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# The URBACT

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Tribune ARTICLE





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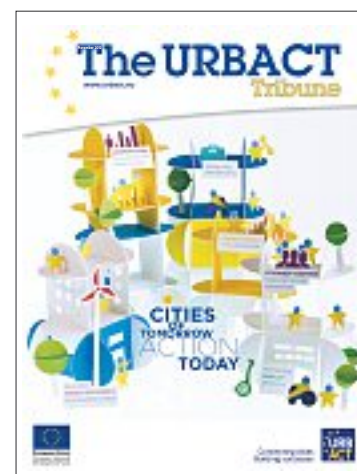
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## EDITORIAL

I believe that we are in a situation where we have to discuss about integrated sustainable urban development, particularly due to the financial crisis. We all know that the quality of urban communities largely depends on economic development.

Currently, we have the opportunity to make substantial progress. We can develop new visions and reconsider the purpose of cities so that they become attractive for all (young families with children, youth and elderly, marginalised groups, etc).

These and many more issues will be discussed on 3<sup>rd</sup> and 4<sup>th</sup> December 2012, when my home city, Copenhagen, will have the honour of hosting the URBACT II annual conference “Cities of Tomorrow: Action Today”.

What challenges will the cities of tomorrow be facing? What action do local and national governments need to take today in order to face the challenges of tomorrow? Since 2007, the URBACT II programme has allowed key players in more than 500 cities from the 27 EU Member States, Norway and Switzerland, to exchange knowledge on these issues, and to develop integrated Local Action Plans.

In doing so, I dare say that URBACT II has made a significant contribution to placing integrated sustainable development high on the agenda of policy makers and local elected representatives across Europe. Today, it is crucial to reflect on and respond to demographic decline, the economic crisis and unemployment, growing social and spatial disparities, the depletion of natural resources and other key urban challenges.

Building on the “Cities of Tomorrow” report published by the European Commission, URBACT II has just launched an interesting new initiative that aims to expand discussion on targeted topics and questions raised by the report. Six *workstreams* have been set up to bring forward concrete knowledge and solutions from URBACT II projects, as well as other European Territorial Cooperation programmes (ESPON, INTERREG IVC and INTERACT) and related stakeholders.

The workstreams will focus on six key challenges that we must deal with if we want to make our cities economically viable, as well as socially and ecologically sustainable:

- ▶ Demographic decline and shrinking cities
- ▶ More jobs for better cities
- ▶ Supporting young people through social innovation
- ▶ Divided cities in Europe
- ▶ Motivating mobility mindsets
- ▶ Energy efficiency in European cities

The articles featured in this Tribune present some of the first findings of these workstreams and will set the stage for debate during the URBACT annual conference.

In early 2013, the feedback gathered from the conference will feed into a series of six enriched thematic reports and policy recommendations to cities all across Europe. Consequently, it is pivotal that we have a lively and profound debate in Copenhagen.

I am looking forward to seeing you all there.

### **Claes Nilas**

Permanent Secretary of State and Deputy Minister at the Danish Ministry of Housing, Urban and Rural Affairs.  
Chair of the URBACT II Monitoring Committee.



# ACTING TODAY FOR THE CITIES OF TOMORROW

## LESSONS FROM URBACT AND BEYOND

by the URBACT Secretariat

### Starting point

In October 2011, the European Commission published the “Cities of Tomorrow” report<sup>1</sup>, a collective attempt to understand and present the challenging economic and social context within which European cities are and will be operating in the coming years.

Over the last century Europe has turned into an increasingly urbanised continent. It is estimated that around 70% of the EU population – approximately 350 million people – currently live in urban communities of more than 5,000 inhabitants, and the share of the urban population is expected to grow<sup>2</sup>.

In this rapidly changing context where cities are facing demographic problems, social inequality or exclusion, a lack of suitable housing, and economic and environmental problems, there is shared hope and vision that cities can fight against such difficulties. In order to overcome them, the European cities of tomorrow are expected to have an integrated approach to urban development.

Sustainable urban development requires a long-term perspective. Cities of tomorrow need to design integrated policies today. The URBACT programme, funded by the European Commission, was created precisely to promote integrated sustainable urban development through exchange and learning activities amongst European cities and by capitalising on and disseminating useful urban knowledge and experience to a wide audience.

Building on the URBACT I experience (2002-2007), URBACT II (2007-2013) has strengthened its capitalisation framework and put in place more means and resources for knowledge management and the dissemination of URBACT cities’ results, including thematic experts, thematic meetings and laboratories, publications on URBACT project results,

Summer Universities for URBACT Local Support Groups, Annual Conferences, external events, etc.

The “Cities of Tomorrow” report has been an opportunity for URBACT to complete the missing pieces of the puzzle by demonstrating in practice how European cities move towards integrated sustainable urban development.

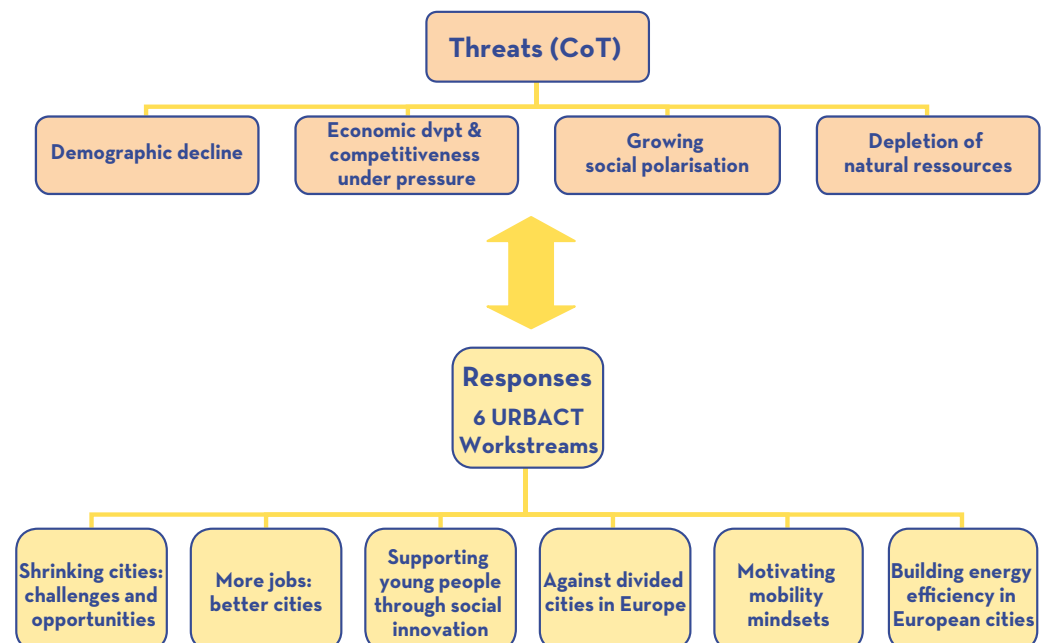
To date, around 500 different sized cities from 29 countries, with approximately 7,000 active stakeholders involved in Local Support Groups, have been working in 56 networks to develop integrated and sustainable Local Action Plans.

It is upon this rich and valuable knowledge and experience that URBACT builds its capitalisation framework for 2012-2013 with the aim of bringing forward cities’ responses to the challenges of modern times, linking to Structural Funds, and issuing policy recommendations to the EU community, mayors,

local elected representatives, urban practitioners and policy makers, and to all of those who have a say in urban affairs, including public services, local businesses, associations and citizens.

### Who we are

URBACT’s Monitoring Committee, composed of EU Member States, decided to structure capitalisation and dissemination activities for 2012-2013 around 6 working groups, the so-called workstreams, each one (co)responding to the urban threats identified in the Cities of Tomorrow:





For each working group we have brought together a wide range of stakeholders from all around Europe, including URBACT thematic experts and URBACT city partners; projects of other European Territorial Cooperation programmes such as ESPON, INTERACT, INTERREG; academics from a wide range of European Universities, and other international and European organisations such as OECD, Energy Cities, EUROCITIES, CECODHAS, CIVITAS, and many more.

This participative and outreaching approach towards multidisciplinary EU stakeholders has been an innovative and challenging way of co-producing activities and outputs. We wanted to take on board a wider variety of voices to collect different inputs and insights, bridge gaps between academics and urban practitioners, and present results in a shared and comprehensive way.

Of course, this way of working as exciting as it sounds, requires special internal organisation. Each working group is led by a workstream coordinator and composed of core group members and witnesses.

The *coordinator*, usually an URBACT thematic expert, leads the group. S/he is responsible for setting up the group, coordinating activities, and co-producing and delivering outputs. The *core group* is composed of up to seven people, URBACT city partners and experts, other external thematic experts, programmes or organisations, and defines the thematic focus, activities and outputs of the workstream. *Witnesses* are invited to *hearings* to share their experiences and give their feedback on the work produced by the group.

Most of the time, these are city representatives, and occasionally external experts or academics.

### How we work

The process was launched in early 2012, with deskwork, outlines for the thematic scope, establishing contacts with relevant stakeholders, setting up the core group. In total, five meetings per workstream (three meetings with the core group members and two hearings with the witnesses) were planned in different cities and places in Europe from April to November 2012.

Participation in EU and international events such as the UN World Urban Forum conference in Naples in September 2012, the OPEN DAYS in Brussels in October 2012, the CIVITAS Forum in the URBACT Annual Conference in Copenhagen on 3-4 December 2012, and other relevant events, is also part of our effort to collect background information, learn about new or innovative city practices, and spread messages of workstreams to a wider audience.

### So where are we heading?

This Tribune 2012, composed of six workstream articles, is the first product of a collective, demanding and ambitious capitalisation process. The articles that follow illustrate how discussions, hearings and concrete practices have been reported and analysed with success. As this is just the beginning, the articles are not exhaustive neither do they claim to cover everything on the topic; on the contrary, they are meant to provoke further reflection, raise questions and initiate a dialogue with the reader. They also link knowledge and experience to discussions about new EU tools such as Integrated Territorial Investments, Community Led Local Development<sup>3</sup>, and the Structural Funds for 2014-2020.

This exercise has demonstrated that it is feasible to take on board different stakeholders, work and create together, and transfer knowledge and practice. Building on this encouraging experience our agenda is yet full of exciting activities and outputs for the future!

Our capitalisation journey continues with several important milestones:

**URBACT Annual Conference of Copenhagen on 3-4 December 2012<sup>4</sup>:** The conference is organised around six

workshops corresponding to the workstream themes and the challenges of the Cities of Tomorrow in order to continue discussions with participants and collect feedback.

**Thematic papers:** Building on all the work done in 2012, including deskwork, workstream meetings and hearings, evidence collection and discussion during the URBACT annual conference, the workstreams will produce a series of enriched thematic reports in early 2013.

**Policy recommendations** will then cross-cut the six themes that are interlinked in one way or another. This synthesis of key findings and recommendations will be the evidence-based result of the work undertaken within the workstreams. We plan to make them available to urban practitioners and policy makers in the hope that this will help them in developing and implementing integrated sustainable urban policies.

So, our journey doesn't end here and definitely not in 2012. We will have the chance to meet and discuss again soon, hoping that next time you will be telling us about your city! ●

(1) Cities of Tomorrow report, EU DG Regional Policy, October 2011

(2) Idem

(3) See "Implementing community-led local development in cities: Lessons from URBACT" article at: [http://urbact.eu/fileadmin/general\\_library/URBACT\\_CLLD\\_290212.pdf](http://urbact.eu/fileadmin/general_library/URBACT_CLLD_290212.pdf)

(4) <http://www.conference2012.urbact.eu/>





# MORE JOBS BETTER CITIES

**WHAT CAN CITIES  
DO TO SUPPORT  
AND GROW NEW JOBS  
IN THE RECOVERY?**

BY MIKE CAMPBELL  
AND ALISON PARTRIDGE

This article explores the central question of what cities can do to support and grow new jobs in the recovery and how they can use these jobs to develop a sustainable economy, where citizens and businesses can prosper. It has been produced based on the initial work of the URBACT More Jobs Better Cities workstream which has included desk work, an open call for evidence from cities and two evidence hearings where “thinkers and do-ers” from across the EU were invited to share their thoughts and experiences on this issue.

## ***What’s the problem?***

Across Europe almost one in ten of the active population is unemployed – 23 million people are without a job. At the same time employers continue to report recruitment difficulties and a shortage of talent in the labour market. **More jobs are needed** (almost 18 million by 2020, if EU2020 targets are to be met) and URBACT believes that cities have an important role to play in supporting and growing new jobs,

which lead to economic growth and resilience, and addressing this mismatch.

But what **margin of manoeuvre** do cities actually have to make a difference when so many of the policy decisions which affect economic growth are rooted at national and international levels? Two thirds of Europe’s workforce lives in urban areas and a quarter live in around 40 agglomerations of more than 1 million people (Brinkhoff, 2012)<sup>1</sup>. Cities are

seen by many as being at the core of the economy in terms of jobs, competitiveness and growth. This is a vital area for city action.

DG Regio’s **Cities of Tomorrow** report (DG Regio, 2011)<sup>2</sup> argues that the present growth model, with its decoupling of economic growth from employment, has led to a larger share of the population being either pushed out of the labour market or having to accept low paid jobs in non qualified service sectors.

It goes on to say that global competitiveness has to be combined with sustainable local economies by “**anchoring key competences in the local economic tissue**”. It describes the challenge as one where the loss of manufacturing has not only resulted in a loss of unskilled jobs but has also hollowed out many skilled and semi skilled job opportunities. There has been a growth of highly skilled professional jobs in financial and business services and the knowledge economy coupled with more unskilled, low paid and frequently insecure jobs in basic services. The solution, according to the report, is to create more **resilient inclusive city economies** – sounds simple doesn't it...

## International policy response

The EU jobs agenda is rooted in the EU2020 strategy's objective of securing smart, sustainable and inclusive growth. The headline target is for 75% of 20 to 64 year-old to be employed and the EU has agreed a set of guidelines to drive long-term action which include **driving demand**, increasing **labour market participation** and developing a **skilled workforce**.

The EU Employment Package<sup>3</sup>, published during April 2012, sets out a range of cross cutting measures which, together, the Commission believes will drive new **job creation**. It identifies a number of sectors with greatest potential for growth and job creation – **the green, white (health and social care) and digital (ICT) economies** are all included here.

All of this seems to assume a level of public sector intervention to kick start growth but how is this possible in the current context of austerity and when no additional resources are on offer?

**Entrepreneurship**, self employment, social enterprise and business start ups are all mentioned by the Commission as offering potential for job generation and work from the

OECD concurs that entrepreneurship is part of the solution to the jobs crisis (OECD, 2012a)<sup>4</sup>. But what can cities do to help create the conditions for resilient entrepreneurship when there is a crunch in both credit and domestic demand?

On the supply side, the Communication calls for flexibility in the labour market and **effective transitions** both from school to work and from unemployment to employment. It recognises the importance of **anticipating economic restructuring, lifelong learning** and the provision of **opportunities for young people** as central to skills, jobs and growth in the 21<sup>st</sup> century economy. Similarly, it states that it is vital to gather stakeholders around a common objective and to pool resources and focus on **effective partnerships**.

Investing in skills, anticipating skills needs and improving the links between skills, education and the world of work are all cited as priorities and this need to put people and skills at the heart of economic recovery and growth is also the central message in the OECD skills strategy (OECD, 2012b)<sup>5</sup>. The strategy focuses on what countries can do but many of the recommendations are also relevant to cities. **Understanding the needs of employers** and the state of the labour market is identified as a key success factor and **activating people** is said to be at the heart of effective skills development. Cities need to better understand why inactive people are inactive. They may have skills but “for a variety of reasons they may not be willing or able to supply them to the labour market”. Skills also need to be used effectively – this makes economic sense. Employers and individuals both stand to gain. The “scarring effect” of labour market exclusion faced by many young people at the moment might be alleviated if the **transition from school to work** was more effectively managed or if incentives were available for employers to hire young people who need “on the job training”. **Quality careers advice** is also a core part of this. The strategy also calls for more to be done to **foster entrepreneurship** stating that “entrepreneurs are made; not born”.



Many of these themes resonate with the OECD LEED Forum's work which aims to create **more and better jobs** (Froy and Giguère, 2010)<sup>6</sup>. Drawing on over three decades of research in local employment and economic development policy, LEED has identified a set of principles which “should underpin government and community action in the post-downturn economic context”. These include:

- ▶ creating an adaptable skilled-labour force;
- ▶ better utilising skills in the local economy;
- ▶ supporting employment progression and skills upgrading;
- ▶ gearing education and training to emerging sectors and;
- ▶ putting in place good local governance.

## So what can cities do?

When considering the central question of what cities can do to support and grow new jobs, it is important to consider what we mean by a “city”. Integrated urban development is at the heart of the URBACT programme so here we mean all actors with a stake in the city's economic future including but not limited to: the municipality, education and training institutions, business, and business intermediaries, public employment services, financial institutions, research agencies and civil society.

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**All of this seems to assume a level of public sector intervention to kick start growth but how is this possible in the current context of austerity and when no additional resources are on offer?**

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**Surely with two thirds of the EU's population living in urban areas, cities have a duty to reflect upon, and use, the policy levers open to them to try and generate new jobs.**

### Margins of manoeuvre

It is also important to consider what policy levers are available for city use – and what their margins of manoeuvre may be. The ESPON FOCI project (Future Orientation of Cities) has done some interesting work on this issue and has concluded that policy levers are actually quite limited (Lennert, Van Hamme and Patris, 2010)<sup>7</sup>. How can cities, for example, really improve their human capital, when education is rarely their responsibility? Strategy, vision and mobilisation are cited as areas of potential leverage and FOCI concluded that fostering good **quality of life** is probably one of the most important levers for cities. But do you agree? How can we say on the one hand that cities are the engines of economic growth but on the other that they have such limited power to make it happen? Surely with two thirds of the EU's population living in urban areas, cities have a duty to reflect upon, and use, the policy levers open to them to try and generate new jobs for these people. That is certainly

one of the emerging conclusions of the More Jobs Better Cities work.

### A framework for city action on jobs

The challenges and potential solutions for city action on jobs are well versed but high levels of unemployment persist and there are limited signs of sustainable recovery across the EU. Cities are faced with a wide range of trade-offs and choices they have to make, taking into account their particular contexts. e.g. What policy levers are open to them? Where should they focus their limited resources? Is investing in improved quality of life or access to business finance more effective? Should they promote job rich sectors, diversify their economy or nurture conditions for enterprise and entrepreneurship?

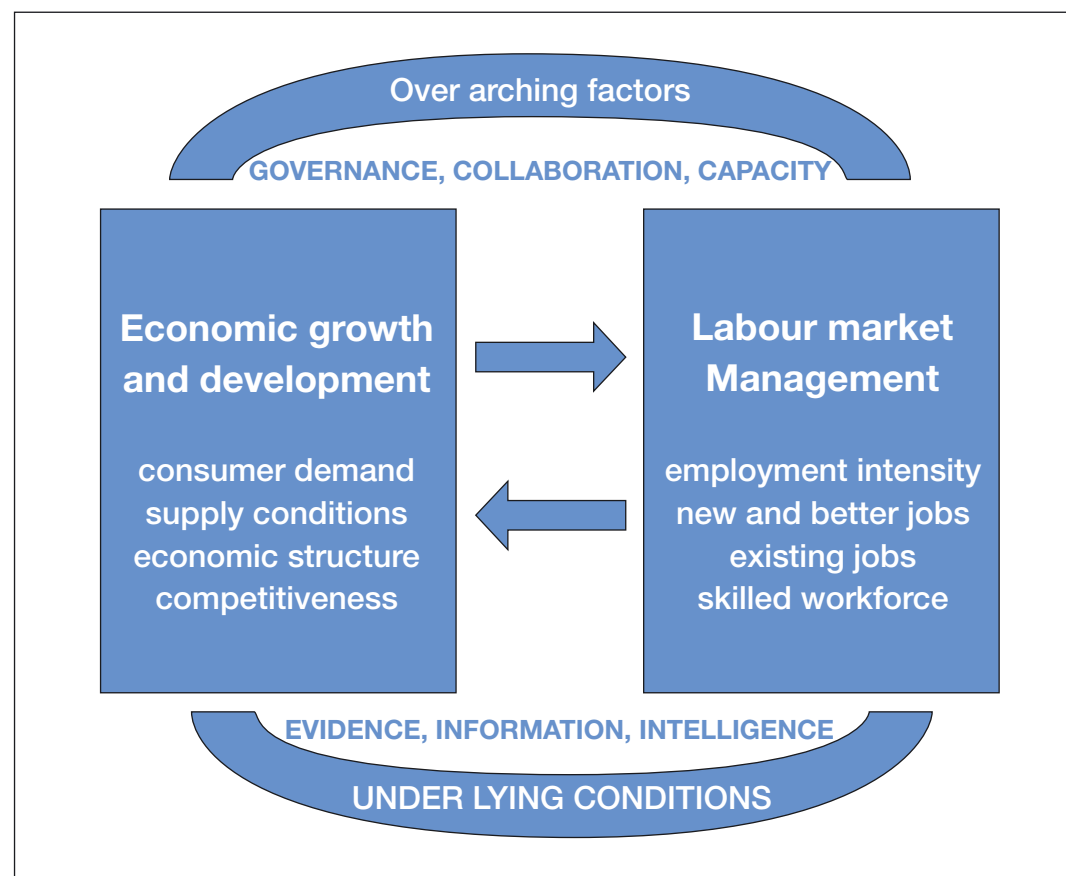
The URBACT group working on this conundrum believes that cities need to tackle this challenge from a number of angles. It is a

complex problem and requires a comprehensive solution. There is no “one size fits all” solution. The key thing is that cities need to avoid being over ambitious, be realistic and try to swim with the tide rather than against it.

The diagram below sets out a framework for city action on jobs within which there is a dual focus on labour market management and economic development and growth, underpinned by a number of conditions and framed within a range of over arching factors. These are explored briefly in the next section and will be unpacked in more detail in the final report from the More Jobs Better Cities work, to be published in 2013. The framework sets out a panorama of the desirable components of a coherent strategy – a range of choices and actions – the precise configuration of which will depend on a city's analysis and evidence of its prospects.

