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BLENDING SCALES OF GOVERNANCE: LAND USE POLICIES AND PRACTICES IN THE SMALL STATE OF LUXEMBOURG

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ABSTRACT

While multi-level governance is helpful in understanding the logics behind integrated sustainable development policies, this paper argues that relational multi-scalar approaches more accurately explain actual land-use transformations in the small state of Luxembourg. These conclusions were based on surveys of planning policies and observations of land use patterns related to housing and retail. Additionally, over 60 interviews were performed with local actors. The results reveal how actors blend scales of governance to override national directives to exert changes in land-use. Blending scales is not always strategic or advantageous, but is an unavoidable process that characterizes interactions in a small state.

Keywords: governance, scale, scale blending, planning, sustainable development, small states

INTRODUCTION

One will find the land-locked country of Luxembourg wedged between Belgium, France, and Germany. Its territory spans a modest 2,500 km² and its population is just over half a million (STATEC, 2012, p. 9). It thus qualifies as a small state (GRYDEHØJ, 2011). However, the nation's leaders have successfully magnified its political and economic significance through strong representation in European Union (EU) cohesion politics and aggressive fiscal policies. At the turn of the millennium, it was decided that the small state should focus on a 4% economic growth rate to best sustain its high quality of life standards and national fiscal needs. This was related to the aging citizenry, as well as perceived needs to maintain international competitiveness as a collective community inextricably entwined in cross-border currents of various kinds (CARR, 2013a). This target was largely met through the expansion of the financial industry which has placed Luxembourg on the rankings as 16th among global financial centres and 5th among those European-wide (CITY OF LONDON and Z/YEN GROUP LTD, 2010, p. 28). Together with the associated service sectors, this industry generates 40% of the Grand Duchy's Gross Domestic Product (SCHULZ, 2009, p. 116). Luxembourg is the seat of several EU institutions (CHILLA, 2009a, p. 14; CHILLA, 2009b, p. 16) and hosts roughly 20% of the labour force that staff the administrative bodies of the entire EU (CHILLA, 2011). Recently, Luxembourg has become an increasingly attractive locational choice for big businesses (including Amazon, PayPal, Ferrero Rocher, and ArcelorMittal) searching out places to establish headquarters (HESSE and CARR. 2013).

While these changes have boosted the fiscal capacity of the nation, they have also posed certain challenges. Acute pressures include (but are not limited to), first, high rates of relative resident population increase (EUROPEAN COMMISSION, 2011). This is further compounded by 'the biggest daily cross-border flows of any European region' (ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, 2007, p. 31). On each working day, the City of Luxembourg's population nearly doubles in size as commuters from neighbouring countries enter to work (BECKER and HESSE, 2010, p. 2). Second, these migration flows sustain a need to produce and manage respective infrastructures. They have produced low vacancy rates and high real estate prices. Commuter traffic has driven needs for better-quality road and rail infrastructure. Third, increased investment has driven development in formerly agricultural lands, leading to debates about biodiversity protection and suburbanization. Fourth, the incoming flows of labour have been met by an outmigration of residents and nationals settling in French, German, or Belgian Municipalities, contributing to higher cross-border interdependence and needs for further co-operation under circumstances of governing mismatch (AFFOLDERBACH, 2013; SCHULZ, 2013). Fifth, considerably higher wages have had socially polarizing effects, squeezing low wage earners out of the housing market, and igniting discourses about the need for lower priced housing. Sixth, and most relevant to this paper, rapid change has strained the capacities and abilities of existing institutions and governance structures of Luxembourg to respond to the new framework conditions that were formerly structured around mining industry and agriculture. This is not unrelated to the small state character of Luxembourg, and the volatile position of continually having to find and adapt to new niches in international flows.

There was thus an urgent need for Luxembourg to study these processes and find solutions that ameliorate the simultaneously surfacing social, political, and environmental problems. Searching out possibilities of cross-border cooperation was one response (NIEDERMEYER and MOLL, 2007; VIDAL and NIEDERMEYER, 2011). The set of integrative sustainable spatial planning policies was another such response (DIEDERICH, 2011; SCHULZ

and CHILLA, 2011). Attempting to reign in and steer development, the plans postulated a polycentric growth model while targeting sufficient provision of housing, preventing sprawl, preserving green spaces, densifying growth poles, and enhancing public transportation.

