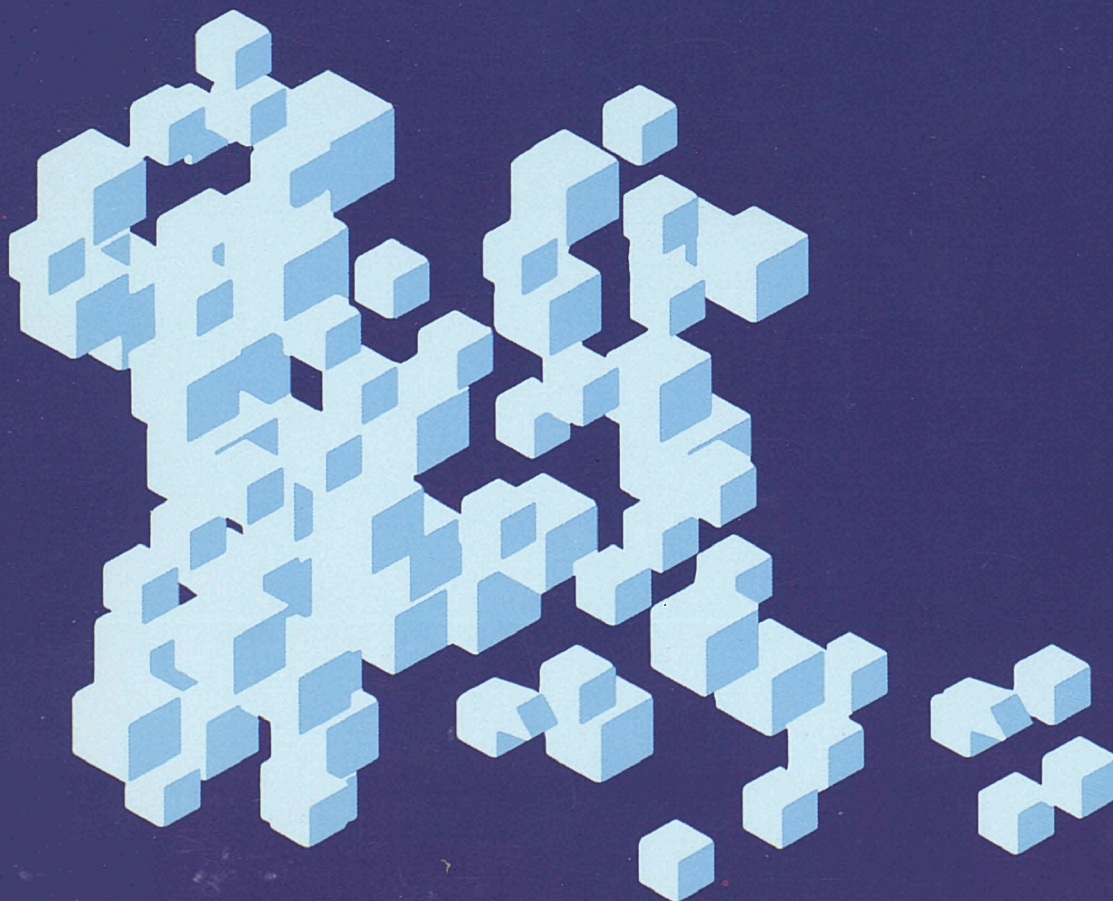




COMMISSION OF THE EUROPEAN COMMUNITIES  
Directorate-General for Regional Policies

# REGIONAL DEVELOPMENT *Studies*



4

Urbanization and the functions of cities  
in the European Community



COMMISSION OF THE EUROPEAN COMMUNITIES

Directorate-General for Regional Policies

**Urbanisation and the Functions of Cities  
in the European Community**

European Institute of Urban Affairs  
Liverpool John Moores University

BRUSSELS • LUXEMBOURG, 1992

Already published in the series *Regional Development Studies*:

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# Preface

Each year, the Directorate-General for Regional Policies of the Commission of the European Communities launches a number of studies in the field of regional policy and regional planning. These studies mainly aim at providing a basis for policy formulation internally, as well as the preparation of programmes and initiatives and a basis for analysing the impact of current or planned activities. The most interesting or innovative of these will now be published in a series entitled *Regional development studies*. With this series the Directorate-General hopes to stimulate discussion and action in a wider sphere on the research results received. The publication of the studies is addressed to politicians and decision-makers at European, regional and local level, as well as to academics and experts in the broad fields of issues covered.

It is hoped that by publicizing research results the Commission will enrich and stimulate public debate and promote a further exchange of knowledge and opinions on the issues which are considered important for the economic and social cohesion of the Community and therefore for the future of Europe.

Readers should bear in mind that the study reports do not necessarily reflect the official position of the Commission but first and foremost express the opinion of those responsible for carrying out the study.



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# Introduction

This report presents the findings of the study of urbanization and the functions of cities in the European Community commissioned by Directorate-General XVI of the European Commission in 1990. It is based on primary field work conducted in 24 cities throughout the Community in 1990-91, ranging from Copenhagen in the north to Seville in the south, from Dublin in the west to Thessaloniki in the east. The case-study cities are identified in the interleaved maps. The primary field research was complemented by a series of thematic studies on the following issues: the role of networks and linkages between cities in the Community; the impact of reunification upon the urban system in Germany; the role of four capital cities in the Community; the roles and prospects of smaller cities in the European Community; the 'third Italy' model of regional development and the contribution of cultural policy to urban regeneration in European cities.

The study was led by the European Institute for Urban Affairs at Liverpool John Moores University, formerly Centre for Urban Studies at the University of Liverpool. Professor Klaus Kunzmann and Professor Michael Wegener of the Institut für Raumplanung, University of Dortmund, conducted a major review entitled 'The pattern of urbanization in Western Europe, 1960-90' as the first phase of this report. The results of that review have been substantially incorporated into this report but particularly in Chapter 2. Research teams from the following institutions also conducted some of the original research and contributed to the development of the report: the University of Hamburg, the Centre national de recherche scientifique in Paris and in Marseille, the Observatoire sociologique du changement in Paris, the University of Barcelona, the University of Valencia, the Institute of Demography in Madrid, Ellconsult in Athens. The Institute wishes to acknowledge the contributions made to this study by the following individuals in particular: Dr Jens Dangschat, Professor Edmond Preteceille, Dr Andre Donzel, Dr Patrick Le Galès, Dr Soledad Garcia, Dr Constanza Tobio, Mr Juan Ramos Morales, Dr Harry Cocossis and Ms Aurora Markopoulou. The Institute also wishes to thank the officials in DG XVI of the European Commission who so freely gave their helpful advice and support throughout this project — Dr Marios Camhis, Mr Stephen Fox and Dr Jürgen Siebeck.

The aim of the study was to assess the contribution that cities have made to the changing Europe during recent decades and identify the broad implications for cities within the European Community during the 1990s. The approach taken in the study was essentially qualitative, rather than quantitative. Its primary database was that created by the individual city case-studies which were carefully selected to represent the different types of change that have been occurring in the different regions of Europe. The purpose of the study was not to compile a superficial set of indicators of urban conditions across all the urban areas of Europe. Rather it was to understand in depth the dynamics of the economic, social and environmental changes at work in European cities which would allow us to evaluate their consequences for the European urban system, anticipate future changes and assess their policy implications. This means that the reader

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should not expect this study to provide comprehensive data sets for all cities in Europe. However, we believe the careful use of selective data to illustrate larger processes provides a deeper understanding of the current and future conditions of cities in the European Community.

Cities have traditionally been the source of much of the economic and cultural dynamism, as well as tensions, in Europe. In recent years they have undergone massive economic and physical transformation which has presented them with many opportunities and challenges. During the next decade, as Europe moves towards greater economic and political integration, cities will be even more crucial players in a dynamic European economic space. They will also be the focus of many acute problems in the 1990s which will require substantial investment of public and private resources. The future of Europe will substantially reflect that of its cities. Their enormous economic, social and cultural energy must be harnessed to promote social and economic cohesion throughout the European Community. Cities demand a prominent place on its future agenda.

The report could not have been written without the help of the many colleagues mentioned above. Nevertheless, responsibility for the contents of the report, and for any errors of fact or omission, lie solely with the European Institute for Urban Affairs. This report has been prepared for use within the European Commission. It does not necessarily represent the Commission's official position.

**Professor Michael Parkinson**

**Franco Bianchini**

**Jon Dawson**

**Richard Evans**

**Alan Harding**

**European Institute for Urban Affairs,  
Liverpool John Moores University  
(formerly Centre for Urban Studies,  
University of Liverpool)**

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# Executive summary

## Introduction

1.1. Section 1 (Chapters 1 to 3) examines the patterns of economic restructuring that have taken place in Europe during the past three decades and assesses their spatial implications. It considers whether there is a single urban hierarchy developing in Europe but rejects it in favour of a model of overlapping hierarchies emerging in three broad areas of the European Community — the 'old core', the 'new core' and the 'periphery'. It assesses the likely impact of growing competition or collaboration upon the economic futures of different kinds of cities in the Community. It identifies changing patterns of inter and intra regional and urban growth and the related patterns of urbanization, suburbanization, deurbanization and reurbanization. It describes the process of convergence taking place in the Community as the major trends in the cities in the peripheral regions begin to more closely resemble those occurring in the new and old core cities. The section suggests the European urban system is becoming more demographically stable than it was during the 1950s to the 1980s but that it nevertheless remains vulnerable to both external and internal economic and social sources of change. It describes the emergence of a series of Community-wide transport and communication challenges which threaten the efficient functioning of cities. It assesses the role of the developing series of networks between European cities. It identifies the particular challenges and opportunities that face border, gateway and smaller cities in the Community as well as the role of cities in their wider regional context.

1.2. Section 2 (Chapters 4 and 5) reveals a pattern of uneven development between and within cities in the Community. It identifies growing prosperity in many cities in both the 'old core', 'new core' and 'periphery' of the Community but also a pattern of economic marginalization, and spatial segregation of particular social groups, especially immigrants and ethnic minorities, within urban labour and housing markets. It also identifies key urban transport and environmental trends. The section describes the emergence of more entrepreneurial cities which have successfully developed strategic responses to economic change and institutional mechanisms to implement them. On the basis of their experience it identifies the factors which underlie future urban economic potential and the city choices between growth and equity that may be required during the 1990s.

1.3. Section 3 (Chapters 6 to 8) identifies policy responses at national and European level to urban change. It describes the gradual emergence of explicit national urban strategies amongst Member States as those which urbanized later begin to imitate the responses of those States which faced urban problems earlier. It identifies the range of European Community policies that directly or indirectly affect cities, explores the factors that have encouraged the successful take up and impact of policies by different cities in the Community and identifies a series of strategic, organizational and funding issues the Commission may need to address in framing its future policies. Finally it identifies the outstanding challenges that



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will face decision-makers about cities as they approach 2000.

## **The impact of economic change upon the European urban system**

2.1. Rapid economic globalization in the last 30 years has resulted in the growing interdependence of cities at a European as well as a national and regional level. This process has led to many efforts to develop a single hierarchy or league table of cities to rank them in their European context. This report suggests there is no single European hierarchy into which cities can be placed. Instead there are a series of overlapping hierarchies which are determined by the particular economic role and function cities perform, for example, manufacturing, services, transport and distribution, high technology, public administration, culture, leisure and tourism, and the sphere of influence — international, national, regional or local — in which they operate.

2.2. In the process of economic globalization and restructuring that has been occurring during recent decades, urban areas whose economies are based on older heavy industrial and port sectors have generally fared worst. Those urban areas whose economies are based on manufacturing which is research and development-intensive or involves advanced assembly techniques or, alternatively, industries catering for specialist, design-intensive consumer markets have fared better. The highest growth rates have taken place in the service sector — the biggest urban employer — particularly in financial and related producer services, closely followed by consumer services.

2.3. These processes of sectoral change in the international and national economies have had substantial impact within cities in the European Community by creating marked labour market polarization. Advanced technical and professional occupations in both manufacturing and service

sectors are dominated by middle class males. The less skilled, less secure, often temporary or part-time jobs, predominantly in lower-order services, are disproportionately taken by women and ethnic minorities.

2.4. These economic changes have had substantial impact on relationships between cities in Europe. However, their effect upon the distinction traditionally made between cities in the economic core and those in the periphery of Europe has been paradoxical. The changes have in part confirmed, but in part challenged, that traditional distinction. During the late 1970s and early 1980s there was a shift southward in Europe's economic centre of gravity as city-regions in the older industrialized centres of northern Europe went through a period of painful restructuring and growing unemployment whereas the areas of southern France, southern Germany, north-west Italy and north-east Spain experienced economic and population growth.

2.5. After the general economic upturn of the mid-1980s, however, the pattern changed once again. Many — but not all — of the older metropolitan areas in the north experienced a significant economic resurgence. In recent years there have been two processes at work. On the one hand there has been some decentralization from the old metropolitan centres in some economic sectors such as high-tech industry and back-office functions. But there has also been a process of reconcentration within the older centres and their suburbs in other sectors such as high-level business services, international distribution, prestigious arts and cultural industries.

2.6. Although the boundaries between them are not watertight, it is possible to identify three broad economic areas within the European Community: the old core, covering the older industrialized areas of the United Kingdom, Belgium, northern and eastern France, Luxembourg, the Netherlands, northern Germany

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and Denmark; a new core, which incorporates southern Germany, northern Italy, south-eastern France and central-eastern Spain, and the periphery, which consists of Greece, southern Italy, the rest of Spain, Portugal, western France and Ireland. The new core has not displaced the old core of Europe. Rather the two areas, which have rather different economic, social and environmental characteristics, merge to form an extended core of Europe.

2.7. The economic fortunes of cities within these three areas differ considerably. A substantial number of the older metropolitan cores continue to attract international financiers, corporate headquarters, producer services, research and development, arts and cultural industries and high-level public administration. By contrast, the newer suburbs of older urban areas, along with many smaller free-standing cities, have during the past two decades developed substantial concentrations of high tech, modern distribution and producer service industries. These areas have a mix of advantages which makes them more attractive to modern industry including better communication infrastructures, cleaner environments, cheaper land and housing, accessibility of technical and research institutions, hence skilled labour, and proximity to leisure opportunities.

2.8. Many urban areas in the peripheral regions, with some important exceptions, have structural weaknesses and are characterized by poor infrastructure, limited inward investment — often of a 'branch plant' nature — and indigenous firms which are smaller and technologically underdeveloped. Nevertheless the study provides important examples of peripheral cities developing strategic responses to attempt to overcome these structural constraints.

2.9. This broad economic distinction between the old and new core and the periphery of Europe

is unlikely to disappear in the years up to 2000. Inequality between Europe's urban regions remains great and the economies of peripheral urban areas may be hit hardest by the increased competition created by the single European market. The improvement and expansion of the transport and telecommunications infrastructure within Europe which creates greater freedom of locational choice may improve the economic prospects of peripheral regions.

2.10. The biggest change to the European urban system to 2000 and beyond will depend on the developing market economies in Central and Eastern Europe. The possible accession to EC membership by the former Comecon countries will have an important impact upon the European urban system and could ultimately generate intense pressure on the EC structural Funds. Regardless of the expansion of Community membership, peripheral urban areas of the EC 12 with their low wage and low value-added economies especially will face competition for investment from the new Eastern periphery.

2.11. The short-term casualties of the democratization of the East and the ensuing 'peace dividend' are likely to be garrison cities and those which have relied substantially on military contracts for research and development. The short-term winners, if adjustment to market economies is smooth, will be cities in Germany and others with historic trading links to the East. But the same cities will suffer if adjustment is slow. However, the pattern of the urban system in Europe as a whole, and in Germany in particular, will be substantially affected by the impact of the decision to move the Federal Government from Bonn to Berlin. That will shift the economic centre of gravity to the east and will have substantial consequences for the economic futures of other cities in the now decentralized German urban system, particularly if Berlin joins London and Paris as Europe's third 'global city'.

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## **Patterns of urbanization in Europe, 1960-90**

3.1. There is evidence that the European-wide urban system is becoming more stable as the factors which changed Europe so rapidly during the post-war period — the shift from a manufacturing to a service sector based economy, major migratory and demographic shifts — appear to be slowing down. Declining fertility rates in peripheral regions are leading to a convergence of rates of natural increase throughout Western Europe. At the same time, intra-regional rural to urban migration is much reduced. The large inter-regional movement of the 1960s and 1970s has slowed significantly. However, the service sector economy itself is vulnerable to internal restructuring which would have a major impact upon the spatial distribution of economic prosperity. Equally, the possibility of externally induced instabilities remains. Whilst its scale is unpredictable, there is likely to be increasingly intense demand from potential economic migrants to enter the Community and its cities from the countries of North Africa, Eastern Europe and the former Soviet Union. These trends will have substantial impact upon the border and gateway cities which serve as entry points for such migrants.

3.2. During the past 45 years, Europe has become increasingly urbanized. By 1981, over two-thirds of West Europeans lived in urban areas with populations exceeding 300 000. Whilst different cities grew and declined at different times, a clear cycle of urban change can be identified — urbanization, suburbanization, deurbanization and reurbanization. In the urbanization phase central cities grew. In the suburbanization phase central cities declined but growth in their suburban areas meant that the total urban population continued to grow. In the deurbanization phase the whole urban area lost population. With reurbanization, however, the

population of some large urban areas has begun to grow again.

3.3. The 1950s was an era of urban growth. There was a large scale movement of people from rural to urban areas throughout Europe, especially into the larger cities. By the end of the 1960s, this phase of urbanization had ceased in many countries. But it continued in Spain, Portugal, Greece and Ireland. Suburbanization and deurbanization were the dominant trend of the 1970s in north European Member States as larger cities, especially their centres, declined in population and smaller cities grew. Cities in the peripheral countries have increasingly followed this trend. Despite an important lag in the timing of the process, the southern and northern areas of Europe are not only converging in terms of fertility rates, they are beginning to do so in terms of patterns of urban development.

3.4. During the past three decades the European urban system has become more balanced as it has become less dominated by its larger cities, and its medium and smaller sized cities have grown. Between 1960 and 1980 in all Member States medium and smaller cities with populations of under 250 000 grew substantially and larger cities either lost population or their rate of growth slowed. The growth of smaller cities was particularly rapid during the 1970s. Even the traditionally more centralized peripheral countries of Spain, Portugal, Ireland and Greece experienced this process. These changes reflected the changing economic shape of urban Europe as traditional economic activities either declined within, or relocated from, large urban areas and new industries developed in suburbs and smaller cities which were free from many of the economic, social and environmental problems of larger cities.

3.5. During the 1980s a further trend — reurbanization — emerged in Europe. The process had two elements. In the first case the growth rate

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of smaller cities slowed down. The second change was in the performance of larger cities. In many countries, larger cities which had declined consistently throughout the 1960s and 1970s began to grow again. The trend was particularly marked during the second part of the 1980s as many cities which had lost population in the early 1980s began to grow again. Reurbanization reflected a series of underlying trends, especially the economic restructuring of central cities as well as public and private investment to make central cities attractive places in which to live as well as work.

3.6. The trend towards reurbanization confirms the argument that demographic and migratory trends reflect economic trends. The economically dynamic cities of the new core, and those developing rapidly in the periphery, are growing in population. Larger cities in the old core which experienced a degree of economic recovery during the second part of the 1980s are also growing. However, cities in all areas of the Community which continue to experience economic restructuring problems still lose population.

3.7. The process of reurbanization brings social costs as well as economic benefits for cities. Low income residents and low value-added economic activities get displaced from city centres or squeezed into less desirable areas with fewer facilities. Despite such problems the trend will continue in many cities. During the 1990s the wider European system will remain more balanced than it was two decades ago since the gains of smaller towns will not be substantially reversed. To simplify a complex process, it may be argued that the 1950s and 1960s were the age of the big cities. The 1970s and early 1980s marked the flowering of smaller cities. The late 1980s and early 1990s could mark the beginning of the demographic and the economic renaissance of many larger cities in Europe.

## **Beyond the locality: cities and cross-European issues**

4.1. New infrastructural development raises sensitive environmental, ecological and social issues. Road transport congestion will increase dramatically, as automobility is predicted to rise by 70% in northern Europe, 300 to 500% in southern Europe and 1 000% in eastern Europe by the year 2000. This increase in road transport, whose share of total energy consumption accounted for 85% of the total increase in Europe between 1973-85, will further substantially damage the environments of cities.

4.2. The speed and reliability of European railways varies considerably, especially between southern and northern Europe. Peripheral cities face particular constraints and are increasingly concerned that recent investment in transportation infrastructure, as in the case of high speed trains (HST), will continue to favour cities in the old and new core. The growth of HST may also affect airports specializing in short haul flights, diverting traffic and economic development away from them. Despite the challenge of HST, air travel will continue its growth. An annual increase of 3 to 5% until the year 2000 can be expected. Such growth is likely to reinforce the existing hierarchy of airports.

4.3. The future European urban system will be increasingly shaped by the dynamics of economic competition. One response to this is that numerous networks have emerged between cities and regions to promote cooperation between themselves and to contain the increasing intensity of competition. Networks operate at a variety of levels — European, national, regional, and cross-border level. They have a variety of functions. Partly they provide exchanges of policy and best practice. Partly they promote collaborative development and joint ventures in a wide variety of areas — unemployment and economic development, science and technology

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development, tourism, transport, housing. In part they lobby for public resources at national and European level. The European Commission has acted as a catalyst to facilitate the development of networks by cities and regions. To further this end in 1992, the Commission launched a programme called Recite.

4.4. The future of smaller cities is important to the economic development of the EC. Smaller cities grew rapidly until the 1980s, encouraged by the diseconomies of larger cities, improvements in transport and telecommunications, and the life-style advantages they offered. Smaller cities vary in their economic prospects. A considerable number of smaller cities have growth potential because of their strategic location and the quality-of-life advantages they have over many larger cities. Their success will generate new regional infrastructure demands as a more dispersed settlement structure leads to pressures for the upgrading of transportation and telecommunication structures.

4.5. Other smaller cities may face more difficulties. Some lack the resources to counter the effects of peripherality, depopulation or dependence upon declining economic activities. However, the problems of peripherality may be partially offset by the creation of networks which can disseminate good practice and link the economic prospects of smaller cities to larger ones.

4.6. Cities play a variety of roles in their regional contexts. Historically, cities were the natural regional centres, the motor force of regional economic development and the home to key regional political functions. This relationship is no longer wholly accurate. The model of a dominant city in a dependent region is more common in peripheral Europe where the city serves as the dominant centre for much manufacturing, public administration, the knowledge industries and other producer and consumer services. These cities

also regulate the economic, legal, cultural and technological relations between their regions and the outside world.

4.7. In the old core this model has disintegrated during the past three decades. The countervailing economic power of suburban and regional centres means city centres dominate their regions less than in the periphery. These more complex linkages between cities and regions frequently lead to intraregional rivalries as administrations fail to agree on policies for regional development. Relations between cities and regions in much of the new core are often more integrated and complementary. The high degree of economic specialism within smaller discrete urban areas has tended to reduce inter-city sectoral competition and has also encouraged the easier growth of public sector and commercial networks.

4.8. Four types of economic relationships can be found between cities and their wider regions within the Community. In the first case economic development occurs and is evenly shared between the city and region. This presents no policy dilemma; the others do. In some cases the economic problems of the city at its centre restricts the economic development of the wider region. In others the city flourishes but the wider region fails to share in its prosperity and disparities between the two grow. Finally there are cases where the wider region develops economically but the city at the centre fails to share in that growth. Each of the three problematic relationships presents a challenge to the economic and social cohesion of the regions. They indicate that the economic linkages between cities and regions, as well as the linkages between policies of Member States and the Commission which impact upon cities and regions, should be better integrated.

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## **The challenge of change in European cities**

5.1. One major challenge to cities is continuing high unemployment levels. They shadowed changes in national rates throughout the 1980s but typically at higher levels. In some cities the figure was twice the national average during the 1980s and considerably higher in the inner cities or in peripheral housing estates and amongst particular groups. The nature of unemployment varies between the old core, new core and peripheral cities. Unemployment problems are typically most severe in peripheral cities which are still adjusting to the consequences of rapid in-migration, historically high fertility rates and sluggish economic growth. Unemployment is a particularly severe problem for the large numbers of young people typically found in peripheral cities.

5.2. Cities in Europe's old core regions have been primarily affected by the rapid decline of traditional manufacturing industries and the restructuring of those sectors which have become more capital intensive. Unemployment amongst ex-manufacturing employees and the young unskilled, who lack the skills needed in a modern economy, is a serious problem in such cities. In new core cities, there is high unemployment despite economic growth and frequently rapid growth in employment. In these cases unemployment is typically caused by a mismatch between the skills of the indigenous population and those required by skill-intensive industries which have moved into regions which lack a tradition of industrial activity.

5.3. Over two-thirds of employees in most major European cities work in the service sector. Although many stable jobs in this sector require high levels of skills and provide high rewards, many are low skilled, insecure and low paid. This bifurcation of the labour market contributes to the economic marginalization of those trapped in the low skill sector. Even cities which have

experienced economic growth during the 1980s face major challenges to develop adequate education and training policies to address this problem.

5.4. In many cities labour market segregation is accompanied by spatial and physical segregation of economically marginal groups either in declining inner city areas or in peripheral housing estates. During the 1980s the difficulties of the former were often aggravated by the physical restructuring that accompanied the economic restructuring of many urban centres. The change in use of many city centres for new up-market commercial, cultural, retail and upper-income housing has displaced many original residents and economic activities.

5.5. The condition and provision of social housing presents mounting problems in many cities in the Community. The problems are generated by a deterioration in the poorer private rental stock because of lack of investment, combined with declining levels of public support for social rented housing. The building rate of new social housing stock declined in many Member States in the 1980s, and in many cities refurbishment programmes have not met the needs of marginal groups.

5.6. In old core cities, housing problems, primarily of standards or amenities, are particularly concentrated in inner cities and large fringe estates where tenants with the fewest housing options are concentrated. In peripheral cities the problems differ because of different patterns of urban development. There has been a lower level of State intervention in housing markets and a greater reliance upon the private sector. Combined with high in-migration and fertility rates this has frequently meant supply has been overwhelmed by demand. The result has been shortages, overcrowding, and high rental levels for inadequate housing.

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5.7. The long post-war boom brought many migrants and ethnic minorities from the Community's peripheral regions and beyond to the labour markets of many of Europe's old core cities. Immigrants constitute 5% of the Community's population but up to 20% of that of many cities. Although immigration has slowed down considerably in recent years, the continuing process of family reunification combined with higher fertility rates means the numbers of ethnic groups living in many European cities are growing absolutely and relatively. Migration to the Community's cities from North Africa and Eastern Europe means the size of the ethnic population will grow in the future.

5.8. Many migrants and ethnic minorities have not shared in the prosperity apparent in many cities. Racial discrimination in labour and housing markets means that many immigrants have been economically marginalized in the lower end of the bifurcated service sector economy, physically segregated in inner city or peripheral ghetto estates and denied the quality of basic collective services enjoyed by the indigenous population. The pattern especially in old core cities of lower educational achievement, fewer training opportunities, higher unemployment, fewer housing choices, and physical segregation of ethnic minority groups is leading to growing social polarization and unrest. These trends increasingly threaten the efficient functioning of cities and will restrict the contribution they make to balanced regional growth.

5.9. The decentralization of employment and the suburbanization of population has led to fiscal stress in many European cities. As the more skilled and affluent have left many central cities for new employment or residential opportunities, more economically marginal and socially vulnerable groups, who are more dependent upon State services, have been left behind in the central cities. The ability of city governments to meet the growing service demands of their more dependent

residents has been increasingly restricted. Cities relying on locally raised taxes, have been reluctant to tax their low income residents further or to risk eroding their fiscal base further by raising taxes which might encourage footloose local businesses to leave the city.

5.10. The movement and increasing volume of traffic in cities creates a wide range of problems including congestion, pollution and degradation of the urban environment. Increasing car ownership and commuting, combined with declining investment by Member States in transport infrastructure, is worsening the problem. Underinvestment in public transport in many cities is disenfranchizing the poor and elderly and ghettoizing many residents of outer housing estates, which is compounded by the failure of many cities to plan transport provision on a strategic basis. Nevertheless, some cities have adopted innovative methods of addressing transport problems including pedestrianization, comprehensive public transport provision, additional taxation of vehicles, fuel and car parking policies, the provision of multimodal transport services, traffic calming measures and the encouragement of the transfer of goods from road to rail.

5.11. Cities directly and indirectly are major environmental offenders. They consume most of the world's dwindling supply of non-renewable energy sources, are the major sources of carbon-dioxide emission and frequently externalize the costs of their environmental problems by exporting them to neighbouring communities. During the past two decades the emission levels of many traditional air pollutants have declined because of tighter regulatory mechanisms, the shift from oil to gas and cleaner industrial production methods in many northern cities. The position in southern cities is less advanced. However, the improvements have not been matched in the case of NO<sub>2</sub>. These levels have worsened since the late 1970s because of



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increased automobile usage. Many cities continue to be polluted because industries have failed to conserve energy or use it efficiently. Equally few cities have addressed the other side of the equation — energy generation.

## **Strategic responses to change in European cities**

6.1. Although cities face continuing economic, social and environmental challenges, they also have substantial assets which many have exploited to respond successfully to those challenges. During the 1980s there emerged in many cities entrepreneurial urban decision-makers who responded innovatively to their economic problems. The process was encouraged by the limitations of national governments' regional policies, the decentralization of new powers and responsibilities to cities and the threat of increased competition between cities after the creation of the single market.

6.2. The city leaders who generated successful economic redevelopment strategies in many cases also created innovative institutional initiatives — principally public — private partnership mechanisms — to achieve local consensus in favour of their implementation. In cities in the old core, new core and periphery of the Community there have been successful efforts to address the problems created by economic restructuring by implementing new economic development strategies. The strategies varied but a common feature was the attempt to modernize and diversify a city's base economy.

6.3. The experience of a variety of cities illustrates these general points. In old core cities, the accent has been on restructuring older economic sectors and diversifying into new ones. Cities' experience, although different in detail, exemplifies several important points about the old core of Europe:

- (i) Those cities do have the economic and social resources to respond to problems by restructuring and diversifying their economic base.
- (ii) Their capacity to recover from the economic crisis of the 1980s has reasserted the traditional regional balance of power in Europe. The economic dominance of northern Europe continues despite the economic success of cities in the new core or periphery of Europe.
- (iii) Strategic choices by public and private leadership groups can shape the economic trajectory of cities and partnerships between them are an important factor in regeneration.
- (iv) The successful restructuring of urban economies does not guarantee that all groups in the city equally share the benefits.

6.4. The pattern of economic growth in cities in the new core of Europe is different from the pattern of economic regeneration in old core cities, which is based on the modernization of traditional industries and the renewal of outdated physical infrastructure. New core cities in northern Italy, southern Germany and south-east France have substantial assets — freedom from industrial dereliction, expanding higher education institutions and qualified personnel, attractive locations and environment — which has made them amongst the most dynamic parts of Europe during the 1980s. Even though some cities in the north have recovered economically during the same period, the new core is an extraordinarily successful area with many dynamic cities and entrepreneurial leaders who have aggressively exploited their urban assets with sophisticated economic development strategies.

6.5. The cities in the periphery of Europe suffer different economic, social and physical problems from those in the old or new core. Located in Greece, southern Italy, Spain, Portugal, western

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France and Ireland they are often characterized by inadequate infrastructure, limited inward investment and dependence on technologically underdeveloped industries. Their regions lag considerably behind those of the European core and the cities face intractable problems caused by late urbanization — inadequate housing, education, transport, social services, planning and physical infrastructure. But during the past decade many cities in the periphery have begun to address successfully the problems of peripherality. Peripherality remains a major constraint on both economic development and social balance. Nevertheless, the success of cities like Seville, Valencia, Oporto or Bari underlines the dynamism found in many peripheral cities and regions. Such cities, by adopting innovative development strategies, have been able to limit the impact of structural constraints and are a guide to potential changes during the 1990s.