### Growth and development – the City Economy

One of the key questions facing cities is “**where do jobs come from?**” Clearly a range of factors are at play but there is no doubt that **consumer demand** for goods and services is central. This comes both from within and outside a city, from the public and the private sector. Whilst a city is limited in terms of its ability to affect external demand, there is still some opportunity for influence e.g. through effective “**positioning**” of the city in relevant markets and through the provision of **business support** to help companies access international markets. Within the city itself “**buy local**” initiatives may stimulate local spending and many cities have also developed **local procurement initiatives** which encourage large buyers to source local suppliers when procuring certain goods and services.



### Where do jobs come from?

Cities also need to consider how to **create the conditions** in which businesses prosper. A reputation for a **business friendly environment** and good **business support** services for example can make a difference when attracting and retaining **international investors**. Another important element is the encouragement of **business start ups** e.g. through incubator support and enterprise advice or business mentoring programmes.



## The case of Barnsley, partner in the URBACT CREATIVE CLUSTERS network<sup>i</sup>

Barnsley (UK), has a population of 227,600 people and is home to 68,864 employee jobs of which 36% are currently in the public sector. There are 6,175 employers which is considered too few for a population of its size. Adapting to the decline of mining, it has chosen to promote economic diversification within its recovery and growth model. It wishes to restructure the borough not only away from its reliance upon the public sector, but also away from its low wage / skill occupations profile.

As part of this it has recognised the importance of the creative and digital economy and the fact that new types of dialogue are important if the value of this sector to the city is to be maximised. It has a comprehensive business support offer to start-up and micro-enterprises which includes an online meeting place to encourage businesses to talk to the local authority and share information and intelligence.

A recent innovation has been the provision of social media training for businesses.

The Connected Business Days have been popular and often oversubscribed. Intercompany collaboration is also encouraged, both through the online platform, using social media and through the provision of collaborative business environments.

The city also recognises the power of lifestyle opportunity and emotional attachment to the city and has found that new companies with growth potential are often created by “Barnsley Alumni” who have come back to the city, bringing investment and opportunity with them.

*“We are trying to be realistic about what is achievable. The digital economy is a huge opportunity but it has its limits in terms of job generation. We are thinking long term and incremental – a slow burn solution – and transforming Barnsley into a sandpit of ideas” Tracey Johnson, Sector Specialist Creative and Digital Industries, Barnsley Development Agency.*

(i) <http://urbact.eu/en/projects/innovation-creativity/creative-clusters/homepage/>



companies and the city economy generally need to improve productivity so as to be able to compete in national and international markets.

## Labour market management – the City People

A **job rich recovery** is surely vital – what other sort of recovery could there be? Cities can help here by making it easier for employers to hire more people and for citizens to access jobs. They can also foster the growth of specific **job rich sectors and occupations**. They may also choose to focus on sectors where the mix of jobs best match the needs of the local workforce or those that meet a city’s unmet local need e.g. adult social care or health – thereby enhancing the quality of life at the same time as creating jobs (European Commission, 1995).

**Better quality jobs** are also important and cities can work with employers to improve jobs quality – e.g. through public procurement – and in particular to drive **employer ambition** which leads to more career progression opportunities for individuals.

## A job rich recovery is surely vital – what other sort of recovery could there be?

Cities can support the development, retention and attraction of a **skilled workforce** – working with employers and education and training providers to better understand the current and future needs of employers and working with education and training providers to reframe the training offer to better **match labour market needs**.

Encouraging **labour market mobility** – both between occupations, jobs and sectors and between different locations – is also important – it makes the local labour market more fluid, flexible and responsive to change. It also makes people and businesses more adaptable so that they can take more advantage of opportunities. The provision of sound **information, guidance and counselling services** has a valuable role to play in facilitating transitions into, and through, working life.

Relevant to all of this is of course the simulation of an enterprising or **entrepreneurial culture**, which encourages and supports people in establishing and growing business. Cities can play an active part here e.g. by encouraging entrepreneurial education, attitudes and behaviour in local schools, colleges and universities.

According to Jonathan Potter from the OECD’s Centre for Entrepreneurship, SMEs and Local Development, policy action for entrepreneurship must be based on robust evidence and diagnostics. When asked the question – “what can cities do to generate jobs from entrepreneurship?” – He gave the following suggestions:

- ▶ Improve **access to finance** – risk capital, loan guarantees – e.g. through collaboration with banks and venture capitalists.
- ▶ Improve **entrepreneurial attitude**, education and skills e.g. by working with schools, colleges and universities.
- ▶ **Measure** the cost of policy measures against employment achieved.

▶ Foster **collaboration** e.g. between industry and university by providing incentives for researchers to collaborate with business.

▶ **Consider displacement** – one city’s gain could be another city’s loss.

The **structure** of a city’s economy – its industrial/sectoral make-up is also clearly an important determinant of its economic growth. Some cities are focusing efforts on the development of high growth, cycle-resistant sectors and see this more **specialised economy** being the answer e.g. green economy, digital economy, white economy. Others favour a more **diversified** economic model which they believe will be more resistant to change or at least where negative impacts will be less widely felt. Perhaps cities need to consider a balanced approach of flexible or “smart” specialisation. The **public and third sector** are also important sources of new jobs, particularly in areas of public service provision where demand is growing (health care, personal and care services). **Competitiveness** is clearly a core issue –

## Cross-cutting factors

For city action on labour market management and job creation to work, a number of other underpinning conditions need to be in place. A good **evidence base** combining information and intelligence on the economy and the labour market is therefore a prerequisite of success. The various actors need to come together using the same body of common evidence to **inform decisions**.

Cities also need to be attractive to businesses and citizens – they need to effectively **position** themselves locally, nationally and internationally. In order to do this they need to develop **connections** – physical and virtual – at all levels and establish effective collaborations between the relevant

## A good evidence base combining information and intelligence on the economy and the labour market is a prerequisite of success.

stakeholders to engender the social capital of **cooperation and trust** crucial to success. **City governance** is also hugely important and, in the context of the “more jobs better cities” agenda, coordination is vital. A range of different policies, often operating at different geographical levels, need to be clearly aligned and, to use OECD LEED parlance, policy makers and practitioners need to “**break out of policy silos**”. This, in turn, requires a new way of working and new skills, **capabilities and capacities**.

## Conclusions

This article has set out the challenge, explored the policy context in which Europe’s cities are operating and starting to unpick the central question: what can cities do to support and grow jobs? It has provided a couple of examples of what cities are doing on the ground and sought to be thought provoking on what options are available to them in the future.

It is clear that cities are faced with a series of dilemmas and that there is no easy, single, quick fix for the economic challenges they face. They have difficult decisions to make – for example:

- ▶ How do we allocate limited resources and focus efforts for maximum impact?
- ▶ How do we deliver short term impact without losing sight of long term strategy?
- ▶ Do we focus our efforts on diversity or specialisation?
- ▶ Which policy levers are workable in our city?



Juhász Photo

## The case of Sabadell, partner in the URBACT ESIMEC network<sup>(i)</sup>

Sabadell (Spain), has a population of 207,720 and is trying to adapt to the decline in the textiles industry by developing food packaging and health clusters with a focus on innovation.

Sabadell has an integrated approach to economic growth and the labour market with the city’s employment and economic development functions coming together under the single banner – Vapor Llonch.

It works closely with employers – e.g. hospitals or health tech companies – and the educational system to identify current and future skills needs and is trying to adapt its training offer to match these.

Sabadell’s URBACT Local Action Plan focuses on the integration of training, skills and workforce development issues in its business support offer.

The key success factors are seen to include collaboration, a common language and shared intelligence.

It is also important to be able to develop short and long term actions and to be able to act and react quickly to events whilst keeping the long term goal in sight.

*“Money and resources are really tight but we are finding that austerity has led to an increased sense of commitment to the city and more collaborative approaches to the challenges we face”.*

*Iolanda Repullo, Business Dynamics and Activities, Vapor Llonch, Sabadell.*



(i) [www.urbact.eu/esimec](http://www.urbact.eu/esimec)

## The URBACT network ESIMeC

ESIMeC has explored how workforce development and demand-led skills provision can be the main drivers for economic recovery and resilience.

Many of the discussions at transnational events have focused on what cities can do to address the mismatch between the supply of labour (high numbers of unemployed people) and the demand for workers (employers reporting difficulties finding skilled workers).

Transnational events have also looked at how cities can generate and prepare their workers for the needs of existing and future employers.

In Gävle (Sweden) for example, a wide range of initiatives exist to promote entrepreneurial attitudes in young people and to better link secondary education with the world of work.

The municipality's primary focus in this area is to prepare young people for the world of work. Employers are engaged in all areas of the curriculum – from design to delivery – to help make this a reality.

The network has also considered the job generation potential and skills needs of different sectors.

In Besançon (France), for example, partners heard about the city's plans for maximising the economic potential of its cultural and creative industries by developing a whole system approach to skills and business support linked to the new Cité des Arts.

In Albacete (Spain), they learnt about how the city is developing a plan to re-skill workers who have lost their jobs in construction to develop new green construction skills.

The city has ambitious sustainable development targets for its public buildings and hopes to use these newly trained workers to work on energy efficiency projects which will contribute to these.

ESIMeC has also explored some of the cross cutting issues like skills forecasting, partnership working and integrated approaches to employment and economic development.

Basingstoke and Deane's (UK) experience of delivering integrated solutions through a multi-stakeholder strategic partnership provided real food for thought for other partners and demonstrate the importance of inter agency connections and strong leadership.

Network findings have informed the partners' 8 Local Action Plans which were published in the Autumn of 2012. Whilst each has a different focus, all promote a whole system approach to economic development and place jobs, growth, the labour market and skills at the centre of future strategy and action.

ESIMeC's findings are published in a "cookbook" of recipes for success and are available at: [www.urbact.eu/esimec](http://www.urbact.eu/esimec) along with the ESIMeC Skills Forecasting Tool.

## Acknowledgements to...

### People involved in the workstream activities so far:

#### Workstream coordinator:

- *Alison Partridge*, Lead Expert of the URBACT ESIMeC network

#### Workstream core group members:

- *Professor Mike Campbell OBE*, Independent Labour Market Expert
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#### MORE INFORMATION

URBACT 2012 conference website:  
<http://www.conference2012.urbact.eu/workshops/about-conference/themes/more-jobs-better-cities>

- ▶ Should we be ambitious and visionary, modest or realistic?
- ▶ How do we get more employers to take on more people in better jobs?
- ▶ How can we use EU structural funds to help with this?

These are just some of the many questions which the More Jobs Better Cities work will focus on in the coming months, culminating in the publication of a City Guide on what cities can do to support and grow jobs during 2013. ●

(1) Brinkhoff, T (2012), The Principal Agglomerations of the World, [www.citypopulation.de](http://www.citypopulation.de)

(2) European Commission (2010), Cities of Tomorrow

(3) European Commission (2012), Towards a Job Rich Recovery

(4) OECD (2012a) OECD Policy Brief on Youth Entrepreneurship – Entrepreneurial Activities in Europe

(5) OECD (2012b) Better Skills, Better Lives: A Strategic Approach to Skills Policies

(6) Froy, F and Gigère, S (2011) Putting in Place Jobs that Last. A Guide to Rebuilding Quality Employment at Local Level, OECD

(7) Lennert M, Van Hamme G, Patris C (2010) Future Orientation of Cities Final Report



# HOW CAN CITIES SUPPORT YOUNG PEOPLE THROUGH SOCIAL INNOVATION?

BY EDDY ADAMS AND ROBERT ARNKIL

Cities are full of opportunities for young people. However, transition to adult life is not always a smooth process and the current youth unemployment crisis threatens to increase the number of disengaged young people in our cities. This article draws upon the URBACT workstream “Supporting young people through social innovation” evidence of the ways in which cities are responding. In particular, it explores the concept of social innovation and the opportunities this can offer in relation to stimulating civic participation amongst the young.

## ***The challenge of youth in the cohesive city***

The European Commission’s report “Cities of Tomorrow”<sup>1</sup> creates a picture of the ideal European city model: cohesive, integrated and open in outlook. However, it is a model under threat. The report refers to the increasing number of residents disengaging from mainstream society, often a consequence of feeling disconnected and disempowered. Rising unemployment is a driver here, but so too is disaffection with the political system, as the recent turbulence in parts of Europe has shown. This sense of disengagement affects many of those who feel vulnerable, exposed and unrepresented.

The risks created by growing numbers with no stake in society have been discussed in relation to the concept of a *Precariat*<sup>2</sup> (Standing, 2011), which is very much identified as an urban phenomenon. Underlining this risk of detachment in Cities of Tomorrow, Sir Peter Hall described a potential dystopian outcome where cities will see:

“a development of closed subcultures with fundamentally hostile attitudes to mainstream society, governed by different ideologies and social codes ranging from religious (or quasi religious) to gangsterism (and overlaps between these).” (Cities of Tomorrow 2.3.2)

## **The risk of a lost generation**

Rising youth unemployment rates across much of Europe have prompted fears of a “Lost Generation”. Although there is an uneven picture across the EU, few cities have been immune. In the member states with more stable economies, youth joblessness is rising in many cities – doubling to 6.7% in Copenhagen and to 13% in Berlin. In southern cities the pain is more acute, for example in Barcelona where 35% of young people are jobless.

In many parts of Europe, the most highly qualified generation face record levels of joblessness, despite years of study. The *Indignados* protesting in Spain’s cities assert the exposure of a big lie. “Stay in school, study hard and you will have a good life” was the mantra

of their parents and teachers. Yet for them, Spain’s best-educated generation, the reward has been 50+% rates of unemployment. Many may now ask...“what’s the point?”

## **A chronic challenge**

Yet, the youth crisis facing cities is not new. Data shows<sup>3</sup> that even during the years of growth, a persistent minority of young people were out of the labour market and disconnected from mainstream society. This suggests deep structural problems relating to youth transitions to adulthood.

Two groups present a chronic challenge for cities: the first are those young people – often products of the most disadvantaged families – who are on the radar of most public services: Education, Police, Social Workers, Youth workers. The second group is at the other end of the spectrum – almost invisible – encompassing the young homeless, the mentally ill and the illegals; marginalised and without access to social and medical support, they challenge the notion of the cohesive city.



In a period of intense austerity, many cities have reduced services supporting the most vulnerable people. In the context of youth, this often means cutting education budgets, slashing numbers of front-line support staff and reducing welfare subsidies. In this period of the most extreme need, many cities have implemented their highest levels of budget reductions in a scenario that has frequently been likened to a *perfect storm*.

### **City choices and the role of social innovation**

What can cities do in response to this situation? Some are continuing as before, only with fewer resources, pursuing a policy of *cutback management*. However, a growing number see the need to respond more dramatically. In some cases, radical change involves a top-down approach. For example, in the Berlin District of Marzahn, a new Mayor has introduced a commitment to reduce youth unemployment to 0% between 2013 and 2016. Under this controversial *Work First* proposal, everyone under the age of 25 will have to be in training or employment to receive welfare support.

At the other end of the spectrum, momentum is building around cities looking to work in new collaborative models with customers, communities and a wider range of service providers – very much in line with the URBACT model, which underlines the partnership approach<sup>4</sup>. In addition to reduced public budgets, the drivers behind this include a growing commitment to user-shaped service design, particularly around support for the most vulnerable residents.

The umbrella term “Social Innovation” is increasingly used to describe this eclectic and organic range of developments, although interpretations of this vary. The most widely accepted definition comes from the BEPA report for the European Commission, which states that:

“Social innovations are innovations that are social in both their ends and their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. In other words they are innovations that are not only good for society but also enhance society’s capacity to act.”<sup>5</sup>

The European Commission is strongly promoting social innovation as an important component in Europe’s recovery. The design, development and implementation of new services to address our biggest challenges – ageing population, lack of jobs, youth alienation – is widely identified as a high priority.

The Commission’s commitment is evident in a number of ways that will provide financial opportunities for cities across Europe. The Draft Structural Fund Regulations indicate that, for the first time, there will be resources assigned for social innovation through both ESF and ERDF in the 2014-2020 programmes. Alongside this there are ambitious research and development initiatives aimed at stimulating social innovation<sup>6</sup> across Europe.

How can we help cities take advantage of these opportunities? A good starting point might be to provide examples of ways in which cities are stimulating new service design and delivery models relating to disengaged youth.

### **The city response**

Social innovation involves a process of exploration and collaborative development. There is no single template that can be transferred between cities. However, our workstream activity suggests that there are shared features between cities that are involved in pushing this change agenda. As our work progresses, these may evolve, but at this stage we can see three important shared characteristics.

#### **1. New civic leadership**

It is too early to claim that a new leadership model is emerging in cities. However, in relation to some of the most pressing social issues, signs of change are evident. Although the “command and control” mindset remains alive, it is increasingly called into question. There is a growing acknowledgment that the public sector cannot do everything, and that this is a time to listen and to generate new ideas.

### **Social innovation involves a process of exploration and collaborative development.**



## The case of Barcelona

Barcelona has actively engaged young people (via the Barcelona Youth Council – CJB) in the development of a new youth plan. This has been a challenge with 35% youth unemployment, and limited prospect of short-term improvement. Within the process, public authorities have frankly shared their limitations in relation to the labour market. A distinctive plan is emerging as a result, with a strong emphasis on promoting physical and mental health through sport – as well as an active support programme for the parents of unemployed young people.

In Swindon, UK, analysis of the local authority's work with troubled families showed that resources could be used more effectively. The snapshot indicated multiple interventions from across municipal departments with low impact on the clients. It also showed the limited proportion of staff time spent working directly with clients. For example, in a case study with a 12-year-old child it emerged that only 14% of worker time was spent face to face with the client. The vast majority – 74% of the time – was spent on administration.

## Starting point was recognition of the need for change, good use of intelligence and a willingness to take risks and experiment.

The analysis and interpretation of this data was an important starting point in service redesign. This process involved clients and staff members and resulted in a transformed service. But the starting point was recognition of the need for change, good use of intelligence and a willingness to take risks and experiment. It is also notable that external advisers – *inspiring outsiders* – played a key role in challenging assumptions and stimulating the small leadership group.

## 2. Mobilising people as resources

Where will the new ideas come from that will enable us to use our collective resources more effectively? We have found that they



**Record of public sector interventions with one family (jointly produced with the family) (courtesy Swindon Council)**

come from a wide variety of sources and that to have one good idea you have to generate many, as Linus Pauling said “the best way to have a good idea is to have lots of ideas and throw the bad ones away”.

Two rich sources of ideas are customers and staff. Recognising this, and creating space to meaningfully involve them in service redesign is an important starting point. Civic leaders can mobilise this collaboration with *valued insiders*.

Under the old model, people who used services were rarely perceived as *customers*. A consistent message emerging from this work is that in traditional service models the “end users” were often passive recipients of services, which was disempowering and inefficient. We heard from cities that are aiming for transformative collaboration with their clients and who are seeking to achieve a shift from “consumer to contributor”.

In the words of Michael Young, founder of the Open University and the Young Foundation,

## A shift from “consumer to contributor”.

“people are competent interpreters of their own reality”. Historically, an over-reliance on professionals led to this being overlooked. Progressive cities are looking to rebalance this, which involves building customer confidence and capacity as well as using appropriate methods to encourage their active participation.

In several of the city inputs, the key function of the “trusted broker” plays a pivotal role in establishing these trusted relationships – both with customers and with other organisations. The person specification for these central figures is that they:

- ▶ Have strong empathy and credibility with clients.
- ▶ Have personal resilience.
- ▶ Are emotionally literate.
- ▶ Are comfortable working in diverse settings.

Expert witnesses noted that people with these characteristics were often recruited from outside the public sector. Another important point was that they often occupied temporary roles required for particular work phases. Like the scaffolding around a building, once the structure is solid this support can be removed. In organisational terms, this implies a degree of flexibility and responsiveness not always associated with municipal structures.



## The case of Rotterdam, former Lead Partner of the URBACT My Generation network and current Lead Partner of the URBACT My Generation at Work network<sup>i</sup>

From Rotterdam, we heard about another example of building trusted relationships with disadvantaged young people.

The organisation Home on the Streets (Thuis op Straat) has young street workers going into tough neighbourhoods to make pancakes with the local youth – as an initial point of engagement.

This requires a high degree of bravado, and the approach relies upon having streetwise confident young people who have credibility and respect from kids in the most disadvantaged neighbourhoods.

Home on the Streets also provide an insight into another aspect of the shifted relationship with clients.

First of all, rather than adopting a deficit-model, and seeing them as people to “be fixed” the organisation focuses on the talents of the young people they engage with.

These may be smart young people who have made bad choices.

So, Home on the Streets focuses on their assets – the entrepreneurialism of the drug-dealer and the leadership skills of the neighbourhood bully.

These talents might have emerged differently in other environments.

Rather than be given a standard service, Home on the Streets expects young people to articulate and negotiate their support needs.

Finally – and most important – this is not a “something for nothing” service. Young participants have to make a commitment in order to gain support in return.

For example, the organisation offers them part-time volunteering opportunities that harness their talents and in return for 100 hours input they provide financial support enabling the young people to continue their education.

(i) URBACT My Generation network: <http://urbact.eu/en/projects/active-inclusion/my-generation/homepage/>  
URBACT My Generation at Work network: <http://urbact.eu/en/projects/active-inclusion/my-generation-at-work/homepage/>

### The key function of the “trusted broker” plays a pivotal role in establishing these trusted relationships – both with customers and with other organisations.

The second group of *valued insiders* are employees. Here, we are particularly interested in the role of publicly funded staff in stimulating and supporting this change process.

A recurring theme in our witness discussions was the importance of “bringing staff with you”. This was seen as being particularly important where there is a limited culture of innovation and change. As a consequence, staff may be more resistant and may feel threatened giving up power and allowing customers greater say in the way resources are used. This is part of a wider process to promote innovation and culture change in large publicly funded environments. As we have already noted, city leaders have a key role to play by explicitly giving staff permission to generate ideas and look for improvement opportunities.

From the Copenhagen Job Centre we heard about approaches to embed this inside the organisation. One of these is to nominate “change agents” within all of the teams in the

organisation and to look for collaborative models between staff and external professionals from wider disciplines, described in the next page.

### 3. Building new delivery partnerships

To effectively support the most disadvantaged urban youth, cities must enable all of the relevant partners to play to their strengths. This was one of the key messages emerging from the URBACT My Generation network, led by the City of Rotterdam. It is also an important part of the work being led by Nantes, Lead Partner of the URBACT PREVENT network<sup>7</sup>, which seeks to mobilise parents to help prevent early school leaving. However, ensuring that actors complement one another requires a coordinated approach. The need for this has come through strongly in our evidence from many of the witnesses. Yet, at the same time, cities also have to be fluid and responsive.