The set of spatial planning policy interventions were modern in the sense that they mirrored current and normative debates of good governance that have arisen in recent years in response to shifting global-local interdependencies and widespread vertical and horizontal rescaling of authorities. Specifically, in the EU, multi-level governance has been widely promoted to describe and explain the transfer and/or sharing of authority and decision-making power from the nation state up to the EU as well as down to the local level (FEATHERSTONE and RADAELLI, 2003). In this vein, the seminal works of HOOGHE and MARKS (2001; 2003; MARKS and HOOGHE, 2004) on multi-level governance have been widely adopted and have stirred debates and studies of good governance, best practice state restructuring, and strategy development. It is precisely these functional and rational logics that are reflected in the Luxembourgish set of policy interventions. This paper examines the merits and limits of this approach using the examples of housing and retail planning in Luxembourg.

While the multi-level governance literature provides useful starting points for understanding the epistemology of policy and planning in Luxembourg, it is considerably limited with respect to understanding actual governance and land use processes in this 'small state' – a typology of nations often omitted in the political geographical social science literature (LORIG and HIRSCH, 2007). In this paper, we argue that multi-scalar approaches are more fruitful in this regard, and more accurately describe developmental steering in Luxembourg. In recent years, work in urban and regional political economy has raised issues of scale and the relationship between actors and different geographic levels (Cox, 1998; Cox and JONAS, 1993; AMIN, 2004; JESSOP, 2005; ALLEN and COCHRANE, 2007; MAHON and KEIL, 2009). These invoke questions concerning the recurring assumption of scale and territorial fixation that often forms the background of 'multi-level' governance analyses. Drawing on this literature, this paper proposes an analytical approach that recognizes the fluid, variable, and context specific character of governance where decision-making unfolds between or across multiple interests, sectors, and borders, and where rules and responsibility are constantly redefined.

This research was carried out employing a constructivist approach that combined the data from two research projects, SUSTAINLUX and NEBOR, funded by the National Research Fund Luxembourg: 1) relevant policy documents were collected and surveyed; 2) over 60 one-hour qualitative conversational interviews were performed with local planners, geographers, journalists, activists, government officials, real estate agents, and representatives of economic interest groups; and, 3) context and discourse were further followed through participant observation. These methods generated an archive of textual data from which processes of policy-making concerning economic and cross-border development as well as sustainability and land use in Luxembourg could be reconstructed.

The paper is structured as follows. First, the multi-level governance literature that informs Luxembourg spatial planning is discussed. Here, Luxembourg's spatial planning strategies are described. Second, rescaling processes of urban and regional governance and land use are explained. In particular, findings focus on contextualized practices and the role of actor interests in governance processes concerning the land use organization of housing and retail. Third, the relevance to the international discourses in urban and regional studies is unfolded. The results and analyses of land use practices and respective governance patterns show: 1) a disconnect between Luxembourg's national spatial planning vision expressed in policy papers and the actual development patterns; and, 2) a

phenomenon whereby levels of governance are conflated - not to the extent that scalar decision-making hierarchies are obliterated, rather blended. While not always strategic or actively engaged in, this blending of scales permits land use practices that blur the boundaries of participation, often ignore ecological and social values, and foster further unregulated development. The structural arrangements of decision-making and power that underlie the nation's current developmental trajectory are thus worthy of closer analysis. The results not only raise awareness of the difficulties and contradictions that arise in and characterize Luxembourg as a small state, but they also point to limitations in urban and regional theory to understand governance and spatial planning in such systems.

MULTI-LEVEL GOVERNANCE AND THE LOGIC OF SPATIAL PLANNING POLICIES

Governance has emerged as a key concept across a broad field of disciplines that study political processes in various contexts including work on state-restructuring and steering processes (HOOGHE and MARKS, 2003; JORDAN, 2008; BRENNER, 2004; TREIB *et al.*, 2007; STOKER, 1998). While the term has a variety of meanings, it is here understood as a broad process of political steering that does not rest solely on governmental structures but includes private and voluntary sectors as well. Governance is thus an analytical construct to explore and assess social, spatial and political practice. Based primarily on observations of the EU state apparatus, HOOGHE and MARKS (2001; 2003; MARKS and HOOGHE, 2004) developed the idea of multi-level governance as a means of understanding new and emerging authoritative arrangements as well as a normative response to debates on the optimum scale in sustainable governance and increased demands for inclusive and open policy processes. In many ways, their work can be read as a comment on governmental practices that addresses the hierarchical organization of decision-making authority (HOOGHE and MARKS 2003, p. 233).

Pivotal to their work and most useful for analysis are HOOGHE and MARKS' (2001; 2003; MARKS and HOOGHE, 2004) two types of governance. General-purpose jurisdictions (Type I) described 'Russian doll' governance arrangements. These refer to levels of decision-making from the local to the international, where lower levels are contained within higher ones. Task-specific jurisdictions (Type II) were goal-oriented, functional institutions consisting of a larger number of jurisdictions at numerous fixed scales. While Type I and Type II are distinctly different, HOOGHE and MARKS (2001; 2003) argued that they are types of multi-level governance that can exist alongside each other. This abstract model-like typology of multi-level governance responded to questions of government organization:

How should authority over such services be organized – and for whom? Should the number of jurisdictions for each urban area be limited, perhaps reduced to a single unit, to produce responsibility? Or should urban areas have numerous, overlapping, special-purpose local jurisdictions to increase citizen choice and flexibility?

