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THE POLITICS OF AMBIVALENCE AND GAMBLING IN COPENHAGEN

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Abstract

This research is based on work in the TSER-project "Urban Redevelopment and Social Polarisation in the City. U.R.S.P.I.C. (Moulart, Swyngedouw and Rodriguez (1999)

The report summarises the objectives of the Danish Urban Development Programme (UDP) the Oerestad project in Copenhagen, its institutional form and the conflicts in the phases of design and implementation which arose around the neo-elitist type of governance embodied in the UDP. The urban governance changes are interpreted in a broader historical context with emphasis on how the transition towards a new post-industrial economy and urban form was mediated via political and institutional struggles over the form and content of urban planning in Copenhagen. The UDP is analysed as an outcome of a transformed Copenhagen urban regime and a changed powermatrix, which from the late eighties opened for a new state led and growth focussed entrepreneurial urban and Metropolitan regional policy. Finally the challenges and dilemmas for overcoming the dualism of present urban governance between neo-corporate growth regimes and participatory and welfare oriented policy paradigms is elaborated upon.

The Danish urban development project the Orestadsproject embodies larger transitions of Urban planning and governance in Copenhagen. Up till the seventies urban policy was characterised by top-down rational planning. The postwar "golden age of the Welfare City" rested on a strong centralised City Hall administration in the hands of a powerful Social Democratic leadership since the beginning of the 19th Century. During the seventies the efficiency and legitimacy of the regime was challenged by (i) a weakened urban economy due to industrial decline and demographic changes, which eroded the tax-base and (ii) powerful leftist forces and successful mobilisation from new urban movements. The latter challenged the top-down style of planning and style of governance and mobilised for community based participatory urban regeneration. In the beginning of the eighties a situation of political and institutional dislocation of the regime fused with a financial crisis of the City. This in turn increased the conflicts over additional grants with the state level (from 1982-92 in the hands of a Liberal-Conservative coalition) in the mid and late eighties. From the late eighties an onwards state initiated pressure for strategic growth policy became manifest and a gradual
shift towards an "Entrepreneurial City" strategy linked to a cross-border regional strategy became the new orientation of urban policy during the nineties. The Danish UDP was the result of the formation of a strategic "growth partnership" between the state and the Capital. In this strategy the Orestad project is the flagship project of the Oresunds region.

At the start of the millennium the urban policy orientation and governance can be characterised by the duality between

1. Participative, empowering welfare oriented strategies, which targets deprived districts and neighbourhoods, which are based on notions of the diverse and solidaristic City and
2. Neoelitist/corporative market driven strategic growth strategies, which are based on notions of the Entrepreneurial City.
I  Welfare Regimes, UDPs and Dynamics of Social Polarisation

The relationship between Urban Development Programmes (UDPs) and dynamics of social exclusion and polarisation cannot be analysed without taking the nature and efficiency of the general welfare regime into account.

The possible negative impact of UDPs in terms of increasing social polarisation in part depends on the efficiency of integration and redistribution policies and regulations. The quality of the welfare regime is decisive for “harm reduction” e.g. the quality of social protection schemes, level of income compensation in case of unemployment and not least the type of housing policy. The welfare regime also influences the access of different social categories to the new opportunity structures that UDPs are supposed to create.

With regard to job possibilities it is, for example, not enough to analyse the changes in the demand for different categories of labour (high, medium and low skilled etc), that the UDP eventually might generate. The strength of unions on the labour market is also crucial. New jobs in the service sector can for example take the form of low paid “dead end jobs” or unionised jobs for decent pay.

The capacity and orientation of labour market policy also effects access to new opportunity structures. A crucial aspect is the extent to which education and labour market programmes reach and are available to the lower skilled members of the workforce. Labour market programmes can be inclusive or elitist with regard to upgrading of qualifications for those in the “marginalised zone” at greatest risk for labour market exclusion. Other parts of the regulatory framework e.g. housing policy are also important for changes in stratification and opportunity structures.

In other words, the same type of UDP strategy can have different impact on social polarisation and living conditions depending on the type of welfare regime and the broader regulatory framework in which it is implemented. Esping-Andersens (1990) well known welfare regime typology suggests three worlds of Welfare Capitalism or regimes:
1) The Universalist social democratic regime, where social citizenship is institutionalised
2) The Continental Bismararian with emphasis on compulsory social insurance schemes
3) The liberal, Anglo-Saxon residual/marginalist welfare state.

In the universalist/redistributive welfare regimes the relation between social class or market/position and living conditions is modified – or as Esping-Andersen conceptualises it - to some extent decommodified. The impacts of socio-economic change, e.g. UDPs on labour and housing markets are, therefore, modified or “filtered” by the operation of the welfare regime (Goul-Andersen 1999).

In residual welfare regimes, where the “welfare state filter” or buffer between market position and living conditions by definition is weak, the impact of UDPs on living conditions will be more direct.

In much of the debate about the welfare state the Social Democratic and social liberal forces argue that a strong universal welfare state is functional w.r.t. the stimulation of economic growth precisely because it “socialises” the social costs of socio-economic (including spatial) change. The welfare state makes long-term “sustainable growth” possible because it creates a regulatory framework which tames the socio-economic polarisation effects of market forces. It does so via (i) “politics of social citizenship against the market” and (ii) to a large extent supports the dynamics of market forces by ensuring and legitimising the externalisation of social costs due to socio-economic changes and thereby reduces resistance at the firm and local level. The prototype of this “market taming and supporting” logic is the Danish system for unemployment insurance for Danish wage-earners: the term of notice at the plant level is very short, but the level of unemployment benefits are relatively high. The negotiated balance between “taming and stimulation” of the market dynamics is the content in the concept of the Danish “negotiated economy” (Pedersen & Nielsen, 1989).

The Danish welfare model after the golden age

Like in most EU member states the battle for full employment – one important cornerstone in the Scandinavian package – was lost in the late seventies. On the intellectual and political
scene the welfare state project became a much more defensive project. The advantages of the
developed welfare state: social rights which to some degree emancipated the individual from
the forces of the market was translated into “disincentives” and “market imbalances” by the
offensive neo-liberal and neo-conservative forces. However, in a comparative perspective the
Danish case is an example of a relative stable regime. But as we will discuss, major changes
have taken place.

Unlike many other countries the labour market is still regulated by strong trade unions. The
problem of the “working poor” and unregulated illegal work is relative marginal, since most
sections of the labour market are unionised and minimum wages has been kept on a
relatively speaking - high level. During the eighties there was a modest reduction in the levels
of social protection schemes for unemployed (Andersen & Larsen, 1994). In 1982 a
Conservative-Liberal government came into power after decades of Social Democratic rule,
but the changes were moderate and the overall welfare regime was still closest to the
universalist or Scandinavian type (Esping-Andersen, 1990).

**Welfare regimes and housing regulations.**

One very often overlooked part in most comparative welfare regime research is *housing policy*. Figure 1 on the top of the next page combines two criteria: state versus market
regulation and housing as public-versus private good. The vertical axe is state versus market
regulation of the housing sector. The horizontal axe is the extent to which Housing is regarded
as part of social citizenship - as a common good (supported via market subsidies and/or
Public Housing schemes) or is seen as a private good, which only in a residual way should be
the object of public regulation.
Figure 1: Housing comparative criteria

Housing as a public good

- public production support of housing for all
- securing good housing facilities e.g. through favourable loaning condition
- consumption support - tax-subsidies

Housing as a private good

- production of housing for the weaker groups in society
- limited public securing of housing facilities, - no or only limited control with the market for loaning
- no or only limited consumption support

Public control with the housing sector

- large share of social housing sector in relation to the overall housing marked
- protection of tenants through regulation
- consumption support for all

Marked control

- low share of social housing sector in relation to the overall housing marked
- low level of protection of tenants
- need-based support


Major changes in the housing market the last decades have been a reduction in the share of private rental app. from approximately 435,000 to 290,000 from 1970 – 1990. This is mainly due to changes in national regulations where individual private ownership and private corporate housing has been encouraged. Since the late seventies is has been stated by law that if private owners of rental blocks want to sell, they have first to offer the tenants the possibility of collectively buying the apartment blocks. Many former tenants have therefore formed Corporative Housing. The access to Corporative Housing has reduced some of the worst speculations in the housing market. However, over a longer period the price level of Corporative Housing tends be equalised with private ownership apartments.

Segregation, housing and urban policy in Copenhagen

In the City of Copenhagen the promotion of Social Housing and Municipal owned Housing was from the beginning of the century an important part of Social Democratic Housing Policy. Social Housing in Denmark dates back to the beginning of the century where the first Social Democratic controlled Municipalities supported and encouraged Housing Cooperatives, which became closely linked to the labour movement (Kolstrup, 1996). The residents have from the beginning run the housing cooperatives and still to day their democratic structure is regarded as one of the strengths in the Danish “housing regime”. Up to the seventies the Social Housing Movement and the national regulations of Social Housing
was regarded as an important element in the welfare regime (Lind og Moeller, 1994). This changed gradually and in the eighties the amounts of new build Social Housing decreased. Furthermore, the combination of inflation and regulation of tax reduction for private ownership from the sixties and onwards made the purchase of property very advantageous (Lind and Moeller, 1994). The result of these changes was that in particular in the eighties middle-income residents left the Social Housing sector in which the share of low-income residents increased.

In Copenhagen the housing policy gradually changed during the eighties and nineties so that the share of Social Housing and Municipal owned Housing of the total Housing Market has decreased.

The structural problems of Copenhagen since the late seventies are illustrated in the list of socio-economic indicators in table 1. The problems has to do with a weaker tax base, and greater expenses due to a combination of a greater share of unemployed, unskilled and social assistance receivers, etc. (refer also to Appendix 2)

**Table 1: Chosen “Segregation Indicators” in the Copenhagen Region, 1993**

<table>
<thead>
<tr>
<th>Geo-administrative unit</th>
<th>Work force in pct. of population</th>
<th>White-collar in pct. of workforce</th>
<th>Blue-collar in pct. of workforce</th>
<th>Unemployed in pct. of employed</th>
<th>Average gross-income 15-66 years (CPH=100)</th>
<th>Families on social assistance in pct. of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copenhagen</td>
<td>53</td>
<td>57</td>
<td>18</td>
<td>14</td>
<td>100</td>
<td>12</td>
</tr>
<tr>
<td>Frederiksberg</td>
<td>56</td>
<td>66</td>
<td>11</td>
<td>12</td>
<td>127</td>
<td>8</td>
</tr>
<tr>
<td>Copenhagen County</td>
<td>57</td>
<td>61</td>
<td>14</td>
<td>9</td>
<td>136</td>
<td>7</td>
</tr>
<tr>
<td>Fred.borg County</td>
<td>58</td>
<td>58</td>
<td>14</td>
<td>8</td>
<td>138</td>
<td>7</td>
</tr>
<tr>
<td>Roskilde County</td>
<td>61</td>
<td>57</td>
<td>15</td>
<td>8</td>
<td>132</td>
<td>7</td>
</tr>
<tr>
<td>Greater Copenhagen Region</td>
<td>56</td>
<td>59</td>
<td>15</td>
<td>10</td>
<td>125</td>
<td>9</td>
</tr>
<tr>
<td>Denmark</td>
<td>56</td>
<td>44</td>
<td>22</td>
<td>12</td>
<td>108</td>
<td>6</td>
</tr>
</tbody>
</table>

Changes in the urban hierarchy

Some districts have gradually been gentrified like the Inner City and Christianshavn (this district is also well known for Christiania). In the gentrified districts private ownership and private Cooperative Housing has increased in the last decades and is now dominating. Other districts with a great share of Social Housing like Bispebjerg and Kongens Enghave have moved from the middle to the bottom of the urban hierarchy. Thirty years ago these districts with a big share of Social Housing built in the twenties, thirties and forties was the prototype of well organised working class quarters. Thirty years ago Noerrebro and Vesterbro, with an older housing stock from the late 18th century and a big share of private rental blocks, was dominated by the “lower” working class. To day the oldest classical working class districts Noerrebro and Vesterbro has moved towards a more mixed ethnic, social and income profile - due to huge urban renewal schemes in the late seventies and eighties and a growth in private ownership and Co-opt housing (refer to appendix 2).

Long-term effects of labour market exclusion

As mentioned earlier the battle for full employment was lost in the late seventies. Not only did the general level of unemployment increase to a 10-12 pct level in the beginning of the eighties, but also long-term unemployment increased dramatically. The socio-spatial landscape gradually changed during the eighties: The growing segment of long-term labour market exclusion was increasingly concentrated in distinct urban districts.

So despite a – comparatively speaking – relative high quality level of social protection signs of new poverty or social exclusion could be observed – not least due to the long-term effects of labour market exclusion. Over a longer period of times the general protection schemes and, in broader sense, the ability to ensure inclusion was not sufficient. (Andersen and Larsen, 1993).

Gender and Social Exclusion.

Since 1993-94 the growth in employment in Denmark has reduced the unemployment figures to a 5-7% level. The composition of long-term labour market exclusion has shifted so that long term unemployment today is much more clearly concentrated among middle aged and
elderly unskilled women and men. In particular, the latter social category - elderly unskilled men seems to represent a new distinctive type of social exclusion (Andersen and Larsen, 1998), which policy makers and welfare institutions have not been able to respond to. Whereas the risk for economic impowerishment (in terms of lack of economic resources/financial poverty women are still slightly overrepresented compared to men.) and long-term unemployment is more or less the same for men and women the risk for “hard core social exclusion” in terms of alcoholism, break down of every day life routines e.t.c. is much greater for men.

One of several reasons for the changed gender profile of social exclusion have to do with the (overlooked) fact that the most innovative politics of social integration were developed for and largely by women. Where a range of experimental social action programmes targetted marginalized women (Andersen and Larsen, 1998) for example the successful daytime high schools have been successful with regard to social integration at, the innovations with regard to socially excluded men have been more or less absent.

An important section of the labour market excluded in the late nineties have been unemployed for a very long time and often regarded as unemployable. However, due to the strategic shift in unemployment policy towards obligations on the unemployed to participate in educational or "workfare" activation programmes (Torfing, 1998), the problem of “employability” for the most marginalised segment has become a hot political issue. Critics argued that the workfare programmes in some cases become authoritarian and punitive vis-à-vis the group of most marginalised, e.g. elderly unskilled men with no realistic chances on the ordinary labour market. This has caused an intense debate about the inadequacy of the "workfare"/labour market reintegration orientation as the only way to ensure some sort of social and economic integration.