Riga, partner in the URBACT My Generation network, provides a good example of the balance between coordination and responsiveness. Like many cities, it has struggled with high levels of youth unemployment during the economic downturn. Although additional resources were transferred to welfare budgets, it has been tough for many young people. At the height of the crisis, a small group of young people started gathering to play street basketball on a piece of waste ground

near the city centre. Over time, this gathered momentum, attracting bigger numbers, and many of the participants were young people who generally avoided public services.

One of the three founders – an ex basketball pro – invited other professionals to come down. As word got round, participant numbers continued to jump. Within three years the founders had formalised their activity through an association, secured space and financial support from the local authority and expanded into other street activities – including BMX and street dance. Although not part of the “official” structure, Ghetto Games provides an important first point of engagement,



Home on the Streets workers warming up



## The case of Copenhagen, Host city for the URBACT 2012 Conference

A different example of new collaborative work comes from Copenhagen. There, the Jobcentre has established a working relationship with anthropologists, with a view to improving client services. These professionals have been commissioned to look at specific issues.

One of these has been the physical space in city Jobcentres, as perceived by young people. As a result of this, the organisation's facilities have been redesigned.

The other interesting aspect of their work has been client profiling to determine those most likely to incur sanctions.

Under the Danish "Rights and Duty" model, clients are penalised if they do not undertake agreed tasks. This research is trying to anticipate these problems so that sanction rates can be reduced.

and they can signpost young people to other services as and when appropriate. This example also shows how a centralised local authority structure can still engage with bottom-up approaches.

## Conclusions and next steps

Current rates of youth unemployment in some parts of Europe are widely perceived to be dangerous and unsustainable, with significant proportions of young people affected. Those cities with higher proportions of young people are presented with two choices: adopt a short-term approach to weather the storm or pursue an agenda of reform and innovation with longer-term objectives.



URBACT's focus is on sustainable and integrated urban development. This promotes a collaborative model where stakeholders solve problems together. New partnership models are evident in several of our city examples. These include an enhanced role for customers as well as front-line staff in shaping services. In addition, we see an acknowledgment of the need to look beyond "the usual suspects" in terms of generating new ideas and delivering effective services.

From the My Generation network we see cities that are transforming their relationships with young people. The Local Action Plans from cities like Antwerp, Riga and Rotterdam reflect this<sup>8</sup>.

Effective leadership also emerges as one of the keystones. Within this we have identified several components: a commitment to listening; giving permission to all stakeholders to be part of the change process; a willingness to take risks and to hold risk for others; and recognition of the time and space required to develop real innovation together.

These may be the initial steps in a significant – and long awaited – shift relating to the way public services are evolved and combined resources mobilised. Under the third round of URBACT projects, cities will have an opportunity to push this agenda further, for example through PREVENT, Smart Cities and My Generation at Work.

In the meantime, as our workstream progresses we will gather more evidence to share with our audience, both during the final conference and in the eventual outputs from this work. ●

(1) [http://ec.europa.eu/regional\\_policy/conferences/citiesoftomorrow/index\\_en.cfm](http://ec.europa.eu/regional_policy/conferences/citiesoftomorrow/index_en.cfm)

(2) The Precariat combines the terms "precarious" and "proletariat" to describe an emerging vulnerable class on the margins of mainstream economy and society

(3) Dietrich Hans, Youth Unemployment in Europe, Friedrich Ebert Foundation, 2012; Bell D and Blanchflower D, Youth Unemployment; Déjà vu? IZA DP 4705 (2010)

(4) <http://urbact.eu/en/header-main/get-involved/local-support-groups/>

(5) [http://ec.europa.eu/bepa/pdf/publications\\_pdf/social\\_innovation.pdf](http://ec.europa.eu/bepa/pdf/publications_pdf/social_innovation.pdf)

(6) For example, DG Research and Innovation's Call for Proposals to establish Social Innovation Incubators [http://ec.europa.eu/research/participants/portal/page/capacities;efp7\\_SESSION\\_ID=qnkQQjbTv1psGKZnknxCw222SQDXxbCnsNn0P24vpm8JWshynQq8!-598335810?callIdentifier=FP7-CDRP-2013-INCUBATORS](http://ec.europa.eu/research/participants/portal/page/capacities;efp7_SESSION_ID=qnkQQjbTv1psGKZnknxCw222SQDXxbCnsNn0P24vpm8JWshynQq8!-598335810?callIdentifier=FP7-CDRP-2013-INCUBATORS)

(7) <http://urbact.eu/en/projects/active-inclusion/prevent/homepage/>

(8) <http://urbact.eu/en/projects/active-inclusion/my-generation/our-outputs/>

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#### MORE INFORMATION

URBACT 2012 conference website:  
<http://www.conference2012.urbact.eu/workshops/about-conference/themes/cohesive-cities-stronger-together>





**Naples, Scampia housing estate (2003).** Photos: Iván Tosics

One of the most segregated areas of Europe, with concentrated problems of poor neighbourhoods. Some of the buildings have already been demolished but an overarching solution to this extremely segregated area (far away from the city centre) has still to be found

# AGAINST DIVIDED CITIES IN EUROPE

BY LAURA COLINI, DARINKA CZISCHKE AND IVÁN TOSICS,  
EDITED BY PETER RAMSDEN

The aim of the URBACT work stream “Against divided cities” is to help cities rethink existing local policies concerning spatial and social segregation in European urban areas. As a first step, this article intends to provide an overview of the concept of urban segregation and related public policies that have been studied by experts and academics and experimented by URBACT city partners working on integrated sustainable development.

## ***The challenge: growing spatial segregation in European cities***

In the European Commission’s Cities of Tomorrow report a view on European cities as places of advanced social progress is promoted: “... with a high degree of social cohesion, balance and integration... with small disparities within and among neighbourhoods and a low degree of spatial segregation and social marginalisation...”<sup>1</sup> Social cohesion is, however, threatened by the increase of social polarisation, which is a consequence of many parallel processes: an increasing income polarisation since the 1980s, a decreasing security of employment (due to global competitiveness challenges) and a huge

increase of migration flows towards Europe and its cities (complemented by internal east-west migration within the EU).

Since the 1990s there has been an increasing recognition of these challenges and gradually different policy responses have been developed. The reactions at EU, national and local level, however, usually aim for direct interventions into those areas which are considered to be “problematic”, often failing to address the wider reasons and drivers of the spatial

processes. As a result, many failures and externalities occur. Sociological analyses show increasing number of examples of urban policies becoming harsher towards marginalized groups, using neighbourhood regeneration in many cases to pay lip service whilst covering up underlying aims of attracting more affluent middle classes back into the inner city areas. As property values and rent levels increase in the course of re-urbanisation, disadvantaged groups are often forced to relocate.

**Social cohesion is threatened by increasing income polarisation, decreasing security of employment and a huge increase of migration flows towards European cities.**

Tackling socio-spatial polarisation is a difficult task for urban administrations. Besides the complexity of the issue there is also a big gap between politicians and practitioners on the one hand and researchers on the other. While the former tend in many cases to favour short-term, high visibility interventions, the latter often lack the ability to communicate their ideas in a way that is easily understandable by the decision makers.

The complex nature of the problem makes it sometimes difficult for cities to learn from or adapt the practice of others. Although there are common trends, each situation is specific, and consequently there is much reinvention of the wheel. Even when “good practices” are exchanged, these are often applied without the much-needed adaptation to the specific local circumstances. In the following sections we will explore different manifestations of segregation in selected European cities and the approaches employed to deal with their related issues.

### ***Different experiences in dealing with segregation***

Spatial segregation is the projection of the social structure on space<sup>2</sup>. This is why almost all European cities face growing problems of spatial segregation. Although Europe still has relatively less polarised and segregated urban structures compared to cities in other parts of the world, it is in cities where the contradictions of development are most visible, with the fast-paced development of rich areas (gentrification, gated communities, and suburban sprawl) and the growing deprivation of poor areas and a trend towards them

### **Box 1: The case of Berlin, Lead Partner of the URBACT Co-Net network<sup>i</sup>**

The city of Berlin has been the lead partner of the Co-Net network in URBACT II which explored area-based and integrated approaches to strengthen social cohesion in distressed neighbourhood.

Berlin has a long standing experience of supporting community led development, involving people at neighbourhood level in community council with participatory budgeting of micro projects.

Both ERDF and ESF have been combined in a system of area-based approach which involves the neighbourhood, district and municipality under the national programme Socially Integrative City. Since reunification in 1990, the city is no longer politically divided, however a new, social form of separation has been observed. Ethnic, religious, social, economic division are evident in the way people access basic facilities and services, the housing sector, the health and social assistance and the labour market.

Migrants— guest workers who arrived in the 1960s (many from Turkey and Vietnam), refugees who fled civil wars since the 1990s and increasingly economic migrants from within the EU grew a multicultural population in Berlin resulting in a patchwork of communities (around a quarter of Berlin inhabitants have a foreign background, a figure that rises to 40% among children<sup>ii</sup>).

Rental cost have been rising rapidly in the last few years whilst unemployment remains at a high rate (the risk of being poor is above national average with a high level of social transfer payments: about

20% of the Berlin population with precarious employment, part-time employment); cultural, ethnic and financial divisions affect the urban pattern of the city.

Other forms of self-chosen segregation take place in the wealthy areas of the west including Grünewald and Charlottenburg which are hardly ever discussed in the debate about policies regarding urban cohesion although this aspect is also important.

The most deprived areas are located both in the former eastern and western part of the city with a strong dominance of the southern zone where Kreuzberg and mostly Neukölln are located. Berlin has a long tradition of urban regeneration programmes to address such neighbourhoods. In 2011, Berlin launched the programme “Action Areas Plus” as an umbrella around various thematic interventions to reconnect those areas that have been identified as most deprived according to a multidimensional social monitoring system.

The objective is to improve the opportunities of their residents and to create a new vehicle to promote inter-departmental cooperation for more effective intervention. Berlin has followed other cities identified in the URBACT Project Results publication in 2011<sup>iii</sup> by bringing in a monitoring system to measure spatial effects of socio economic deprivation.

(i) <http://urbact.eu/en/projects/disadvantaged-neighborhoods/conet/homepage/>

(ii) <http://www.berlin.de/lb/intmig/presse/archiv/20080702.1000.104149.html>

(iii) [http://urbact.eu/fileadmin/general\\_library/Rapport\\_Urbact\\_II.pdf](http://urbact.eu/fileadmin/general_library/Rapport_Urbact_II.pdf)



**Berlin, Kreuzberg (2009).** Photos: Iván Tosics

The pictures illustrate the mixture of population: the diversity of shops and the big number of dish antennas refer to high share of migrants



becoming ethnic and immigrant ghettos. This trend affects prosperous and growing cities and shrinking cities alike.

Social exclusion and the manifestation of segregation are mostly the result of wider economic restructuring, changes in the welfare state, flexibilisation of labour markets and work relations, and the weakening of social networks and solidarity. These are all problems that exist at city level beyond the neighbourhood. It is therefore important to understand how cities can rethink under these circumstances existing local policies with new modes of integrating multi-scalar challenges.

The cases of Berlin (box 1) and Malmö (box 2) show that even in countries with a strong welfare state there are different manifestations of growing spatial segregation. In Berlin there are multiple issues of deprivation in more than one area while Malmö shows

more concentration of deprivation into the central urban area.

The main intent of current public policies against segregation is to break the vicious circle of urban disadvantage. Therefore, greater cooperation has been initiated at neighbourhood level, with local job offers and employment agencies in order to develop services and measures to promote employment among long-term unemployed people (e.g. Malmö's Local Action Plan<sup>3</sup> as part of the Co-Net project). These policies against segregation focus on combining integration and employment services, and on building cooperation and coordination between individual and family care, between the Labour and Integration Centre, and with the Work Centre and associations. A key aspect is to lower the barriers to access services (e.g. decentralised municipality services with meeting venues, computer and

internet facilities, a copy shop and job and housing information points), and to start involving the younger generation.

Both cities are in countries with well-developed social welfare systems. The level of socio-spatial segregation in these cities is not among the highest in Europe but is on the rise. Mixed use working class areas close to the inner city and large scale housing estates at the periphery are where disadvantage tends to concentrate. Looking more closely, segregation follows through distinct patterns. Berlin has dispersed areas of deprivation but the level of social polarization is not extreme. Malmö, on the other hand, shows more concentration of the poorer people in a few neighbourhoods of the city.

These differences can partly be explained by historic factors – such as the different roles the large prefabricated housing estates play in the cities. In Eastern Berlin these areas had a mixed population structure before the fall of the wall, while in Malmö the few “million programme” areas sank quickly to the bottom of the housing market. The differences in levels of segregation are partly explained by the operation of social housing policies.

The cases of Berlin and Malmö underpin the hypothesis of Murie and Musterd<sup>4</sup> that there are unique context-related combinations of market opportunities, welfare provisions, social networks and neighbourhood features which offer potential means to reduce and overcome the negative effects of segregation and exclusion. On the other hand, we assume that in our later work when we include the cases of a French city and a south European city, also the effect of the welfare state will show prominently.

### ***Policy interventions to tackle socio-spatial segregation***

Ever since tackling segregation became a policy objective in the 1980s, a wide range of types of interventions started to develop. The most frequent way to classify these policies is by distinguishing between “horizontal” and “area-based” types of interventions. Horizontal interventions refer to policies that are not linked to any particular spatial level, but focus on improving the situation of individuals or households with low income and specific needs. Such policies – sometimes also called “people-based policies”, or “sector” policies – may apply to different

## **Box 2: The case of Malmö, partner in the URBACT Co-Net network<sup>i</sup>**

The city of Malmö was involved in the Co-Net network with the aim to develop community life in an integrated way on three levels: building bridges between inhabitants in the neighbourhoods, between the different neighbourhoods of the larger districts and between the whole city and the disadvantaged district.

Today Malmö, the third largest city in Sweden, has the highest proportion of immigrants in the country (citizens represent 174 nationalities and speak 147 different languages and about 40% of the population has a migrant background).

Strong public interventions ensure that all young citizens have equal access to schools regardless of the area they live in. Housing data are accessible and transparent to everybody and the level of unemployment is not among the highest in urban Europe.

Nevertheless, Malmö is a city in which segregation is rising and its most evident form is the ethnic segregation in key neighbourhoods. In the mid-20th century the most deprived area was located next to the port.

However, after the construction of the Oresund link to Copenhagen and massive investments into urban renewal the harbour zone has turned from brownfield into a trendy residential and mixed-use area including offices, restaurants and university departments.

As a result, disadvantaged groups have moved to other areas of the city.

Today, Malmö can be described as ethnically and socio-economically segregated, with middle class neighbourhoods in the west and working class neighbourhoods in the south and east.

Unemployment, higher crime rates and growing number of households in need of social benefits are the usual patterns in the poor neighbourhoods. Rosengård is the district with the highest unemployment rate where low income people end up living.

They dream of moving out whenever there is a chance to catch a better working opportunity and higher income.

Fosie is a nearby neighbourhood, which is likely to become trendier in the future due to its large parks. This might in turn reduce the volume of housing available in the future for new migrants.

The eastern part of the city which includes Rosengård and Fosie plays the same role as the harbour used to for newcomers.

This would not be a problem in itself but Rosengård was built as a monofunctional residential area in the heyday of the Swedish “million homes policy” and is difficult to adapt to new circumstances.

(i) [www.urbact.eu/conet](http://www.urbact.eu/conet),

geographical scope, i.e. national, regional or city wide. Area-based policies, on the other hand, do not focus on individuals but on a specific geographical unit, most often a neighbourhood. Typically, they include urban and social regeneration programmes and other interventions whose main goal is to improve the situation of the people living in the given areas. Area-based policies rest on the assumption that by focusing on places with specific problems, the situation of the people living in these areas will improve.

The distinction between these two types of policies is not always clear-cut. For example, employment or training programmes that run in a specific neighbourhood will address a certain target group (e.g. early school leavers or long-term unemployed) but are also to the benefit of the community as a whole (most visibly if the training scheme is about maintaining public space or improving social infrastructure).

### Horizontal interventions

Horizontal interventions operate according to the domain of intervention. These can be, for example, citywide policies on school and adult education, job training, citizen participation in planning policies, health, etc. They do not aim at reducing spatial segregation per se but focus on social issues and can thus have an effect on segregation or make a special effort in segregated areas. Educational policies, for instance could be sensitive to the

social structure in school catchment areas and reflect this in the size of classes and number of teachers. Public health policies can be reinforced in areas that are particularly affected by environmental hazards or show high levels of lifestyle related health problems or substance abuse. Housing policies and in particular social housing policies often aim at providing affordable housing for low-income households. Instruments include supply-side subsidies to increase social/affordable housing construction and statutory quotas of social/affordable housing in every new housing development.

In France, the law called *Solidarité et Renouveau Urbain* (Solidarity and urban renewal – SRU), which came into force in 2000, promotes tenure mix through legal requirements: in urban areas, every commune (municipality) should reach a minimum of 20 per cent of social housing in its housing stock before 2020.

**Policy responses usually aim for direct interventions into the “problematic” areas, failing to address the wider reasons and drivers of the spatial processes.**

In the field of labour market integration, the example of Berlin’s *Local Pacts for the Economy and Employment* stands out as an approach that complements citywide policy. The main aim of this policy is to foster “intelligent networking” of existing areas of strength and development potential in order to increase employability and occupational and social integration of disadvantaged groups of persons, create new jobs and training opportunities and enhance local economic structures. It works by developing partnerships with boroughs to tap local potential for economic growth.

### Area-based interventions

Area-based interventions rest on the assumption that living in specific areas has an additional and independent effect on the life chances of individuals. The rise of this type of strategy is linked to the development of new governance arrangements in cities across Europe particularly in the context of increasing decentralisation of power from national to regional and city levels of government. As a further step in decentralization, the neighbourhood level is seen as “attractive” from a policy implementation perspective, because it allows for relatively easy experimentation in new forms of participatory governance. Moreover, it provides a manageable areal focus while avoiding the much higher costs of intervening throughout the city or more universal policies.



**Montpellier (2008).** Photos: Iván Tosics

Tenure mix may also be achieved with new construction. The first picture shows the scale-model (mock-up) of three newly built buildings, one of them private, the other social housing while the third student hostel – from outside people can not see which has which function. The second picture shows a part of the newly built central area of the city where half of the housing belongs to the social rental sector



## Segregation can be tackled by “horizontal” interventions, focusing on households with low income and specific needs, and by “area-based” interventions, focusing on problem areas.

The actions within area-based interventions are often divided into “soft” and “hard” measures. **“Soft” interventions** include strengthening networks and interaction between people in the area (for example through work integration and training programmes in specific areas, street work, local festivals where the community can gather), while **“hard” interventions** are typically physical restructuring or upgrading programmes involving demolition and new infrastructure and/or housing developments.

A specific manifestation of area-based policies is the “social mix” approach. Whilst it has

gained prominence in policy-making over the last decades, at the same time it has stirred considerable controversy both in public and academic debates, as explained in more detail in the box 3. It is worth noting that, while in some contexts social mix is regarded as a policy objective in itself (notably, in France), in other contexts it is considered one policy tool amongst others to achieve less segregated urban areas.

The “hard” version of area-based interventions, notably demolition, tends to act more as a cure-type approach to the problem rather than prevent it from happening.

It should be noted that, unless extreme circumstances, demolition usually represents a policy failure<sup>5</sup> with enormous cost implications. The prevention-type of approach is less frequently found due to, amongst other reasons, the difficulty in anticipating social and urban decline of an area.

Overall, “hard” interventions have the advantage of being more visible and relatively easier to carry out (though with high cost and high levels of social fracture), while “softer” interventions have a more complex, long-term and process-oriented character but may be cheaper and more effective in the long term.

### Integrating horizontal and area-based policies

Area-based policies have received a fair amount of criticism. However, there is also recognition that areas facing extreme social and urban decline are in need of spatially targeted interventions in order to prevent the formation of ghettos and to provide anyone living there access to the full range of opportunities that cities have to offer.

When designing policies to tackle socio-spatial segregation, it is important to understand the structural factors underlying social urban problems in local areas, such as unemployment, poverty and lack of participation. There is consensus on the limitations of area-based policies to solve these wider structural problems that underpin social problems at the local level. This raises the need to develop policies that integrate horizontal and area-based interventions. This was also reinforced by the findings of the URBACT NODUS<sup>6</sup> and REGGOV<sup>7</sup> projects. As Andersson & Musterd state: “Area-based interventions might well be considered as a complement to more universal and sector policies”<sup>8</sup>.

In Europe, we have found few attempts to achieve this integration. Nantes Métropole (France) provides an example (see box 4).

In our future work we will look in more detail to understand how area-based and horizontal interventions can best be combined to achieve the most results. We will pay special attention to the framework conditions for local actions, i.e. to what extent national and EU-level policies are needed to help incentivise municipalities to deal with their most disadvantaged areas.

### Box 3: Social mix in a nutshell

Since the 1980s social mix has been a widespread approach amongst urban policy makers across Europe to tackle areas with high levels of socio-spatial segregation.

Although the definition of social mix varies between countries, broadly speaking these policies aim at changing the social composition of areas with high concentrations of a particular social group.

While in most cases this involves the introduction of better-off residents in deprived areas, in some cases this policy takes the opposite shape, for example, through the introduction of statutory quotas of new social housing construction in well-off areas. As in the case of area-based policies, social mix is based on a number of assumptions.

Specific assumptions commonly used to justify social mix policies include the expectation that proximity of different social groups to one another will foster social interaction amongst them, thereby improving social cohesion, and that a more “balanced” social composition will, amongst others, “calm” crime-ridden areas. In addition, it is expected that the physical maintenance of the area will improve through the influx of well-off residents.

However, these assumptions as well as the very objective of social mix are widely contested<sup>1</sup>.

Some commentators raise “normative” arguments (i.e. whether social mix is a desirable policy objective), as well as pragmatic questions (i.e. does social mix work?).

Amongst the former are, for example, the dilemma between implementing social mix at the expense of the right to housing; the destruction of local social support networks and community identities and; the pricing-out of local residents by the arrival of better-off residents (gentrification). Pragmatic questions raised about social mix include whether social mix can improve the situation of residents in these areas or whether it just moves “the problem” to another area.

Furthermore, available evidence is inconclusive on whether living in close proximity to a different social group really fosters social interaction.

Last but not least, one of the key challenges for practitioners remains how to manage socially mixed areas.