(p. 233)

These are indeed fundamental questions in urban and regional governance studies, but their aim is clearly to understand how best to arrange structures of command and control in an environment of shifting governmental powers. Moreover, HOOGHE and MARKS (2003) analyses remain bounded to questions of jurisdictional redistribution and authority.

HOOGHE and MARKS' approach has been widely adopted by policy makers, and those in Luxembourg can be counted among them, as policy responses to growth pressure reflect a

similar hierarchical logic of jurisdiction, territory, and rule. Luxembourg spatial planning policies and instruments come in two categories: integrated sustainable development guidelines closed in national forums, and land-use policy frameworks generated at the local level and approved at the national level (Figure 1). Policies are directed at the rational organization of actors operating at the national and municipal levels (Luxembourg does not have a regional administration). While Luxembourg is part of a number of cross-border institutions and initiatives, no general cross-border spatial planning arrangements are in place.

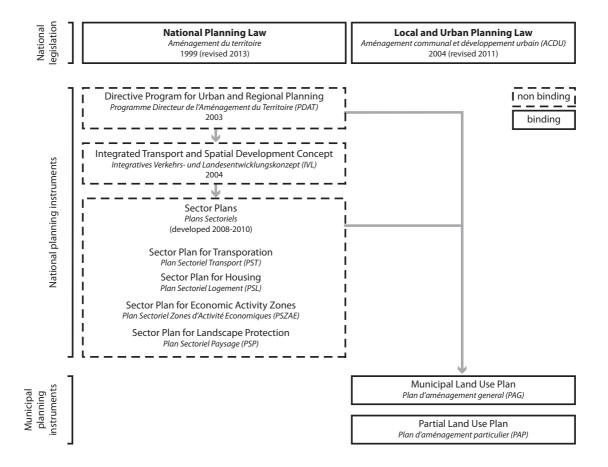


Figure 1. Spatial planning instruments in Luxembourg (based on: MINISTÈRE DE L'INTÉRIEUR ET À LA GRANDE RÉGION, 2011, p.3)

Integrated sustainable spatial planning is relatively new in Luxembourg, having emerged in the late 1990s as a dual response to both growth pressure and international sustainability directives (CARR, 2013b). Interviewees explained that at the time, the newly established land use planning was embedded within the then named Ministry of Environment (*Ministère de l'Environnement*) (Interviews held on July 21, June 27, and June 28 of 2011), who were closely linked to international environmental debates. Spatial planning policies were, thus, largely informed by environmental objectives set in international forums such as the World Commission on the Environment and Development and the Earth Summit in Rio in 1992. In 2003, the Directive Program for Urban and Regional Planning (*Programme Directeur de l'Aménagement du Territoire*, (PDAT)) (MINISTÈRE DE L'INTÉRIEUR, 2003) was published. It was born out of the Planning Law of 1999 (AMÉNAGEMENT DU TERRITOIRE, 1999) – the legal framework introducing,

'sustainable development of its regions' (p. 1403, Art. 5). Governmental officials confirm (Interviews held on July 21, June 27, and June 28 of 2011) that the PDAT: a) had its epistemological roots in Rio; b) was different because it usurped the top-down strategies that existed prior; and c) introduced integrated, cross-sector planning to Luxembourg. The PDAT also rested on the assumption of continued growth pressure and it set the groundwork for further empirical analyses concerning how to spatially coordinate further growth. This is seen in the Integrated Transport and Spatial Development Concept (*Integratives Verkehrs- und Landesentwicklungskonzept*, (IVL)) (INNENMINISTERIUM *et al.*, 2004). Hand in hand with the emergence of sustainable development initiatives, the PDAT emerged foreseeing territorial growth along a polycentric territorial pattern.

To execute the directives of the PDAT, more specific Sector Plans (*Plans Sectoriels*) were developed to target transport, woodland and landscape protection, housing, and economic activity zones. Generally, the PDAT and Sector Plans targeted polarization trends in Luxembourg with regards to the scarcity of housing, automobile dependence, and social fragmentation, by identifying priority zones of productivity connected by efficient transport conduits in a polycentric growth model. Together, the Sector Plans outline a rational re-ordering of territories within Luxembourg to innovatively connect authorities otherwise disjointed and particulate across the lower jurisdictions.

