CITIES OF TOMORROW – ACTION TODAY
URBACT II CAPITALISATION
KEY MESSAGES

URBACT II

SUPPORTING URBAN YOUTH THROUGH SOCIAL INNOVATION

BUILDING ENERGY EFFICIENCY IN EUROPEAN CITIES

SHRINKING CITIES: CHALLENGES AND OPPORTUNITIES

MOTIVATING MOBILITY MINDSETS

AGAINST DIVIDED CITIES IN EUROPE

MORE JOBS: BETTER CITIES

European Union
European Regional Development Fund

Connecting cities
Building successes

URB ACT

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KEY MESSAGES

Paul Soto

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Foreword

The 'Cities of Tomorrow' reflection process, which I initiated in 2010, culminated in a report which provided inspiration for urban development policy-makers and practitioners alike, whether at local, regional, national or European level. It is good to see URBACT now taking on the challenges it outlined, and through its broad network of urban experts and city partners, trying to find possible solutions. URBACT is building on the lessons learnt during these years of work, including last year's conference in Copenhagen, while working closely with other EU-funded programme partners in ESPON, INTERACT, INTERREG IVC, European cities associations such as EUROCITIES and Energy Cities, and the OECD.

In this way, URBACT is actively seeking concrete solutions to the following interlinked challenges that rank high on the agenda of European cities: shrinking cities, more jobs for better cities, supporting young people through social innovation, divided cities, motivating mobility mind-sets, building energy efficiency.

I am pleased to present this series of reports that provide evidence of sustainable urban development strategies pulling together the environmental, social and economic pillars of the Europe2020, while also adopting an integrated and participative approach, essential in these times of scarce public resources.

More than ever, cities need an 'agenda for change' to focus on decisive action that will boost growth, to tap into their existing potential, and to rethink their priorities. Better governance, intelligence and changing of the collective consciousness are all part of it. Cities of tomorrow need action today. URBACT is all supporting cities to make this happen so… don't be left behind!

Johannes Hahn
Member of the European Commission in charge of Regional Policy

Introduction

In October 2011, the European Commission published a far-reaching and quite visionary report called *Cities of Tomorrow – Challenges, visions, ways forward* (European Commission, DG Regional Policy 2011). The economic and financial crisis had clearly intensified many urban problems and exposed the limits of existing policies. In particular, the limits of sectoral policies in seeking to preserve the polycentric, balanced, socially inclusive and culturally sensitive European model of urban development had become clear. An integrated, cross-sectoral and territorial approach, based on two decades of European experience on urban policy distilled into the *urban acquis*, was called for.

In this context, the aim of the report was to examine the possible impact of a series of major trends on different types of European cities in the coming years. The report identifies four main threats to the European urban development model, as the diagram below shows: demographic decline, threats to economic development and competitiveness, growing social polarisation and the depletion of natural resources.

These threats are global rather than urban and they are serious enough to put in question whether Europe will be able to maintain its relatively balanced and socially inclusive urban structure in the face of the megacities of the East and Latin America and the more 'disposable' cities of the USA. In response to the threats, *Cities of Tomorrow* presents an attractive vision of the opportunities and potential of European cities. It also insists on the crucial role that cities themselves can play in finding solutions and thereby contributing to the goals of the Europe 2020 strategy.

However, the *Cities of Tomorrow* report leaves open most of the questions about **what cities can do to put their potential into practice**. This is the task taken up by six 'workstreams' launched by URBACT at the beginning of 2012. Each workstream deals with a theme which corresponds with one of the threats identified by *Cities of Tomorrow* and, over the period of a year, has brought together evidence from URBACT projects but also from a wide range of stakeholders from all around Europe.
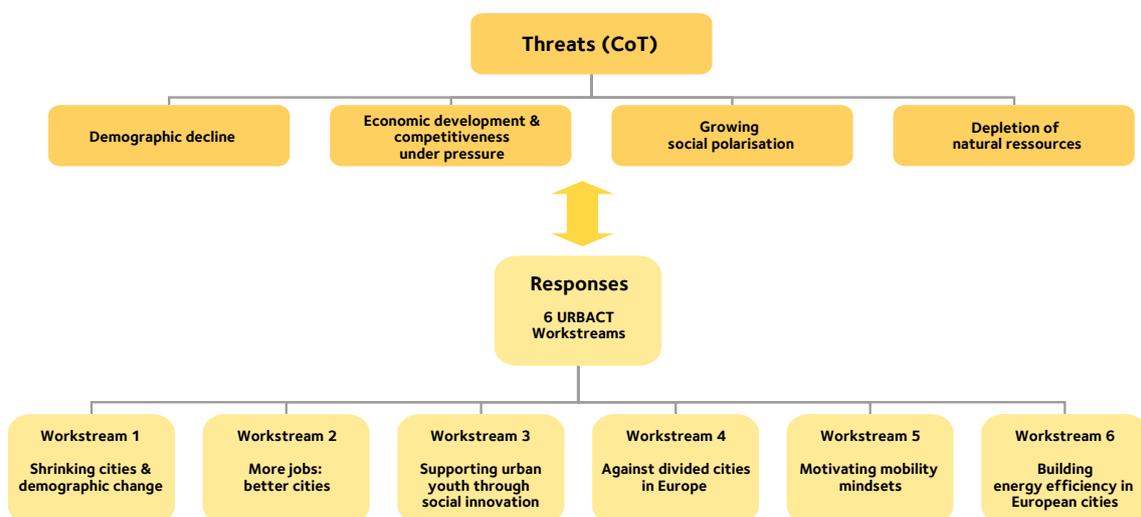
The end result of this collective reflection was the production of six thematic reports. The first two of these reports respond to the underlying problems of the **competitiveness** of European cities and their **growth and decline**:

Workstream 1 – *Shrinking cities: challenges and opportunities* – points out that population decline is a fact of life for 40% of small and medium-sized European cities. Rather than denying the reality of socio-economic decline, or trying to hold back the tide of rapid population loss and deindustrialisation with policies which were effective in times of prosperity, shrinking cities need to adopt a new realism in strategy development. An objective assessment of current strengths and weaknesses is often urgently required to pave the way for the substantial adjustments required to create and then benefit from the opportunities that shrinkage affords.

Workstream 2 – *More jobs: better cities* – takes a similarly long-term view of the challenge for cities posed by massive rises in unemployment. The report provides a systemic framework for helping cities to understand the points at which they can best intervene in the labour market to build more and better jobs.

Two more reports deal with the growth in both **social and spatial polarisation** that accompanies recent urban development:

Workstream 3 – *Supporting urban youth through social innovation: stronger together* – takes the threat of unemployment one step further by pointing to the risk of the permanent marginalisation of many young people and "the development of closed subcultures with fundamentally hostile attitudes to mainstream society". In times of austerity, the report provides evidence of how cities can work with young people and other stakeholders to provide more effective services through a process of social innovation.

Workstream 4 – *Against divided cities in Europe* – points out that "spatial segregation is the projection of the social structure on space" and therefore cities need to disentangle the processes that lead to the creation of deprived neighbourhoods and the roles that they play within the city as a whole. The solution lies in a careful blend of area-based neighbourhood policies and city-wide (or larger scale) people-based policies. This, in turn, means that cities have to cooperate with higher levels of government and also with other stakeholders.

The two last papers deal with the urban contribution to some of the major threats to the **environment**:

Workstream 5 – *How cities can motivate mobility mindsets* – argues provocatively that many of the technical solutions to getting around sustainably in towns are known, but are simply not put into practice. Many new mobility solutions for the *Cities of Tomorrow* will be found through a 'do-more-with-less' strategy. By optimising the use of existing infrastructure, building on the knowledge of tried and tested solutions and focusing on soft measures that encourage behavioural change, cities can develop local policies that provide sound mobility choices.

Workstream 6 – *Building energy efficiency in European cities* – points to the immense economic and environmental benefits of comprehensive programmes for the energy efficient retrofitting of buildings. Once again, many of the technical solutions already exist but various barriers prevent the necessary investment taking place. In order to seize the opportunity, cities need to identify and find ways around these blockages.

The participative methodology used by each workstream varied according to the problem being dealt with and is interesting in its own right. All of them involved a sequence of meetings and hearings over a period of roughly nine months

during which city practitioners, policy experts and academics pooled the available evidence and their personal knowledge. One of main values of the workstreams was that, for the first time, they brought together the latest insights from URBACT with evidence from projects from other European Territorial Cooperation programmes such as ESPON, INTERACT and INTERREG IVC, international organisations such as the OECD, EUROCITIES, CECODHAS, CIVITAS, Energy Cities and many more.

Given the magnitude and the complexity of the issues raised, the six thematic reports do not pretend to have all the answers. They start to make suggestions about **what** cities can do on their own, and what changes are required at other levels, and also make some points about **how** these changes can be brought about. These ideas should be seen as part of an ongoing debate about the priorities for European cities in the (hopefully) post-crisis period that leads into the next EU programming period.

The diagram below shows how integrated strategies for dealing with the urban challenges covered by the workstreams can produce results in terms of the eleven strategic objectives of the European Commission's Common Strategic Framework. Through the example of energy efficiency, the diagram also shows how it is possible to draw out some of the main linkages between the workstreams.

Links between CSF thematic objectives and urban challenges
(example of energy efficiency)

SFF Thematic Objectives:

1. Innovation	7. Transport
2. ICT	8. Employment
3. SMEs	9. Poverty
4. Low Carbon	10. Skills
5. Climate	11. Governance
6. Resource Efficiency	
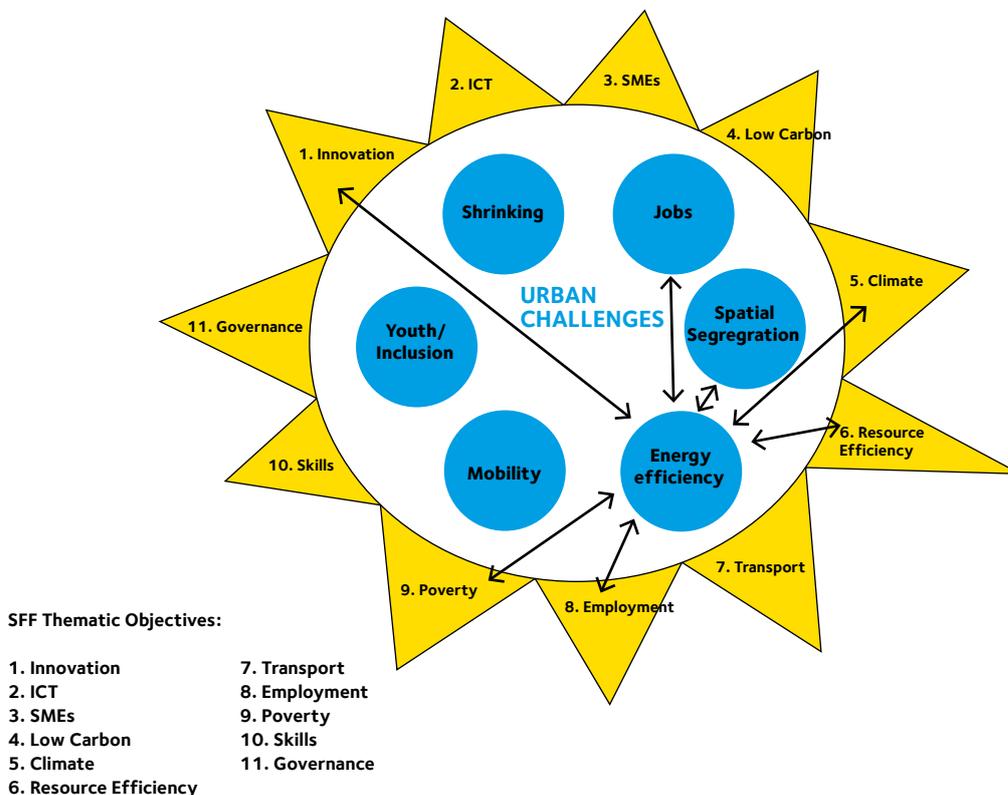
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However, the main added value of **urban** integrated sustainable development lies precisely in the fact that cities themselves are able to find ways of developing integrated policies which meet their particular circumstances. This means that they should be able to build on the positive synergy between policy fields, while mitigating the negative externalities that individual sectoral policies can have on other policy areas (e.g. rapid economic growth impacting on environmental protection). Cities have to have sufficient margin for manoeuvre to respond to local needs if they are to fulfil their potential for connecting with citizens and supporting the successful implementation of the Europe 2020 strategy. This means that within the broad objectives set by each national or regional operational programme, cities need to be able to decide *which challenges* and thematic objectives are most important for them, *the priority* they want to give to each (in other words the relative size of the budget) and *how* best to deal with them in an integrated way (their specific strategy). This applies to all the proposed new tools for integrated sustainable urban development: separate programmes, dedicated axes within programmes, Integrated Territorial Investment and Community-Led Local Development.

Interested readers can get a quick overview of the content of these papers from the short abstracts and executive summaries at the start of each of them. In the rest of this paper we will highlight some of the main points they make – with a particular focus on those that are relevant for cities concerned with supporting integrated sustainable urban development in the next round of EU programmes.

Focusing urban strategies on the levers of change

The *Cities of Tomorrow* report and many of the URBACT thematic reports open with statements about the relative importance of cities and the degree to which they concentrate both problems and opportunities.

"More than two-thirds of the European population lives in cities. Cities are places where both the problems emerge and the solutions are found. They are fertile ground for science and technology, for culture and innovation, for individual and collective creativity and for mitigating the impact of climate change. However, they are also places where problems such as unemployment, segregation and poverty are concentrated".

– Johannes Hahn. Preface to Cities of Tomorrow.

But given the global nature of the challenges, are cities the central actors? Or are they simply the stage upon which the drama relentlessly unfolds? What do cities in fact have the power to change, and how? Most of the thematic reports approach this issue with what can be called a 'new realism' and a plea for a deeper analysis of the nature of each problem and the source of the underlying causes that bring it about. This in turn requires improved intelligence and metrics.

A broader strategic analysis is particularly important when considering what margin for manoeuvre cities have to influence their economic competitiveness and the long-term trends in their demographic growth or decline. For example, *Cities of Tomorrow* states that "74% of the differences in growth in GDP between individual cities in Europe is accounted for by differences in the growth rates of different countries".

This is reflected in the findings of the thematic report *More jobs: better cities*, which recognise that "whilst economic development and employment is seen as a normal city function in some parts of Europe, it is not in others. Many cities do not have access to all the relevant policy levers that could potentially make a difference, as many key policy decisions are taken at the national and international levels" (Campbell et al. 2013:11). But the recommendation in the thematic reports is not to sit back and do nothing. If cities only have, for example, a 26% margin for manoeuvre then there is an even greater rationale for cities to think more strategically, to target precisely those fields that they **can** influence and to "prioritise what they do and how they do it in order to achieve maximum impact" (ibid).

This theme is also taken up in the analysis of shrinking cities. *Cities of Tomorrow* identifies two categories of shrinking: firstly, even though their economies are relatively strong, many small and medium-sized cities in Europe are expected to lose population to the larger, internationally connected metropolises. The report argues that "with the right policies this kind of shrinkage does not necessarily create problems". However, many cities in the Central and Eastern parts of Europe, the peripheral parts of Western Europe and many old industrial regions are suffering from

a combination of economic and demographic decline which is very difficult to deal with.

