

URBACT CITY LAB

ON METROPOLITAN GOVERNANCE

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Workshop 2: **Economic Development and Labour Markets across Boundaries**

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Connecting cities
Building successes





Workshop 2: Economic Development and Labour Markets across Boundaries

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RAPPORTEUR: THIERRY BAERT, COMMUNAUTÉ URBAINE DE LILLE (FR)

The 'Economic Development and Labour Markets across Boundaries' workshop included 3 presentations in the morning session on particular cases of urban economic development and labour market policy, followed in the afternoon by presentations and open round table discussion among participants in order to draw conclusions.

The key questions suggested to orientate this workshop were:

How do cities deal with the complexity of managing both the morphological and functional city regions, which are cleaved by national, regional and local administrative boundaries?

What are the main challenges facing cities when it comes to intervening in economic and employment development at different spatial levels (legal powers, financial capacity, critical mass, skills and know-how,

spillovers, competition with other cities, and beggar thy neighbour policies.)

What types of innovative arrangements do cities develop in order to overcome the resulting political, financial and/ or administrative divisions?

How to support innovation and creativity at city level?

How can mainstream city functions and investments be used to influence labour markets and the economy (land use planning, regeneration, procurement, employment, local administration and regulation?)

What role for the private and third/voluntary sectors in the governance of economic development?

How can the metropolitan framework best support or integrate local or neighbourhood initiatives in order to reduce polarisation and fully use human and material resources.

How to lever-in supra-municipal support without losing local control?

MORNING PRESENTATIONS & DISCUSSIONS

The morning session included three speakers on examples of successful economic development and labour market strategies at city region level that crossed municipal, regional or national boundaries. It seems that progress requires adaptability and an innovative integrated approach in order to overcome administrative structures of governments.

Brainport project, Eindhoven (NL)

The presentation of *Harm Martens* was about the case of Eindhoven (Netherlands), where Philips bankrupted in its traditional structures in early 90ies. The company concentrated in the area very much from decades. A new vision and ambition aimed a new type of economic and urban pole, like as Brainport Project. *Ab Oosting* (SRE) presented the concept of the project that was based on the strategic spatial planning of the country. It was based on three successful poles as seats of winning companies as SEAPORT (Rotterdam and its area) – AIRPORT (Amsterdam city-region) – BRAINPORT (Eindhoven urban area). Main pillars of Brainport are the innovative ecosystem (esp. High Tech Campus and its area), Triple Helix: cooperation between business, academia and government, Brainport Navigator (monitoring: ranking and scoring) as also a common programme. Importance of governance was emphasized. It was a bottom up process based on high trust. Spatial poles are also expanded by ELAt – Eindhoven, Leuven, Aachen triangle (also cross-border).

Discussion

Discussion was on the closed versus open innovative ecosystem: importance of ‘doing together’ and open was emphasized. In some cases the physical format was open as well for example in the case of the Philips campus). The role of public sector must not be neglected in the whole process. Local government and forms of governance are moderators or facilitators of big company and industry revitalization programmes. Private sector was also represented in Brainport esp. in its steering committee. An interesting

question was raised about relationship between ELAt and EGTC as formats.

ISTER GRANUM project, Esztergom (HU)

The second presentation was from the ISTER GRANUM development agency (Euroregion Hungary–Slovakia, also EGTC) on the Solidarity Fund. *István Ferencsik* described basics and operation of the Fund in which the Hungarian town, Esztergom plays a crucial role. Big companies, first of all Suzuki, are seated in the city, while employees are from the surrounding cross-border area. Particular proportion of the local industrial tax income was distributed back to the residential area of employees, of which 60% was from Slovakia.

Discussion

Discussion was on the motivation of the city. What was its interest in solidarity? A cultural and ethnic reason was highlighted, namely the Hungarian speaking area was influenced in this way. Nevertheless, the present initial development was characterized with quantities, i.e. no huge European projects are going on. Calls of the agency are on very limited sources.

Localret, Barcelona (SP)

The next presentation was made by *Joan-Miquel Piqué*, Catalonia, City of Barcelona about *Localret* (www.localret.cat). Localret was a consortium of 818 municipalities. The initial cooperation was based as intended answer on the economic crises and mainly increasing unemployment rate. A common reconstruction strategy was initiated by Barcelona city council and Catalonia regional government. They supported municipalities in applying new technologies like telecommunication of government offices including information technology (high-speed connection). In the meantime, organizational initiatives were enhanced, like lobbying for general Municipalities Meeting Plan; establishment of boards for small municipalities as partners of big cities. Cooperation also focuses on strengthening linkages between companies and municipalities.

Discussion

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Discussion was focused on the type of the urban area, comparing Catalonia as an administrative area because it was also a rural area involved in the network, as well. How are urban effects relevant in such a situation? A common perspective was underlined, i. e. to equalize infrastructure in general, especially roads regarding on the crossing mountain area in the region.

