

5 CITIES AND THEIR PLACE IN THE EUROPEAN UNION URBAN POLICY

Daniela ANTONESCU*
Maria GHISA-SILEA**

Abstract

In 2006, the Commission of the European Communities encouraged the incorporation of sustainable urban development in the *Cohesion Policy for 2007-2013*. These proposals seem to be based on the cities involvement in the framework of the Structural Funds and other European programs. The purpose is that the European Union policy of growth and employment will be more successful if the regions are capable to take on their roles.

Why are cities really important in terms of regional cohesion policies? They offer the best conditions for economic development - most of the jobs, firms, technologies, universities (higher education). But social and economic differences may appear, and cities are often subject to spatial inequalities. The capacity of the cities to produce innovation and to absorb innovations coming from outside seems to be a key element in competitive success.

Keywords: cohesion, urban development, regional development.

JEL Classification: R58, R11, O18.

With the growing integration of the European Union of the Single European Market and the Maastricht Treaty and with the new generations of transport and communication networks which facilitate connections between people worldwide, the nations-states are no longer separate territories, but they are forming together *regional systems*. The fast exchange of ideas, the spatial concentrations of populations, goods and technologies are affecting our traditional hierarchical systems.

"The world is flat", says Thomas Friedman, an American journalist, a world where small enterprises have equal chance to develop to the large ones and the only condition in this view is to be able "to keep in touch" with the rest of the world¹.

In 1996, Roger Brunet, a French geographer, wrote that when a businessman decides to invest in a city, it is not because that city holds a high position in the national territorial hierarchy, but because he can find a higher innovation potential in that city.

* PhD, Senior Researcher III, Institute for Economic Forecasting, Romanian Academy, da_antonescu@zappmobile.ro.

** PhD Student, Angers University, CARTA Laboratory, France, maria_silea@yahoo.fr.



Today, the probability is that our cities and regions will develop if we apply the same economic way of thinking as Friedman's : "The earth is flat..."

While disappearing borders and developing new transport networks create economic opportunities, there are however disadvantages. Competition between cities has become more intense than ever; regional and national monopolies have faded and the Single European Market has launched the cities - even provincial cities - into the competition with other cities in the world. In these conditions, cities are involved in rivalries for investment, employment or subsidies. Nevertheless, the question remains: will the cities that do not or cannot compete fall back? And if so, how can small cities that have no experience in international competition still develop?

Of course, prosperous cities are attractive; however the migrations to these flourishing cities are commensurate. Successful cities gain a lot from globalization but, on the other hand, they have to handle the inflow of migrants from smaller cities and developing countries. The economic growth of cities makes them exposed to problems of social exclusion and to the deterioration of their environment. What is the right balance of economic and social development? How can cities reduce spatial and social inequalities?

In terms of globalization, there are the successful ones and those confronted to failure; some cities can survive while some (or many) others cannot. In those terms, urban policies may be an asset to counterbalance disparities. At the local level, public authorities know through deep knowledge and experience what local development priorities and weaknesses are. Urban policies are reflecting the local economic, political and social interests.

Quality of life and easy accessibility are the main assets of cities faced with globalization. Thinking in a global way implies finding the means for enduring and performing mobility networks. In terms of increasing competition and of how important the urban infrastructures become, the place of our cities in the European urban system is raising concern. When the consequences can damage the local environment or the quality of life, the principle "Not in My Backyard" could step in. For example, the cities authorities may increase efficiency by providing public services such as transport or information systems; on the other hand, the cities can balance the internal diseconomies such as pollution or congestion.

Europe is characterized by a polycentric structure of small, medium and large towns. Some of them are able to form metropolitan areas, but most of them constitute the only urban centre in the region. Many of them are not visible on the scale of the European cities networks. The map reveals interesting European urban distributions, not about administrative divisions, but about a new European geography.

Roger Brunet undertook a study on the European citiesⁱⁱ in 1989ⁱ, and revealed the since famous banana-shaped growth arc from London to northern Italy through the

ⁱ Brunet's method classified 165 European cities on the basis of 16 indicators ranged from population to numbers of headquarters of multinational corporations to universities, culture and research expenditures. About ten years later, Roger Brunet studies were continued by Cécile Rozenblat. Her conclusion is quite similar: a dense curb from Southern England to Northern Italy.