This is the subject of the URBACT thematic report on shrinking cities which points out that one of the most common responses to shrinking is denial. A number of cases are presented which illustrate that new economic development cannot be the only answer to reverse the cycle of decline. There is much evidence which shows that large-scale public investments and grandiose infrastructure projects, on their own, are unable to reverse the impact of industrial restructuring and demographic change. The report argues that "many shrinking cities invest significant resources in the maintenance or 'conservation' of what they perceive to be their strategically important socio-economic assets, and define goals which are more

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a reflection of the city's prosperous past than its likely future" (Schlappa & Neill, 2013:12).

The workstream calls for a paradigm shift from growth-orientated planning to 'smart shrinking' (ibid.:12) which could be brought about by better understanding the cyclical nature of urban development and decline. A model intended to help cities locate their current position in the development cycle would encourage a process of 're-envisioning' the future of the city in the light of a more realistic assessment of its assets and opportunities. Crucially, such a re-envisioning process needs to take account of two dimensions: firstly, the broader regional and national context in which the city operates; and secondly, a deep dialogue with local stakeholders. The report goes on to provide a series of practical examples which illustrate why and how cities have adapted their physical environment and service provision, with a special attention to ageing populations.

The URBACT thematic report *Against divided cities in Europe* also argues that the challenge of segregated, deprived neighbourhoods cannot be tackled solely through the policies which cities directly control. This means that, in some instances, cities have to step out from the narrow field assigned to them by higher levels of government. The report urges cities to lobby for appropriate national policies while at the same time initiating bottom-up urban regeneration policies in urban areas with the participation of the main players.

All of the thematic reports argue that the starting point for seriously addressing the key challenges identified by *Cities of Tomorrow* must be a participative and strategic reassessment of the real barriers that cities face, and the levers they have available to them to achieve change.

Completing the bridges between policies and actions

One of the main goals of the European Commission's proposals for the next round of EU funding is to pay more attention to results by improving both the strategic focus of programmes and policy coordination and integration. At least 5% of the ERDF budget in each Member State should be reserved for *integrated* actions for sustainable urban development. However, all the URBACT thematic reports point to the need for a much more nuanced and sophisticated interpretation of integration than is used at present.

Firstly, all the reports recommend taking an integrated approach **within** the particular thematic field or challenge that they are dealing with. For example, the report on *More Jobs: Better cities* produces a systemic framework for analysing city labour markets and helping cities to identify and prioritise the policy levers where they have the greatest chances of achieving long-term results in terms of jobs.

The diagram below, drawn from the thematic report *More jobs: better cities* (Campbell et al. 2013), shows that this means integrating policies concerned with economic development with policies concerned with the labour market *per se*. This in turn involves bringing together stakeholders as diverse as private firms, large public institutions, economic development agencies, research bodies, chambers of commerce, universities, schools, training establishments, social services and so on. Nevertheless, this kind of thematic integration basically focuses on the most important policies and stakeholders required to deal with a particular urban challenge – in this case unemployment – even if it is embedded within a broader strategy for the whole city.

Outline framework for city actions on jobs
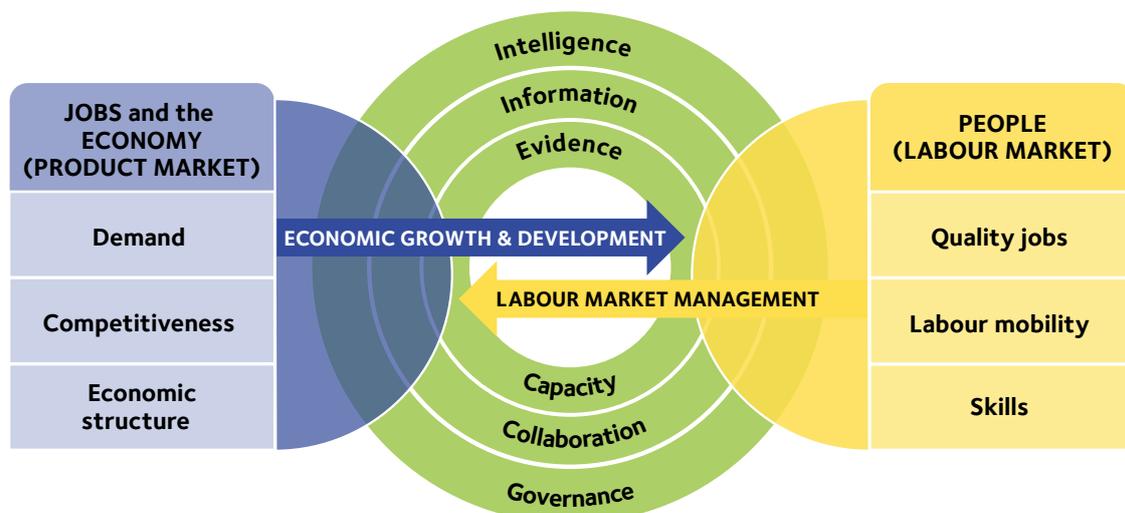
Source: Campbell, M. & Partridge, A. with Soto, P. (2013)

This kind of integrated or systemic approach to a specific problem can be very helpful for cities considering how best to use the new tools for integrated sustainable urban development proposed for the next programming period (for example, Integrated Territorial Investments and Community-Led Local Development). It shows that cities do not have to risk biting off more than they can chew by trying to deal with everything at once, but that they can use the tools proposed by the Commission for integrated territorial development to focus on a limited number of strategic objectives in an integrated way as long as this forms part of a broader strategy for the whole city.