(1) Atkinson, R. & Kintrea, K. (2001) Disentangling area effects: evidence from deprived and non-deprived neighbourhoods, *Urban Studies*, 38(12), pp. 2277–2298

Blanc, M. (2010) The Impact of Social Mix Policies in France, *Housing Studies*, Special Issue: Housing Policy and (De)Segregation: An International Perspective, Volume 25, Issue 2



#### Box 4: Integrating horizontal and area-based housing and urban policies to tackle socio-spatial segregation: the case of Nantes Métropole<sup>i</sup>

Nantes Métropole is an “Urban Community of Municipalities” that defines its housing priorities according to a Local Housing Plan – housing objectives and principles for metropolitan districts and towns.

The Nantes approach to socio-spatial segregation combines top-down, national-level horizontal policies with the design and implementation of a set of metropolitan and local (i.e. district-level) area-based policies. In addition to the national legislation about social mix and the enforceable “Right to Housing” law, the conurbation has several regulation tools such as the integration of social and urban mix areas in the Local Urbanism Plan.

Moreover, in order to guarantee social mix, it promotes a partnership with social landlords (that own and manage social housing).

Nantes Métropole developed an “experimental” rehousing policy for inhabitants from neighbourhoods concerned by urban regeneration, tested in the Malakoff and Pré Gauchet neighbourhoods.

Nantes Métropole adopted its first Local Housing Plan in 2004, followed by a second one for the period 2010-2016, which is more ambitious (5000-6000 dwellings built per year).

The latter has amongst its priorities the increase in new construction and the diversification of new dwellings affordable to low-income households either by increasing the social housing stock or by funding and reserving up to 30% of dwellings in new building programmes.

Furthermore, the plan aims to improve the geographical distribution of the construction funding efforts between the different municipalities, with a particular focus on reducing the deficit of social housing stock in some parts of the Metropolis.

This shared construction effort has to be related to the objective of improving the social mix, in response to the process of social polarization in urban areas. Additional actions in this domain are an urban renewal programme in social housing neighbourhoods.

Overall, the last decade has seen urban policy objectives and strategies being formulated at the metropolitan level, deemed the most appropriate level to integrate the populations’ employment and residential needs.

However, urban social cohesion strategies and area-based policy remain limited to “priority urban zones”.

One aspect that stands out in the approach of some local social landlords supported by Nantes Métropole to tackling socio-spatial segregation is the development of analytical tools to understanding “residential trajectories” and “life-cycles” of residents, and the integration of this knowledge in the design and implementation of its housing and social mix (rehousing) policies.

(i) URBACT SUITE The Housing Project Baseline Study available at: <http://urbact.eu/en/projects/quality-sustainable-living/suite/homepage/>; City Report: Nantes, WILCO Publication no. 25 (2012)



**Nantes (2010).** Photos: Iván Tosics

The segregation of social housing estates can effectively be reduced with public transport. In Nantes most of such estates are linked to the city centre with newly built tram lines



## Preliminary conclusions

Our article shows that the issue of socio-spatial segregation is complex. The same symptoms of segregation in different cities might be present in areas that are very different in their dynamism and include people at different stages of their life trajectories. As we have shown, seemingly similar segregation patterns might be the results of totally different factors and reasons. All areas are heterogeneous and generalisations might be misleading.

Our URBACT Work stream aims to analyse further cases to elaborate useful suggestions for cities. We emphasise how to understand different forms of socio-spatial segregation and how to start addressing it. At this point we have formulated some preliminary statements:

- ▶ The phenomenon of socio-spatial segregation needs to be properly analysed and on that basis the objectives and spatial aspects of interventions need to be determined. The first task is to understand, analysing the dynamic processes, the type and problems of given areas (e.g. are they dead-end or transitory areas). This has to be followed by the analysis of the reasons behind the dynamic mobility processes of population groups. A typical mistake cities make is to judge neighbourhoods on the basis of static measures and deciding on policies which might undermine the role the area plays in the city in dynamic sense.
- ▶ At the level of policy design, local administrations should require up-to-date information and analysis on the socio-demographic, economic and geographical dynamics of their local populations in order to design policies that meet current and future needs effectively.
- ▶ In addition, on the implementation level it is advisable to involve users so as to achieve maximum impact through their input and cooperation. Furthermore, local partnerships and other efforts of cooperation across sectoral and organisational boundaries are crucial for the success of this type of intervention.
- ▶ In most cases both horizontal and area-based interventions are needed, with a

long-term commitment to the proper combination of these different types of interventions. The example of Nantes gives a flavour of how this integration of different policies might be organised, especially at the spatial level of the functional urban area where negative externalities can best be mitigated.

- ▶ New ways of working across disciplines should be promoted at city level and at the level of smaller areas to improve the knowledge of what is at stake and what needs to be done. Such knowledge needs to be maintained over time to avoid repeating mistakes and reinventing the wheel. A solid information base, such as the social monitoring system in Berlin, is necessary for informing policy making and for allowing balanced and effective interventions.

All these questions will be discussed at the URBACT Annual Conference on 3-4 December in Copenhagen at the two workshops on socio-spatial segregation. After the conference a final paper will be published with practical suggestions for city practitioners dealing with these problems and with an update on how cities can deploy new approaches set out in EU regulations such as community led local development and integrated territorial initiatives.

Acknowledgement to Simon Güntner and the URBACT Secretariat for valuable remarks on this article. ●

(1) DG Regio 2011 Cities of Tomorrow, page 10 [http://ec.europa.eu/regional\\_policy/conferences/citiesoftomorrow/index\\_en.cfm](http://ec.europa.eu/regional_policy/conferences/citiesoftomorrow/index_en.cfm)

(2) Haussermann-Siebel, 2001, quoted in Cassiers-Kesteloot, 2012

(3) [http://urbact.eu/fileadmin/Projects/CoNet/documents\\_media/Malm%C3%B6\\_URBACT\\_CoNet\\_LAP.pdf](http://urbact.eu/fileadmin/Projects/CoNet/documents_media/Malm%C3%B6_URBACT_CoNet_LAP.pdf)

(4) Musterd, S – Andersson, R, 2005: Housing mix, social mix, and social opportunities. In: Urban affairs review, Vol. 40, No. 6, July 2005 761-790

(5) At least of the original housing construction and sometimes of efforts to deal with current problems

(6) [www.urbact.eu/nodus](http://www.urbact.eu/nodus)

(7) <http://urbact.eu/en/projects/disadvantaged-neighbourhoods/reg-gov/our-outputs/>

(8) Andersson & Musterd 2005 pp. 387

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### MORE INFORMATION

<http://www.conference2012.urbact.eu/workshops/about-conference/themes/against-divided-cities-in-europe>

# MOTIVATING MOBILITY MINDSETS

BY ANETTE ENEMARK AND SALLY KNEESHAW



**Pedestrians, Barcelona.** Photo: András Ekés

**What is our vision of urban mobility? What is the definition of quality and sustainability with regards to mobility? How do cities define and carry out long term mobility strategies that will deliver on climate goals and maintain competitiveness? How can smart mobility boost European economic growth?**

**These are the challenges outlined in the Cities of Tomorrow report tackled by the URBACT Workstream “Mobility mindsets” team. This article is a taster for our workshop at the URBACT Annual Conference on 3-4 December and for a subsequent report to inspire cities on the journey to people-centred smart mobility.**





**W**e have chosen to frame the focus of this mission as one of “Motivating Mobility Mindsets”. But what does that mean? The idea is to concentrate less on the technical solutions that allow people to be able to choose greener mobility solutions, such as bike and public transport. Obviously, they have to be in place, and all European cities will use different approaches and technical solutions to achieve them. There is no doubt that management of public transport systems and public spaces need to be part of comprehensive spatial planning, linking housing, land and transport policy. But here we focus more on a complementary axis: the perception of mobility that has to be embedded in the minds of everyone – individually and collectively – who has a role in changing the mobility of the future, such as mayors and local committee leaders, businesses of all kinds, urban planners, transport planners, environmentalists, safety and health care professionals, and of course the end users, whose citizen power has the potential to drive changes in their daily mobility.

### **Pieces of the mobility puzzle**

Creating “Mobility Mindsets” requires long term vision, commitment and continuity from politicians, urban planners and across all stakeholder groups. To underpin the vision we have to create a better understanding of what mobility means and better grasp the means and tools by which we can influence mindsets.

Our aim in this workstream has not been to complete the full puzzle, but to highlight some of the many pieces, or actions, that make up the puzzle. This process will continue over the coming months. The URBACT Annual Conference in Copenhagen will be an opportunity to debate live with other city representatives and experts how to successfully “Motivate Mobility Mindsets”, and to further enrich these results in a paper in 2013.

The pieces of the puzzle presented here are effectively actions today for the cities of tomorrow:

- 1. Exploit the tried and tested solutions.** We “just” need to maximize the transfer.
- 2. Connect perceptions of mobility and quality.** Many mobility decisions are based on experiences made in the past, subjective information and even misinformation. Correcting these perceptions and



**Renaissance of the tram, Place des Quinconces, Bordeaux.** Photo: András Ekés

putting the needs, expectations and pleasure of travellers at the core of mobility planning creates a positive experience of the city.

- 3. Target the communications.** Mobility Mindsets must be communicated widely and through the right channels.
- 4. Create the conditions for win-win situations.** Cities face many different challenges and developing “Mobility Mindsets” can sometimes create solutions to multiple needs.

*“Mobility is a whole package about prices, marketing, infrastructure solutions, an actively involved public, implementation, perception and feelings. It is bottom up and top down transport policies, and urban planning – a mix of incentives and contracts. A full package you have to put in place including mobility cards, SUMP, mobility centres, mobility services such as car sharing, public bikes, public transport, possibilities to change from one mode to another for different parts of your trip, campaigns and incentives. It is outreach*

#### **Oxford dictionary explanations of “Motivate”, “Mobility”, “Mindset”**

##### **Motivate, verb**

Pronunciation: /'mōtə, vāt/

##### **Definition of motivate**

- provide (someone) with a reason for doing something
- cause (someone) to have interest in or enthusiasm for something

##### **Mobility, noun**

Pronunciation: /mō'bilətē/

##### **Definition of mobility**

- the ability to move or be moved freely and easily

##### **Mindset, noun**

Pronunciation: /'mīnd, set/

##### **Definition of mindset, [usually in singular]**

- the established set of attitudes held by someone

Source: *The Oxford Dictionary*



to chambers of commerce, business, tourists, citizens. You need to learn how to do that: in schools, mobility centres, in city centres, in business areas. Basically everywhere where people have to move from one point to another.” Muriel Mariotto, CERTU, Lyon, France.



“Cities are the basis of every change. The most important stakeholders to convince about the need for a new “Mobility Mindset” are the elected representatives at local level. If they really want to have car free streets, squares and parks in the city, we will have it.” Miklós Marton, Regional Environmental Centre of Budapest, Hungary.



## 1. Exploit the tried and tested solutions

There are many examples of well implemented technical solutions in place in

European cities that deliver improved mobility to their citizens. Cycle lanes and city bike schemes, active travel, public transport, mobility plans for employers, and communications activities. Many case studies are available for cities that want to implement them. Most of the experts in mobility we have talked to agree that the biggest challenge is transferring this knowledge. Not that financing, planning and building new mobility infrastructure cannot prove a challenge, especially for newer member states. But rather we know how to do it.

Marcus Enoch, Associate Professor at Loughborough University, UK, has studied many mobility initiatives across Europe. In his experience cities often miss the question of the process that leads to the implementation, when it comes to presenting the good examples. He finds that the simple excuse used by cities is context: the economic situation or the culture is so special that the experiences cannot be transferred. But there is a lot of transferability



in the process that leads to the results. He says:

“There is a level beyond the context, and a lot can be learned from such analysis, for example the setting of mindset. This can be the real reason for success or failure”.

This is part of URBACT’s mission to maximise capitalisation of good practice. URBACT networks such as EVUE<sup>1</sup> and Active Travel<sup>2</sup> have allowed cities to really examine the way others are promoting electric mobility, walking and cycling, to be able to make use of that tacit knowledge to improve their own planning.

### How do we ensure a smoother transfer of know-how between cities in Europe bridging historical, geopolitical, topographical, cultural and economic differences?

“The concept of ‘Motivating Mobility Mindsets’ is emerging 10 years too late. We should focus on the mindsets and facilitate ideas, rather than keep discussing technical solutions. These have basically been in place for many years”, Minze Walvius, ADVIER Consulting, the Netherlands.



Tourists and residents in central London. Photo: Sally Kneeshaw

## Build on the experience of others

There is much to be learned from the many successful (and unsuccessful) examples of greening mobility that have been implemented across Europe. Tools, means and experience can be found on:

- CIVITAS.eu  
Network of cities introducing ambitious transport measures and policies towards sustainable urban mobility.
- Eltis.org  
Facilitates the exchange of information, knowledge and experiences in the field of urban mobility in Europe.
- EPOMM.eu  
Network of countries and regions promoting Mobility Management measures.
- Mobilityplans.eu  
Providing guidelines, examples and training in SUMP’s (Sustainable Urban Mobility Plans).
- Allinx.eu  
Thematic community for European professionals working locally in the field of mobility management.
- URBACT projects on mobility  
Electric Vehicles in Urban Europe (EVUE), Active Travel, Enter Hub
- ESPON projects on mobility:  
EU-LUPA, ESPON Climate, TRACC
- INTERREG IVC projects on mobility:  
EU 2020 going local, FLIPPER, SUGAR, CycleCities, INVOLVE, PIMMS TRANSFER, CAPRICE, SUM PROJECT, ECOTALE, EPTA, POSSE, POLITE, RITS-Net, CATCH\_MR, PIMMS CAPITAL MMOVE
- INTERACT supported programmes on mobility:  
Spain Portugal CBC Programme, Atlantic Area, INTERREG NWE, Spain France Andorra CBC Programme, South-West Europe, MED Programme, Austria-Czech Republic, Slovakia-Austria, INTERREG IV A North Programme (Sweden, Finland and Norway), South Baltic CBC Programme (Poland, Sweden, Germany, Denmark and Lithuania), Central Baltic INTERREG IV A (Estonia, Finland, Latvia and Sweden), France-Switzerland, France-Italy (Alcotra), North sea Programme



## 2. Connect perceptions of mobility and quality

Living a 'Mobility Mindset' requires a fundamental change in the way we think of, work with and carry out everyday mobility. That is perhaps the hardest task: to change the perception of mobility. The Cities of Tomorrow report stresses the urgent need to transform the city. It must be a liveable place that caters for all the needs of citizens. To be able to realize that vision, tough choices have to be made, and old thinking needs to be transformed.

For decades cities have tried, for the most part with coercive measures, to influence the travel behaviour of citizens in an effort to encourage them to opt for greener and more sustainable alternatives to (single) car use. Some cities have been successful, and some less so, even though the technical solutions put in place have been similar. Some cities arrive at a better mobility situation by spontaneous processes. Some due to lack of financing for big infrastructures. Motivating mobility mindsets also means having a good situational awareness and acting on the right level before it is too late.

*"Each city should be able to tackle their transport problems through adopting appropriate mobility policy and committing to sustainability targets. The vision of the city is quality-of-life in 2020, 2050. Inform the city staff about possibilities of development measures for sustainable mobility and communicate to users for sustainable modes and give them the offer".* Radomira Jordová, working at the Transport Research Centre under the Ministry of Transport, Czech Republic.

Understanding why, and how, successful cities get to be successful in influencing mobility behaviour is an important step in understanding the concept of "Mobility Mindsets". It is not only transport opportunities or the strict enforcement of parking strategies or even road pricing that does the trick. The potential pleasure of this new mobility is directly connected with the quality of space. Citizens need to feel confident about their personal safety moving about the city, for instance by bike or on foot. The new mobility mindset is also very linked with the use of new electronic information devices: information platforms which allow you to know, for example with your smartphone, when the next bus or metro will come. Urban planners need to use a "design for all" approach to provide accessibility for those



**Cyclist with passenger in Barcelona.**  
Photo: András Ekés

**The new mobility mindset is also very linked with the use of new electronic information devices.**

with reduced mobility, including the disabled, the elderly, parents with pushchairs.

It is also the feeling that you get when you live, work and travel in the city that marks a truly successful city. As an experienced mobility planner, Roberto De Tommasi from Synergo Consulting, Switzerland, puts it:

*"As a city it matters what kind of feeling you give to the public. How people feel: that's what it's about. How you demonstrate mobility is very important. If they feel that the city belongs to them, they will be proud of it and feel responsible for it."*

This sense of a liveable city is very hard to create and to convey in words. One of the key elements to success is to locate the needs of travellers and citizens at the heart of mobility planning. Mobility solutions should be easy to comprehend, easy to use and attractive. Not a small task.

*"In the end, people have to be convinced, to take a different mobility behaviour. As a journalist, it is my experience that you can only*



**Miskolc, University bus stop, (Hungary).** Photo: András Ekés



*convince people to change by offering them something. By making them part of something. For instance seeing the Mayor ride a bike or walk.* Andreas Horchler, journalist from the German radio Hessischer Rundfunk.



Including user groups and neighbourhood representatives in local planning can provide invaluable insights and resources to create this feeling for the city. The URBACT Local Support Groups provide the ideal platform to bring stakeholders together to plan greener mobility in the shape of a Local Action Plan.

**How do cities actively create a “Mobility Mindset”?**

### 3. Target the communications

To create the right “buzz” for stakeholders to get involved, a lot of care has to go into crafting the right message. Effective communication with the public and with stakeholders is vital to encourage behaviour change. Successful cities make use of multipliers, frontrunners and powerful mediators that touch people, such as employers, the Mayor, community leaders, the municipal newsletter, the media and event organisers.

Marianne Weinreich has worked with local businesses to make them adopt mobility initiatives in Denmark:

*“Working with private businesses you need to tell them they can make money. It’s good for their social responsibility profile. It’s good for their green accounts. It’s good for the employees, it attracts good workers and it creates satisfaction. Healthy, active employees have less absenteeism through sickness.”*



There is a need for good communication skills and better competences in marketing and sales. We have to find new means and channels of communication; new methods. Citizens and businesses alike are tired of being told that what they do is wrong. One reason why environmental NGOs often don’t succeed is the fact that

**“Move away from the bad conscience about the environment. It is more important to say it’s fun to be on the bus. Emphasise convenience, quality of life and fun.” Siegfried Rupprecht**



they preach abdication. Giving up something that you like is a negative. But is it really negative to take the bike instead of the car in the city? Siegfried Rupprecht, from Rupprecht Consulting, Germany, puts it directly: “Move away from the bad

*conscience about the environment. It is more important to say it’s fun to be on the bus. Emphasise convenience, quality of life and fun.”*

There is, however, a geopolitical gap here: post-socialist countries are at a different stage, you cannot convince by “fun”. Maybe in five years time. But financial reasons and time gains are at least as important factors.

**To target the business community you need to speak to their values and needs.**

**How do cities identify the efficient communication channels to promote a change in “Mobility Mindsets”?**

### The case of Frankfurt, partner in INTERREG IVC and URBACT projects

The young and the elderly are important target groups when you want to create “Mobility Mindsets”. Johannes Theissen, former Head of Frankfurt TraffIQ and veteran of INTERREG IVC projects including PIMMS, PIMMS Capital, INVOLVE and URBACT

EVUE, has set up school campaigns called “Wir laufen zur Schule!”.

This was a competition amongst Frankfurt schools to see which could encourage the most pupils to walk to school.

It linked the activity to environmental awareness and influencing parents and grandparents to change behaviour too. But Johannes Theissen sees a much bigger effect of campaigns like this:

*“It is important to build mobility behaviour at the earliest possible opportunity, starting in primary schools. Start to build independent mobility in children. Children can influence the elder generations and can be critical of their parents’ mobility habits. They motivate their parents’ Mobility Mindsets.”*



In the URBACT EVUE network the city of Frankfurt Local Support Group developed a Local Action Plan aimed at making the city a model for electro-mobility. Part of the strategy has been to develop an awareness raising campaign to explain the benefits of e-mobility and to bring civil society up to date. Actions include test and ride sessions with electric vehicles, information stands at local events and a solar charging point at the Mobility Centre. The Economic Development team has cooperated with the Chamber of Commerce to run seminars on post-oil urban mobility, to foster debate with local businesses and knowledge institutes about the consequences and the opportunities associated with electro mobility.



#### 4. Create the conditions for win-win situations

It is in cities, where the majority of EU citizens live, where many important changes have to take place. Curbing emissions from the transport sector, air quality issues as well as time and opportunities wasted due to congestion or “mobility for mobility sake” are major challenges to be tackled. But also social and economic issues such as unemployment, dilapidated neighbourhoods, social exclusion and poor health are inextricably linked with the means and possibilities of transport and mobility in the modern city.

There is a real need – and a great opportunity – for coherent policies to bridge the gaps across traditional divides, where challenges in one sector can be opportunities in another. And many examples on issues where a strong cross-sectorial approach can bring mutual benefit. Health and transport, for example, have many challenges in common: more people biking has a clear health benefit, as well as reducing congestion. Siegfried Rupprecht commented: *“Healthcare stakeholders should be made part of the discussion about mobility. It’s a very important topic for the future.”*

Sustainable transport solutions connecting neighbourhoods can also bring about much needed job possibilities for citizens unable to afford to travel to work in their own car. By integrating policies and policy aims across sectors there are potential win-win situations for all.

To develop “Mobility Mindsets” is a long and sometimes complicated process, and engagement of many stakeholders in different agencies is required. Other stakeholders do not necessarily have the same motivation for change. But when stakeholders get to identify their own needs, their personal burning issue, they are much more committed to the shared result: the win-win.

Multi-stakeholder cooperation is promoted in URBACT Local Support Groups. The process of reaching consensus can take time, and involves soft skills. The URBACT Local Support Group Toolkit<sup>3</sup> offers techniques to support these processes, such as



**Critical mass cyclist demonstration in Budapest, 2012.** Photo: András Ekés

#### The case of Nantes

The city of Nantes uses a mobility management system as a cost-effective way to get information to many people. They work hard to maintain employer engagement through a network of mobility managers in companies and this extends their communication to 75,000 workers in the city.

They also use this network of companies to test new ideas, such as a company parking card that can be used by employees.

Their strategy is to be aware of problems, alternations, processes, and the possibility of change.

They demonstrate different solutions to daily car use that combine public transport, cycling and walking, showing different ways to get from A to B.

Good relations are cultivated with the media to communicate new offers and services.

