Learning and Spatial Planning Practices –

Towards a Stage Model in Shrinking Cities

Gérard Hutter
Dresden Leibniz Graduate School “Demographic Change and Regional Development Strategies”
IOER - Leibniz Institute of Ecological and Regional Development, g.hutter@ioer.de
Phone: +49-(0)351-4679-259, Fax: +49-(0)351-4679-212

Ingo Neumann
Demography Trainer of the Bertelsmann Foundation, Gütersloh, and Consultant, Dresden
neumann.demographie@email.de
Phone: +49-(0)351-218 73 58

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Abstract: Shrinking cities in Eastern Germany are characterized by enduring population losses and economic decline as well as a loss of social and cultural resources at local level. Challenges arising out of demographic, economic, and cultural conditions occur simultaneously and with complex and uncertain interdependencies. Local actors in shrinking cities face the challenge of avoiding a vicious circle of economic decline, population loss, aging, and cultural homogeneity. Recurring vicious circles lead to crisis. Anticipated or actual threats and crisis are often mentioned as important drivers for change and learning. But there is also the opposite argument that threats and crisis make learning difficult. We know little about learning in shrinking cities due to sloppy conceptualization and little empirical evidence in the existing literature. This paper uses the stage model of organizational learning proposed by Carroll and colleagues (2003) as a starting point for conceptualizing inter-organizational learning in shrinking cities. Conceptualization shows that learning is an elusive concept that comprises different learning processes that are in tension. Thereby, the paper focuses on controlled and open learning. Controlled learning implies controlled thinking and action to draw consistent conclusions from multiple experiences and to focus learning from experience. Open learning implies accepting ambiguity and – to some extent – chaotic thinking and behavior. It is important for developing fundamentally new solutions, but comes at the cost of uncertain present net benefits of alternative courses of thinking and action. The inter-organizational learning stage model shows some important learning barriers in moving from one stage to the other. The model can be used for comparative case studies in shrinking cities.

“I think that Italians and Germans would make up a really good mixture. We are more open, more chaotic. Germans are more accurate, but also more narrow-minded, too committed to specific ways. Something has to be done like this and not in a different way.” (Luca Toni, ZEIT Magazine, No. 35, August 21st, 2008, p. 11, translation by the authors)
Introduction

Shrinking cities in general are characterized by enduring population losses and economic decline. A shrinking city can be defined “[...] as a densely populated urban area with a minimum population of 10,000 residents that has faced a population loss in large parts of it for a more than 2 years and is undergoing economic transformations with some symptoms of a structural crisis (Shrinking Cities Project 2005, cited by Wiechmann 2006). Nevertheless, the typology of the Bertelsmann Foundation (Bertelsmann 2007) and the specification of this typology for Saxony, Saxony-Anhalt and Thuringia (Neumann & Wiechmann 2008, forthcoming) show a great diversity of different shrinking processes in (East) Germany. In the mayor survey of the Bertelsmann Foundation you find different perceptions of the mayors as well as different ways to deal with the challenges (Schmidt et al. 2006). In this paper, we focus on a specific type of shrinking cities in Eastern Germany. These cities are characterized not only by enduring population losses and economic decline but also by low social capital and a loss of cultural diversity at local level.

Challenges arising out of demographic, economic, and cultural conditions do not only occur simultaneously, but as challenges with complex and uncertain interdependencies. Some authors point out that local actors in shrinking Eastern German cities first and foremost face the challenge of avoiding a vicious circle of economic decline, population loss, aging, and cultural homogeneity (e.g., Häußermann et al. 2008). Recurring vicious circles lead to crisis. Actual or anticipated threats, shocks, and crisis are often mentioned as important drivers for intended change and learning (e.g., Van de Ven et al. 1999, Carroll et al. 2003). Consistent with this general argument, politicians, officials and planning researchers alike argue that city shrinkage requires fundamental changes in spatial planning cultures, procedures, and tools (e.g. Liebmann & Robischon 2003, 2004, Mueller 2004). People in shrinking cities in Eastern Germany are depicted as possible learners and innovators (e.g., Thomas 2008). However, others point to the possibility that learning under conditions of threats, shocks, and crisis is difficult because much is at stake.