This research focused on the Sector Plan for Housing (*Plan Sectoriel Logement*, (PSL)) (MINISTÈRE DES CLASSES MOYENNES, DU TOURISME ET DU LOGEMENT and MINISTÈRE DE L'INTÉRIEUR ET DE L'AMÉNAGEMENT DU TERRITOIRE, 2009) and the Sector Plan for Economic Activity Zones (Plan Sectoriel, Zones d'Activité Économiques, (PSZAE)) (MINISTÈRE DE L'ECONOMIE ET DU COMMERCE EXTÉRIEUR and MINISTÈRE DE L'INTÉRIEUR ET DE L'AMÉNAGEMENT DU TERRITOIRE, 2009). According to the PSL, the primary challenges in housing were: the annual increase of housing demand; the management of a regional and spatial distribution of new housing; the activation of building properties – that is, encouraging property owners to sell rather than speculate - on the market and their efficient usage; the encouragement of ecological building standards; the securitization of housing market accessibility; and, the maintenance of coordination and communication channels. The PSZAE aimed at securing and allocating sufficient land for commercial development. The proposal provided detailed regulations for land use zoning with particular emphasis on aspects of transportation and nature protection. For example, it restricts large-scale retail development to central places identified in the PDAT, existing commercial centres, or those already in planning.

Perhaps the most peculiar aspect of the integrated spatial plans is that they are not binding. Other structures have been put in place to steer development in the direction of the PDAT (explained below). However, neither the Sector Plans nor the PDAT make legal demands on respective authorities to cooperate. Nearly 10 years after the initial publication of the PDAT, the Sector Plans are still only in their 'draft stages', waiting to be legally sanctioned through the Rules of Procedure (*Règlements grands-ducaux*). Still, this is yet to transpire. The recently passed amendments of the planning law (Chambre des Deputes, 2013) that, among other changes, strengthen competencies of the respective Ministry including expropriation through the pre-emptive right of the national state and stronger restrictions on developers, provide the legal framework to finally sanction the Sector Plans. But even embedded in the new spatial planning legislation, the Sector Plans remain vague enough to leave plenty of room for interpretation and critics fear a flood of legal actions and law suits. Governmental officials made no excuse for this:

If I do not have [...] the possibility of an exception in my system, what do I do? Do I change my system when something comes that I have not predicted? No. I think it is

wiser to open a very small door with certain criteria and to let the whole system work well for the rest. I don't know, if in five years [...] some big business wants to come to Luxembourg, where it would be obvious that that would bring a lot of money, you know as well as I do: If we don't have the exception in our rule system, then the parliament will change the rules in no time.

(Interview, Government Official, July 15, 2011)

The example of the abolition of the retail moratorium illustrates the situation. The moratorium on large-scale retail was arbitrarily overturned, in 2005, in order to promote Luxembourg as a commercial centre of the *Grande Région* (JUNCKER 2006, no page number). Large-scale retail development located in dispersed, non-integrated areas has increased considerably since (AFFOLDERBACH and BECKER, 2011). In 2010, more than 200,000 m² of sales area had been approved, and an additional 160,000 m² were in process illustrating a stark contrast to the polycentric development vision postulated by the PDAT and IVL.

Institutionally, Luxembourg is divided into 106 Municipalities, and land use management – that is, the actual conversion of private and Municipal properties – is their domain. As Municipalities are each equipped with Executive Municipal Councils (*Schöffenräte*), they retain regulatory powers that include police regulations, infrastructure for primary education and childcare, water supply, sewage, and road maintenance. They also maintain the civil registries and administer social assistance. Moreover, they oversee the generation of general and partial land use plans (*Plan d'aménagement general* (PAG) and *Plan d'aménagement particulier* (PAP)) and zoning regulations (*Règlementations sur les bâtisses*).

The PAGs and PAPs were introduced in 2004 through the Local and Urban Planning Law revised in 2011 (AMÉNAGEMENT COMMUNAL ET DÉVELOPPEMENT URBAIN, 2011) – parallel to the PDAT, but in a separate Ministry – as a means of binding Municipal development to the PDAT. To ensure this, all plans are approved by the respective Ministries in the national government. The introduction of these procedures were seen as a complication of existing procedures with rather inconsistent and contradictory implications. Interviewed architects complained that it was difficult to keep up with the new building codes that it was an incredibly complex process, and that building permits are ultimately difficult to get:

We organized an internal watch of regulations of certifications and technologies. [...] I really spend a serious part of my time going to learning sessions, spreading the word internally and explaining it. [...] It's changing a lot. [...] It's endless, it's just endless, but we do it.