A lot of work goes on behind-the-scenes because part of motivating mindsets is to explain what you are doing and how.

The mobility management team emphasises the importance of motivating decision makers, to convince them to try out interventions. When they succeed the politicians say “You were right to do that”.

*“To me, targeted and aggressive communication is a key concept that has to be systematically integrated into in every action we try to carry out.*

*We have to use multipliers and intermediaries that can reach people such as employers, Mayors, conference and tourist centres, the local media.”* Gilles Farge, the City of Nantes, France.

**Health and transport, for example, have many challenges in common: more people biking has a clear health benefit, as well as reducing congestion.**

## The case of Eindhoven

Henk Kok, an old hand in city politics at the Strategy Department of the city of Eindhoven, The Netherlands, has his own tool for change, to grasp these opportunities to join up the dots and drive win-win collaborations.

He has built-up an informal network of colleagues that are enthusiastic and ready to create quick changes within the system. The network expands into all departments of the city and can be activated at quick notice.



*"We only need 10% of the workforce to be in that frame of mind. Then real change can be made when opportunity knocks"* is his optimistic message.

It is not always easy to predict when the window of opportunity opens that will allow new cross-sectorial initiatives.

It could be opened by a political statement, an opportunity for funding or be created by an unexpected problem, but having like-minded colleagues ready to innovate with shared solutions is key.

The Eindhoven approach is also about not pre-judging situations.

*"It's important that we don't jump to conclusions. Try looking beyond the problem. You need strategy and supporters."*

The strategy department has a 4-year planning process, and creates links between departments, and EU and local projects.

It recognises that infrastructure of the future is not just roads, rails and bike lanes (by mode) but mobility possibilities across modes. New lifestyles will lead to the need for new integrated mobility services.

*As well as a number of mobility projects Eindhoven leads an Interreg IVB cluster on connectivity in public transport solutions.*

## By integrating policies and policy aims across sectors there are potential win-win situations for all.

stakeholder analysis, problem identification, consultation, negotiation. The first URBACT Summer University<sup>4</sup>, held in Krakow in 2011, brought together URBACT Local Support Groups from across Europe to explore and try out new methods to improve local planning.

### How do cities ensure time and resources for the process of promoting "Mobility Mindsets"? So how do cities break down the silo thinking of public offices and focus on the bigger wins?

*"It's important to create ownership. The URBACT Local Support Group concept is very important for most cities, and can be used effectively for mobility initiatives. It gives stakeholders a voice, brings them in, and generates support."*



*This is a major success factor for getting policies delivered. Planners are often not good sellers."* Robert Pressl, Lead Expert of the URBACT ACTIVE TRAVEL<sup>5</sup> network and Manager of the EU funded Eltis<sup>6</sup> Urban Mobility Portal.

## Why is improved mobility important?

There are many benefits to be derived from increasing the proportion of walking, cycling and car sharing through the introduction of mobility plans (travel plans), flexible working, training and awareness raising events:

- Less congestion in cities
- Reduced CO<sub>2</sub> emissions
- Increased fitness, wellbeing, productivity at work and longer life
- Decreased inactivity, obesity, heart disease and health care costs
- Less costly new infrastructure by fully utilising existing capacity
- Increased recruitment and retention of employees
- Enhanced well being, pleasure and satisfaction (urban happiness)

## Ways of greening mobility

Policy measures to promote greener mobility must work in combination to be efficient and include both soft and hard measures. Mobility patterns can be influenced by measures encouraging citizens:

**Avoid travel** e.g. by providing good internet access, by promoting teleworking, or by toll or road pricing, and by decreasing mobility through synergy with urban planning.

**Travel by greener modes** through campaigns and promotion of public transport, cycling, carpooling. But also ensuring high quality of green modes, such as rivers, lakes as reinvented surfaces for cost-efficient ferry based urban mobility (e.g. Paris, London, Budapest, Bordeaux...).

**Travel by cleaner modes** by the promotion of electric, hybrid, biofuelled and other greener alternatives in cars and city distribution.

**Travel less, or in less congested times** by promoting incentives to teleworking and work-at-home and differentiated parking fees, public transport fares and road pricing.

## Join the challenge

Changing behaviour and habits for this new mobility thinking can be motivation by consciousness or motivation by economic/financial incentives or both. Cities can use a mixture of carrots and sticks, and this will vary according to city specific contexts.

Part of the challenge is to define a common platform, or the same language and understanding so that the Motivating Mobility Mindsets slogan and its content is relevant and helpful in all European cities.

How do cities arrive at the "higher level of quality of life" by Motivating Mobility Mindsets? The starting point for change can be small steps. We need to find good ideas, try to realise projects based on the ideas and try to transfer the knowledge for others. Others will get the most relevant points from these projects as useable ideas for themselves.

Cities can apply motivated mobility mindsets as the key to unlock the door: to more effective communication, to better transfer of transport solutions, to collaborations that solve multiple urban needs.

This concept of "Motivating Mobility Mindsets" does not require large investments. It offers good potential in the current difficult economic context in Europe where growth is



## EU Policy Challenges

Urban mobility accounts for 40% of all CO<sub>2</sub> emissions from road transport and up to 70% of other pollutants from transport<sup>i</sup>. Congestion in the EU is often located in and around urban areas and costs nearly 100 billion Euro, or 1% of the EU's GDP, annually.

It is estimated that around 70 % of the EU population – approximately 350 million people – live in urban communities of more than 5 000 inhabitants<sup>ii</sup>.

Efficient and effective urban transport can significantly contribute to achieving objectives in a wide range of policy domains for which the EU provides frameworks and some regulation.

The EU Climate and Energy Package<sup>iii</sup> targets call for a 20% cut in emissions of greenhouse gases by 2020, compared with 1990 levels; a 20% increase in the share of renewables in the energy mix; and a 20% cut in energy consumption.

The European Transport Plan<sup>iv</sup> aims to increase mobility and further integrate the EU's transport networks – while reducing greenhouse gas emissions and the bloc's dependence on imported oil. It includes a target of no more conventionally fuelled cars on cities by 2050.

The European Action Plan in Urban Mobility proposes twenty measures to encourage and help local, regional and national authorities in achieving their goals for sustainable urban mobility<sup>v</sup>.

The success of these policies that have been agreed at EU level partly depends on actions taken by national, regional and local authorities. Mobility in urban areas is also an important facilitator for growth and employment and for sustainable development in the EU areas.

Cities themselves are usually in the best position to find the right responses to these challenges, to enhance mobility while at the same time reducing congestion, accidents and pollution and taking into account their specific circumstances.

(i) [http://ec.europa.eu/transport/urban/urban\\_mobility/urban\\_mobility\\_en.htm](http://ec.europa.eu/transport/urban/urban_mobility/urban_mobility_en.htm)

(ii) Cities of Tomorrow, European Commission DG Regional Policy 2011

(iii) [http://ec.europa.eu/clima/policies/package/index\\_en.htm](http://ec.europa.eu/clima/policies/package/index_en.htm)

(iv) [http://ec.europa.eu/news/transport/110328\\_en.htm](http://ec.europa.eu/news/transport/110328_en.htm)

(v) [http://ec.europa.eu/transport/urban/urban\\_mobility/action\\_plan\\_en.htm](http://ec.europa.eu/transport/urban/urban_mobility/action_plan_en.htm)

lower than in other regions. Europe has little capacity for public investment. So the emerging economies of China, India and Brazil can support growth with lots of new infrastructure, as in the European post war discipline of country development. Europe needs to find a different way. More in line with notions of smarter use of existing facilities and capacities, shared use and space, and “co-mobility”. A way that reflects the key themes of EU 2020, and the Green Paper for a new culture of urban mobility, currently under public consultation. A mobility mindset does, however, require real change in the way we perceive, act, think, plan, communicate and operate our cities, and in the interaction of all aspects of city planning and life. And it relies ultimately on a significant change in mobility behaviour, backed by better and greener mobility services.

The URBACT workstream “Mobility Mindsets” collected the evidence, quotes and viewpoints for this article at the ECOMM 2012

conference in Frankfurt, the CIVITAS Forum, listening to the results of clean city mobility projects, and gleaning from the exchange and debate the best practices around Europe. Robert Stussi will bring to the group the preliminary results of the Interreg IVC capitalisation exercise on sustainable transport, including an analysis of the impact of 15 projects funded. The other European Territorial Cooperation programmes, ESPON and INTERACT have been invited to contribute their findings. The final URBACT workstream meeting on Mobility Mindsets for 2012 will take place in November in Budapest, and focus on the realities and challenges for cities in Central and Eastern Europe.

Our workshop in the URBACT annual conference on 3-4 December 2012 will explore these challenges, seek the views of cities across Europe, and encourage more steps towards human oriented mobility. We need all city stakeholders to be actively engaged in “Motivating Mobility Mindsets”! ●

(1) URBACT EVUE network : <http://urbact.eu/en/projects/low-carbon-urban-environments/evue/homepage/>

(2) URBACT Active Travel network : <http://urbact.eu/en/projects/low-carbon-urban-environments/active-travel-network/homepage/>

(3) [http://urbact.eu/fileadmin/general\\_library/URBACT\\_LSG\\_Toolkit\\_090115.pdf](http://urbact.eu/fileadmin/general_library/URBACT_LSG_Toolkit_090115.pdf)

(4) URBACT Summer University. <http://urbact.eu/en/news-and-events/view-one/urbact-events/?entryId=4883>

(5) <http://urbact.eu/en/projects/low-carbon-urban-environments/active-travel-network/homepage/>

(6) <http://www.eltis.org/>

## Acknowledgements to...

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- *Robert Stüssi*, Lead Expert of the URBACT ENTER-HUB network

**Witnesses and advisors:**

**Special guest contributor:**

- *Antonio Lucio Gil*, Editor, ECOSOSTENIBILE, partner in EUNOIA project

**Expert witnesses in Frankfurt ECOMM 2012:**

- *Johannes Theissen*, TraffIQ Frankfurt, partner in INTERREG IVC and URBACT EVUE network
- *Henk Kok*, Strategy Department of the city of Eindhoven
- *Bjørn Sondelien*, Norwegian Road Administration
- *Robert Pressl*, FGM-AMOR and Lead Expert of the URBACT Active Travel network
- *Marcus Enoch*, Associated professor of Loughborough University



### MORE INFORMATION

URBACT 2012 conference website:  
<http://www.conference2012.urbact.eu/workshops/about-conference/themes/motivating-mobility-mindsets>

# SHRINKING CITIES: CHALLENGES FOR POLICY AND PRACTICE

BY HANS SCHLAPPA

Urban shrinkage is now recognised as a serious challenge for European cities. The URBACT workstream on ‘Shrinking cities: challenges and opportunities’ aims to support the process of finding new answers to urban decline. Our work explores the experience of partner cities of the URBACT networks, and also draws extensively on contributions from leading practitioners, policy makers and academics in the field. There is still some way to go in developing concrete proposals on how cities can respond to shrinkage, but this article presents the findings of our work so far which are focused on the physical and economic dimensions of urban shrinkage.



**S**hrinking cities are not a new phenomenon. There have always been times when cities have experienced decline and in some cases been abandoned all together. The recently published Cities of Tomorrow report<sup>1</sup> draws attention to this serious problem which appears to affect an ever increasing number of cities in Europe.

A recent report by the European Union-funded Shrink Smart project suggests that

40% of all medium-sized European cities have lost a significant part of their population and most Eastern European cities are affected by shrinkage<sup>2</sup>.

It would seem that much of the guidance on integrated urban regeneration is of limited use in shrinking cities. This is partly because many cities do not face up to the reality of the shrinkage process and struggle to accept the need for active management of the shrinkage process. Furthermore, at a time of unprecedented

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**Almost half of all European cities have lost a significant part of their population.**

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financial austerity and economic stagnation, policy makers (as well as) practitioners are struggling to come up with innovative multi-dimensional, multi-level responses that cut across functions, institutions and sectors that could be set against socio-economic and environmental decline.

This article begins by setting out some of the main reasons for and characteristics of urban shrinkage. Examples of how smaller cities are dealing with the physical and economic challenges associated with urban shrinkage are then presented. The importance of a regional approach towards supporting smaller cities in dealing land that is surplus to economic requirements is exemplified by the case of the Etablissement Public Foncier in the Nord-Pas de Calais region. The article concludes with some reflection on the terminology we use to describe cities in decline and some suggestions for further discussion.



## **Main causes and characteristics of shrinking cities**

Shrinking cities are not confined to Europe; on the contrary, they are a global phenomenon. Some people say that shrinking cities are indicative of the “beginning of the end” of an era where global production, distribution and consumption have concentrated resources in global cities and regions. While some cities are booming, very many are experiencing the outflow of the resources, skills and assets which once made them prosperous. Not being able to compete globally and being “unplugged” from global production and distribution networks are often cited as being among the main causes of urban shrinkage<sup>3</sup>.

However, cities were experiencing shrinkage before the “global shift”. Reasons for this include the re-location of industry within a country, innovations which make established industrial processes obsolete, changes in transport systems, sub-urbanisation and natural demographic changes, such in the increase of the proportion of older people. Changes to political regimes can also have dramatic effects on the sustainability of cities that were once seen to be based on sound socio-economic foundations, as is the case of eastern Germany.

Shrinking cities encounter a set of inter-related developments which are not linear, but rather multi-dimensional in process and

outcomes. The start of the process is usually marked by a decrease in population. This is accompanied by a drop in tax revenues for public agencies and also a fall in demand for some services. Hospitals, schools and leisure facilities tend to require downsizing and face closure. Infrastructure, such as roads and water, electricity and sewerage systems, on the other hand, are more difficult to scale down and tend to fall into disrepair due to lack of adequate investment in maintenance.

One of the most visible links between urban shrinkage and economic decline is the de-industrialisation of cities. Former industrial districts in shrinking cities are characterised by underused or derelict buildings and vacant brown field sites. These tracts of land are often in close proximity to the city centre, thus blighting central locations and any limited opportunities for economically viable development that might exist. Surplus housing places a strain on a city caught up in the shrinkage process and often requires large scale intervention to reduce and restructure the housing stock.

The growing proportion of older people is an additional challenge<sup>4</sup>. While Europe in general suffers from a rapidly ageing population, this problem is compounded in shrinking cities. Economically active families are leaving a city with declining living standards and no realistic prospects of reversing a downward trend. This leads to a growing proportion of vulnerable and older people in the population, which in turn places additional pressure on services and budgets.

## **What can cities do about urban shrinkage?**

Broadly-speaking, cities affected by shrinkage tend to adopt two contrasting approaches. In central and eastern Europe cities tend to focus on growth strategies with a preference for private sector-led initiatives and a heavy reliance on external investment to stimulate growth. Shrinking cities in western European countries also continue to promote growth but combine this with a number of other measures. These include an emphasis on compact and sustainable cities, heavy public sector-led investment and an adaptation of urban policy away from notions of continued growth<sup>5</sup>.

In addition, interventions to tackle urban shrinkage can be characterised as being predominantly pro-active, aiming to prevent or slow down the shrinkage process, or they might be primarily re-active responses to established problems that have resulted from the shrinkage process. Examples of pro-active interventions might include prioritising research, education and marketing in economic sectors that promise growth and employment. Re-active interventions might involve “recycling” buildings or land, giving them new uses or taking them out of economic use all together<sup>6</sup>. What is likely to apply to all cities caught up in urban shrinkage, however, is that they need to adopt a combination of pro-active and re-active approaches which reflect their particular problem constellation.





Such combined approaches would include:

- ▶ supporting economic development, for example, by building on existing skills and knowledge or investing in completely new areas of technology;
- ▶ fostering community development and a sense of identity by including older or vulnerable people in governance processes;
- ▶ downsizing and retrofitting housing, offices and industrial buildings to create low-energy homes and places which are demographically sustainable;
- ▶ re-designing public services, such as education, adult social care and youth services in conjunction with service users, and in ways which foster the collaborative creation and provision of services;
- ▶ changing established land-use patterns through strategic planning processes, for example by creating urban forests or reducing the size of suburbs<sup>7</sup>.

Importantly, cities need to develop a vision of their purpose which departs from the past. The reason why they experience shrinkage is that their past economic purpose or advantage no longer provides the basis for sustainable development. Refusal to accept that past economic prosperity might not return can present a key barrier to strategies that could lead to recovery. Some cities are shrinking “smart”, generating new and sustainable development options for themselves, while many others might be in a state of “denial”.

Dealing with the multi-dimensional and complex nature of the shrinkage process requires the active contribution of all stakeholders in a city. Municipalities need to open themselves up to their citizens, including individuals and organisations from the private, public and voluntary sectors, to develop a new vision and sustainable development trajectory for their city.

Addressing shrinkage also requires the collective efforts of local, regional, national and European agencies. “Phoenix cities”, such as Leipzig in eastern Germany or Bilbao in northern Spain, are inspirational examples where such multi-level collaboration brought about a step change in the fortunes of a city. But not many cities find themselves with opportunity and problem constellations that would allow them to rise like a phoenix from the ashes. Nevertheless, every city must develop their own specific rescue plan to deal with urban shrinkage. The following case studies illustrate how some cities and regions have addressed this in practice.

### ***An example of taking a pro-active approach towards dealing with urban shrinkage***

As Lead Partner in the URBACT OP-ACT network<sup>8</sup>, Leoben (Austria) shares its experience with ten other European cities, each of which is at a different stage of shrinkage. Leoben took steps early on to halt and then reverse

### **The case of Leoben (Austria), Lead Partner of the URBACT OP-ACT network**

Leoben is the second largest city in the Austrian region of Styria and lies 50km north of Graz.

Historically, Leoben was a centre for the metal industry and provided an administrative function for smaller towns in the region.

Between 1971 and 2011 the population shrank from 35,153 to 24,702, primarily because of job losses in the metal industry.

The loss of jobs occurred very rapidly and was accompanied by the loss of regional administrative functions for surrounding rural areas.

As Leoben generated approximately 50% of its tax revenues from business and property taxes, the city decided early on that repaying its debts was the best strategy to compensate for its declining tax revenues.

Investments were then made in a shopping centre to provide a regional alternative to the retail facilities in the major city of Graz.

The local university, which is a national centre of excellence for the mining industry, was also supported in developing its research and teaching profile. The third strategic development concerned the promotion of art and culture in order to encourage young people to stay in the city and to engage older people in making the city culturally more attractive.

Here, Leoben had little existing capacity but developed the required know-how by visiting other projects in Europe and now has a cultural centre which is based on the business incubator model.

### **Shrinkage has its roots in unsolved economic, social or political problems.**

the socio-economic consequences of decline and is presented here as an example of a pro-active approach towards dealing with shrinkage.



## Complacency and denial are the hidden barriers to renewal in many shrinking cities.

Small towns like Altena have limited expertise when it comes to developing new initiatives and also tend to be de-coupled from regional decision-making on resource allocations. Hence developing new strategies can be a lonely and difficult process, and one which may be resisted by other municipalities as well as the residents who are supposed to benefit. Altena is a good example of a shrinking city which did not see its “hidden” assets or “unpolished diamonds” for many years. This case shows that the barriers to identifying historical, site or service advantages are often in the minds of people and that positive change can be realised with relative ease

Leoben did not reach the point of having to deal with surplus housing stock or brown field land because it was able to balance a declining population with adequate employment opportunities while providing good-quality housing and environmental facilities. This was mainly due to political consensus to explore and invest in new opportunities early on in the shrinkage process. Rather than doing nothing and hoping that the problem of socio-economic decline would rectify itself somehow, the city invested in its competitive advantages, such as its location in the region for retail and its higher education institutions. This required a wide range of actions, including collaboration between the municipality and businesses to develop the retail sector, and investment in training and entrepreneurship to maximise the benefits from its higher education institutions. Over time the city of Leoben was able to develop a coherent and holistic strategy which builds on existing resources, expertise and opportunities.

### **An example of taking a re-active approach**

Unlike Leoben, Altena did not find ways of responding to the urban shrinkage process pro-actively for a long time. Despite having many social, economic and environmental assets, the city declined for forty years before any co-ordinated action was taken.

### **The case of Altena (Germany), partner in the URBACT OP-ACT network**

Altena’s history as a metal producing and processing town stretches back over centuries. The city has an attractive historical centre and is situated below a much-visited castle next to a river. In the 1970s Altena began to lose large parts of its metal working industries and by 2012 had lost 50% of all the jobs in the city. During this period the population of Altena collapsed and the city lost nearly 60% of its residents as numbers dropped from 32,000 to 18,000.

The loss of residents resulted in surplus residential and commercial property and the city struggled with the financial and administrative burdens associated with an over-sized service infrastructure which could not be adequately maintained.

For forty years the city’s leaders were harking back to the “golden age” when Altena was prosperous, hoping that an opportunity might arise to re-create its former industrial might but making little investment in practical actions to tackle its decline. This changed when a new mayor drove forward a strategy which departed from notions of “recreating” the former economic basis on which the town had prospered.

The mayor re-positioned Altena as a shrinking city in the minds of politicians and citizens, arguing that Altena needed the support from its citizens and regional agencies to deal with the cycle of decline. Initially, residents objected strongly to being labelled as inhabitants of a declining and struggling city.

They also resented the radical closure of sports centres, libraries, nurseries and primary schools which accompanied the downsizing strategy the municipality had adopted.

Following a prolonged consultation and visioning process, the city was able to draw together its citizens, businesses and public agencies around a strategy which builds on its advantages.

These include site advantages, such as a beautiful location in a river valley next to a visitor attraction, high-quality secondary schools and a historic town centre. However, apathy and suspicion among local stakeholders were barriers to progress and the municipality had to find ways of demonstrating that “we are all in this together”. One pivotal project was the pedestrianisation of the city’s promenade. Without sufficient funds, the only way to improve this central part of Altena was to draw on the input of volunteers. Officials from the municipality, including the Mayor, began to work at weekends to dig up the road and put down paving.

Once started they were quickly joined by residents and shopkeepers, creating a sense of excitement and a “can do” attitude. The local press hailed the project as a turning point in Altena’s fortunes and this area is now a symbol that Altena can indeed tackle its problems if everybody pulls together.



once a fresh perspective is created and shared with citizens. For example, much effort was required to change people's attitudes towards the river which flows through Altena. It was perceived as a threat, due to flooding in the winter, rather than an opportunity, which explains why there were no cafés or walkways along its front. This is all changing now and the municipality is investing in this natural asset to make the town more attractive to visitors. Tourism is now seen as a key opportunity for Altena and the municipality is pioneering innovative ways of bringing some of the 60,000 visitors to the castle into the town centre through an "adventure elevator". Lack of funding poses real challenges for Altena, however, and this project became financially feasible only once the municipality was able to create a partnership with a private investor.