Despite a strong economy, growth in employment and increased resources to adult education programmes, the long term effects of mass employment are still present. Some of the unskilled elderly unemployed did not get a real chance for reintegration into the transformed postfordist labour market. Even general employment growth and stronger emphasis on active labour market policy has – so far - not been fully able to prevent exclusion in what is often
labelled the increasing “knowledge race”. Not all groups can benefit from the increased public investment in human capital enlargement and (re-) education.

**Workfare and Activation Programmes**

The first and dominant change in the Danish welfare regime in the nineties is a growing emphasis on activation or workfare programmes. In the political discourse and rhetoric it is described as a shift from notion of passive rights to a notions of active inclusion – a type of Durkheimian rhetoric (Andersen, 1998)\(^1\).

The content of the activation policy is a compromise between neo-conservative and neo-liberal forces and the Social Democrats. The total benefits for individuals participating in activation programmes are at the same level as unemployment benefits or social assistance, but the hourly pay is close to the Danish minimum wage (approximately 10 ECU per hour). Therefore the participants in the activation programmes usually participate less than full time (37 hours per week) in order not to reach the maximum level for benefits. Thus one can discuss the extent to which the term workfare with its American/British connotations is useful for describing Danish unemployment policy. In fact, it has both similarities: the obligation for unemployed to participate in the programmes if benefits are to be maintained – and distinctions: The Danish activation policy was not implemented in a context of deregulation and absence of minimum wages. The positive part of the activation programme is that Municipalities have the obligation to offer job training.

Since the late eighties the obligation on the local authorities to offer job training and activation schemes has gradually been extended from the very young (18-19 years) to include all registered unemployed entitled to unemployment insurance or social assistance. If the

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\(^1\) This is more or less similar to the shift in dominant social theory from focus on class and equality discourse to exclusion-integration discourse. Theoretically, the notion of social exclusion points to a shift in the conceptualization of poverty from extreme class inequality and lack of resources (Andersen and Larsen, 1998) to a broader insider/outsider *problematique*; that is, a change of focus in the poverty and inequality discourse from a vertical to a horizontal perspective. This shift in focus can also, to some extent, be described as a shift from a Marxist and Weberian tradition of class and status analysis to a Durkheimian anomie/integration discourse (Andersen, 1999). However, the contemporary order of stratification of post-industrial societies is not only one of horizontal stratification, inside or outside the labour market or mainstream society, but also one of vertical stratification. Vertical stratification arises from differences in access to and command over economic, cultural, social and symbolic capital. As Levitas (1996) notes, the exclusion/integration discourse can obscure the fact that
unemployed is not willing to participate in the schemes they will not receive benefits. The quality in terms of improving skills and job possibilities of the schemes are very different from municipality to municipality. Evaluations show that particularly for elderly unskilled men and sections of the immigrant populations (which despite improved employment possibilities still face discrimination) the schemes have little positive effect. One of the reasons why the politics of activation are quite traditional compared to some other EU-member states is that traditions for social enterprises and social cooperatives are almost absent in Denmark (Bengtson, 1998). The often overlooked “conservative” side of the Danish Welfare model is that it is based on a social compromise, which means that the political system must keep its “hands off” the sphere of production (Kolstrup, 1996). Unlike France and other EU member states the role of social enterprises and social cooperatives is very marginal because Danish municipalities are not allowed by law to invest in the production of goods which can be sold on the market and thereby (in theory) crowd out private business.

Local Workfare Schemes as Mechanism of Municipal Exclusion

One aspect connected to the activation policy is of particular interest from the URSPIC perspective. For the most marginalised/discriminated groups and districts, a new problem has grown out of the implementation of the activation schemes. Some municipalities have adopted a very strict and punitive authoritarian practice of the activation policies for social assistance receivers, whereas others have adopted more participate and empowering approaches, e.g. by linking the activation programmes to ecological projects, cultural work and local welfare services.

This is possible because national legislation is vague in defining clients/unemployed rights vis-à-vis the municipalities. The result is that some of the clients who for one reason or another are dissatisfied with the activation programs, move away from the these municipalities. Hence the concept of “activation refugees” has surfaced in the discourse. It is claimed that a group of “social assistance nomads” or “workfare free-riders” move to the municipalities or the districts which practice a “softer” less authoritarian activation policy (Interview with Editor of the District newspaper in Kgs. Enghave).

the positions people are "integrated" in through paid work are often fundamentally unequal. Therefore the notion of social exclusion should always be linked to a notion of social polarisation.
This above mentioned phenomena has its clear social geography. The most deprived districts in Copenhagen, who have less resources to develop activation projects and practice a “softer” implementation of the schemes, have according to some social workers become increasingly “the victims” of a more authoritarian activation policy in other districts and Municipalities. Thus the workfare programmes can be used as discrete but efficient tools to push the socially excluded over the district/municipal borders.

**Rhetoric about social responsibility for companies**

The second new orientation in the Danish Welfare Model has a more discursive and rhetorical rather than of a practical character. A number of efforts to mobilise the social partners in the fight against social exclusion have arisen. The Ministry for Social Affairs has launched a National Committee under the label “New Partnership for Social Cohesion”. Since the return of the Social Democrats to government in 1992, the rhetoric of partnership and social responsibility of social partners has increased and experimental pilot programmes have been set up in an effort to support the active role of companies in the fight against social exclusion. The trade unions and employers have, not least after pressure from the government, negotiated what is termed “social chapters” in the collective bargaining. The social chapters are supposed to be a tool to stimulate job creation for disabled and others with lower than average productivity.

The effort to mobilise the social responsibility of the social partners is heavily inspired by the rhetoric of the EU-institutions, the Third European Action Program against Poverty (Poverty 1989-94, Andersen, 1994), the Social Dialogue, the European Business Network for Social Cohesion EBNSC, (initiated by former EU Commissioner Jacque Delors) etc. Here again we find a neo-communitarian, neo-Durkheimian type rhetoric stressing the challenge to all subsystems, including the labour market, to allow flexible participation for the less “productive” citizens etc.

It is still an open question whether this trend will be more than rhetoric or if it will gradually become part of a more offensive political struggle for a revitalised welfare society project.
Experimental Social Action

Until recently (1993) urban policy has not been defined as a distinct policy-field. The historical reasons for this will be analysed closer in the next section, where we focus on planning and urban policy as part of the evolution of the Danish welfare regime. The third new trend in the last decade is the growing role of experimental Social Renewal and social action Programmes (Hegland, 1995), which emphasise experimental and multidimensional action against social exclusion. In particular, the creation of the first multidimensional Urban Social Action Programme in 1993/94, was a manifestation of attempts to stimulate bottom-up empowerment orientation in deprived urban areas. (Vestergaard, 1998).

The Urban action programme was inspired by Poverty 3 and multidimensional urban policies in other EU-member states (Brennum, 1994). It was the first time, in Denmark, that a large-scale urban programme based on principles of area-based action and local participation was launched. The programme is at present the most innovative and experimental part of public planning and welfare policy. It has elements of a “politics of positive selectivism” and “social mobilisation” approach. In the implementation of these programmes the National Urban Committee in the negotiations about project contracts with the Municipalities and Housing Associations has insisted that the ideas about citizen participation and empowerment orientation in the projects should be taken seriously.

In Copenhagen, the Kongens Enghave (which is situated beside Oerestaden) and Bispebjerg districts were chosen as Model Action districts and right now concrete plans of action are being implemented. It is interesting to note that in many cases the demands and strategies which arise from these community/district programmes foster new political pressures on the City Council for additional resources and services to the deprived districts (Interview with the Editor of the District Newspaper SydVest Folkeblad).

The new urban policy has introduced rhetoric of experimentation, participation and partnership with parallels to the campaign for the socially responsible firms. In a recently launched national plan of action about “The City of the Future”, (Danish Ministry for Urban Affairs, 1999). Concepts like the “Inclusive City”, the “Learning City, the “Democratic City” and the “Green City”, which relate to the Agenda 21 movement have been introduced.
The “City of the Future” document underlines that social, cultural and economic problems of deprived districts should be addressed in a multidimensional and coherent manner in order to avoid the "Succession Cycle" (Skifter-Andersen, 1995). It is explicitly acknowledged that long lasting multidimensional programmes vis-à-vis the deprived areas are necessary due to a lack of coherent planning in the past and the long-term impact of socio-spatial concentration of unemployment and social exclusion. Partnerships with the local companies are suggested as tools to improve co-operation with public employment agencies and the companies. In practice the latter effort has only played a marginal role in the implementation of the programmes.

The most radical and concrete part of the action plan suggested in the “City of the Future document” is a section about how to hinder social segregation. Here it is stated that the separation of privately owned houses, associate housing and social housing in separate zones of the city should be avoided by proactive planning in the future. The planned mix of different types of housing and hence different income groups should be a guiding principle for Future City zoning. This orientation has already caused criticism from neo-liberal and conservative forces since it is in contradiction to market driven development on the real estate market.

The perhaps most controversial issue in contemporary housing policy have been centred around regulations of the share of ethnic minorities in Social Housing Blocks. In some municipalities with a large share of ethnic minorities it has been suggested that a maximum limit for the share of ethnic minorities should be legal. Others have argued that a large share of minorities not in it self constitutes deprived areas. Some Social Housing Associations and Municipalities have lobbied for legal access to regulate moving in so that "resource strong groups" are favoured.

The Social Housing Association also constantly argues that the Social Housing sector should not be the only part of the Housing market, with social responsibility obligations. The Social

---

2 Another interesting discussion is about new developing “mixed ownership”: e.g. that residents in Social Housing Associations could be credited for individual investments in their apartment. The idea about mixed ownership is meant as a tool improve incentives for the more affluent residents to stay in Social Hosing Association in stead of moving to the private ownership.
Housing Associations argue that the responsibility for housing should be more equally shared between all parts of the housing market. So far, this demand has been completely refused.

Today the municipalities can still allocate up to 25% of the apartments in Social Housing blocks to social clients, homeless people, refugees etc. In districts like Kgs. Enghave and Bispebjerg in Copenhagen with an elderly and cheaper housing stock with dominance of Social Housing, the concentration of very vulnerable groups has increased in the last decade.

In recent political discourse it has been argued that the lack of access to Social Housing and rental apartments in the affluent districts is an overlooked part of the mechanisms which over time create segregation in the Copenhagen Region. Many planners and politicians (refer also to the City of The Future document mentioned before) argue that new regulations should ensure that in every Municipality a share of the total housing stock should be social housing in order to avoid increased segregation in the Housing market.
II Principles of planning, Urban policy, and UDP’s

As discussed before urban policy has until recently not been a separate policy-field in Denmark. In the following section we will discuss urban policy and planning in a broader historical and political administrative context, i.e. as a part of the Danish welfare regime and the specific policy tools implemented in promoting urban development. In other words: to analyse present days policy tools, the particular shape of the Danish UDP and the dynamics of inclusion/exclusion we need to illuminate the Danish planning system in general and its historical dynamics.

In the 1960’s, the need for administrative reforms became obvious, and a larger piece of work was commenced to reorganise the entire public sector. The overall motive was the need for governing an expanding economy in particular directions, as well as the problems with in-built expanding mechanisms within the public sector were realised. The 1970’s were truly reform years in Denmark and the most extensive reform was that of the municipalities that was launched in 1970.

Municipal Reform

The municipal reform was not one single reform but rather a complex of reforms, implemented step by step through the 1970’s. Besides the municipal reform, several sector reforms dramatically changed the whole political and administrative set up in Denmark (e.g. Andersen, Mikkelsen & Steenstrup 1980; Ingvartsen 1991; Ingvartsen & Mikkelsen 1991).

The single most important part of the municipal reform in 1970 was a profound reorganisation of local government in Denmark. The main occasion for starting this reform was the complicated administrative division between counties (amter), county-boroughts (købstæder) and rural districts (sogne (parishes)). This administrative setting was considered insufficient and a more uniform and uncomplicated system was needed. A further problem was that in several cases naturally demarcated localities had grown into one physical area, but still remained divided by administrative borders. This fact presented inconvenient administrative problems and one principle therefore became One town - One municipality. A third objective
was that bigger units were needed as an administrative precondition to delegate response and authority to the regional and local levels of decision-making.

The reform meant that the special administrative status (county-borough status) of the old provincial towns was abolished. Instead, a two-tier local political-administrative system was implemented, counties and municipalities gained a more uniform and strengthened system of legal administration (Ingvartsen 1991:76ff). The reform caused a reduction in the total number of municipalities from 1100 to 275, and the number of counties was reduced from 25 to 14.

A very important part of the municipal reform was realised by the need for a fundamental renewal of the financial tools. During the fifties and sixties, the financial management of the welfare state had grown into a very complicated system of transfers and regulations between the different administrative levels (Mikkelsen 1991). This was a reimbursement system that had developed since the beginning of the century and especially after the first social welfare reforms back in the 1930’s. In this system each municipality was entitled to have a pre-given percentage of its expenses within each assignment refunded from the state. Besides being a very complicated system to administer the more principal problem was that one public authority could make expansive decisions, while the expenses could be sent to another. The financial system also had to be less bureaucratic and greater harmony between economic responsibility and decision-making was needed. The system of reimbursement has therefore gradually been replaced by a system of general grants based on objective criteria (Bogason 1995:101). The system of general grants rests on the idea that expansive requirements and economic capacity (defined as the tax base) are differentiated by structural factors and equalisation in the performance of the welfare principles is needed. This is one reason why the state is still responsible for many of the financial implications of the welfare state, and this is why a national system of financial redistribution between municipalities was implemented.

As soon as the new county and municipal borders were implemented a process of decentralisation began that totally changed the division of duties between the administrative levels. The principles of this decentralisation process were that executive functions should be administered as close to the citizens as possible (i.e. on the municipal level) and the management of a case should not be placed at another administrative body at the same time.
On this basis the new counties took over full response of duties that needed a greater amount of people, most importantly hospitals and secondary schools, but also some social services and social security functions. They also acquired planning and supervisory functions in respect to e.g. city planning. First of all, public schools were considered as the important task of the municipalities. In fact, the drawing of the new county boundaries was dependent on the population basis for maintaining one central hospital, and the minimum of a municipality was considered to be about 4,000 inhabitants so that a primary school system could be maintained. The examples show that the municipal reform was about creating sustainable and neutral entities in the management of the welfare state (Schou 1994). This principle affects the division of labour between counties and municipalities. Counties provide services and functions that under normal circumstances cannot be provided for by the municipalities. Among the responsibilities of the counties are hospitals, major roads, the planning of land use and environmental protection and e.g. some cultural services. Municipalities are responsible for the delivery of services with a direct contact with citizens. It includes a wave of services such as kindergartens, libraries, town planning and regulation, social services and leisure-time activities, and as already mentioned, primary schools.