(Interview, Architect, January 18, 2012)

Meanwhile, some clearly profited from the new procedures:

For me, it is genius. It is impossible to understand anything at all. I need a lawyer here who is doing all day, nothing else than paying attention that we are knowing all the different laws and so on. I think that if they are going on like this, in five years, it is impossible to build a house without a lawyer. [...] I saw the Minister at a meeting, and I told him, "Listen, this is impossible what you are doing," and he told me, "yes, now I have the possibility to cancel nearly any PAG," and I answered him, "So do I. I have also the possibility." And from this moment on, it is a national sport to attack any PAG or PAP.

The PAGs and PAPs were at least in theory designed to set up a structure of land use regulation, whereby designated authorities approve territorial plans while defending their local or sector jurisdictions. However, regulations and procedures were constructed so complex that it takes years to complete a single building project. This has successfully sustained higher land prices, and a steady income for some.

Until the law of 1999 (AMÉNAGEMENT DU TERRITOIRE, 1999), infrastructure and development unfolded through the atomized boundaries of municipal autonomy. Integrated cross-sector planning did not exist. Rather integrated spatial planning emerged in response to growth pressure and hand in hand with the emergence of sustainable development as an internationally legitimate objective. In Luxembourg, sustainability objectives translated into the production of the PDAT that foresaw polycentric growth patterns following a hierarchy of growth poles efficiently connected by transport conduits. At the same time, and alongside the introduction of the PAGs and PAPs, they allowed the rational planning and arranging of properties within the nation. The set of spatial planning instruments that were designed over the last fifteen years can thus be seen as an attempt to construct a state apparatus that would align and reinforce certain levels of authority and open up transparent regulations and procedures. The pitfalls of this approach (complex bureaucracy, higher land prices, the inability to create binding regulations) signal other processes of rescaling unfolding parallel and less obvious, which indicate that the clean rational approach of multilevel governance is limited.

RESCALING AND BLENDING IN SMALL STATE GOVERNANCE

Critics have questioned the real explanatory power and applicability of HOOGHE and MARKS' (2001, 2003) concept of multi-level governance, the logics of which are evident in Luxembourgish spatial planning policies. Conceptual limitations concern what BRENNER (2009) has called 'methodological territorialism' (p. 31) and 'scalar centrism' (p. 32) – as well as a tendency to focus on government rather than non-government actors or informal and networked circuits of power and decision-making (JORDAN, 2001; 2008; JESSOP, 2005; 2006; JONAS, 2006; ALLEN AND COCHRANE, 2007; FALUDI, 2012). The 'continued focus on levels of government positioned within nested hierarchies and the emphasis on forms of vertical interdependence' (ALLEN and COCHRANE, 2007, p. 1166) fails to grasp what JESSOP (2006) further described as the 'tangled and shifting nature of dominant, nodal, and marginal levels of government in different areas' (p. 151) because the debate repeatedly falls back to multiple polities bounded by territorial borders (JORDAN, 2001). Further, FALUDI (2012) expressed concerns about the conflated meaning of governance and government, and in line with ALLEN and COCHRANE (2007), he criticized the neglect of non-government actors, particularly in general-purpose jurisdictions that empties the meaning of governance. While multi-level governance runs the risk of being caught up in a territorial and fixed conceptualization of scale and space, work in political economy and scale theory has understood space as relational and transformed by more fluid and negotiable sets of sociopolitical relationships that require a contextualized analysis. Empirical applications of this conceptualization of space can be seen in comparative urban studies (ROBINSON, 2011; MCFARLANE, 2010), policy mobility (MCCANN and WARD, 2010; TEMENOS and MCCANN, 2012), or in transnational urbanism (PRATT, 2004; SMITH, 2001), to name a few. 'Russian Doll' multi-level governance, is thus but one specific structural organization of scales and decision-making. Multi-scalar analysis demands a

more fluid and dynamic imagination of actor relationships that pays close attention to different scopes and opportunities that agents have.

Scale theory has a long history, and MARSTON et al. (2005) provide an informative overview. Cox's (1998) work on 'spaces of dependence' and 'spaces of engagement' is, however, a useful starting point as it underscores processes of renegotiation and the rescaling of responsibilities and power dynamics between actors. Drawing on a number of illustrative case studies, Cox (1998; Cox and JONAS, 1993) demonstrated how the constraints of 'spaces of dependence' for different agents including government and private interests, namely housing developers, utilities and state agencies vary. In order to overcome these restrictions, agents strategically create new 'spaces of engagement' to extend their power and to control the activities of others. Through networks and exchange with 'other centers of social power' (Cox, 1998, p. 15), actors achieve their ends. Contributions to scale theory have similarly addressed the questions of how actors strategically position themselves towards their specific agendas and self-gain. SMITH (2008) observed how agents actively appropriate scale: Actors can 'jump scale' and harness the necessary levels of power to levy change, or they can 'bend scale', that is, 'undermine existing arrangements which tie particular social activities to certain scales (MACKINNON, 2011, p. 25). Multi-scalar spatial analyses are thus a powerful means of understanding the multitude of ways in which actors maneuver and exert change in the 'production of social space' to paraphrase LEFEBVRE (1991, 26).

