used to promote **hi-tech products** in the areas of biotechnology, mobility technology, multi media and start-ups.

2. Internal integration through successful networks

The **Mobilist project** initiated by Verband Region Stuttgart gathers **44 partners** from industry in a consortium. Mention shall be given to DaimlerChrysler, BOSCH, HP, Siemens, IBM, renowned scientific institutes of Stuttgart University as well as other higher education facilities and, last but not least, numerous municipalities. Together we were awarded the first prize in a national call for proposals.

The goal of the project was to develop **new mobility services and products** and thus make a contribution to turning our **car-oriented region into a mobility region**.

Our project "Standortdialog Zulieferer" (Suppliers Forum) aims at **improving cooperation** between smaller companies allowing them to become **competitive**. Measures include **company visits**, offering contacts with potential cooperation partners and training programs. Some **600 companies** have made use of these services, 500 of which are regional enterprises.

Centers of excellence have also helped us implement the idea of **stronger networking** between industry, science and state authorities. Of course, we want to involve these centers of excellence in **marketing our region**.

A total of **18 centers of excellence** have been created. **16 municipalities, 180 companies and 35 scientific institutes as well as 14 associations participated in the project**.

At present, **545** individuals and companies working in the media have joined the initiative "**Media Region Stuttgart**". Funding is available for film and TV projects, publishing houses, advertising companies and new media.

In 1998, the business promotion corporation of Stuttgart Region received a national accolade for its "**PUSH**" **start-up concept** together with 50 partners from science, industry and public authorities. Five out of the 110 submissions were granted federal funding.

Since 1998, "PUSH" has supported the creation of **330 new businesses**.

II. Regional transport management

Mobility is the strategic challenge for Stuttgart Region: it provides both risks and opportunities

In an **opinion poll** carried out by the **Allensbach Institute**, we asked the interviewees not only about the **success stories** and strengths of Stuttgart Region, but also about **risks**.

The response of our regional businesses was clear:

- **Locational risk no. 1: mobility and congestion problems (27%)**
- **Locational risk no. 2: high labor costs (24%)**
- **Locational risk no. 3: Lack of skilled labor (16%)**

Every day, some **775,000 residents** commute to workplaces outside their own municipality, **240,000** of whom use public transport. Public transport counts a total of **303 million journey per year** in the Stuttgart Region. Only one out of four employed persons has a job at her/his place of residence.

Surveys carried out for our regional transport plan forecast a **10 to 12% increase in the number of journeys by 2010**. Moreover, the distances traveled continue to increase.

At the same time, **mobility is the strategic opportunity** of our region:

- Renowned **scientific institutes and universities**, higher education institutes, the expertise of our **automotive companies**, their **ancillary suppliers** and **engineering companies** in the transport sector are important factors that account for why we are still considered to be **Europe's no. 1 innovative region**.

- And one thing is obvious: If we manage to solve our traffic problems, our region has brilliant future prospects.

2. Internal integration through expansion and improvement of the regional railway network

Currently, the Verband Region Stuttgart pursues **7 investment projects with the aim of expanding the light suburban railway network (S-Bahn)**. Until 2010, 456 million euros shall be invested, 196 million of which have been earmarked for *S-Bahn* projects. 260 million euros will be invested – as Stuttgart Region's cost share – into the Stuttgart 21 project. Our **regional net investment** for the *S-Bahn* projects amounts to 102 million euros, out of which 64 million will be spent for S21.

In public transport, **stagnation means reversion**. The Regional Assembly has therefore adopted the following transport improvement projects:

- **15-minute frequency of S-Bahn services during peak commuting hours** in the early morning and in the afternoon and early evening.
- **30-minute frequency of S-Bahn services** from 8 p.m. to the end of service. We see ourselves as a European metropolitan region. We must provide our citizens with adequate *S-Bahn* services for cultural, leisure and professional activities until late at night.
- **Since 1996**, the Region has financially supported **more than** 100 new bus services.

III. Regional management for planning and development

1. The situation

With an average of **722 inhabitants** per square kilometer, the Stuttgart Region is the most densely populated conurbation in Germany.

In view of the conflicting interests of creating residential areas, providing jobs and transport facilities while conserving nature, it is necessary to **steer** the development of settled areas at the **regional level**.