During the 1970’s the counties and in particular the municipalities took over many functions from the state. At the same time many new duties were initiated because of the changes in the social system. In the 1960’s the housewives joined the labour market in great numbers, and the municipalities had to take over many of the functions that previously were considered family matters. Day-care and care of elderly citizens nearly exploded through the 1970’s. Besides this, the growing unemployment rate from the mid-seventies placed a hard burden on the municipal level to manage rehabilitation and social security. These duties were imposed on the municipalities by the sector reforms such as the social reform and the new Social Security Act. With the primary assignment in the municipalities, a system of sector planning was built up regarding health, education and social security, integrated into central objectives via orders, instructions and regulations.
Physical Planning

Besides the very ambitious sector planning systems a comprehensive system of physical planning was created, mostly concerning the use of areas. Physical planning goes back to 1938 when the Act on Town Planning (Byplanloven) was implemented. This act imposed detailed area planning on municipalities with more than 1000 inhabitants (roads, installations and estates). In 1949 the Act concerning Urban Development (Byudviklingsloven) was implemented with the intention of creating planning tools to regulate urban growth and make common planning across municipalities possible.

The very detailed (and hence demanding) area planning in the Town Planning Act was soon replaced by master plans that plotted a course for future area plans based on expected developments in the population and industry. Urban growth was administered by particular appointed planning committees with the primary assignment to parcel out the particular zones for city growth based on the master plan. The minister of the environment appointed professionals, municipal members and one state official (prefect) in the committees that administered the Act on Urban Development. These different forms of regulatory frameworks or planning-tools were to be approved by the minister of the environment. Besides this the ministry had supervisory and controlling functions as well as the minister had the right to impose on the municipalities detailed planning within specific areas.

These acts concerning town planning and urban development, as well as related acts and adjustments during the 1950’s and 1960’s, should be seen as reactions against and adaptations to the problems of urban growth. As a consequence the system became more and more complicated. One example is that the original four regulative areas that the Urban Development Act should regulate (Copenhagen, Århus, Ålborg and Odense) were extended to more than 40 areas around the country in 1970 (Bundesen, Kruse & Rasmussen 1991:82).

With the marked changes in the rural and urban landscapes the need for substantial reforms of the physical planning systems became obvious, and also in this respect the municipal reform was a necessary precondition. From the late 1960’s a sophisticated physical planning system was constructed in three important steps. In 1969 the city and land zone act (by- og landzoneloven) and the Nature Conservancy Act (Naturfredningsloven) were implemented.
More importantly, the law on national and regional planning passed in 1973, and the law on Municipal planning passed in 1975 (implemented January first 1977). Together they constitute the regulatory framework on physical planning in Denmark.

The main considerations in the plan reform followed the basic ideas in the restructuring of the public sector: simplification, modernisation, decentralisation and publicity. But national planning and national planning tools should counterbalance the power that was delegated to the primary levels. The City and Land Zone act was an attempt not only to simplify the Act on Urban Development, which it replaced. It also intended to ensure an appropriate countrywide use of land with respect to the environment, the landscape and summer residences by stating the superior principles of physical planning in Denmark. Physical planning became a three-level planning system: national, regional and local. The principles of the system are laid down in the Planning Act, most recently updated in 1992. The logic of the system is that national planning overrules regional planning, and regional planning overrules local planning.

On the other hand the planning system stresses the importance of the participation local level. The Planning Act is a framework law so that the superior and general framework is made at the national level, though national interests in some cases can be promoted via directives. Regional planning still needs to be adopted by the ministry, while the Municipal Act transferred the competence to make resolutions on municipal plans from the minister of environment to the municipality councils. Local plans within the municipality can be implemented without the confirmation from higher administrative levels.

A principal gain of the planning reform was the openness that it provided in matters regarding the single citizen. It demanded that citizens should have the ability to be directly involved in the planning process. Therefore, each planning process includes public period(s) where the public can give objections and ideas for the further development of the plan. The municipalities were even enjoined to stimulate the public debate on the objectives and contents of the plan, and in some cases alternative means are included in the planning. And council minorities even gained their rights to have alternative opinions included in the publication (Lemberg 1981:70).
More important is the administrative procedure of the system in that the municipalities first of all make their proposal for the use of land within their area, perhaps in co-operation with other municipalities. And the intention is also that the municipal plan includes superior considerations on land use within the county as well. The uniqueness of this procedure is that the considerations at the municipal levels are made prior to the planning of land use on the county level. And the considerations on county level are done prior to the planning at national level. This open planning principle did not change the formal decision making chains and procedures, but as a principal, it provided better opportunities for public objections, protesting and for alternative ideas to grow within the physical planning process. Planning was no longer seen as the objective and rational weighing of different means and ends but recognised as a strong political field. For the same reasons planning competence was moved from pure administrative bodies to political agencies with the principal thought as to remove the hierarchical top-down process (Gaardmand 1978:32).

From Management of Growth to the Management of Crisis

During the 1970’s the planning system was organised to manage economic growth. Even though the international crisis hit Denmark profoundly in 1973, it was only considered as a matter of fluctuations of the market (e.g. Hansen, 1987). First in the end of the 1970’s the structural dimensions of the crisis was realised, and at the same time the critique of a growing but ineffective welfare system widened. Government shifted from improvement or “the management of growth” to “the management of crisis”, and this meant even stronger emphasis on economic planning. From the mid-seventies new planning tools within both sector planning and physical planning were subjugated to economic planning as the kernel in state governance (Hansen 1988:140ff).

In the fall 1982 Social Democrats handed over power to the conservative/liberal government. The leading message from the new government became the need for adapting and reducing the public sector. The new government clearly stated that the main problem in society was not the growing unemployment rate, but the deficit on the balance of payment and the public budget. This most clearly indicates the shift in economic policy away from the Keynesian orientation. This, off course, also involved changes in the view on the role of the public sector and planning.
To reduce the public sector, privatisation was launched as the main idea of the new conservative/liberal government, and they immediately appointed a privatisation committee. After a short period in power, the focus shifted from the privatisation rhetoric to "market-governance", "freedom of choice" and "new financial mechanisms" as means to change the public sector services from supply side to demand side, and hence from politically regulated to user-regulated mechanisms. These catchwords were the most far-reaching elements in the "Modernisation-program" that the government launched in 1983. The intention of the programme was to effectively stop public expansion, but still maintain and improve public service (Bentzon 1988:26). The other, and non-conflictive elements in the programme were: decentralisation of competencies and responsibility, better service and practices within the public sector, better public personnel (especially leadership), and extended use of new technology (Bentzon 1988:26ff, Bogason 1988:213f). This programme, more than any other became the manifest for a more neo-liberal orientation in Danish politics during the 1980's.

Back in 1980, the social democratic government had replaced the long-term sector planning instruments with "adjustment and theme-planning" to the advantage of more flexible and experimental forms of organisation. In general, the new government followed the lines that the former government had pegged out (Schou 1988). Attempts were made to cut out the formal procedures of citizen-participation and other so called bureaucratising mechanisms from the planning procedures, but only slight changes occurred in the sector system during the period.

The program for modernising the public sector was primarily oriented against the state sector, but its general ambitions influenced the public sector as a whole, and of course also the state – municipality relationship. The municipalities manage such at great part of the public sector, that their involvement in the modernisation process was a simple prerequisite to reduce public expenses. In practice, the government made frequent interventions in the local economy, e.g. by reducing the general grants and introducing punishment mechanisms against municipalities that did not manage to keep their spending. The interferences became more selective and directly oriented against the single municipality with a shorter – or none – planning horizon (Schou 1988:345f). The new practice of state-interference did create a far more tensed relationship between the administrative levels than before (e.g. Nielsen 1985).
The most interesting renewal of the planning system in the 1980’s is probably the “free-municipality” initiative. This initiative was not directly a part of the modernisation programme, but it can be seen as a practical solution to the demand for new steering mechanisms that the government so profoundly had argued for in the programme. The free-municipality initiative was first of all an attempt to further decentralise political competence to the local levels of decision-making, to adapt local governance to its own surroundings, hence in the last end to get a better utilisation of resources. Another idea of the experiment is that initiatives have to grow “from below”, and that freedom in forms of organisation would promote the need for more flexible and adaptable solutions of the public service.

From 1985 the free-municipality initiative was started as an experiment, and also in this respect a far more direct relationship between the single municipality and the Home Office was created. And also this disregarded the direct influence of the interest organisations on public management, and fitted well with the political ambitions of the government. The role of the central state was to approve each initiative made at the local level, so that they did not conflict with general law and order, and welfare and health objectives. It was also a clear ambition, that expansive decision-making was not tolerated, but had to match with the general level of expenses.

Ejersbo and Klausen (1997) argue that the free-municipality experiment was the promoter of a very intense process of a structural reorganisation within the municipalities from the late 1980’s and during the 1990’s. Changes have occurred in the structures of the council-committees and administration, but first and most profoundly in a process of decentralisation within the municipalities themselves, i.e. from the municipality council to the institutional level. Schou (1994) points at four objectives in this process: 1) regulation by general financial means; 2) user-influence; 3) competition and 4) goal-attainment. It seems to be agreed that these changes at the level of local government and welfare institutions indicate tendencies to a changed role of the municipalities, as well as in the relationship between the state and the municipalities. The state is getting more involved with citizen- and user rights, while the municipalities to a greater extent are responsible for the supply of services, via the tools mentioned above, but in a magnitude of new organisational forms (e.g. Ejersbo & Klausen 1997).
In general these changes indicate that the institutional levels has become more independent. However it is important to stress that it was only in the “soft” welfare institutions, kindergarten, schools etc. that formalised user influence was strengthened. What we have witnessed during the 1980’s and the 1990’s are a combination of continuous strengthening of the economic policy tools at the state level and further decentralisation at the level of local government.

An Attempt to Plot the Principles of the Danish Planning System

As mentioned elsewhere the Danish/Nordic Welfare State is well known for its strong interventionism and at the same time it as an example of promoting social citizenship and “balanced” development (Andersen 1990; Baldwin 1990). But what is then the specific profile between the welfare state and the Danish planning system? To make our arguments distinct, we first need to emphasise a theoretical perspective on the evolution of the Danish Welfare state, and then we will specifically relate this to the interaction between the administrative levels.

Schmid (1995) argues that the common element in the evolution of the Welfare State is that it institutionalises the responsibility of social reproduction. But the genealogy of this process is very different in different countries and regimes. Further, Schmid argues, that the fundamental characteristic of the Scandinavian Model is that it developed “from below”, (unlike countries like France with much more autonomous and centralised state apparatus) i.e. from the concrete practices and experiences of social movements in particular the labour movement with insurance associations and other self-help initiatives. When the labour parties took over in national government in the 1930’s these associations gradually became integrated within the state. This process was first articulated within the Social democratic run municipalities from the beginning of the century and onwards, and later on it became perceptible in the state bureaucracy (Schmid 1995:45). The civic associations captured the state and the local governments and linked the welfare state to civil society (Schmid 1995:38). Gradually these arrangements from below became more or less fully incorporated and institutionalised in a general welfare system.
The institutionalisation of the welfare state can be understood in terms of scales such as autonomy versus integration and centralisation versus decentralisation. This is especially important in the development of the municipalities in the Nordic countries that have evolved in a dual role as both being territorial political entities and administrators of state policy (e.g. Naustdallid 1993, Kjellberg 1985, Hansen 1997). The distinction between territorial autonomy and national integration are usually seen as adequate to understand the opposites in the municipal reform (e.g. more or less centralised). But the point to make here is that the usefulness of these concepts is not in their constituency as opposites, but as complementary and as elements in an ongoing process. Seen as complementary and processual they can be used to analyse the very different outcomes that have constituted the modern welfare state and the shape of planning. The reform of the 1970's is a good illustration of this.

According to Bogason (1995:95) the municipal reform in the 1970's is the most comprehensive political administrative reform since the 1849 constitution. In this constitution, a very important principle in the evolution of the Danish welfare system was ratified: the right to local self-government. Local autonomy has a long tradition in Danish and Scandinavian history, but indeed so has state steering, and both objectives influenced the making of the municipal reform. The ongoing discussion has focussed on which of the principles, the autonomous or the integrative, that the municipal reform supported most (e.g. Hansen 1997).

There seems to be a consensus on the question that local autonomy in Denmark is higher than even in the other Scandinavian countries, and that the municipal reform in Denmark was more autonomous than its Scandinavian counterparts. But, as also argued by Hansen (1997) it is questionable if the municipal reform favoured the most the autonomous perspective. First of all, the reform caused the municipalities to truly become the implementers of the welfare society (Hansen 1997:117, Schou 1994, Ingvartsen 1991). As a matter of fact the basic social rights are defined very detailed by the state, most specifically within education and social security. To guarantee social citizenship, the national system has kept the responsibility for the financial implications of a large part of the welfare sectors (e.g. social security, health and education) and therefore local expenses are to at large extent nationally regulated and fixed.

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3 While local autonomy seems to be stronger in Denmark than in the other Nordic countries, the political influence from e.g. the periphery within the state-apparatus seem to be much stronger in Norway (e.g. Hovgaard 1997).
The ambitious sector planning and physical planning system in the 1970's are excellent examples of the overwhelming integrative planning ambitions of the national welfare state.

On the other hand, the autonomy perspective was certainly not absent in the process that put the municipal reform in place. Many geographic and political circumstances and conflicts influenced the final structure and outcome of the municipal reform. But the creation and implementation of it was to a large extent the result of initiatives from the local level (e.g. Ingvartsen & Mikkelsen 1991: 40ff). In fact, many municipalities for many years were used to co-operate, e.g. in school affairs. In the late 1940's a voluntary regional planning was commenced in the Greater Copenhagen area, and this tradition soon spread over the whole country, so in physical planning there was also a year long experience to draw upon. In the processes up to the municipal reform many municipalities realised that unifying was a mean to maintain an old principle under new circumstances, i.e. local control of its own affairs. Typical for the reform was that only in minor cases it was necessary to use legal power to go through with the joining-process (Ingvartsen & Mikkelsen 1991: 92).