Both Leoben and Altena identified their "hidden potentials" in terms of physical, geographical, human and economic assets. This was not an easy process and local stakeholders can be antagonistic, suspicious or complacent. Only inclusive, participatory and multi-agency approaches seem to work in such situations. Political consensus and strong top-level leadership are also essential to overcome a denial of the realities of shrinkage and a refocusing on the assets that a city can still use to its advantage.

### ***Regional strategies are also important***

Another aspect of urban shrinkage is under-used land and buildings, problems that are likely to affect cities with an industrial past. These tracks of land or oversized housing estates often require intervention on a scale which goes far beyond the capacities of an individual city. Industrial decline is often a regional phenomenon, and while the closure of industry of course affects cities directly, there is often a requirement for higher-level co-ordination. This workstream therefore decided to explore an example of land management which draws together stakeholders at local, regional and national levels in ways which support the long term socio-economic regeneration of small and medium-sized cities.

The approach taken by the Etablissement Public Foncier reflects the principles of the ABC Model developed by one of the core group members of this workstream, Dr Uwe Ferber<sup>9</sup>. The model differentiates between three different types of sites with regard to the costs of reclamation and predicted revenue.

### **Etablissement Public Foncier Nord-Pas de Calais (France)**

The impact of industrial restructuring during the 1970s had a profound impact on the Nord-Pas de Calais region.

Nearly 10,000 hectares of derelict land filled the region's landscape, some heavily contaminated by steel and coal industries, others containing large derelict buildings from the collapsed textile industries.

In 1990 the Etablissement Public Foncier Nord-Pas de Calais (EPF-NDPC) was created to deal with land that was considered to be "off-market".

Off-market land has little economic value at a particular point in time, usually shortly after the collapse of an industry, because the costs of reclaiming it are high while its economic value is low.

Land that could be classified as a "prime development site" is not acquired by EPF-NDPC.

However, some of the sites that start out as being "off-market" or "high risk" have over time become such prime development sites.

In reclaiming and recycling brownfield land the EPF-NDPC adopts the role of a "contra-cyclic land operator".

This means that the agency acquires land when it presents a problem and holds on to it while there is no demand.

When demand for development land starts to grow the land is brought to market.

In releasing sites, EPF-NDPC responds to requests from municipalities rather than marketing their potential development sites independently.

This avoids the danger of interfering with emerging market dynamics and supports the achievement of locally determined objectives.

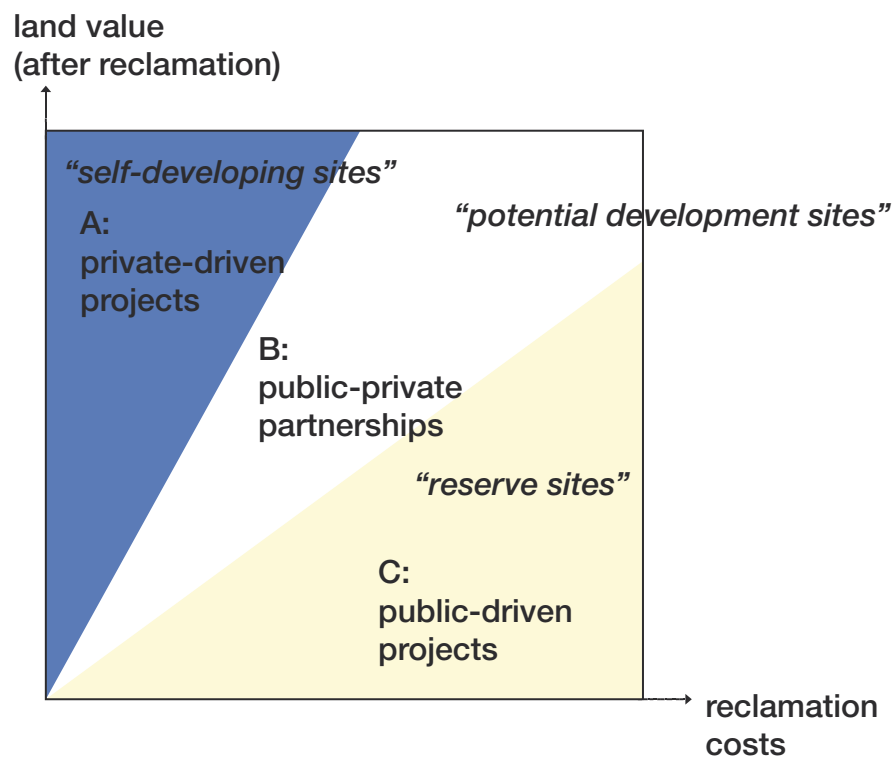
The experience of EPF-NDPC suggests that it takes approximately 30 years to bring off-market land back into economically viable use.

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**Local, regional and national co-ordination is essential.**

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## The ABC model



Source: Dr. Uwe Ferber

The three types of sites are as follows:

- ▶ **A Sites** are highly viable economically and development is driven by private interests because this will result in a certain increase in site value. There is no demand for special public subsidy and regular planning and administration systems provide the required framework for development.
- ▶ **B Sites** are sites of local and regional importance with development potential but also with significant risks. These typical brownfield projects are situated in the border zone of profit and loss and require special intervention. In these cases, public-private partnerships are most effective where there is risk-sharing, joint financing and coordinated planning of projects.
- ▶ **C Sites** are not in a condition whereby regeneration can be profitable. Their regeneration relies mainly on public sector or municipality-driven projects. Public funding or specific legislative instruments (e.g. tax incentives) are required to stimulate the regeneration of these sites.

Every shrinking city will have sites in these three categories but all too often public investment supports category A sites, which do not really need it. The focus, as practiced by the *Establissement Public Foncier*, needs to be on category B sites. It is here that public investment can have the biggest impact in terms of improving environmental problems

and stimulating the economic cycle of land utilisation. Innovative approaches to the management of category C sites are piloted by the ERDF programme in Lower Saxony<sup>10</sup> and by the Land Restoration Trust in England<sup>11</sup> which turns surplus brownfield sites into public open spaces or nature conservation areas.

### Emerging issues for further discussion

Although the work of the core group is in its early stages, we have already identified a number of issues that would benefit from wider discussion. Our future work on the impact of an ageing population in shrinking cities will raise additional and important issues in the run up to the URBACT conference in Copenhagen, but at this stage we can already identify the following points which should be explored in more detail:

- ▶ How can we bring about a change in the mindsets of local people to see opportunities in the shrinkage process?

**The cost of doing nothing can be prohibitive.**

- ▶ Place marketing and re-branding is often used as a sticking plaster by shrinking cities to cover up a lack of concrete action and a strategy for change. How can marketing support a change in attitude, identity and economic activity in a city caught up in the shrinkage process?
- ▶ Retrofitting and recycling declining cities to “warehouse” growing numbers of older people is unlikely to offer acceptable or sustainable options. How can we find a balance between demands for services that reflect older people’s needs and those of families, young people, visitors and investors?
- ▶ Compared to large cities, small and medium-sized towns and cities have limited knowledge of financial, procedural and institutional tools that can be used to deal with shrinkage and demographic change. What would capacity-building programmes that are designed specifically for small and medium sized cities suffering from urban shrinkage look like?
- ▶ Shrinking cities have the opportunity to do the “unusual”, to take risks and break down established ways of doing things. What kind



of leadership models and governance processes might be most suitable to support shrinking cities in being innovative?

► Cities cannot solve the problems arising from shrinkage and demographic change on their own. What multi-level policy instruments are effective in supporting shrinking cities?

► Dealing with dereliction and surplus land can take a long time. How can municipalities be supported in managing long-term land-use cycles in a context of low economic demand?

### An “after” thought about terminology

Despite all the work that has been done by the workstream on shrinking cities and demographic change, one knotty issue remains. This issue concerns the words we use to describe urban “shrinkage”. The term “shrinking” is rather unhelpful. It invites comparisons with “growing” places and implies that

shrinking is a sign of failure whilst growing is a sign of success. There are many cities which are shrinking successfully and perhaps it is time to think about a terminology which captures the processes associated with the profound urban and demographic changes we are bearing witness to in a more positive way.

As an initial proposal we might want to consider talking about “re-balancing” towns and cities. We could perceive pro-active interventions as attempts to “sustain balance” and more re-active interventions as being designed to “restore balance”. The idea of “balanced development” is widely used in European regional policy and there may be scope for establishing this terminology in relation to cities which are “out of balance”. However, these are just our initial ideas about ways of describing and analysing the process of urban shrinkage in more positive ways and we look forward to debating this further with you at the URBACT conference in Copenhagen.

The author would like to thank Dr Uwe Ferber, Professor Bill Neill and Professor Hanns-Uve Schwedler for their valuable contribution to this article. ●

(1) This report can be downloaded at [http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf)

(2) The website of this EU-funded research project provides a wide range of useful reports: [www.shrinksmart.eu](http://www.shrinksmart.eu)

(3) Martinez-Fernandez, C. et al (2012) Shrinking Cities: Urban challenges of globalization, in: International Journal of Urban and Regional Research

(4) A recently published report by the Hungarian Presidency of the Council of the European Union contains a detailed analysis of these developments: [http://www.eukn.org/Dossiers/Demographic\\_Change/Analysis/New\\_Hungarian\\_report\\_on\\_The\\_Impact\\_of\\_European\\_Demographic\\_Trends\\_on\\_Regional\\_and\\_Urban\\_Development](http://www.eukn.org/Dossiers/Demographic_Change/Analysis/New_Hungarian_report_on_The_Impact_of_European_Demographic_Trends_on_Regional_and_Urban_Development)

(5) The website of the EU-funded research project provides a wide range of useful reports: [www.shrinksmart.eu](http://www.shrinksmart.eu)

(6) A good example which shows a wide range of such pro-active and re-active approaches is the International Bauausstellung Emscher park [www.iba-emscherpark.de](http://www.iba-emscherpark.de)

(7) The recently published OECD report contains a wide range of further examples and suggestions: Demographic Change and Local development: Shrinkage, regeneration and social dynamics, 2011. Available from [www.oecd.org](http://www.oecd.org)

(8) <http://urbact.eu/en/projects/active-inclusion/op-act/homepage/>

(9) Ferber, U, et al (2006), Sustainable Brownfield Regeneration, CABERNET Network Report, University of Nottingham, UK

(10) For further details contact Dr Uwe Ferber on [Uwe.Ferber@projektstadt.de](mailto:Uwe.Ferber@projektstadt.de) or visit the website at [http://ec.europa.eu/regional\\_policy/country/prordn/details\\_new.cfm?LAN=7&gv\\_PAY=DE&gv\\_reg=649&gv\\_PGM=1089&gv\\_defL=7](http://ec.europa.eu/regional_policy/country/prordn/details_new.cfm?LAN=7&gv_PAY=DE&gv_reg=649&gv_PGM=1089&gv_defL=7)

(11) Visit <http://www.thelandtrust.org.uk> for more information

### Acknowledgements to...

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#### MORE INFORMATION

URBACT 2012 conference website: <http://www.conference2012.urbact.eu/workshops/about-conference/themes/shrinking-cities-challenges-and-opportunities>





Retrofitting 315 flats in Budapest with new external wall insulation and solar heating

# RETROFITTING OUR WAY OUT OF RECESSION

BY PAUL CINIGLIO AND ANTONIO BORGHI

**The built environment of European cities must urgently get in-shape so that it is “energy-fit” for the future. In order to achieve this transformation, owners and occupiers of buildings will need to be persuaded to make their assets more energy efficient. Not only will this require unprecedented investment, but our cultural city centres must also be preserved in the process.**

**The URBACT “Building Energy Efficiency in European Cities” workstream has been set up to examine the role of city public authorities for energy efficient urban communities through retrofitting in the building sector. This article presents the first findings of our work.**

**C**ity authorities have a vital role to play in the retrofit revolution. This is no ordinary task; on the contrary, it is without doubt amongst the most challenging prospects Europe has ever faced. Investment in the UK alone to meet national retrofit targets would be the equivalent of building the Olympic games from scratch every year<sup>1</sup>.

As the Energy Performance in Buildings Directive<sup>2</sup> raises requirements and continues to bite, all member states need to develop an even more robust strategy to lower the environment impact of their buildings. This approach must reduce energy waste and consumption while improving energy efficiency and onsite generation from renewables.



It is clear that a multitude of barriers will need to be overcome if we are to collectively realise our European retrofitting aims<sup>3</sup>. If tangible progress is to be made year on year in order to reach our targets, next year is arguably the last year in which politicians and urban policy makers have to overcome the principal obstacles to retrofitting so that climate change can be seriously tackled. If we fail to rapidly pick up the rate of retrofitting, it will be simply impossible to address the task in later years.

A strong and sustainable case exists for retrofitting our existing buildings in preference to their demolition and redevelopment. European policy on retrofitting continues to mature and coherent action must now follow. Despite the most difficult times of austerity, the economic benefits of mass retrofitting could be the best opportunity to pull the EU out of recession.

This article primarily focuses on four interwoven catalysts for change. The first is to stimulate demand for retrofit by improving its appeal to building owners. This offer must be attractive and ideally made at a time to match demand for refurbishment work. The second is the need to seriously address fuel poverty and provide affordable warmth to millions of households in the face of rising energy supply prices and static levels of household income. The third is ensuring that adequate long-term and affordable sustainable finance is in place whilst simultaneously tackling user behaviour as an essential aspect of making the financing work. The fourth issue focuses on our unique urban heritage and the improvement of its energy efficiency. Historic buildings have specific peculiarities arising from their form and construction which relate to their value as material evidence of the past.

### ***How can retrofit demand and appeal be stimulated?***

Cities have a key role in generating demand and appeal for retrofit. They are ideally placed to facilitate, coordinate and drive action through targeted policies, campaigns, seminars and workshops that bring together professionals and stakeholders to discuss potential solutions.

The argument for retrofit at present often suffers from a market-wide communication failure, a so-called virtual “circle of despair”. Owners and users are unaware of the benefits and often fearful of the disruption that retrofitting work will bring, designers are not fully aware of the options, are cautious of the

competence of installers or products and don’t want to increase project budgets, and contractors are not presented with eco-design solutions and don’t develop the skills required. Consequently the circle revolves.

Cities can play an important role in breaking this circle by encouraging the transfer of knowledge to people concerned and by communicating to building owners and users the benefits that retrofitting can bring, such as reduced operational costs, improved comfort, healthier buildings and the opportunity to enhance the layout and facades of buildings at the same time. Moreover, taking advantage of “retrofit trigger points” or “golden moments” that arise when traditional refurbishment work is carried out will minimise the additional costs for eco-fit.

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### **Taking advantage of “retrofit trigger points” or “golden moments” that arise when traditional refurbishment work is carried out will minimise the additional costs for eco-fit.**

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Positive messages to potential clients, owners and occupiers shouldn’t be restricted to selling only the economic benefits of retrofit. Broader advantages such as improved thermal comfort (e.g. tackling the cold wall effect) can be a powerful motivator to act as it is more easily understood by many occupants.

### **What about the role of professionals and building contractors?**

The role of architects and other professions in advancing high-quality retrofit is vital. Getting the detailing right is crucial in order to avoid creating problems with future maintenance. Indeed, the retrofit process should be viewed as an opportunity to reduce long-term expenditure on maintenance. Architects and building professionals should also be called upon to provide the professional retrofit services required by the market. This will include helping to engage and motivate the masses of building contractors to improve their skills and understanding of retrofit, especially the “golden moments” that will allow them to up-sell their eco-retrofitting services at the most opportune time.



**University of Applied Sciences, Darmstadt before and after retrofit 2010/11, Cornelsen and Seelinger Architekten**

Estate agents also have a part to play in incentivising retrofit. How can they be assisted to actively help reverse the current public apathy towards Energy Performance Certificates? Is there a case for capitalising the value of a home following retrofit improvements?

### **To what extent does sharing experience and making retrofit visual help?**

Best practice examples of completed retrofit projects can be very successful in generating new demand. Clients generally like to see first hand what is available to them before they invest and retrofit is no different in this respect.

A network of over 500 building users based in cities throughout Europe have helped to improve awareness by participating in “The Display Campaign” to make the benefits of energy-saving visible and is underpinned by effective communication to all building users.





## Best practice examples of completed retrofit projects can be very successful in generating new demand.

A prolonged advertising campaign can be a powerful tool in selling the benefits of energy fit renovation to the wider public. Well-known TV personalities, for example, could help to change customer attitudes. Furthermore, this type of approach could help to build on the good work of the EU Covenant of Mayors and their responsibility to produce a holistic city-wide energy-saving action plan.



### Case study – “Old Home Super Home” network, Sustainable Energy Academy (SEA), UK

Over 140 home-owners who have retrofitted their homes have joined forces to showcase retrofitting to the public on open days in cities and towns. Public interest in the show homes has been immense with an average of over 20,000 visitors each year learning about a broad range of retrofit techniques. The power of the network is the impartial learning exchange between visitor and home owner. The SEA estimates more than 25% of visitors to a show home go on to spend over €5,000 on their own home following the visit.

The show home pictured in the street below was part of the “Retrofit South East” project and whilst open received over 400 visitors including the local MEP. Here, residents of social housing were responsible for helping to determine the future of their prefabricated homes which were taken from a band “E” to a band “A” Energy Performance Certificate rating. The retrofitted homes have put pride back into the local community and reduced annual running costs by as much as 60%.



If real progress is to be made, citizens must ultimately want more energy-efficient buildings and city authorities must understand their motivation, and should act and appeal to this inclination, whether it is to make their building look better, to make it more comfortable or to safeguard against fuel price inflation.

### To what extent can retrofit help alleviate household fuel poverty?

Fuel poverty can be defined as the inability to keep a home adequately warm at an affordable cost. A common definition of fuel poverty, used in several European countries, is where a household spends more than 10% of its disposable income on annual fuel bills. Recent studies undertaken by European Fuel Poverty and Energy Efficiency (EPEE) revealed that in France and the UK as many as 12% of all households live in fuel poverty by this definition. The EPEE proposes a practical guide to local authorities to address the issue through energy efficiency, using social tariffs, public funds and raising awareness<sup>4</sup>.

Fuel poverty is particularly prevalent in Europe’s social housing sector, representing some 25 million homes, as occupants are

typically on lower than average national household incomes. The issue, however, is certainly not limited just to social housing. CECODHAS estimates that tens of millions of people across the continent are adversely affected by the situation, many of whom will reside in private sector and private rented accommodation<sup>5</sup>.

The effects of fuel poverty can be drastic with poor health extremely common amongst those caught in the trap and thousands of excess winter deaths occurring every year, especially among the elderly. Many households are today facing the unacceptable stark choice of simply whether to “heat or eat”.

While there is growing awareness and understanding of fuel poverty and its causes, the issue is not clearly defined in every European country even though similar problems such as unpaid energy bills, an increased burden on health services, under-heating and self-disconnecting from fuel supplies are observed. As climate change takes effect, in order to avoid thousands of summer deaths from heat exhaustion, the demand for affordable cooling is set to grow and will lead to even higher home running costs.

### How can the bill for retrofit be paid for?

Financing retrofit on the scale required presents a raft of difficulties to overcome. Central to this will be the understanding and mitigation of the relationship of technical and financial risks in reaching a proposition. As with all financial investments, it is not possible to predict future market conditions. In the retrofit context, what would be the effect of extremely volatile energy supply prices or the costs of renewable energy equipment in world markets?

The principal financial problem is one of return on investment. Only by taking a long-term view of the investment can this be easily justified. The problem for retrofit is exacerbated where building owners or occupiers do not intend to remain in their property-based assets in the longer term.

In the wake of the financial crisis, it is apparent that banks are reluctant to lend against new finance mechanisms they perceive as higher-risk. This is unfortunately slowing innovative alternative methods of financing retrofit coming to be widely available in the market place.

## The proportion of ERDF funds available for energy efficient retrofit from 2014 is expected to substantially increase up to 20%.

### The European context

Retrofit is able to attract EU Cohesion funds through the European Regional Development Funding (ERDF) subject to match funding.

The current ERDF fund for 2007-13 was €201 billion with €55 billion allocated to the competitiveness and employment objective. In 2009, rule changes to the structural funds allowed regions to allocate up to 4% of ERDF budgets to the retrofitting of social housing. CECODHAS Housing Europe have witnessed mixed success with the uptake of funds set aside for this purpose by their members.

The proportion of ERDF funds available for energy efficient retrofit from 2014 is expected to substantially increase up to 20%. The challenge will be to make sure that blockages to funding allocation are cleared throughout the EU and that the full quota of resources is used effectively for its intended purpose.

City authority owned and occupied buildings are in a favourable position in which to benefit from retrofitting; in fact they have been directly addressed by the new Energy-Efficiency Directive. Not only does the long-term interest exist, but the savings in the running costs that are realised following energy-efficient retrofitting also remain with the public authority enabling the payback on the investment to be more readily achieved. However, retrofitting 3% per year of the buildings owned and occupied by central government (as indicated in the EE Directive) is not a sufficiently ambitious target.

Where city councils own but do not occupy buildings, which is typical in the case of social housing, the justification to act is less obvious from a purely financial perspective. Having made the investment, the problem of the benefits from running cost savings accruing to the occupant and not the investor are presented and not easily reconciled. The ongoing funding squeeze on local authorities only underlines the difficulty they face in advancing retrofitting.

Some solutions to this problem have been found when government legislation such as the “Warm Rent” approach in the Netherlands allows a Landlord to increase the rent charged for a property where the building has undergone an energy efficient overhaul. Carbon trading such as “White Certificates”<sup>6</sup> is another means of reducing the financial burden on property owners.

### How should user behaviour in relation to retrofit finance be dealt with?

It is usual for energy modelling to be undertaken before work commences to predict the typical savings the occupier should achieve under normal conditions. The post-retrofit reality can unfortunately be very different. The influence of user behaviour, which is notoriously difficult to control, becomes critical to the investment working because it makes energy cost reductions uncertain. Can this risk ever be sufficiently mitigated?

To improve the likelihood of achieving running cost savings, occupants of buildings should be included in the retrofit process from inception to completion. Central to this involvement should be incorporating occupiers in a campaign to change energy behaviour. For housing associations, community-wide approaches work well. The programme should not be a bolt on to the retrofit-process, but rather an integral part as energy-fit buildings require energy-fit users if the investment is to work. There are many good examples of community-based energy campaigns in the EU that once replicated will help to make project outcomes more certain.