6.6. Economic growth has been achieved during the later part of the 1980s by cities in all areas of the Community. Nevertheless there are others in the old core, new core and periphery of Europe which have yet to achieve that success. In this study, Liverpool, Marseilles and Naples are examples of cities in which administrative fragmentation, political instability and lack of public-private consensus have inhibited the formation of forward-looking development strategies. Such cities still struggle to overcome the difficulties of outdated infrastructure and technology, underqualified labour forces, poor communications or locational disadvantages and remain a challenge to the economic and social cohesion of the Community.

6.7. The cities with the greatest economic potential in the 1990s will be those which possess a diverse economic base, qualified human capital, strong local linkages with knowledge-based institutions, a high quality of life, modern telecommunications and transport links and the institutional capacity to develop and implement future-oriented economic development strategies.

6.8. Concerns have surfaced in some cities which have promoted economic development vigorously in the last decade about the social effects of development and the exclusion of some social groups from the benefits of growth. In many cities there are signs of a reorientation of strategies in an attempt to link economic benefits to social needs.

## **National strategies for cities**

7.1. Since explicit urban strategies were introduced to counteract urban decline, the most comprehensive national urban policies are found in those countries in the old core of Europe which industrialized and urbanized first and whose cities declined first. Hence, Britain, France and Germany were the first to develop extensive — if sometimes modestly funded — national urban policies and programmes. Italy and the Netherlands have national urban strategies but they have been more narrowly defined. In Portugal, Spain, Greece, Belgium, Ireland, Luxembourg and Denmark there is little explicit urban policy. Nevertheless, there is a perceptible trend in the Community towards policies targeted specifically at urban areas.

7.2. Despite the diversity of intergovernmental relations throughout Europe, common trends have emerged in recent years. There has been a trend towards the decentralization of powers and responsibilities. A decentralized system of government, with strong regional tiers has been either developed or consolidated in Germany, France, Spain, Italy and Belgium. In the Netherlands and Denmark, the counterbalance to central government has remained at the urban rather than the regional level. However, in Britain, Portugal, Ireland and Greece the tendency towards decentralization was much less marked. Indeed, in Britain, city governments lost powers and responsibilities during the 1980s.

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7.3. Regional policies and national planning strategies have an important impact upon national urban systems. In most European countries a consistent policy pattern can be seen. National planning strategies, often supported by regional policies, were biased against the economically successful major cities in favour of peripheral urban and rural areas throughout the 1960s and early 1970s. Economic and physical growth in capital cities especially was restricted to encourage decentralization. But during the economic crisis after the mid-1970s balanced growth became a lower priority. In most Member States, encouraging the growth of a limited number of cities in an effort to revitalize the national economy was given priority over the goal of regional balance. In particular, growth in the capital cities was encouraged.

7.4. The emergence of national urban policies reflects a growing recognition of the problems faced by many cities. However, explicit national urban policies remain in their infancy and limited in scope and resources. National policies for housing, transport, education and training, as well as macroeconomic management, still exert a greater influence on cities. Whatever form national urban policies take in the 1990s, they will be most effective where working partnerships between central and local government, the private sector and local communities are created.

## **Community policies and urban Europe**

8.1. The extent to which cities have made use of EC policies and programmes varies. It is affected by such factors as the presence of well developed internationalization strategies, cooperation between national and local government, dynamic public sector leaders, units of specialist staff, strategic awareness of 'playing in Europe', a private sector prepared to engage in transnational

cooperation agreements and also linkages with the Commission's administration in Brussels.

8.2. Despite the impact of Community programmes a number of issues emerge about priorities, funding and organization. For example, the targeting of regions, as opposed to cities, creates inconsistencies and anomalies. Cities which are in targeted regions — especially Objective 1 regions which obtain up to 80% of regional funds — can benefit from Community intervention. However many cities in the old core which lie outside Objective 2 areas, but experience substantial problems, do not benefit. Equally a number of problems that are experienced even in eligible cities are not covered in the Community support framework.

8.3. In recent years the Commission has been reorienting its priorities from physical infrastructure towards programmes which contribute more obviously to the development of regional economic infrastructure. The importance of that trend is confirmed by the experience of many cities. Infrastructure projects which have dominated especially in the periphery have in many cases been necessary but suffer from a variety of disadvantages. Undue emphasis on infrastructural development can widen existing social and spatial disparities. Failing to build up productive capacity throughout a region is likely to bias future growth to already relatively successful areas.

8.4. Current Community policies which primarily have a regional focus are less able to address systematically the interrelated issues which are central to urban economic competitiveness and to the quality of life within urban areas. The fragmentation of administrative responsibility within the Commission for the variety of programmes which impact upon cities discourages them from pursuing coordinated strategies which integrate social, economic, environmental and cultural initiatives.

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## **Urban challenges towards 2000 — Implications for spatial policy in Europe**

9.1. A key process taking place in Europe is increasing competition between and within cities. At a European-wide level, increasing the competitiveness of cities is an important way of strengthening the European economy. National decision-makers increasingly recognize the economic significance of cities for national economic competitiveness. City decision-makers focus on gaining comparative economic advantage over their competitors at regional, national and international level.

9.2. Many cities have sought economic growth as a solution for social and environmental problems. However, growth strategies have not only failed to achieve this in many cities, but in some cases they have deepened the social and environmental problems. A new social and environmental agenda is emerging in many cities in the light of growing evidence of the uneven distribution of economic and social benefits, the deterioration of the social housing stock, industrial and domestic pollution of the environment and the declining efficiency of transport infrastructures. The central challenge facing European urban decision-makers in the 1990s will be to reconcile the process of increasing competition and the pursuit of economic growth with wider social and environmental goals. The risk is that short-term economic success may destroy the attraction of living and working in cities and create long-term economic vulnerability.

9.3. These trends will present increasing challenges to national, regional and local governments, as well as to the Commission, during the 1990s. How each level will respond will primarily be determined within Member States. Even though many of the problems are found throughout Europe, it cannot be assumed that the

Commission could, or should, accept responsibility for addressing them. The principle of subsidiarity means that national and city governments in the Member States will continue to play the major role, and the Commission a more limited role, in responding to urban problems.

9.4. Nevertheless, to achieve its goal of increased regional cohesion the Commission could develop the urban dimension of its current regional policies by addressing the dysfunction this study found in the relations between regions and cities. The Community's regional policy has not addressed some of the intractable problems of economic and social marginalization and deteriorating environments which prevent some urban areas playing a major role in the economic development of the regions. Article 10 projects have developed some creative, albeit limited, actions by increasing economic opportunities in housing estates with high unemployment, improving the urban environment and encouraging the restoration of historic city centres. These kinds of actions could be developed as an adjunct to those traditionally supported by the regional fund. This would require adjustment in future priorities unless extra resources were made available.

9.5. The spatial level at which policy operates is vital. This study has identified three spatial levels where problems of development can be found: European-wide, regional and urban level. In the first case, there are substantial differences in the economic and social performance of different cities within the Community with major inequalities between them. Equally, there are problems in the relations between cities and their surrounding regions and the growing social and economic disparities between many of them. Within cities there are also substantial economic, social and physical inequalities between different social, occupational and ethnic groups. Governments in the Member States already intervene at these three levels.

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9.6. Such issues are already important within the Commission's regional policy. For example, the eligibility criteria used to determine which regions qualify for Commission programmes are consistent with the aim of reducing interregional imbalances. But they mean that urban areas which experience similar problems are treated differently because of their geographical location. The current eligible areas exclude a number of cities which have experienced substantial decline in their port-related or heavy manufacturing sectors and have suffered a variety of economic, social and environmental problems.

9.7. An increased urban dimension for regional policy would present data demands and difficulties. There is enormous variation between and within Member States in their definition of urban areas, the type and volume of data which is routinely kept on these areas and the frequency with which it is gathered. The data which is available often measures different things and is out of date. As a result, it is extremely difficult to assemble reliable, comparative data about cities,

or groups and areas within them, which measure change over time. Substantial efforts are required to improve the European urban database to allow policy-makers to understand and respond to change.

9.8. The range and variety of urban problems and issues faced in the Community is large and complex. Primary responsibility for responding to many of them will inevitably remain with national, regional and local governments in Member States. However, the Commission's goal of increasing the economic and social cohesion of the regions could lead it to a greater concentration on urban problems and opportunities which shape, and are shaped by, the economic and social performance of the regions. The fates of cities and regions are inextricably interconnected. The wider search for a more economically dynamic and socially balanced Community suggests that support for cities should become a greater priority for, and make a greater claim on the resources of, the European Community.



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# Résumé

## 1. Introduction

1.1. La première partie étudie les modèles de restructuration économique qui ont été réalisés en Europe au cours des trois dernières décennies et évalue leurs implications dans l'espace. Elle envisage le possible développement en Europe d'une hiérarchie urbaine unique, mais rejette cette idée au profit d'un modèle de hiérarchies imbriquées émergeant dans trois vastes zones de la Communauté européenne : l'«ancien pôle», le «nouveau pôle» et la «périphérie». Elle évalue l'impact possible de la concurrence ou de la collaboration croissantes sur l'avenir économique de différents types de villes de la Communauté. Elle distingue les modèles d'évolution inter- ou intrarégionale de la croissance urbaine et les modèles d'urbanisation, de développement suburbain, de désurbanisation et de réurbanisation. Elle décrit le processus de convergence, en cours dans la Communauté, comme étant la tendance principale de villes des régions périphériques, tendance qui s'apparente de plus en plus à celle que l'on constate dans les villes situées dans des zones d'urbanisation ancienne ou nouvelle. Cette première partie laisse supposer que le système urbain est actuellement plus stable, du point de vue démographique, qu'il ne l'était entre les années 50 et 80, mais qu'il reste vulnérable aux sources internes et externes de changement économique et social. Cette partie décrit l'apparition, à l'échelle de la Communauté, d'une série de défis dans le domaine des transports et des communications, défis qui menacent le bon fonctionnement des villes. Elle évalue le rôle des séries de réseaux qui se développent entre les villes européennes.

Elle reconnaît les difficultés et les opportunités auxquelles sont confrontées les villes frontières, les villes de pénétration et les petites villes de la Communauté ainsi que le rôle des villes dans leur contexte régional plus large.

1.2. La deuxième partie révèle l'existence d'un modèle de développement inégal entre certaines villes de la Communauté et à l'intérieur de celles-ci. Elle constate une prospérité croissante dans de nombreuses villes, à la fois dans l'«ancien pôle» et le «nouveau pôle» ainsi qu'à la «périphérie» de la Communauté, mais également une marginalisation économique et une ségrégation spatiale de groupes sociaux donnés, en particulier des immigrants et des minorités ethniques, dans le cadre des marchés urbains du travail et du logement. Elle reconnaît également des tendances clés en matière de transport urbain et d'environnement. Cette deuxième partie décrit l'émergence de villes plus actives en matière d'entreprises, qui, en réponse aux changements économiques, ont développé avec succès des stratégies et des mécanismes institutionnels pour les mettre en application. Sur la base de leur expérience, ce volet de l'étude examine les facteurs sous-jacents d'un potentiel économique urbain futur et les choix que les villes pourraient être amenées à faire, au cours des années 90, entre croissance et équité.

1.3. La troisième partie reconnaît les politiques élaborées en réponse au changement urbain aux niveaux national et européen. Elle décrit l'émergence progressive de stratégies urbaines nationales explicites au sein des États membres, puisque ceux qui se sont urbanisés plus tard commencent à



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imiter les réponses des États confrontés avant eux à ces problèmes urbains. Elle identifie la gamme des politiques communautaires européennes affectant directement ou indirectement les villes, reconnaît les facteurs ayant encouragé l'adoption, réussie par plusieurs villes, de certaines politiques ainsi que leur impact et reprend toute une série de problèmes en matière d'organisation et de financement auxquels la Commission peut avoir affaire lors de la conception de ses politiques futures. Enfin, elle identifie les défis que les décideurs devront encore relever à propos des villes à l'approche de l'an 2000.

## **2. L'impact des changements économiques sur le système urbain européen**

2.1. Une globalisation économique rapide au cours des trente dernières années a débouché sur l'interdépendance de certaines villes tant au niveau européen qu'aux niveaux national et régional. Ce processus avait demandé de nombreux efforts pour arriver à une hiérarchie unique ou à un tableau relationnel de villes permettant de les classer dans leur contexte européen. Ce rapport considère qu'il n'existe pas de hiérarchie européenne permettant de situer les villes les unes par rapport aux autres. Au contraire, on constate l'existence d'une série de hiérarchies qui, se recouvrant partiellement, sont déterminées par le rôle économique et la fonction que les villes assurent, (par exemple: industrie, services, transports et distribution, haute technologie, administration publique, culture, loisirs et tourisme) ainsi que la sphère d'influence — internationale, nationale, régionale ou locale — dans laquelle elles opèrent.

2.2. Dans le processus de globalisation économique et de restructuration qui s'est poursuivi au cours des dernières décennies, des zones urbaines dont les économies sont basées sur des secteurs d'industries lourdes plus anciennes ainsi que des secteurs portuaires ont connu la plus mauvaise évolution. Les zones urbaines dont les économies

sont basées sur la manufacture, qui nécessite une recherche et un développement intensifs, ou, éventuellement, des techniques d'assemblage avancés, et sur des industries approvisionnant des marchés de consommation spécialisés à haute technicité ont connu un meilleur sort. Les taux de croissance les plus élevés se sont produits dans le secteur des services — le principal employeur urbain —, en particulier dans le domaine financier et des services apparentés, suivi de près par les services au consommateur.

2.3. Ces processus de changement sectoriel au niveau des économies tant internationales que nationales ont eu un impact substantiel dans les villes de la Communauté européenne en créant une polarisation marquée du marché du travail. Les emplois, techniquement et professionnellement avancés, tant dans le secteur des fabrications que dans celui des services, sont principalement occupés par des hommes de la classe moyenne. Les emplois les moins qualifiés et les moins stables, souvent temporaires ou à temps partiel, principalement dans des services de niveau inférieur, sont massivement occupés par des femmes et des minorités ethniques.

2.4. Les changements économiques ont eu un impact significatif sur les relations entre les villes d'Europe. Cependant, leur effet sur la distinction traditionnelle faite entre les villes du noyau économique et celles de la périphérie de l'Europe a été paradoxal. Les changements survenus ont, à la fois, partiellement confirmé et mis en cause cette distinction traditionnelle. Vers la fin des années 70 et au début des années 80, on a assisté à un glissement du centre de gravité de l'économie européenne vers le Sud, alors que des villes-régions dans les anciens pôles industrialisés du nord de l'Europe allaient traverser une période pénible de restructuration et de chômage croissants, les zones du sud de la France, du sud de l'Allemagne, du nord-est de l'Italie et du nord-est de l'Espagne connaissant une croissance économique et démographique.

2.5. Après le bouleversement économique généralisé du milieu des années 80, cependant, le modèle changea une fois de plus. De nombreuses zones métropolitaines anciennes du Nord — mais pas toutes — ont connu un relèvement économique significatif. Au cours de ces dernières années, deux processus se sont déroulés concurremment. D'une part, on a assisté à une certaine décentralisation dans quelques secteurs économiques, à partir des anciennes zones métropolitaines, tels que l'industrie de haute technicité et des fonctions de logistique administrative; d'autre part, on a également assisté à un processus de reconcentration, dans les anciens pôles et leur périphérie, d'autres secteurs tels que les services commerciaux de haut niveau, la distribution internationale, les industries des arts de prestige et de la culture.

2.6. Bien que les frontières entre celles-ci ne soient pas imperméables, on peut distinguer de vastes zones économiques au sein de la Communauté européenne: l'ancien pôle couvrant les zones industrialisées, les plus anciennes du Royaume-Uni, du nord de la Belgique et de l'est de la France, du Luxembourg, des Pays-Bas, du nord de l'Allemagne et du Danemark; le nouveau pôle, qui comprend le sud de l'Allemagne, le nord de l'Italie, le sud-est de la France, le centre et l'est de l'Espagne, ainsi que la périphérie, qui comprend la Grèce, le sud de l'Italie, le reste de l'Espagne, le Portugal, l'ouest de la France et l'Irlande. Le nouveau pôle industriel européen n'a pas remplacé l'ancien. Au contraire, les deux zones qui présentent des caractéristiques économiques, sociales et environnementales assez différentes se combinent plutôt pour former un centre industriel européen élargi.

2.7. Le succès économique des villes situées dans ces trois zones diffère sensiblement. Un nombre considérable d'anciens centres métropolitains continuent à attirer les financiers internationaux, les sièges sociaux de sociétés, les services de production, la recherche et le développement, les industries des arts et de la culture ainsi qu'une

administration publique de haut niveau. Par contre, les banlieues les plus récentes des anciens pôles urbains ainsi que de nombreuses villes isolées, plus petites, ont développé, au cours des deux dernières décennies, des concentrations importantes d'industries de haute technologie, de distribution moderne et de production de services. Ces zones possèdent un mélange d'avantages qui les rendent plus attrayantes pour l'industrie moderne, par exemple de meilleures infrastructures de communication, un environnement plus propre, des terrains et des logements moins chers, une facilité d'accès aux institutions techniques et de recherche, une main-d'œuvre qualifiée et la proximité de lieux de loisirs.

2.8. De nombreuses zones urbaines des régions périphériques — à quelques importantes exceptions près — présentent des faiblesses structurelles et se caractérisent par une infrastructure déficiente, des investissements internes limités — souvent sous la forme d'usines filiales — et des firmes locales plus petites et techniquement peu développées. Néanmoins, l'étude fournit des exemples importants de villes périphériques mettant au point des stratégies pour tenter de surmonter ces contraintes structurelles.

2.9. Cette large distinction économique entre pôles anciens, pôles nouveaux et périphérie en Europe ne disparaîtra vraisemblablement pas d'ici à l'an 2000. Une grande inégalité subsiste entre les pôles métropolitains d'Europe et les économies de zones urbaines périphériques qui peuvent être les plus durement touchées par la concurrence croissante née du marché unique européen. L'amélioration et l'extension de l'infrastructure de transport et de télécommunications en Europe, qui crée une plus grande liberté de choix d'implantation, peuvent donner de meilleures perspectives économiques aux régions périphériques.

2.10. Le changement le plus important que puisse connaître le système urbain d'ici à l'an 2000 et au-delà dépendra du développement d'écono-

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mies de marché en Europe centrale et en Europe de l'Est. L'accession possible de pays de l'ex-Comecon à la qualité de membre de la Communauté européenne aura un impact important sur le système urbain européen et pourrait finalement générer une intense pression sur les fonds structurels de la Communauté européenne. Sans tenir compte de l'extension de la qualité de membre de la Communauté, les zones périphériques de la Communauté des Douze, avec leurs économies de bas salaires et de faible valeur ajoutée, devront faire face à la concurrence venant de la nouvelle périphérie de l'Est.

2.11. Les perdants à court terme de la démocratisation de l'Est et les «dividendes de la paix» seront vraisemblablement des villes de garnison et celles qui dépendent fortement des contrats militaires dans le domaine de la recherche et du développement. Les gagnants à court terme, si l'adaptation à l'économie de «marché» se fait sans heurts, seront des villes allemandes et d'autres qui entretenaient avec l'Est des relations commerciales historiques, mais ces mêmes villes vont souffrir si l'adaptation est lente. Cependant, le modèle du système urbain européen dans son ensemble et en Allemagne en particulier subira, de manière sensible, l'impact de la décision de transférer le gouvernement fédéral de Bonn à Berlin. Ce transfert fera glisser le centre de gravité économique vers l'Est et entraînera des conséquences très importantes pour l'avenir économique d'autres villes du système urbain allemand actuellement décentralisé, en particulier si Berlin rejoint Londres et Paris en tant que troisième ville mondiale de l'Europe.

### **3. Modèles d'urbanisation en Europe: 1960-1990**

3.1. Il apparaît que le système urbain à l'échelle européenne se stabilise au fur et à mesure que les facteurs qui avaient changé si rapidement l'Europe durant l'après-guerre — le glissement d'une économie basée sur l'industrie vers une économie

fondée sur les services, de très importants flux migratoires et démographiques — semblent ralentir. Le déclin du taux de fécondité dans certaines régions périphériques conduit à une convergence des taux d'augmentation naturelle de la population en Europe occidentale. Dans le même temps, la migration intrarégionale rurale vers les villes est fortement réduite. Le large mouvement interrégional des années 60 et 70 s'est ralenti de façon significative. Cependant, l'économie du secteur tertiaire est elle-même vulnérable à une restructuration interne qui aurait un impact très important sur la distribution spatiale de la prospérité économique. De même, des causes d'instabilité venues de l'extérieur demeurent. Tandis que l'importance de ce flux est imprévisible, il est probable qu'il y aura une demande toujours plus forte de la part d'immigrants économiques potentiels pour entrer dans la Communauté et dans ses villes, immigrants provenant des pays d'Afrique du Nord, de l'Europe de l'Est et de l'ex-Union soviétique. Ces tendances auront un impact substantiel sur les villes frontières et de pénétration, qui servent de porte d'entrée à ces immigrants.

3.2. L'Europe s'est de plus en plus urbanisée au cours des 45 dernières années. En 1981, plus des deux tiers des Européens de l'Ouest vivaient dans des zones urbaines de plus de 300 000 habitants. Bien que certaines villes aient connu, à différentes époques, des périodes de croissance et de déclin, un cycle de changement urbain peut être identifié: urbanisation, extension suburbaine, désurbanisation et réurbanisation. Au cours de la phase d'urbanisation, les villes de localisation centrale se sont agrandies. Lors de la phase d'extension suburbaine, les villes de localisation centrale ont décliné, mais l'extension de leurs banlieues signifie que leur population urbaine totale a continué à croître. Lors de la phase de désurbanisation, toute la zone urbaine a perdu une partie de sa population. Cependant, durant la phase de réurbanisation, les chiffres de population de quelques grandes zones métropolitaines ont recommencé à monter.

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3.3. Les années 50 ont été une période de croissance urbaine. On assistait, en Europe, à un vaste mouvement de population des zones rurales vers les zones urbaines, en particulier vers les villes les plus importantes. Vers la fin des années 60, cette phase d'urbanisation avait cessé dans de nombreux pays, mais elle se poursuivait en Espagne, au Portugal, en Grèce et en Irlande. Le développement suburbain et la désurbanisation ont été les tendances des années 70 dans les États membres du nord de l'Europe, étant donné que des villes importantes, en particulier leur centre, se dépeuplaient et que des villes plus petites s'étendaient. Certaines villes des pays périphériques ont de plus en plus suivi cette tendance. En dépit d'un important retard dans le déroulement du processus, les zones sud et nord de l'Europe ne se retrouvent pas seulement en termes de taux de fécondité, elles commencent à le faire également en matière de développement urbain.

3.4. Au cours des trois dernières décennies, le système urbain européen est devenu plus équilibré et a été moins dominé par les villes les plus grandes; en outre, ses villes de moyenne et de petite dimension se sont développées. Entre 1960 et 1990, dans tous les États membres, les villes de moyenne et de petite dimension, peuplées de moins de 250 000 habitants, ont grandi considérablement, et les villes les plus grandes ont soit perdu une partie de leur population, soit vu leur taux de croissance se ralentir. La croissance des petites villes a été particulièrement rapide dans les années 70. Même les pays périphériques, traditionnellement plus centralisés, comme l'Espagne, le Portugal, l'Irlande et la Grèce, ont connu cette évolution. Ces changements reflétaient la structure économique de l'Europe urbaine en mutation, puisque des activités économiques traditionnelles y déclinaient ou se déplaçaient, quittant les vastes pôles urbains pour se développer, avec de nouvelles industries, dans les banlieues et les villes de plus petite dimension, qui ne connaissaient pas encore les nombreux problèmes économiques, sociaux et environnementaux des grandes villes.

3.5. Au cours des années 80, une nouvelle tendance, la réurbanisation, se faisait jour en Europe. Cette évolution comportait deux éléments. Dans le premier, le taux de croissance des petites villes s'est ralenti. Le second changement concernait les performances des grandes villes. Dans de nombreux pays, des grandes villes qui avaient constamment décliné au cours des années 60 et 70 ont recommencé à croître. La tendance était particulièrement évidente dans la seconde moitié des années 80, puisque de nombreuses villes qui avaient perdu une partie de leur population au début de la décennie se retrouvaient en expansion. La réurbanisation reflétait une série de tendances sous-jacentes, en particulier la restructuration économique des villes centrales en même temps que les investissements privés faits dans le but de rendre les villes centrales plus attrayantes, d'en faire des endroits où l'on puisse à la fois vivre et travailler.

3.6. La tendance à la réurbanisation confirme l'argument selon lequel les flux démographiques et migratoires reflètent les tendances économiques. Les villes dynamiques du point de vue économique situées dans le nouveau pôle et celles qui se développent rapidement dans la périphérie voient leur population augmenter. Des villes plus importantes de l'ancien pôle, qui ont connu un certain degré de renouveau économique au cours de la seconde partie des années 90, croissent également. Cependant, des villes, dans toutes les zones de la Communauté, qui rencontrent encore des problèmes de restructuration économique continuent à voir baisser leur population.

3.7. Le processus de réurbanisation entraîne des coûts économiques ainsi que des gains économiques pour les villes. Les résidents à revenu modeste et les activités économiques à faible valeur ajoutée se voient relégués hors des centres-villes, coincés dans des zones moins attrayantes, dotées de moins de facilités de tous ordres. En dépit de ces problèmes, cette tendance perdurera dans de nombreuses villes. Au cours des années 90, le

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système européen au sens le plus large restera plus équilibré qu'il ne l'était il y a vingt ans, étant donné que les gains des petites villes ne seront pas fondamentalement remis en cause. Pour simplifier un processus complexe, on pourrait dire que les années 50 et 60 ont été l'âge d'or des grandes villes. Les années 70 et le début des années 80 ont marqué l'épanouissement des petites villes. La fin des années 90 pourrait marquer le début de la renaissance démographique et économique de nombreuses grandes villes en Europe.

#### **4. Au-delà de la localisation: les villes et les problèmes transeuropéens**

4.1. Le développement de nouvelles infrastructures soulève des réactions sensibles des points de vue environnemental, écologique et social. Les embouteillages routiers vont augmenter de façon dramatique, puisqu'on prévoit que les transports automobiles vont augmenter de 70 % en Europe du Nord, de 300 à 500 % dans le sud de l'Europe et de 1 000 % en Europe de l'Est pour l'an 2000. Cette augmentation du transport routier, dont la part dans la consommation d'énergie totale représentait 85 % de l'augmentation totale en Europe entre 1973 et 1985, endommagera considérablement l'environnement des villes.

4.2. La vitesse et la fiabilité des chemins de fer européens varient considérablement, en particulier entre le sud et le nord de l'Europe. Les villes périphériques sont toutes confrontées à des contraintes particulières et sont de plus en plus soucieuses du fait que les investissements récents en matière d'infrastructures de transport, comme les trains à grande vitesse (TGV), vont favoriser les villes de l'ancien et du nouveau pôle économique de l'Europe. L'extension des TGV peut également affecter des aéroports spécialisés dans les transports de fret à courte distance, détournant d'eux le trafic et le développement économique.

En dépit du défi que représente le TGV, le transport aérien poursuivra sa croissance, et on peut s'attendre à une augmentation annuelle de 3 à 5 % jusqu'en l'an 2000. Une pareille croissance est susceptible de renforcer la hiérarchie actuelle des aéroports.

4.3. Le futur système urbain européen subira de plus en plus l'influence de la dynamique de la concurrence économique. Une des réactions à ce fait est que de nombreux réseaux se sont formés entre les villes et les régions pour promouvoir la coopération entre elles et contenir l'intensité croissante de la concurrence. Les réseaux opèrent à différents niveaux: européen, national, régional et transfrontière. Ils remplissent différentes fonctions. D'une part, ils permettent des échanges de politiques et de bonnes pratiques. D'autre part, ils permettent de promouvoir le développement d'associations à risques partagés dans des domaines très variés — chômage et développement économique, développement scientifique et technologique, tourisme, transport, logement. Ils font aussi pression pour obtenir des ressources publiques aux niveaux national et européen. La Commission européenne a agi comme catalyseur pour faciliter le développement de réseaux par ville et par région. Pour atteindre cet objectif en 1992, la Commission a lancé un programme nommé «Recite».

4.4. L'avenir des petites agglomérations est important pour le développement de la Communauté européenne. Elles ont grandi rapidement jusque dans les années 80, encouragées par les déséconomies des villes plus grandes, par l'amélioration des transports et des télécommunications et par les avantages qu'elles pouvaient offrir quant au mode de vie. Les perspectives d'avenir des petites agglomérations sont très variables. Un grand nombre d'entre elles ont une potentialité de croissance en raison de leur localisation stratégique et de la meilleure qualité de vie qu'elles peuvent offrir par rapport aux villes plus importantes. Leur succès engendrera de nouvelles

demandes en matière d'infrastructures régionales, puisqu'une structure d'habitat plus dispersé réclame une modernisation des structures de transport et de télécommunication.

4.5. D'autres petites villes peuvent être confrontées à des difficultés plus nombreuses. Certaines d'entre elles n'ont pas les moyens de contrer les effets de l'éloignement en périphérie, de la dépopulation ou de la dépendance par rapport à des activités économiques en déclin. Cependant, les problèmes dus à la situation en périphérie peuvent être partiellement annulés par la création de réseaux aptes à favoriser la dissémination de la clientèle et à lier les perspectives économiques des plus petites agglomérations à celles des plus grandes.

4.6. Les villes remplissent un grand nombre de fonctions dans leur contexte régional. Tout au long de l'histoire, les villes ont été les centres régionaux naturels, la force motrice du développement économique régional et le lieu d'ancrage des fonctions politiques régionales. Cette relation n'est plus entièrement exacte. Le modèle d'une ville dominante dans une région dépendante est plus commun à la périphérie de l'Europe, où la ville sert de centre dominant pour une grande partie de la production industrielle, de l'administration publique, des industries du savoir-faire et d'autres entreprises de services aux producteurs et aux consommateurs. Ces villes règlent également les relations économiques, légales, culturelles et technologiques entre leur région et le monde extérieur.

4.7. Dans l'ancien pôle, ce modèle s'est désintégré au cours des trois dernières décennies. Le pouvoir économique de la banlieue et des régions, capable de contrebalancer celui des centres-villes, signifie que ceux-ci dominent moins leur région que dans la périphérie de l'Europe. Ces liens plus complexes entre villes et régions conduisent généralement à des rivalités intrarégionales, vu que les administrations n'arrivent pas à se mettre d'ac-

cord sur des politiques de développement régional. Les relations entre villes et régions dans une grande partie du nouveau pôle européen sont souvent plus intégrées que complémentaires. Le haut degré de spécialisation économique dans des zones plus petites et plus discrètes tendait à réduire la concurrence sectorielle intervilles et a également encouragé une croissance plus aisée des réseaux des secteurs publics et commerciaux.

4.8. Il existe au sein de la Communauté quatre types de relations économiques entre les villes et leur région. Dans le premier cas, le développement économique a lieu et est partagé de façon égale entre la ville et la région. Cette situation ne présente aucun dilemme du point de vue politique, les autres cas si. Il arrive que les problèmes économiques de la ville en tant que centre de la région, plus large, restreignent le développement de celle-ci. Dans d'autres cas, la ville est florissante, mais la région ne partage pas sa prospérité, et les disparités entre les deux vont croissant. Enfin, dans certaines situations, la région se développe du point de vue économique, mais la ville qui en est le centre ne partage pas cette croissance. Chacune de ces trois relations problématiques présente un défi à la cohésion économique et sociale des régions. Elles indiquent que les liens économiques entre villes et régions ainsi que les liens entre les politiques des États membres et la Commission, qui ont un impact sur les villes et les régions, devraient être mieux intégrés.