What we can state is that the reforms of the 1970's had national political and social integration as their leading motive, but placed the administrative responsibility of the welfare state at the local level. As pointed to earlier this in practice meant – and even though it is not fully adequate in terms of the realities – that everything that reasonably can be administered locally is assigned to the local level. This responsibility in itself gives room for political autonomy and manoeuvre at the local level. And this, combined with the fact that municipalities in Denmark in principal have there own right to levy taxes, gives local decision-making a high degree of autonomy. Compared to other European countries local authorities have a considerable freedom to decide what non-mandatory tasks they will undertake (e.g. Norton 1983).

The evolution of a “strong” welfare state and the simultaneous high degree of local competence may be considered as an apparent paradox. But as argued by Kolstrup (1996) this combination is actually a part of the success, and state interventionism and continuo processes of local self-determination do not necessarily work as opposites. The obvious lesson to learn from the Danish case is that autonomy and integration can be balanced via politically
motivated objectives. In the Danish case they have fitted together through the openness and participatory traditions of the institutional system.

It is clear that while the evolution of the welfare state rested on political ambitions of integration, equality and participation, planning was the road to reach these ambitions. The integrated national and regional planning system was the road to an economic, cultural and social equalisation where the growing level of welfare could be managed for the benefit for all the parts of the country (e.g. Ingvartsen 1991:251). The plan-reforms of the 1970’s had publicity, citizen participation and a “bottom up” planning procedure as leading motives.

From Politics to Policy

As already discussed, the process of political/administrative decentralisation has continued through the 1980’s and 1990’s, but with an even stronger accentuation on general economic regulations at the national level - in particular limitation on access to increased municipal taxation. The neo-liberal wave in the 1980’s did not in practice mean a fundamental break with the strong redistribute welfare model and the principals of the planning system. Actually, only minor disagreements were between the dominating political parties on the meaning of the public sector in structural change and e.g. privatisation in the more radical sense of the word never influenced Danish politics during the 1980’s. There was also some consensus on the necessity to put the brake on public expenditure growth, and in fact the social democrats had begun a partly successful slowing down of municipal expenses via agreements with the municipal organisations (Schou 1988:338)

As already explained “hard-core” liberalism declined very soon in Danish politics, and in the late eighties social liberal and centre forces increased their power on national level. New policy issues entered the political stage, now centred on Schumpetarian issues (Jessop 1998). In the late 1980’s the government negotiated labour market policy and entrepreneurial programmes with the Social Democratic party, e.g. education and training programs for the unemployed. In this new climate, and with the social democrats back in power from 1992, the Danish UDP was born, which we will return to.
Despite the “consensus-like” politics and the relative stability of the Danish welfare regime, i.e. the evolution of the welfare state in general and the planning system in particular, it has off course never been a un-conflictive development. Its success must rather be seen in relation the institutionalised mechanisms of conflict resolution, including the strong participatory element. But off course, things have also changed, and the important question now is, in which direction the planning system is heading under new and globalised conditions.

In his discussion on politics and regional planning, Jørgensen (1997) points at two opposite directions or ideas in the academic debate about the Danish planning system. The first idea put forward by contemporary political scientists is the thesis of “hyperpolitics”, i.e. the diffusion and domination of politics in all spheres of public life: society, economy and planning is increasingly negotiated political projects that modern politics has embedded, in the so-called negotiated economy. In the negotiated economy— and here related to industrial and regional policy — the state is taking form as:

“...a complex governance network in which the central authority plays the role of strategy maker, co-ordinator, arbitrator and consensus builder. As a consequence, in addition to assuming leadership in developing a new programme of structural politics...the state is also having to attend to the equally important role of fostering a common frame of meaning and action among relevant economic and social organizations” (Amin and Thomas 1999:268, here quoted from Jørgensen (1997:401), bold characters in original).

Jørgensen (1997) himself represents an opposite position. His argument is, that the direction of the political in general and planning in particular, is – put simply – the subjugation of the political to pure economic calculations. He argues that the role of national and regional politics as a mean or corrective of the disruptive effects of the market – now in the globalised economy – to a considerable degree has disappeared, which he among others exemplifies from recent examples from Danish regional policy in the Greater Copenhagen Region. Hence, from this point of view, the important elements of the “balanced” and negotiated planning and policymaking have disappeared.

In our opinion both of these directions can be stated from the Danish case, and the direction of the Danish planning system therefore be can seen as a growing ambivalence between (i) the participatory and welfare oriented and (ii) neo-corporate growth policy paradigms. This will be discussed further in the following.
The Present Ambivalence of Urban Planning in Denmark

Briefly we can say that until the 1950’s planning was dominated by the priority of the natural. Urbanisation was seen as a basically unnatural development, and town planning was seen as an instrument to avoid wrong development of the urban milieu. Architects and engineers argued for a balanced city-development based on ideals from rural villages (garden city planners), and the “traditional” village became a model for urban development, e.g. in the construction of streets and squares.

During the 1950’s rational planning took over and the city was seen as a centre for growth and development that could be managed by professional planners, based on functional principles. In the 1970’s, as we have described above, planning became more a political-administrative matter and the planning process was extended by participation from citizens and interest groups, and the attempts to integrate physical, economic and social objectives in the planning process (Worm et.al. 1984). We can say that in the 1970s the rational-scientific perspective was extended - not replaced - by an integrative participatory welfare oriented planning.

But as also stated above, integrative participatory planning came under attack in the new political conjuncture of the eighties. The integration of planning on different levels as the objective was regarded as a failure, and integrating physical, economic and social targets into one whole did not get much farther than the drawing board. Large-scale ambitions and participation were in many respects seen as costly and ineffective.

At the discursive level the critique of total planning, functionalism and participatory planning was the starting point for the new ambivalent trends in the 1980’s and 1990’s. In this new trend the city is seen as an environment that constantly keeps on changing, and therefore definite plans for urban development are not possible at all. Urban planning must be incremental (Dicken 1998, 298 f). The profile of the Orestad project in terms of planning was the specific linkage between high aesthetic ideals and the corporate type of planning. The project designers linked the aesthetic and the corporate arguments in one package and presented it as a new a strategic tool in urban development. One of the leading proponents of the Orestad-project, Wichmann Matthiessen, sees the Orestad project as an indicator of this
new method and rationale. This – according to the author - necessary shift in rationale has occurred in the late 1980’s and is conceptualised as a shift from equality to multiplicity orientation in planning (Wichmann Matthiessen unpubl., 40 ff.; see also Miljøministeriet 1989; 1990).

While the planning strategy of the 1970’s was oriented against welfare indicators such as decentralisation and equality, the new planning method favours a strategic growth perspective (Wichmann Matthiessen unpubl., 2). The strategic growth perspective is a planning method that extends the growth potentials of the city, i.e. talent, knowledge, enterprise and financial means. Public leadership is about the management of the growth potential and the tools to reach these goals can be derived from the ideas on management in economic life (Wichmann Matthiessen, unpubl.: 3, Matthiessen & Andersson 1993). We can say that in the strategic planning method aesthetic arguments and corporate structures float together in their advocacy of professionalism and high standards (in architecture, technology etc) and their belief in the market mechanism (Gaardmand 1993).

The strategic growth method may be the dominating planning tool in the 1990’s, though only one of the routes that planning in the 1990’s is taken. As discussed in the first section the other route taken for example in the Urban Social Action programme is complete different. Here the key words are empowerment and participation. Hence our thesis about increasing ambivalence.

The New “State Led Entrepreneurialism”

The Danish UDP is a clear-cut example of the neo-corporate trend in the planning system. It was born in the combination of a particular political climate and the interaction between interests at different scales, which adequately can be labelled as a “new state led entrepreneurialism”. But this entrepreneurialism certainly is the result of the specific historical circumstances that we have described above. But to make the arguments of this assertion explicit, we will go through this section by presenting the general historical processes that have shaped the development of Copenhagen since the 1970’s, and hence laid the foundation for the UDP to prosper.
First of all it is important to note that Copenhagen municipality (together with Fredriksberg) never became a part of the municipal reform, but maintained a double role as both county and municipality. Copenhagen, therefore, never became a part of a larger regional political structure, but regional questions have been handled a special act and much weaker forum, the Greater Copenhagen Council.

At the local level changes of great importance for the design of the UDP occurred through the 1970’s and 1980’s. Social democrats that had dominated the municipal council since the beginning of the century, were heavily challenged in the 1970’s by the growing strength of the New Left (Socialist Left Party) and the Old left (communists and Socialist Peoples Party). Besides this, a variety of urban movements entered the political stage and heavily criticised the Social Democratic Town Government. Alliances between social movements, and between social movements and political radicals created a turbulent “post-68” climate in the city (Andersen 199x).

The situation between a traditional Social Democratic Town Government and the new urban movements became intense around 1980. For the urban movements and the left the traditional Social Democratic authoritarianism was personified in the Lord Mayor Egon Weidekamp as a “City King” and “Machine Politician”. The pinnacle of this was a week long fight between locals and the police that took place in the streets of Noerrebro in 1981, provoked by the Municipal decision to remove a playground (“Byggeren”) in the area. In reality the conflict was about the authoritarian non-participate style in the implementation of urban renewal schemes in the district. After this episode the political climate deteriorated even more, and the Municipality of Copenhagen got the label of being partly “ungovernable”.

During the 1970’s Copenhagen municipality witnessed a socio-economic decline and this was a problem for the Conservative-Liberal government that came into office in 1982. An expert commission selected by the liberal home secretary Britta Schall Holberg pointed out two negative self-perpetuating mechanisms of the socio-economic crisis: 1) industrial decline, lack of new growth and employment sectors and 2) increasing concentration of social excluded and other low income groups (The Copenhagen Report. Andersen et.al, 1984). Besides the expert report on the socio-economic decline nothing much happened on the practical side until the government abolished the Great Copenhagen Council in 1987, but this only extended the
problems of governing the city and the region. The government actually refused to negotiate the allocation of additional resources to Copenhagen based on political acknowledgement of over average social needs.

But, as on the national level, a more consensus-like policy developed in the late 1980’s within the Copenhagen municipality. A more flexible and participative orientation in the urban renewal had occurred along with a decline of the left-wing orientation, even though it left-wing influence still is perceptible. A more pragmatic generation of Social Democrats entered the stage, now personified in the new Lord Mayor, Jens Kramer. And the right-wing parties as well have won wider public support within the Town.

In the climate of the “ungovernability” of Copenhagen, its socio-economic decline and a new political consensus on Schumpetarian issues, an urban regime of “social democratic” or “state” entrepreneurialism emerged in the late 1980’s. In the beginning of the 1990’s, when the shift in social democratic leadership caused the road to a new national government in 1992 with two minor social-liberal parties, the “hegemony” of this new urban regime became manifest.

The Birth of the UDP

The UDP was actually first designed by a group of professional city- and traffic planners in the late 1980’s. The same actors usefully employed their extended network to create a common frame of reference for revitalising the economy of Copenhagen. The specific shape of the UDP developed in different stages, which in the more concrete phase involved the leaders of the national and local trade unions and the employers associations. The common framework to revitalise Copenhagen was to see it as a part of a broader regionalisation process: the promotions of the cross border Oeresund Region. Schumpetarian action was the important political rationale behind the Danish UDP, and within the more consensus-like climate the growth coalition that shaped the Danish UDP was formed.

The key actors on the political scene became the Social Democratic Lord Mayor of Copenhagen (Jens Kramer) and the Conservative Minister of Finance, Henning Dyremose. At the national political level, the important argument in the first stages of the UDP was the
ability of the idea to generate an offensive growth policy. Interest groups within both the Conservative-Liberal government and the Social Democrats were interested in demonstrating their willingness to engage in Schumpetarian action.

The “Growth Coalition” was able to suggest a future oriented international and offensive strategy for urban growth. They had three manifest arguments on their side that discarded nearly all criticism. The investment to the project was expense neutral because they would be regained by the sale of unused land to huge market prices as the value the ground expanded. The new urban space was linked to the construction of a METRO-system, that would reduce the effects from the growing car traffic substantially, and therefore there would be an environmental gain to get. Against these arguments criticism could be rejected at being too nostalgic and localist in its orientation and not taking the transformation towards the knowledge based economy seriously enough.

An important factor in the promotion of the UDP, was the socio-economic decline of Copenhagen municipality during the 1970’s. An expert commission selected by the liberal home secretary Britta Schall Holberg pointed out two negative self-perpetuating mechanisms of the socio-economic crisis: 1) industrial decline, lack of new growth and employment sectors and 2) increasing concentration of social excluded and other low income groups (Andersen, 1984).

At the national level the ungovernability as well as the socio-economic crisis of Copenhagen was a problem for the Conservative-Liberal government that came into office in 1982. But besides the expert report on the socio-economic decline, the only radical decision of the Government regarding policy-tools was to abolish the Greater Copenhagen Council in 1987. The government actually refused to negotiate the allocation of additional resources to Copenhagen based on political acknowledgement of over average social needs.

In the late eighties the more “hard-core” liberalism declined and the social liberal and centre forces increased their power on national level. New more consensus-like policy issue entered the political stage, centred on Schumpetarian issues (Jessop 1998). In the late 1980’s the government negotiated labour market policy and entrepreneurial programmes with the Social Democratic party, e.g. education and training programs for the unemployed. Also within the
Copenhagen municipality, a more flexible and participate orientation in the urban renewal had occurred along with a decline of the left-wing orientation, even though it still is perceptible. A more pragmatic generation of Social Democrats entered the stage, now personified in the new Lord Mayor, Jens Kramer. And the right-wing parties as well have won wider public support within the Town.

In the climate of the “ungovernability” of Copenhagen, its socio-economic decline and a new political consensus on Schumpetarian issues, an urban regime of “Social Democratic Entrepreneurialism” emerged in the late 1980’s. In the beginning of the 1990’s, when the shift in social democratic leadership caused the road to a new national government in 1992 with two minor social-liberal parties, the “hegemony” of this new urban regime became manifest.

Financial Affairs

The financial affairs are an important aspect of the Oerestad project. The financing of the project was one of the most central and controversial issues in the decision making process (Andersen 98, Gaardmand 91).