### Energy-fit buildings require energy-fit users if the investment is to work.

The URBACT CASH network has documented a number of legal instruments to facilitate the active participation of social housing occupiers in renovation works. “Brindisi City Council has agreed to provide 30% of rental income to the tenants’ union for self-management, including energy efficiency measures. The Regional Observatory of the Apulia Region (ORCA) has developed a database of stakeholders’ needs and is using it to support the region in drawing up adapted regional regulation on the energy efficiency renovation of public social housing”<sup>7</sup>.

In Germany, the KfW development bank aims to promote the construction of new energy-efficient homes and the energy-efficient refurbishment of older residential buildings by offering grants or loans under favourable conditions. KfW have recently started their “At your doorstep” initiative to directly provide those interested in KfW promotional offers with advice on all aspects of energy-efficient construction and refurbishment. KfW intend to set up an “Information house” in central locations in different cities for three days at a time to offer financial advice.

### What kind of retrofit finance is more likely to be successful?

There are many approaches to finance in operation in the EU although they are often bespoke to central government legislation rather than city policy. In Denmark, a small proportion of the taxation system is specifically allocated to a retrofitting fund while in Italy up to 55% of energy renovation costs can be subsidized by the State over 10 years via tax reduction. These types of initiative have driven a significant reduction in the environmental footprint across the building sector over the last decade and city authorities have the ability to take a more active role in their promotion to encourage wider uptake of retrofit.

The new UK Government flagship initiative called the “Green Deal”<sup>8</sup> was launched in 2012 and in parallel will see a £1.3billion Energy Company Obligation (ECO) invested with the aim of encouraging the mass retrofitting of residential and commercial property. Several city councils such as Birmingham and Newcastle have responded promptly to develop local approaches to maximise the potential of the Green Deal.



## Revolving Retrofit Guarantee Fund (RRGF), Global Environmental Social Business (GESB), Budapest & Miskolc, Hungary

The RRGF model, originally developed by the World Bank, has been highly successful in Central and Eastern Europe with over 100,000 homes in these regions already having benefitted from retrofit loans using a non-asset-based finance programme.

Borrowing takes place against a cash deposit guarantee fund.

In the event of default on loan repayments, arguably the biggest risk to commercial bank lenders, the lender has the option to draw down on the guarantee fund as security.

The experience of GESB's programme in Hungary is that the loan eligibility criteria adopted have resulted in close to zero defaults on loan portfolio repayments.

In this way the lending is effectively de-risked and becomes more affordable.

The model has unrivalled leverage potential, especially as the fund revolves.

Take-up of the socially orientated RRGF loans has been high, especially in formerly state-owned housing as residents feel more secure than relying on traditional loan finance.

## How can cost and carbon savings best be reconciled?

There is much talk within Europe of "cost optimal retrofit". Essentially, this considers the ratio of money spent to the amount of carbon reduction achieved. Selecting the most appropriate retrofit strategy for the building will help to produce more favourable results. However, consensus on how much we can afford to cut emissions in reality appears to remain absent.

The approach to retrofit also requires attention as it has a direct impact on cost. Is it more effective to retrofit a house just once, adopting a holistic package of retrofit measures, or are single or piece meal interventions introduced over time the better approach? The answer will depend on many factors but we

should be mindful that persuading a building owner to take out additional retrofit loans in the future could be difficult.

When considering the urban dimension, opportunities for more cost-effective approaches bringing economies of scale to retrofit can arise. Installing district heating or combined heat and power plant in densely-built zones will proportionately reduce the costs of becoming energy-fit. The role of Energy Service Companies (ESCO) and smart grid infrastructure must be planned well in advance as integrated strategic solutions.

## Transforming our cities: Investing in retrofitting or site redevelopment?

A common feature dominating the skyline of many cities is the unoccupied, old, outdated high-rise office blocks. The demolition of these structures followed by redevelopment of the site is an obvious option, but should the refurbishment of these buildings through retrofitting be the preferred option? A new use for these buildings might even be viable, such as converting undesirable office space into flats which in turn would address demand for housing in city centres.

Much of Europe has become obsessed with "energy in use" of buildings when what really needs to be considered is the through-life carbon emissions. By taking into account the locked-in or embodied energy of the existing structure, the refurbishment process will normally produce a fraction of the emissions caused by demolition and site redevelopment. The "Retrofit South East" UK project<sup>9</sup> included a through-life carbon emissions study concluding that the advanced retrofit of old homes compared to demolition and building nearly zero-carbon new houses is more favourable. The retrofitted home produced lower emissions over a 50-year comparison period and could be delivered at 40% less cost.

Scaling this up to current levels of national housing demolition alone creates a compelling argument for reusing our existing buildings while

## The advanced retrofit of old homes compared to demolition and building nearly zero-carbon new houses is more favourable.

maintaining existing communities. The potential drawback is that the opportunity to increase housing density in the redevelopment process is largely lost. If carbon reduction is the priority, what should be the preference of city authorities – retrofitting or redevelopment?

While robust nearly zero-carbon standards for new buildings must be adopted, the emissions from new energy-efficient buildings represent only a tiny proportion of the emissions needing to be cut from the EU's overall built environment in the long-term. Furthermore, new low-carbon buildings are an expensive and slow way of tackling the problem.

Should it be argued, perhaps controversially that the standards demanded for new buildings are being set too high? Should they be reduced, allowing some of the higher investment that would have been spent to be redirected to concentrate on retrofitting existing buildings? After all, existing buildings represent over 99% of the EU's emissions problem. A balance needs to be struck. The recent work of the "Zero Carbon Hub" and the so called "allowable off site solutions"<sup>10</sup>, enabling a developer to buy out of residual carbon emissions, is interesting for the future.

## How can the retrofit process help preserve the cultural heritage of cities?

Historic centres play a vital function in setting the character and identity of our cities; they help to offer a unique sense of place and history and help visitors navigate from place to place. Most of the cities worldwide preserve their historic centre either in part or as a whole. It is worth mentioning, too, that historic buildings represent a third of the European built stock. These buildings hold special values due to their character as material culture; they are protected by law which means only minimum intervention to preserve their authenticity is permitted. Moreover, they differ from modern structures both in architecture and in construction which increases difficulties in assessing their energy efficiency.

In most cases, historic buildings do not respond well to contemporary needs. As a result, they can often be less desirable to occupy, may remain empty and ultimately decay, detracting from the image of the city centre. Therefore, a major retrofit challenge is how we successfully retain our landmark historic buildings at a time when the need for their renovation and re-use appears to be urgent. Energy efficiency hasn't to date



## The White Rose Foundation, Delft (The Netherlands)

The White Rose Foundation, a case study of the URBACT LINKS Network, transformed a 16th-century-monument, located along the oldest canal in Delft, into a monument of stunning beauty through restoration and retrofitting.

Within the context of the INTERREG IV B Project LivingGreen, the eco-restoration included the use of sustainable materials, measures for energy and water saving, renewable energy generation, and smart technologies to monitor energy use.

This is just an example of how energy retrofitting can be adapted to unique architectural features.



officially extended to heritage buildings. Nonetheless, occupants of protected buildings also need to have a healthy and thermally comfortable internal environment at an affordable price to install and run.

Due to the strong interest of cities to preserve their cultural heritage, important steps have been made in assessing their thermal performance as well as methods of how this can be improved. As a general rule, facades are fully-retained and minimal alterations are made to their internal form and structure in relation to their values. Interventions should preferably also be reversible.

The introduction of double-glazed windows, floor, ceiling and wall insulation undertaken internally can, where permitted, be amongst some of the acceptable retrofit works. In addition, more accessible options include making building services such as heating and lighting more efficient and engaging users and visitors in an energy or water-saving campaign. The use of renewable energy in certain cases may also be allowed.

In general, the possible options and measures need to be determined specifically to suit the building while respecting its individual qualities and the needs of the occupants.

## Future-proofing the Historic Centre of Bayonne (France), Lead Partner of the URBACT LINKS network

The city of Bayonne has identified as the priority objective to enhance energy efficiency of its urban fabric in the historic centre to safeguard its intrinsic quality. To do so, local craftsmen, professionals, suppliers and end users are involved in eco-restoration projects.

The project demonstrates how historic homes can be effectively eco-renovated while maintaining their specific features, using natural materials and how traditional construction skills and repair techniques can be passed down from craftsmen to apprentices.

A series of training events (Café Thématique) and knowledge-sharing sessions (Form-Action) have been organised to mainstream eco-restoration creating new job opportunities.

Frédérique Calvanus from the City of Bayonne says that the project “mobilised a network of actors, identifying opportunities for the local economy, taking part in structuring the eco-restoration market and stimulating demand are the priority objectives of the URBACT LINKS project.” One difficulty that the project has encountered was the amount of time spent in gaining certification for insulation products for historic buildings.

The provision, by the City of Bayonne, of interest-free loans for the retrofitting of historic buildings makes the case for this type of offer to be made more widely available in the EU, especially for those less able to pay.





Frank debates will almost certainly need to be held between cities responsible for safeguarding historic buildings and their occupants or professional agents. What compromises are we prepared to accept if the running costs of historic buildings are to be kept sustainable in the long-term?

## How do we get the knowledge and skills in place?

The retrofitting of historic buildings requires contractors to have the requisite skills and understanding of how old buildings work. The fabric of historic buildings and construction materials function in a different way, which means modern retrofitting techniques are not always suitable.

Another problem under discussion is how to deal with the increasing cost of the retrofit of historic buildings due to the specific demands deriving from their nature and character.

There is still much to be done. Questions such as knowing what the true energy status of historic buildings is, how deep retrofit interventions can go and whether sufficient historic retrofit knowledge exists still need to be resolved on a wider scale. As a labour-intensive economic activity which is impossible to de-localise, eco-restoration can certainly be a major driver of local economic development involving a broad range of suppliers and professionals. Are we really moving towards the right framework to unlock its potential?

## Conclusion: Retrofitting as No. 1 Priority?

It is clear that the retrofit agenda demands that Europe looks back in time at its built environment if we are to create the cities of tomorrow. The opportunities that mass retrofitting can bring are abundant. Indeed, retrofit could potentially hold the key to reversing the current financial crisis by literally retrofitting our way out of recession. In addition, people and the environment are the main beneficiaries of the transformation of our cities through retrofitting.

In addition to city initiatives, national legislation also needs to be reviewed if European emission reduction targets are to be met. A raft of barriers must urgently be eliminated or better managed throughout Europe to expedite the process of scaling up retrofitting

in our cities. Reviewing examples of the best continental practices will help pan-European approaches to emerge.

Paying for retrofit requires special attention by city authorities. Failure to act is not an option as it would lead to dire social consequences. Retrofit is a proven method of helping to alleviate the root causes of fuel poverty, which continues to grow throughout Europe.

With funding priorities for European Regional Development Funding (ERDF) about to be set, the time is right for lobbying and making firm recommendations to decision-makers. City public authorities have a pivotal role to play in driving retrofit forward in the urban environment and must rise to the challenge without delay.

It is asserted that “the” number one funding priority for the EU in the coming years should be retrofitting in order for cities to become energy-fit. So, let the retrofit revolution begin! ●

(1) The London Olympic Games cost approximately £9 billion. To meet the UK's obligations under the Climate Change Act 2008, which requires an 80% reduction in GHG emissions by 2050 on 1990 levels, every year half a million existing homes would require retrofitting to an advanced energy performance standard costing on average at least £20,000 per home or £10 billion in total per annum

(2) The Directive on the energy performance of buildings (EPBD) of the European Parliament and Council came into force on 4 January 2003 committing the EU to reducing carbon dioxide emissions. The re-cast EPBD adopted in 2010 requires energy efficiency measures for all buildings, removing the 1000sqm threshold and setting the ambitious target that all new buildings will be nearly zero-energy by 2020. Regrettably the opportunity to improve existing buildings was missed

(3) Referring to the Energy Efficiency Directive adopted by the EP on 11th September 2012, rapporteur Claude Turmes said that “This essential legislation is not only crucial for achieving our energy security and climate goals; it will also give a real boost to the economy and create jobs. Crucially, it will reduce the sizeable and growing cost of our dependence on energy imports – €488 billion in 2011 or 3.9% of GDP – which is particularly stark in crisis-hit countries”

(4) [www.fuel-poverty.org](http://www.fuel-poverty.org)

(5) CECODHAS Housing Europe is the federation of public, cooperative and social housing [www.housingeurope.eu](http://www.housingeurope.eu)

(6) White Certificates are documents certifying that a certain reduction of energy consumption has been achieved. In most applications, the certificates are tradable and combined with an obligation to achieve a certain energy-saving target.

(7) Legal framework for energy-efficient renovation. Mini Guide no.2 / nov.2011, URBACT CASH Network (Cities Action for Sustainable Housing) <http://urbact.eu/cash>

(8) Under the Green Deal the building owner is not required to pay the upfront capital to finance the retrofit work required. Instead, a loan is taken out which together with borrowing costs is placed as a charge on the electricity meter of the property. The Green Deal relies on the so called “Golden rule” principle whereby the amount repaid in the first year will be less than or equal to the running costs in the previous year. If the building owner moves, the value of the outstanding loan will transfer to each subsequent owner until it is repaid in full. It is unlikely that loans above £10k and repaid over a 25 year period will be viable

(9) [www.radian.co.uk/images/stories/case\\_studies/lifetime\\_emissions\\_final\\_report\\_feb\\_2012.pdf](http://www.radian.co.uk/images/stories/case_studies/lifetime_emissions_final_report_feb_2012.pdf)

(10) [www.zerocarbonhub.org/definition.aspx?page=9](http://www.zerocarbonhub.org/definition.aspx?page=9)

## Acknowledgements to...

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- *Jan Dictus*, Lead Expert of the URBACT CASH network
- *Peter Schilken*, ENERGY CITIES
- *Eleni Goni*, IEE Project Officer, SHELTER, Architects' Council of Europe



#### MORE INFORMATION

URBACT 2012 conference website:  
<http://www.conference2012.urbact.eu/workshops/about-conference/themes/building-energy-efficiency-in-european-cities>

# INTEGRATED TERRITORIAL INVESTMENTS

## A POWERFUL TOOL FOR INNOVATION AND CHANGE IN EUROPEAN CITIES?

BY PAUL SOTO AND MELODY HOUK,  
WITH PETER RAMSDEN AND IVAN TOSICS

The European Commission argues that cities have the potential to make a larger contribution to policies for growth, social cohesion and environmental sustainability. In their recent proposals they have suggested that, between 2014 and 2020, at least 5% of the Regional Development Fund should “be allocated to integrated actions for sustainable urban development delegated to cities for management through Integrated Territorial Investments”<sup>1</sup>. If this proposal is accepted, it would mean that a substantial sum could be directly managed by cities for integrated packages of actions in the form of “sub-programmes”, alongside any other investments in cities managed by regional or national authorities.

But what exactly are “integrated territorial investments” (ITIs) meant to be? Will they simply be a transfer of money from one level of government to another organized within a programme structure? Or can they really help European cities make a transition to more sustainable patterns of development using an integrated approach? In this article we will draw on the lessons of previous urban initiatives and from the URBACT programme in order to make some recommendations that can help ITIs become powerful tools for innovation and change in our cities.

### What is an ITI?

The European Commission has produced a useful explanatory factsheet on Integrated Territorial Investments<sup>2</sup>. This describes an ITI as an “efficient and flexible tool (...) to implement territorial strategies in an integrated way. It is not an operation, nor a sub-priority of an Operational Programme. Instead, ITIs allow Member States to implement Operational Programmes in a cross-cutting way, and to draw on funding from several priority

axes of one or more Operational Programmes in order to ensure the implementation of an integrated strategy for a specific territory. As such, the existence of ITIs will both provide flexibility for Member States regarding the design of Operational Programmes and enable the efficient implementation of integrated actions through simplified funding”.

The fact sheet describes the three key elements of an ITI: firstly, as “a designated territory and an integrated territorial development

strategy”, secondly, as “a package of actions to be implemented” and thirdly, as the “governance arrangements to manage the ITI”.

There are also references to ITIs in the Commission’s proposals for a Common Strategic Framework<sup>3</sup>, the General Provisions for the ERDF, ESF and Cohesion Fund (Article 99)<sup>4</sup> and in the Specific Provisions for the ERDF (Article 7)<sup>5</sup>. Finally, the Commission has also produced a fact sheet on Integrated Sustainable Urban Development<sup>6</sup>. However,



despite all this guidance, at this stage, national governments, regional authorities and cities are still likely to have many questions about how they should set up and manage an ITI in order to achieve the best results. The Commission's proposals offer cities an important opportunity but at the same time there are risks that the full potential may not be achieved in practice.

On the one hand, the proposals offer cities the opportunity for directly managing substantial additional resources. Cities would also have more flexibility to combine the mainly hard investments of the ERDF and the Cohesion Fund with soft investments financed by the ESF. The opportunity could be given to broaden out planning and implementation to the suburban, city-region, functional urban areas, helping to overcome the problems of outdated territorial boundaries. This could lead to a wide and diverse array of initiatives actively exploring ways in which cities can make the transition to more sustainable patterns of development. Even at their most basic within a single ERDF programme, the opportunity for a city to draw on other priorities such as those for SMEs, innovation, transport and urban development, and put together a package of projects would be a major step forward.

On a more pessimistic side, there are also important risks. A recent study carried out for the Commission on the implementation of integrated strategies for sustainable development in the current period (Article 8 of the current ERDF regulation) argued that “official statements calling for integrated sustainable development may not be effective in practice if used as elegant veils to cover realities turning principles into superficial rhetoric”<sup>7</sup>. The commitments to “integration” and “sustainability” could largely become window-dressing for what is essentially an unconnected list of investments drawn from existing priorities.

In this context, the study on Article 8 also reported that “interviewees from the new Member States almost unanimously advocate more precise guidelines without additional regulations”. In the rest of this article we will try to provide evidence and ideas that could add to the guidance that has already been provided.

### **What has been learned from past initiatives?**

The experience of programmes such as URBAN, URBACT and other regulatory

frameworks such as Article 8 of the current ERDF regulation shows that there is a wide variation in the interpretation of the terms “integrated” and “participative”. Both terms need clarifying and strengthening if ITIs are to be successful in the future.

### **The need for vertical as well as horizontal integration**

The prime importance of the strategy in all forms of territorial interventions has been borne out by the evaluations of URBAN II and Article 8 as well as, the recent work on the Local Action Plans of URBACT networks and on LEADER<sup>8</sup>. The factsheet on ITIs reinforces this point by specifying that “ITIs can only be effectively used if the specific geographic area concerned has an integrated cross-sectoral territorial strategy”. Clarifying the goals and content of the strategy is in fact

fundamental for defining the best system of governance and setting coherent boundaries for the intervention.

But, as the guidance says, it is not about any kind of strategies: it is about integrated strategies, both horizontally, across policy sectors (esp. considering the physical, social, economic and environmental dimensions of problems), and vertically, across the different levels of government (from neighbourhood to city and city-region, regional, national and EU level). Lessons from the above programmes, that have all fostered integrated approaches to local problems, highlight the strong added-value of the integrated approach when dealing with sustainable urban development. Meanwhile, they also put forward the limits of what has been achieved locally and the need to go further in supporting integrated strategies.



**The local authorities involved in the URBACT NODUS network have put forward the risks related to the external effects of area-based interventions and the need for strategic plans at supra-local level (e.g. city-region) to decide which type of urban renewal is needed and (...) also the selection of action areas. These strategic plans have to aim to connect the deprived areas to opportunity areas.**

According to the evaluation of URBAN II “partnerships sometimes struggled to gain support from their cities and regions, and to engage key stakeholders and decision makers at that level. This was largely because of the small scale and local focus of the programmes, and as such they were “off the radar” of city and regional policy makers”. According to the evaluators, cities should also “integrate programme specific resources with the resources, plans and programmes of city and regional authorities, as well as mainstream providers of key services (including the police, education and health) to increase impact”.

Such recommendations are in line with the results put forward by some URBACT networks focusing on metropolitan governance and urban renewal (esp. NODUS and REG GOV). These have concluded on the importance of embedding area-based policies in wider scale strategies, at city and/ or regional level. The local authorities involved in NODUS have put forward the risks related to the external effects of area-based interventions and the need for strategic plans at supra-local level (e.g. city-region) to “decide which type of urban renewal is needed and (...) also the selection of action areas. These strategic plans have to aim to connect the deprived areas to opportunity areas”<sup>9</sup>.

Drawing on the experience of cities involved in URBACT networks, it appears that integration is most of the time achieved by linking the policy challenge they are working on at a specific moment in time to broader developments with the city. While they are requested to develop integrated local action plans, URBACT cities may start with a specific issue or problem they want to address (economic development, preventing early school leaving, developing low carbon mobility, regeneration of a target area, etc.). In most cases, integrated local strategies proved to be a relevant tool for such thematic or sectoral types of policy issues.

### **The importance of multi-stakeholder partnerships and participation**

At present, there is no reference to partnership or any conditionality regarding stakeholder involvement in the existing legal texts covering ITIs. However, it is an explicit condition in the Commission’s proposals for Community Led Local Development (CLLD)<sup>10</sup>. Therefore, it could be interpreted that the latter is the tool dedicated to stakeholder involvement while one can develop ITI without involving local actors. This would be a missed opportunity as the strength of partnerships, the level of stakeholder participation and ownership are considered to be one of the main conditions for the success of past integrated urban development strategies. According to the final evaluation of the URBAN II Community Initiative, “the key success factor in URBAN II projects was local involvement and ownership... Projects were most successful when they were responding to local perceptions of need and had the active support of a broad range of local partners, not just the local authority but also the private and voluntary sector”. The evaluation also stresses that local “bottom-up partnerships have a legitimacy and a strong knowledge base that can help lead to locally owned and effective solutions to urban challenges. At a European level, this approach has often been missing in urban development since the closing of URBAN II”.

Conversely, the study on the implementation of Article 8<sup>11</sup> underlines the lack of stakeholder participation and ownership in the mainstream Convergence and Competitiveness programmes as a major weakness: “a common trait is that there is not sufficient citizens’ participation in the programming and ownership of the actions (...) participation is predominantly meant as formal and informal consultation of institutional actors in the programming phase”.