Secondly, the reports provide some dramatic examples of the potential for building on the **horizontal linkages** between policy areas. The URBACT report *Building energy efficiency in European cities* argues that the energy-efficient retrofitting of existing buildings represents "one of the largest and most important opportunities for Europe to expand economic growth and job creation" (Owen Lewis et al. 2013:25). As well as "reduc[ing] energy costs for businesses and households of all income levels, reduc[ing] emissions and improv[ing] energy security" (ibid.), it is estimated that this policy could create between 760,000 and 1,480,000 jobs (Copenhagen Economics 2012:6). In fact, all the reports provide evidence of the way in which sustainable urban development strategies can pull together the environmental, social and economic pillars of the Europe 2020 strategy. However, this requires the flexibility to be able to respond to local circumstances.

Thirdly, and perhaps less obviously, several of the reports point to the need to take into account **possible negative feedback** between policy fields. Non-integrated approaches can have damaging impacts for other policy areas. For example, the report on *Mobility mindsets* argues that poorly designed urban transport policies can lead to "mobility poverty [which] can accelerate unemployment, accentuate the creation of dilapidated neighbourhoods, increase social exclusion and spatial segregation, and exacerbate poor health" (Enemark & Kneeshaw 2013:9). Similarly, the report on *Building energy efficiency* points out that 12% of all households are living in fuel poverty and this "affects the efficiency of the health service, child poverty, educational ability and productivity" (Owen Lewis et al. 2013:31). Therefore, strategies for sustainable urban development which target particular thematic objectives also need to be designed sensitively to take account of possible negative side-effects. Also the potential for real win-wins and gains from optimal integration needs to be explored (these could be worked out through multi-stakeholder policy intelligence, as mentioned in section 2 above). Once again cities need the flexibility to be able to work creatively on the multipliers that cross thematic boundaries.

Finally, most of the reports also argue that policies to deal with the key urban challenges identified in *Cities of Tomorrow* need to be integrated into broader **multi-level** strategies. For example, the workstream *Against divided cities* argues that "many problems do not originate in deprived areas, but result from wider societal structures and developments. Thus they cannot be solved exclusively in the areas where they are more visible: they require a multilevel intervention method" (Colini et al. 2013:6). Cities are invited first to consider "the types and problems of given areas – for example are they dead-end or

transitory areas? The second is to understand the dynamism of the process – in which direction are they heading? … A typical mistake cities make is to judge neighbourhoods on the basis of static measures, and to focus on policies which undermine the role the area plays in the city in a dynamic sense" (ibid.).

The conclusion is that place-based neighbourhood policies are needed but that, **on their own**, they may end up doing no more than whitewashing and shifting deeper structural problems around the city. In this context, the Commission's pro-posals for a series of new tools for integrated sustainable urban development create the oppor-tunity for a second generation of multilevel integrated strategies against the division of cities, which combine place-based and people-based approaches. The report goes on to outline some of the key ingredients such strategies could contain.

All the thematic reports support the idea that exerting a real impact on the main urban challenges depends on there being a far better vertical articulation between urban, regional and national strategies. In some European countries these linkages are relatively well established and cities are integrated into regional and national networks. However, in the majority of countries, there are important policy gaps which make it difficult for cities to develop policy initiatives that achieve their full impact. The future round of EU programmes also provides an opportunity for addressing some of these gaps at regional and national levels.

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Realigning existing resources to meet real needs

The thematic reports have different views on the politics of austerity that characterise the current phase of the crisis. On the one hand certain papers remind us of the immense potential of investments in the environment – for the economy, jobs and social inclusion. For these reasons, the report on *Building energy efficiency* argues for a major increase in the scale of renovation of the existing building stock.

But most of the reports point to the fact that there is still room for manoeuvre for improving both social and environmental outcomes with existing resources. For example, the report on *Motivating mobility mindsets* argues that infrastructure investment, especially for public transport, is still crucial in many cities, but at a time of austerity, it needs to be complemented with soft mobility solutions. A learning process has to take place to develop a clear vision of mobility and to strike a balance between big infrastructure projects and smarter elements.

The report accepts that the standards of public infrastructure vary enormously between cities and that the cities of central and eastern European countries still have a major need for investment. Nevertheless, the main focus of the report is to provide a series of imaginative examples of how cities can optimise the use of existing infra-structure, better plan the use of public space and transfer tried and tested solutions from the front-runner cities in this field.

The report on *More jobs: better cities* follows a similar line of thought: "We need to do less – and do it better. We need to change the **way** we do things, **how** we do them, alter our daily practice and change the way in which we use and develop our relationships" (Campbell et al. 2013:43).

This requires far better shared intelligence and the mobilisation of all concerned actors through better governance – changes which are often harder to achieve, and are less tangible, visible or measurable than opening new buildings and roads.

Against divided cities also argues that the costly large-scale demolition of buildings is often not the best solution for deprived urban neighbourhoods. Demolition is often the result of failure by the city to apply integrated soft and hard policies which open up more opportunities for deprived neighbourhoods and their residents.