## **5. Le défi du changement dans les villes européennes**

5.1. L'un des défis majeurs est le haut niveau de chômage qui persiste dans certaines villes. Les chiffres ont suivi les changements des taux nationaux au long des années 80, mais à des niveaux plus élevés. Dans certaines villes, le chiffre était égal à deux fois celui de la moyenne nationale au cours des années 80 et considérablement plus élevé dans les villes de l'intérieur ou dans les cités

périphériques ainsi qu'au sein de groupes particuliers. La nature du chômage varie selon qu'il s'agit de l'ancien ou du nouveau pôle ou de villes de la périphérie. Les problèmes de chômage sont typiquement plus sévères dans les villes de la périphérie qui sont encore en train de s'ajuster aux conséquences de la rapide immigration, au taux historiquement élevé de la fécondité et à une croissance économique paresseuse. Le chômage est un problème particulièrement crucial pour un grand nombre de jeunes que l'on rencontre principalement dans les cités périphériques.

5.2. Les villes d'Europe situées dans les zones anciennes ont surtout été affectées par le rapide déclin des industries manufacturières traditionnelles et la restructuration de ces secteurs qui exigent de plus en plus de capitaux. Le chômage parmi le personnel des anciennes manufactures et les jeunes non qualifiés, qui n'ont pas le profil requis dans une économie moderne, constitue un sérieux problème pour ce genre de villes. Dans les villes du nouveau pôle, le chômage est élevé en dépit d'une certaine croissance économique et d'une croissance souvent rapide de l'emploi. Dans ces cas, le chômage résulte surtout d'une inadéquation entre les qualifications des populations locales et celles que requiert une industrie de haute technicité qui s'est installée dans des régions où n'existait pas de tradition d'activité industrielle.

5.3. Plus des deux tiers du personnel employé dans la plupart des villes européennes travaillent dans le secteur des services. Bien que de nombreux emplois stables dans ce secteur requièrent un haut niveau de qualification et soient très valorisants, d'autres emplois y sont souvent à faible qualification, précaires et sous-payés. Cette modification du marché de l'emploi contribue à la marginalisation économique de ceux qui se retrouvent pris dans le secteur à faible qualification. Même des villes qui ont connu une croissance économique au cours des années 80 sont confrontées à des défis majeurs pour développer des politiques d'éduca-

tion et de formation adéquates, afin de remédier à ce problème.

5.4. Dans de nombreuses villes, la ségrégation du marché du travail s'accompagne d'une ségrégation spatiale et physique de groupes économiquement marginaux, soit dans les centres-villes en déclin, soit dans les cités ou lotissements périphériques. Au cours des années 80, les difficultés des premières ont souvent été aggravées par la restructuration physique qui accompagnait la restructuration économique de nombreux centres urbains. Le changement d'affectation de nombreux centres-villes pour le marché en expansion du commerce de luxe, des infrastructures culturelles, du commerce de détail et des logements de «haut standing» a déplacé de nombreux résidents locaux et certaines activités économiques.

5.5. L'état du logement et la construction de logements sociaux présentent des problèmes croissants dans de nombreuses villes de la Communauté. Les problèmes sont engendrés par la détérioration du parc des logements privés donnés en location à cause du manque d'investissements combiné au déclin de l'aide publique au logement social de location. Le taux de construction du nouveau parc de logements sociaux a diminué dans de nombreux États membres au cours des années 80 et, dans de nombreuses villes, des programmes de réhabilitation n'ont pas pu faire face aux besoins des groupes marginaux.

5.6. Dans les villes de l'ancien pôle, les problèmes de logement consistent principalement en problèmes de normes ou d'agréments particulièrement sensibles dans les centres-villes et les grands ensembles de banlieues où sont concentrés les locataires possédant le moins de possibilités de choix en matière de logement. Dans les agglomérations de la périphérie européenne, le problème change à cause du modèle différent de développement urbain. L'État est intervenu dans une bien moindre mesure sur les marchés du logement et a laissé plus de liberté au secteur privé. La combi-



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raison d'un important flux d'immigration et de taux de fécondité plus élevés a fréquemment eu pour conséquence que l'offre a été submergée par la demande. Le résultat: trop peu de logements, surpopulation et des loyers élevés pour des logements inadéquats.

5.7. Le long «boom» de l'après-guerre a amené de nombreux immigrants et des minorités ethniques, en provenance des régions périphériques de la Communauté et au-delà, vers les marchés du travail de nombreuses villes de l'ancien pôle de l'Europe. Les immigrants constituent 5 % de la population de la Communauté, mais jusqu'à 20 % de ceux-ci se concentrent dans de nombreuses villes. Bien que l'immigration se soit ralentie considérablement au cours de ces dernières années, le processus continu de réunification familiale combiné à des taux de fécondité supérieurs signifie que le nombre de groupes ethniques vivant dans de nombreuses villes européennes continue de croître de façon absolue et relative. Les migrations vers les villes de la Communauté, provenant d'Afrique du Nord et de l'Europe de l'Est, signifient que l'importance des populations d'origines ethniques différentes va croître encore à l'avenir.

5.8. Beaucoup d'immigrants et de minorités ethniques n'ont pas partagé l'apparente prospérité qui règne dans de nombreuses villes. La discrimination raciale sur les marchés du travail et du logement signifie que de nombreux immigrants ont été marginalisés du point de vue économique dans la branche inférieure du secteur des services, physiquement séparés dans des ghettos situés soit au centre-ville, soit dans les grands ensembles de la périphérie, et se voient dénier l'accès aux services collectifs élémentaires dont jouit la population locale. Le modèle qui prévaut en particulier dans des villes de l'ancien pôle urbanisé — résultats scolaires inférieurs, moins de possibilités de formation, chômage plus élevé, moins de choix en matière de logement et ségrégation physique de groupes ethniques minoritaires — conduit à une polarisation et à un malaise social croissants. Ces

tendances menacent toujours plus le fonctionnement efficace des villes et finira par restreindre leur contribution à une croissance régionale équilibrée.

5.9. La décentralisation de l'emploi et la migration de la population vers la banlieue ont conduit, dans la plupart des villes européennes, à l'alourdissement de la fiscalité. Puisque les plus qualifiés et les plus aisés ont quitté le centre-ville pour de nouvelles opportunités d'emploi ou de résidence, ce sont des groupes marginalisés du point de vue économique, socialement vulnérables et plus dépendants de l'assistance de l'État qui sont restés. L'aptitude des administrations urbaines à faire face à la demande croissante en matière d'assistance de la part de leurs résidents les plus dépendants a diminué de plus en plus. Les villes qui comptaient sur les taxes locales étaient peu désireuses de taxer davantage leurs résidents à faible revenus ou de risquer d'éroder encore plus leur base fiscale en levant des taxes qui pourraient encourager les commerces locaux à quitter la ville.

5.10. Le mouvement et le volume sans cesse croissants de la circulation dans les villes créent une large série de nuisances, dont les embouteillages, la pollution et la dégradation de l'environnement urbain. L'augmentation du nombre de véhicules personnels et de ceux des navetteurs combinée à la réduction des investissements des États membres dans l'infrastructure de transport compliquent encore le problème. Le sous-investissement dans les transports publics dans de nombreuses villes cause la marginalisation des pauvres et des personnes âgées ainsi que la formation de ghettos pour de nombreux résidents des cités périphériques, situation amenée par l'incapacité de nombreuses villes à établir des plans stratégiques de base concernant les transports. Néanmoins, quelques villes ont adopté des méthodes novatrices pour attaquer les problèmes de transport, y compris la transformation de rues en voies piétonnes, la réalisation de moyens de transport publics glo-

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baux, la taxation supplémentaire sur les véhicules et le carburant, les politiques de parking, la réalisation de services de transport multiples coordonnés ainsi que des mesures visant à «calmer» la circulation et à encourager le transport des marchandises par le rail plutôt que par la route.

5.11. Directement et indirectement, les villes sont des sources majeures de nuisances pour l'environnement. Elles consomment la plus grande partie des ressources mondiales — en forte diminution — des sources d'énergie non renouvelables, soit des sources très importantes d'émission de gaz carbonique, et font fréquemment supporter à d'autres le coût de leur problèmes environnementaux en les exportant vers les communautés voisines. Au cours des deux dernières décennies, le niveau d'émission de plusieurs polluants traditionnels de l'air a diminué, grâce à des mécanismes de régulation plus stricts, au passage, comme carburant, de certains produits pétroliers vers le gaz et aux méthodes de production industrielles, plus propres, appliquées dans beaucoup de villes du Nord. Dans les villes du Sud, la situation est moins avancée. Cependant, les améliorations n'ont pas été égales dans le cas du NO<sub>2</sub>; ces niveaux se détériorent depuis la fin des années 70 à cause de l'utilisation croissante de l'automobile. De nombreuses villes continuent à être polluées parce que des industries n'ont pas su conserver l'énergie ou l'utiliser efficacement. De même, peu de villes ont pris l'équation par l'autre bout: comment générer de l'énergie?

## **6. Les stratégies de réponse au changement dans les villes européennes**

6.1. Bien que les villes soient sans cesse confrontées à des défis économiques, sociaux et environnementaux, elles possèdent aussi des atouts substantiels que plusieurs d'entre elles ont exploités pour répondre avec succès à ces défis. Au cours des années 80, des «décideurs» d'entreprises

urbaines ont répondu de manière novatrice à leurs problèmes économiques. Le processus a été encouragé par les limitations imposées par les politiques régionales des gouvernements nationaux, par la décentralisation de nouveaux pouvoirs et responsabilités données aux villes ainsi que par la menace d'une concurrence accrue entre elles après la création du marché unique.

6.2. Les dirigeants des villes qui ont créé avec succès des stratégies de redéveloppement économique ont, dans de nombreux cas également, été à l'origine d'initiatives institutionnelles novatrices — principalement des mécanismes d'association entre les secteurs public et privé — pour atteindre un consensus local en faveur de leur mise en vigueur. Les villes de l'ancien pôle, du nouveau pôle et de la périphérie de la Communauté ont heureusement réussi dans leurs efforts pour contrer les problèmes créés par la restructuration économique par la mise en application de nouvelles stratégies de développement. Les stratégies pouvaient varier, mais elles avaient un trait commun: une tentative de modernisation et de diversification de l'économie de base de la ville.

6.3. L'expérience d'une série de villes illustre ces points d'ensemble. Dans les villes de l'ancien pôle, l'accent a été mis sur la restructuration de secteurs économiques vieillissants et leur diversification en nouveaux centres. L'expérience des villes, bien que différant dans les détails, peut servir d'exemple en ce qui concerne cet ancien noyau de l'Europe:

- 1) ces villes possèdent en effet les ressources sociales et économiques leur permettant de réagir aux problèmes par la restructuration et la diversification de leur base économique;
- 2) leur capacité de récupération après la crise économique des années 80 a réaffirmé l'équilibre régional du pouvoir en Europe. La domination économique de l'Europe du Nord continue, en dépit du succès économique de certaines villes situées dans le nouveau pôle ou à la périphérie européenne;

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- 3) les choix stratégiques faits par des groupes sous la direction des secteurs publics et privés peuvent imprimer un mouvement à la trajectoire des villes et à leurs associations entre elles, et ils sont un facteur important de régénération;
  - 4) la restructuration réussie des économies urbaines ne garantit pas que les groupes de la cité partageront les bénéfices de façon équitable.

6.4. Le modèle de croissance économique des villes du nouveau pôle européen diffère du modèle de régénération économique des villes de l'ancien pôle urbain basé, lui, sur la modernisation des industries traditionnelles et la rénovation d'infrastructures vieillies. Les villes du nouveau pôle du nord de l'Italie, du sud de l'Allemagne et du sud-est de la France possèdent des atouts essentiels — elles ne sont pas encombrées de vestiges industriels; elles ont des instituts d'instruction supérieure en expansion, du personnel qualifié, une situation et un environnement attrayants — qui les ont classées parmi les régions les plus dynamiques de l'Europe au cours des années 80. Même si certaines villes du Nord ont récupéré leur potentiel économique durant cette même période, le nouveau pôle est une zone qui réussit extraordinairement bien, qui compte de nombreuses villes dynamiques et des chefs d'entreprises ayant exploité à fond leurs atouts urbains à l'aide de stratégies sophistiquées de développement économique.

6.5. Les villes de la périphérie européenne souffrent de problèmes économiques, sociaux et physiques différents de ceux des anciens ou des nouveaux pôles. Situées en Grèce, en Italie méridionale, en Espagne, au Portugal, dans l'ouest de la France et en Irlande, elles se caractérisent par une infrastructure inadéquate et des investissements internes limités, et elles dépendent d'industries technologiquement peu développées. Les régions qui les abritent ont un retard considérable par rapport au pôle européen, et les villes sont confrontées à des problèmes insolubles nés d'une urbanisation tardive — infrastructures inadéqua-

tes de logement, d'éducation, de transport, de services sociaux, de planification, etc. Mais, au cours de la dernière décennie, de nombreuses villes de la périphérie ont commencé à s'attacher avec succès à résoudre les problèmes liés à leur localisation périphérique. Cette localisation en périphérie reste une contrainte majeure à la fois quant à leur développement économique et à leur équilibre social. Néanmoins, le succès de villes telles que Séville, Valence, Porto et Bari souligne le dynamisme que l'on peut trouver dans de nombreuses villes et régions périphériques. Ces villes, en adoptant des stratégies de développement novatrices, ont été en mesure de limiter l'impact des contraintes structurelles et constituent un guide vers des changements potentiels au cours des années 90.

6.6. La croissance économique a été réalisée, au cours de la seconde moitié des années 80, par des villes de toutes les zones de la Communauté. Cependant, il y a d'autres villes, dans l'ancien et le nouveau pôle ainsi que dans la périphérie de l'Europe, qui n'ont pas encore atteint ce résultat. Cette étude cite Liverpool, Marseille et Naples comme exemples de villes où la fragmentation administrative, l'instabilité politique et l'absence de consensus entre les secteurs publics et privés ont donné un coup d'arrêt à la formation de stratégies de développement tournées vers l'avenir. Ces villes continuent à lutter pour surmonter les écueils que constituent des infrastructures et des technologies vieillies, une main-d'œuvre sous-qualifiée, de mauvaises communications ou une localisation défavorable; elles restent un défi à la cohésion économique et sociale de la Communauté.

6.7. Les villes qui disposeront du potentiel économique le plus important au cours des années 90 seront celles qui posséderont une base économique diversifiée, un capital de main-d'œuvre qualifiée, des liens locaux étroits avec les institutions de recherche ou de formation, une haute qualité de vie, des télécommunications et des transports modernes ainsi que la capacité institutionnelle à

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mettre en vigueur des stratégies de développement économique orientées vers l'avenir.

6.8. Dans certaines villes, qui ont vigoureusement promu le développement économique au cours de la dernière décennie, des inquiétudes ont vu le jour en ce qui concerne les effets sociaux du développement et l'exclusion de certains groupes sociaux du bénéfice de la croissance. Dans de nombreuses villes, on perçoit des signes de réorientation des stratégies en une tentative pour lier progrès économique et besoins sociaux.

## **7. Les stratégies nationales et les villes**

7.1. Étant donné que des stratégies urbaines explicites ont été mises en place pour faire échec au déclin urbain, les politiques urbaines nationales les plus complètes se retrouvent dans les pays de l'ancien pôle de l'Europe qui ont été industrialisés et urbanisés les premiers et dont les villes ont, par conséquent, été les premières à connaître le déclin. Il s'ensuit que le Royaume-Uni, la France et l'Allemagne ont été les premiers à mettre au point des politiques et des programmes urbains nationaux étendus — même si leur financement était parfois modeste; l'Italie et les Pays-Bas ont des stratégies urbaines nationales, mais celles-ci ont été plus étroitement définies. Au Portugal, en Espagne, en Grèce, en Belgique, en Irlande, au Luxembourg et au Danemark, il n'y a guère de politiques urbaines explicites. Cependant, au sein de la Communauté, il existe une tendance perceptible vers la mise au point de politiques spécialement orientées vers les zones urbaines.

7.2. En dépit de la diversité des relations intergouvernementales à travers l'Europe, des tendances communes se sont fait jour ces dernières années. On a constaté une tendance à la décentralisation des pouvoirs et des responsabilités. Un système de gouvernement décentralisé avec des niveaux régionaux puissants a été ou mis en place

ou consolidé en Allemagne, en France, en Espagne, en Italie et en Belgique. Aux Pays-Bas et au Danemark, le contrepoids du gouvernement central est resté plus au niveau urbain qu'au niveau régional. Cependant, au Royaume-Uni, au Portugal, en Irlande et en Grèce, la tendance à la décentralisation a été beaucoup moins marquée. En effet, au Royaume-Uni, les autorités municipales ont perdu des pouvoirs et des responsabilités au cours des années 80.

7.3. Les politiques régionales et les stratégies de planification nationales ont un impact important sur les systèmes urbains nationaux. Dans la plupart des pays européens, on trouve un modèle de politique cohérent. Les planifications nationales, souvent soutenues par des politiques nationales, se faisaient au détriment des principales villes, économiquement performantes, en faveur de zones rurales et urbaines périphériques au cours des années 60 et au début des années 70. La croissance économique et physique des capitales a été tout spécialement restreinte pour encourager la décentralisation. Mais au cours de la crise économique de la seconde moitié des années 70, une croissance équilibrée n'était plus considérée comme aussi prioritaire. Dans la plupart des États membres, priorité a été donnée à l'encouragement de la croissance d'un nombre limité de villes, en une tentative de revitalisation de l'économie nationale au détriment de l'objectif d'équilibre régional. La croissance des capitales, en particulier, a été encouragée.

7.4. L'apparition de politiques urbaines nationales reflète une reconnaissance croissante des problèmes que rencontrent beaucoup de villes. Cependant, les politiques urbaines nationales explicites en sont encore aux balbutiements et restent limitées des points de vue étendue et ressources. Les politiques nationales du logement, des transports, de l'éducation et de la formation ainsi que la gestion macro-économique exercent une influence toujours plus grande sur les villes. Quelque forme que revêtent les politiques urbaines nationales

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dans les années 90, elles seront surtout efficaces là où des associations opérationnelles mixtes auront été créées entre les gouvernements central et local, le secteur privé et les communautés locales.

## **8. L'impact des politiques communautaires sur l'Europe urbaine**

8.1. Les villes ont mis à profit les politiques et programmes de la Communauté européenne dans des mesures très variables. Ces différences sont affectées par des facteurs tels que l'existence de stratégies d'internationalisation bien développées, de coopération entre gouvernements locaux et nationaux, de dirigeants dynamiques du secteur public ou d'équipes spécialisées, de la conscience de «jouer européen», d'un secteur privé prêt à s'engager dans des accords transnationaux de coopération et, enfin, des liens avec l'administration de la Commission à Bruxelles.

8.2. En dépit de l'impact des programmes de la Communauté, un certain nombre de questions se posent à propos de priorités de financement et d'organisation. Par exemple, cibler des régions plutôt que des villes crée des inconséquences et des anomalies. Des villes situées dans des régions ciblées — en particulier des régions classées «objectif n° 1», qui obtiennent jusqu'à 80 % des fonds régionaux — peuvent bénéficier d'une intervention communautaire. Cependant, de nombreuses villes de l'ancien pôle, situées en dehors de zones classées «objectif n° 2», mais qui rencontrent de sérieux problèmes, n'en bénéficient pas. Il en va de même pour un certain nombre de problèmes rencontrés dans des villes même éligibles pour recevoir une aide, mais qui ne se qualifient pas directement.

8.3. Au cours de ces dernières années, la Commission a réorienté ses priorités, passant de l'infrastructure matérielle à des programmes contribuant de façon plus évidente au développement de

l'infrastructure économique régionale. L'importance de cette tendance est confirmée par l'expérience de nombreuses villes. Des projets d'infrastructure, qui ont prévalu surtout à la périphérie européenne, ont, dans bien des cas, été nécessaires, mais souffrent d'une série de désavantages. Le fait d'accorder une importance trop grande au développement infrastructurel peut élargir les disparités sociales et spatiales existantes. Échouer dans la construction d'une capacité de production pour toute une région est susceptible de faire dériver la croissance à venir vers des régions déjà relativement prospères.

8.4. Les politiques communautaires courantes qui sont axées en priorité sur les régions sont moins à même d'attaquer systématiquement les problèmes très liés se trouvant au centre de la compétitivité économique urbaine et de la qualité de la vie à l'intérieur de ces zones. La fragmentation des responsabilités administratives, au sein de la Commission, pour la diversité des programmes ayant un impact sur les villes freine la poursuite de stratégies de coordination comprenant des initiatives économiques et sociales, culturelles et environnementales.

## **9. Les challenges urbains vers l'an 2000: implications sur la politique spatiale en Europe**

9.1. L'un des processus clés actuellement en marche en Europe est la concurrence croissante entre les villes et à l'intérieur de celles-ci. Au niveau européen, augmenter la compétitivité des villes est un moyen important pour renforcer l'économie européenne. Les décideurs nationaux reconnaissent de plus en plus l'importance économique des villes dans la compétitivité économique nationale. Les décideurs municipaux visent à gagner des avantages économiques comparatifs sur leurs concurrents aux niveaux régional, national et international.

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9.2. De nombreuses villes ont cherché en la croissance économique une solution à des problèmes sociaux et environnementaux. Cependant, les stratégies de croissance ont non seulement échoué, dans beaucoup de cas, dans la réalisation de cet objectif; dans certaines circonstances, elles ont même accru les problèmes sociaux et environnementaux existants. Dans de nombreuses villes, un nouvel agenda social et environnemental a été fixé à la lumière de preuves, de plus en plus précises, d'inégalité en matière de distribution des bénéfices économiques et sociaux, de la détérioration du parc de logements sociaux, de la pollution industrielle et domestique de l'environnement ainsi que du déclin de l'efficacité des infrastructures de transport. Le premier défi auquel les décideurs urbains seront confrontés au cours des années 90 sera de réconcilier le processus de concurrence accrue et la poursuite de la croissance économique avec des objectifs sociaux et environnementaux plus larges. Le risque est que le succès économique à court terme ne détruise l'attrait de vivre et de travailler en ville et ne crée, à long terme, une vulnérabilité économique.

9.3. Ces tendances constitueront des défis de plus en plus importants pour les gouvernements nationaux, régionaux et locaux ainsi que pour la Commission au cours des années 90. Il faudra d'abord déterminer, au sein des États membres, comment chaque niveau devra réagir. Même si plusieurs de ces problèmes existent dans toute l'Europe, on ne saurait en conclure que la Commission pourrait ou devrait accepter la responsabilité de les résoudre. Le principe de la subsidiarité signifie que les gouvernements nationaux et les autorités municipales des États membres continueront à jouer le rôle principal et la Communauté un rôle plus limité en matière de réponse à donner aux problèmes urbains.

9.4. Cependant, pour réaliser ses objectifs de cohésion régionale toujours plus étroite, la Commission pourrait élargir la dimension urbaine de ses politiques régionales actuelles en s'attachant à

régler le dysfonctionnement que cette étude a constaté dans les relations entre régions et villes. La politique régionale communautaire ne s'est pas attaquée à quelques-uns des problèmes insolubles de marginalisation socio-économique et de dégradation de l'environnement, qui empêchent certaines zones urbaines de jouer un rôle prépondérant dans le développement économique des régions. Les projets de l'article 10 ont développé certaines actions créatives, mêmes si limitées, en augmentant les possibilités économiques dans les cités périurbaines à taux de chômage élevé, en améliorant l'environnement urbain et en encourageant la restauration du centre historique des villes. Des actions de cette nature pourraient être développées en complément de celles que le Fonds régional soutient traditionnellement. Cela exigerait un ajustement des priorités à l'avenir, à moins que des ressources supplémentaires ne deviennent disponibles.

9.5. Le niveau spatial auquel la politique européenne opère est vital. Cette étude distingue trois niveaux spatiaux où des problèmes de développement peuvent se présenter: les niveaux européen et régional et le niveau urbain dans son ensemble. Dans le premier cas, les performances sociales et économiques de diverses villes de la Communauté présentent des différences sociales et des inégalités considérables. On constate également des problèmes de relations entre les villes et la région qui les entoure ainsi que des disparités sociales et économiques entre plusieurs de ces villes. A l'intérieur de ces zones urbaines, il existe également des inégalités économiques, sociales et physiques, très fortes entre différents groupes sociaux, professionnels et ethniques. Les gouvernements des États membres interviennent déjà à ces trois niveaux.

9.6. Ces questions sont déjà considérées comme importantes par la politique régionale de la Commission. Par exemple, les critères d'éligibilité employés pour déterminer quelles régions se qualifient pour les programmes de la Commission sont

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en conformité avec l'objectif de réduction des déséquilibres interrégionaux. Mais cela signifie que les pôles urbains qui connaissent de semblables problèmes sont traités différemment selon leur localisation géographique. Les zones actuellement éligibles excluent un certain nombre de villes qui ont connu d'importants déclin dans les secteurs liés à l'activité portuaire ou à l'industrie lourde et qui souffrent de toutes sortes de problèmes économiques, sociaux et environnementaux.

9.7. Une plus large dimension urbaine des politiques régionales entraînerait d'importantes demandes de données et des difficultés. Il y a des différences énormes entre les États membres et à l'intérieur de ceux-ci en ce qui concerne leur définition de ce que sont les zones urbaines, le type et le volume de données habituellement conservées à propos de ces zones et la fréquence avec laquelle ces données sont recueillies. Les informations disponibles mesurent souvent des choses différentes et sont dépassées. Il est, par conséquent, extrêmement difficile de rassembler des données comparatives fiables concernant les villes ou les conurbations et les zones à l'intérieur de celles-ci qui mesurent le changement dans le temps. Des efforts substantiels seront nécessaires

pour améliorer la base de données urbaines européenne, pour permettre aux concepteurs de la politique communautaire de comprendre et de réagir au changement.

9.8. La série et la diversité des questions et des problèmes urbains qui se présentent dans la Communauté sont grandes et complexes. La responsabilité première en ce qui concerne la réponse à donner dans bien des cas restera inévitablement du ressort des gouvernements nationaux, régionaux et locaux des États membres. Cependant, le but de la Commission d'accroître la cohésion économique et sociale des régions pourrait la conduire à s'intéresser de plus près aux problèmes urbains et aux occasions qui créent les performances économiques et sociales des régions ou qui sont créées par elles. Le sort des villes et des régions est inextricablement lié. La recherche plus large vers une Communauté plus dynamique du point de vue économique et plus équilibrée du point de vue social suggère que le soutien accordé aux villes devienne une priorité plus importante pour la Communauté européenne et que les zones urbaines puissent faire plus largement appel aux ressources de celle-ci.





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# **1. The impact of economic change upon the European urban system**

## **1.1. Introduction**

The patterns of growth and decline which underlie change within Europe's urban areas are the result of the complex interplay between economic, political, social and cultural factors. None of them are easily isolated from the others. Each can differ in time and across space — between the States and regions of the Community. It is necessary to examine these factors in order to understand the characteristics which differentiate urban experiences in Europe and attempt to spell out implications for future development patterns. This chapter looks primarily at the economic factors — production of goods and services and trends in public and private employment — which affect Europe's urban areas in different ways. These factors, which are increasingly linked to decisions made at an international level, have a critical influence on political, social and cultural changes. But they do not determine them. This chapter provides the context for later examinations of social and cultural factors affecting urban change (Chapter 3) and of political factors operating at the local (Chapters 4 and 5), national (Chapter 6) and European levels (Chapter 7).

## **1.2. Towards a European urban hierarchy?**

1.2.1. For the great majority of cities within the Community, historical patterns of development,

even allowing for the important role which some played within national colonial regimes, largely reflected the outcomes of socioeconomic processes within the boundaries of Member States. For much of their history therefore, cities were situated within particular national urban hierarchies. These varied between Member States. Some, such as Denmark, Ireland, France, Greece, Luxembourg, Belgium and the United Kingdom, developed centralized systems in which a single dominant metropolitan area captured most of the important national political and economic functions and the rest of the country revolved around provincial urban centres serving largely regional markets. Others, such as Germany, Italy and the Netherlands, developed more deconcentrated systems in which the key functions were shared more equally between independent urban centres. Spain and Portugal before democratization were dominated by their national capitals. But they now occupy an intermediate position. The largest cities — Madrid and Lisbon — remain very important but do not dominate other urban centres like Barcelona and Oporto to the same degree as previously.

1.2.2. In the period since the last world war, national economies have become increasingly integrated within a global system of production, distribution and exchange. This has been a consequence of international economic change and the national political responses made to it by Member States. Particularly significant factors include the liberalization of global capital

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movements, the continued growth and influence of multinational corporate enterprises, economic advancements by previously non-industrialized regions of the globe, and the creation and reshaping of supranational trading blocks of which the EC is one important example.

1.2.3. The performance of European cities' economic and political functions is increasingly affected by, and linked to, forces external to their national boundaries. Indeed, the process of economic internationalization has facilitated important changes in the precise mix of functions that cities perform. Some European cities, most obviously the 'global' cities of London and Paris, are important arenas in which many key economic decisions are made. Other cities must essentially live with the consequences of decisions made elsewhere. But no urban region in the Community can be insulated from the effects of the myriad individual decisions, for example on investment patterns, infrastructure and trade agreements, which are now taken on a supranational basis.

1.2.4. The completion of the internal market and the abolition of internal frontiers within the Community is the latest important stage in the process of economic internationalization. As such, it must be viewed as an extension of long-evolving trends, not as a clear break with the past. Combined with developments in new productive and communications technologies and extensions of the trans-European transport network, the single market will trigger further adjustments in the roles and functions of cities, as national boundaries and interests will be less important than before. Increased inter-urban competition for development will be an important driving force as the key interest groups within cities, fearing the costs of inaction, strive to enhance their international competitive positions. Changes in national urban hierarchies will occur as some cities emerge onto a wider European stage, in addition to their national or regional one. Caution must however be exercised in specifying a single

European urban hierarchy as there is no agreement on its shape, nor on the factors which underlie cities' location within it.

1.2.5. There have been numerous attempts to define urban hierarchies through the ranking of urban regions or cities according to particular indicators. Amongst those used are city size, urban contributions to gross domestic product, economic performance across a range of sectors and unemployment levels. Each of them have generated different hierarchical orders at particular moments in time. Whilst these rankings are valid at a very general level, they share the weakness of being essentially static 'snapshots' of a dynamic process. They have limited value for decision-makers who need to relate urban development to wider patterns of economic change if they are to identify policy implications. Rather than add to the complexity of existing ranking exercises, it is more appropriate to identify the key global and intra-European economic changes which affect European cities. It is then possible to identify ways in which economic dynamics have helped reshape the European urban map as well as offer a guide to future developments.

1.2.6. There is not a single urban hierarchy in Europe. Rather there are a number of overlapping hierarchies each of which centre on particular economic functions — for example, high-tech industry, research and development, tourism, financial services, cultural industries, and transport and distribution or public administration. Each urban area is in competition with a range of others according to the economic function in question and the sphere of influence — global, national, or regional — at which it performs its specialisms. This point can be illustrated by, for example, the experience of Rotterdam. It would dominate a hierarchy of European cities based on water-borne trading functions. Its geographical scope in this sector is global and its main European competitors are the

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largest port cities — Marseilles, Le Havre, Antwerp, Hamburg.

1.2.7. In other sectors, Rotterdam's scope is more limited, the competition fiercer and closer to home. In arts and cultural industries or airport trade, for example, Rotterdam has a regional function and lives in the shadow of nearby Amsterdam. In the provision of high income housing and top quality retailing the city's profile is more limited still. On the former it loses out to suburbs within its own region; in the latter to German cities. It would be possible to give Rotterdam a composite 'score' based on these indicators and a European rank position. The ranking exercise would have limited value though. It would conceal as much as it would reveal about the problems and opportunities the city faces and the policy responses that could be made to them. One learns more about Rotterdam's real position if each sector is examined in turn.

