

URBAN POLICY IN EUROPE

Abstract

Europe is currently facing major new challenges such as globalisation, climate change, the demographic decline, migration and energy security. EU's urban policies are critical for the competitiveness growth of European cities. The integrated urban development policies offer a set of tools which have already proven their value in numerous European cities regarding the development of administration structures that are modern, efficient and capable to cooperate with one another.

Keywords: urban policies, urban development, competitiveness, European cities.

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POLITICA URBANĂ ÎN EUROPA

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Rezumat

Europa se confruntă în prezent cu provocări majore noi, printre care globalizarea, schimbările climatice, declinul demografic, migrația și securitatea energetică. Politicile urbane UE sunt indispensabile pentru creșterea competitivității orașelor europene. Politicile de dezvoltare urbană integrate oferă un set de instrumente care și-au dovedit deja valoarea în numeroase orașe europene, în ceea ce privește dezvoltarea unor structuri de administrare moderne, eficiente și capabile să coopereze între ele.

Cuvinte cheie: politici urbane, dezvoltare urbană, competitivitate, orașe europene



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1. INTRODUCTION

Europe's towns and cities remain its primary source of wealth creation and the centre of its social and cultural development. However, there are rising problems related to rapid economic adjustments, unemployment, environmental conditions and traffic congestion but also poverty, poor housing, crime and drug abuse.

Policy efforts in Europe already address many of the problems affecting European cities; but these efforts have often been piecemeal, reactive and lacking in vision. It is clear that new efforts are necessary to strengthen or restore the role of Europe's cities as places of social and cultural integration, as sources of economic prosperity and sustainable development, and as the bases of democracy.

There are two further elements which should be taken into account when discussing urban issues at EU level. First, the challenges related to urban development provide an opportunity for the EU to become a more meaningful body for its citizens by bringing tangible benefits to daily lives. It also requires a more explicit recognition of the importance of local democracies, the level of political authority closest to the citizen. Second, cities play a crucial role in underpinning a European model of society, based on equal opportunities regardless of gender and ethnic origin. Whilst urban authorities cannot be the sole agencies to act on these large issues, they should be fully involved in the policies related to these matters, as there can be no effective solutions on the ground without their active participation.

Evidently, the cohesion policy is and will remain a central element as regards meeting EU's durable development objectives. This refers especially to its historical mission to adjust the future development of the unique market by consolidating the economic, social and territorial cohesion of the Community as a whole.

Twenty years after the creation of EU's cohesion policy, it is time to verify how strong the policy's reasoning, application and impact have been over the years and, more importantly, to take into consideration the role and position the cohesion policy will have in the future.

Nevertheless, Europe is currently facing major new challenges such as globalisation, climate change, the demographic decline, migration and energy security.

As a result, the discussion regarding the future of the cohesion policy cannot focus solely on the disparities that translate into income or the employment distribution. Approaching these new challenges involves a policy concerning structural factors of competitiveness.

The paradox of Europe's cities is that they are also home to some of the most serious problems facing society today: multiple deprivations, economic and social exclusion, degradation of both the natural and the built environment, congestion, crime, intolerance and racism, and loss of a sense of community. Urban policy has therefore been at the heart of the Union's efforts to forge a strong, competitive and sustainable Europe while maintaining social cohesion. One of the main instruments in this regard is the URBAN community initiative through which the Union currently delivers support to areas in some 70 towns and cities across the fifteen Member States.

2. EU'S URBAN POLICIES FOR EUROPEAN CITIES

Urban areas are therefore important strategic locations for pursuing shared European goals such as promoting economic competitiveness, social inclusion, environmental sustainability, and enhancing local culture and identity.

Three challenges in particular stand out:

- Reinforcing the competitiveness of Europe's towns and cities. Building on successes, removing obstacles to entrepreneurship, new technology and employment.
- Tackling social exclusion, improving access to jobs and training for all, including immigrants and those from ethnic minorities. In addition, building the capacity of local communities to help themselves.
- Physical and environmental regeneration, ensuring sustainability and improving the attractiveness of towns and cities. Building on the cultural and architectural heritage of urban areas.

All of the policies of the European Union have an impact in some way on Europe's cities, although this impact is not always easy to measure. The following highlights the quantitative and qualitative impact of some key actions in four policy areas which have a particular bearing on the growth and development of Europe's cities:

- policies which promote economic competitiveness and employment;
- policy in favour of economic and social cohesion;
- policies which help the insertion of cities into transEuropean networks;
- policies promoting sustainable development and the quality of life in cities.