In reality the current project combines two individual projects: (i) The development of a new part of the city on the piece of land on Amager, which since 1963 has been owned jointly by the state and the city of Copenhagen for that purpose. (ii) Expansion of the existing public transportation system, which would connect Amager with Frederiksberg through a metro system with its nexus in the central parts of Copenhagen. Both projects had been discussed since the early sixties (Gaardmand 1991, Municipal Plans for Copenhagen 1961; 1997, and interviews with former head of planning in Copenhagen Kai Lemberg).

When the project, which led to the current Oerestad project was conceived in 1991 the idea came up to combine the two projects, partly by planning partly by the financing structure. The main reason for the combination of the two projects was that a low direct cost was essential for the project to be approved by the parliament, since the Conservative-Liberal Government was unwilling to allocate additional resources to Copenhagen. Investments in Copenhagen could turn out quite costly in terms of promises of similar investments in other parts of the country, and to heavy expenses could slow down the decision making process. The Oerestad
construction offered a solution to the need for redevelopment in Copenhagen, which seemed not to involve massive direct costs for the state. The financing of the joint project was linked with the aim of making the process almost self financing by using the revenues from the sale of land in the Oerestad to finance the building of the Metro. And later again, to use the revenues from the Metro to pay back the credits. So a project which otherwise would cost over 1 billion Euro would require only an initial outlay of some 150 million Euro. The financial rationale behind this structure is known as underwriting, which means that assets are being sold below their actual value to generate capital. This capital is invested so the revenue is above the market interest, which makes up for the loss made by the sale and hopefully creates profit. The strategy has been used in the insurance business, where the asset was insurance policies. The idea behind underwriting is very much like the idea behind the rent concept, i.e. to create supernormal profits. So in this sense the financing structure of the Oerestad/metro project was an attempt to create urban rent.

However, where there is potential for supernormal profits there is also potential for loses, and so is also the case for the Oerestadsproject. If the land is not sold fast enough, or does not provide the needed funds for the construction of the Metro, the whole financial foundation is likely to erode. The same applies if the cost of the metro is greater than anticipated or the project is very delayed.

Of course there is some flexibility built into the system, but the financing only works if the variables are kept within a certain range. As the set-up is highly contingent and the project has a long time span (around 30 years) there is a multiplier effect, meaning that if the project goes off track the end result can be a large deficit. Retrospectively this means that it would have been cheaper to pay for the metro with public funds partly subsidised with whatever revenue a selling of the land used for the Oerestad could provide.

Before the actual developments in the Oerestad are examined more closely, there is yet another aspect of the financing related to the budget, which is important to notice. This is the alteration the budget and the budgetary conditions have gone through since the start of the project.
The budget as such has not been altered from the approval but the initial outlay from the government was raised from 37.500.000 Euro to 150.000.000 Euro, this amount is not calculated in the total credit line, which is 850.000.000 Euro.

Concerning the period for the payback of credits, i.e. the amount of time elapsed before the investments were covered and the credit of 850.000.000 plus the initial outlay of 150.000.000 paid back to the state finances has been prolonged from around 11 years to around 20-22 years (2020). While these changes do not per see affect the budget, they do affect the compounded interest, making the project potentially more vulnerable to fluctuations in the interest rate.

The changes are not interesting seen isolated, but they highlight the nature of the project as being very unsure and based on assumptions and analysis, which are more political than practical in nature. As it will be shown later this construction has a high price in terms of public and political legitimacy.

Below the financial statements of the ODC is shown, including the cost of running the ODC and the staff size. In these figures the credit limit has not been reached which appears from the balance sheet. The total credit limit is 850 million Euro and in 1997 figures the balance is 3.8 billion Danish Kroner or 506 million Euro. However recent figures show that the credit limit is reached and that and additional 145 million Euro has been added to the total credit limit. Unfortunately the annual report for 1998 was not available. The notes referred to are not all of them enclosed in the report.
Figure 2: Profit and loss

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of sites</td>
<td>60,000</td>
<td>62,500</td>
</tr>
<tr>
<td>Value of own work, Notes 3, 5</td>
<td>22,959</td>
<td>22,217</td>
</tr>
<tr>
<td>Other operating income</td>
<td>5,589</td>
<td>1,310</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals of sites, Note 6</td>
<td>-59,983</td>
<td>-62,070</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>-10,338</td>
<td>-1,392</td>
</tr>
<tr>
<td>Staff expenses, Note 1</td>
<td>-14,853</td>
<td>-11,660</td>
</tr>
<tr>
<td>Other external expenses</td>
<td>-23,538</td>
<td>-23,898</td>
</tr>
<tr>
<td>Depreciation, Note 2</td>
<td>-2,225</td>
<td>-1,912</td>
</tr>
<tr>
<td></td>
<td>-110,937</td>
<td>-100,932</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial income</td>
<td>23,548</td>
<td>1,711</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-64,830</td>
<td>-23,804</td>
</tr>
<tr>
<td>Capitalization of net financial expenses</td>
<td>37,865</td>
<td>21,872</td>
</tr>
<tr>
<td></td>
<td>-3,417</td>
<td>-221</td>
</tr>
<tr>
<td><strong>Result for the year</strong></td>
<td>-25,806</td>
<td>-15,126</td>
</tr>
</tbody>
</table>

**BALANCE SHEET AT 31ST DECEMBER 1997**

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[DKK 1,000]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements, Note 2</td>
<td>1,586</td>
<td>1,024</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of the Metro, Note 3</td>
<td>1,533,354</td>
<td>661,514</td>
</tr>
<tr>
<td>Railway land, natural areas, etc.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1,533,354</td>
<td>661,514</td>
</tr>
<tr>
<td>Other tangible fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating equipment, fixtures and fittings, Note 2</td>
<td>4,528</td>
<td>4,111</td>
</tr>
<tr>
<td></td>
<td>1,537,882</td>
<td>665,625</td>
</tr>
<tr>
<td><strong>Financial fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participating interests in associated companies, Note 4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rent deposits, etc.</td>
<td>396</td>
<td>722</td>
</tr>
<tr>
<td></td>
<td>396</td>
<td>722</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>1,539,864</td>
<td>667,371</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of Ørestad, Note 5</td>
<td>1,140,381</td>
<td>174,370</td>
</tr>
<tr>
<td>Other land holdings, Note 6</td>
<td>202,711</td>
<td>262,604</td>
</tr>
<tr>
<td>Accounts receivable, Note 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable from Frederiksbergbaneselskabet I/S</td>
<td>368,080</td>
<td>142,261</td>
</tr>
<tr>
<td>Accounts receivable from Østamagerbaneselskabet I/S</td>
<td>17,643</td>
<td>8,966</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>42,448</td>
<td>53,616</td>
</tr>
<tr>
<td></td>
<td>428,171</td>
<td>204,843</td>
</tr>
<tr>
<td><strong>Cash funds</strong></td>
<td>500,055</td>
<td>64,437</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,271,318</td>
<td>706,254</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,811,182</td>
<td>1,373,625</td>
</tr>
</tbody>
</table>
Liabilities
    [DKK 1,000]
    1997       1996

Equity, Note 8
Paid-up share capital  436,694     436,694
Adjustments            902,657     0
Transferred           -41,881    -16,075
                   1,297,470    420,619

Fixed liabilities, Note 9
Debenture loan        2,139,194     599,936

Current liabilities, Note 9
Bank loans            192,682      214,750
Trade creditors       53,562        63,399
Other debt, Note 10   128,274        74,921
                   374,518      353,070

Total equity and liabilities  3,811,182   1,373,625

Contingent liabilities, Note 11

NOTES
Note 1 Staff expenses
    [DKK 1,000]
    1997       1996
Wages and salaries      12,929     9,826
Pension contributions   1,479     1,343
Other social security contributions  426     407
Other staff expenses    19        84
                   14,853     11,660
Of which:
Salaries to Executive Management        1,084     953
Emoluments to Board of Directors        320      323
Emoluments to Ørestad Council            40        40
Average no. of staff in 1997 was 30 (24 in 1996).
Source: Annual report from the ODC 1997

Current Developments in the Land Sale

Over the last month there has been a rapid development in the land sale in the Ørestad, which is quite interesting as the development has not only affected the amount of land sold but also the buyers of the land. It appears that most of the new investments in the Ørestad are public. Public institutions, which has planned their relocation to the Ørestad account for almost 6 billion DKK (around 800,000,000 Euro) of public investments. It should be noted that not all of the projects are finally decided at this point. Below is a description of the planned public investments.
It would appear that this somewhat changes the negative scenario concerning the financial affairs.

Concerning the sale to private companies, this has been limited (we do not have any accurate estimates) but the largest single project is still the (conditioned) selling of 330,000 square metres to a large development company. The sale is set up as follows, there are three lots of 110,000 square metres, and the company buys one now in order to build a large shopping centre, and has an option on the two other lots. However, the centre can only be build on the condition that the plans gets an approval by the Ministry of Environmental affairs. For the time being, the Ministry does not give any approvals to new shopping centres, as they are awaiting a nation-wide report on the development in retail sales.

The Oerestad law contains a paragraph, which states that it is to house a regional shopping centre, so the approval should according to the ODC be a formality. The other clause of the option is that around 60% of the area in which the centre is to be situated in should be sold, by the time the centre gets built. With the new public investments this should not pose as a problem. If the project gets the approval as expected the first phase of a sale netting 888,300,000 Euro is entered, with the first instalment of 296,000,000 Euro already secured.

However, there is yet another issue concerning this sale, which has an impact on the total revenue for the land sale. The options are priced at 269 Euro/square metre, but the current

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Total public investment In Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>The university of Copenhagen</td>
<td>The project has been approved but there are still some discussions about the price</td>
<td>228,000,000 over 7-10 years</td>
</tr>
<tr>
<td>The IT High School</td>
<td>Approved</td>
<td>48,400,000 over ca. 3 years</td>
</tr>
<tr>
<td>A research park</td>
<td>Approved, the project is not entirely public but will mainly be based on public funding</td>
<td>45,700,000 over ca. 3 years</td>
</tr>
<tr>
<td>The national archive and the Royal Library</td>
<td>Has been approved</td>
<td>201,600,000 over ca. 5 years</td>
</tr>
<tr>
<td>The National Television</td>
<td>Has not yet been approved, pending further negotiations</td>
<td>269,000,000 over ca. 5 years</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>792,700,000</td>
</tr>
<tr>
<td>Total approved</td>
<td></td>
<td>523,700,000</td>
</tr>
</tbody>
</table>
price is 309 Euro/square metre, so if the company uses all the options the Oerestad Development Company will lose 13,300,000 Euro that they could have earned, had they sold the land at the current price level.

**Overall Financial Status in the Oerestad Company**

The numbers below illustrate the potential revenue from the land sale at this point and the actual revenue generated.

Total potential revenue from public investments: 792,700,000 Euro

Total potential revenue from the options held by the development company Steen & Stroem A/S: 888,300,000 Euro

Total potential revenue from land already sold: 57,065,000 Euro

Total potential revenue from land sale: 1,738,065,000 Euro

Only a fraction of this total revenue has been realised, at this point. The actual value of the land sale at this point runs in 57,065,000 Euro. This amount covers all binding private and public agreements. This does not mean that the money has been paid, so the actual amount in hard cash generated from land sale is shown below

Total realised revenue from land already sold: 11,844,000 Euro

Below is a representation of the relative relationship between the total potential revenue, the potential revenue from land already sold and the actual realised revenue.

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total potential revenue</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total potential revenue from</td>
<td>3.30%</td>
</tr>
<tr>
<td>land already sold</td>
<td>0.68%</td>
</tr>
<tr>
<td>Total realised revenue from</td>
<td>11.844%</td>
</tr>
<tr>
<td>land already sold</td>
<td>0.68%</td>
</tr>
</tbody>
</table>
This discrepancy indicates that there is still a long way to go before the financial crisis can be said to be over.

The “Point of No Return” and the Spirit of “the Three Musketeers”

In the public the Analysis of the financial affairs made by the United Left Party (later picked up by the weekly magazine Monday Morning), already in 1997 questioned the financial construction. According to these analysis the company has used almost all the credit and since the revenue of the land sale does not cover the expenses, this will lead to “death by interest”. This means that the compounded interest on the debt for the construction of the Metro and the infrastructure of the Oerestad will exceed the revenue produced from the Metro and the selling of land. The analysis estimates that the project is likely to cost the taxpayers up to 1-2 billion Euro.

For the growth coalition the present situation of the Danish UDP (less than half way through the implementation phase) is characterised by at “point of no return” - as the present Minister of Traffic Sonja Mikkelsen (Social Democrat) termed it in one of the recent debates in the Danish Parliament (Information, 1999 May 1st.). Despite the ongoing crossing of the original budget (which from an objective point of view so far has proven that many of the critics was right in their scepticism) when the three parties (Social Democrats, the Liberal and The Conservative Party), who passed the legislation about the UDP through the Parliament in 1992) is still characterised by a “Spirit of the Musketeers”.

The “Musketeers” invested their political prestige in the “politics of gambling”, i.e. the belief in “offensive entrepreneurialism” in the hands of high profiled charismatic “New Developers”. For them the calculations seem to be that the political and economical costs by accepting increased public investments is lower than opening up for a fundamental economic and legal reorganisation of the UDP.

The latest strategic move late 1998 from the ODC and the growth coalition was to replace the Director of IBM, Joern Melgård with Henning Christoffersen former EU-Commissioner and former Minster of Finance Denmark. The profile of Henning Christoffersen has several advantages in the present critical situation of the ODC. He is well respected for his leadership.
His professional record as a serious, reliable vice-president of the European Commission during the Presidency of Jacque Delors is well known. He is also member of the Liberal Party. The latter merit was a tactical advantage for the ODC because the "weakest link" in the chain of the three Musketeers is the Liberal Party. Important sections of this party was critical towards the ODC in the design phase because:

(i) The party was critical towards accepting additional state resources to the Capital, and is by tradition on the anti Copenhagen side in its political geography

(ii) The growing financial problems and the critique from local branches of the chosen METRO has created increasing criticism against the whole set-up of the ODC.

Contemporary political analysts in Denmark (e.g. David Rehling at the newspaper Information and former chair of Dansk Natur Fredningsforening, who was active in negotiation with the ODC in the design phase) at present argues that the instalment of Henning Christoffersen as new chair of the ODC probably will be able to increase the reliability of the ODC enough to avoid a split in the growth coalition. If Christoffersen had not been mobilised the Director of the ODC, Anne Grethe Foss would probably have been "sacrificed".