Taken these arguments together, it seems plausible to suspect that learning in shrinking cities is necessary, but not nice and easy. However, up to now, planning researchers do not use the full potential of the learning notion (Easterby-Smith & Lyles 2003). Therefore, conceptual arguments as well as empirical findings about learning in Eastern German shrinking cities and in the context of urban renewal remain rather vague (e.g., Liebmann & Robischon 2003, see Glock 2006 for an exception with regard to large cities like Leipzig).

We are motivated by the concern that the potential contributions of learning could be lost if its theoretical underpinnings, boundary conditions and process patterns are not critically assessed. Therefore, we examine the basic notion, principles and practices underlying learning in shrinking cities. Learning difficulties and possibilities to deal with them are conceptualized through using a process model of organizational learning suggested by Carroll and colleagues (2003) as a starting point. The model distinguishes between different stages of learning: local, controlled, open, and deep. The paper argues that focusing on controlled and open learning is a first step to develop an appropriate learning model for people, especially planners and further strategy makers, in shrinking cities. Controlled learning comprises processes of controlled thinking and action to draw consistent conclusions from multiple experiences (e.g., to continue or stop an activity, see Van de Ven et al. 1999). In contrast, open learning comprises processes of widening attention and exploring new ideas without sufficient conclusions from experience for assessing the net present benefit of these processes. Open learning is essential for developing new solutions. (Of course, open learning is not sufficient for new solutions; see the literature on governance and shrinking cities, e.g., Bernt 2006, 2008, Häußermann et al. 2008). Carroll and colleagues suggest that and why people have difficulties to change from controlled to more open-minded learning. For instance, the latter increases uncertainty and the likelihood of conflicts because of ill-defined problems and (multiple) misunderstandings, whereas the former implies reaping the fruits of specialization and competence-building.

Two research questions guide this paper: (1) what does controlled and open learning mean in the context of shrinking cities and local inter-organizational settings for collaborative learning? This question is the consequence of our belief that learning is not easy, but local politicians, officials and further organized stakeholders in shrinking cities are able to learn to make new strategies with some prospects of success. We follow a planning approach of “planning as social learning” (John Friedmann) or perhaps better “social learning as planning”. The second question sounds like this: (2) how do learning processes develop in shrinking cities? This question is the consequence of our belief that theoretical and empirical work about shrinking cities gains from a process approach (Pettigrew et al. 2001) to learning and planning. Often, the focus of studies in shrinking cities is on the normative question what the best solution could be under specific circumstances and how to find
such a solution. Of course, such questions are important. However, following Van de Ven and colleagues (1999, Van de Ven 2007) we think that making strategies for shrinking cities requires more theoretical and empirical work about what, why, how and who actually learns in shrinking cities (Zimmermann 2006).

The paper is structured as follows: the next chapter explains in more detail the learning approach of this paper with regard to shrinking cities. The following chapter gives a short summary of the stage model of learning proposed by Carroll and colleagues (2003). We move on to elucidating the inter-organizational setting for learning in more depth. The core of the paper is the outline of a stage model of inter-organizational learning through working groups in shrinking cities. The model leads to some propositions about learning barriers to move from controlled to open learning in shrinking cities. The paper ends with a short conclusion.

Learning and Other Responses in Shrinking Cities in East Germany

In this paper, learning is defined as process that changes knowledge about relations between scanning activities, issue selection, interpretation based on beliefs and action (Daft & Weick 1984/2001). Hence, learning is the process and knowledge the content of learning (Carroll et al. 2003, see also March 1994). Organizational learning is depicted as social process in organizational settings (Aldrich & Ruef 2006) that changes knowledge about relations between scanning, issue selection, interpretation and action (Carroll et al. 2003, Daft & Weick 1994/2001). Individual members of organizations contribute to this process. However, organizational learning is distinct from individual learning in organizations, for instance, through its relation to organizational culture. Given this process-oriented definition, learning does not necessarily lead to wanted outcomes. Furthermore, there are alternatives to learning (e.g., luck and rational decision-making, March 1994). Learning within the boundaries of stable and homogeneous culture (“strong culture”) can even be a hindrance for fundamental change (Schreyögg & Eberl 1996).