Cities find themselves more directly exposed to global economic changes than before. This evolution has reinforced the potential of cities as autonomous creators of prosperity, and has made them less dependent on national economic developments.

Urban policies at European level would include:

- Policy should focus upon economic competitiveness, social cohesion and environmental sustainability to achieve balanced development. Policies have frequently focused upon one or the other goal. The experience is that this does not work. Policy needs to focus upon opportunity and need at the same time for successful cities.
- Policies should recognise that liveability as well as economic success is crucial to peoples' choice of places in which they want to live. This leads to a concern with the public as well as the private realm and the quality of services offered as opposed to simply the economic opportunities that are offered.
- Cities and neighbourhoods must become places of choice and connection rather than compulsion and exclusion. Many cities have declined in attractiveness to people with economic and social choices. Often they have become places where people without real choices are required to live. Successful cities remain or become attractive to a richer economic and social mix of people and communities.
- Cities are important as sources of identity, cultural and connection between communities and cultures. Cities are more than economic market places. They can encourage social integration, community engagement, and cultural recognition. This points to a wider set of policy goals than simply economics.

Europe's cities benefit in various ways from European Cohesion Policy:

- Objective 1 helps regions who are lagging in development to catch up. Spending accounts for two thirds of the Structural Funds or some Euro 135 billion (1). The focus is on providing Objective 1 regions with the basic infrastructure they lack - in terms of transport, telecommunications, training, education, health, water supply, energy and waste treatment – and encouraging investment in business and economic activity. Cities act as motors of growth in such regions and the Structural Funds seek to build on this.

- Objective 2 funding amounts to over Euro 22 billion and supports economic and social conversion in areas facing structural difficulties, including industrial restructuring and urban areas in difficulty. The major problem for such areas is not lack of infrastructure, but the decline in traditional economic activities. This requires the development of alternatives. Key measures include the promotion of enterprise and retraining.
- Objective 3 (Euro 24 billion) focuses on modernizing training systems and promoting employment. In addition, the EQUAL Community Initiative aims to tackle social exclusion, which is particularly relevant to deprived urban areas.

In the EUROPE 2020 strategy, approved during the recent Council in June, the European Union is facing a series of major economic challenges (the financial-economic recession, globalisation etc.) or related to social issues (unemployment, social integration, demographic structure, inequity etc.) or related to the environment (climate change, natural resource maintenance etc.) by supporting the fact that “escaping the crisis must mark our access to a new economy. In order for our generation and future generations to continue enjoying a high quality healthy life, supported by social European models, we must act now. What we need is a strategy that turns the European Union into an intelligent, durable and inclusive economy which offers employment opportunities, productivity and social cohesion at high levels”.

In order to make this happen, the EUROPE 2020 strategy is establishing 3 mutual reinforcement priorities: an intelligent growth that develops an economy based on knowledge and innovation, a sustainable growth that promotes an economy that is greener, more competitive and that can manage resources more efficiently and an inclusive growth which stimulates an economy with a high employment potential and that ensures territorial and social cohesion.

In this regard, cities play a crucial part in meeting the general objectives and main targets of the EUROPE 2020 strategy. If we were to examine from a classic perspective of the multiple dimensions of sustainability (economic, social, environmental, cultural and governing) the impact these challenges have on European cities, we would come to the conclusion that “urban regeneration” can have a truly strategic role in the future of urban development in Europe and this would be an opportunity in solving the challenges of these cities from multiple perspectives, particularly as regards the existing urban texture.

Sustainable urban development plays an important part in EU’s environmental, regional development, health and transportation policies. The legislation and directives regarding the quality of the air and noise in the environment apply to cities, too.

With its policies, EU intends to consolidate the cities' responsibilities based on the subsidiarity principle, which entails that problems be approached at the lowest level of competence. However, the local and European levels are becoming more and more codependent, as well as environmental, social and economic issues. As a result, Europe's future urban policy must find measures for a more efficient and integrated management between the various policy levels.

Our cities have unique cultural and architectural qualities that are very strong as far as social inclusion goes and excellent economic development possibilities. The cities are knowledge centres and sources of growth and innovation. But at the same time these cities face demographic problems, issues regarding social inequality, the social exclusion of certain population groups, a lack of financially accessible quality dwellings and environmental issues. In the long term, cities will not be able to fulfil their role as engines for social progress and economic growth as described in The Lisbon Strategy if we cannot maintain the social balance within and between cities, ensuring cultural diversity and establishing standards concerning quality in the following fields: urban design, architecture and the environment.