**Barcelona**

The current URBACT II programme has carried on from the URBAN initiative in fostering participative approaches as a core principle for policy-making. Each partner of an URBACT network is requested to develop an integrated action plan with the participation of all local stakeholders concerned by the policy issue addressed. These stakeholders are to be gathered in a Local Support Group (LSG) and to take an active role in defining the local priorities and designing solutions to tackle these, throughout the life of the URBACT network.





From the perspective of URBACT partners, and besides the transnational exchange and learning process, the Local Support Groups are considered as the main added-value of their URBACT experience. In a survey conducted among URBACT partners in 2011<sup>12</sup>, 90% respondents declare that setting up and running a Local Support Group has fostered the integrated approach, and 85% foresee that the group will continue to operate after the end of the network.

The mid-term evaluation of the URBACT II programme has also put forward the efficiency of the Local Support Groups as a vehicle for change in terms of local governance and policy-making: “one of the main achievements of the LSGs is that they brought together a diverse range of city-level partners who, in all likelihood, would not have worked together (...). Even where there were difficulties around partner relations and cooperation, the LSGs acted to change the policy-making landscape of a city by building the capacity of local partnership networks. (...) A key indicator of success is the retention of LSGs within a local area beyond the life of the project”<sup>13</sup>.

Similar to the evaluation of the URBACT II initiative, the URBACT mid-term evaluation also stresses that such participative processes are challenging for local stakeholders, requiring appropriate tools and methods, guidance and capacity-building. While the URBACT programme has developed a toolkit to support partners in setting up and running their LSGs (including tools for a systematic analysis of which local stakeholders should be involved, and of the problems to be addressed) and capacity-building activities<sup>14</sup>, it is clear that this support is to be strengthened for more effective and sustainable impact on local policies. Some groups have gone beyond participation towards co-production of policies and projects (e.g. the use of participative budgeting and other techniques in

Berlin and Duisburg). This use of co-production creates a bridge with the emerging social innovation agenda in which user-led innovation is a core element.

### ***How to create the conditions for successful Integrated Territorial Investments in cities***

This section contains a series of suggestions for urban practitioners, policy-makers and Managing Authorities that we believe would greatly increase the effectiveness of integrated territorial investments in cities.

#### **Clarifying the scope of integrated urban development**

Firstly, it would help to specify what integrated territorial investments are not. For example, the strategy underlying an ITI cannot simply be city shopping lists of vaguely related hard and soft measures. Nor do they mean dealing with everything at the same time and giving them the same weight.

On the other hand, the strategy underlying an ITI should be based on:

- ▶ developing an understanding of the relationships and linkages between different spatial levels, sectors, types of activity, projects and fields development (e.g. economic, social, environmental),
- ▶ placing each territorial investment within this overall context,
- ▶ focusing on clear priorities which address the main challenges of each city,
- ▶ designing packages or sequences of actions which maximize the positive linkages and minimize the negative feed back (especially in environmental and social aspects).

These points have various consequences for the strategies underlying ITIs:

Firstly, the scale of intervention can be much wider than the old URBACT Community Initiative. In theory, it can vary from the functional urban areas to neighbourhoods of cities. Moreover, within cities, the target areas could vary from deprived neighbourhoods, to declining industrial districts, science or creative quarters and/or heritage areas. According to the factsheet, ITIs can also “deliver integrated actions in detached geographical units with similar characteristics”.

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**One of the main achievements of the URBACT Local Support Groups is that they brought together a diverse range of city-level partners who, in all likelihood, would not have worked together. The LSGs acted to change the policy-making landscape of a city by building the capacity of local partnership networks.**

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Secondly, under certain conditions it may be possible for ITIs to be much wider in scope than the old URBAN Community Initiative. Most cities will already have an overarching master plan or strategy that will usually try to identify the concrete steps that the city can take to respond to the most important local challenges or needs. The result is often a series of interlinked but distinct priorities. Most cities are probably unlikely to want to manage their entire strategy through an ITI. They are more likely to use them to achieve certain specific thematic, sectoral, spatial or target group priorities. In theory, this may be acceptable as long as they take place within the context of a broader strategy.

This would mean that the strategies underlying ITIs could decide to design integrated territorial investments to deal with a particular theme or challenge (e.g. sustainable mobility, energy efficient housing), for a particular target group, or for particular types of areas such as declining industrial districts, deprived neighbourhoods, city-centres, cultural heritage areas, etc.

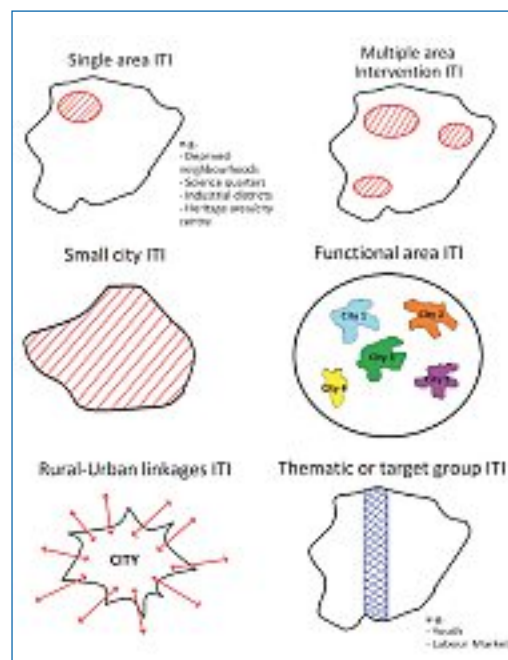
For example, URBACT has identified a series of 8 broad priority topics or themes which are closely related to the EU 2020 strategy as a basis for learning and exchange between cities. These form part of an “integrated approach” in the sense that “it is expected that the topic chosen will be the main entry point into the network while allowing partners to explore interconnections with other topics”<sup>15</sup>. This means an integrated approach in the sense of joining up government. It makes sense to use Integrated Territorial Initiatives to support strategies involving investments which have a thematic or target group “entry point” as well as more traditional area-based initiatives which focus more on smaller areas and bring together actions through horizontal integration<sup>16</sup>.

This leads to several possible types of ITIs:

- ITIs in single neighbourhoods or areas of the city. As URBACT has shown it is important to stress that these do not just have to be limited to deprived urban neighbourhoods. They could also take place in science quarters or innovation districts, declining industrial areas, brownfield sites, or heritage areas – including the city centre,
- ITIs in multiple neighbourhoods or areas of the city. Municipalities may decide to take an integrated approach to certain types of area spread across the city,

- ITIs covering an entire city (for example, small and medium sized service centres and their rural hinterlands),
- ITIs dealing with functional urban areas, possibly covering more than one city,
- ITIs dealing with certain key urban-rural linkages,
- Under certain circumstances, it might also be possible for ITIs to prioritise particular target groups like migrants or Roma populations or particular themes or challenges such as the labour market or entrepreneurship as long as this forms a coherent part of an integrated strategy for the entire area.

The diagram below shows how thematic and spatial organisation of ITIs might take place in one neighbourhood, in many neighbourhoods or as a thematic intervention in all or selected neighbourhoods:



### Improving the quality of the strategy

Past experience shows that Member States would be wise to make the quality of this strategy one of the main criteria for the selection of Integrated Territorial Investments.

**Past experience shows that Member States would be wise to make the quality of the strategy one of the main criteria for the selection of Integrated Territorial Investments. There needs to be a mechanism to ensure that all ITIs achieve a minimum quality level before being funded.**

There needs to be a mechanism to ensure that all ITIs achieve a minimum quality level before being funded. Some Member States may also wish to use the quality of the strategy in a competitive selection process.

Based on the Local Action Plans of over 300 cities, URBACT has developed a series of recommendations and tools that can be used to develop such strategies. The main components include:

- ▶ a clear analysis of needs and underlying problems,
- ▶ stakeholder analysis to determine who should be around the table and participation in the identification of goals and objectives,
- ▶ a feasible allocation of time, budgets and responsibilities,
- ▶ monitoring and evaluation as a constant tool for learning and adapting implementation to reality,
- ▶ networking, transnational cooperation and exchange of good practice<sup>17</sup>.

### Increasing stakeholder involvement

At present, there is no obligation to have a partnership or any form of participation in an ITI. However, as we have seen in all the past initiatives, the existence of a broad partnership and local ownership has been seen as one of the main conditions of success. Once again this means that systems should be in place to ensure the quality of the governance arrangements. The quality of governance arrangements, the involvement of local partnerships and an appropriate level of participation should be considered as criteria for the selection of ITIs in urban areas.

The governance arrangements for ITIs will vary according to the institutional culture of each Member State. However, based on the experience of URBACT Local Support Groups and the partnerships in many other initiatives, Member States would be wise to consider the following points in the selection of ITIs:

- **The composition of the partnership.**

Experience shows that stakeholder analysis<sup>18</sup> can be very useful here. On the one hand, considering the partnership needs to reflect the socio-economic make-up of the area. Particular attention needs to be paid to the involvement of the users, direct beneficiaries and other hidden voices. This is not just a question of social justice – it can stimulate innovation by opening up completely new vistas on the problem and its solutions. On the other hand, it is important to associate those allies that are necessary for achieving the goal of the ITIs. In other words, the partnership needs to reflect the strategy. Behind every policy and project there is always a person, and integration makes no sense unless key actors are around the table. This should include representatives from regional and/or national levels.

- **The capacity of the partnership to implement the strategy.**

Administrative capacity is necessary but by no means sufficient. It is also necessary to have the capacity to imagine alternative solutions, build a shared vision, design a viable strategy around this approach, mediate conflicts and animate new ideas, select and support private and public projects. The ITIs should show that it has access to the basic human resources and skills required to implement its chosen strategy.

The experience of URBAN, URBACT and other integrated urban initiatives all point to the need for clear guidelines for Member States and cities about how to strengthen partnerships and participation.

## Defining the appropriate areas

According to the proposed regulations and guidance there are no restrictions on the types and scales of urban areas where ITIs can be applied (although the ERDF leaflet on Integrated Sustainable Urban Development does say that “it is expected to see this integrated approach addressing the specific needs of geographical areas most affected by poverty of target groups at the highest risk of discrimination or exclusion”).

In this context, MS have a number of possible ways for achieving their priorities. For example, they can predefine the priority types of urban areas that they consider should be eligible for ITIs. Alternatively, they can allow all urban areas to be eligible but define a list of selection criteria concerning the type of area, the quality of the strategy, and the quality of

the partnership. In either case, experience shows that there needs to be a rigorous system of quality control and selection to ensure that all projects meet a minimum standard in all three areas above (strategy, partnership, definition of area).

When it comes to the appropriate geographical scale and the definition of the boundaries of intervention the most important factor to take into account is that these should correspond to the nature of the problem and strategy for dealing with it. For example, there is now ample evidence that the problems of deprived neighbourhoods cannot be solved exclusively at neighbourhood level. Targeted area-based initiatives need to be linked to strategies for wider functional urban areas and people-based policies at regional or national levels. ITIs should, therefore, provide evidence to justify that their geographical scale of intervention is appropriate for dealing with the problem and that they have taken into account or have links to other relevant levels.

## Getting the process right

Analyses of previous territorial initiatives and of URBACT show how important it is to get the process of selecting strategies, partnerships and territories right from the outset. URBACT in particular has constantly refined its selection process in order to improve results. Some of the main recommendations may well also be relevant for the selection of ITIs:

- Work needs to start early to define priority themes and/ or types of urban areas for ITIs, indicative budgets for each fund, and mechanisms for selection. These should be included in the partnership contracts and Operational Programmes.
- There is ample evidence from LEADER, FARNET and URBACT to suggest that a staged selection procedure is one of the best ways of ensuring the quality of the strategies,

partnerships and areas (e.g. first stage: select by means of open Calls for Proposals those cities/ urban areas which propose integrated strategic plans, give them funding for a development phase, including if needed, technical help to develop these ideas and finally choose those which have designed appropriate plans for implementation). This stage-gate model is also advocated by the EU Social Innovation Initiative.

- URBACT provides useful evidence of the main elements of such an approach: an initial expression of interest based upon a definition of the goal of the intervention, an outline of the strategy, potential partnership (implementing body) and proposed area of intervention.
- Time, resources and support are required for the preparation of high quality strategy, the consolidation of the partnerships and the fine-tuning of the area.
- There should be a rigorous baseline study, ex-ante evaluation, strategy document and action plan, evidence of the composition and capacity of the partnership (or in worst case body responsible), justification of the area of intervention and its links to other spatial scales.

The idea of ITIs is an important innovation in the new Cohesion Policy draft regulations. Making the idea more precise would contribute to a better understanding of the underlying philosophy – to orientate urban development towards more integrated cross-territorial and cross-sectoral solutions, developed in broad partnership with the stakeholders.

As this paper shows, ITIs could be conceived as tools to deliver integrated policies dealing with different types of areas and addressing different policy challenges, from single neighbourhood to multiple neighbourhood regeneration, to science quarter or innovation district, heritage areas and city-region labour market strategies. In any case, there is extensive experience from URBACT and other

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**ITIs could be conceived as tools to deliver integrated policies dealing with different types of areas and addressing different policy challenges, from single neighbourhood to multiple neighbourhood regeneration, to science quarter or innovation district, heritage areas and city-region labour-market strategies.**

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programmes which can contribute to the effective functioning of the ITIs and to designing useful guidance for those in charge of drafting Operational Programmes for the next period. Now is the time to use it! ●

(1) Article 7 of the Specific Provisions for the ERDF: [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf\\_erdf\\_proposal\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf_erdf_proposal_en.pdf)

(2) Integrated Territorial Investment: [http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/iti\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf)

(3) Commission's proposals for a Common Strategic Framework: [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm)

(4) Common Provisions for the ERDF, ESF and Cohesion Fund: [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/general/general\\_proposal\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/general/general_proposal_en.pdf)

(5) Specific Provisions for the ERDF: [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf\\_erdf\\_proposal\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation/erdf_erdf_proposal_en.pdf)

(6) Integrated Sustainable Urban Development: [http://ec.europa.eu/regional\\_policy/sources/docgener/informat/themes2012/urban\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/themes2012/urban_en.pdf)

(7) Sustainable urban development – Implementation praxis of Article 8, available at [http://ec.europa.eu/regional\\_policy/tender/pdf/201135/urban\\_development\\_praxis.pdf](http://ec.europa.eu/regional_policy/tender/pdf/201135/urban_development_praxis.pdf)

(8) The European Rural Development Network has just carried out two major pieces of work based on focus groups and surveys of over 200 partnerships on how to improve the strategies of partnerships in rural areas. Leader Sub-committee Focus Group 4: [http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4\\_en.cfm](http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4_en.cfm)

(9) NODUS final report p.173, available on the URBACT website: <http://urbact.eu/en/projects/metropolitan-governance/nodus/our-outputs/>

(10) For a discussion on how CLLD can become a powerful tool to improve urban development, check the related paper at: <http://urbact.eu/en/header-main/news-and-events/view-one/news/?entryId=5131>

(11) Study for the European Commission on the "Implementation praxis of Article 8": [http://ec.europa.eu/regional\\_policy/tender/pdf/201135/urban\\_development\\_praxis.pdf](http://ec.europa.eu/regional_policy/tender/pdf/201135/urban_development_praxis.pdf)

(12) Synthesis of the ULSG survey available at <http://urbact.eu/en/header-main/get-involved/local-support-groups/>

(13) Mid-term Evaluation of URBACT II by ECORYS, June 2011. Available on the URBACT website: [http://urbact.eu/fileadmin/general\\_library/URBACT\\_II\\_Final\\_Report\\_3\\_June.pdf](http://urbact.eu/fileadmin/general_library/URBACT_II_Final_Report_3_June.pdf)

(14) In 2011, the URBACT II programme has developed a capacity-building scheme dedicated to members of Polish URBACT Local Support Group members (ULSG). Building on this experience, the programme has organized its first Summer University for ULSG members from all EU countries, aiming to build capacities of local stakeholders in participative action-planning. More information at: <http://urbact.eu/en/header-main/get-involved/local-support-groups/>

(15) 3rd Call for Proposals for the Creation of Thematic Networks. URBACT II Operational Programme: [http://urbact.eu/fileadmin/Documents/URBACT\\_3rd\\_Call\\_0912.pdf](http://urbact.eu/fileadmin/Documents/URBACT_3rd_Call_0912.pdf)

(16) These thematic or target group strategies could still involve investments under more than one priority axis of one or more operational programmes

(17) As in footnote 8, the European Rural Development Network has just carried out two major pieces of work based on focus groups and surveys of over 200 partnerships on how to improve the strategies of partnerships in rural areas: [http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4\\_en.cfm](http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4_en.cfm)

(18) See URBACT ULSG toolkit: [http://urbact.eu/fileadmin/general\\_library/URBACT\\_ULSG\\_Toolkit\\_EN.pdf](http://urbact.eu/fileadmin/general_library/URBACT_ULSG_Toolkit_EN.pdf)



PROJECTS	ISSUES ADDRESSED	LEAD PARTNERS
<b>1<sup>ST</sup> CALL PROJECTS (2008-2011)</b>		
Active A.G.E.	Strategies for cities with an ageing population	Roma - IT
Building Healthy Communities*	Developing indicators and criteria for a healthy sustainable urban development	Torino - IT
CityRegion.Net	Urban sprawl and development of hinterlands	Graz - AT
Co-Net	Approaches to strengthening social cohesion in neighbourhoods	Berlin - DE
Creative Clusters	Creative clusters in low density urban areas	Obidos - PT
C.T.U.R.	Cruise Traffic and Urban Regeneration of port areas	Napoli - IT
EGTC	Sustainable development of cross-border agglomerations	Mission Opérationnelle Transfrontalière - FR
FIN-URB-ACT	SMEs and local economic development	Aachen- DE
HerO*	Cultural heritage and urban development	Regensburg - DE
HOPUS	Design coding for sustainable housing	University La Sapienza, Roma - IT
JESSICA 4 Cities	JESSICA and Urban Development Funds	Regione Toscana - IT
Joining Forces	Strategy and governance at city-region scale	Lille Metropole - FR
LC-Facil	Implementing integrated sustainable urban development according to the Leipzig Charter	Leipzig - DE
LUMASEC	Sustainable land use management	University of Karlsruhe - DE
MILE*	Managing migration and integration at local level	Venice - IT
My Generation	Promoting the positive potential of young people in cities	Rotterdam - NL
NeT-TOPIC	City model for intermediate/peripheral metropolitan cities	L'Hospitalet de Llobregat - ES
Nodus	Spatial planning and urban regeneration	Generalitat de Catalunya - ES
OPENCities*	Opening cities to build-up, attract and retain international human capital	Belfast - UK
REDIS	Science districts and urban development	Magdeburg - DE
RegGov*	Integrated policies and financial planning for sustainable regeneration of deprived areas	Duisburg - DE
REPAIR	Regeneration of abandoned military sites	Medway - UK
RUnUp	Strengthening potential of urban poles with triple helix partnerships	Gateshead - UK
Suite	Sustainable housing provision	Santiago de Compostela - ES
UNIC*	Promoting innovation in the ceramics sector	Limoges - FR
URBAMECO*	Integrated sustainable regeneration of deprived urban areas	Grand Lyon - FR
Urban N.O.S.E.	Urban incubators for social enterprises	Gela - IT
WEED	Promoting entrepreneurship for women	Celje - SI
<b>2<sup>ND</sup> CALL PROJECTS (2009-2012)</b>		
ACTIVE TRAVEL	Promoting walking and cycling in small and medium-sized cities	Weiz - AT
CASH*	Sustainable and affordable energy efficient housing	Echirrolles- FR
ESIMeC	Economic strategies and innovation in medium-sized cities	Basingstoke and Deane - UK
EVUE	Electric Vehicles in Urban Europe	Westminster - UK
LINKS	Improving the attractiveness and quality of life in old historical centres	Bayonne - FR
OP-ACT	Strategic positioning of small and medium-sized cities facing demographic changes	Leoben - AT
Roma-Net*	Integration of the Roma population in European cities	Budapest - HU
SURE	Socio-economic methods for urban rehabilitation in deprived urban areas	Eger - HU
TOGETHER	Developing co-responsibility for social inclusion and well-being of residents in European cities	Mulhouse - FR
<b>3<sup>RD</sup> CALL PROJECTS (DEVELOPMENT PHASE: MAY 2012-OCTOBER 2012)</b>		
4D Cities	Promoting innovation in the health sector	Igualada - ES
CITYLOGO	Innovative city brand management	Utrecht - NL
Creative SpIN	Cultural and Creative Industries	Birmingham - UK
CSI Europe	Role of financial instruments (Jessica Urban Development Fund) in efficient planning	AGMA Manchester - UK
E4C	E-skills for innovative cities	Consortium Red Local - ES
ENTER.HUB	Railway hubs/multimodal interfaces of regional relevance in medium sized cities	Reggio Emilia - IT
EUniverCities	Partnerships between cities and universities for urban development	Delft - NL
INNOVA	Sustainable business growth based on innovation and knowledge	Tomares - ES
Jobtown	Local partnerships for youth employment opportunities	Cesena - IT
My Generation at Work	Youth employment with focus on enterprising skills and attitudes	Rotterdam - NL
M-SPICE	Monitoring strategic local plans	Umeå - SE
PREVENT	Involving parents in the prevention of early school leaving	Nantes - FR
RE-Block	Renewing high-rise blocks for cohesive and green neighbourhoods	Budapest XVIII District - HU
SMART CITIES	Improving public services through an open innovation process	Coimbra - PT
Sustainable Food in Urban Communities	Developing low-carbon and resource-efficient urban food systems	Brussels Capital - BE
URBACT Markets	Local markets as drivers for local economic development	Barcelona - ES
USEACT	Re-utilizing existing locations to avoid land consumption	Napoli - IT
USER	Involving users and inhabitants in urban sustainable planning	Agglomeration Grenoble Alpes Metropole - FR
WOOD FOOTPRINT	Local economic development through the (re)use of brownfield and buildings of the wood furniture sector	Paços de Ferreira - PT

→ THE URBACT II PARTNERS





EUROPEAN  
PROGRAMME  
FOR  
SUSTAINABLE  
URBAN  
DEVELOPMENT



**URBACT is a European exchange and learning programme promoting integrated sustainable urban development.**

**It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal changes. URBACT helps cities to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT II is 500 different sized cities and their Local Support Groups, 56 projects, 29 countries, and 7,000 active stakeholders coming equally from Convergence and Competitiveness areas. URBACT is jointly financed by ERDF and the Member States.**

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