Yet, MAGNUSSON (2009) reminds us that not all units of measurement are applicable to all places – in particular small places. Luxembourg would be one such example. Even the notions of 'scale jumping' and 'scale bending', powerful as they are, demand a certain unit of size and measure, which are less tangible in the small state of Luxembourg. The following shows how processes in a small state – where power structures are horizontal, resources are limited and where close knit relations characterize internal interactions – are not yet captured by the current vocabulary of scale theory. In particular, it is shown how scaled domains of activity in small states are, rather, blurred and conflated, and further, that this small state condition opens up spaces of engagement that may or may not be directional, strategic, or active. How scale blending situates in the existing literature is illustrated in Figure 2.

	Multi-Level Governance (Policy Studies)	Scale Theory (Regional and Urban Studies)		
		Networks	Spaces of Engage- ment, Jumping, Bending	Blending
Authors	Hooghe & Marks	Allen & Cochrane, Marston et al.	Cox, Smith, Shep- pard & McMaster, Mahon & Keil, Swyngedouw	
Analytical focus	Governmental arrangements, formal representation	Actor networks	Actor networks, governance con- stellations	Actor relations in small States
Conception of scale	Territorially (Type I) or functionally fixed (Type II) scales	Conceptions of scale range from flat horizontal and relational networks (sometimes no scale at all) to distinctly vertical and layered scaled domains of engagement		Vertically and horizontally con- flated scales
Processes	Formal decision- making is confined to nested hierarchies ('Russian Doll')	Directional, strategic, and active engagement		Strategic and default
		Actors engage across horizonal networks and flows	Actors negotiate through layered and scaled activities	Actors simul- taneously dis/engage at various scales

Figure 2. Orienting scale blending in the literature

There is a tendency in the scale theory literature to conceptualize scales as separate and distinct levels of social engagement. The district, city, state, national, and international are often conceived in layers. SWYNGEDOUW (2009), for example, discussed how the mobilization of national policies in Spain affected water availability in specific regions. Similarly, COX and JONAS (1993, p. 22) showed how developers tactically endorsed Statewide legislation to enact certain development at City and district levels. In another piece, COX (1998, p. 8-9) showed how residents of small town Chackmore in the south east of England engaged a national strategy of political lobbying to resist development in their local park – their 'space of dependence'. Agents constructed 'through a network of associations a space of engagement through which to achieve mitigation' (COX, 1998, p. 3-4). This work is pivotal in uncovering strategies of power and understanding that government boundaries are not absolute, as is suggested in 'Russian Doll' conceptions of territory and governance.

To the degree that levels can be separated in a small state, it is also useful in understanding the strategic maneuverings of actors in Luxembourg. Implicit in this conception, however, is that processes of 'jumping scale' are *directional*. Actors engage resources at higher or lower levels to leverage desired change at another targeted level. One jumps from one prevailing level to another, or one bends a prevailing scale to one's own advantage. Yet, Luxembourg is a nationally bounded space that is a simultaneously international and local place: While vertical domains can be identified, they rarely exist as

mutually exclusive arenas. Cox's (1998) 'spaces of dependence' are often conflated with 'spaces of engagement'. This is seen clearly in the land use practices of housing and commerce in Luxembourg, where actors redefine and take on different roles in different vertically oriented domains through a blending of scales. This is possible because borders between different responsibilities and authorities are blurred and conflated, and actors can pick, choose, and blend these scalar structures as well as their roles within them. Blending, then, describes the maneuverings that actors employ in situations where the scales are collapsed and hardly distinguishable from one another. It is perhaps worth noting that this conceptualization of vertical domains of activity has been criticized by others who plainly reject scale theory in favour of a "flat alternative" (MARSTON et al. 2005, p. 424). Blending does not go quite this far, as to obliterate the vertical. Instead, the directionality is fuzzy, flexibilizing actor relations themselves.

The smallness of Luxembourg's political community renders a situation in which everyone knows each other, and many residents know their Mayor or Chamber representative personally (Interview, Applied Geographers, May 27 and June 30, 2011). There is even a joke in Luxembourg that represents the politics of this:

If a Mayor wants something, he makes a call in the morning, and sits on the sofa with the Minister in the afternoon.