The integrated urban development policies offer a set of tools which have already proven their value in numerous European cities regarding the development of administration structures that are modern, efficient and capable to cooperate with one another. These are critical for the competitiveness growth of European cities. They facilitate the beneficial and early coordination between the economic, infrastructure, real estate and service development by taking into account, among others, the impact of existing social tendencies regarding migration, aging of the population and energy policy conditions.

3. URBAN DEVELOPMENT AND COMPETITIVENESS

Urban development has a strong European dimension. Cities interact and influence the surroundings thus affecting the environment on a much wider surface. Their development is also determined by external factors such as demographic changes, the necessity for mobility, globalisation and climate change. A decrease in the number of dwellings and an aging of the population are thought to amplify pressure on the environment in the following decades. Cities act as engines of progress, often influencing to a great extent our cultural, intellectual, educational and technological realisations and innovations. However, the current tendency towards novelty and how the low density in urban development is approached determine a high energy, resource, transportation and terrain consumption, thus increasing greenhouse gas emissions and environment and noise pollution that usually exceed the legal limits or the human safety limits recommended. The primordial result of urban development and the new role cities have is the occurrence of urban competitiveness. This refers to a contest between

cities to attract new economic activities, visitors and habitants with a high income as well as to be in a favourable position in the urban hierarchy. The purpose is to produce new income for the local collectivity". The capacity to generate new income is related to other economic and social aspects such as:

- The level of the services;
- The level of the tax base;
- The infrastructure;
- The quality of life and educational and institutional facilities the city has to offer etc.

Factors contributing to the growth of the competitiveness between cities are:

- Technological changes in transportations and telecommunications
- Economy globalization
- The money market
- The social and environmental decline
- Sustainable development
- Institutional factors

There are currently numerous studies in the world regarding the competitiveness between cities. The study entitled "The World Winning Cities Report" was launched by Jones Lang LaSalle¹ in February of 2002, the study still being carried out to this day every year. This report is a research initiative that intends to highlight the competitiveness of the contemporary city but to compile a chart of winners and losers of this battle as well. The programme has analysed tendencies with a major impact on business but also the way these tendencies are correlated in order to create urban growth poles for the following 10 years. The main objective of this report was to develop an innovative methodological approach that allows the cities to be exposed and the definition and analysis of principles related to urban competitiveness, as well as the way they are correlated with real estate properties. The authors of the study have analysed data covering 100 metropolitan areas in the entire world. The criteria underlying the selection made by the authors were: the dimension of the cities and the representation function. The insurance of a balance between the cities in every continental region and the importance of every

¹ Jones Lang LaSalle is an organisation in the United States of America that specialises in real estate and management investment services.

economic region have been attempted. This study has covered 40 cities in North and South America, 37 cities in the EMEA region (Europe, the Middle East and Africa) and 23 cities in Asia.

Another study carried out by FORBES presents the chart of the most depressing cities of the world. Within this study, cities were presented from a social point of view rather than an economic one. This study was carried out for the first time in 2008, having been carried out every year since then. In order to compile this chart, the following are taken into account: the garbage coefficient, the tax level, the crime rate, the performance of sports teams, the population's standard of living, and weather conditions. We have considered the use of this material appropriate because in the second part of this project we wish to highlight the level of knowledge of young MA graduates regarding the existence of these reports, as well as to what extent they let these reports influence them when choosing locations for their vacations.

Another study made by MERCER² is on the other side of the spectrum since it highlights a chart of the best cities (Levy 2010) to live in. In order to carry out this study, the quality of life in the respective cities was taken into account. In this chart made in 2010, 7 of the first positions are taken by European cities (Mercer 2010). This is due especially to the safety citizens enjoy but also to the political stability or the numerous cultural offers. In compiling this chart, the political stability, the safety of the population, but also offers concerning culture, health, environmental pollution, restaurants and the infrastructure in the respective cities etc. have been taken into account as mentioned before.

One of the most prestigious charts compiled internationally that analyses the level of competitiveness between countries is World Competitiveness Yearbook. This study was made for the first time in 1989 by the International Institute for Management Development, situated in Lausanne (Switzerland); since then it is carried out every year based on 58 economies in the entire world, 331 evaluation criteria and 52 partner institutions that provide data about the studied economies. "Within the study, IMD analyses and classifies the way economies create and support the competitive performances of their own companies, allowing the analysis of the competitiveness and the evaluation of the advances and challenges of industrialised nations in the entire world. The final results are split into four main categories which constitute the determining elements of competitiveness according to the Swiss: economic results, the efficiency of the government, business and infrastructure" (Mateas 2010).