Similarly, the report on *Shrinking cities and demographic change* discusses putting disused land and buildings to interim uses, market repo-sitioning to promote overlooked assets, and adapting the services on offer to promote growth in those areas that serve the needs of a different, usually older, population. Cities can keep a competitive edge by emphasising quality over quantity in service provision, and by coordinating with neighbours to avoid wasteful investments in duplicate facilities. Brownfield redevelopment is most cost-effective when it is delivered through public-private partnerships and focused on middle-ranking sites that are on the borders of commercial viability.

Cities are well placed to rethink how existing resources can be aligned to meet real needs. The workstream on Supporting urban youth argues: "As the level of democratically accountable government nearest our citizens, they can assume a key role in reconnecting with them and in reshaping public services. Specifically, the opportunity is to ensure that taxpayers' resources are focused on priorities and more effectively invested" (Adams & Arnkil 2013:41).

Tackling the real barriers to change

Several of the thematic reports point out that even when the technical solution to a problem is known, various blockages or barriers may prevent the market or democratically elected politicians putting it into practice.

For example, the report on *Building energy efficiency* asks "why is it that proven technologies that are cost-effective are at best only slowly adopted?" (Owen Lewis et al. 2013:14). It mentions several market imperfections such as: the size of upfront investments and the length (and uncertainty) of payback periods; the principal-agent problem whereby the benefits of energy conservation do not accrue to the person who has to make the investment; and the fact that externalities such as the impact on jobs and health do not enter the equation. In this regard, it would certainly help if metrics measured progress or return on investment across policy fields and shared objectives, such as CO_2 reduction, health and job impacts, social cohesion and public spaces improved. The report argues for an "agenda for change" which combines more favourable "national incentive frameworks to overcome market inertia, secure demand and facilitate private capital provision" (ibid.:8). Under the umbrella of binding targets for energy efficient retrofitting, cities should carry out integrated neighbourhood retrofitting action plans.

In contrast to market imperfections, the report on *Mobility mindsets* stresses the fact that the traditional public policies of investment in infrastructure have not solved the transport problems of most cities. These generally boil down to too many cars, and associated congestion, CO_2 emissions and pollution, together with 'mobility poverty' for certain groups and neighbourhoods. Rather than simply blaming vested interests or weak politicians, the report argues that the problem lies deeper, within the general *mindsets* or attitudes towards mobility in society as a whole. The question then becomes what cities can do to change these mindsets towards a new concept of mobility that is consistent with the quality of life and of public space, and that encourages citizens and businesses to make greener choices.

The report provides some ingenious examples of how cities have achieved this, and points to the need to strengthen a series of measures, to build capacity, design new business models, create partnerships for a better sharing of risks and benefits, break down interdepartmental barriers, and use 'change agents' to involve a wide range of local stakeholders in developing a shared vision of mobility.

Shrinking cities face an analogous challenge in that they must reframe the issues in ways that reveal new ways out of their dilemma. The process needs to be one of stepping back, locating the city's position on the development cycle, and working out in an open-minded way how to use the existing assets in ways that suit the future, not the past. Local leaders need to engage their populations in dialogue so that they can understand the problems and trends before designing new paths for development. They also need to build new alliances.

Investing in people

The thematic reports reflect a growing recognition that investment in people rather than just buildings and land is the main source of long-term competitive advantage for cities. Human capital, social capital and governance appear to be the modern gold dust that attracts firms, investment and yet more skilled people in a virtuous spiral of development.

For example, the thematic report on *More jobs: better cities* provides a 'people agenda' (Campbell et al. 2013:25) which identifies three main fields of intervention in city labour markets (job quality, labour mobility and skills) to ensure that urban growth translates into real opportunities for local people and to prevent the problems of social polarisation dealt with by other reports. It argues that skill levels play a major role in explaining regional economic performance, but that on their own more skills are not enough. It is also important to design pathways to ensure that local people have access to skilled jobs, and career ladders which allow them to progress from one level to another – rather than being trapped in low paid, dead-end occupations.

In a similar vein, the thematic report on *urban youth* says: "there is growing evidence that the most successful cities are those which maximise the potential of the human capital available to them. Given Europe's demographics … this means being able to retain, attract and mobilise the talents of our young people" (Adams & Arnkil 2013:9). However on the contrary in some European cities unemployment among young people has reached over 50%, leading to the risk of permanently scarring an entire generation. The report argues that the crisis has made things dramatically worse but that a simple return to growth will not halt the long-term trends towards the disconnection and disaffection of a significant proportion of urban youth.

People are also a crucial factor in energy efficiency and mobility in cities. It is the changing behaviour of city dwellers that determines the success or failure of a policy to reduce domestic energy consumption or encourage a switch to sustainable travel habits. Starting a dialogue with energy and transport users, and educating them in innovative alternatives, is a necessary accompaniment to any physical investments. It may also be necessary to stimulate the supply side of the market for energy-saving materials, devices and services.

All the reports also stress the importance of people in the sense of the 'soft factors' which determine good governance. These include the well-known list of principles associated with the *urban acquis* and the 'URBACT method' such as wide and systematic stakeholder involvement, partnership working, breaking down policy silos, multilevel governance, leadership and rigorous strategic analysis. Assembling all of these soft factors to produce effective strategies also requires a paradigm shift and capacity building – not only at local level, but for stakeholders at all levels. The ERDF, which has traditionally focused far more on the physical side of investments, needs to ensure that these soft elements are given more prominence within strategies for integrated sustainable urban development.