1.2.8. This raises a further issue about efforts to rank individual cities in a single European hierarchy on the basis of, for example, economic importance. Cities are not internally homogeneous and economic 'success' or 'failure' is experienced in different ways by different groups within the city. There is no simple correspondence between a city's economic 'success' and the quality of life experienced by urban social groups. Cities can have very positive overall profiles on a range of economic indicators but still experience severe economic, social or environmental problems. For example, London might score well on its low overall unemployment levels, its international financial and tourist status and its national profile in public administration, culture, arts and the media. At the same time, many of London's inner areas are designated under national urban programmes because they are amongst the most problematic areas in the UK in terms of localized unemployment, low skill levels, poor housing, outmoded infrastructure and environmental degradation.

### **1.3. Economic factors affecting European urban change**

1.3.1. The key global factor that European urban regions have had to adapt to in recent decades, and to which the single market is a key response, is the existence of the competitive economic blocks of the USA, Japan and the newly industrializing countries of the Pacific Rim and Latin America. Such competition is a partial cause of changes in international corporate profitability strategies and a reflection of these strategies. Corporate globalization and the national and international political responses it generated, along with technological advancements, created important consequences in the world economic system. Paramount among these have been:

- (a) employment shifts in the most advanced 'core' countries, from agriculture and manufacturing production to services;
- (b) within manufacturing, a concentration on capital — as opposed to labour-intensive production in the mass consumer 'Fordist' industries along with the development of more flexible, 'post-Fordist' production systems. Modern, technologically advanced production relies much more than previously on rapid responses to market signals, quality of design, subtle product differentiation and small, highly skilled core labour forces;
- (c) an increasing dominance by multi-product, oligopolistic transnational corporations, often formed through mergers or acquisition strategies. Many such conglomerates are European-owned. The great majority of non-European equivalents are also active in European markets;
- (d) the spatial redeployment of capital by transnational corporations from core to peripheral economic areas, in Europe and beyond, in the search for new markets and lower input costs, particularly labour.

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1.3.2. The effects of these changes upon European labour markets have been threefold. There has been a trend toward reductions in traditional, male-dominated blue-collar manufacturing employment, paralleled by greater demand for highly educated, white-collar staff in advanced manufacturing and more professionalized public and private service sectors. As a result there has been strong labour market polarization between the better paid, more secure employment in the technical, professional and managerial fields, taken disproportionately by middle-class males, and employees in lower status, low-paid, less secure and often part-time service occupations. The latter tend disproportionately to be taken by women and ethnic minorities. The tendency towards dual labour markets, as made clear in Chapter 4, is increasingly apparent within cities and regions. Deepening divisions of labour also characterize differences between core and peripheral areas, driven by corporate strategies which increasingly choose different locations for strategic functions — control, strategic management, research and development — as opposed to more routine assembly tasks.

#### **1.4. The spatial impact of economic change — core versus periphery?**

1.4.1. Labour market polarization and the shift in employment from manufacturing to services are common trends across Europe. They support the dominant analyses of sectoral change within the advanced industrial nations which suggest that innovation in information technologies underpins a transition to a new phase of industrialization. Information technology now performs the role in transforming production systems and divisions of labour that steam engines and railways, automobiles and electricity did in earlier phases of industrialization. However, the spatial effects of

economic change vary between Europe's regions, depending on their historical development trajectories.

1.4.2. The conceptual device most often used to describe geographical unevenness in patterns of economic development has been the core-periphery model. It has been used to describe differences within Europe, particularly between north and south; within individual Member States — the 'north-south' divides in Italy, the UK, Spain and Germany; between Europe, the US and Japan and the less-developed world. The core-periphery analysis, usually applied to regions, synthesizes many of the factors which influence the location of economic activity. The most important factors are: real and perceived distance from markets and the factors of production; accessibility to these as affected by transportation networks; the obstacles, both physical and political, which can prevent market transactions; the diffusion of innovation and agglomeration — the tendency for development in particular locations to be self-perpetuating as a result of the magnetic effect which follows the clustering of economic activity.

1.4.3. The core-periphery argument about Europe is that a geographical, functional and decision-making core which developed historically as a result of its superiority in the above factors, acts as a magnet to economic activity. The core, linking large metropolitan centres through advanced communications systems, is the area which is more attractive to the dominant international institutions, finance capital and modern industry at the expense of other areas in the periphery. The most peripheral areas include Europe's extreme southern and western regions: Greece, southern Italy, Corsica, Sardinia, southern Spain, Portugal, northern and western Spain, Ireland, and western France. Opinions have differed over the area contained within the core. Tightly drawn, it has been used to describe the triangle between the English West Midlands,

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Paris and the Ruhr, incorporating the Randstad and industrialized Belgium. However, this area better describes the early pattern of European industrialization than contemporary reality.

1.4.4. A recent study undertaken by Reclus for Datar in France fits in the core-periphery tradition. Based on a comprehensive collection of economic indicators, the study suggests, however, that an extended banana-shaped core now runs from the English West Midlands in the north, to Lombardy in the south, taking in the dynamic Munich-Stuttgart-Zurich triangle plus London, the Randstad, Brussels, the Ruhr, Bonn, Frankfurt and Milan. The Paris region is seen as having the same dynamism as the core but remains geographically separate. Reclus also identifies a secondary belt of economic importance that has developed recently along the Mediterranean, which takes in northern Italy, southern France and the north-western Spanish triangle linking Madrid, Barcelona and Valencia. The most peripheral areas consist of Andalusia, southern Portugal, Greece, southern Italy, Corsica, Sardinia and Ireland/Northern Ireland. A mid-Atlantic arc — western France, northern and western Spain, northern Portugal — exhibits intermediate, semi-isolated status.

1.4.5. The Reclus study is based on urban rather than regional data sources and offers a good, general guide to the contemporary economic geography of Europe. However it is as limited as city-ranking exercises are in identifying the dynamic trends in urban Europe which not only help to understand the past but to anticipate future trends. Our case-studies indicate that urban economic change in Europe is more heterogeneous than a core-periphery analysis suggests because there are significant differences between urban areas within the core as well as between those within the periphery. Location within the core is not economically decisive, although the benefits of accessibility and agglomeration derived from such a location remain important. Other factors

are also important including: the liberating effects of new transport and telecommunications infrastructures for accessibility and the diffusion of innovation; the quality of urban life and urban business environments which are often eroded in core areas by physical problems such as lack of sites, high land values, traffic congestion and the stage that economic sectors have reached in the development cycle.

## **1.5. Recent spatial effects of economic change: beyond the core – periphery dichotomy?**

1.5.1. In Europe in the 1970s and early 1980s there occurred a shift of economic gravity towards the south as the older, industrialized urban areas in the north — the UK, southern Belgium, northern France and the Ruhr — went through an economic crisis of unparalleled proportions and a mid-southern European belt around the northern Mediterranean and the Alps entered a period of rapid modern industrial growth. The traditional port and industrial cities in northern Europe examined in our research — Rotterdam, Birmingham, Liverpool, Hamburg, Dortmund, Copenhagen, Amsterdam and Brussels — all suffered heavy job losses in sectors such as coal, steel, shipbuilding, chemicals, glass, automobiles, trade and distribution.

1.5.2. At the same time, free-standing towns and cities in more southern locations, lying in regions with a smaller industrial inheritance — Montpellier, Valencia, the 'Third Italy', Frankfurt, Munich — experienced strong economic growth. In some cases the driving force was internationally oriented services, for example, Frankfurt's financial sector. In others, the growth of indigenous industries, using more traditional production methods but serving new niche markets, was more important, for example in the 'Third Italy'. In Montpellier, a high profile in high-tech industries was triggered by the arrival

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of IBM but developed through local firms and higher education institutions. Valencia, with its buoyant network of small-to-medium sized firms and key corporations like IBM and Ford, is similar. The more peripheral cities — Thessaloniki, Naples and Dublin — shared relatively little in this growth.

1.5.3. The information generated by the case-studies in this report suggests that the conclusion drawn from trends up to the mid-1980s — that Europe's economic core was shifting southward — does not capture the complexity of urban economic change. In the later 1980s there was a strong economic resurgence in some older northern cities, fuelled by the growth in private services and the successful restructuring of older industrial sectors, albeit with greater capital intensity and lower levels of employment. The bases of renewed growth vary from high-tech and information industries in Dortmund, through research and development strengths in Copenhagen, business services related to core industries like insurance and trade services in Rotterdam, modern, high value-added distribution activities particularly around ports and airports in Hamburg and Amsterdam, to arts and cultural industries in Glasgow.

1.5.4. In internationally oriented financial services in particular, the older, north European metropolitan areas have retained their predominance. London, Paris and Amsterdam, for example, all benefited from growth in this increasingly deregulated sector. There is little sign that new telecommunications technology will enable high-level decision-makers, at least in the finance sector to dispense with the need for face-to-face communication within the prestigious metropolitan cores. Economic recovery in north European urban cores which relied on older industries is not inevitable however. In this study, Liverpool is an example of a city where new development is at a low level. It compares unfavourably with Glasgow whose historical

development was similar and is even more remote from the European economic core. Nor are the problems of industrial decline and restructuring confined to northern Europe. Marseilles has struggled with the same problems which beset the northern industrial and port cities. The fact that some cities recovered more quickly than similar ones provides powerful evidence of the importance of locally targeted strategic responses to the process of economic change.

1.5.5. The free-standing towns and cities in the Mediterranean, Alpine and southern German regions were not the only success stories in modern industrial development in the 1980s. The 'new industrial districts' which have provoked much discussion in recent years are also found elsewhere. Some cities, like Rennes, Cambridge or Bristol, lie slightly outside the expanded core identified by Reclus but share many of the features of free-standing cities within that area. These include cleaner, less congested environments uncontaminated by the legacy of heavy industry, the presence of technologically orientated higher education institutions guaranteeing innovative capacity and highly skilled labour, cheaper land, good quality higher income housing and access to non-urban leisure areas. A strong sense of regional identity, allied with united local leadership and long-sighted development strategies, has also been important.

1.5.6. Modern industrial growth is not confined to smaller, free-standing urban areas. The fringes of older established metropolitan areas have also benefited. They share many of the features of free-standing towns and cities but also offer more ready access to metropolitan facilities for business support, higher education and personal recreation. Southern Ile de France, the area around south Amsterdam and Schiphol airport, northern Rotterdam, the northern Copenhagen region and the corridor area west of London along the M4 motorway are good examples of such development. They do not always lie within

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narrowly drawn metropolitan boundaries but form part of the wider metropolitan economy and labour markets.

## **1.6. Urban Europe today**

1.6.1. To summarize the changes outlined above, two distinct processes have emerged. There has been decentralization from the established metropolitan areas in some sectors — back-office functions, high-tech industry. And there has been reconcentration within metropolitan centres and their suburbs in others — high-level business services, international distribution, prestigious arts and cultural industries. The Mediterranean—Alpine—southern German area, with few legacies of older industrialization, has been a major beneficiary of economic decentralization as a moderate shift in Europe's economic gravity occurred. However, economic reconcentration has helped some cities retain their overall dominance in certain economic sectors. Despite the shocks of the 1970s and early 1980s, large north European metropolitan cores, with internationally competitive aviation hubs, modernized road, rail, and waterway networks and advanced telecommunications systems, remain magnets for international finance houses, corporate headquarters, producer services, research and development, high-level public administration, international institutions and the arts, cultural and media industries. The centres of metropolitan areas particularly have benefited from the progressive abandonment by some Member States of programmes to decentralize public administration functions. Metropolitan fringe areas also take a significant share of modern industrial research and development and dominate in transport logistics and distributive sectors.

1.6.2. A further point about metropolitan reconcentration needs to be stressed. Few major competitors have emerged to challenge the

economically dominant cities in those Member States which have historically been characterized by economic centralization — Paris, London, Athens, Copenhagen and Dublin. In more decentralized Member States one or two dominant cities are outstripping their competitors — Rome and Milan in Italy, Brussels and Antwerp in Belgium, Lisbon and Oporto in Portugal and Amsterdam and Rotterdam in the Netherlands. The two partial exceptions to this trend are Spain and Germany. In Spain, Barcelona and, to a lesser extent, Valencia have enjoyed significant development and growing international status. They are joined by a resurgent Seville. But there is little evidence of Madrid losing its economic importance as a result. In Germany there remains a stable number of countervailing metropolitan economic centres. This balanced urban system would be threatened, though, by the potential development of Berlin into a dominant national capital and Europe's third 'global' city.

1.6.3. These changes mean it is possible to identify three broad economic areas in Europe. First there is the old core, covering the traditional industrial regions of northern Europe, some of which have emerged successfully from the period of economic transformation with successful restructuring of older sectors and diversification into new ones. Second there is the new core, covering the traditionally more lightly industrialized Alpine, Mediterranean and southern German areas which have benefited from recent economic growth in more advanced sectors. Together, these two areas now form an extended core. The new core has not replaced the old core; rather the economic core of Europe has widened its boundaries.

1.6.4. Beyond the expanded core there remains a periphery which is characterized by poor infrastructure, limited inward investment and a reliance on technologically undeveloped, vulnerable indigenous enterprises. This includes Greece, Portugal, southern Italy, western Spain,

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Sardinia, Corsica, western France and Ireland. This schema makes it clear that location remains an important characteristic of economic potential in Europe. Indeed EC regional policies recognize this in distinguishing between Objective 1 regions in the periphery and Objective 2 regions in parts of the old core.

1.6.5. The cities studied in this research offer a good guide to the value of the distinction between old core, new core and periphery. A breakdown of the case-study cities would be as follows. In the old core are Glasgow, Liverpool, Birmingham, Amsterdam, Rotterdam, Brussels, Copenhagen, Dortmund, Hamburg and Berlin. In the new core are Frankfurt, Milan, Barcelona, Lyons, Montpellier and Marseilles. The periphery includes Thessaloniki, Bari, Naples, Seville, Valencia, Oporto, Rennes and Dublin. Map 1 locates the case-study cities in their economic areas. It also indicates that the transition between old core, new core and periphery is gradual not abrupt. Starkly delineated boundaries would not accurately reflect the realities of the European spatial economy. Indeed, where a city is located close to a border separating two of these areas, it often has a mixture of their key characteristics.

1.6.6. This division into three areas identifies general economic processes and trends and identifies the location where they are most typically found. Inevitably, there are a number of exceptions to the typology. For example, Berlin is not typical of old core cities mainly because its post-war urban development patterns were shaped by the special political status of the city. Copenhagen, on the northern fringe of the current EC, is not classified as peripheral since it has more in common with cities in the old core. It is one of the old port and industrial centres of Europe where old sectors declined rapidly and in which there has been significant diversification into modern high-tech and service sectors. Also it is at the heart of a wider Nordic region which is economically as advanced as the European core.

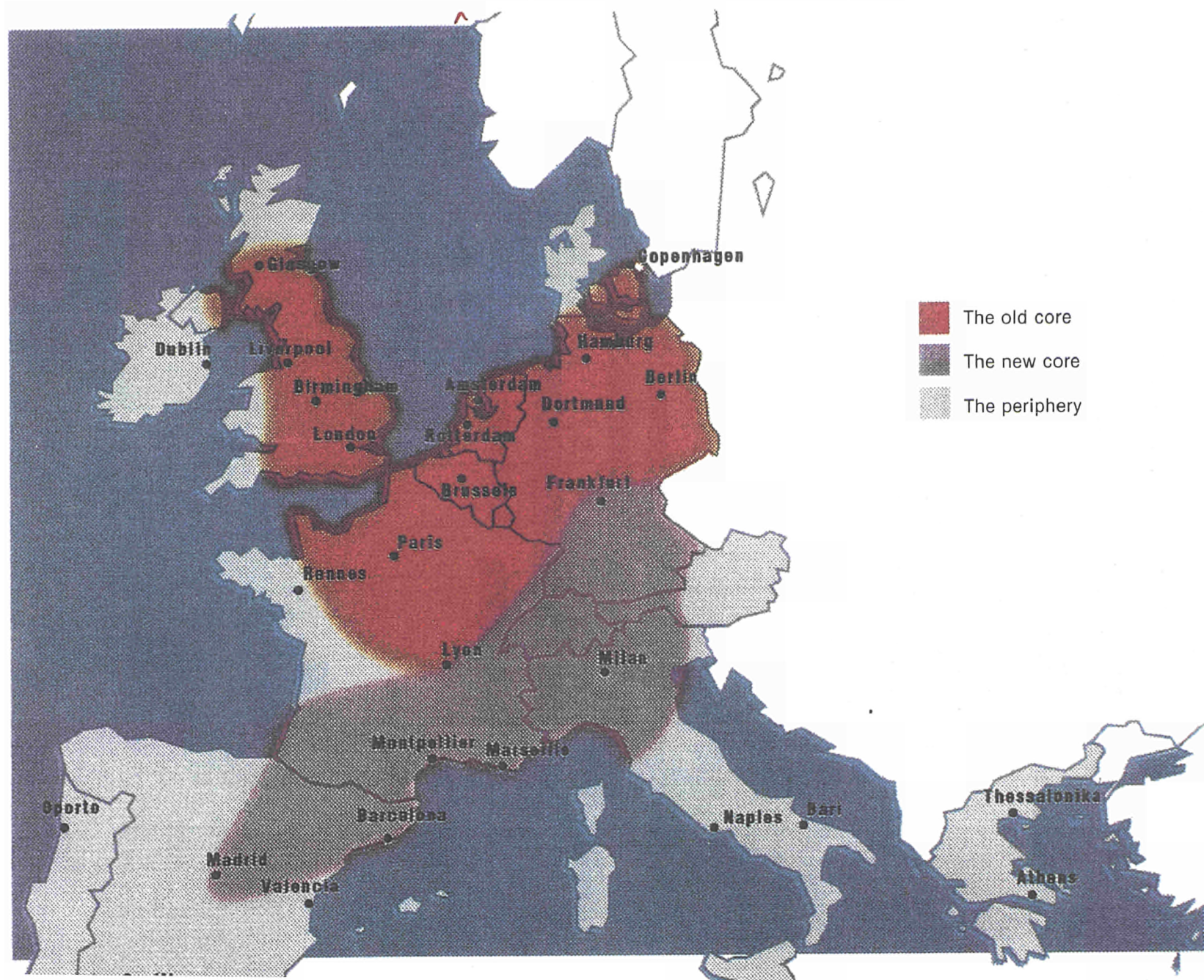
Rennes is the least geographically remote of the peripheral cities examined. A city which is two hours by train from Paris is not peripheral in the same sense as Thessaloniki. Nevertheless, it does have a number of features of peripherality. Of all the peripheral cities, Rennes has developed most spectacularly in recent years. Equally Marseilles, Barcelona and Milan in the new core, have a substantial traditional industrial heritage which is typical of the old core. However, the old core is classified as such because its patterns of industrialization were not exclusive to, but more typical of northern Europe than of southern Europe.

1.6.7. Figures 1 to 4 illustrate the value of the typology. For example, the figures reveal the dominance of London and Paris in terms of the location of private sector economic decision-making. They also illustrate the economic strength of the cities in the new core, especially Frankfurt and Milan. Equally, they show that many old core cities, such as Hamburg, Brussels and Copenhagen have retained a powerful role as economic control and command centres. By the same criteria, the peripheral cities of Dublin and Naples fare less well.

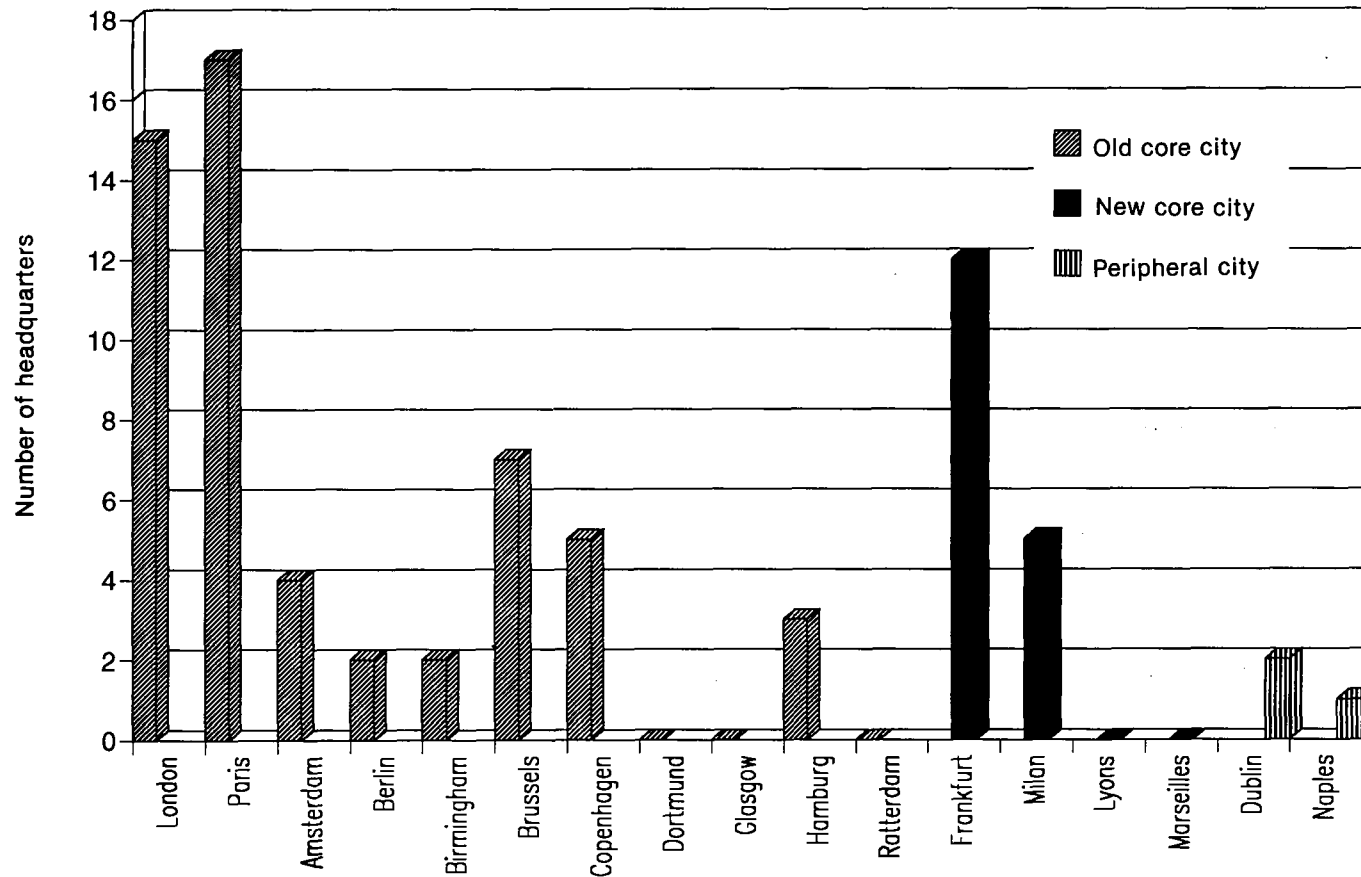
1.6.8. This study demonstrates that individual cities can perform better or worse than their wider regions. Marseilles demonstrates that economic development does not follow automatically from a location in the new core. In the old core, Liverpool does not seem likely to develop the potential of, for example, Rotterdam, Amsterdam or Hamburg. Some cities in the periphery are performing better than others. Thessaloniki, Dublin and Naples have fared less well than Bari, Rennes, Oporto or Seville. One virtue of the typology is that it helps identify cities which are performing better, or less well, than expected in view of their location and focuses attention on the internal decision-making dynamics of those cities. At the urban level economic success is not the automatic result of location. Cities are not the



Map 1. The case-study cities in Europe's economic regions

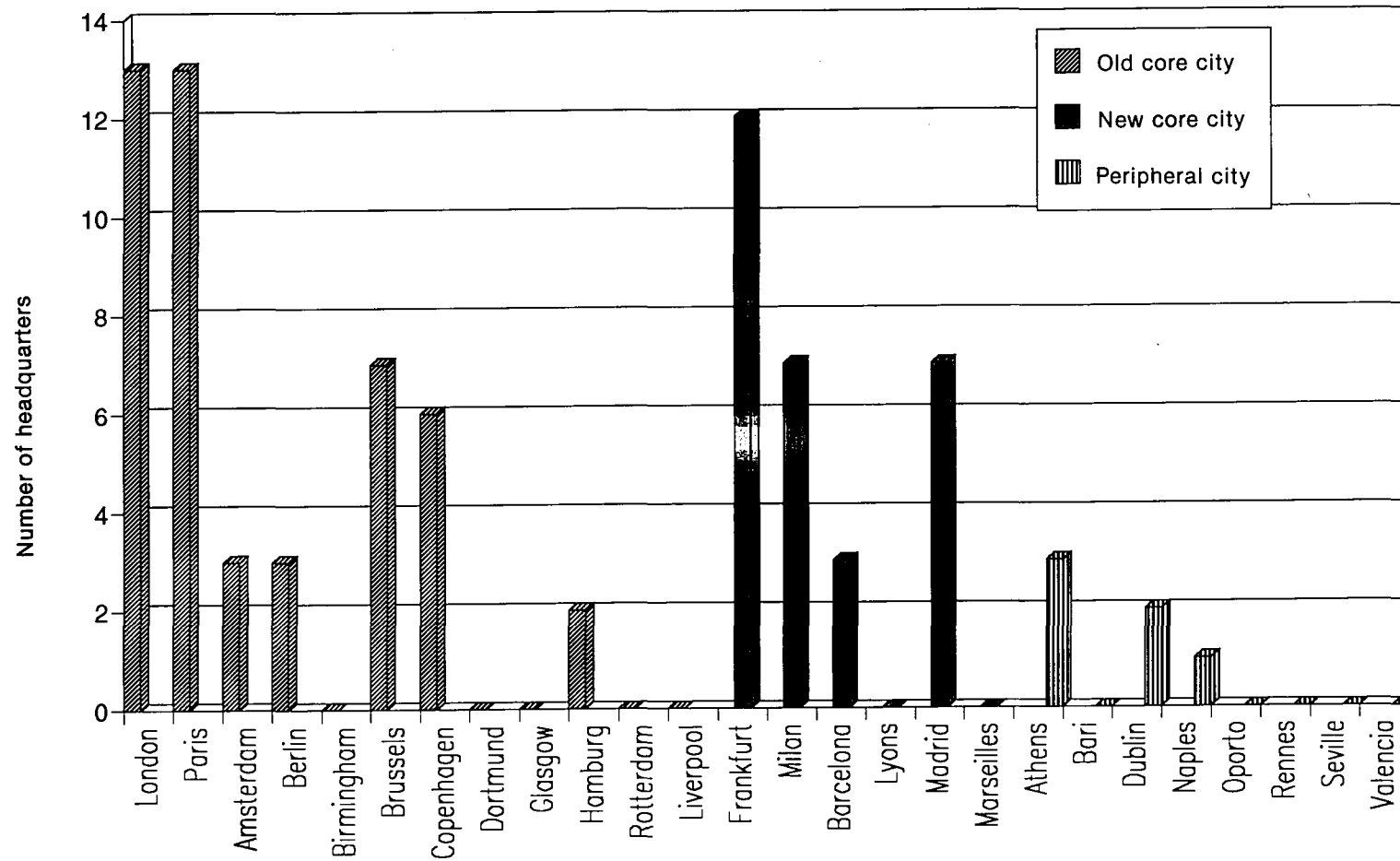


**Figure 1. Headquarters of the world's top 500 banks (by total value of transactions) in selected case-study cities**



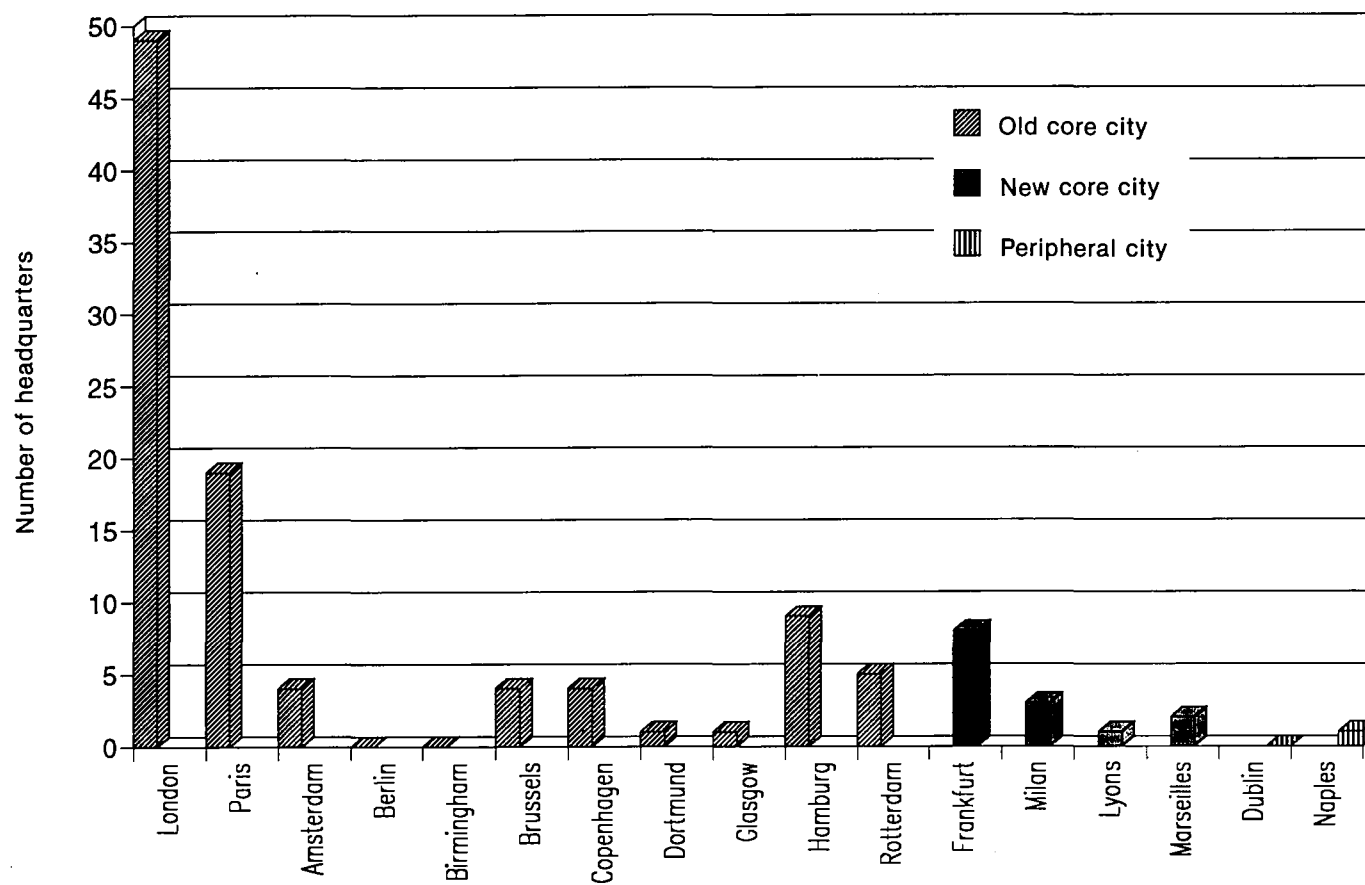
Source: Conti and Spriano (1990).