Cities and Their Place in the European Union Urban Policy

Rhine-Ruhr area. This urban axis which follows the Rhine Valley in the “Mittel Europa”, a high-accessibility corridor, develops faster than the cities in the periphery. Not only the cities are numerous, but there are also very close to one another. They form a very tight network of cities of various sizes and no city appears to hold a dominant position. Even though the European Megalopolis does not cover more than 20% of the European Union surface, it concentrates more than 50% of the cities of international importance²ⁱⁱⁱ.

Another growth arc emerging from Northern Italy, along the French Mediterranean coast down to Barcelona, may appear on the map, it is the axis called by Brunet “Nord des Suds” (the “North of the Souths”) which starts from Northern Italy and unwinds along the French Mediterranean coast down to Spain, including Barcelona, Madrid and even Valencia.

What about the Atlantic coast? Would it be somehow the Western European Union periphery? On the coast, cities seem to be isolated from the core of the international information networks which, for Europe, is the Megalopolis itself. Obviously, *the economy has made the difference*. If in the past the economic development of the coastal towns depended on resources from the sea, nowadays they have to turn to the East, to the Megalopolis. Coastal cities must renew or find modern connections with performing international cities.

On the map there are two cities standing out, London and Paris. If Great Britain does not seem to suffer from the dominant position of its capital town³, France does. The cities meshing around Paris is missing ; in *Paris et le désert français* (Paris and the French desert), a famous book written in 1942 by Jean-François Gravier, he informed us about the hyper-concentration of Paris. “L’agglomération parisienne s’est comportée, non pas comme une métropole vivifiant son arrière-pays, mais comme un groupe monopoleur dévorant sa substance nationale”⁴. Consequently, the distances between Paris and the other large French cities are important. Lyon, Marseille, Toulouse, as well as Bordeaux, Nantes, Rennes, Angers, are mapped as European cities, and the map below shows that between Paris and Lyon, a European city at the same level as Manchester, Hamburg or Turin, there is a long distance, about 465 km, from Paris to Marseille, about 750 km and from Paris to Toulouse, about 670 km, and so on.

The postwar generations lived according to the image and reality of Paris surrounded by the French desert. Today, traveling by train from Angers to Marseille means taking the TGV (Train à grande vitesse, *i.e.* high-speed train) Angers-Paris-Marseille. Nowadays, about twenty years after the beginning of the decentralization policy, the image of Paris as the French core is still there (Map 1).

² *The European Union (12 Member-States)*

³ *Even if the South-Eastern region of Great-Britain is dominated by London, the cities meshing around are more developed than in France, Spain, Austria or Italy.*

⁴ *Jean-Francois Gravier, Paris et le désert français, Paris, Le Portulan, 1947: « Paris conurbation did not behave as a nurturing metropole for its remote provinces but rather as a monopolistic ogre swallowing the national substance like a horse ».*



Technological changes in transport and telecommunications have almost removed local constraints and barriers from many economic activities. Today we can observe on the maps *transnational urban networks* (e.g. the European Megalopolis). It is an established fact and a relevant sign that traditional hierarchical urban organization has become obsolete. But, as a result of the “opening” of the European Union internal borders, inside the EU *bloc*, the competition between cities is currently increasing. What are the cities that could be entitled to appear on the map of the European cities? Over the last years, twelve countries from Central and Eastern Europe were integrated into the European Union. Should Eastern and Central European cities meshing reflect the situation and status of Western European cities? This prospective research would be worthwhile.

However, there is one technical issue. The regions of the European Union do not experience the same administrative reality, from one country to another. And there are states more or less centralized. Which governance for cities? In terms of European regions, a study about the tools at the disposal of European cities for the development of their area could be undertaken. There are cities concerned by population growth; others by population decline some by employment issues, others by transport and accessibility problems. Cities face various challenges. Sometimes, cities do not know how to start cooperation, which is often the case for Central and Eastern European cities. To insure that the process will be successfully completed, a careful monitoring should be set up at the European scale. Insofar regions and cities play an important role in the future of the European Union, a regularly updated database could permit interesting European comparisons.