European Cities Monitor (Cushman & Wakefield 2010) is a chart compiled by Cushman & Wakefield³. It targets the main commercial cities in Europe. The European Cities Monitor examines the key factors big

² Mercer Consulting is an organisation in the United States of America that offers research and consultancy services in human resources.

³ Cushman&Wakefield – an organization that offers real estate services

companies take into consideration when looking for a new location and indicates the international perception on the efficiency of European cities. In order to carry out this study, the general directors of over 500 European companies provided the necessary data. The chart is made taking into account several criteria such as: the transportation quality, the telecommunications' quality, access to other markets, office space cost, the quality of life, as well as availability and the cost of employment.

The European competitiveness chart (Huggins 2007) is published by Robert Huggins⁴ Associates Ltd.⁵. The first chart of this nature was put together in 2004. This chart measures the competitiveness⁶ of European regions and nations. In order to compile the chart, investments in personal development, research, education, commercial activity, transportation, IT infrastructure, the occupancy rate, the unemployment rate, economic growth, the GDP level etc. were taken into account.

European Green Cities Index is a study carried out by Siemens, in collaboration with Economist Intelligence Unit, in 2009. The study analyses 30 European cities as far as their sustainable development is concerned. A general index classifies the cities, by taking into account the level of competitiveness with the public infrastructure's environment, the impact of resources but the applied policies as well. European Green Cities Index offers a basis for comparison between the impact on the environment of the cities and sets out to offer an impulse to improve urban conditions in the long term. The study includes detailed information about the cities, namely the strengths and weaknesses of every city, while highlighting the local initiatives which can inspire other cities. The European cities that were analysed were: Amsterdam, Athens, Belgrade, Berlin, Bratislava, Brussels, Bucharest, Budapest, Copenhagen, Dublin, Helsinki, Istanbul, Kiev, Lisbon, Ljubljana, London, Madrid, Oslo, Paris, Prague, Riga, Rome, Sofia, Stockholm, Tallinn, Vienna, Vilnius, Warsaw, Zagreb and Zurich.

World's Most Beautiful Cities (Kiladze 2010) is a study carried out by FORBES magazine in which the most beautiful cities in the world are highlighted. Since beauty is always subjective, in making this study, various objective criteria have been taken into consideration, such as: urban planning, architecture and sustainable development. The jury included Michael Kaufman (architect for the architecture company Goettsch Partners in Chicago), Raumond Levitt (the director of the civil engineering programme of the Stanford University), Tony McGuirk (architect, urban designer and the BDP director in London), J. Hugh O'Donnell (partner of the company MMM International that specialises in urban engineering) and Ken Drucker (design director of the architecture company HOK in New York).

⁴ Emeritus Professor in the Science Department within the Stanford University and Chief Researcher at the Centre for Solar Energy and Hydrogen Research within the Ulm University

⁵ Robert Huggins Associates Ltd. – organisation which offers economic consultancy

⁶ The ability of an economy to maintain a high standard of living

World Economic Forum carried out a study entitled The Travel And Tourism Competitiveness Report 2011, in which tourism competitiveness was analysed by taking into account various indicators such as: tourism policies and regulations, environment sustainability, safety and security, health and hygiene, the prioritisation of the travel and tourism industry, the air transportation infrastructure, tourism infrastructure, price competitiveness in tourism, human resources, affinity for tourism and travel, natural and cultural resources.

TripAdvisor⁷ has carried out over the years studies regarding the most interesting, beautiful, clean and expensive European cities; studies concerning the dirtiest or the most dangerous European cities have been made as well. When realising every study, the authors use an online form for over 3000 respondents. TripAdvisor, mentioned earlier, is also the website that made a study in which the tourists' preferences for vacations in various European cities are highlighted.

Another chart, made to highlight the most sought after „city breaks”, is the one carried out by the website Travel Consellers. Spirittourism.com has made public a chart of European capitals that took into account several criteria such as: culture, the history of the area, tourist attractions, lodging possibilities etc.

In conclusion, in a more and more globalised world, there are cities and regions that have everything to win and others that have everything to lose, according to various factors, among which: the structure and competitiveness of their production system, the institutional framework and level of integration in the global economy.