This learning definition is in sharp contrast to studies that see learning purely as something positive and/or define learning through its substance. In the following quote, for instance, learning is defined by substance (“self-evaluation”) and positive consequences (“to develop successfully…”): “A true learning city is one which develops by learning from its experiences and those of others. It is a place that understands itself and reflects upon that understanding – it is a ‘reflexive city’ and self-evaluation is a defining feature. The key characteristic of the learning city is the ability to develop successfully in a rapidly changing socio-economic environment.” (Landry 2000, p. 267)

Shrinking cities are also defined differently in the literature (Hutter 2003, Glock 2006, Selle 2005, Häußermann et al. 2008). We follow those that see Eastern German shrinking cities as multidimensional phenomenon that covers demographic, cultural and economic factors.

- Shrinking cities are characterized by an aging population, enduring population losses due to a low fertility rate, high outmigration of young people and low immigration because of low economic attractiveness and low cultural diversity.
- Low birth rates and outmigration of young women and skilled workers (“brain drain”) not only cause a significant change in age structure at local level, but also reduce or hamper cultural diversity. For instance, 50% of shrinking cities in Saxony, Saxony-Anhalt and Thuringia have less than 2% foreign households (Neumann & Wiechmann 2008). This stands in contrast to (cultural) heterogeneity in West German cities (Kösters 2006).
- In shrinking cities, population losses are accompanied by deindustrialization and problems to develop knowledge-based economic structures (Häußermann et al. 2008).
- Shrinking cities not only face cultural, social, and economic challenges simultaneously, but these challenges are interconnected because of dynamic relationships between population losses, economic decline, aging as well as low social capital and cultural diversity.

From the perspective of urban policy, Häußermann and colleagues (2008) give a summary description of possible negative consequences in shrinking cities: a high vacancy rate, especially in inner city districts, new forms of rapid social segregation that are hard to steer, high scarcity of financial resources that lead to tight restrictions to develop new approaches and urban projects, negative consequences for urban form because of an unorganized retreat of cultural and social resources at local level and density reductions that are in opposition to standards of urban form in European Cities.
This summary description of shrinking cities calls for comprehensive approaches to steer urban development, but these approaches are hard to come by given high scarcity of resources and well-known problems of formulating and implementing comprehensive planning to urban development (e.g., information overload, problems to coordinate administrative units with high autonomy, see Mintzberg 1994, Wiechmann 2008).

Therefore, on the one hand, simple trial-and-error learning does not suffice. On the other hand, comprehensive approaches to urban development are no feasible option. Learners in shrinking cities need to find a balance between

- (1) Neglecting interdependencies of demographic, economic, and cultural change and stability on the one hand (e.g., through adopting a pure project-oriented planning approach) and (2) neglecting the limits of comprehensive approaches to urban development on the other.
- (1) Learning only “backward” from elapsed action on the one hand (e.g., through learning from emergent action patterns) and (2) learning only “forward” through belief-driven processes on the other (e.g., exploring new ideas, renewing “cognitive maps” to understand and explain locally relevant interdependencies of demographic change).

It is plausible to assume that achieving this balance will take time. Hence, it becomes important to frame learning – independently of outcomes in terms of results that can be classified as success or failure – as history-dependent process with continuities and discontinuities (Van de Ven 2007) and some short-lived learning moments (Weick & Sutcliffe 2007). Furthermore, it becomes important to look for factors with a high impact on organizations at local level to engage in enduring learning processes and moments.

Shocks in general (Van de Ven et al. 1999) and situations of crisis and upheaval in particular are often mentioned as preconditions for intended change, learning, and innovation (Liebmann & Robischon 2003, Landry 2000, 2006). People are willing to focus and act on new ideas, if it has become obvious that existing ideas, concepts, rules, and procedures have become less useful, outdated, or even misleading. However, empirical research on decision-making, learning, and strategy-making shows that relationships between shocks and crisis on the one hand and learning, innovation and strategy-making on the other are complex (March 1994), especially when it comes to public sector reforms (Boin & ‘t Hart 2003). Success stories are easier told when success is obvious than when attempts for success have to be initiated.

People put policies or actions in place to “prevent individuals or segments of the organization from experiencing embarrassment or threat. Simultaneously, they prevent people from identifying and getting rid of the causes of the potential embarrassment or threat. Organizational defensive routines are anti-learning, overprotective, and self-sealing.” (Argyris, 1990, p. 25). Defensive routines are products of limited organizational learning capacities. These routines are not explicit routines to follow, but come to life through how members of organizations act (“theories in use” in contrast to “espoused theories”). Argyris and Schoen (1996) mention four culturally embedded core values that cause defensive routines:

- Value of being and remaining in control,
- Aim of minimizing losses and maximizing gains,
- Value of suppressing negative feelings in self and others, and
- Value of rational decision making through clear objectives and evaluation procedures.