(Interview, Government Official, January 19, 2012)

As one analyst explained:

The politicians look to their public environment, which is what I call the 'horizontal level' [...] and these circles are really absolutely flat because someone from 'here' [gesturing to someone outside the administration yet on the same level] can talk to him. (Interview, Media Analyst, July 14, 2011)

It is, thus, not uncommon that actors of converging, commensurate or even opposing political positions meet face to face and either informally or formally influence policy. As a further illustration: In a newsletter published by and for members of the Friends of the Earth Luxembourg (MOUVEMENT ECOLOGIQUE (MECO), 2011: 4), a photo shows the president of MECO browsing an exhibition alongside the Grand Duke, and another shows her sitting between the two Ministers of the Ministry of Sustainable Development and Infrastructure (*Ministère du Développement durable et des Infrastructures*). These display the unusually close and largely horizontal power distances that characterize politics in Luxembourg, which permit scale blending. This 'system of short distances' is, on one hand, open – as the analyst described – and allows actors to access different administrative levels of decision-making and vice versa. On the other hand, it is closed because it leaves some wondering if final impacting decisions were through informal and interpersonal ties, rather than formal and democratic forums.

Vertical and restrictive domains of land use regulation were signified by interviewees who identified the small size and capacity of the Municipalities, as well as the relative power and influence of the property market, as problematic. It was repeatedly stated that smaller Municipalities lacked specialist planning staff, structural and legal instruments to co-ordinate, and financial resources (Interviews, Government Official and Applied Geographer, January 31, 2012). These statements surfaced as a complaint against the national government about lack of resources, which are certainly not unique to small states. However, they also surfaced as an observation of the conditions of small populations. In Luxembourg, 51% of residents hold Luxembourgish citizenship, half of those are retired or

unemployed, and another (already) 40% work as public servants (CHAMBRE OF COMMERCE, 2012). While Municipal complaints can be traced back to financial constraints and wealth distributional issues, others are simply a result of the limited pool of human resources. While there may be some obvious ways to relieve the situation through law changes with respect to naturalization and language requirements, until now it has forced many Luxembourgish citizens to 'wear two hats'. This is also seen in the Chamber of Deputies where two thirds fulfill a second function as members of Executive Municipal Councils (*Schöffenräte*) (CARR, 2013b).

The shortage in human resources fosters a sustained search for more staff, and in this situation, Municipalities are often willing to accommodate investor demands in order to benefit from tax revenues. Investors and developers often also supply a certain degree of expertise that is otherwise absent:

For a real estate developer, it is much easier to do something quite fast in a small Municipality, where you have a plot of land, where you have small technical staff, [and] nobody can really discuss things. You try to get the mayor on your side and you are already on the winning side.

(Interview, Government Official, July 15, 2011)

If it is easier, existing directives can also be set aside:

Spatial planning objectives are discarded if developers appear strong. There is a saying that spatial planning is currently appropriated by developers.

(Interview, NGO Representative, November 24, 2010)

This was particularly visible in Municipal commerce development, exemplified by the planned outlet center of 76,000 m² and soccer stadium in Livange near the small town of Roeser. This was particularly controversial 1) because Roeser is located in the greenbelt, and thus national actors were overriding their own spatial planning directives; and 2) because key actors behind the plan were clearly connected through short circular relationships of political and private interests. Some of the key proponents wore 'two hats', representing both the Ministry of Economic Affairs (*Ministère de l'Économie et du Commerce extérieur*) and the Department of Sports (*Département ministériel des Sports*). As one interviewee concluded: The wealth of some of the richest Municipalities is ascribed to tax revenues from commerce (Interview, Business Association Representative, November 25, 2010). Actors can thus ally with various agents and their interests who are positioned in their social vicinity to induce desired changes. The effect is that Municipal development is often private-property driven, where power is given to individual interests, i.e. investors and landowners.

While blending can certainly be advantageous (for some at least), this is not always the case. In scale theory, 'scale jumping' and 'bending' is always portrayed as an active choice; that is, agents strategically choose to engage certain milieus towards the purposes of exerting change at a different scale (SWYNGEDOUW, 2009; COX and JONAS, 1993; COX, 1998). Scale blending is less active: Actors are simultaneously in both scales. This is, indeed, seen when actors operationalize their 'two hats' as a space of engagement. However, it is also seen in its dysfunction: 'Two hats' can present problems. One interviewee explained that it was difficult to have a trusted discussion within the Ministry with the knowledge that colleagues have close connections to other agencies. This hampers the frankness of insider discussions. It is also a problem to work confidentially:

We have a huge problem keep[ing] things secret. [T]here are certain things which are discussed in Ministries that are not for the wider public ... You have to be able to discuss things before you come to the point where you say: "OK, now it's time to go outside." And so, we have big problems with leaks in our information and it's very difficult to be able to work in a certain serenity on major issues.