Trends, perspectives and connections between urban and regional development

In the past years, European territorial planning changed considerably as compared to previous times (due to political chaos, discrepancies in development and disparities between central a peripheral regions, post-communist uncertainty, etc.).

The central urban region of the EU – “corpus major” of the economy, science and technology and also the main source of innovation – belongs now to an integrated wide system comprising areas from North to East and South of Europe.

Longitudinal corridors made of regions and towns are directly connected to the main traditional business and innovation centers. The new urban corridors are advancing rapidly and they are supported by the Trans-European Network, the Macro-Ecological European Structure and by interregional cooperation. The number of innovative islands is almost double comparing to past times.

Here we can talk about the new innovative islands, connected to industrial and commercial centers and helped by the traditional island: Copenhagen, Berlin, Warsaw, Vienna, Belgrade, Budapest, Rome, Barcelona and Madrid (examples of regions specialized in distinguished innovative and economical domains: Hamburg, Braunschweig-Gottingen, Poznan, Salzburg-Linz, Florence, Marseille and Lyon-Grenoble).

The urban system is supported by a macro-ecological structure, an integrated regional system which protects the natural habitat (fauna and flora) and also the human



Cities and Their Place in the European Union Urban Policy

environment. The urban European system is capable to supply large storage facilities for drinking water, to re-establish and enlarge forest areas and to supply agricultural products for the regional markets.

The economy of these rural regions is based on local potential usage: open spaces, cultural and natural inheritance, sustainable recreational facilities, specialized SME which offer the most local employment.

These regions are active in an interregional network with common interests (economical similarities, tourism, and environment) or common geographical features, for example: wine regions, fishing areas, costal areas, mountain regions, lake regions etc. The regional authorities and organizations act together for economic development.

The main elements in this last years considered responsible for the important changes in the territorial planning are:

- Communications, trade and transport systems which changed the North-South dimension with a new combination of East-West with North-South.
- The development of the East-West corridors was a consequence of the spreading trends but also as a consequence of the cohesion policy; the regional authorities wanted to develop the accessibilities and to connect the European Central System.

EU will increase the investments after 2005 in the South and East of Europe, especially in processing industry, research and computerized administrative services.

Awareness is rising concerning the fact that a safer Europe needs a balanced development all over its territory.

For the East-West dimension there are two main corridors to develop:

- Amsterdam/Rotterdam - Rhine - Braunschweig/Gottingen - Berlin - Poznan - Warsaw.
- Stuttgart - Ulm - Munich - Salzburg/Linz - Vienna - Budapest – Belgrade.

Every corridor will be made out of a network of towns and regions which will benefit of the mutual cooperation, specialization and exchange of knowledge and information (Trans-regional Cooperation Networks). These corridors will comprise:

- *Regions with developed towns*: innovation islands and urban areas.
- *Regions with middle towns*: easily adapting to new conditions, they comprise well developed towns connected to innovational islands and specialized with different economic functions: trade, processing, education.
- *Addicted regions*: middle and small towns, semi-rural, with agricultural specific, middle industry and professional services strictly specialized (communications, small scale high-tech).
- *High density* of rail roads, highways and communicational infrastructure well interconnected.

It is interesting to notice that, since 1990, ramifications of these corridors were developed as a consequence to increased trans-border cooperation between regions,



labor force spreading away from big towns and also by interregional border space plans development.

Looking into the future, the unitary European space will represent important geographical, economical, social and IT features, which will promote a common development policy according to the actual scenario towards development using the future's progresses to achieve their goals.

Urban regional development

In an attempt of reducing the regional disparities between the Member States and in order to achieve the enlargement, EU proposed a regional development policy financed from community funds: The Structural Funds and The Cohesion Fund. When the Second Report regarding Cohesion Policy was adopted (January 2001), the Commission discussed the future 2007-2013 policy, according to the new enlarged EU. The regions engaged into a reflection process regarding the review of the Structural Funds, the regional policy after 2006 and its consequences upon the urban policy.