**Figure 2. Headquarters of top 200 European banks in case-study cities**



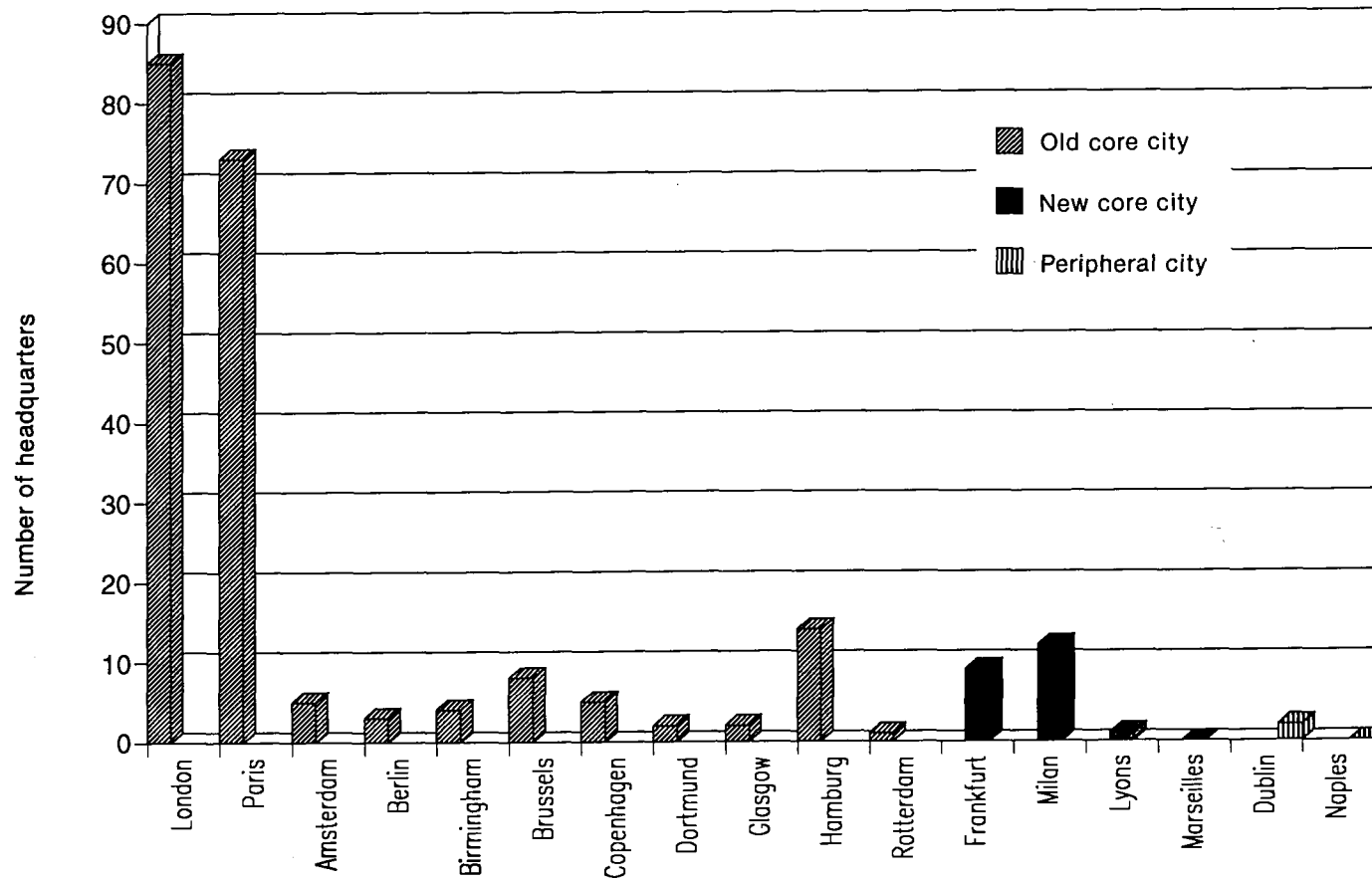
Source: The Banker (1990).

**Figure 3. Headquarters of Europe's top 300 commercial companies (by turnover)  
in selected case-study cities**



Source: Conti and Spriano (1990).

**Figure 4. Headquarters of Europe's top 500 industrial companies (by turnover) in selected case-study cities**



Source: Conti and Spriano (1990).

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passive victims or beneficiaries of impersonal economic forces. Decisions taken within cities can shape the way in which these forces work and the way cities develop.

## **1.7. Urban economic prospects towards 2000: the EC 12**

1.7.1. The patterns of economic decentralization and reconcentration found in the 1980s will set the context for the years to 2000 and beyond. A question remains whether the expansion of the European economic core will continue and lead to a complete break down in the core-periphery distinction in favour of a pattern where pockets of urban growth and decline are found equally throughout Europe. The evidence from this study points to a conservative conclusion. The single market is expected to boost average Community employment and GDP per head which should result in some lessening of regional unemployment and income differentials. But all urban areas will not share these positive effects equally.

1.7.2. The most powerful argument which suggests that the core-periphery distinction will break down is that developments in transport and telecommunications will make geographically peripheral areas more accessible by reducing the 'friction of distance'. The traditional dominance of an economic core would be undermined by improved communications technologies which facilitate greater ease of interaction and diffusion of innovation which outweigh the importance of physical accessibility and agglomeration economies. However, while cities in the new core have benefited from greater locational freedom in investment decisions in the last two decades, there is less evidence to suggest that peripheral areas will be substantially favoured in the near future.

1.7.3. The continuing importance of agglomeration effects in old core urban areas, particularly in corporate 'control and command'

functions, in addition to the sheer economic weight of old and new core cities, suggests that they, not the periphery, will be favoured by market developments in new communications technology. Public sector investments can enable peripheral centres to 'catch up' technologically with those in the core. Major efforts are being made to improve communications in peripheral urban regions. The Spanish Government's investment in Seville, linked to the 1992 Expo is an obvious example. But similar government strategies for urban areas in the European core, combined with their much stronger market positions, means that frictional distance within the core areas will be reduced at a faster rate than that between the old and new cores and the periphery.

1.7.4. The scale of regional differences in GDP per head during the 1980s gives an indication of the task facing peripheral areas in catching up with those in the old and new cores. Regional figures do not equate perfectly with urban circumstances but regional boundaries are virtually contiguous with the metropolitan areas around the larger European cities. Disparities in regional GDP per head grew up to the mid-1980s before levelling off in the period of renewed economic growth. Of the 30 regions with a GDP per head less than 70% of the Community average in 1986-88, 13 were in Greece, six in Spain, five in Portugal and three in southern Italy. Ireland, treated as a single region, also fell into this category. Even for the regions which performed best within this group, in order to reach 90% of the Community average, there would have to be an average rate of growth in regional GDP per head of 1.25% above the EC 12 average over 20 years or of 1.75% over 15 years.

1.7.5. Such unprecedented, sustained growth appears unlikely if the sectoral composition of Europe's core and peripheral areas is taken into consideration. The sectors most vulnerable to the increased competition which the single market will



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bring — those subject to public procurement such as telecommunications and railway capital stock, plus agro-food, textiles, shoes, clothing, basic chemicals and mechanical and electrical engineering — form a higher proportion of the total economy of peripheral areas than of old and new core areas. Equally, Figure 5 shows that in peripheral cities the percentage of industrial employees working in sectors using advanced technologies is markedly lower than in most new and old core cities. To underline this point with a further contrasting indicator, 75% of research and development expenditure in the EC 12 is currently concentrated in three Member States — Germany, France and the UK.

1.7.6. The experience of the peripheral cities in this study provides some support for the above analysis. Peripheral urban economies generally rely more on foreign assembly plants and indigenous small-to-medium sized firms which are in great need of technological innovation. The impending economic restructuring will thus affect cities like Dublin, Thessaloniki, Oporto and Seville more acutely in the medium term. Competition from the developing market economies in Eastern Europe will also be a threat. The restructuring process in the periphery could be speeded up by multinationals taking over enterprises with the greatest potential. However the negative side of that scenario would be the 'branch plant economy' syndrome — lack of local control over business decisions and vulnerability to recession — which many manufacturing regions in northern Europe experienced in the 1970s.

1.7.7. Another factor which might limit the development of the periphery are the agglomeration effects which arise from the concentration of investment in the modern industrial districts of the new core and the suburbs of cities in the old core. Experience of the links between urban development and economic change in earlier periods of industrial innovation suggest that, at a certain point, the newer industrial areas

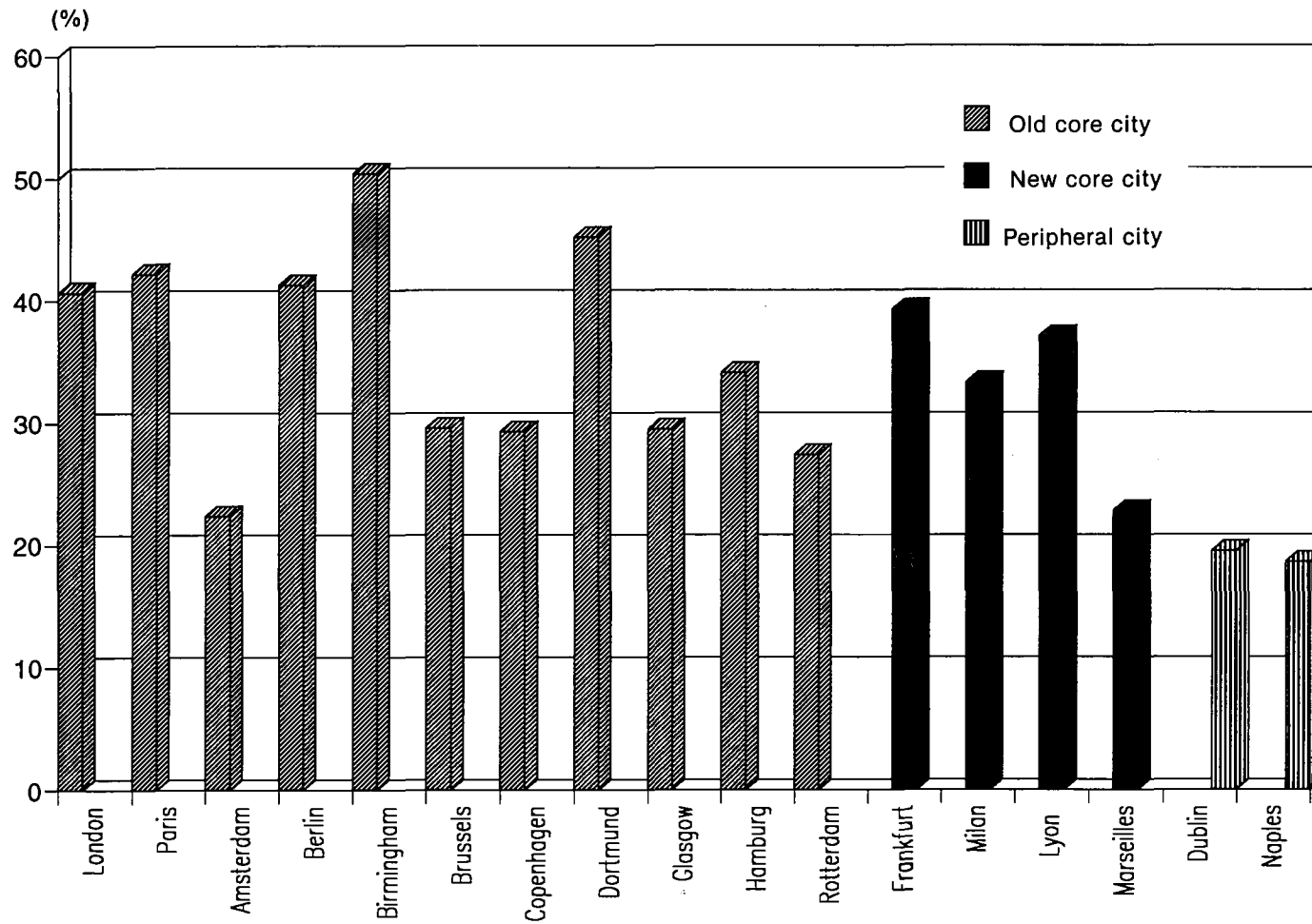
will begin to corner the market in new investment linked to their sectoral specialisms. Considerable barriers to entry will be faced in the future by cities which, although they share the characteristics of today's new industrial districts when they started on their development paths, have not built up the critical mass of new economic activity to attract further investment. The evidence from the USA suggests that a relatively small number of urban locations quickly become dominant in high-tech production at the expense of areas which have no critical mass.

## **1.8. The East European question**

1.8.1. The biggest prospective change in the economic gravity of Europe will depend on the development of market economies in the former East European bloc. The former GDR is already integrated into the EC and other former Comecon economies may follow depending on decisions by current EC members about when the political and economic advantages of expanded membership outweigh its potentially destabilizing effects.

1.8.2. A more predictable, short-term consequence of the economic and political changes in Eastern Europe is the effect which improved European relations will have on the weapons industry and the large research and development expenditures traditionally linked to it. A number of economically successful urban areas in the new core — Montpellier, Lyons, Stuttgart and Munich, as well as some in the old core, for example Bristol, have relied heavily on military contracts to sustain their R&D industries. Even if compensatory, non-military-related finance were available, these industries would need to redirect their efforts toward civilian projects if their contribution to urban economies were to be maintained. Cities which act as bases for military personnel will encounter similar problems and may suffer more profoundly since 'conversion' strategies are ruled out in their case.

**Figure 5. Industrial employees working in sectors using advanced technologies**



Source: Conti and Spriano (1990).



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1.8.3. At a more profound level, there is continuing uncertainty surrounding the issue of East European economic development and East—West political and economic relations. The strongest initial effect has been in Germany, whose experience may offer pointers to how the process may unfold in the rest of Eastern Europe. Two questions arise about the effect on the German urban system. One concerns the future of Berlin, the other the effect of reunification on cities in the former western and eastern halves.

1.8.4. Two extreme scenarios can be constructed about the future of Berlin. One is that, as the national capital, the city will receive all of the functions associated with that status — Parliament and civil service, related lobbying and media activities and international agencies. On this scenario the city would experience explosive growth and quickly become a third European 'global' city. Other urban areas in Germany would suffer in this process. Bonn would lose its *raison d'être* and much of its economic base, Hamburg and Munich some of their media concentrations and, on a lesser scale, Frankfurt some of its international finance functions.

1.8.5. On the other hand, political determination within Germany to retain the country's balanced urban system and to limit the national functions entrusted to Berlin could see the city suffer greatly. Berlin has already been divested of many of the preferential federal funds it received in support of its former role as the 'showcase of the West'. On this scenario, the city could lose some of its symbolic and political importance and suffer pressure from immigration from the east. Current indications are that the public and private decisions which will determine Berlin's future status tend to the first scenario. This could have a significant impact upon the German urban system and the larger regional economic power balance within Europe.

1.8.6. The effect of reunification on urban Germany can also be presented in two scenarios.

If the transition to a market economy in the former GDR is relatively smooth, gains in the short and medium term will go mainly to the former FRG urban areas, particularly those near the old border which supply goods and services to the new markets in the east. Hamburg is an obvious example of this. The same applies to the historic Baltic trading partners of eastern Germany, pre-GDR — like Copenhagen — and to those areas which tend to benefit from increased German trade like the Randstad.

1.8.7. In the longer term, the urban areas in the east which benefit from new east-west infrastructural development and where there is rapid restructuring and development, could compete effectively with the western cities. However, if economic progress in the east is badly stalled, the effect on all urban areas, including the former FRG cities, would be negative. A difficult transition to a market economy would see the eastern part of the country progressively demanding a growing share of national expenditures. This would force west German cities to live with the consequences of higher taxation to facilitate reconstruction and the redistribution of intergovernmental grants to the east.

1.8.8. The other main East European-related issue has implications for the core-periphery model. Adjustment to a market economy by those nations seeking EC membership will be a long-term process. It will have immediate knock-on effects on both public and private investment patterns by taking resources which otherwise would have gone elsewhere. The shift to market economies in Eastern Europe means there is, in effect, a new Eastern economic periphery in Europe which could compete for resources with existing peripheral areas. Whatever the outcome in terms of private investment flows, the peripheral European urban regions which become the 'losers' in the competition will place demands on the EC structural Funds, adding to pressures for adjustments in EC policy.



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## **2. Patterns of urbanization in Europe, 1960-90.**

### **2.1. Introduction**

2.1.1. Chapter 1 discussed the implications for urban Europe of continuing economic change and the emergence of the single market. This chapter focuses on the demographic implications of economic change and their spatial consequences for cities. It discusses the waves of urbanization which have characterized Europe during the past three decades. It describes the pattern of urbanization, suburbanization, deurbanization and reurbanization trends that have emerged throughout Europe. At the European level, the chapter identifies an urban system which is increasingly demographically stable as a result of declining fertility rates in the peripheral regions of Spain, Portugal, Ireland, Greece and southern Italy which have led to a convergence in the rates of natural increase throughout the European Community. It indicates that intraregional rural – urban migratory shifts, although continuing, have decreased. The large interregional movement of economic migrants of the 1960s and 1970s — for instance, from Ireland to Britain, from south to north Italy, from Andalusia to Catalonia — have slowed considerably. Indeed, in some cases, Portugal and Greece, for example, return migration is now a common trend.

2.1.2. If the contemporary European urban system is internally more demographically stable,

it will remain subject to externally induced instabilities. Although future migration into the Community from beyond its borders cannot be precisely predicted, there is likely to be continuing, intense demands from potential economic migrants to enter the Community, especially from the countries of North Africa and the newly democratized Eastern Europe. The scale and consequences of such external migration into the Community, and its implications for individual Member States and cities, is the subject of continuing public debate.

### **2.2. Urban Europe in a global perspective**

2.2.1. Before discussing in detail the European urban experience, it is instructive to locate it in a wider, global context. According to UN estimates towards the end of this century, 50% of the world population and 80% of the population in industrialized countries will live in urban agglomerations. While in 1950 there were only five cities with a population of more than five million, in the year 2000 there will be 57 such megalopolis. However, behind these figures are significant regional differences. While in most industrialized countries, most notably in the world's oldest industrial regions in North – West Europe, the urbanization process is approaching its end;

metropolitan areas in the developing countries continue to grow with no immediate limit in sight. It is estimated that in the year 2000 only three of the 20 largest cities in the world will be in industrialized countries, and none of them in Europe. There will be 22 cities with a population of more than 10 million, among them Mexico City with 26 million, São Paulo with 23 million and Calcutta, Bombay and Cairo with 16 million each. Another 35 cities will have a population of between 5 and 10 million.

2.2.2. Urbanization in the developing countries is by no means a replication of the earlier experience of the industrialized countries. Whereas in the industrialized countries the rapid growth of cities in the 19th century was a necessary prerequisite and consequence of industrialization, in the developing countries cities are growing partially without industrialization. The economy develops slowly so family incomes do not grow and medical care remains inadequate. Mortality rates remain high and many children are regarded as necessary to provide old-age support. The population continues to grow rapidly without a corresponding increase in food and jobs. More and more rural migrants come to the cities to look for work and social opportunity, but despite a large informal labour market the number of jobs is insufficient for their increasing numbers. The consequences are mass unemployment or underemployment, overcrowding and a growing underprovision in the fields of health services, education and transport.

2.2.3. It is useful to be aware of this fundamental difference between urbanization in developed and developing countries. Compared with urban systems in other continents and nations, the urban system in Europe is relatively balanced, and compared with the average African, Asian or South American city even the most

serious problems of the cities in the Community appear manageable. However, there is another good reason to place the pattern of urbanization in Europe into a global context. Worsening living conditions in Third World cities, particularly in regions with strong historical links and good transport connections to West European countries, may encourage or even force people to migrate to the gateway cities of the continent. Consequently, it is crucial for the future of the cities in Western Europe that the living conditions in the cities of the Third World are improved.

**Table 1. Degree of urbanization and urban growth**

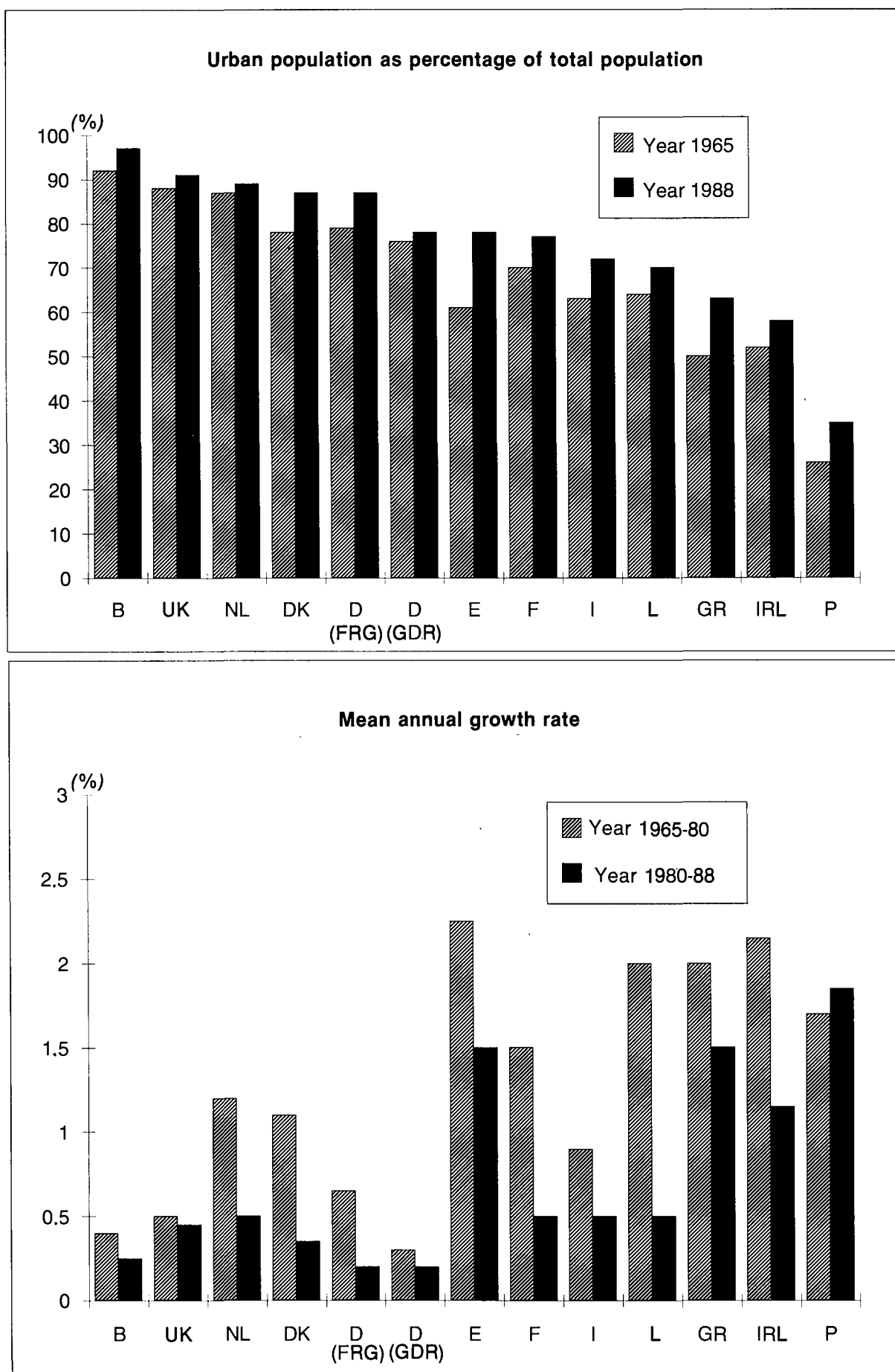
(%)

| Country        | Urban population as percentage of total population |      | Urban population mean annual growth rate |         |
|----------------|--|------|--|---------|
|                | 1965   | 1988 | 1965-80                                  | 1980-88 |
| Belgium        | 93   | 97   | 0.4                                      | 0.2     |
| Denmark        | 77   | 86   | 1.1                                      | 0.3     |
| France         | 67   | 74   | 1.3                                      | 0.5     |
| Germany. FRG   | 79   | 86   | 0.7                                      | 0.1     |
| Germany. GDR   | 73   | 77   | 0.2                                      | 0.1     |
| Greece         | 49   | 62   | 2  | 1.3     |
| Ireland        | 48   | 58   | 2.1                                      | 1.1     |
| Italy          | 62   | 68   | 1  | 0.5     |
| Luxembourg     | 63   | 67   | 2  | 0.5     |
| Netherlands    | 86   | 88   | 1.2                                      | 0.5     |
| Portugal       | 24   | 32   | 1.7                                      | 1.9     |
| Spain          | 61   | 77   | 2.2                                      | 1.3     |
| United Kingdom | 87   | 92   | 0.5                                      | 0.4     |
| EC 12          | 71   | 82   | 1  | 0.5     |
| Austria        | 51   | 57   | 0.8                                      | 0.6     |
| Switzerland    | 53   | 61   | 1  | 1.3     |

*Note:* The growth rates are calculated from World Bank estimates. Because of different national definitions of what is urban, comparisons between countries should be made with caution.

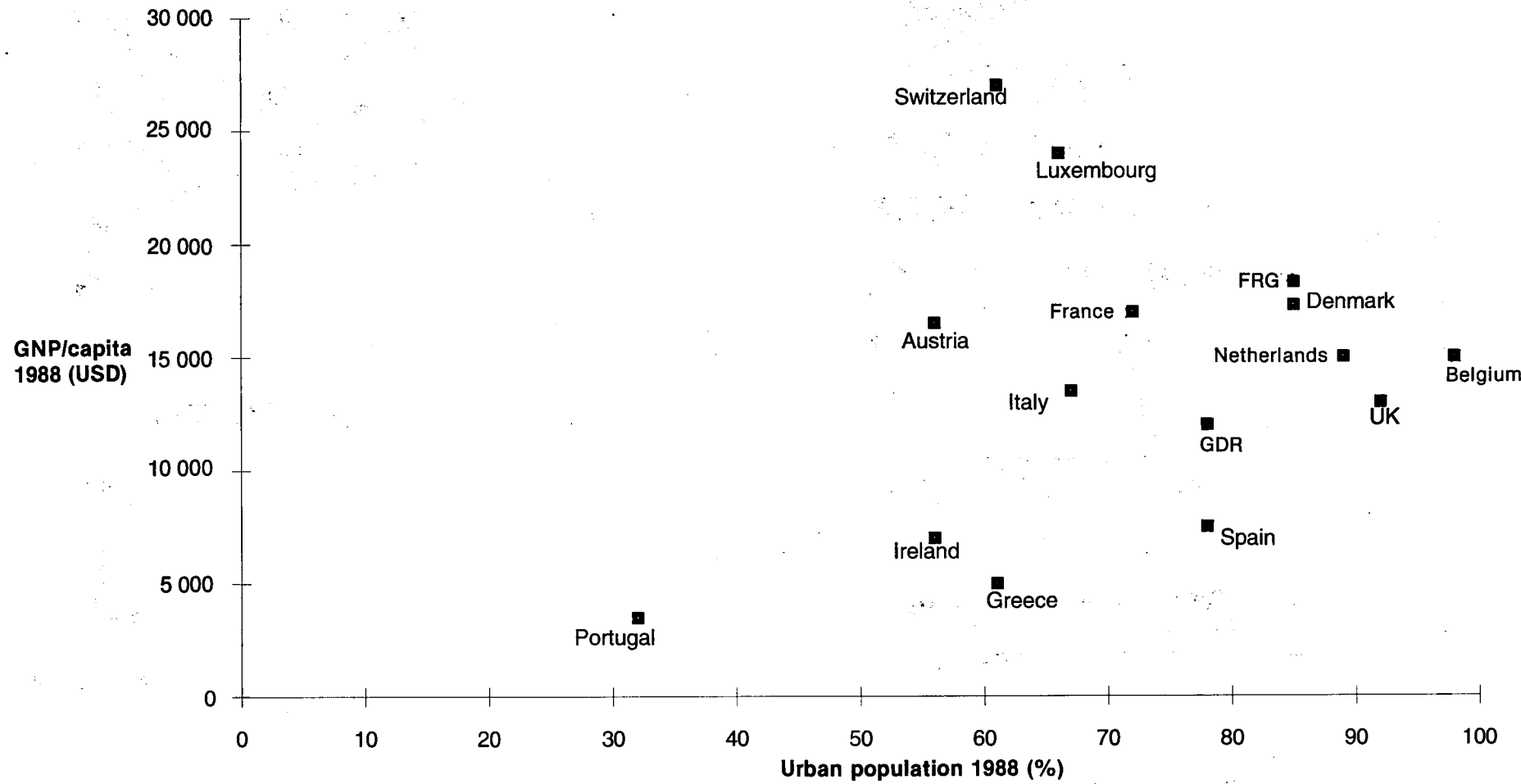
*Sources:* World Bank, 1990; United Nations, 1987; Statistisches Bundesamt, 1990.

Figure 6. Degree of urbanization (top) and urban growth (bottom), 1965-88



Sources: World Bank, 1990; United Nations, 1987; Statistisches Bundesamt, 1990.

**Figure 7. Urbanization and economic development, 1988**



Source: World Bank, 1990.

2.2.4. Europe has been rapidly urbanizing. By 1965, only Greece, Ireland and Portugal had a level of urbanization below 60%. Belgium and the United Kingdom had the highest level at 93 and 87%. By 1988, Greece had exceeded the 60% mark with Ireland just behind at 58%. The most significant rate of growth of the urban population between 1980 and 1988 was in Portugal, Spain and Greece (Table 1 and Figure 6). These figures give only a broad impression of the urban situation in industrialized countries. Nevertheless, they confirm the relationship between levels of urbanization and economic development — low levels of urbanization are associated with a low GNP per capita, which in turn rises with the level of urbanization (Figure 7).

2.2.5. Although care must be taken with different national definitions of urbanization, Table 2 and Figure 8 show that in the mid-1980s,

90 cities in the European Community had a population of more than 250 000. During the last three decades cities in Europe have continuously grown beyond their administrative boundaries. The dismantling of walls, the continuous evolution of transport technologies, growing affluence, changing life-styles and the increasing costs of urban land caused suburbanization beyond the original city boundaries. Thus it has become more difficult to define the boundary between city and countryside. Administrative boundaries no longer reflect the real size of a city. Paris is a good example. The city of Paris has 2 million inhabitants. However, by adding the municipalities of the region Ile de France, Paris becomes a metropolis of more than 10 million. Some countries, Germany for example, achieved a consolidation of cities by merging suburban municipalities with the core city forming relatively efficient administrative units. In other countries, core cities were unable to convince their suburban neighbours, which relied on the services of the core city, to join them and share their financial burden.

**Table 2. Urban population in the EC by city size in the 1980s.**

| City size<br>(population) | Number<br>of cities | Population<br>n<br>(millions) | EC<br>12 (%) |
|---------------------------|---------------------|-------------------------------|--------------|
| > 2 million               | 5                   | 19.1                          | 5.7          |
| 1-2 million               | 7                   | 10                            | 3            |
| 500 000-1 million         | 25                  | 16.1                          | 4.8          |
| 250 000-500 000           | 53                  | 18                            | 5.4          |
| 100 000-250 000           | 221                 | 33.1                          | 9.9          |
| 50 000-100 000            | 476                 | 32.2                          | 9.6          |
| < 50 000                  | approx.<br>5 000    | 139.9                         | 41.7         |
| Urban population          |                     | 268.3                         | 80           |
| Rural population          |                     | 67.1                          | 20           |
| Total                     |                     | 335.4                         | 100          |

*Note:* Data are from 1981 (Greece, Ireland, Italy, Luxembourg, Portugal, UK), 1982 (France), 1983 (Belgium), 1984 (Netherlands and Spain), 1985 (Germany, GDR), and 1986 (Germany, FRG).