People with strong commitments to these four basic values seek to avoid embarrassment or threats. They advocate their own views without encouraging enquiry. They seek to unilaterally save their own and other people’s face. They design and manage situations unilaterally in order to stay in control. They evaluate the thoughts and actions of others in ways that do not encourage testing the validity of the evaluation (and their own thoughts and actions) and attribute causes for whatever they are trying to understand without necessarily validating them. And they engage in defensive actions such as blaming, stereotyping, and intellectualizing to suppress feelings (Argyris & Schoen 1996). Shocks due to large discrepancies between aspiration levels and actual outcomes and situations of crisis can motivate people to adopt “defensive routines”. If the stakes are high, as in crisis situations, people have difficulties in learning and try to save face. Therefore, un-learning of strongly embedded values and behavior patterns (as precondition of learning) and successfully getting over defensive routines is probably difficult in shrinking cities.

In sum, we assume that learning is possible, but not the only response option in shrinking cities (Thomas 2008). We consider the options of rigidity, fatalism and sticking to a simple faith in growth.
Using Time for Dealing with Different Learning Processes – the Stage Model of Carroll and colleagues

How can organizations move over time from a lower level of capabilities to a higher one? Carroll and colleagues (2003) offer a stage model of organizational learning as a synthesis of organizational development model and learning organization “[…] that suggest how organizations typically grow in their capacity to learn […] including a description of challenges faced at various stages and the way they can be overcome” (Carroll et al. 2003: p. 576). In this model learning – in – action, the cyclical interplay of thinking and doing, changes knowledge embodied in physical artifacts (e.g. database, documents, equipment), structures (e.g. roles, procedures) and people (skills, values, beliefs, practices) mainly by enactment. Enactment or putting knowledge in use requires an emergent learning process where different people and groups of the organization combine and structure component level knowledge and fill gaps by improvisation. The balancing of structuring and improvising occur in common experiences and common references developed in bridging practices (e.g. cooperation action, shared representations, collaborative reflection). Structuring includes formalization and controlling (of the expected future), elimination of surprises, and the “fixing” of problems. Improvisation means also to reveal areas of doubt and invest resources for uncertain collective future benefits to discover new opportunities. In the stage model of Carroll and colleagues, improvisation alternate sequentially with structuring. Structuring versus improvisation is the first dimension describing the learning stages of the model. The second dimension is single loop and double loop learning (Agyris and Schoen 1996). Whereas single loop learning is a response to an unanticipated mismatch between expected or desired outcome and reality, double loop learning challenges the appropriateness of goals or the basic cultural assumptions and mental models for influencing human behavior. “Presumably, double loop learning emerges later in organizational life, if at all (Carroll et al. 2003, p. 577) Carroll and colleagues illustrate four different learning practices with three case studies from the nuclear power and chemical industries and a questionnaire study of three nuclear power plants. The main message of this stage model of learning is that – in the case of organizations – controlled learning dominates before open learning processes can gain wider currency (c.f. Figure 1).

Figure 1: Stage model of organizational learning of Carroll and colleagues

The stage model prescribes not a rigid framework for different stages of organizational learning. It’s more like a heuristic device for empirical research, especially case studies. The model is based on safety and risk research as a result of a ten year project on high-hazard organizations. Therefore, the model needs specification and modification with regard to spatial planning and inter-organizational learning in shrinking cities.
Who Learns? Working Groups as Agents of Inter-organizational learning

The notion of learning comes from psychology (see Weick 1991). A psychological definition of learning sounds like this: Learning is “to become able to respond to task-demand or an environmental pressure in a different way as a result of earlier response to the same task (practice) or as a result of other intervening relevant experience .... The sign of learning is not a shift of response or performance as a consequence of change in stimulus-situation or in motivation, but rather a shift in performance when the stimulus-situation and the motivation are essentially the same.” (English & English 1958, p. 289 quoted in Weick 1991, p. 116) Learning is easily observable when context conditions stay the same and performance of an individual person improves due to recurrent task-relevant experiences.