In 2006, the Commission of the European Communities encouraged the *incorporation of sustainable urban development in Cohesion Policy for 2007-2013*. These proposals seem to be based on the cities involvement in the framework of the Structural Funds and other European programs. The purpose is that the European Union policy of growth and employment will be more successful if the regions are capable to take on their roles. The urban subject is based on the economic and social cohesion in Europe. In The Second Report regarding Cohesion, the Commission stated that the urban subject represents the core of the economic, social and territorial changes. The urban settlements have a strategic importance within the cohesion process and the sustainable development.

According to the document "Strategic Principles concerning the future regional EU policy: the urban policy after 2006", the idea of a regional policy with a strong urban dimension is promoted after 2006.

During the Cities for Cohesion Conference, held in London in July 2002, the mayor of London gave a declaration "for a EU regional policy with a strong urban dimension in an enlarged Europe"; the declaration was signed by 80 mayors and presidents of urban regions. The EU Capital Cities Association proposed in 2002 in Lisbon a much closer to the urban subject perspective of the regional policy. The European Regions Conference towards Future Regional Policy (held in Hungary, Pecs, November 2002) recommended that the Enlarged Urban Area, which has the largest population in EU and important social and territorial disparities, should *get special attention in the context of the future cohesion policy*.

The discussion concerning the Structural Funds has concentrated around the added value. According to it, the metropolitan areas and the regions affected by economic transition should get support through the Structural Funds. The European Council in Lisbon (March 2000) adopted the strategy for sustainable development which will help the EU economy to become more competitive in the context of globalization. This strategy was also detailed and developed at the European Council in Barcelona in 2002. The areas where this knowledge can be useful are the strongly urbanized



Cities and Their Place in the European Union Urban Policy

regions. The knowledge and products developed in this region are also accessible to the nearby regions, thus contributing to the economic development of the neighboring areas.

The key-role does not imply that all the neighboring regions of the urban areas should benefit of the same high level of development. Sometimes, areas nearby the cities are dealing with economic and social problems: industrial restructuring, unemployment, social exclusion and other social difficulties, environmental problems, low level of education. The quality of life in these areas is considered to be very low. The concentration of disparities into the peripheral urban areas and the low quality of life shows a very low social and economic convergence, given that the convergence is considered to be a target-objective of the contribution through the Structural Funds and the Cohesion Fund.

The urban areas are affected by various problems, especially the high level of unemployment, the lack of economic and financial strength to achieve social and economic cohesion. As a fact, the inhabitants of a certain urban area are not the only beneficiaries of the local economic activity.

Lately, the EU regional development policy is acknowledging the necessity of an urban dimension development. The Structural Funds are occurring quite frequent in the urban areas.

It is necessary a deep involvement of the EU regional policy into supporting the urban areas in order to achieve certain objectives: *higher competitiveness, better employment, social justice, equality of chance, sustainable development*. The added value on a community level can be maximized when the regional policy is focused on the problems and opportunities of the urban areas, both approached from the EU perspective. This is why the next situations can benefit from the Structural Funds:

- From the Lisbon process perspective: creating new employment by developing the infrastructure and the knowledge society, recreating the innovating potential, supporting the knowledge transfer, applying the results of the scientific research, creating networks between regions, economical sectors or institutions, supporting and developing the SME and the public service enterprises.
- Towards convergence inside urban areas: urban regeneration, ceasing the environmental degradation.
- Towards a higher social cohesion: equal opportunities, social inclusion of the disadvantaged groups, professional training to enhance the economic activities in urban areas, professional training of the immigrants.

Considering the above mentioned, it can be stated that the urban development will be, from a future EU regional development policy 2007-2013 perspective, a new dimension which will help consolidating the economic and social cohesion inside the European territories.

Urban development programs – Basic element of the EU regional policy

Considering the reducing in regional, economic and social disparities between the Member States and in order to achieve one of the basic community objectives –



cohesion among the Member States – the European Union adopted the regional development policy with its specific instruments: Structural Funds and Cohesion Fund. In January 2001, during the adopting of the second Report towards the regional and cohesion policy, the European Commission launched a succession of debates about how this policy will look during 2007-2013, within an enlarged Europe. The urban areas and the regions engaged into a reflection process regarding the review of the Structural Funds, the regional policy after 2006 and its consequences upon the urban policy.