(Interview, Government Official, July 15, 2011)

This shows that the 'two hats', which one may not be able to remove, can be a space of 'disengagement'. This is blending by default. Because networks are tight knit, actors do not always have the choice to jump, harness, and engage. Blending scales is, thus, both empowering and decapacitating.

CONCLUSIONS

Luxembourg's growth pressure in the late 1990s and 2000s presented a new set of challenges for policy makers that resulted in the introduction of integrated planning policies. The planning instruments were in line with concurrent normative modes of sustainable development, while operationalizing concepts of multi-level governance. These ran against domestic structures and practices, however, revealing a mismatch in the sense that the set of policies unrealistically addressed actual processes of land use in Luxembourg. The latter is well explained with scale theory. Scale blending, in particular, explains the unusual actor networks in the small state of Luxembourg, which have driven de facto market oriented development, and thus new challenges for governance. Specifically, at least four main conclusions can be derived from the observations of governance and land use practices in the small state of Luxembourg.

First, Luxembourg's integrative sustainable development policies, generated through national and international circuits, resemble what HOOGHE and MARKS (2001, 2003) might classify as a Type I governance: general-purpose jurisdictions, non-intersecting memberships, limited number of jurisdictional levels, and a system-wide durable architecture. Luxembourg governing officials understand their political structure as a collection of discrete jurisdictional entities umbrellaed by a national level. Accordingly, Luxembourg's integrative sustainable development policies follow a top-down, territorial logic where implementation is solely a problem of coordinating the jurisdictions and addressing appropriate authorities. Similarly, the so-called sector approach of the PDAT remains confined to state structure and said government authorities. The merits of the approach were the promises of rationalized organization of actors and territories towards the strengthening of European-wide economic flows and sustainable development of its member states.

The limitation of this approach was the inapplicability to local contexts, which is the second point: The policies were targeted at an environment where levels of governance are conflated, and scalar hierarchies of decision-making are blended. There thus exists a discrepancy between the design of Luxembourg's integrative planning policies that draw on the territorial, rigid, and hierarchical understandings of scale and actual land use processes which are better explained by more flexible, fluid, and relational conceptions of scale. Luxembourg's land use processes reveal a blending of scales, where borders between different responsibilities and authorities are blurred and conflated, and where actors can engage in, or be disengaged by, blended scalar structures as well as their roles within them. Scalar polities are not only challenged and undermined, but also interchangeable and re-definable. Agents take advantage (and disadvantage) of a converged or a mélange of scalar hierarchies to access and appropriate decision-making

structures. This is seen when individuals occupy and take advantage of more than one position at one time, a condition that is fostered and exacerbated in a small state situation. It enables actors to harness converging spheres of governance, blur the boundaries between public and private interests, and override sector jurisdictions.

Third, scale blending has significant consequences: both in terms of power relationships and openness of governance processes as well as land use practices. The current policy impasse in Luxembourg is leading to uncontrolled development, which stands in stark contrast to the envisioned integrated model. As integrated sustainable development necessarily encompasses problems of ecological development, biodiversity protection, and of course, wider questions of nature-culture relationships, the case of Luxembourg reveals little optimism for progress in any of these debates. All of these aspects are of secondary importance in a system that de facto prioritizes economic growth. Further, neither the set of integrated sustainable development policies nor the practice of blending scales in land use translates into more democratic, inclusive decision-making structures. Scale blending has its advantages for those that have means to harness it. The negative impacts, however, are also manifold. Scale blending results in non-transparent and exclusive politics and other non-democratic procedures. Actors, operating in self-interest, frequently bypass, undermine, and reconfigure governance arrangements through informal circuits of decision-making and networked exchanges. The end result is a level of opacity in the decision-making process. Breaking up these political structures that currently seem closely entangled with private interests requires not primarily a reordering of authorities and responsibilities but more an opening up of social structures and social constructs, to ensure participation and involvement of stakeholder and interested parties.

Fourth, the findings present insights on actor relationships, circuits of power, and unintended consequences that practitioners and policy-makers (of smaller and larger states alike) might reflect upon. A focus on multiple polities rather than multi-actors, as often reflected in work on multilevel governance, runs not only the risk of implying a certain hierarchy of space, but also potentially reduces the debate to good governance and best practices concerning the question of the appropriate scale of decision-making. Meanwhile, the networked and messy arrangements of multi-scalar blending, put traditional, hierarchical forms of regulation and coordination into question and require explanatory frameworks outside of the 'Russian Doll' model of governance. This suggests that a different language of urban and regional theory is required in order to understand governance and spatial planning – in small state systems in particular. The concept of blending contributes to this project by widening the applicability of scale theory.

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