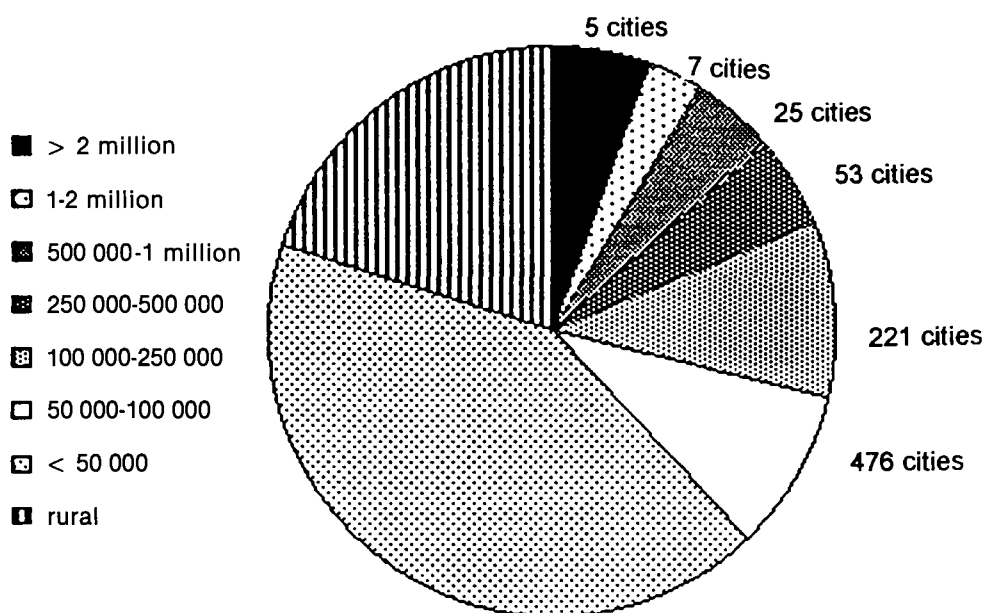
*Sources:* Census data; Statistisches Bundesamt, 1988.

2.2.6. If functional urban regions with a population of more than a million are considered, four out of ten Europeans live in large metropolitan areas, and every second European if all functional urban areas with a population of more than 330 000 are taken into account. These larger cities and city regions are the driving engines of economic development in the countries of Western Europe. However, the majority of citizens in Europe still live in small and medium-sized cities. These smaller and medium-sized cities are in danger of being relative 'losers' in the international competition between cities, unless they are situated in the immediate hinterland of the metropolises to which they are increasingly functionally linked.

2.2.7. However, general urbanization figures do not show the degree of balance of an urban system. This is addressed in Table 3 which shows the relative concentration of the urban population in the largest city and in cities with more than 500 000 population of selected countries. In 1960, for example, in Austria, Greece and Ireland more than half of the urban population lived in the largest city, i.e. in Vienna, Athens or Dublin. The

uncontrolled growth of Athens in the following decades has further increased that city's share of the total urban population of Greece to 57%. Portugal and Ireland, however, during these 20 years have experienced a slight decline of the concentration of urban population in Dublin and Lisbon. On the opposite end there are the much more balanced urban systems of the Netherlands, Belgium, Italy, Germany or Spain, where only a

**Figure 8. Urban population in the EC by city size in the 1980s**



Sources: Census data; Statistisches Bundesamt, 1988.



**Table 3. Concentration of urban population**

| Country        | Largest city | Percentage of urban population |      |                        |      |
|----------------|--------------|--------------------------------|------|------------------------|------|
|                |              | in largest city                |      | in cities over 500 000 |      |
|                |              | 1960                           | 1980 | 1960                   | 1980 |
| Belgium        | Brussels     | 17                             | 14   | 28                     | 24   |
| Denmark        | Copenhagen   | 40                             | 32   | 40                     | 32   |
| France         | Paris        | 25                             | 23   | 34                     | 34   |
| Germany, FRG   | Berlin       | 20                             | 18   | 48                     | 45   |
| Germany, GDR   | Berlin       | 8                              | 9    | 13                     | 18   |
| Greece         | Athens       | 51                             | 57   | 51                     | 70   |
| Ireland        | Dublin       | 51                             | 48   | 51                     | 48   |
| Italy          | Rome         | 13                             | 17   | 46                     | 52   |
| Luxembourg     | Luxembourg   | 36                             | 33   | 0                      | 0    |
| Netherlands    | Amsterdam    | 9                              | 9    | 27                     | 24   |
| Portugal       | Lisbon       | 47                             | 44   | 47                     | 44   |
| Spain          | Madrid       | 13                             | 17   | 37                     | 44   |
| United Kingdom | London       | 24                             | 20   | 61                     | 55   |
| EC 12          |              | 17                             | 16   | 44                     | 43   |
| Austria        | Vienna       | 51                             | 39   | 51                     | 39   |
| Switzerland    | Zurich       | 19                             | 22   | 19                     | 22   |

Sources: World Bank, 1990; United Nations, 1987; Statistisches Bundesamt, 1990.

relatively low proportion of the total country's urban population lives in the largest city. Figure 9 illustrates the same data for the countries of the European Community geographically.

## 2.3. The forces shaping demographic and migratory change

2.3.1. As Chapter 1 demonstrated, Europe has experienced major economic restructuring in the last three decades. These economic trends — the decline of traditional industries, the industrialization of agriculture and the rising economic importance of the 'post-industrial' high-technology and service sectors — have had major spatial implications. Indeed, they have been

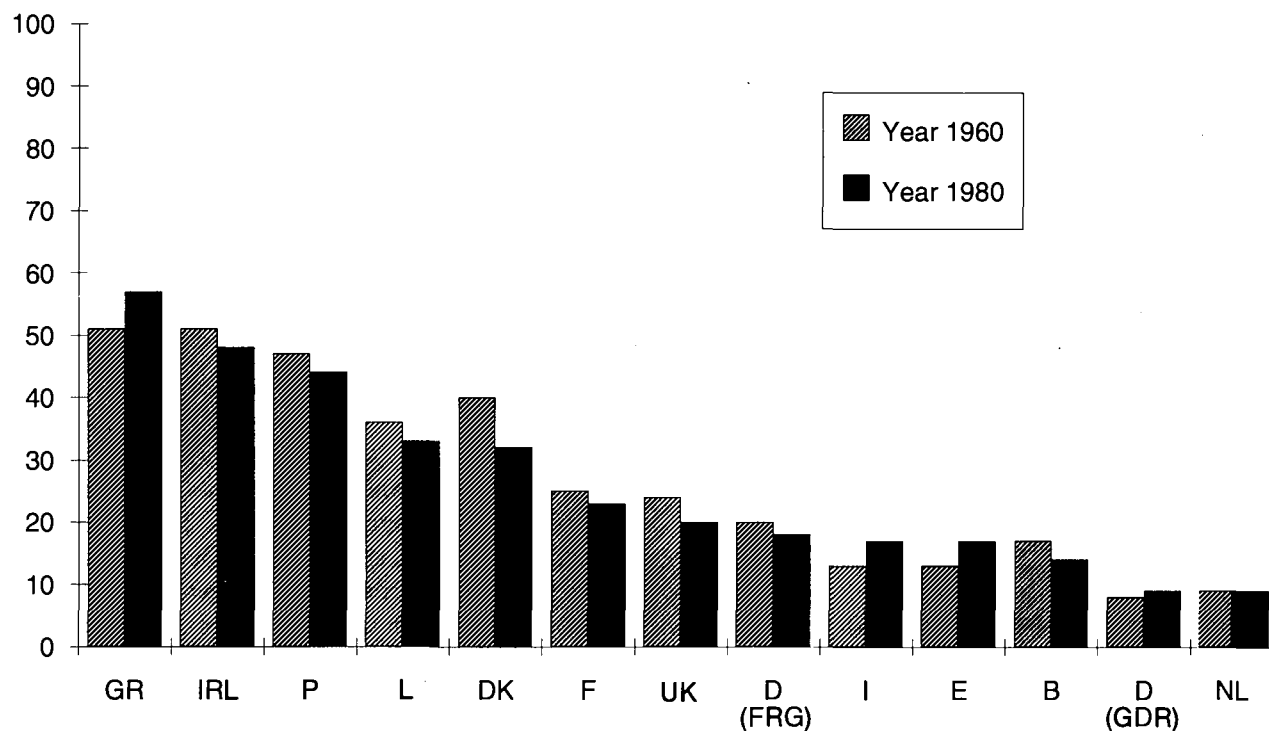
the major impulse behind changing patterns of urbanization. They underpin population movements within regions, between regions, between countries and even between continents. Most obviously, economically successful urban areas act as magnets for migrants. The greater the economic disparity between urban areas, the greater the pressure for migration from poor to rich areas.

2.3.2. Paradoxically, economically weak, peripheral cities have also expanded their populations. In this case, however, high rates of natural increase and rural-urban migration, rather than interregional or international migration, have stimulated urban growth, reflecting the correlation between levels of economic development and rates of natural population increase. In the developed regions, low fertility rates ensure minimal or even negative natural increase. But in developing regions relatively high fertility rates induce higher rates of natural increase. Also, while migration from rural to urban areas has dried up in developed regions, there is still a pool of potential rural migrants in many of the Community's developing regions, since the transition from agriculturally based to modern economies is not yet complete in many parts of Spain, Portugal, Greece, Ireland and southern Italy.

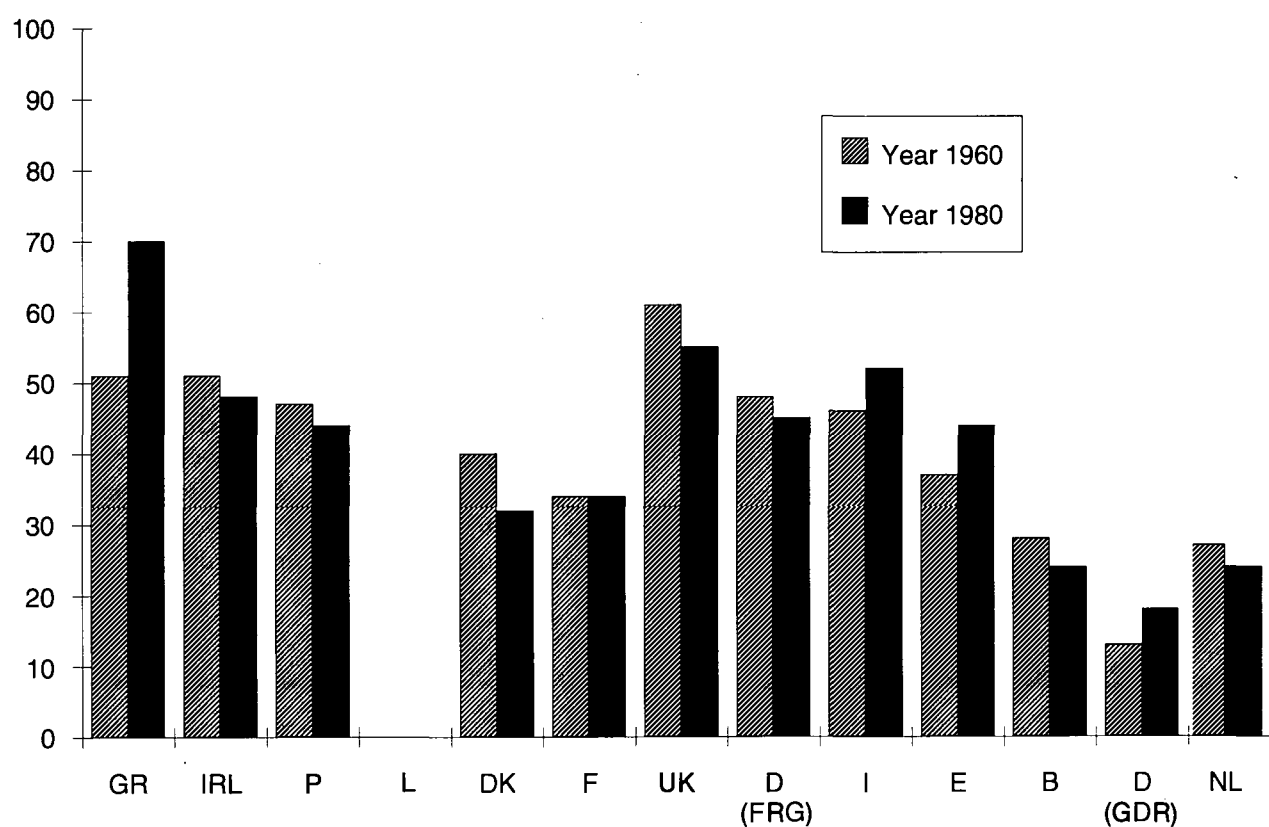
2.3.3. The trend towards smaller households, an ageing population structure and new patterns of labour force participation raises policy issues about local needs and the provision of urban services. Average household sizes have fallen dramatically over the last three decades throughout Europe. In 1960, household size in most European countries averaged 3 to 3.5 persons. By 1990, the average had fallen to 2.5 to 3 persons. But these average figures mask variations between different countries. In Ireland average household size is 3.5 persons, but in Denmark there are only an average 1.8 persons per household. Moreover, figures differ between

Figure 9. Population in largest city (top) and in cities over 500 000 (bottom), 1960-80

Population of largest city as percentage of total population



Metropolitan population as percentage of total population



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town and country. In most inner cities in Europe today, there are on average less than two people per household.

2.3.4. In the 1990s and beyond, the challenges of coping with an ageing population profile will put a strain on urban social services as well as create demands for housing for older, less mobile citizens. Cities will be faced with the task of planning, providing and financing sheltered housing, appropriate facilities and expensive health services. Equally, the increasing participation of women in the labour force will increase demand for childcare facilities. Many cities in southern Europe have a young population profile which will place increased demand on the education and training infrastructure. It also exacerbates unemployment problems and imposes burdens on social welfare provision.

2.3.5. The data from our case-study cities indicates that urban populations have increasingly aged, particularly in old core cities. In the peripheral cities, immigration and higher fertility rates guarantee that the population is younger than in old core cities. But even here the trend towards a more elderly population is found.

2.3.6. The rapidly changing physical and telecommunication links in Europe also have major spatial effects. The development of transport and telecommunication networks will continue to encourage the growth of cities which act as major communication nodes and the decline of others bypassed by such networks. Telecommunication developments will also induce changes in the spatial distribution of economic activity, although the decentralizing impact may not be as great as once anticipated. Within urban areas, developments in communications have been a major factor in encouraging suburbanization and deurbanization. Equally, recent increases in the volume of road transport and resulting congestion in larger cities have encouraged the decentralization of economic activity to smaller

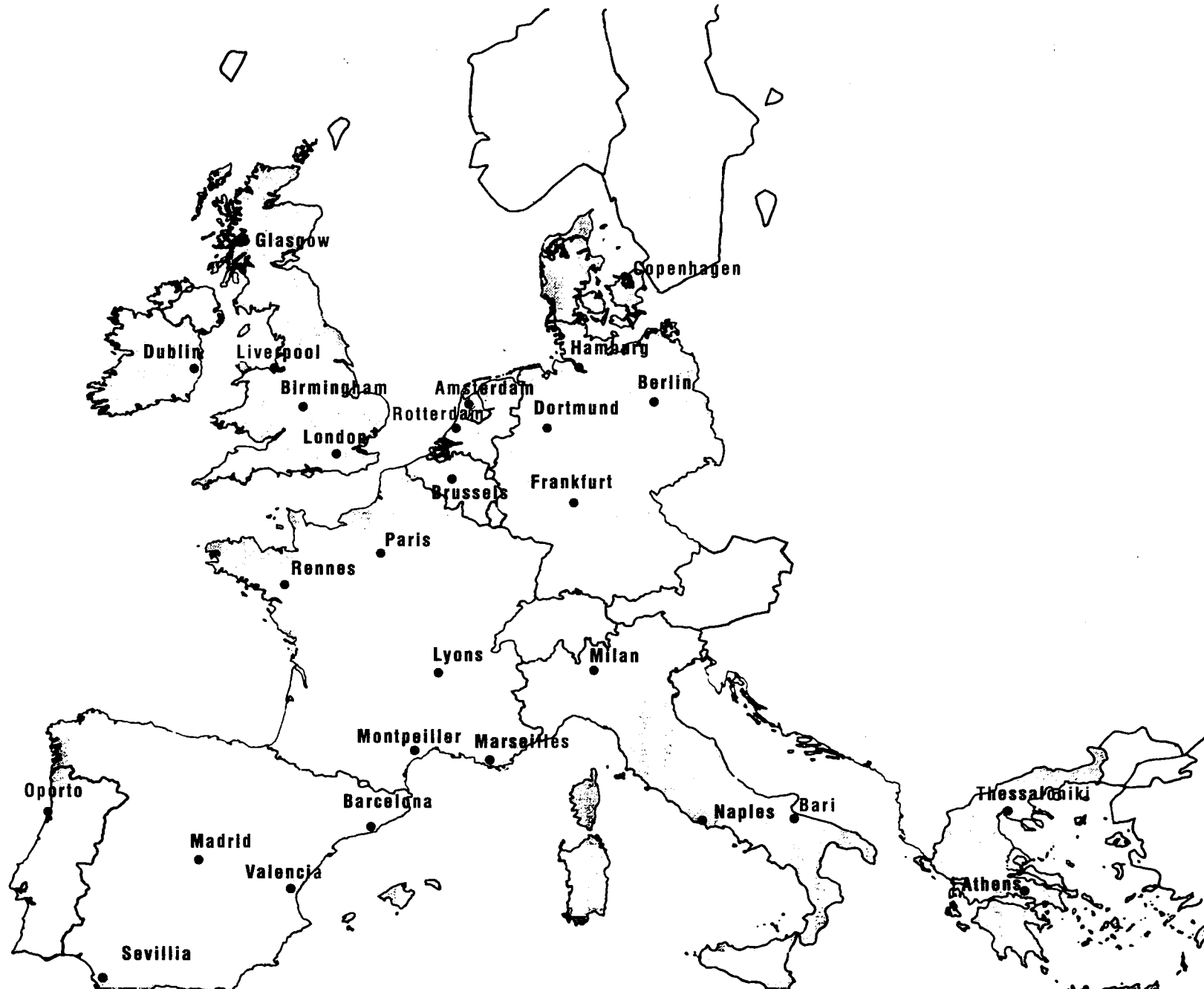
less-crowded towns. The impact of telecommunication technologies on the spatial organization of work within cities is only slowly becoming apparent. However, early indications have not confirmed the anticipated substitution of physical travel by telecommunications. Despite the relocation of back-office functions outside central cities, high-level service activities have dispersed less from city centre locations. Improved telecommunications have not yet broken the dominance of central urban locations for key economic activities.

## **2.4. Demographic and migratory trends**

2.4.1. The dynamics of urban growth and decline are determined by migration rates and natural population increase which are in turn a function of fertility and mortality rates. During the last three decades, cities in Western Europe have been through a 'demographic transition' involving first a decline in mortality rates followed by a decline in fertility rates. This phenomenon occurred in Member States at different times, depending on the stage of their economic development. It happened first in those countries which industrialized earliest in the old core of Europe. It emerged more recently in peripheral areas of Europe which have higher, if declining, birth-rates than the old core.

2.4.2. Rural-urban migration, stimulated by restructuring economies, has also been a crucial component of urbanization. This varied regionally. The primary phase of European urbanization took place in the industrial cities in Britain in the second half of the 19th century and spread through the century to the remainder of the old core — Belgium, the Netherlands, north-west France and Germany. Not until the 20th century did the process reach the new core in northern Italy, southern Germany and southern France. Many peripheral cities are still going through this stage.

Map 2. The case-study cities



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2.4.3. International migration has also been significant. Much of the population growth of cities in the 1960s and 1970s was due to migration from States on the European periphery and from their ex-colonies to Britain, France and the Netherlands. Primarily, Afro-Caribbeans and Asians migrated to Britain, North Africans settled mainly in France but also in Belgium, the Netherlands and Germany. Germany also attracted many migrants from Turkey and southern Europe and the Netherlands became home to migrants from its former colonies in South-East Asia. In 1990, it was estimated that 16 million migrants and refugees were living in Western Europe — more than 5% of the total population.

2.4.4. International migrants typically settle in the larger cities where social support networks exist and opportunities, often in the informal sectors of the economy, are greatest. For instance, of France's 4.5 million immigrants, 40% live in the Paris city-region and the majority of the others live in Marseilles and Lyons. Immigrants living in the Netherlands comprise 4% of the national population but 15 to 30% of the urban population of Amsterdam, The Hague, Rotterdam and Utrecht. Equally, whereas immigrants make up 9% of Belgium's population, they account for 25% of people living in Brussels. Estimates suggest that 80% of immigrants to Italy, mainly coming from North Africa, have concentrated in the cities of Rome, Milan, Naples, Florence, Turin and Bologna.

2.4.5. In the 1990s with the impulse of the single market, Europe's economy is likely to strengthen and disparities in economic wealth between the EC and surrounding countries grow. The widening economic divide is likely to raise demand for migration into the Community, not only from the countries of North Africa but also through the newly opened borders of Eastern Europe. The

countries of North Africa teeter on the edge of a population explosion. One of the greatest potential sources of a new wave of migrants, and also one of the most unpredictable, is the former Soviet Union. Some estimates imply that the continuing economic crisis in the Commonwealth of Independent States could create 1.5 to 2 million migrants per annum.

2.4.6. Because of ex-colonial and language links, the next wave of economic migrants from North Africa will primarily settle initially in French cities which have established North African communities and offer economic opportunities. East European economic migrants are more likely to settle in German cities with the best employment prospects.

2.4.7. Although the most pronounced migration flows are likely to stem from outside the Community, international and interregional migration within the Community will also continue. Net emigration trends from Ireland to the United Kingdom, especially to London and the south-east, are one clear example. Migration will also continue from peripheral regions which have higher rates of natural population increase. Nevertheless, declining fertility rates are now a consistent feature of the peripheral regions of the Community which implies that interregional migration pressures will continue to decline in the 1990s and beyond.

## **2.5. The urbanization cycle**

2.5.1. In the last 45 years, Europe has become increasingly urbanized. By 1981, about 80% of West Europeans lived in urban areas in the broadest sense of the term. Moreover, the largest 122 urban agglomerations in the European Community housed over 50% of its citizens. Four phases can be identified — urbanization,

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suburbanization, deurbanization and, more recently, reurbanization.

2.5.2. In the urbanization phase, population and economic activity concentrates in urban centres. In the suburbanization phase the growth of the suburbs outstrips that of the city centre and, eventually, there is a shift of population and jobs to the suburbs. In the deurbanization phase the wider conurbation as a whole loses population, smaller urban areas grow and a more decentralized urban system develops. In the reurbanization phase, cities which have been losing population begin to grow again.

2.5.3. In the 1950s, urbanization was the dominant process — the larger the city, the more likely it was to experience population growth through immigration. The trend was found in every country in Western Europe. During the 1960s, however, there was a shift towards more dispersed population growth, especially in cities in the old core. By the end of the decade, a pattern of deurbanization had emerged.

2.5.4. Whilst rural-urban migration in developing regions continued to expand the population of larger cities in the 1970s, by the end of the decade urbanization was a dominant feature only in Spain and Greece. Even though Madrid and Athens continued to grow at a significant rate, the rapid growth of the Dublin and Lisbon metropolitan areas had tailed off by the end of the 1970s (see Table 4).

2.5.5. During the 1970s, in most Member States in the old core of Europe — Belgium, Denmark, France, the Netherlands, the United Kingdom and West Germany — the relationship between migration and settlement size was reversed. The largest cities, especially their centres, lost population. At the same time, many smaller cities grew. However, cities in Spain, Portugal, southern Italy and Greece experienced these processes at a later date. Many cities in these

countries were suburbanizing until the late 1980s — some years later than their northern counterparts — with the urban core losing population but the wider metropolitan area continuing to grow (see Figure 10).

2.5.6. Recent trends indicate a more diverse pattern of urban change. There is no longer a simple relationship between the size of an urban area and its growth or decline. There is an important economic and regional dimension to the contemporary growth and decline of cities. The old core, new core, periphery framework illustrates the regional shifts in migration patterns and regional variation in rates of natural increase and their spatial impacts.

2.5.7. There is a pattern of regional and urban change which corresponds to old core, new core and peripheral regions and the cities within them (Figures 11 and 12). In the peripheral regions of the Community and their cities, birth-rates, although falling, remain above mortality rates and migration from rural to urban areas is still important. As a result, despite net out-migration from the region, total population levels in these cities continue to rise. In the economically more prosperous cities and regions of the new core, low or negative rates of natural increase ensure a stable or declining population, despite net immigration. Until relatively recently, many of the cities in the old core of Europe not only experienced net out-migration, but they also experienced minimal natural increase and population decline in most of their centres.

## **2.6. Towards a 'balanced' European urban system — the rise of smaller cities, 1960-80**

2.6.1. These economic, migratory and demographic forces have had different impacts upon cities of different sizes in the Community.

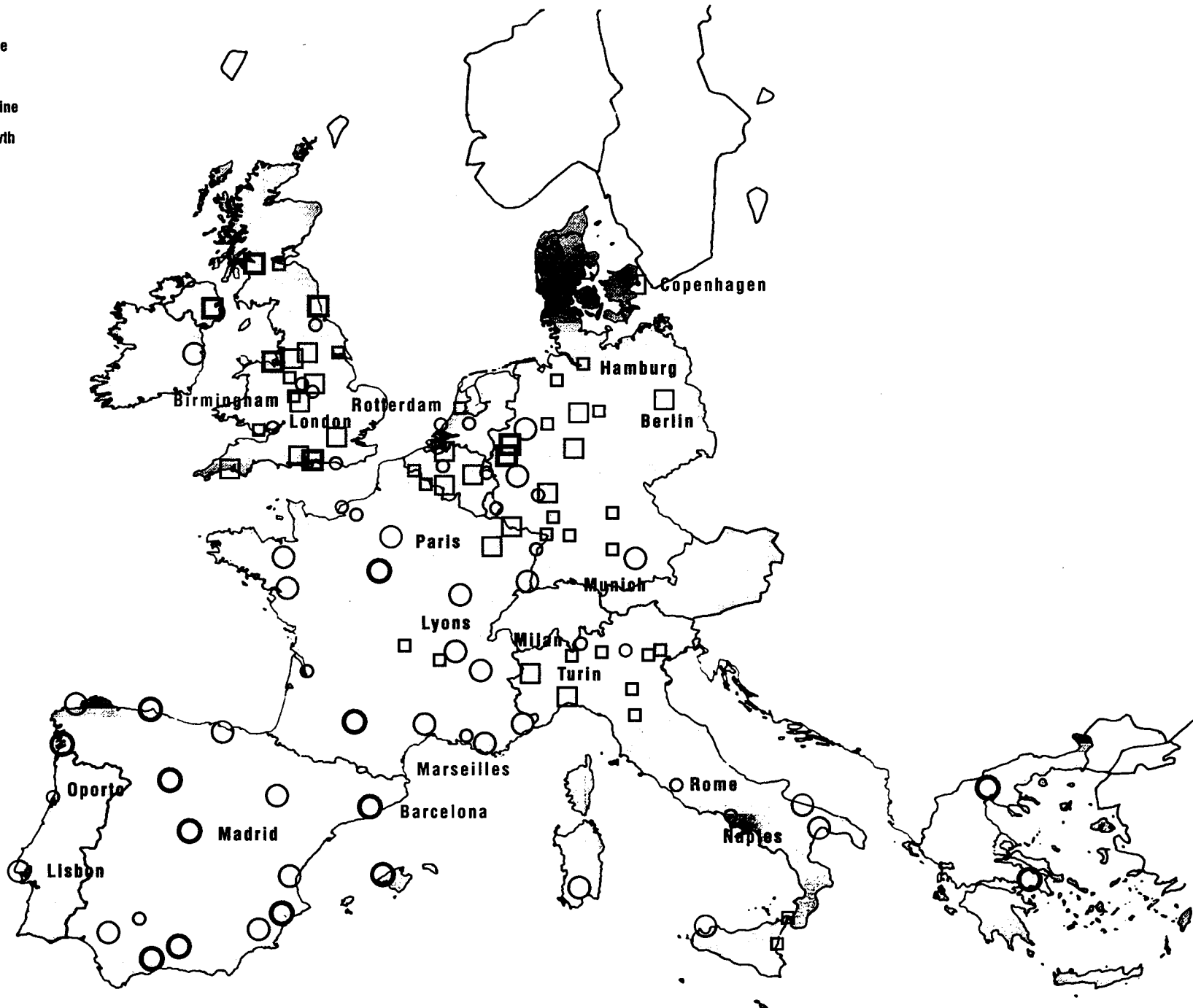
**Table 4. Demographic change in European cities**

|                                     | City demographic change<br>(× 1 000) |                 |                 | Change (%)          | Metropolitan area demographic change<br>(× 1 000) |                 |                  | Change (%)         |
|-------------------------------------|--------------------------------------|-----------------|-----------------|---------------------|---|-----------------|------------------|--------------------|
|                                     | 1970                                 | 1980            | 1986            | 1970-86             | 1970  | 1980            | 1986             | 1970-86            |
| <b>Cities in old core regions</b>   |                                      |                 |                 |                     |   |                 |                  |                    |
| Amsterdam                           | 820                                  | 712             | 679             | -17.20              | 1 095   | 1 044           | 1 024            | -6.49              |
| Birmingham                          | 1 098                                | 1 007           | 970             | -11.66              | 2 793   | 2 646           | 2 572            | -7.90              |
| Brussels                            | 1 075                                | 1 008           | 976             | -9.20               | 2 171   | 2 212           | 2 237            | 3.04               |
| Copenhagen                          | 725                                  | 585             | 556             | -23.32              | 1 389   | 1 388           | 1 347            | -3.03              |
| Glasgow                             | 940                                  | 774             | 734             | -21.91              | 2 505   | 2 505           | 2 359            | -5.83              |
| Hamburg                             | 1 794                                | 1 645           | 1 571           | -12.40              | n.a.  | 1 898           | n.a.             | n.a.               |
| Liverpool                           | 610                                  | 510             | 479             | -21.47              | 1 656   | 1 513           | 1 445            | -12.74             |
| London                              | 3 031                                | 2 497           | 2 423           | -20.06              | 7 542   | 6 696           | 6 536            | -12.29             |
| Rotterdam                           | 687                                  | 579             | 571             | -16.89              | 1 064   | 1 025           | 1 035            | -2.73              |
| Paris                               | 2 591<br>(1968)                      | 2 300<br>(1975) | 2 176<br>(1982) | -16.02<br>(1968-82) | 9 245<br>(1968)                                   | 9 877<br>(1975) | 10 071<br>(1982) | 8.93<br>(1968-82)  |
|                                     |                                      |                 |                 | Change (%)          |   |                 |                  | Change (%)         |
|                                     | 1971                                 | 1981            | 1986            | 1970-86             | 1971  | 1981            | 1986             | 1970-86            |
| <b>Cities in new core regions</b>   |                                      |                 |                 |                     |   |                 |                  |                    |
| Barcelona                           | 1 742                                | 1 755           | 1 694           | -2.7                | 1 095   | 1 044           | 1 024            | -6.49              |
| Madrid                              | 3 146                                | 3 188           | 3 124           | -0.69               | 3 761   | 4 687           | 4 786            | 27.25              |
| Milan                               | 1 725                                | 1 604           | 1 478           | -14.30              | 3 163   | 3 227           | 3 221            | 1.83               |
| Lyons                               | 520<br>(1968)                        | 456<br>(1975)   | 413<br>(1982)   | -20.58<br>(1968-82) | 1 066<br>(1986)                                   | 1 121<br>(1975) | 1 101<br>(1982)  | 3.29<br>(1968-82)  |
| Marseilles                          | 881<br>(1968)                        | 908<br>(1975)   | 840<br>(1986)   | -4.65<br>(1968-82)  | 965<br>(1968)                                     | 1 074<br>(1975) | 1 108<br>(1982)  | 14.92<br>(1968-82) |
| Frankfurt                           | 657                                  | 625             | 592             | -9.89               | 1 486<br>(1970)                                   | n.a.            | 1 551<br>(1989)  | 4.37<br>(1970-89)  |
|                                     |                                      |                 |                 | Change (%)          |   |                 |                  | Change (%)         |
|                                     | 1971                                 | 1981            | 1986            | 1970-86             | 1971  | 1981            | 1986             | 1970-86            |
| <b>Cities in peripheral regions</b> |                                      |                 |                 |                     |   |                 |                  |                    |
| Dublin                              | 568                                  | 526             | 485             | -14.60              | 936   | 1 134           | 1 171            | 25.11              |
| Lisbon                              | 782                                  | 818             | 829             | -6.01               | 1 781   | 2 621           | 2 578            | 44.75              |
| Naples                              | 1 227                                | 1 212           | 1 201           | -2.12               | 2 710   | 2 971           | 3 087            | 13.91              |

Sources: Census and Eurocities data.