The tactical style put foreward by Henning Christoffersen since the spring 1999 is a change compared with the former "lets wait and see" attitude of the ODC. It is now openly stated that it is impossible to calculate the size of an necessary increased credit.

With regard to the financial situation of the ODC there are several jokers at present (refer to the former section on financial affairs):

(i) The entrepreneurs who contracted with the ODC have gone to the court and demanded huge financial compensations due to inadequate descriptions in the licitation and other complications.
(ii) A number of still undiscovered technical problems in the METRO-project questions not only the still unknown total prize but - according to some critics - the entire technical possibility of the total project.

Here it should be added that the chosen type of traffic investment of the ODC from the beginning has been criticised for:

- binding a substantial part of the investment to an imagined new town instead of choosing a type of investment, which focused on the reduction of the existing car traffic. The raised criticism also refers to the lack of negotiations and co-ordination with the existing institutions namely the Copenhagen Region Traffic Company (HT) and the Danish Railway Company (DSB). These two old actors were excluded from the planning processes for which the ODC was responsible.

(iii) The speed and size of the realisation of the cornerstone in the financial set-up, i.e. the profits from sale of building sites to private investors.

As documented before the income from land sale to private investors has been disappointing. The ODC in its official accountings argues that the income from selling building sites is 460 million D.kr. The critics argue that (i) a large part of the stated income is “Matador money” and (ii) the other part is public investments for the tax payers money - including pure “gifts” from the state. The critics argued that the growth coalition has organised a sequence of financial “cover-up actions” in favour of the ODC. These actions are very illustrative in order to demonstrate how the “growth” coalition has operated in the implementation phase.

The dominant actor in these operations is the Ministry of Finance. During 1998 the Ministry encouraged public institutions to pay attention to the Orestad building sites, if they considered to move their offices. The Ministry promised to be helpful to find additional resources since the price of building sites in the Orestad are some of the highest in the Region.

Other supportive actions took place already in 1994. Here the Ministry of Finance in its yearly negotiation with the Municipality of Copenhagen agreed to pay 150 million D.kr to the Municipality for three building sites at the Port/Harbour front, which they had shared.
ownership to. The total value was 400 million D.kr. This “discrete” state contribution was immediately passed on to the Orestads Company. Right now a similar manoeuvre is planned by the growth coalition, but with much higher financial volumes. The plan (according to the Newspaper Information) is that the Copenhagen Harbour Company (CHC) which operates under a construction similar to that of the ODC, should hand over a substantial part of its building cites to the State Property Company, FREJA - and the ODC.

The CHC has been criticised along similar lines as the ODC: the constructions with its emphasis on market driven development on the many building cites on the Copenhagen Harbour Front tend to exclude districts and politicians from controlling and deciding the City planning.

Unlike the ODC, the CHC has so far been more successful in creating income from selling building sites to private investors. In fact the CHC have so far ousted the ODC. Via the planned operation of including the substantial parts of the CHC sites in a co-ordinated state controlled framework including the ODC a lot of possibilities for “discrete” state contribution will occur.

In the following some of the recent political turbulence associated with the ODC at Municipal and state level will be outlined.

1. In the Danish Parliament a permanent committee for financial control of public affairs is preparing a report about the financial transactions of the ODC. This report, which will be realised in a couple of months, will probably criticise the financial management. The way the Parliament will respond to the expected criticism can be crucial for the survival of the ODC in its present form. The growth coalition will - like the ODC - argue that when the bridge to Sweden opens - the building site market will change and the ODC will be able to increase its income from land sale substantially. One scenario therefore could be that the ODC in its present form would survive a couple of years more. The growth coalition and the “Musketeer spirit” might survive and support another period of the “politics of gambling”.
However, the sequence of events described above has already seriously questioned the general legitimacy of the type of planning and management which the ODC embodies. The combination of lack of democratic control and the increasingly questionable technical and financial management is - when it does not demonstrate efficiency - very vulnerable.

2. At the Municipal level the possible future financial costs due to the crisis of the ODC has been articulated by the United Left and other members of the Copenhagen City Council. The Mayor of Schools in Copenhagen Per Bregengård, representing this party has for example calculated that the price for paying back the debts of the ODC will be an increased tax level 0.7 pct. pr year in a 20 year period (the share of Copenhagen stocks in the ODC is 45%). (Press release from XX)

However at this stage the Municipal part of the growth coalition seems to agree with the statement from the Minister of Traffic that a “point of no return” has been passed. If the scenario of critics like Per Bregengård turns out to be reality there is not doubt that a new critical situation will occur in the City Council as well.
III Policy lessons

Before jumping to concrete policy suggestions, some broader theoretical reflections about conditions for politics of inclusion will be outlined, and should be read as the policy implications of the previous presented analysis.

From the social exclusion angle the implications of the shift from "government to multi scaled governance" creates the following set of problems:

(i) The problem of new elite formation at the top of the social ladder
(ii) The fragmentation and weakening of power of collective actors representing and articulating the interest of the less affluent
(iii) The problem of fostering coalitions between excluded groups and sections of working and middle classes

Politics of inclusion must try to:

(i) Integrate actors representing interest at the bottom of the social ladder and
(ii) Enable the actors to operate across different spatial levels: the local, regional, national and global. Inclusive counter forces cannot operate exclusively on local, regional or national levels.

In the debate over new policy agendas the broader concept of empowerment (despite the origins of the concept in third world action research) of (potential) losers has gained new terrain (Craig and Mayo 1995, Friedmann, 1995). In short empowerment is a process of awareness and capacity building leading to greater participation, to greater decision-making power and control, and to transformative action (Karl, 1995:14).

Taking the postfordist/postindustrial socio-economic and political-cultural landscape into account compared to traditional industrial society, it is obvious that the politics of empowerment and inclusion must be able to:
(i) take "particularities" into account (class, gender, generation, ethnicity etc.) and
(ii) cope with the task of transforming these "particularities" into stable - but flexible coalitions which can operate at the different levels. The challenge is to identify potentials for remobilisation of "old" actors (the still existing although diminished working class) and empowerment of new actors representing excluded groups.

In the present period the vague contours of a counter hegemonic project would include notions of socio-cultural diversity and social inclusion: social differentiation without social exclusion (Young 198X)
* the inclusive and multicultural City based on notion of social justice and inclusion
* the Green and sustainable City based on ecological reasoning
* the non elitist and beautiful City based on non elitist aesthetic reasoning

Generally speaking this could be supported at the level of system integration by combination of universalist social citizenship rights and politics of "positive selectivism" e.g. empowerment oriented urban social action programs in deprived neighbourhoods. When they work, they empower local actors and transform the public agencies and the professional complex in a more supportive direction and give rise to empowering or "inclusive localism". But without more far-reaching changes in the socio-economic regime, which among other things can break the trend towards the exclusive "middle class localism", local empowerment strategies are likely to fail.

Today both the role of the nation state as the locus of the political and the pattern of action arising from distinct social formations have changed. However, this does not mean that social hierarchies have disappeared. On the contrary the actors at the top of the social ladder have increased their power resources.

From a social polarisation angle the lack of collective action from the bottom is the problem. The ability to organise collective action (empowerment) and political representation from the bottom - and therefore the presence of organised conflictive relationship between the affluent and the less affluent - is a condition for reaching sustainable, negotiated social contracts in society: Social inclusion and integration is impossible without social conflict.
The notion of social inclusion/integration should therefore be developed to include the distinction between exclusionary "socially unproductive" versus inclusive "socially productive" types of conflicts.

A socially unproductive type of conflictive relationship between actors tends to produce self-reinforcing paths of zero or minus sum games. The intended or unintended social costs of collective action at the top or middle of the social ladder are externalised to the bottom of the social hierarchy. This is set in motion through "voting with feet" and/or the "politics of enforcement" types of dynamics, which increase social polarisation (i.e. economic inequality, socio-spatial segregation etc.). The conflictual relationships and mutual distrust between actors increases the transactions costs, which on a long term basis can cause crisis at the level of system integration (Jordan, 1996).

The socially productive, transformative type of conflictive relationship can be defined as types of conflicts between actors allowing for plus sum games and, depending on the type of society in question, eventually to a transformation of the social order. These games increase positive incentives, mutual understanding and social learning of collective and individual actors and can thereby support the ongoing dynamics of collective citizenship, reduce transactions costs and enhance social capital; the norms and networks facilitating collective action for mutual benefit (Andersen, 1999).

The return of Social Democratic and centre forces in governments in countries like France, Denmark, and the UK have rejected the neo-liberal path of the eighties in some ways. In areas like education/human capital investments they have for a long time argued in favour of a more offensive "Schumpeterian" type of growth politics, including an more offensive human capital investment strategy. The other type of Schumpetarianism, which unites liberal, conservative and Social Democratic leaders is an more agressive urban and regional revitalisation strategies.

In the knowledge or information society "educational citizenship" is definitely important in shaping future patterns of social stratification (Esping-Andersen, 1995). But from a social polarisation perspective the key question is whether an "elitist/meritocratic" or an inclusive/egalitarian version of the "knowledge race" will win?
On the supply side, the crucial question is to what extent increased human capital investment will be linked to educational citizenship. For example, combining improved quality of the educational institutions and programs of positive selectivism for educationally disadvantaged groups such as the elderly, manual redundant workers, ethnic minorities, or additional resources to schools in deprived neighbourhoods. If this is not the case, it may well be implemented in such a way that meritocratic mechanisms of exclusion will be reinforced.

On the demand side of the economy, the question is how to reach a balanced type of labour market and socio-economic development that not only benefits the mobile, affluent and well skilled. In this debate critical analysts suggest that social economy grounded in local social movements and concerned to empower the poor and underprivileged could provide more effective solutions by developing a more self-sufficient economy, which is also able to re-insert itself into the wider economy (Moulart et.al, 1994. Jessop, 1998).

Inclusive economic and social development implemented through educational citizenship and a new social economy requires the empowerment of actors (the social integration level) and institutional reforms (the system integration level). This presupposes a new social economy strategy, where the economic is re-embedded in the social, and the effective co-ordination of institutional arrangements creating "structured coherence" at the micro-, meso-, macro- and metalevels to ensure the dynamic complementarity of the social economy with the wider economic system (Jessop, 1998). Negotiating could for example do:

1) The creation of service jobs
2) Packages of (re)education/active labour market policy
3) Housing market regulations taking e.g. low income households interests into as an integrated part of UDP.

This leads us to a closer discussion about the policy lesson to be drawn.
Lessons Arising from the Danish Case Study

The platform of the URSPIC-project defines the task as grasping the complexity of social conflicts and power struggles which shapes UDPs in their design phase, their implementation and the long-term outcomes in terms of integration-exclusion.

The lessons which can be drawn from the analysis is even more complex than understanding what happened and why. There is no simple way of turning the analysis of what happened, how and why around into reflections about what could be done instead.

One first useful, though mostly analytical, distinction is to distinguish between lessons concerned with:

(i) Conditions for “defensive harm reduction”: that is conditions for improving the possibilities for influencing the design, implementation and outcome of UDP without fundamentally changing the strategic character of the projects. This could be called the defensive agenda: the avoidance of increased political, economic and social disempowerment of the less powerful and affluent groups.

(ii) Conditions for offensive counter hegemonic politics of inclusion in the urban space.

(iii) The challenge of strengthening the (potential for) social and political empowerment opening up for alternative agendas, which takes the political, social and institutional context into account.

In the design phase and at least in the first part of the implementation phase the growth coalition and the UDP leadership can often mobilise a strong discursive power by defining offensive agenda for future social, aesthetic and economic development. Critics tend to be classified as defensive actors and thus excluded from the discourse. They become associated with old-fashioned “politics of resistance” belonging to ancient (modern) times. Unlike the “New Developers” - capable of leading the City in to the (postmodern) world of tomorrow and situated in the upper end of the social hierarchy – the critics are only occasionally able mobilise powerful discursive counter agency. This situation of asymmetrical relations of power - in particular the fragmented power base for marginalised and excluded strata - creates
difficult conditions for the linkage of urban (re)development with notion of inclusion and social justice.

In the classical social democratic city Urban Planning was closely linked to Social Reform (Friedman, 1987) The power base was the alliance between relative homogenous social formations as the working class, progressive sections of the middle classes and offensive modern planners.

The Problem of UDP Irreversibility and the “Spirit of the Musketeers”

The case study demonstrated that a major problem in the implementation of large-scale UDPs is that the “point of no return” makes it difficult to redirect UDPs once they are set in motion. UDPs of the type examined in the URSPIC-project have a very strong element of “politics of gambling”. In the public Danish debate around the ODC the term “politics of illusionism” has been introduced

One simple but important lesson is the necessity of insisting on mechanisms to ongoing public control of financial transactions and clearly defined procedures and responsibility for budget excess.

Such mechanisms can take a variety of concrete forms. For example the presence of representatives outside the growth coalition in the Steering Committee of UDPs. In the Danish case the presence of representatives from the surrounding deprived districts might have made a (refer e.g. to the Dutch-case). Another example could be to insist on for example yearly independent evaluations by independent agencies outside the UDP.

The irony in the Danish and other UDPs is that the financial concept in the design phase was more or less cost neutrality for tax payers and public budgets, because market driven development and urban rent would finance the investments. What really happened in the implementation phase was massive increase in use of pure public credits and (re)directions of public investments to the UDP.
Subsidiarity and the Role of Regional Government

One important lesson at the institutional level is about the complicated problem of subsidiarity - the division of tasks and competence between local/district level, the level of the city/municipality, the level of the region, the level of the nation state and the supranational/EU level - from the social exclusion-integration angle in order to identify obstacles for politics of inclusion.

The Danish case suggest two lessons:
- the importance of active involvement in the design as well as implementation phase and the existence of elected district councils within the Capital. Deprived districts needs their own political and institutional platform in order to articulate their demands.
- the lack of an elected regional government (since the late eighties) with planning competence in the Greater Copenhagen Region made easier the formation of closed neocorporatist closed elite formation.

In the following discussion the emphasis will be on the regional level.

The very existence of a regional level of government with a strong political mandate seems to be one of the conditions for articulation of reliable politics of alternative development at this level. As demonstrated in the case study the formation of a quasi-public and highly autonomous development agency (the Orestad Development Company, ODC) was path-shaping in relation to existing procedures for public participation in urban planning.