This psychological definition and understanding of learning cannot be adapted easily to organizational and inter-organizational learning processes (Weick 1991). Organizations are more known for their ability to retain routines and action patterns despite change in context conditions or incentives to learn. The identity of inter-organizational settings is less stable than the identity (or identities) of organizations and individual persons (Huxham & Vangen 2005). Hence, answers to the question “Who learns?” make a difference. As a consequence, the organizational learning literature treats learning differently with regard to societal level (e.g., Baum 2002).

This paper distinguishes between three societal levels to analyze learning processes in shrinking cities:

- **Organizational** settings are the least complex, uncertain and ambiguous settings for planning (Bryson 2004). Organizations are defined by common boundaries for social communication in terms of stable conditions and basic consequences of (formal) membership, a common purpose, and a formal organizational structure which facilitates co-operation between members of different organizational units (Aldrich & Ruef 2006). Learning in organizations takes place in the context of a hierarchy.

- **Inter-organizational** settings are defined through recurrent communication between organizations from one or multiple policy fields. In case of one policy fields, inter-organizational settings can be culturally homogeneous. This means that individual decision makers follow common beliefs about what important issues are and use common knowledge and rules about how to deal with these issues. In case of culturally heterogeneous inter-organizational settings, organizations from different policy fields communicate. Compared to culturally homogeneous settings, differences in experiences, culturally embedded values and interpretation patterns, organizational structures and rules for conduct are even more significant (Vlaar et al. 2006). Heterogeneous inter-organizational settings can be understood as an important social setting for innovation because they allow developing new solutions at the boundary of existing knowledge domains.

- **Community-based** settings ensure communication between all relevant stakeholders with regard to multiple issues at regional and local level. To build community-based settings, local and regional actors have to deal with complex requirements (e.g., broad participation and public leadership, arguing for distributed responsibility and allocating specific responsibilities to actors to ensure implementation, tensions of regional strategy-making and learning are explained, for instance, in Wiechmann 2008).

This paper focuses on (1) inter-organizational learning in (2) working groups in (3) to some extent culturally heterogeneous settings. Ad (1): Strategy development in general, spatial planning practices in particular in shrinking cities in East Germany face the problem of developing new (innovative) solutions for complex problems with the tendency of dynamic relationships with negative consequences (“vicious circle”). If learning takes places, it occurs under the conditions of very scarce financial resources and often low social capital. Under these conditions it seems obvious that joint strategy-making comprising the resources, competencies and aims of multiple organizations at local level is necessary. The learning model presented below seeks to analyze the learning development of joint strategy making and learning barriers. Ad (2): Given that mergers and acquisitions are excluded from the analysis, joint strategy-making based on inter-organizational learning often occurs through establishing inter-organizational working groups to facilitate communication and to ensure responsibility for working processes and results. Ad (3): As mentioned above, shrinking cities are (often) characterized by low social capital and limited cultural diversity. However, if organizations from different policy fields communicate in working groups with representatives from local administration, housing organizations, charity organizations, and further organizations from the intermediary sector, different logics, interests, perceptions, and interpretations come into play. Even in shrinking cities, inter-organizational collaboration of organizations from different policy fields is usually characterized by considerable cultural diversity of working group members.
A Stage Model for Inter-organizational Learning in Shrinking Cities

In this chapter, we propose a stage model to study inter-organizational learning in shrinking cities in East Germany. This is not only of academic relevance, but (potentially) of value for practitioners in these cities. Learning, creativity, innovation are often mentioned, but little understood to foster regeneration (Liebmann & Robischon 2003) and urban development in shrinking cities. Better understanding learning as complex process of different learning patterns that are in tension could lead to better principles and recommendations for steering the process (Van de Ven et al. 1999). In what follows, firstly, the stage model is outlined based on the previous chapters. Secondly, problems of transition from one stage to the other and learning barriers involved are mentioned. Both serve in coming case studies as frameworks (Burgelman 2002) for empirical enquiry.