The **challenges** are:

- **Growing land take** per inhabitant for employment, residence and transport
- **Not enough well-developed, large-scale industrial parks** for long-term economic development
- **Places of employment and residence** tend to drift apart. As a consequence, the number of commuters increases.
- **Fears caused by a shrinking population** threaten to trigger inter-municipal competition for residents and tax payers. We are faced with the fact that municipalities counting 3,000 to 5,000 inhabitants allocate more and more areas for residential housing. This way, they want to ensure the **number of residents** required for the **provision** of retail and **leisure facilities, schools** and **child** care centers. The decrease in the number of students to be expected by 2005 or 2006 will further fuel competition for residents.
- At the same time, we must protect the remaining **natural resources** – for future generations too.

2. The regional planners' response: integration by concentrating settlements in certain areas and linking green spaces

Our regional planners respond to these developments as follows:

- On the one hand **conservation of open spaces** with the aid of regional green belts, green open areas and priority areas for agricultural use.

- On the other hand, **allocation of focal areas** for residential building, employment and transport facilities. This way, both the economy and environment benefit.

The Regional Assembly has decided to grant **interest-rate subsidies** to municipalities that are willing to develop and operate inter-municipal commercial parks. In total, the Region has undertaken to support the creation of five locations with a total area of **180 hectares** (or just under **445 acres**).

Conservation of green areas to counterbalance concentrated settlement

In the updated version of our Regional Plan which has just been finalized, the Verband Region Stuttgart has allocated another **9,800 hectares (24,216 acres)** for green belts and green open spaces.

3. The regional landscape park

The Verband Region Stuttgart provides the **regional planning basis** for investments in residential areas, commercial parks, transport, economy and infrastructure. Moreover, the Verband makes its own investments in a number of projects: **Stuttgart 21**, the **new exhibition center**, **rail track manufacturing sites** for regional rail transport and (indirect) grants for **inter-municipal commercial** parks.

The landscape park is the **other side of this coin**: it means planning and investing into the remaining open spaces.

In highly industrialized nations this has almost become common practice. In 2000, we welcomed guests from the Washington area, namely representatives of the **"Northern Virginian Regional Commission"**. The American colleagues spoke about **"green infrastructure"**, one characteristic of which is the landscape park.

D. External integration of the Stuttgart Region in Europe

We see the necessity of **external integration for European metropolitan regions** when taking a look at the world map.

Global metropolises such as New York, Los Angeles, Tokyo, Rio de Janeiro, Beijing, Singapore or Washington have five to fifteen million residents, sometimes even more than 20 million.

In Europe, the only metropolitan regions that have a comparable size are **Paris and London**.

Our joint history has resulted in **mid-sized metropolitan regions** in Europe:

Madrid, Barcelona, Rome, Milan, Turin, Lyon, Glasgow, Stuttgart, Munich or Frankfurt.

We want to join forces within our metropolitan regions. In the same way, however, we also need to join forces with other metropolitan regions. Inner integration of European metropolitan regions must be accompanied by external integration.

In order to pursue external integration, the Stuttgart Region must fulfil a **gateway function**. To this end, it needs **real infrastructure** and **virtual network structures**:

- The real **gateway infrastructure** includes **transport links**, airports, roads and high-speed train connections. Exhibition centers are a platform for trade exchange and, to an increasing extent, the exchange of knowledge on latest hi-tech developments.
- The **virtual integration** of a hi-tech region is assured via networks of metropolitan areas, e.g. METREX, but also through a permanent representation in Brussels, such as the European Office of the Stuttgart Region.

I. Participation of the Verband in regional major projects: “Neue Messe” (new exhibition centre) and Stuttgart 21

Discussions about the future of the Stuttgart Region often focus on two major projects: the **new exhibition center** on the Fildern plain and the railway project **Stuttgart 21**. Major projects as such do not guarantee long-term economic viability. It depends on what is to be achieved with these investments.

It is still true that large-scale projects are seen as signs of **high achievement potential**, **modernity** and the **willingness to take risks**. Major projects draw attention to a city or region and make sure it is discussed by **those who have to decide** on a new locations for future operations, etc.

International examples of major projects

- **Exhibition centers** (e.g. in Stuttgart, Munich, Leipzig)
- **Focal points of urban planning (central arena in Birmingham** with an investment volume of approx. **half a billion euros**)
- **Technology networks such as Silicon Valley**
- Major events, e.g. **Olympic Games (Barcelona)**
- **World Exhibition (Hanover)**
- Efficient local public transport network (striven for in **Malmö/Copenhagen**)
- **Lyon**: planning of airport/high-speed train connection and exhibition center.