Figure 10. Urban decline and urban growth, 1971-81

- ▣ Servers decline
- Declinas
- ▣ Moderats decline
- Moderats growth
- Growth
- Rapid Growth



Source: Kunzmann and Wegener, 1990.



Figure 11. Natural population growth, yearly rate 1980-89

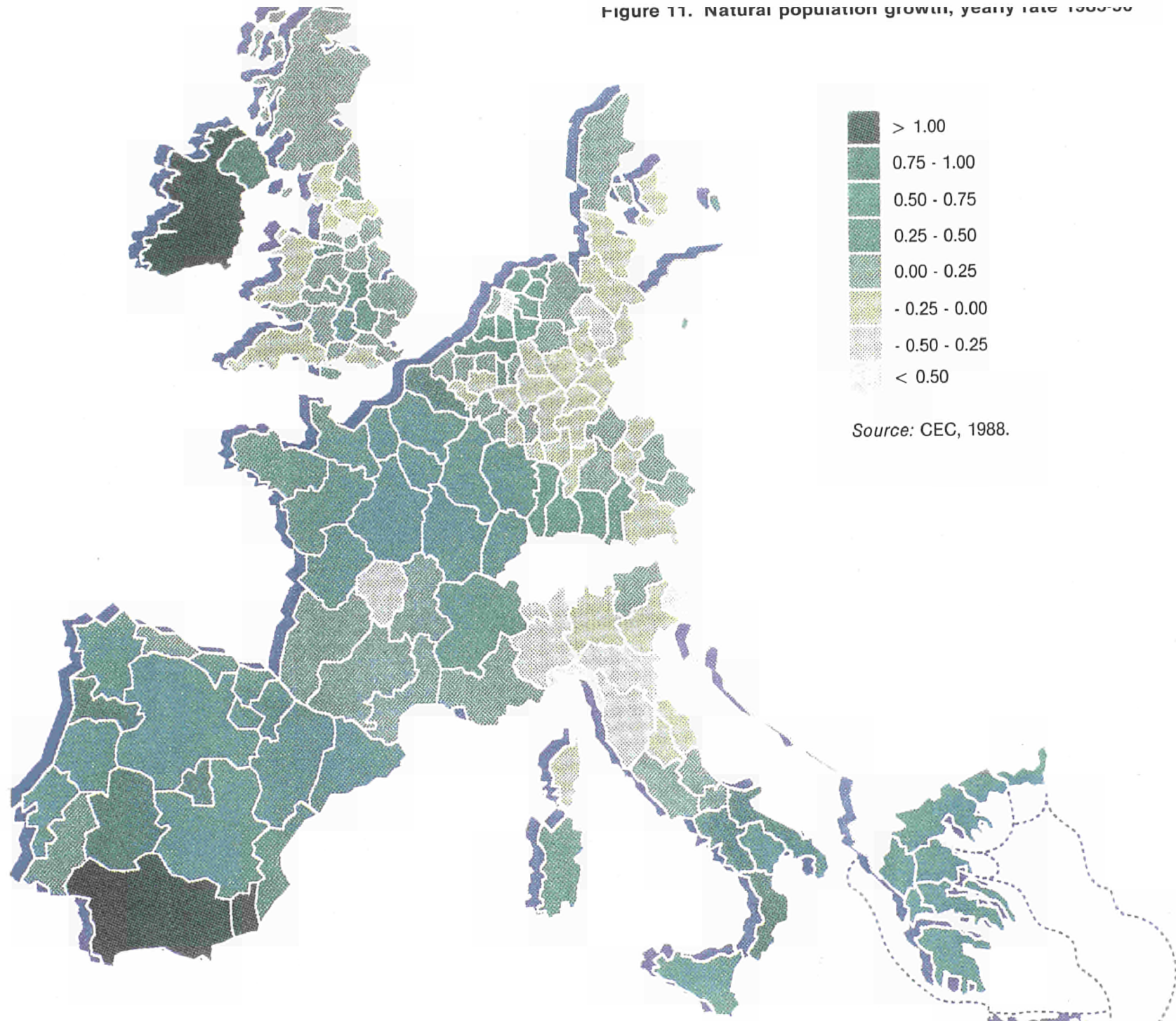
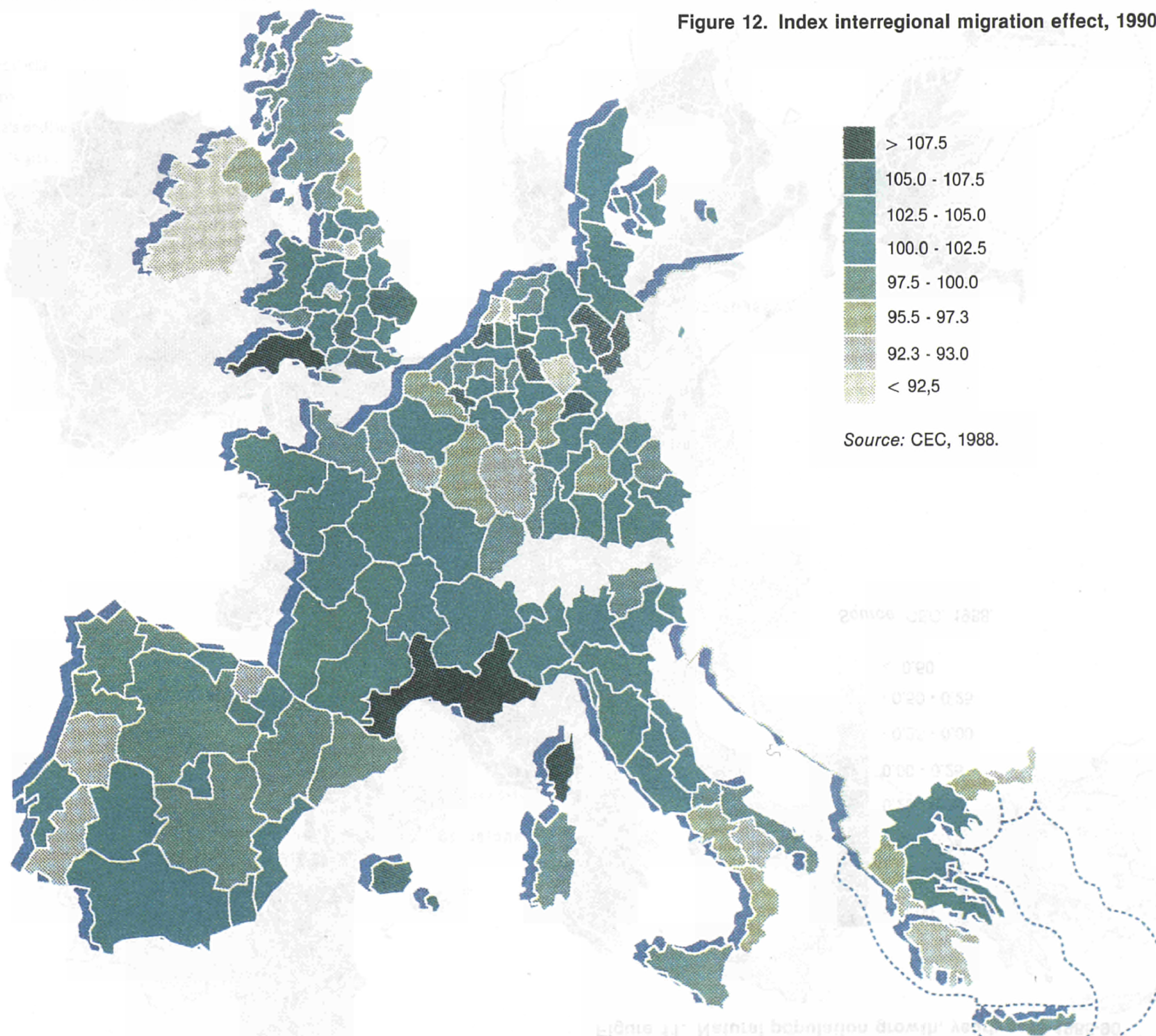


Figure 12. Index interregional migration effect, 1990





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But since the 1950s the European urban system has become more balanced since it is less dominated by its larger cities and its medium-sized and smaller cities have grown. Between 1960 and 1980, in all Member States, medium-sized and smaller cities with populations of under 250 000 grew substantially. Larger cities either lost population or their growth rate slowed. However, there were variations within the regions.

2.6.2. In the old core of Europe, during the 1950s and 1960s many large cities reached the end of the urbanization and suburbanization phases and achieved their maximum population. From the 1970s onwards many of them lost population in the wider metropolitan areas and experienced deurbanization as Table 4 demonstrates. During the 1960s and 1970s, smaller towns grew in all Member States.

2.6.3. In the periphery of Europe, the experience of large cities was different. They continued to grow during the 1960s and 1970s, even though during the early 1980s their rate of increase began to slow down. But in the periphery smaller cities also grew after the 1950s and particularly quickly during the 1960s and 1970s.

2.6.4. This picture can be appreciated in detail by examining the data from Member States presented in Tables 5 to 25 below. A note of caution is due here. Differences in the availability of census data for different countries, different time periods and administrative boundaries make exact comparisons awkward. Also, where the data relates to central cities alone it must be treated with care, especially for larger cities where the metropolitan boundaries are wider and the population larger. However, the central city is a reasonable guide to population changes in medium-sized and smaller cities where the boundaries of central and metropolitan areas are more coterminous.

2.6.5. In the peripheral regions of the European

Community high fertility rates and rural emigration rates ensured that both large and small cities grew until the 1980s. Tables 5 and 6 show that in Spain the centres of the largest cities grew most rapidly during the 1950s and 1960s. However, during the 1960s smaller cities entered a very rapid growth period and maintained this rate during the 1970s, as the growth in the centres of larger cities began to slow.

2.6.6. In Portugal's two largest cities, Lisbon and Oporto, the central city grew steadily between 1960 and 1984 as their metropolitan areas grew much more rapidly (Tables 7 and 8). There was relatively little growth during the 1960s amongst smaller towns. But they grew rapidly during the 1970s. However, the rate of growth of smaller cities stabilized in the 1980s. In Ireland the population of the capital city Dublin grew by over 14% during the 1970s. Smaller towns increased at higher rates. The greatest relative increase was in the very small towns of between 3 000 and 10 000 (Table 9). In Greece the capital Athens grew throughout the three decades, but expanded most rapidly during the 1960s. Most smaller cities grew throughout all three decades, especially in the 1970s (Table 10).

2.6.7. These four peripheral countries — Spain, Portugal, Ireland and Greece — have traditionally been demographically dominated by their capitals and have had relatively unbalanced urban systems. Despite the continuing importance of these capital cities, however, all four countries have developed more demographically balanced urban systems since the 1960s.

2.6.8. A similar pattern of decentralized development occurred in the old core and new core regions of Europe. During the 1970s in Great Britain, Germany, Belgium, the Netherlands, Denmark, Italy and France larger cities declined as medium and smaller sized cities grew. In Italy, as Tables 10 and 11 show, smaller cities grew between 1951 and 1981. Larger cities experienced

**Table 5. Demographic change in principal Spanish towns and cities, 1950-86.**

| Town/city            | Population (× 1 000) |       |       |       |       | Annual growth rate (%) |         |         |         |
|----------------------|----------------------|-------|-------|-------|-------|------------------------|---------|---------|---------|
|                      | 1950                 | 1961  | 1970  | 1981  | 1986  | 1950-61                | 1961-70 | 1970-81 | 1981-86 |
| Madrid               | 1 609                | 2 260 | 3 146 | 3 188 | 3 124 | 3.14                   | 3.74    | 0.15    | -0.23   |
| Barcelona            | 1 280                | 1 558 | 1 745 | 1 755 | 1 694 | 1.80                   | 1.27    | 0.06    | -0.39   |
| Valencia             | 509                  | 505   | 654   | 752   | 739   | -0.07                  | 2.91    | 1.56    | -0.19   |
| Seville              | 377                  | 443   | 548   | 654   | 668   | 1.48                   | 2.39    | 1.98    | 0.24    |
| Málaga               | 276                  | 301   | 374   | 503   | 595   | 0.79                   | 2.44    | 3.35    | 1.88    |
| Zaragoza             | 264                  | 326   | 480   | 591   | 596   | 1.94                   | 4.39    | 2.34    | 0.09    |
| Bilbao               | 229                  | 298   | 410   | 433   | 378   | 2.42                   | 3.61    | 0.61    | -1.50   |
| Murcia               | 218                  | 250   | 244   | 289   | 309   | 1.25                   | -0.27   | 1.90    | 0.75    |
| Córdoba              | 165                  | 198   | 254   | 285   | 305   | 1.67                   | 2.81    | 1.29    | 0.76    |
| Granada              | 153                  | 157   | 190   | 262   | 281   | 0.23                   | 2.14    | 3.63    | 0.78    |
| Palmas (Las)         | 138                  | 194   | 287   | 366   | 372   | 3.14                   | 4.45    | 2.74    | 0.18    |
| Palma de Mallorca    | 137                  | 159   | 234   | 304   | 321   | 1.36                   | 4.39    | 2.95    | 0.61    |
| La Coruña            | 134                  | 177   | 190   | 232   | 242   | 2.56                   | 0.79    | 2.24    | 0.47    |
| Valladolid           | 124                  | 152   | 236   | 330   | 342   | 1.87                   | 5.01    | 3.80    | 0.40    |
| Vigo                 | 118                  | n.a.  | 197   | 259   | 264   | n.a.                   | n.a.    | 3.09    | 0.21    |
| San Sebastián        | 114                  | 135   | 166   | 176   | 180   | 1.55                   | 2.32    | 0.65    | 0.25    |
| Cartagena            | 113                  | 124   | 147   | 173   | 169   | 0.85                   | 1.91    | 1.83    | -0.26   |
| Gijón                | 111                  | 125   | 188   | 256   | 259   | 1.09                   | 4.64    | 3.49    | 0.13    |
| Jerez de la Frontera | 108                  | 131   | 150   | 176   | 180   | 1.77                   | 1.52    | 1.79    | 0.25    |
| Alicante             | 104                  | 122   | 185   | 251   | 266   | 1.46                   | 4.73    | 3.45    | 0.65    |
| S. Cruz de Tenerife  | 103                  | 135   | 151   | 191   | 211   | 2.49                   | 1.25    | 2.65    | 1.11    |
| Oviedo               | 103                  | 127   | 154   | 190   | 191   | 1.92                   | 2.16    | 2.36    | 0.06    |
| Santander            | 102                  | 118   | 150   | 180   | 188   | 1.33                   | 2.70    | 2.05    | 0.48    |
| Cádiz                | 100                  | 118   | 136   | 158   | 154   | 1.52                   | 1.59    | 1.68    | -0.28   |
| Salamanca            | 80                   | 90    | 125   | 167   | 167   | 1.08                   | 3.72    | 3.27    | 0.00    |
| Badajoz              | 79                   | 96    | 102   | 114   | 126   | 1.79                   | 0.68    | 1.24    | 1.12    |
| Almería              | 77                   | 87    | 114   | 141   | 157   | 1.12                   | 3.05    | 2.39    | 1.20    |
| Búrgos               | 75                   | 82    | 120   | 156   | 164   | 0.81                   | 4.32    | 2.96    | 0.56    |
| Pamplona             | 72                   | 98    | 147   | 183   | 184   | 2.84                   | 4.61    | 2.46    | 0.06    |
| Albacete             | 72                   | 74    | 93    | 117   | 127   | 0.25                   | 2.57    | 2.58    | 0.92    |
| Hospitalet           | 72                   | 123   | 242   | 294   | 277   | 4.99                   | 7.81    | 2.19    | -0.66   |
| Huelva               | 64                   | 74    | 97    | 128   | 135   | 1.33                   | 3.05    | 3.13    | 0.59    |
| Badalona             | 62                   | 92    | 163   | 228   | 223   | 3.65                   | 6.56    | 3.80    | -0.25   |
| León                 | 60                   | 73    | 105   | 131   | 137   | 1.80                   | 4.12    | 2.49    | 0.50    |

**Table 6. Demographic change in different sizes of Spanish towns and cities, 1970-86**

| Size of towns/cities | Population |            |            |            | Annual growth rate (%) |         |         |
|----------------------|------------|------------|------------|------------|------------------------|---------|---------|
|                      | 1970       | 1975       | 1981       | 1986       | 1970-75                | 1975-81 | 1981-86 |
| > 500 000            | 5 947 262  | 7 213 991  | 7 376 107  | 7 277 491  | 3.94                   | 0.37    | -0.27   |
| 250-500 000          | 2 588 697  | 3 001 789  | 3 273 272  | 3 373 613  | 3.01                   | 1.45    | 0.61    |
| 100-250 000          | 3 750 630  | 4 541 770  | 5 162 597  | 5 365 531  | 3.90                   | 2.16    | 0.77    |
| 50-100 000           | 2 494 684  | 2 889 434  | 3 244 822  | 3 415 149  | 2.98                   | 1.95    | 1.03    |
| Total                | 15 781 273 | 17 646 984 | 19 056 798 | 19 331 764 | 2.26                   | 1.29    | 0.29    |

Notes: Data derived from census; figures relate to the central city population, not the wider metropolitan area.

**Table 7. Demographic change in principal Portuguese towns and cities, 1960-84**

| Town/city         | Population (× 1000) |      |      |      | Annual growth rate (%) |         |         |
|-------------------|---------------------|------|------|------|------------------------|---------|---------|
|                   | 1960                | 1970 | 1981 | 1984 | 1960-70                | 1970-81 | 1981-84 |
| Lisbon            | 802                 | 782  | 818  | 808  | -0.25                  | 0.41    | -0.41   |
| Oporto            | 303                 | 310  | 330  | 327  | 0.23                   | 0.57    | -0.30   |
| Vila Nova de Gaia | 46                  | 46   | 61   | 62   | 0.00                   | 2.60    | 0.54    |
| Coimbra           | 45                  | 46   | 72   | 75   | 0.22                   | 4.16    | 1.37    |
| Setúbal           | 45                  | 44   | 77   | 78   | -0.22                  | 5.22    | 0.43    |
| Braga             | 41                  | 41   | 64   | 63   | 0.00                   | 4.13    | -0.52   |
| Amadora           | 37                  | 36   | 94   | 95   | -0.27                  | 9.12    | 0.35    |
| Matosinhos        | 33                  | 38   | n.a. | n.a. | 1.42                   | n.a.    | n.a.    |
| Almada            | 31                  | 31   | 41   | 43   | 0.00                   | 2.57    | 1.60    |
| Barreiro          | 30                  | 30   | 51   | 51   | 0.00                   | 4.94    | 0.00    |
| Évora             | 24                  | 24   | 34   | 35   | 0.00                   | 3.22    | 0.97    |
| Covilha           | 23                  | 23   | n.a. | n.a. | 0.00                   | n.a.    | n.a.    |
| Moscavide         | 22                  | 22   | n.a. | n.a. | 0.00                   | n.a.    | n.a.    |
| Faro              | 19                  | 19   | n.a. | n.a. | 0.00                   | n.a.    | n.a.    |
| Funchal           | n.a.                | n.a. | 49   | 44   | n.a.                   | n.a.    | -3.52   |
| Queluz            | n.a.                | n.a. | 41   | 42   | n.a.                   | n.a.    | 0.81    |
| Odivelhas         | n.a.                | n.a. | 38   | 38   | n.a.                   | n.a.    | 0.00    |
| Agualva-Cacém     | n.a.                | n.a. | 34   | 34   | n.a.                   | n.a.    | 0.00    |
| Oeiras            | n.a.                | n.a. | 32   | 32   | n.a.                   | n.a.    | 0.00    |

**Table 8. Demographic change in different sizes of Portuguese towns and cities, 1960-84**

| Size of towns/cities | Population (× 1000) |      |      |      | Annual Growth Rate (%) |         |         |
|----------------------|---------------------|------|------|------|------------------------|---------|---------|
|                      | 1960                | 1970 | 1981 | 1984 | 1960-70                | 1970-81 | 1981-84 |
| > 500 000            | 802                 | 782  | 818  | 808  | -0.25                  | 0.41    | -0.41   |
| 250-500 000          | 303                 | 310  | 330  | 327  | 0.23                   | 0.57    | -0.30   |
| 100-250 000          | 0                   | 0    | 0    | 0    | n.a.                   | n.a.    | n.a.    |
| 50-100 000           | 0                   | 0    | 419  | 424  | n.a.                   | n.a.    | 0.40    |

*Note:* Figures relate to the central city population, not the wider metropolitan area.

growth in their centres during the 1960s, but with the exception of Rome they declined during the 1970s.

2.6.9. In Great Britain, larger cities have been declining in population since the 1960s (Figure 13). Their losses were particularly marked during the 1970s although their rate of decline slowed during the early 1980s. By contrast, the majority of smaller cities with populations of less than

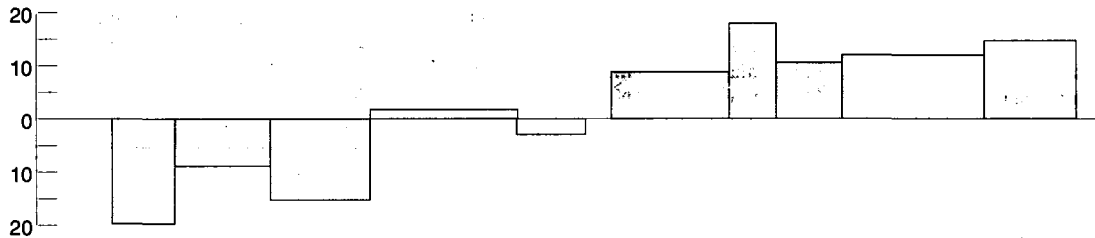
270 000 grew between 1971 and 1984. During the 1980s, the picture for smaller cities changed (Table 13). Between 1981 and 1991, the population in all large cities continued to decline. However, in contrast to the 1970s, in half of smaller cities the population also fell. Only five smaller cities had population increases of more than 5%. Greater London also declined during the 1980s. But the decline was much smaller than it had been in the previous two decades.

Figure 13. Population change for Great Britain, by type of district, 1971-84

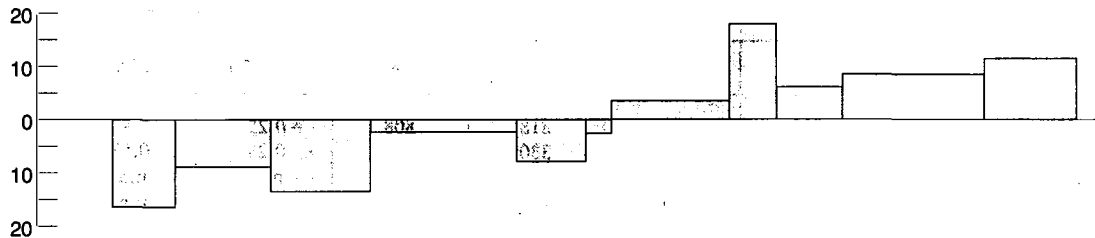
| More than 270 000 · Less than |   |                        |   |                            |   |   |   |   |   |   |
|-------------------------------|---|------------------------|---|----------------------------|---|---|---|---|---|---|
| Greater London                |   | Metropolitan districts |   | Non-metropolitan districts |   |   |   |   |   |   |
| L                             | O | P                      | O | L                          | S | I | N | R | O | R |
| n                             | u | r                      | t | a                          | m | n | e | e | t | e |
| n                             | t | l                      | h | r                          | a | d | w | s | h | m |
| e                             | e | n                      | e | g                          | l | u |   | o | e | o |
| r                             | r | c                      | r | e                          | l | s | t | r | r | t |
|                               |   | i                      |   | e                          | e | t | o | t |   | e |
| L                             | L | p                      | d | c                          | r | r | w |   | u | r |
| o                             | o | a                      | i | i                          | i | i | n | & | r | r |
| n                             | n | i                      | s | t                          | c | a | s |   | b | r |
| d                             | d | t                      | t | i                          | i | i |   | r | a | u |
| o                             | o | c                      | r | e                          | t |   |   | e | n | r |
| n                             | n | i                      | i | s                          | i | a |   | t |   | a |
|                               |   | t                      | c |                            | e | r |   | l |   | i |
|                               |   | i                      | t |                            | s | e |   | r |   |   |
|                               |   | e                      | s |                            |   | a |   | e |   |   |
|                               |   | s                      |   |                            |   | s |   |   |   |   |

Per 1 000  
per year

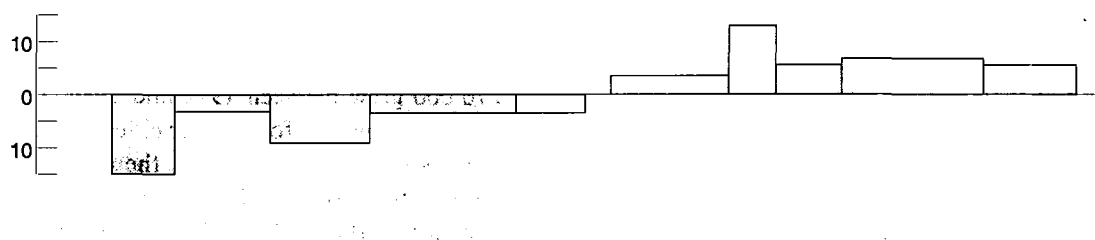
1971-74



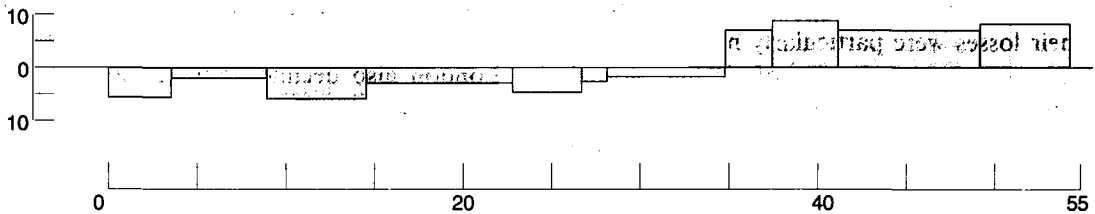
1974-78



1978-81



1981-84



1971 population (millions)

2.6.10. In the former West Germany, between 1975 and 1985, many of its major cities experienced substantial losses. By contrast, smaller towns and cities grew during this period (Figure 14 and Table 14). The former East Germany shows a similar pattern of decentralization. Many larger cities with populations of over 200 000 in 1950 grew between 1950 and 1981 (Tables 15 and 16). However, many lost population during the 1980s. But virtually all the cities which were under 200 000 in 1950 grew until 1981 and many continued to grow through the 1980s.

2.6.11. Similar decentralization trends occurred during the past two decades in France. From the early 1970s until the early 1980s smaller cities grew rapidly while larger cities grew more slowly (Tables 17 and 18). An increasingly decentralized urban system is also found in the Netherlands (Tables 19 and 20). The three largest cities consistently lost population from their centres after 1962 and their wider metropolitan areas also declined during the 1970s.

2.6.12. Belgium displays a similar pattern (Tables 21 and 22). The centre of Brussels grew throughout the 1950s and 1960s but declined in the 1970s. By contrast, many smaller cities grew

**Table 9. Demographic change in different sizes of Irish towns and cities, 1971-81.**

| Size/category   | Number of towns | Population (×1 000) |         | Annual growth rate (%) |
|-----------------|-----------------|---------------------|---------|------------------------|
|                 |                 | 1971                | 1981    |                        |
| Dublin          | 1               | 801.3               | 915.1   | 1.34                   |
| > 50 000        | 2               | 198.9               | 225.3   | 1.25                   |
| 10-50 000       | 14              | 235.1               | 293.6   | 2.25                   |
| 3-10 000        | 32              | 177.6               | 249.6   | 3.46                   |
| 1 500-3 000     | 38              | 76.9                | 97.1    | 2.36                   |
| Less than 1 500 | 444             | 208.3               | 261.5   | 2.30                   |
| Rural           | n.a.            | 1 193.8             | 1 282.1 | 0.72                   |

Source: Census, 1981.

rapidly during the 1970s and early 1980s, although again their population levels stabilized or declined during the 1980s. In Denmark, as Tables 23 and 24 demonstrate, both the city centre and the metropolitan area of Copenhagen declined after 1960. The smaller cities by contrast grew until 1980.

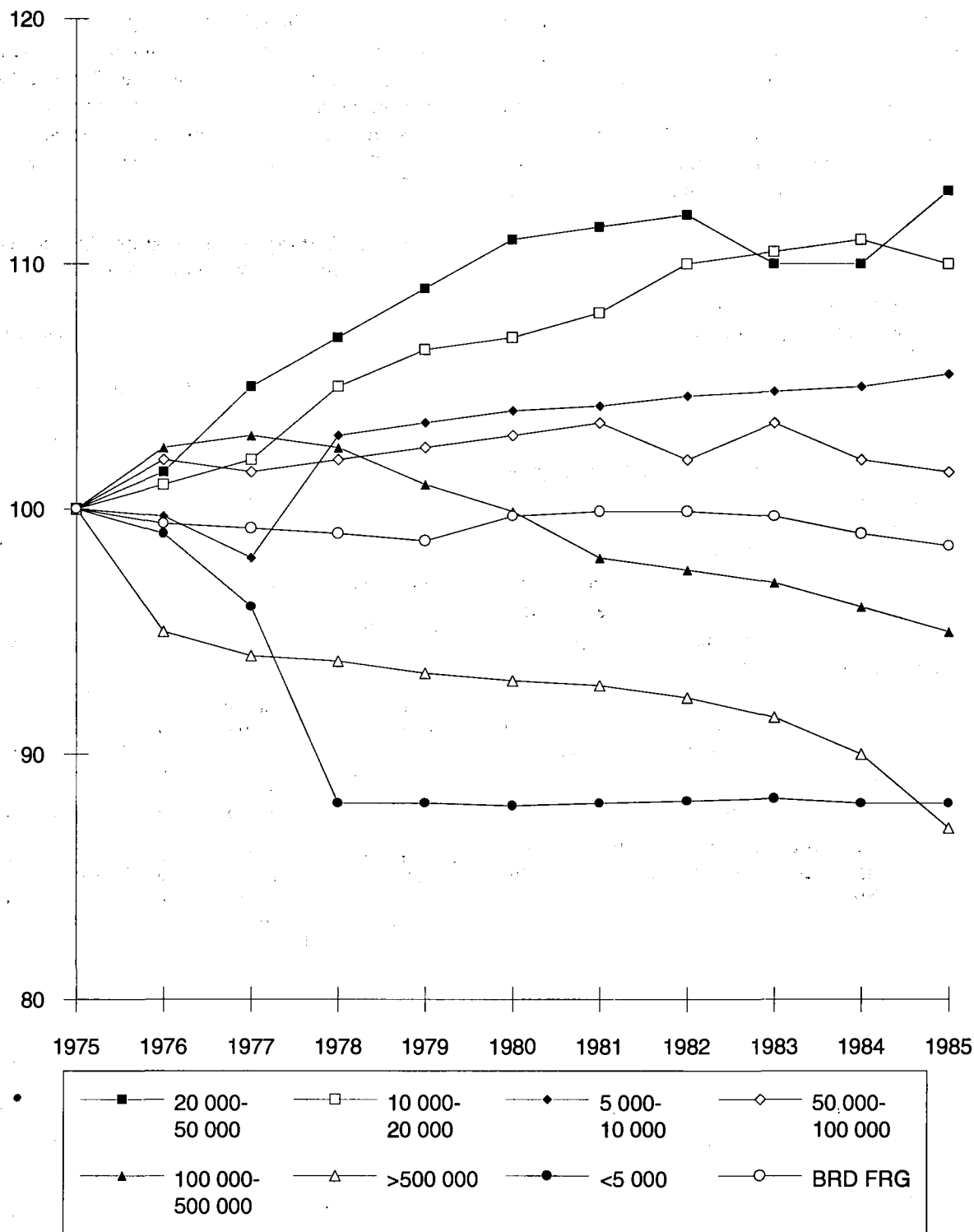
**Table 10. Demographic change in principal Greek towns and cities, 1951-81**

| Towns with over<br>30 000<br>inhabitants | Popu-<br>lation | Annual growth rate (%) |         |         |
|--|-----------------|------------------------|---------|---------|
|  | 1981            | 1951-61                | 1961-71 | 1971-81 |
| Athens<br>agglomeration                  | 3 027 284       | 3.00                   | 3.21    | 1.77    |
| Salonica<br>agglomeration                | 706 180         | 2.51                   | 3.89    | 2.39    |
| Patra<br>agglomeration                   | 154 958         | 1.12                   | 1.51    | 2.49    |
| Iraklion<br>agglomeration                | 110 958         | 1.85                   | 1.93    | 2.74    |
| Volos<br>agglomeration                   | 107 407         | 2.22                   | 0.86    | 1.98    |
| Larisa                                   | 102 048         | 3.05                   | 2.70    | 3.50    |
| Khania<br>agglomeration                  | 61 976          | 3.52                   | 0.43    | 1.57    |
| Kavala                                   | 56 375          | 0.56                   | 0.38    | 2.00    |
| Serres                                   | 45 213          | 0.86                   | -0.04   | 1.26    |
| Agrinion<br>agglomeration                | 45 087          | 3.13                   | 2.30    | 0.76    |
| Chalkis                                  | 44 867          | 0.4                    | 3.91    | 2.14    |
| Ioannina                                 | 44 829          | 0.80                   | 1.38    | 1.11    |
| Kalamata<br>agglomeration                | 43 235          | 0.31                   | -0.23   | 0.68    |
| Lamia                                    | 41 667          | -0.38                  | 5.82    | 0.96    |
| Trikala                                  | 40 857          | 1.45                   | 2.24    | 1.62    |
| Rhodes                                   | 40 392          | 1.50                   | 1.60    | 2.33    |
| Katerini<br>agglomeration                | 39 895          | 0.31                   | 0.14    | 2.72    |
| Verria                                   | 37 087          | 1.66                   | 1.37    | 2.31    |
| Drama                                    | 36 109          | 0.88                   | -0.81   | 1.98    |
| Alexandroupolis                          | 34 535          | 1.19                   | 2.08    | 4.15    |
| Komotini                                 | 34 051          | -0.47                  | 0.19    | 1.66    |
| Corfu                                    | 33 561          | -0.61                  | 0.59    | 1.60    |
| Xanthi                                   | 31 541          | 0.26                   | -0.59   | 2.41    |
| Kozani                                   | 30 994          | 2.01                   | 0.76    | 2.92    |
| Urban<br>(over 10 000)                   | 5 609 141       | 2.46                   | 2.58    | 1.95    |
| Rural, semi-urban                        | 4 131 276       | -0.04                  | -1.47   | -0.03   |
| Total population                         | 9 740 417       | 0.95                   | 0.44    | 1.06    |

Source: Census.