Outline of the Stage Model

Table 1 gives a summary description of the stage model of inter-organizational learning in working groups in shrinking cities.

| Table 1: Stage model of inter-organizational learning in working groups in shrinking cities |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| **Initiation**                  | **Controlled learning**         | **Open learning**               | **Deep learning**               |
| **Scanning / issue selection**  | Issue selection before scanning | Scanning before issue selection | All themes of urban development and collaboration are in play |
| No inter-organizational scanning and issue selection | Powerful members select issues | Broad scanning to define new issues? | Scanning is based on dynamic process of knowledge creation and usage |
| Informal contacts enable potential collaborators to identify possible common issues | Focused scanning and collection of explicit knowledge | Selection of issues is based on discussion and assumptions about the future |
| **Interpretation**              | Members of working group believe that effective problem solving requires joint action | Members of collaboration believe that new (innovative) solutions are based on increasing variety, improvisation and experimenting | Belief that collaboration requires continuous attention to all themes |
| Initiators of collaboration believe that problem solving requires joint action | Members of working group believe that effective problem solving requires decreasing variety through formalization, setting and then following rules, and achieving success |
| **Joint action**                | Co-ordination of actions        | Motivation to generate new actions | Continuous action for coordinated problem solving and for finding new solutions |
| Very limited joint action       | Initial agreement, agenda setting as well as definition of aims and procedures | Action aims at challenging the existing assumptions of the collaboration |
| Initiation of collaboration is based on attempts of single persons | Implementing the specific aims of the collaboration | Action focuses on organizing events and projects as experiments |
| | Action is restricted to pre-defined member structure | Joint action includes new actors |
| **Scanning / issue selection**  | | | |
| | Scanning is based on dynamic process of knowledge creation and usage |

Source: Based on Daft & Weick 1984, Carroll et al. 2003, and Huxham & Vangen 2005
The stage model shows significant differences in learning between the four stages. The stage of initiation can count only to some extent as stage of “true” inter-organizational learning. Inter-organizational relations do not develop out of nothing. They are embedded in network conditions with local and regional references. Informal contacts between representatives from organizations in such networks are the seedbed to develop more focused and problem-driven attempts to develop inter-organizational relations. Based on these contacts, active people with high self-esteem and beliefs in self-efficacy can attempt to build inter-organizational working groups for dealing with problems that require collaboration for effective problem solving. Initiatives are due to different individual and organizational aims. For instance, some people are highly interested in finding a solution for a problem that requires action (“problem-driven initiative”). Others are more interested in communicating with persons from other organizations (“solution-driven initiative”). Whatever the reasons, initiatives for joint strategy-making are more likely in places with high social capital and cultural diversity, but certainly not absolutely unlikely in shrinking cities.

**Controlled learning stage:** Whereas inter-organizational learning in the initiation stage is due mainly to active individual persons, the controlled learning stage counts as true inter-organizational learning stage. Controlled learning in this stage aims at establishing clear aims, roles, rules, and procedures to deliver the “public good” (Crosby & Bryson 1993). Based on these clear definitions, learning is mainly single-loop learning and seeks to control whether agreements with regard to these aspects are followed by the representatives of the participating organizations. To be more specific, we highlight the following features: we assume that the controlled learning stage is characterized by a search of the members of the working group to establish a fit between the aims of the inter-organizational group, the power structure based on macro-conditions of power (Huxham & Vangen 2005), the member structure of the group, formal agreements, rules, procedures and criteria for assessing the success of the collaborative endeavor. Therefore, issues are selected with regard to the (perceived) power structure in which the group is embedded and power sources (e.g., holding the purse string, legitimacy of power). Issues (e.g., stabilizing the local and regional housing market to ensure the economic livability of housing organizations) serve as strong anchor for scanning activities. Collaboration follows the philosophy that collaboration mainly serves to co-ordinate actions (e.g., to achieve efficiency gains through organized retreat from the housing markets due to technical efficiency based on networks of infrastructures). There is a sharp distinction between setting the agenda and agreeing on issues and how to tackle them through specific aims, rules, roles, success criteria, and so forth and joint action for implementation and delivering results. Hence, controlled learning shows up through well-known sub-processes of formalization (defining membership, defining working processes, responsibility, and so forth) that facilitate understanding inter-organizational relationships (Vlaar et al. 2006), but also through the overall patterns that resembles processes of local policy-making and implementation. It is possible that local adoptions of the policy program “Stadtumbau Ost” show this overall pattern of controlled learning (see some evidence in Bernt 2005, 2008).