1. Regional location planning and participation in the new exhibition center project: (co-funding)

In **April 1997**, the Regional Assembly decided with more than two-third majority that the Verband Region Stuttgart will contribute **51.1 million euros** to the new exhibition center project. Besides the federal state of Baden-Württemberg and its capital, the Verband will hence be a shareholder in this project, the total cost of which is estimated to be **806 million euros**. By taking this decision, the Regional Assembly has made use of its possibility to take over (co-)sponsorship.

The Verband **has determined the location** of the new exhibition center in the scope of a **partial update of the Regional Plan**. The Verband initiated a detailed

expert opinion on the **traffic situation** and **environmental impact assessments**. It has thus played the role of a mediator between the different parties, in particular vis-à-vis the town of **Leinfelden-Echterdingen** on whose territory the new exhibition center will be located and that is opposed to the project.

In May 2003, the **Federal Administrative Court in Leipzig** dismissed a law suit filed by the town of Leinfelden-Echterdingen and thus confirmed that it was lawful to determine the location of the new exhibition center in the Regional Plan. The ruling confirms for the **first time in Germany** that the Regional Plan can determine the location of a major infrastructure project.

2. Stuttgart 21 – Baden-Württemberg 21: reconstructing the central train station underground and connecting the region to the railway network of the 21st century

The Verband Region Stuttgart is a party to the framework agreement covering the Stuttgart 21 project although we should rather talk about **Baden-Württemberg 21**, in view of the significance of the project with its financial volume of 2.6 billion euros for the federal state as a whole. Stuttgart 21 has three components:

- It is a **long-distance transport project**
- and a **regional transport project** and
- an **urban and regional planning project**.

As a **long-distance transport project**, it will decide on whether the capital, the Region and the federal state of Baden-Württemberg will remain part of the East-West transport axis linking Paris, Strasbourg, Stuttgart, Munich, Vienna, Budapest (Bucarest).

3. Competition by mouse click: our site communication system SKS

The first measure taken by the regional business promotion corporation, WRS, was to develop a **regional site communication system**. This system is a **“marketplace for the region”**.

149 out of the **179 municipalities** are connected directly or indirectly (via district business promotion corporations) to the site communication system. More than **90 percent** of commercial real estate available in the Stuttgart Region is filed in the communication system. Currently, **298 industrial parks** and **560 industrial properties** are on offer. **102 municipalities** offer industrial real estate. At present, approx. **100 companies** looking for a new location are consulting WRS.

4. Participation in real estate shows

Together with **19 renowned** real-estate companies, the capital of Baden Württemberg and the rural districts, Stuttgart Region exhibited at the **Expo Real** show in **Munich** from October 6-8 in order to attract new investors. **Expo Real** is Europe's most important trade show for commercial real estate and location marketing.

Marketing of important infrastructure projects

Important infrastructure projects undertaken in our region were presented to the **real-estate experts** at this trade show. Among the projects on show were the **freight transport center** in Kornwestheim and the **new exhibition center** on the Filder plain.

II. We see Europe as a great opportunity for the Stuttgart Region

51% of all goods produced in the Stuttgart region are exported, **two thirds** to member states of the European Union.

About **19%** of the 2.6 million inhabitants of the Stuttgart Region do not have German nationality. **77,000 inhabitants** of this region are nationals of another EU member state.

At present, a **European constitution** is being drafted. Of course, there are tendencies to restrict the influence of the EU. But still: a European constitution will not result in reversion but will strengthen the European idea.

And this is indispensable. **Competition between continents** keeps growing. At present, the United States exert more and more influence around the world. China is piping up, while Russia's influence is decreasing. The other Asian states have growing economic importance.

We want the best solutions for Stuttgart Region by European standards

This brings me back to my initial remarks: The Stuttgart Region has the same problems and opportunities as **many other European metropolitan areas** that are among the **top hi-tech regions** world-wide.

When it comes to developing solutions to problems, it is obvious that:

- We can **learn** from others
- We can develop **joint solutions** and –
- in consistency with our **Swabian mentality**: we want to **export** these solutions to the whole of Europe.

Our European commitment serves four objectives

1. Marketing the Stuttgart Region

We want to promote the Stuttgart Region as an **attractive place to live and excellent location for business and research**. We want to attract **companies** from outside our region but also **labor force** with special skills.