AFTERNOON PRESENTATIONS & DISCUSSION

The afternoon session was a follow-up of the morning session. It nevertheless approached the workshop topic from a wider perspective. Participants intended to draw any conclusion for the further debates on the issues discussed.

Case of Lille Metropolitan Area

In the afternoon session the following, fourth presentation was made by *Yves Dhau-Dacuypere* on Lille Metropolitan Area. Lille Metropolitan Area consists of the Lille urban area (in narrower sense), the Belgian part and the Southern arc from France. 3-4 million inhabitants are involved as a total in this polycentric metropolitan area with a common old industrial tradition. However, constraints are also typical esp. in cultural heritage. Nevertheless, the whole area was motivated to overcome the handicap from the old coal-mining area. There are different instruments for generating policies to strengthen competitive clusters in the region in some of the relevant industrial sectors here. These are for instance EGTC, development councils, Chamber of Commerce and other corporate formats, Metropolitan Area Association, logistics (train, motorways), research centres, universities etc.

Discussion

Discussion was on the functional urban area, meaning of which covers this wide territorial unit involving linkages among different poles. It was closely connected to the labour market as a whole (it might be the same). The association in the French side was quite recent, and was only formed in 2007. EGTC was an alternative solution, chosen by the involved Belgian authorities.

ESPON Project Metroborder

The fifth presentation was on the ESPON programme, made by *Tobias Chilla* (Univ. of Luxemburg). The project *Metroborder* was introduced as an applied research focusing on cross-border polycentric metropolitan regions. Labour market was one of the most relevant indicators in these spatial relations. The project considers a variety of methods and indicators, comparing the intensity and dynamic of cross-border commuting within different regions shows a wide variety throughout Europe. Furthermore,

governance patterns within cross-border regions are analyzed and developed. Through a Delphi Study method, ranked priorities are defined and among others, governance was discussed in this framework.

Joining Forces project

The final presentation was made by *Thierry Baert* on 'Joining Forces' working group of the URBACT II programme. Partner cities and city-regions are categorised. Issues of governance are scrutinized through different sector-oriented investigations. According to the speaker, preliminary conclusions could be drawn in this phase. It seems to focus on collecting of different actors from the public sector, collecting actors from other sectors (private, NGO) and flexible processes.

Discussion on afternoon session

Discussion at this point was spread to the theme of the whole workshop. According to *Christian Vandermotten* relevance to labour market should be defined more precisely. *Peter Ramdsen* raised a question, what variables are on effects of the labour market from spatial aspect. He cited Elinor Ostrom's work as assessment of trust in government/ governance. Paul Soto emphasized importance of positioning cities in the global economy. Issues solved levels of cooperation, basis of which voluntary and statutory, positioning of the European level in this system.

RECOMMENDATIONS & CONCLUSIONS

Summary was made by *Thierry Baert*, as the rapporteur of the workshop on linkages between morphological and functional urban area from the side of options on their governing contents.

Issues raised by the case studies

- On going cultural mutation: we are moving from a closed to an open world – this was also true for local authorities
- Involvement of the private sector was required in the economic strategy making at city-region level
- There is a common mismatch between the scale and place where taxes are collected and the scale or place where the services are required.
- Crucial role of trust to build up metropolitan co-operations and governance arrangements – solidarity was needed
- Is Metropolization a phenomenon limited to big cities or was all the European territory involved in this process? i.e. Are there still true rural areas or just lower density areas?
- Respective role of the Regional authorities / responsibility of the central cities
- Acting in common was the right way of developing cooperation: project comes first and then structure can be created when required
- How to define the common interest versus specific ones?

Main issues debated in the workshop

- City region was a common expression for various realities: there are at least two main, quite different, levels: morphological areas (the more or less densely built-up area) and functional areas corresponding to (the economic system/labour market). They do not necessarily need the same type of governance arrangements.
- Considering the difference between mono-centric and polycentric city-regions was also essential, as the specificities of cross border metropolitan areas. Specific situations are leading to ad hoc solutions.
- There are different scales according to issues to be dealt with and/or to projects to be developed (the same scale was not

relevant for instance for water supply and the labour market)

- The scale of Functional Urban Areas was quickly evolving (i.e. increasing), especially in cross border ones
- Is a top down definition of metropolitan limits and related government (by national government) required or can informal cooperation be sufficient? How can informal arrangements be more effective? – opinions diverge in the workshop
- In any case everyone agrees on the fact that incentives from upper levels could help
- The existence of formal agreements at metropolitan level, especially for project development, could be a condition for the allocation of EU funding.
- Time and continuity are required: the cooperation process should not be a matter for politics but the actions to develop in priority.
- What role for citizens/workers in the process? It is their residential choices that are creating the Functional Urban Areas!

URBACT II

URBACT was a European exchange and learning programme promoting 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 challenges. It helps them 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 has 255 cities, 29 countries, and 5,000 active participants

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