The absence of a regional level of government was one among other factors, which has created at situation of planning and socio-economic dislocation in the Copenhagen Region with regard to traffic investment and regulations of urban (re-)development. This left the Municipality of Copenhagen in a very weak bargaining position vis-à-vis the State.

The “New Developers/Entrepreneurs” in the latter Oerestads Company were ambitious gamblers, when they designed a new “Copenhagen growth package”. In the open terrain of long lasting Municipal budget deficits and a weaker economic base they offered a path-shaping growth package, where profits (urban rent) from selling virgin land in a new
development zone could finance the huge traffic investment. The latter had been blocked due to financial and institutional-political struggles between the state, the Municipality of Copenhagen and the Greater Copenhagen Council (GCC). The GCC had been paralysed by struggles between the poor Social Democratic and Left governed Copenhagen and the mostly richer Conservative-Liberal Municipalities outside Copenhagen and was finally closed down by the Conservative-Liberal government in the late eighties.

The absence of a regional government increases the room of manoeuvre for the neo-corporative alliances between the offensive (corporativist oriented) state and defensive Municipalities. In the Copenhagen case actors in the professional complex (planners etc.) were dominant actors in the design phase and via their corporate networks they succeeded in opening a new “strategic terrain” in a situation of (political and socio-economic) dislocation.

Holistic inclusive planning – Suggestions

However the presence of regional political authority does not by its very existence guarantee sufficient counterbalancing forces, which can influence the form and content of action. Even more important is the need for a new type of holistic planning objectives which includes living conditions like housing, adult education, social and health services and active labour market policy and job possibilities for those in the risk zone of social exclusion. Further more an ecological orientation: or rather linking the notions of ecological and social sustainability. The Agenda 21 movement should also include the regional level.

Among the instruments and tools which should be considered is tax policies. With regard to income taxes a major problem is related to the fact that affluent groups tends to work in the City Centre, but lives outside the City and thus pays their Municipal tax to rich Municipalities. Furthermore the rich Municipalities are effective closed for low-income groups due to the composition of their housing market. This is one of the polarising mechanisms which could be changed if taxation of income to a larger extent would benefit the Municipality in which the workplace is located.
Suggestion:
Regional pilot projects in Europe with development of holistic and participatory planning instruments with emphasis on the total set of living conditions: housing, social services, employment, education. In Denmark there were attempts to develop this type of planning in the late seventies and in political and professional discourse these ideas still play a role. (Worm et.al, 1984)

Instead of assuming an automatic trickle down effect the EU-institutions should demand mechanisms and objectives, which stimulates inclusive and sustainable development. The EU-institutions and programmes (e.g. the Social Fund, the INTERREG-programme) should define a set of conditions for financial support to regional and urban revitalisation programmes in order to be sure that UDPs are part of a coherent regional socio-economic strategy.

Such conditions could be:

1) To identify and estimate the need for housing for low income groups - and to develop a long term regional housing policy. This should be done in co-operation with NGOs representing the homeless and Social Housing Associations representing housing interests for low-income groups. The objective should be to avoid concentration of high-income groups in particular districts, homelessness and deprived ghetto's. The principle of income and ethnic mixed residential areas should be the leading principle. This means that e.g. Social Housing projects should be given the highest priority in affluent Municipalities, which otherwise tend to use housing policy as an instrument of social closure and thereby over time reinforce socio-spatial polarisation. Democracy and social citizenship in part build on socially and cultural diversity in residential areas in order to make possible that face to face relations with “the others” can be developed. If this increasingly becomes impossible the development of mutual distrust between social formations can escalate (Blakely and Snyder, 1997; Jordan 1996).

2) Identify and estimate needs for adult education and job creation - and to develop a long term strategy for active labour market and educational policy – with focus on unskilled and vulnerable segments of the local labour market. Such efforts includes development or
strengthening of existing agencies to support job creation in service sector jobs on normal wage conditions, programmes of tailored active labour market policy. Support to third sector initiatives social enterprises, community groups and social co-operatives, which have or can develop their capacity to develop new types of jobs and socially meaningful life spaces.
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Appendix 1

List of persons interviewed:

Arne Melchior, member of the parliament for the Centre Democrats, former Minister of Transportation and Tourism, observer in the political group overseeing the activities of the ODC.

Kai Lemberg, Former head of the planning department in the Municipality of Copenhagen, Honourary professor at Roskilde University.

Lau Melchiorsen, Head of Sales and Development in the ODC.

Klaus Ahm, Head of financial affairs in the ODC.

Christian Wichmann Mathiessen, Professor in Geography at Copenhagen university, Head of the Geographical department, author of several books and papers on the Oeresund region and regional development, participant in the report on the Oeresund region.

Uffe Paludan, Director of the Copenhagen Institute for Future Studies, participant in the report on the Oeresund region.

Vagn Smed, Editor of the district newspaper, SydVest Folkeblad.

Gunna Starck, Former Mayor with responsibility for physical planning and member of the City Council in Copenhagen for the Socialist Left Party and the United Left.

Karl Voigt, Secretary for MP, Søren Kolstrup. Leading profile in NOAH.

Mikkel Warming, former member of the Steering Committee of the Orestads Company, member of the Copenhagen City Council for the Socialist Peoples Party.
### Appendix 2

#### Table 1.

Number of workplaces in manufacturing- and service sector jobs 1970-1994 in the Copenhagen Region.

**Manufacturing:** Number in thousands

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<thead>
<tr>
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<th></th>
</tr>
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<tr>
<td>Copenhagen</td>
<td>100</td>
<td>55</td>
<td>44</td>
<td>31</td>
<td>27</td>
<td>-4,5</td>
<td>-3,3</td>
<td>-4,3</td>
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<tr>
<td>Frederiksborg</td>
<td>12</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>-4,8</td>
<td>-5,6</td>
<td>-1,2</td>
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<td>57</td>
<td>65</td>
<td>55</td>
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<td>-2,2</td>
<td>-9,6</td>
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<td>25</td>
<td>26</td>
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<td>14</td>
<td>14</td>
<td>13</td>
<td>2,6</td>
<td>4,2</td>
<td>0,1</td>
<td>-1,9</td>
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<td>Hovedstadsregionen</td>
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<td>153</td>
<td>127</td>
<td>114</td>
<td>-3,3</td>
<td>-0,1</td>
<td>3,6</td>
<td>-10,2</td>
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<td>542</td>
<td>502</td>
<td>463</td>
<td>-1,5</td>
<td>1,0</td>
<td>-1,1</td>
<td>-7,8</td>
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**Service sector jobs:**

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<td>Copenhagen</td>
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<td>204</td>
<td>315</td>
<td>277</td>
<td>276</td>
<td>-2,6</td>
<td>9,1</td>
<td>-1,7</td>
<td>-0,5</td>
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<td>Frederiksborg</td>
<td>32</td>
<td>33</td>
<td>36</td>
<td>34</td>
<td>35</td>
<td>0,2</td>
<td>1,8</td>
<td>-0,8</td>
<td>2,5</td>
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<tr>
<td>Copenhagen County</td>
<td>115</td>
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<td>278</td>
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<td>0,7</td>
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<td>Fred. borg County</td>
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<td>109</td>
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<tr>
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<td>2006</td>
<td>1968</td>
<td>1989</td>
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<td>1,6</td>
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#### Table 2.

Relative distribution of persons liable to tax, by taxable income in pet.

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<tr>
<th>Part of Copenhagen</th>
<th>Under 74999</th>
<th>75000-124999</th>
<th>125000-199999</th>
<th>200000-299999</th>
<th>over 300000</th>
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<td>7,6</td>
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<td>26,7</td>
<td>18,9</td>
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</tr>
<tr>
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<td>30,8</td>
<td>28,5</td>
<td>16,7</td>
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</tr>
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<td>37,3</td>
<td>25,2</td>
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<td>2,8</td>
</tr>
<tr>
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<td>40,5</td>
<td>29,1</td>
<td>10</td>
<td>1,3</td>
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<td>Vanløse</td>
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<td>14,9</td>
<td>4,3</td>
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Source: Denmark's Statistical Office and Copenhagen Statistical Office.
Table 3.
People liable to tax having moved to or from Copenhagen

<table>
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<tr>
<th>Part of Copenhagen</th>
<th>Number of taxable people Moved to</th>
<th>Taxable income in mio. Kr. Moved to</th>
<th>Avg. taxable income in ths.</th>
<th>Number of taxable people Moved from</th>
<th>Taxable income in mio. Kr. Moved from</th>
<th>Avg. taxable income in ths.</th>
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</thead>
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<td>1836</td>
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<td>94</td>
<td>144</td>
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<td>1502</td>
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<td>151,2</td>
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<td>Bispebjerg</td>
<td>2677</td>
<td>318</td>
<td>118,8</td>
<td>2214</td>
<td>326</td>
<td>147,3</td>
</tr>
<tr>
<td>Sundby Nord</td>
<td>2952</td>
<td>344</td>
<td>116,4</td>
<td>2356</td>
<td>329</td>
<td>139,6</td>
</tr>
<tr>
<td>Sundby Syd</td>
<td>2690</td>
<td>314</td>
<td>116,7</td>
<td>2190</td>
<td>314</td>
<td>143,5</td>
</tr>
<tr>
<td>Vestamager</td>
<td>559</td>
<td>67</td>
<td>119,2</td>
<td>463</td>
<td>64</td>
<td>138,6</td>
</tr>
<tr>
<td>Copenhagen total*</td>
<td>35363</td>
<td>4376</td>
<td>123,7</td>
<td>39409</td>
<td>4384</td>
<td>149,1</td>
</tr>
</tbody>
</table>

*Incl. People not in the list
Source: Denmark's Statistical Office and Copenhagen Statistical Office

Table 4
Dwelling by ownership in pct.
January 1998

<table>
<thead>
<tr>
<th>Part of Copenhagen</th>
<th>Private Owner-</th>
<th>Private renting</th>
<th>Social Housing</th>
<th>Co-operative housing</th>
<th>State municipality owned</th>
<th>Total in real numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indre By</td>
<td>18,0</td>
<td>50,2</td>
<td>3,9</td>
<td>21,4</td>
<td>6,4</td>
<td>15632</td>
</tr>
<tr>
<td>Christianshavn</td>
<td>23,0</td>
<td>36,0</td>
<td>17,3</td>
<td>22,7</td>
<td>1,0</td>
<td>4775</td>
</tr>
<tr>
<td>Indre Østerbro</td>
<td>17,8</td>
<td>41,7</td>
<td>6,2</td>
<td>31,8</td>
<td>2,5</td>
<td>26786</td>
</tr>
<tr>
<td>Ydre Østerbro</td>
<td>17,9</td>
<td>29,7</td>
<td>23,3</td>
<td>28,9</td>
<td>0,2</td>
<td>21056</td>
</tr>
<tr>
<td>Indre Nørrebro</td>
<td>9,3</td>
<td>40,2</td>
<td>15,8</td>
<td>30,7</td>
<td>3,9</td>
<td>16962</td>
</tr>
<tr>
<td>Ydre Nørrebro</td>
<td>10,5</td>
<td>27,5</td>
<td>19,9</td>
<td>42,0</td>
<td>0,0</td>
<td>23153</td>
</tr>
<tr>
<td>Vesterbro</td>
<td>11,4</td>
<td>33,9</td>
<td>4,3</td>
<td>48,2</td>
<td>2,1</td>
<td>19362</td>
</tr>
<tr>
<td>Kongens Enghave</td>
<td>14,2</td>
<td>22,5</td>
<td>49,8</td>
<td>13,4</td>
<td>0,1</td>
<td>9782</td>
</tr>
<tr>
<td>Valby</td>
<td>23,7</td>
<td>26,3</td>
<td>23,0</td>
<td>26,8</td>
<td>0,2</td>
<td>24145</td>
</tr>
<tr>
<td>Vanløse</td>
<td>31,6</td>
<td>29,3</td>
<td>14,0</td>
<td>24,9</td>
<td>0,1</td>
<td>20842</td>
</tr>
<tr>
<td>Brønshøj-Husum</td>
<td>29,0</td>
<td>13,4</td>
<td>45,4</td>
<td>10,0</td>
<td>2,2</td>
<td>19590</td>
</tr>
<tr>
<td>Bispebjerg</td>
<td>11,8</td>
<td>28,8</td>
<td>33,4</td>
<td>26,0</td>
<td>0,0</td>
<td>23929</td>
</tr>
<tr>
<td>Sundby Nord</td>
<td>12,5</td>
<td>33,5</td>
<td>20,4</td>
<td>33,4</td>
<td>0,1</td>
<td>23772</td>
</tr>
<tr>
<td>Sundby Syd</td>
<td>32,7</td>
<td>28,9</td>
<td>16,1</td>
<td>22,3</td>
<td>0,1</td>
<td>24584</td>
</tr>
<tr>
<td>Vestamager</td>
<td>8,9</td>
<td>57,3</td>
<td>2,5</td>
<td>31,2</td>
<td>0,1</td>
<td>4826</td>
</tr>
<tr>
<td>Copenhagen total*</td>
<td>18,7</td>
<td>31,8</td>
<td>19,8</td>
<td>28,4</td>
<td>1,2</td>
<td>279196</td>
</tr>
</tbody>
</table>

Source: Denmark's Statistical Office and Copenhagen Statistical Office
Table 5.

Commuters with employment by sex and occupational status in pct.
1.1. 1996

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Commuters to Copenhagen</th>
<th>Employed working &amp; living in Cph.</th>
<th>Commuters from CPH.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>total</td>
</tr>
<tr>
<td>Independent and working spouse</td>
<td>32,5</td>
<td>53,4</td>
<td>33,0</td>
</tr>
<tr>
<td>High ranked white-collar</td>
<td>72,1</td>
<td>58,2</td>
<td>66,1</td>
</tr>
<tr>
<td>White-collar other</td>
<td>57,7</td>
<td>60,4</td>
<td>59,5</td>
</tr>
<tr>
<td>Skilled workers</td>
<td>61,3</td>
<td>50,5</td>
<td>59,8</td>
</tr>
<tr>
<td>Unskilled workers</td>
<td>45,2</td>
<td>32,7</td>
<td>39,3</td>
</tr>
<tr>
<td>Wage earner not spec.</td>
<td>44,8</td>
<td>41,8</td>
<td>43,3</td>
</tr>
<tr>
<td>Total Cph. in pct.</td>
<td>57,3</td>
<td>52,5</td>
<td>54,9</td>
</tr>
<tr>
<td>Total Cph. In real numbers</td>
<td>89773</td>
<td>78672</td>
<td>168445</td>
</tr>
</tbody>
</table>

Source: Denmark's Statistical Office and Copenhagen Statistical Office.