**Open learning stage:** The influence of powerful members (in macro-terms) is high in the controlled learning stage on agenda setting and implementation. This influence decreases in the open learning stage because learners seek to identify new issues and possible pathways of urban development in the future through open discussion that is not bounded to issues of high current importance for powerful members of the working group. Therefore, broader scanning activities are to be expected, but could be in tension with the low resource potential and low social capital and cultural diversity. If and if yes, how scanning takes place in the open learning stage in inter-organizational relations in shrinking cities is an important question for future empirical research. The open learning stage is based on the belief of a majority of working group members that new solutions for urban development in shrinking cities require more variation in ideas, actors included and decision-making procedures as well as action taking possibilities. This includes a belief that success cannot be guaranteed and that experimentation is necessary despite high scarcity of financial resources in shrinking cities. Ultimately, this could lead to an appreciation of improvisation as a means for dealing with given underspecified structures for developing new more specified structures through embellishment and variation (Weick 2001). The possibilities of improvisation in shrinking cities are unclear now, not least of all, because of the meaning of improvisation as being unprepared and as last resort in a German planning culture. However, the open learning stage fits with the assumption that generating new (innovative) actions for new solutions is based on a different style and procedure than traditional forms of planning in terms of comprehensive planning or applying rules and regulations of spatial planning in the narrow sense of formally defined planning activities. Members of the working groups envision actions and implement these that are focused on organizing events to involve new actors, to generate new ideas, to demonstrate an open local culture of urban development to others, and to learn from projects that are (implicitly or explicitly) interpreted as experiments to others (Ibert 2003). Members of the working groups are willing to challenge assumptions that are embedded in current power structures, cultures, and specific
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interests of the participating organizations and that seem to hamper new solutions for urban development in shrinking cities (Häußermann et al. 2008).

**Deep learning stage:** This stage can be understood as a kind of overall synthesis of the previous stages. This is apparent through, first of all, applying the results of projects, events, and working group discussions in cognitive and action routines of the member organizations. This is even more apparent if the working group as learning agents for member organizations is able to pay continuous attention to all themes of urban development and collaboration. Urban development comprises complex and dynamically connected issues of demographic change, economic and cultural development which are highly influenced by macro-trends (like globalization, trends in nation-specific political systems, and so forth) and to some extent shaped by local policies and practices (Healey 2007). Collaboration themes also comprise a complex spectrum of themes (managing aims, membership, trust, power, identity, working processes, commitment, resources, social capital and so forth, see Huxham & Vangen 2005). In combination, urban development and collaboration themes in a continuous learning process pose heavy demands of the learning abilities of local actors. In this paper, this notion serves more as a theoretical reference point than as a point to find through empirical evidence in the “real world”.

**Transitions between Stages and Learning Barriers**

Now we have to ask for transitions between stages of inter-organizational learning in shrinking cities. In the following we put the emphasis on the transition between the controlled and open learning stage, especially with regard to learning barriers and defensive routines. These are first ideas about transitions and learning barriers based on a desktop-review of the literature. More comprehensive statements about transitions will be formulated after having conducted comparative case studies (Yin 2003) in East German shrinking cities of medium size. Studies will also include descriptions of process patterns and enabling factors of learning and its development.

The literature (e.g., Carroll et al. 2003) assumes that significant changes in learning patterns of organizations and inter-organizational relations are often based on a crisis (see Chapter about learning and other responses). However, crises not necessarily facilitate overcoming learning barriers in general and defensive routines in particular (Argyris & Schoen 1996). With regard to the context of shrinking cities and inter-organizational settings, we assume that the following learning barriers are important for transitions between controlled and open learning:

**Scanning / issue selection:** as above mentioned, because of low social capital and cultural diversity it is questionable whether scanning in inter-organizational relations is broad enough to lead to pro-active strategy making and truly new ideas about possible urban development paths, actors and projects. Furthermore, these limitations are enhanced through very scarce financial resources. In this context, power relations based on macro structures relevant for power sources become prominent (Huxham & Vangen 2005). Macro-power, for instance, based on funding mechanisms like embedded in the policy program “Stadtumbau Ost” can prevent the existing actor constellation relevant for inter-organizational relations to go beyond issues that are directly to existing interests of housing organizations in organized retreat in shrinking regional housing markets. Even more fundamentally, it is doubtful whether crises that question the identity of individual organizations as member of the working group and the municipality as a whole are good triggers for a transition from controlled to open learning stage. This is so for at least two reasons: (1) Given that creative learners in the open learning stage are people with high self-esteem, a sense of “power to” and “power for” and not only “power over” (Huxham & Vangen 2005), it is possible that these learners are hard to find in shrinking cities. (2) Crises that question the identity make developing a climate of encouraging people to ask questions and enlarge what they monitor, expect and fear more difficult. A crisis with “bad vibrations” is perhaps for outsider a precursor to change, but for insiders a barrier to develop the open learning stage.