# Creating a new breed of urban 'innovation brokers'

All the thematic reports share the view that a simple extension of past policies and 'business as usual' is no longer an option. They argue that a series of forces are making a rethinking or revisioning of the city's role more urgent. These include:

- A deeper understanding of the global drivers shaping cities, the interrelationship between them and the margin for manoeuvre that this leaves urban managers.
- The cuts in public resources caused by the policies of austerity being pursued in this phase of the crisis.
- The economic, social, psychological and political barriers to putting known solutions into practice.

The thematic report *Supporting urban youth through social innovation* argues that the concept of social innovation can help cities to take many of the soft factors mentioned in the last section and organise them into a structured approach for generating change. The report provides practical examples of how cities can improve six of the key conditions for successful social innovation: the generation of new ideas, access to specialist knowledge, a new evidence base, coproduction with all stakeholders, new service delivery models and smart finance.

Most importantly, however, it argues that cities need to mobilise these ingredients, over time and in a sequential fashion, to create an 'innovation spiral' that minimises risk and increases the chances of

Revisiting the social innovation process: critical elements
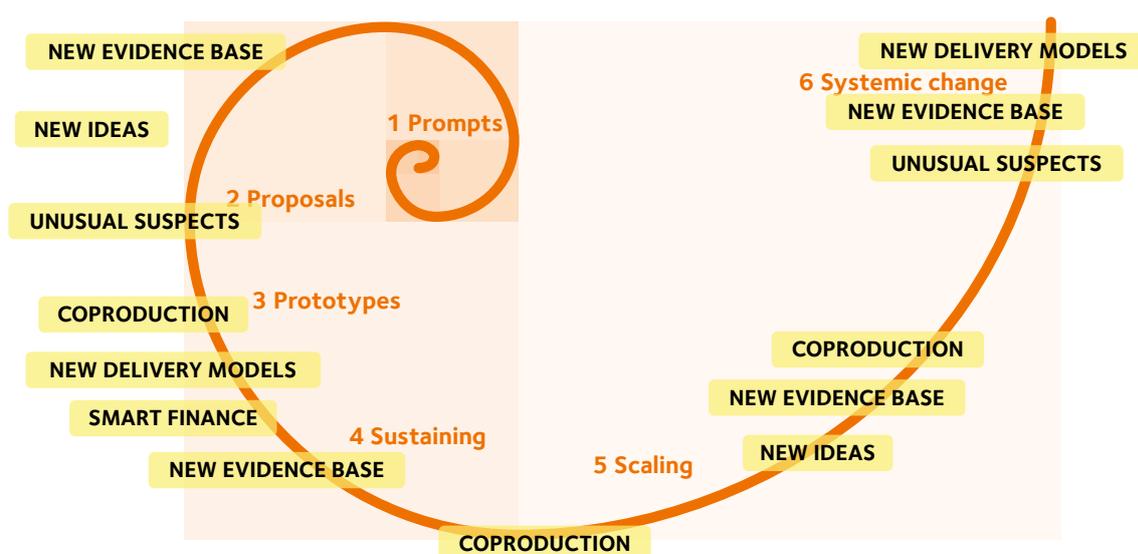
Adapted from Young Foundation (Adam, E & Arnkil, R., 2013:33)

widespread take-up. As the diagram page 16 shows, change starts small with the prompting of the original idea, is tested through pilot proposals and prototypes, and is then scaled up gradually until it can bring about systemic change. The lessons for the future use of EU funds in cities are clear. There should be a far closer, structural link between the exploratory exchange and cooperation programmes, small-scale innovatory actions and mainstream structural investments.

Social innovation also involves a new way of looking at the relationship between consumers, suppliers and workers and between the public, private and social economy sectors. Public and private sector workers and suppliers have detailed knowledge about how things work. On the other hand, households and citizens can – and do – internalise a series of functions as diverse as household maintenance and care as well as playing a number of roles as active customers or volunteers. Social innovation aims to mobilise the full potential of all the actors in a system. Rather than caricaturing the public, private or social economy sectors as either good or bad, it tries to promote new formulas for collaboration at the intersection between each of them and the household economy.

The thematic report *Supporting urban youth through social innovation* (Adams & Arnkil 2013:9) argues that "in the future, effective local authorities are likely to be those which do not seek to implement, control and fund everything. Rather, they will assume a brokerage role, enabling all stakeholders to play to their strengths". As mentioned above, the principal challenge lies not so much in the amount of financial resources but in how to use these funds in a way that "creates a new set of improved relationships with all citizens including young people in our cities. This will mean mobilising stakeholders – service providers, policy-makers, parents and young people themselves – to

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design and deliver a new generation of support services, based upon trust and optimising our limited resources. This is our vision for the cohesive city of tomorrow" (ibid.:41).

The same principles apply to the repositioning of cities affected by the shrinkage of their traditional economic activities, which need to innovate their way out of the past and into the future, by inventing new services for a changing population profile. It is to be hoped that cities will be able to use the new tools for integrated sustainable urban development proposed by the European Commission to put visions like this into practice.

Conclusion: some ideas for the next generation of integrated sustainable urban development

The *Cities of Tomorrow* report is a wake-up call. European cities are ripe with marvellous opportunities, but these are also under threat. The crisis has considerably worsened the situation and dramatically reduced the resources available to cities, but most of the threats are due to long-term underlying trends that started much earlier. In this context, to try to continue doing business as usual is simply burying one's head in the sand.