The urban question is fundamental to economic and social cohesion in Europe. In launching the debate on future priorities for economic and social cohesion, the European Commission (Second Cohesion Report, 2001) stated that: *"The urban question is at the heart of economic, social and territorial change. Cities are a key location for the pursuit of a strategy for cohesion and sustainable development"*.

Urban II is the Community Initiative of the European Regional Development Fund (ERDF) for sustainable development in the troubled urban districts of the European Union for the period 2000-2006.

As a follow-up to Urban I in 1994-1999, Urban II aims more precisely to promote the design and implementation of innovative models of development for the economic and social regeneration of troubled urban areas. It will also strengthen information and experience-sharing on sustainable urban development in the European Union.

In the Action Frame for Urban Sustainable Development adopted by the European Commission in October 1998 is stated the importance of the urban dimension within the common policy and it is supported through the regional development programs financed by the Structural Funds.

Also, the programming documents for the eligible areas for the regional policy Objectives 1 and 2 during 2000-2006 includes social and economic growth measures to fulfill a larger number of urban areas.

Territorially integrated, these measures can participate in the equal development or conversion of some regions. Moreover, the measures financed through Objective 3 of the regional policy (supporting the labor force, professional training for youth and unemployed) are strengthening the social cohesion in cities not eligible for Objective 1 and 2.

The Urban II Initiative has a distinctive added value of intervention under the priority objectives programs by sustaining the innovating strategies implementation for economic sustainable development and social regeneration within the European urban areas limit (Map II).

Urban II can connect between the innovating approaches on a small scale and can adopt an integrated participation in the main Structural Funds programs. The main objectives of Urban II are:

1. Promotion and implementation of innovative and urban, economic and social regenerating strategies in small and medium towns, in going-down areas within important urban areas.



Cities and Their Place in the European Union Urban Policy

2. Updating knowledge and experience concerning regeneration and sustainable urban development in EU.

A specific URBAN Community Initiative was introduced for the period 1994-1999. This covered 118 sites in all 15 Member States, had a community contribution of some €900 million in 1999 prices and allowed 1.8 billion € eligible investment costs which eventually helped 3.3 million European inhabitants.

The urban program implementation scheme has as main objective the improvement of the quality of life in the targeted areas. During 1989-1999 more than €164 million helped supporting 59 urban pilot-projects under the innovative action of the European Fund for Regional Development. These projects promote urban innovation and social and economic experimenting in the environmental domain at a smaller scale than Urban does, but the results are encouraging especially towards integrated and participative approach of the urban regeneration.

Urban II programs are based on a European Commission Guideline which proposes urban regeneration innovative models for the areas to be supported in projects. The support actions are about:

- Improving the living conditions by building restoration and creation of green areas.
- Creating employment in different sectors like environment, culture, public services.
- Inclusion of the peripheral social classes in the educational and training system.
- Development of a friendly environment for the public transportation system.
- Creating an energy management system to support use of the renewable sources.
- Use of the informatics technology.

The program projected measures are selected and implemented through a partnership between all the sides involved in the urban development process. To be eligible, urban areas had to fulfill at least three of nine criteria, thus ensuring that the URBAN area selected were those in most need, facing multiple deprivation rather than having a bad score on one indicator only. The nine criteria were: high long-term unemployment, low rate of economic activity, high level of poverty and exclusion, the need for structural adjustment due to economic and social, difficulties, high proportion of immigrants, ethnic minorities or refugees, low level of education, major gaps in terms of qualifications and a high rate of pupil failure, high level of criminality and delinquency, unstable demographic development and particularly poor environmental conditions.

The European Regional Development Fund (ERDF) can finance more than 75% of the overall cost of the programs if the urban area is in a region covered by Objective 1 (with a slow development comparing to other regions). Direct financing from the EU for this kind of urban areas goes from 3.5 to 15 million €.



One of the main objectives of the Urban II program is to ensure the exchange of good practice inside EU. This is also the objective of a specific EU program: URBACT: "The European Frame for Exchange of Good Practice".