4. WHAT ARE EU'S URBAN POLICIES PROPOSING FOR 2014-2020?

Cities are the engines of the European economy and can be considered catalysts for creativity and innovation in the entire EU. Around 68% of EU's population lives in a metropolitan region and these regions generate 67% of EU's GDP. Nonetheless, it is the same place a series of permanent issues such as unemployment, segregation and poverty manifest themselves in an extremely acute manner. As a result, the policies destined for urban areas have a higher significance for EU as a whole. The various dimensions of the urban life – economic, social, cultural and environmental – are strongly tied together and success in terms of urban development can be reached only through an integrated approach. Measures regarding the physical renovation of urban areas must be combined with measures promoting education, economic development, social inclusion and environmental protection.

⁷ www.tripadvisor.com – a renowned website that offers advice for trips

Additionally, the development of strong partnerships between citizens at a local level, civil society, local economy and various levels of governance are an obligatory requirement.

Such an approach is highly important during this time given the gravity of the challenges European cities are currently facing. These challenges vary from specific demographic changes to the consequences of an economic stagnation in terms of employment and social progresses, as well as the impact of climate change. The answer to these challenges will have a crucial importance in terms of achieving the objective of a society that is intelligent, sustainable and favourable for inclusion, provided in the Europe 2020 strategy. To this effect, urban policies will have the following tendencies:

A consolidated integrated approach to deal with urban challenges – urban development will undergo an integrated approach during 2014-2020 through new strategies

Integrated territorial investments replace the separate primary axes regarding urban development (ITI): Introducing ITI will allow the application of inter-sectorial operational programmes, support thematic approach and facilitate the appropriate combination of investments within integrated urban strategies.

More responsibilities and opportunities for cities: cities will have the opportunity to elaborate and put into effect fully integrated strategies that combine resources from various primary axes and operational programmes.

Operations supported by various funds, operational programmes financed through multiple funds and cross financing: The application of integrated urban development strategies will be consolidated by the possibility of combining actions financed by FEDR, FSE and CF, in terms of either the programme or the operation. The cross financing between FEDR and FSE of a part of the operation (up to 5% from every primary axis of an operational programme) will have to complete the approach of financing through multiple funds [article 55, paragraph (8) and article 88 from the proposition for a regulation to establish a common disposition regarding CSC funds 2014-2020].

A more functional approach allowing adequate interventions: Since ITI can cover various types of cities and urban areas, as they are defined by member states, this tool allows financing integrated actions for neighbourhoods, districts and even functional areas such as metropolitan areas, including neighbouring rural areas.

5. CONCLUSIONS

The following conclusions can be drawn from all the facts presented in the work:

- Europe is currently facing major new challenges such as globalization, climate change, the demographic decline, migration and energy security.
- EU's urban policies are critical for the competitiveness growth of European cities.
- The integrated urban development policies offer a set of tools which have already proven their value in numerous European cities regarding the development of administration structures that are modern, efficient and capable to cooperate with one another.
- Today, cities in the European urban system are competing to create and to stir interest in economic activities that will generate income. The capacity of generating income is influenced by aspects of the economy and the urban society such as the level of services, infrastructure, the quality of life, cultural and education facilities. Changes in transportation technology, telecommunications and production, consolidated with changes in the management of these activities have meant the removal of barriers and constraints generated by placements for a lot of these economic activities.
- The capacity of cities to engage in the competition is given by their productivity and their competitive advantages but also by how capable of establishing relationships and cooperate for multiple plans they are. That is why ultimately, the competitiveness of cities depends on the way they are managed. The complexity of an urban area is generated by the number and diversity of urban products. The size of the urban area and the dominant economic functions increase or decrease the level of complexity. The purpose of urban management is to ensure a sustainable development to the benefit of all the urban actors.
- The part urban management can play in raising the competitiveness of cities depends on the ability of local public administrations to use its tools: market oriented strategic planning, urban marketing and advanced financing.
- Sustainable urban development has performance requirements that need to combine the protection offered by statutory plans with the flexibility, efficiency and engagement offered by result oriented plans. During the process of strategic planning, knowing the local potential and the demand for target groups is crucial in order to create market oriented development policies.
- Urban marketing is becoming a constituent part of the planning process and introduces a new organisational, pro-active, efficient and customer oriented culture in terms of administrative structures. The characteristic of these structures also refers to the ability of finding advanced financing methods, enabling development projects to exceed the possibilities of local budgets.

- Cities are the engines of the European economy and can be considered catalysts for creativity and innovation in the entire EU.

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