2. Lobbying of European metropolitan areas

Together with our future partners, we must promote the interests of **European metropolitan areas** vis-à-vis the EU institutions.

The **leading European regions** must make sure that their **potential and their opportunities** are properly recognized and supported. The **European “engines” of growth** – Piedmont, Lyon, Barcelona, Stockholm or Stuttgart – must continue to run at full throttle.

3. Exchange of knowledge and cooperation with other European metropolitan areas

The Stuttgart Region is keen on **collaboration** with other European conurbations. A regular exchange of experience in the areas of regional development, public transport, business promotion or tourism marketing will allow us to put our **own concepts to the test** and optimize them.

4. European research projects and aid program

We want to participate in European **development projects** and **aid programs**.

To this end, we need **partners from hi-tech regions**, such as **Lyon** for the area of biotechnology, **Piedmont** and Turin for the mobility issue or the **Stockholm** area for media projects. In order to benefit **from development perspectives and available subsidies** in the context of EU enlargement, we need more intensive contacts with metropolitan areas such as Szczecin, Vilnius or Budapest.

Five elements of a strategy for metropolitan regions

1. **The situation of a conurbation** must necessitate **regional action**. This could be due to:

- A **dramatic change of the economic structure**: in the early 1990s, the Stuttgart Region lost **130,000 jobs**, i.e. 13 percent. Regional industry called for a strong authority in the face of locational competition.
- **A technological revolution**: Southeast England, with the focal areas of London, Cambridge and Oxford, established an efficient development agency in order to compete with the leading US regions in top hi-tech industries.
- **De-industrialization**: Manchester and Birmingham try to promote the transformation of an industrial region into a service-oriented region with the help of regional cooperation. The same applies to the Ruhr area in Germany and the Province of Turin in Italy. These areas have received considerable financial aid from the EU Structural Funds.
- **Global competition, globalization**: Global competition no longer takes place between individual cities but entire regions. As a consequence, **regionalization** is a **response** to **globalization**.
- **Coordinated development** of towns and municipalities helps to prevent excessive land take and permits the sensible selection of focal development areas.

2. **Leading personalities** from politics or economics are needed who take an interest in the situation or (even better) work on solving these problems.

In the **Greater Lyon Area** this personality was **Raymond Barre**, former Prime Minister of the French Republic, in **Greater Lille** it was former **Prime Minister Maurois**. In the Stuttgart Region, a **successful entrepreneur**, Mr. **Stihl**, President of the Chamber of Industry and Commerce, took the lead. In the **Province of Turin**, **Prof. Mercedes Bresso**, President of the Province, takes the leading part.

3. A **“vision”, a strategy**, is required that must be simple and can be summarized **in 4 or 5 points**:

- Regional cooperation, in accordance with the motto: There is strength in unity.
- Jobs
- Technology
- Environment

The **abstract idea** of economic growth as an objective and driving force is not sufficient.

4. **Action is needed, concrete projects**. These could be:

- An **exhibition center** (e.g. in Stuttgart)
- **Focal points** of urban planning (central arena in Birmingham with an investment volume of approx. half a billion euros)
- **Technology networks** such as Silicon Valley
- **Major events**, e.g. Olympic Games (Barcelona)
- **World Exhibition** (Hanover)
- **Efficient local public transport** network (striven for in the Malmö/Copenhagen area)
- **Internal regional networking** in order to reach unity of ideas and projects. Stuttgart Region.

In conclusion, metropolitan areas must be set in motion.

5. **Action requires** the **operationalization of tools**.

These tools are:

- A **permanent organization** with **extensive powers**, wherever possible **elected by the people**
- The requisite **financial means**.

Regional development proved to be lucky for us during the past ten years. In a crisis situation, leading personalities from industry made the case for strong regional cooperation. They devised lead projects, such as the new exhibition center, called for a strong organization and succeeded. We have elaborated new projects, new ideas in this regional organization, i.e. in a way we have created a **never-ending cycle**.

It is clear, however, that the **regional idea** must be enforced and implemented each and every day. In spite of all the success stories, **resistance hasn't weakened**. The need for regional cooperation grows as globalization progresses. Faced by this situation, it is good to know we have colleagues in the whole world who work on solving the same problems and we can rely on each other's help and advice.

gez. Dr. Bernd Steinacher