Each of the six URBACT thematic reports referred to in this paper contains a series of specific examples, ideas and recommendations about how cities could tackle some of the most important urban challenges in the future. All of them, whether they take the form of Sustainable Urban Mobility Plans (SUMPs), action plans for youth inclusion, local labour market plans or strategies for neighbourhood renewal, combined with social mix strategies across the city and energy retrofitting – should be high priorities for EU support through integrated sustainable urban development.

Cities that wish to use the new opportunities offered by the EU in the near future should consider the following recommendations from the workstreams. They should:

- **Develop an appropriate knowledge base**. Many of the problems cities have to deal with are much more complex than they appear at first sight. It is crucial to collect evidence about the real situation and explore the under-lying dynamics of development. In order to identify the problems correctly and gain the proper depth of insight, cities should involve stakeholders in the provision and evaluation of data and the ongoing monitoring of the consequences of interventions.

- **Mobilise people and resources around the strategic challenges**. Given the scarcity of public resources, it does not make sense to make heavy investments in isolated physical projects that cannot provide evidence that they will make a clear contribution to integrated strategic goals. Human and material resources need to be combined and concentrated on the most important problems and the ones where cities realistically have the most ability to achieve change.

- **Rethink the opportunities**. Although they use different terms, all of the URBACT workstreams suggest that this involves a process of participative rethinking or re-envisioning the 'opportunity structures' available to cities in the light of a realistic assessment of both short-term and long-term trends. In this sense, cities are ideally placed to reconnect with local citizens and bring together all stakeholders to ensure a total resource mobilisation more closely aligned with real needs.

- **Build bridges between levels and poli-cies**. All workstreams agree that the re-envisioning process must be deepened in at least two ways: firstly, in the vertical sense of reinforcing the linkages between urban, regional and national policies, and secondly, in the horizontal sense of strengthening the multiplier effects between the environmental, social and economic pillars of sustainable urban development.

- **Create clear national and regional frame-works that empower city action**. If cities are relegated to becoming the last link in a

top-down command delivery system they will never fulfil their potential in dealing with the key urban challenges. In many cases, national and regional policy is the weakest link in the chain. It needs to be reinforced – but in a flexible way that empowers cities to take action and respond imaginatively to local circumstances. There are also cases where national or regional policy is the main cause of problems which appear at city level. In such cases cities have a role to play in promoting changes at higher policy levels.

- **Break down the real barriers**. Several of the workstreams point out that technical solutions already exist but that a series of barriers prevent these ideas being implemented. Some of the barriers are due to market and/or public sector (political) 'imperfections', but a large part of the problem lies in the attitudes and mindsets of all of us. Smart city strategies for change need to identify and focus on overcoming the real barriers that have to be faced in each city, and not to unquestioningly follow the latest development fashions.

- **Put people first**. People rather than buildings hold the key to dealing with the challenges identified by *Cities of Tomorrow*. This fact presents a major challenge for the ERDF, which tends to concentrate on physical investments. Therefore, independently of whether the ERDF works more closely with the ESF in the future, there is a need to ensure that integrated strategies for sustainable development have the flexibility to design intelligent combinations of people-based and physical investments that get to the roots of the problems they are addressing.

- **Create spirals of change**. While there is a need for emergency measures in many cities, all of the thematic papers agree that the scope for quick, magical fixes is limited. The important thing is to start the ball rolling in the right direction. This requires a combination of 'smart' financial support, physical investments and people-based policies which take ideas for change through various stages of implementation to their mainstream adoption.

The European Structural and Investment Funds can play an important role in allowing cities to put these recommendations into practice. To do so they need to ensure an articulation between the different types and stages of support they provide. In particular there must be clear bridges between early-stage European Territorial Cooperation (ETC) programmes, innovative actions, research and development, strategies for integrated sustainable urban development and the mainstream axes of the operational programmes.

Last but not least, these recommendations call for a paradigm shift – or at least a change of mindsets – for all stakeholders at every stage of the delivery of urban policy and action. This in turn requires targeted and high-quality capacity building, the exchange of good practices, and a continuous learning culture at city, regional and EU levels.

URBACT is committed to working with cities, national authorities and the European Commission to achieve just such a system in the coming programming period.

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URBACT II PROJECTS

PROJECTS	ISSUES ADDRESSED	LEAD PARTNERS
1ST CALL PROJECTS (2008–2011)		
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
2ND CALL PROJECTS (2009–2012)		
ACTIVE TRAVEL	Promoting walking and cycling in small and medium-sized cities	Weiz – AT
CASH*	Sustainable and affordable energy efficient housing	Echirolles– 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
3RD CALL PROJECTS (2012–2015)		
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
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
Jobtown	Local partnerships for youth employment opportunities	Cesena – IT
My Generation at Work	Youth employment with focus on enterprising skills and attitudes	Rotterdam – NL
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
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

*Fast Track Label

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, re-affirming 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 comprises 400 different-sized cities and their Local Support Groups, 52 projects, 29 countries, and 7,000 active stakeholders coming equally from Convergence and Competitiveness areas. URBACT is jointly financed by the ERDF and the Member States.

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