During 1994-1999, Urban I started programs in 118 urban areas. The community assistance was as high as 900 million € (1999 price level), with 1.8 billion € eligible investment costs which eventually helped 3.3 million European inhabitants. The implemented scheme improved the quality of life in target areas and aims the infrastructure rehabilitation, labor market actions, social inclusion, enhancing the environmental quality. The actions towards urban development are supported by ERDF within the "Urban Regenerating and Industrial Conversion" section.

The Action Plan for Urban Sustainable Development adopted by the European Commission in October 1999 has the following objectives:

- Improving the economic prosperity and the labor market in urban areas (which contain 80% of the EU population).
- Promoting equal opportunities, social inclusion and rehabilitation of the urban peripheral areas.
- Improving the urban environment (transport management, energy and waste management etc.)
- Contribution to a proper urban governance and increase of the inhabitants' participation to it.

For each objective, The Action Plan establishes models for innovative action based on public-private-NGO partnership. It also encourages the projects and instruments networking and the good practice solutions dissemination. The Commission suggests using of community today instruments in order to promote integrated urban development, also recommending adjustments to the community policy, legislation and funds in order to encourage the common interest of these objectives.

Conclusions

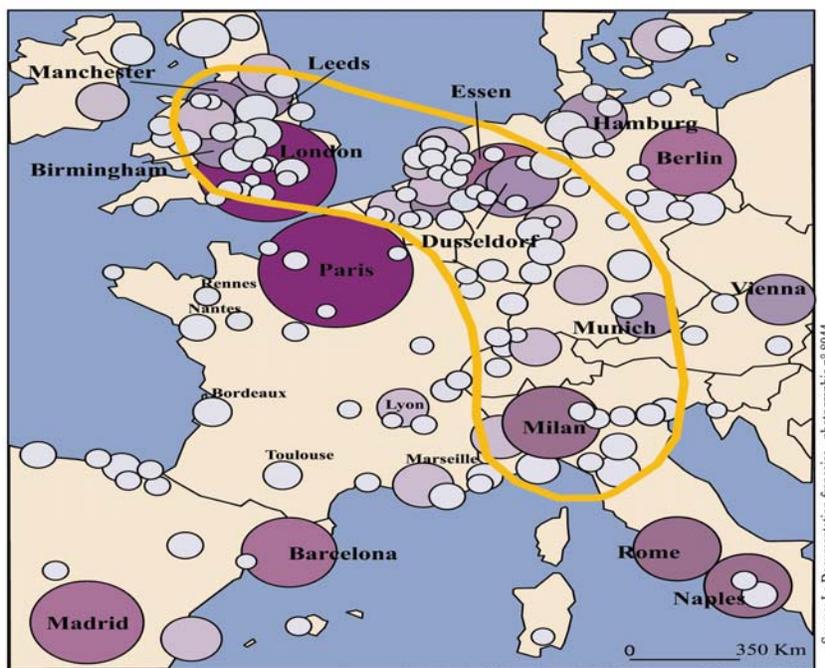
Urban development is a complex and long term process. Cities should integrate this development in a long term perspective in order to maximize the many factors of success.

It is obviously that the number and scale of challenges facing cities and towns today and in the years to come do not lend themselves to easy solutions. It is recognized that many of the external pressures for change, including demographic and global economic trends, are not only out of reach of regional and national policies, but are also beyond the scope of European actions.



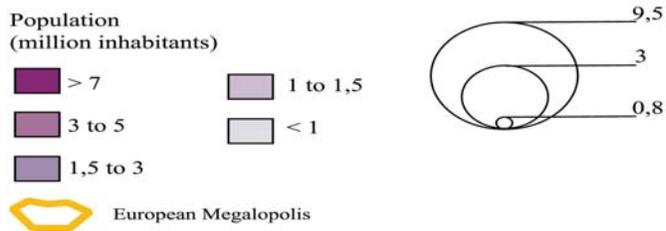
EUROPEAN MEGAPOLIS

European Megalopolis, core of the West European Union



Cartography: Maria Ghisa-Silea, CARTA-Angers University, 2006

Source: La Documentation française - photographie n° 8044



URBAN II PROGRAMME