**Interpretation:** Interpretation based on beliefs can be a cause of inertia and therefore a barrier for learning because there is no absolute evidence in the “real world” that some beliefs are false and others are true (Weick 1995). March points out that learners often do not change their beliefs and assimilate new information and experience into existing belief systems (1994, 1999). The transition from controlled to open learning is possible if members of the working group accept ambiguity because of adding beliefs about open learning (“Experiments are good for finding new solutions.”) to existing beliefs about the necessity of control. However, if working group member as representatives of control-oriented organizations focus in the controlled learning stage on measures to stabilize the “illusion of control” and do not prepare for open learning in a later stage, they have difficulties in changing from the one to the other (Burgelman 2002, Weick 2001, Van de Ven 2007, see also Mintzberg et al. 1999 and Hutter 2007 for the strategic planning literature). Carroll and colleagues (2003) do not
mention this learning barrier embedded in sequencing the overall learning process through distinction between a controlled and open learning stage. In this paper, in contrast, this process sequencing in general, and with regard to belief-driven interpretation is considered as a specific learning problem.

**Joint action:** Learning barriers with regard to joint action are quite straightforward. Up to now, with only some years of experience in shrinking cities, it can be difficult to judge when transitions from controlled learning to open learning are not only desirable, but also possible. This is a general problem of stage models as specific applications of life-cycle models (Garud & Van de Ven 2002). The analytical distinction between stages is clear, but the application of the distinction in the “real world” is difficult. It is possible that working group members mistakenly assess the situation as ripe for open learning due to selected perception of context factors. The opposite is also possible: Learners are uncertain whether there is clear evidence to enhance open learning. Uncertainties in the overall learning process of the working group as learning agents of inter-organizational relations at local level may lead to attempts to stay in the controlled stage where “things” seem to be clear. Furthermore, given that high social capital, cultural heterogeneity and high organizational slack facilitate open learning, in shrinking cities with low social capital, cultural homogeneity and low organizational slack the transition from controlled to open learning should be difficult. However, these difficulties have to be explored in much more detail to see also possibilities of overcoming them. In this context, it is possible to think of changes in external funding mechanisms and policy programs (e.g. policy programs “Stadtumbau Ost” and “Vielfalt tut gut”) to foster open learning at local level.

**Conclusion**

Learning, creativity, and innovation are often seen as necessity in and for shrinking cities. Based on this general belief, tools for enhancing learning are recommended (e.g., Liebmann & Robischon 2003). However, we prefer mapping the learning journey before prescribing how to manage it (Van de Ven et al. 1999, p. 212).

For this purpose, we aim to develop a stage model of inter-organizational learning in working groups in shrinking cities. Based on the organizational learning stage model of Carroll and colleagues (2003), the model focuses on the transition between controlled learning and open learning. Controlled learning is likely in shrinking cities in East Germany, not least of all due to policy programs at federal and state level like the program “Stadtumbau Ost” which require co-operation of housing organizations and municipalities to coordinate the retreat in shrinking regional housing markets and to retain efficiency of technical and social infrastructures. The model states that controlled learning corresponds with specific and consistent features of issue selection, scanning, interpretation based on control beliefs and joint actions (e.g., powerful members select issues, scanning is focused on selected issues, joint action focuses on implementation, not developing new questions and learning skills to answer them). The model makes clear that moving towards more open and creativity-oriented learning can be difficult. We expect specific learning barriers in moving from controlled to open learning stage due to typical context conditions of shrinking cities in East Germany (e.g., low social capital, cultural homogeneity, and low organizational slack).

Perhaps open learners (Italians, see quote of Luca Toni at the beginning) are unlikely in shrinking cities. Comparative case studies will explore the details of enabling factors and limiting conditions (barriers, especially defensive routines) as well as inter-level dynamics between intra- and inter-organizational learning (Holmqvist 2003, Zimmermann 2006) in more detail.
References