Table 6.

Dwelling by number of rooms in housing with kitchen in pct
January 1998

<table>
<thead>
<tr>
<th>Part of Copenhagen</th>
<th>1 room</th>
<th>2 rooms</th>
<th>3 rooms</th>
<th>4 rooms</th>
<th>5 and more</th>
<th>Total in real numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indre By</td>
<td>4,5</td>
<td>24,3</td>
<td>31,0</td>
<td>19,8</td>
<td>20,5</td>
<td>14742</td>
</tr>
<tr>
<td>Christianshavn</td>
<td>8,0</td>
<td>41,1</td>
<td>30,4</td>
<td>14,8</td>
<td>5,7</td>
<td>4703</td>
</tr>
<tr>
<td>Indre Østerbro</td>
<td>4,8</td>
<td>35,2</td>
<td>22,5</td>
<td>20,1</td>
<td>17,3</td>
<td>25185</td>
</tr>
<tr>
<td>Ydre Østerbro</td>
<td>6,1</td>
<td>39,1</td>
<td>31,1</td>
<td>16,3</td>
<td>7,4</td>
<td>20454</td>
</tr>
<tr>
<td>Indre Nørrebro</td>
<td>9,3</td>
<td>37,5</td>
<td>31,3</td>
<td>15,2</td>
<td>6,7</td>
<td>16549</td>
</tr>
<tr>
<td>Ydre Nørrebro</td>
<td>6,7</td>
<td>47,0</td>
<td>33,5</td>
<td>11,0</td>
<td>1,8</td>
<td>22697</td>
</tr>
<tr>
<td>Vesterbro</td>
<td>3,0</td>
<td>40,9</td>
<td>29,7</td>
<td>17,9</td>
<td>8,5</td>
<td>19102</td>
</tr>
<tr>
<td>Kongens Enghave</td>
<td>7,6</td>
<td>63,4</td>
<td>22,5</td>
<td>5,8</td>
<td>0,8</td>
<td>9370</td>
</tr>
<tr>
<td>Valby</td>
<td>5,0</td>
<td>39,6</td>
<td>33,7</td>
<td>14,5</td>
<td>7,2</td>
<td>23810</td>
</tr>
<tr>
<td>Vanløse</td>
<td>6,0</td>
<td>41,4</td>
<td>26,2</td>
<td>14,9</td>
<td>1,15</td>
<td>20625</td>
</tr>
<tr>
<td>Brønshøj-Husum</td>
<td>6,7</td>
<td>30,4</td>
<td>32,4</td>
<td>20,0</td>
<td>10,6</td>
<td>19168</td>
</tr>
<tr>
<td>Bispesbjerg</td>
<td>9,0</td>
<td>53,7</td>
<td>25,7</td>
<td>8,6</td>
<td>3,0</td>
<td>23611</td>
</tr>
<tr>
<td>Sundby Nord</td>
<td>7,3</td>
<td>45,4</td>
<td>32,9</td>
<td>11,0</td>
<td>3,4</td>
<td>22969</td>
</tr>
<tr>
<td>Sundby Syd</td>
<td>9,7</td>
<td>35,9</td>
<td>29,3</td>
<td>15,0</td>
<td>10,1</td>
<td>23210</td>
</tr>
<tr>
<td>Vestamager</td>
<td>4,9</td>
<td>62,1</td>
<td>22,4</td>
<td>8,3</td>
<td>2,3</td>
<td>4602</td>
</tr>
</tbody>
</table>

Source: Denmark's Statistical Office and Copenhagen Statistical Office.
Table 7.

Persons under 60 that in 1995 received temporary income-replacing benefit for at least 6 months

<table>
<thead>
<tr>
<th>Part of Copenhagen</th>
<th>Unemployment Benefit</th>
<th>Sickness benefit</th>
<th>kontant-hjælp til forsørgelse</th>
<th>revalidering og uddannelse</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indre By</td>
<td>6.5</td>
<td>1.5</td>
<td>4.9</td>
<td>1.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Christianshavn</td>
<td>10.5</td>
<td>2.2</td>
<td>10.0</td>
<td>2.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Indre Østerbro</td>
<td>6.7</td>
<td>1.5</td>
<td>4.7</td>
<td>1.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Ydre Østerbro</td>
<td>7.3</td>
<td>1.8</td>
<td>5.3</td>
<td>1.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Indre Nørrebro</td>
<td>10.3</td>
<td>2.6</td>
<td>10.6</td>
<td>3.5</td>
<td>5.2</td>
</tr>
<tr>
<td>Ydre Nørrebro</td>
<td>8.7</td>
<td>2.2</td>
<td>13.0</td>
<td>2.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Vesterbro</td>
<td>10.6</td>
<td>2.7</td>
<td>11.7</td>
<td>2.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Kongens Enghave</td>
<td>11.2</td>
<td>3.5</td>
<td>9.8</td>
<td>2.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Valby</td>
<td>7.7</td>
<td>2.4</td>
<td>7.6</td>
<td>2.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Vanløse</td>
<td>6.6</td>
<td>1.9</td>
<td>4.1</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Brøndshøj-Husum</td>
<td>7.5</td>
<td>2.5</td>
<td>8.3</td>
<td>2.5</td>
<td>3.2</td>
</tr>
<tr>
<td>Bispebjerg</td>
<td>8.9</td>
<td>2.8</td>
<td>11.3</td>
<td>2.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Sundby Nord</td>
<td>7.9</td>
<td>2.4</td>
<td>9.9</td>
<td>3.5</td>
<td>4.1</td>
</tr>
<tr>
<td>Sundby Syd</td>
<td>7.1</td>
<td>2.6</td>
<td>6.8</td>
<td>2.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Vestamager</td>
<td>8.7</td>
<td>2.3</td>
<td>7.1</td>
<td>1.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Copenhagen total 1995</td>
<td>8.1</td>
<td>2.3</td>
<td>8.4</td>
<td>2.3</td>
<td>3.8</td>
</tr>
<tr>
<td>Copenhagen total 1994</td>
<td>9.1</td>
<td>2.2</td>
<td>9.9</td>
<td>2.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Appendix 3
EU, the Oeresundsregion and the UDP.

There is no direct linkage between the Oerestad project and EU-programmes. Indirectly the project is a part of the regionalisation process where Copenhagen is competing with other European city-regions in the "Europe of regions". The ODC and the City of Copenhagen e.g. in the municipal plan underlines the offensive regionalisation strategy. It is equally evident that beyond peripheral mentioning the project is not explicitly mentioned by politicians either locally or nationally in connection with the EU.

The most recent example of this is a ambitious report published by the Danish and Swedish government in May, 1999 about the development of the Oeresunds region, where the European perspective is very much present. The report is published by the Ministry of Industry in Denmark but has been prepared by a large groups of experts and public institutions.

The Oeresundsregion has had the status as a model region in the EU since 1997, as concerns increase in the employment in the EU regions. This happened upon request from the Danish and Swedish Prime Minister. The report deals with the following issues: economy, labour market, environmental affairs, cultural affairs, fiscal policy (mainly in the sense of regional equalisation despite national differences), housing, infrastructure, education and information.

The most important issues based on the material are the economy, the fiscal policy, the cultural affairs and the education, which makes sense when the desired profile of the region is taken into consideration. The economical and fiscal issues are the true cornerstones of the report since this is the foundation for the region, even though the more soft issues like the environment and the cultural aspect are quite strongly emphasised. The report tries to convey the image of a dawning region with considerable potential in all the above mentioned areas mainly revolving around the fact that the combination of the two cities and countries have both supplementary and complementary benefits from working in union.
The “hard issues” (economy, fiscal policy and labour market) shows that the region has good possibilities in the international competition for investments. It mainly deals with the proper parameters for a competitive business environment such as a flexible labour market with a high percentage of academics, and elimination of hindrances for increased exchange of goods and services. The fact that the region is a model region for increase in the employment in the EU means that this area is given special attention. The largest and most prestigious project is the establishment of a co-operation between the labourmarket institutions in the Copenhagen region and Malmö (the city on the Swedish side of Oeresund). As mentioned above it has the aim of creating a more flexible labour market in the spirit of the internal market with free exchange of labour force across borders.

The “soft issues” (the environment, the cultural affairs and the education) is partly a way of drawing a profile of the region as dynamic and harmonic and a legitimisation to show that it does not all boil down to economics. It argues that the human capital needed to fulfil the above mentioned requirements is present. An important activity in this regard is the establishment of the Oeresunds University, which is a co-operation between all institutions of higher education (Universities, research centres and Business Schools) that once a year holds a conference where the development of the Oeresund region is examined from different viewpoints (political, economical, cultural). The organisation dates back to 1995 and the aim is to strengthen the regionalisation process and to further co-operation between the participating institutions as concerns student exchange and research programmes. Until now the efforts has been rhetorical rather than practical but their activities has a clear focus and seem to progress towards more tangible projects.

The rest of the issues (housing, infrastructure, information) are back-up issues to show that the technical requirements in the region are present or in the process of being constructed and that a large amount of adjusting to identical technical standards.

The metro project is mentioned in connection with the infrastructure but the Oerestad project itself is not mentioned by one single word. No one from the ODC has been involved in the report, which means that they are the only regional project/organisation, which has not in some way been involved or mentioned in the report. As the Oerestad is an embodiment of the above issues on the Danish side this seems to indicate that the political level wants to distance
itself from the project, most likely due to the recent turmoil about the financial affairs and the delays.

The ODC is not satisfied with this state of affairs but states that this was more the rule than the exception as the company was "off limits" when it came to political alliances in connection with regional matters despite or perhaps due to their exposure to the press in recent time.

According to the ODC this tendency to avoid linkage with the company even for organisation which on other matters work with or sympathise with the ODC is that the ODC is seen as a company more than as a regional actor. Therefore it is assumed that the pursuit of profits is above everything else for the ODC and this collides with the image of a region with emphasis on soft values like the environment based on "clean technology". However, it seems unlikely that this is the only reason for the lack of interest in the ODC on the behalf of regional actors and the omission of the project in the most prestigious report concerning the region until now.

The fact that the Oerestad project has not been mentioned as a regional initiative underlines the hypothesis that it is not the project in itself that is being questioned and scrutinised by the public opinion but the whole process leading up to the decision making process and subsequent forming of the ODC and choosing of financing system that is questioned. The project has not had the required legitimacy under any of the crucial phases and has not subsequently had success in building a strategic platform to act from. If this is the case the project will be paying a high price for the lack of legitimacy, despite the relative success on the land sale as the whole arrangement is caught between large public investments to prevent it from becoming an economical disaster for both the city of Copenhagen and the state instead of market driven development. On the other hand the project is not being closely linked with public interests in general and as such the so called private/public mix in the choice of organisation and financing structure, which should strengthen the organisation and allow for flexibility has instead been the biggest hindrances for success.

4 In reality the ODC is public/public as the two partners in the company are the Municipality of Copenhagen and the State. The only private aspect is that the company acts as a legal entity with rules close resembling those of a private company.
As it clearly shows the regionalisation debate is concerned with issues other than UDP’s as the Oerestad although the issues in general are related as the project is a part of the region and has a profile resembling that of the region. This profile is that of a region based on knowledgebased industry (telecommunication and medical industry) with a highly skilled population, that takes great care in maintaining a clean environment.

SAMS (Scandinavian Academy of Management Studies), which is mentioned in the Danish literature review has written numerous papers on the potential of the region which overlaps with the issues mentioned in the report and is an important actor in the debate and research concerning the Oeresundsregion. Most of the recent papers on regional development were presented on a conference arranged by the Oeresund University at Alnarp in Sweden in 1998. They mainly deal with the economical potential of the region and more theoretical papers on the definition of a region in political, economical and cultural terms. So while not directly linked to all the areas mentioned in report, they touch upon the same areas even though they have not participated in the writing of the report.
PUBLIKATIONER I GEPs TEKSTSERIE:


8. Hege Skjeie: *Claims to Authority.*


2000:

1-2000 Drude Dahlerup: *The Women’s Movement and Internationalization. Disempowerment or New Opportunities?*

2-2000 Pernille T. Andersen: *Identitet og arbejdsliv set i lyset af senmodernitet og fleksibel kapitalisme. En kritisk læsning af Richard Sennett*

4-2000  Anne Philips: *Democracy and the Representation of Differences and The Politics of Presence: Problems and Developments*

5-2000  John Andersen: *Options for Politics of Inclusion and Post-Industrial Solidarity*

**UDGIVELSER I GEPS RAPPORTSERIE:**

1-2000  Anette Borchorst, Anne Maria Holli, Hege Skjeie og Christina Bergqvist: *State of the art Study of Research on Women in Political Decision Making, Reports on Denmark, Finland, Norway and Sweden.*

2-2000  Anette Borchorst og Christina Fiig: *Plads til forbedring, Dansk ligestillingspolitik 1975 til 2000*

3-2000  John Andersen in co-operation with Gestur Hovgaard Soeren H Jensen: *The Politics of Ambivalence and Gambling in Copenhagen*
GEP - THE RESEARCH PROGRAMME GENDER, EMPOWERMENT AND POLITICS

The Research Programme Gender, Empowerment and Politics (GEP) deals with the changing political importance of gender in modern societies. During the last 30 years, women have moved from a position of political powerlessness to political presence and influence in the Danish democracy. Women's new role in politics has had deepgoing consequences - not only for women but also for men.

The aim of the programme is to analyse the interplay between gender relations and discourses of gender on the one hand and changes in the European welfare states and models of democracy on the other. The basic hypothesis is that politics is a determining factor for the construction of gender - and conversely that gender relations influence the political discourses and the political institutions. From this double assumption, new questions concerning the interconnection between civil, political, and social citizenship are analysed.

The programme emphasises two factors: First analysing processes and patterns behind the double tendencies toward empowerment and social exclusion of social groups in terms of gender and class. Secondly, the differentiation within the group of women and men analysing the interplay between gender and class. Maintaining the perspective of gender, these differentiations will make visible the differences of generations as well as the differences between the educated/employed and the marginalized groups.

Questions connected with public equality politics, the increasing representation of women, women's participation in the local political communities and the political elite, as well as strategies against marginalization and poverty will be discussed through projects and case studies.

The project is carried out by six scientists from four different institutions.

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