**Figure 14. Population in West German municipalities, by size category, 1975-85**

Population (1975=100)



Source: Statistical yearbook of the FRG.



**Table 11. Demographic change in principal Italian towns and cities, 1951-87.**

| Town/city          | Population ( $\times 1\,000$ ) |       |       |       |       | Annual growth rate (%) |         |         |         |
|--------------------|--------------------------------|-------|-------|-------|-------|------------------------|---------|---------|---------|
|                    | 1951                           | 1961  | 1971  | 1981  | 1987  | 1951-61                | 1961-71 | 1971-81 | 1981-87 |
| Rome               | 1 695                          | 2 160 | 2 800 | 2 840 | 2 817 | 2.45                   | 2.63    | 0.14    | -0.14   |
| Milan              | 1 292                          | 1 580 | 1 725 | 1 604 | 1 478 | 2.03                   | 0.88    | -0.72   | -1.35   |
| Naples             | 1 027                          | 1 179 | 1 234 | 1 212 | 1 200 | 1.39                   | 0.46    | -0.18   | -0.17   |
| Turin              | 720                            | 1 019 | 1 178 | 1 117 | 1 025 | 3.53                   | 1.46    | -0.53   | -1.42   |
| Genoa              | 683                            | 775   | 812   | 763   | 722   | 1.27                   | 0.47    | -0.62   | -0.92   |
| Palermo            | 501                            | 587   | 651   | 702   | 729   | 1.60                   | 1.04    | 0.76    | 0.63    |
| Florence           | 391                            | 438   | 462   | 448   | 421   | 1.14                   | 0.53    | -0.31   | -1.03   |
| Bologna            | 349                            | 441   | 490   | 459   | 427   | 2.37                   | 1.06    | -0.65   | -1.20   |
| Venice             | 323                            | 336   | 364   | 346   | 328   | 0.40                   | 0.80    | -0.51   | -0.89   |
| Catania            | 300                            | 361   | 398   | 380   | 372   | 1.87                   | 0.98    | -0.46   | -0.35   |
| Bari               | 273                            | 311   | 357   | 371   | 359   | 1.31                   | 1.39    | -2.06   | -0.55   |
| Messina            | 221                            | 251   | 258   | 260   | 270   | 1.28                   | 0.28    | 0.08    | 0.63    |
| Verona             | 187                            | 221   | 264   | 266   | 258   | 1.68                   | 1.79    | 0.08    | -0.51   |
| Taranto            | 174                            | 191   | 229   | 244   | 245   | 0.94                   | 1.83    | 0.64    | 0.07    |
| Padua              | 173                            | 198   | 232   | 235   | 224   | 1.36                   | 1.60    | 0.13    | -0.80   |
| Brescia            | 146                            | 174   | 210   | 207   | 199   | 1.77                   | 1.90    | -0.14   | -0.65   |
| Livorno            | 146                            | 160   | 174   | 176   | 173   | 0.92                   | 0.84    | 0.11    | -0.29   |
| Cagliari           | 142                            | 181   | 225   | 234   | 222   | 2.46                   | 2.20    | 0.39    | -0.87   |
| Reggio di Calabria | 139                            | 150   | 163   | 173   | 179   | 0.76                   | 0.83    | 0.60    | 0.57    |
| Ferrara            | 135                            | 151   | 153   | 149   | 143   | 1.13                   | 0.13    | -0.26   | -0.68   |
| Parma              | 123                            | 141   | 174   | 179   | 175   | 1.38                   | 2.13    | 0.28    | -0.38   |
| Modena             | 113                            | 139   | 171   | 180   | 176   | 2.09                   | 2.09    | 0.51    | -0.37   |
| La Spezia          | 112                            | 121   | 125   | 115   | 107   | 0.78                   | 0.33    | -0.83   | -1.19   |
| Reggio nell'Emilia | 107                            | 116   | 188   | 130   | 131   | 0.81                   | 4.95    | -3.62   | 0.13    |
| Bergamo            | 105                            | 113   | 127   | 122   | 118   | 0.74                   | 1.17    | -0.40   | -0.55   |
| Salerno            | < 100                          | 118   | 155   | 157   | 154   | n.a.                   | 2.76    | 0.13    | -0.32   |
| Foggia             | < 100                          | 117   | 142   | 156   | 159   | n.a.                   | 1.96    | 0.94    | 0.32    |
| Ravenna            | < 100                          | 115   | 132   | 138   | 136   | n.a.                   | 1.39    | 0.45    | -0.24   |
| Perugia            | < 100                          | 109   | 129   | 142   | 148   | n.a.                   | 1.70    | 0.96    | 0.69    |
| Prato              | n.a.                           | n.a.  | 144   | 160   | 165   | n.a.                   | n.a.    | 1.06    | 0.51    |

**Table 12. Demographic change in different sizes of Italian towns and cities , 1951-87**

| Size of towns/cities | Population ( $\times 1\,000$ ) |       |       |       |       | Annual growth rate (%) |         |         |        |
|----------------------|--------------------------------|-------|-------|-------|-------|------------------------|---------|---------|--------|
|                      | 1951                           | 1961  | 1971  | 1981  | 1987  | 1951-61                | 1961-71 | 1971-81 | 1981-7 |
| > 500 000            | 5 918                          | 7 300 | 8 400 | 8 238 | 7 971 | 2.12                   | 1.41    | -0.19   | -0.55  |
| 250-500 000          | 273                            | 1 426 | 2 593 | 2 530 | 2 435 | 17.98                  | 6.16    | -0.25   | -0.64  |
| 150-250 000          | 755                            | 1 426 | 2 074 | 2 101 | 2 071 | 6.57                   | 3.82    | 0.13    | -0.24  |

*Note:* Figures relate to the central city population, not the wider metropolitan area.

*Source:* Resident population figures, census data.

**Table 13. Demographic change in Great Britain by type of district, 1981-91**

| Category of district                            | Population (× 1 000) |        | Population change (%) |         | Annual growth (%) |
|---|----------------------|--------|-----------------------|---------|-------------------|
|   | 1981                 | 1991   | 1971-81               | 1981-91 | 1981-91           |
| England and Wales                               | 49 107               | 48 960 | 0.5                   | -0.1    | -0.03             |
| Greater London boroughs                         | 6 696                | 6 378  | -10.1                 | -4.8    | -0.49             |
| Inner London                                    | 2 497                | 2 350  | -17.7                 | -5.9    | -0.60             |
| Outer London                                    | 4 199                | 4 028  | -5.0                  | -4.1    | -0.41             |
| Metropolitan districts                          | 11 236               | 10 651 | -4.6                  | -5.2    | -0.53             |
| Principal cities <sup>1</sup>                   | 3 485                | 3 227  | -10.0                 | -7.4    | -0.77             |
| Others  | 7 751                | 7 424  | -2.0                  | -4.2    | -0.43             |
| Non-metropolitan districts                      | 31 084               | 31 991 | 5.3                   | 2.7     | 0.29              |
| Cities  | 4 450                | 4 357  | -4.5                  | -2.1    | -0.21             |
| (a) Large (over 175 000)                        | 2 764                | 2 666  | -5.1                  | -3.6    | -0.36             |
| (b) Small                                       | 1 686                | 1 691  | -3.5                  | 0.3     | 0.03              |
| Industrial districts                            | 6 672                | 6 659  | 3.1                   | -0.2    | -0.02             |
| (a) Wales and three northern regions of England | 3 350                | 3 278  | 1.3                   | -2.1    | -0.22             |
| (b) Rest of England                             | 3 322                | 3 381  | 5                     | 1.8     | 0.18              |
| Districts that include new towns                | 2 172                | 2 305  | 15.1                  | 6.1     | 0.60              |
| Resort, port and retirement districts           | 3 336                | 3 509  | 4.9                   | 5.2     | 0.51              |
| Other urban/mixed urban-rural districts         | 9 361                | 9 679  | 7.6                   | 3.4     | 0.33              |
| (a) Outside the south-east                      | 3 796                | 3 951  | 8.8                   | 4.1     | 0.40              |
| (b) In the south-east                           | 5 566                | 5 728  | 6.9                   | 2.9     | 0.29              |
| Remoter, mainly rural, districts                | 5 094                | 5 422  | 10.2                  | 6.4     | 0.63              |

<sup>1</sup> Birmingham, Leeds, Liverpool, Manchester, Newcastle upon Tyne and Sheffield.  
Source: 1991 Census: preliminary report for England and Wales, 1991.

**Table 14. Demographic change in selected cities of the FRG, 1970-88**

| Town/city     | Population |            |            |            | Annual growth rate (%) |         |         |
|---------------|------------|------------|------------|------------|------------------------|---------|---------|
|               | 1971       | 1981       | 1986       | 1988       | 1971-81                | 1981-86 | 1986-88 |
| Berlin (West) | 2 084 000  | 1 888 700  | 1 897 200  | 2 068 300  | -0.98                  | 0.09    | 4.41    |
| Hamburg       | 1 781 621  | 1 637 132  | 1 571 267  | 1 603 070  | -0.84                  | -0.82   | 1.01    |
| Munich        | 1 338 432  | 1 291 828  | 1 274 700  | 1 206 400  | -0.35                  | -0.27   | -2.72   |
| Cologne       | 846 479    | 971 403    | 914 300    | 934 400    | 1.39                   | -1.20   | 1.09    |
| Frankfurt     | 657 776    | 625 352    | 592 400    | 623 700    | -0.50                  | -1.08   | 2.61    |
| Essen         | 691 830    | 643 640    | 615 400    | 620 000    | -0.72                  | -0.89   | 0.37    |
| Dortmund      | 542 396    | 605 418    | 568 200    | 584 600    | 1.11                   | -1.26   | 1.43    |
| Dusseldorf    | 650 377    | 588 808    | 560 600    | 567 400    | -0.99                  | -0.98   | 0.60    |
| Stuttgart     | 632 947    | 583 001    | 565 500    | 560 100    | -0.82                  | -0.61   | -0.48   |
| Bremen        | 594 591    | 553 261    | 522 000    | 533 800    | -0.72                  | -1.16   | 1.12    |
| Duisburg      | 448 791    | 554 377    | 514 600    | 525 100    | 2.14                   | -1.48   | 1.02    |
| Hanover       | 516 744    | 531 319    | 505 700    | 497 200    | 0.28                   | -0.98   | -0.84   |
| Nürnberg      | 480 407    | 482 552    | 467 400    | 477 000    | 0.04                   | -0.64   | 1.02    |
| FRG           | 61 502 503 | 61 712 689 | 61 140 461 | 61 715 103 | 0.03                   | -0.19   | 0.47    |

**Table 15. Demographic change in selected cities of the ex-GDR, 1950-89**

| Town/city      | Population |            |            |            | Annual growth rate (%) |         |         |
|----------------|------------|------------|------------|------------|------------------------|---------|---------|
|                | 1950       | 1971       | 1981       | 1989       | 1950-71                | 1971-81 | 1981-89 |
| Berlin (East)  | 1 189 074  | 1 087 982  | 1 162 300  | 1 279 212  | -0.42                  | 0.66    | 1.21    |
| Leipzig        | 617 576    | 584 412    | 559 574    | 530 010    | -0.26                  | -0.43   | -0.68   |
| Dresden        | 494 187    | 502 432    | 521 060    | 501 417    | 0.08                   | 0.36    | -0.48   |
| Chemnitz       | 293 373    | 299 432    | 318 578    | 301 918    | 0.10                   | 0.62    | -0.67   |
| Magdeburg      | 266 248    | 277 175    | 287 362    | 288 355    | 0.19                   | 0.36    | 0.04    |
| Rostock        | 133 593    | 198 713    | 236 011    | 252 956    | 1.91                   | 1.74    | 0.87    |
| Halle          | 289 119    | 257 261    | 232 622    | 230 728    | -0.55                  | -1.00   | -0.10   |
| Erfurt         | 188 650    | 196 528    | 212 012    | 217 085    | 0.20                   | 0.76    | 0.30    |
| Coubus         | 60 374     | 83 996     | 116 092    | 128 943    | 1.58                   | 3.29    | 1.32    |
| Zwickau        | 138 844    | 126 988    | 121 283    | 118 914    | -0.42                  | -0.46   | -0.25   |
| Gera           | 98 576     | 111 535    | 126 792    | 132 257    | 0.59                   | 1.29    | 0.53    |
| Jena           | 81 134     | 88 130     | 104 949    | 105 825    | 0.39                   | 1.76    | 0.10    |
| Dessau         | 91 973     | 98 402     | 103 194    | 101 262    | 0.32                   | 0.48    | -0.24   |
| Halle-Neustadt | 0          | 35 290     | 91 306     | 90 956     | n.a.                   | 9.97    | -0.05   |
| GDR            | 18 388 172 | 17 063 318 | 16 705 635 | 16 433 792 | -0.36                  | -0.21   | -0.20   |

**Table 16. Demographic change in different sizes of ex-GDR cities, 1950-89**

| Size of towns/cities | Population |           |           |           | Annual growth rate (%) |         |         |
|----------------------|------------|-----------|-----------|-----------|------------------------|---------|---------|
|                      | 1950       | 1971      | 1981      | 1989      | 1950-71                | 1971-81 | 1981-89 |
| > 500 000            | 1 806 650  | 2 174 826 | 2 242 934 | 2 310 639 | 0.89                   | 0.31    | 0.37    |
| 250-500 000          | 1 342 927  | 833 868   | 605 940   | 843 229   | -2.24                  | -3.14   | 4.22    |
| 100-250 000          | 461 087    | 633 764   | 1 252 955 | 1 035 014 | 1.53                   | 7.05    | -2.36   |

Source: Statistisches Jahrbuch Deutscher Gemeinden.

2.6.13. The pattern is clear across the Member States. Despite national differences in timing and degree, the European urban system became less centralized and more balanced during the 20 years between 1960 and 1980. In the old core, new core and peripheral regions of Europe many smaller cities grew faster than larger cities. These

demographic shifts reflected the changing economic shape of urban Europe as traditional economic activities declined within or left large urban areas, and new industries developed in suburbs and smaller cities which had fewer economic, social and environmental problems than larger cities.

**Table 17. Demographic change in selected French towns and cities, 1982-90**

| Town/city               | Population (× 1000) |       | Annual growth rate (%) |
|-------------------------|---------------------|-------|------------------------|
|                         | 1982                | 1990  |                        |
| Paris                   | 8 707               | 9 060 | 0.50                   |
| Lyons                   | 1 221               | 1 262 | 0.41                   |
| Lille                   | 936                 | 950   | 0.18                   |
| Bordeaux                | 640                 | 685   | 0.85                   |
| Toulouse                | 541                 | 608   | 1.47                   |
| Nantes                  | 465                 | 492   | 0.70                   |
| Nice                    | 449                 | 476   | 0.73                   |
| Toulon                  | 410                 | 438   | 0.83                   |
| Grenoble                | 392                 | 400   | 0.25                   |
| Strasbourg              | 373                 | 388   | 0.49                   |
| Grasse. Cannes. Antibes | 296                 | 336   | 1.59                   |
| Nancy                   | 307                 | 311   | 0.16                   |
| Tours                   | 263                 | 272   | 0.42                   |
| Rennes                  | 234                 | 245   | 0.57                   |
| Montpellier             | 221                 | 237   | 0.88                   |
| Dijon                   | 216                 | 226   | 0.56                   |
| Mulhouse                | 221                 | 237   | 0.88                   |
| Reims                   | 199                 | 206   | 0.43                   |
| Angers                  | 196                 | 206   | 0.62                   |
| Marseilles              | 1 111               | 1 087 | -0.27                  |
| Valenciennes            | 350                 | 336   | -0.51                  |
| Lens                    | 327                 | 323   | -0.15                  |
| Saint-Etienne           | 317                 | 323   | 0.23                   |
| Clermont-Ferrand        | 256                 | 254   | -0.10                  |
| Le Havre                | 255                 | 254   | -0.05                  |
| Douai                   | 202                 | 200   | -0.12                  |

**Table 18. Demographic change in different sizes of French towns and cities, 1975-90**

| Size of towns/cities              | Annual growth rate (%) |         |
|-----------------------------------|------------------------|---------|
|                                   | 1975-82                | 1982-90 |
| Rural commune                     | 0.87                   | 0.84    |
| Urban commune                     | 0.31                   | 0.39    |
| 2-5 000                           | 1.01                   | 0.62    |
| 5-10 000                          | 0.90                   | 0.54    |
| 10-20 000                         | 0.63                   | 0.41    |
| 20-50 000                         | 0.27                   | 0.24    |
| 50-100 000                        | 0.22                   | 0.25    |
| 100-200 000                       | 0.23                   | 0.19    |
| 200-2 000 000                     | 0.17                   | 0.38    |
| Agglomeration Paris (9.1 million) | 0.06                   | 0.50    |

Source: Census data.

## 2.7. Urban Europe, 1980-90 — reurbanization and the renaissance of large cities?

2.7.1. During the 1980s another trend — reurbanization — began to emerge in Europe. The process had two related dimensions. In the first place the rate of growth of smaller cities slowed in virtually all the Member States as Tables 5 to 24 indicate. The second change was in the performance of larger cities. In many countries, a number of larger cities whose population had declined consistently throughout the 1960s and 1970s began to grow again in the late 1980s.

2.7.2. The reurbanization trend was particularly marked in the former West Germany, where after a period of decline from 1970 until 1987, all the largest cities began to grow again (Table 14). Germany is in some respects unique since part of the growth is attributable to immigration from the former East Germany and Eastern Europe after 1987. However, the trend was not confined to Germany. In France, as Tables 17 and 18 demonstrate, between 1982 and 1990, in contrast to the period from 1975-82, faster rates of growth occurred in many larger and medium-sized towns. Paris experienced particularly substantial growth during the 1980s. In Holland, both Rotterdam and Amsterdam, after long periods of substantial decline also experienced modest growth during the 1980s. In other cases, for example the UK, the rate of decline of larger cities slowed down during the 1980s. For example, in the early 1970s inner London was losing almost 20 000 people a year and the larger provincial cities nearly 15 000. By the early 1980s the annual loss in both inner London and the larger provincial cities had fallen to 5 000.

2.7.3. The scale and robustness of the reurbanization process which appeared during the 1980s is difficult to determine since it is still emerging. However, recent evidence on trends

**Table 19. Demographic change in principal Dutch towns and cities, 1951-87**

| Municipality  | Population (× 1 000) |      |      |      |      | Annual growth rate (%) |         |         |         |
|---------------|----------------------|------|------|------|------|------------------------|---------|---------|---------|
|               | 1951                 | 1962 | 1972 | 1982 | 1987 | 1951-62                | 1962-72 | 1972-82 | 1982-87 |
| Amsterdam     | 845                  | 866  | 807  | 692  | 701  | 0.22                   | -0.70   | -1.27   | 0.26    |
| Rotterdam     | 685                  | 730  | 670  | 568  | 574  | 0.58                   | -0.85   | -1.37   | 0.21    |
| The Hague     | 572                  | 605  | 525  | 454  | 444  | 0.51                   | -1.41   | -1.20   | -0.44   |
| Utrecht       | 195                  | 258  | 275  | 234  | 230  | 2.58                   | 0.64    | -1.34   | -0.34   |
| Haarlem       | 164                  | 170  | 172  | 156  | 91   | 0.33                   | 0.12    | -0.81   | -10.22  |
| Eindhoven     | 144                  | 172  | 189  | 196  | 191  | 1.63                   | 0.95    | 0.30    | -0.52   |
| Groningen     | 138                  | 148  | 172  | 165  | 168  | 0.64                   | 1.51    | -0.35   | 0.36    |
| Tilburg       | 122                  | 140  | 155  | 154  | 154  | 1.26                   | 1.02    | -0.05   | 0.00    |
| Nijmegen      | 133                  | 134  | 150  | 147  | 146  | 0.07                   | 1.13    | -0.17   | -0.14   |
| Enschede      | 109                  | 129  | 143  | 145  | 145  | 1.54                   | 1.04    | 0.12    | 0.00    |
| Arnhem        | 106                  | 126  | 131  | 129  | 128  | 1.58                   | 0.39    | -0.13   | -0.16   |
| Breda         | 91                   | 111  | 122  | 118  | 120  | 1.82                   | 0.95    | -0.28   | 0.34    |
| Leiden        | 90                   | 97   | 99   | 103  | 108  | 0.68                   | 0.20    | 0.33    | 0.95    |
| Hilversum     | 89                   | 102  | 97   | 90   | 85   | 1.25                   | -0.50   | -0.62   | -1.14   |
| Apeldoorn     | 89                   | 107  | 128  | 142  | 146  | 1.69                   | 1.81    | 0.87    | 0.56    |
| Maastricht    | 79                   | 92   | 112  | 111  | 116  | 1.39                   | 1.99    | -0.07   | 0.89    |
| Leeuwarden    | 79                   | 84   | 88   | 85   | 85   | 0.56                   | 0.47    | -0.29   | 0.00    |
| Schiedam      | 73                   | 81   | 83   | 73   | 69   | 0.95                   | 0.24    | -1.06   | -1.12   |
| Dordrecht     | 72                   | 85   | 102  | 109  | 108  | 1.52                   | 1.84    | 0.55    | -0.18   |
| Delft         | 66                   | 75   | 87   | 85   | 88   | 1.17                   | 1.50    | -0.19   | 0.70    |
| Heerlen       | 61                   | 74   | 75   | 91   | 94   | 1.77                   | 0.13    | 1.62    | 0.65    |
| Amersfoort    | 59                   | 71   | 79   | 88   | 94   | 1.70                   | 1.07    | 0.90    | 1.33    |
| Hertogenbosch | 58                   | 73   | 85   | 90   | 90   | 2.11                   | 1.53    | 0.48    | 0.00    |
| Emmen         | 58                   | 68   | 82   | 91   | 92   | 1.46                   | 1.89    | 0.87    | 0.22    |
| Hengelo       | 50                   | 63   | 72   | 76   | 77   | 2.12                   | 1.34    | 0.45    | 0.26    |
| Zwolle        | 50                   | 56   | 77   | 85   | 91   | 1.04                   | 3.24    | 0.83    | 1.37    |
| Velsen        | 48                   | 66   | 67   | 60   | 57   | 2.94                   | 0.15    | -0.92   | -1.02   |
| Vlaardingen   | 48                   | 69   | 82   | 78   | 75   | 3.35                   | 1.74    | -0.42   | -0.78   |
| Deventer      | 47                   | 57   | 66   | 64   | 66   | 1.77                   | 1.48    | -0.26   | 0.62    |
| Ede           | 46                   | 60   | 76   | 85   | 91   | 2.44                   | 2.39    | 0.94    | 1.37    |
| Venlo         | 46                   | 56   | 63   | 62   | 64   | 1.80                   | 1.18    | -0.13   | 0.64    |
| Zaandam       | 44                   | 51   | 69   | n.a. | n.a. | 1.35                   | 3.07    | n.a.    | n.a.    |
| Kerkrade      | 43                   | 50   | 47   | 53   | 53   | 1.38                   | -0.62   | 1.01    | 0.00    |
| Zeist         | 43                   | 53   | 56   | 62   | 60   | 1.92                   | 0.55    | 0.85    | -0.65   |
| Almelo        | 42                   | 53   | 60   | 63   | 62   | 2.14                   | 1.25    | 0.41    | -0.32   |
| Alkmaar       | 40                   | 45   | 51   | 78   | 88   | 1.08                   | 1.26    | 3.60    | 2.44    |

**Table 20. Demographic change in different sizes of Dutch towns and cities, 1951-87**

| Size of towns/cities | Population (× 1 000) |       |       |       |       | Annual growth rate (%) |         |         |         |
|----------------------|----------------------|-------|-------|-------|-------|------------------------|---------|---------|---------|
|                      | 1951                 | 1962  | 1972  | 1982  | 1987  | 1951-62                | 1962-72 | 1972-82 | 1982-87 |
| <500 000             | 2 102                | 2 201 | 2 202 | 1 260 | 1 275 | 0.42                   | -0.94   | -4.52   | 0.24    |
| 250-500 000          | 0                    | 258   | 275   | 454   | 444   | n.a.                   | 0.64    | 5.14    | -0.44   |
| 100-250 000          | 1 111                | 1 339 | 1 576 | 1 675 | 1 760 | 1.71                   | 1.64    | 0.61    | 0.99    |
| 50-100 000           | 1 064                | 1 434 | 1 561 | n.a.  | n.a.  | 2.75                   | 0.85    | n.a.    | n.a.    |

*Note:* Figures relate to the central city population.  
not the wider metropolitan area.  
*Source:* Census.

**Table 21. Demographic change in principal Belgian towns and cities, 1950-88**

| Town/city             | Population (× 1 000) |       |       |      |      | Annual growth rate (%) |         |         |         |
|-----------------------|----------------------|-------|-------|------|------|------------------------|---------|---------|---------|
|                       | 1950                 | 1960  | 1970  | 1982 | 1988 | 1950-60                | 1960-70 | 1970-82 | 1982-88 |
| Brussels <sup>1</sup> | 966                  | 1 019 | 1 071 | 995  | 970  | 0.54                   | 0.50    | -0.61   | -0.42   |
| Antwerp <sup>2</sup>  | 261                  | 254   | 227   | 462  | 476  | -0.27                  | -1.12   | 6.10    | 0.50    |
| Ghent                 | 166                  | 158   | 149   | 238  | 232  | -0.49                  | -0.58   | 3.98    | -0.42   |
| Liège                 | 156                  | 154   | 147   | 212  | 200  | -0.13                  | -0.46   | 3.10    | -0.97   |
| Mechelen              | 61                   | 65    | 66    | 77   | 76   | 0.64                   | 0.15    | 1.29    | -0.22   |
| Bruges                | 52                   | 52    | 51    | 118  | 118  | 0.00                   | -0.19   | 7.24    | 0.00    |
| Ostend                | 51                   | 57    | 56    | 69   | 68   | 1.12                   | -0.18   | 1.75    | -0.24   |
| St. Nicholas          | 45                   | 48    | 49    | 68   | 68   | 0.65                   | 0.21    | 2.77    | 0.00    |
| Alost                 | 43                   | 46    | 47    | 79   | 77   | 0.68                   | 0.22    | 4.42    | -0.43   |
| Seraing               | 42                   | 41    | 41    | 64   | 61   | -0.24                  | 0.00    | 3.78    | -0.80   |
| Courtrai              | 40                   | 43    | 45    | 76   | 76   | 0.73                   | 0.46    | 4.46    | 0.00    |
| Verviers              | 40                   | 35    | 34    | 55   | 53   | -1.33                  | -0.29   | 4.09    | -0.62   |
| Genk                  | 38                   | 48    | 58    | 62   | 62   | 2.36                   | 1.91    | 0.56    | 0.00    |
| Louvain               | 37                   | n.a.  | 32    | 85   | 84   | n.a.                   | n.a.    | 8.48    | -0.20   |
| Mouscron              | 36                   | 37    | 37    | 55   | 54   | 0.27                   | 0.00    | 3.36    | -0.31   |
| Turnhout              | 34                   | 34    | 38    | 38   | 38   | 0.00                   | 1.12    | 0.00    | 0.00    |
| Roulers               | 33                   | n.a.  | 40    | 52   | 52   | n.a.                   | n.a.    | 2.21    | 0.00    |
| Tournai               | 33                   | n.a.  | 33    | 66   | 67   | n.a.                   | n.a.    | 5.95    | 0.25    |
| Hoboken               | 32                   | n.a.  | 34    | 34   | n.a. | n.a.                   | n.a.    | 0.00    | n.a.    |
| Hasselt               | 30                   | n.a.  | 40    | 42   | n.a. | n.a.                   | n.a.    | 0.41    | n.a.    |
| Merksem               | 29                   | n.a.  | 28    | 31   | 31   | n.a.                   | n.a.    | 0.85    | 0.00    |
| Lierre                | 29                   | n.a.  | 28    | 31   | 31   | n.a.                   | n.a.    | 0.85    | 0.00    |
| Vilvorde              | 27                   | 32    | 34    | 33   | 33   | 1.71                   | 0.61    | -0.25   | 0.00    |
| Herstal               | 27                   | n.a.  | 30    | 38   | 37   | n.a.                   | n.a.    | 1.99    | -0.44   |
| Renaix                | 25                   | n.a.  | 25    | 24   | n.a. | n.a.                   | n.a.    | -0.34   | n.a.    |
| Lokeren               | 25                   | n.a.  | 27    | 34   | 34   | n.a.                   | n.a.    | 1.94    | 0.00    |

**Table 22. Demographic change in different sizes of Belgian towns and cities, 1950-88**

| Size of towns/cities | Population (× 1 000) |       |       |      |      | Annual growth rate (%) |         |         |         |
|----------------------|----------------------|-------|-------|------|------|------------------------|---------|---------|---------|
|                      | 1950                 | 1960  | 1970  | 1982 | 1988 | 1950-60                | 1960-70 | 1970-82 | 1982-88 |
| > 500 000            | 966                  | 1 019 | 1 071 | 995  | 970  | 0.54                   | 0.50    | -0.61   | -0.42   |
| 250-500 000          | 261                  | 254   | 227   | 462  | 476  | -0.27                  | -1.12   | 6.10    | 0.50    |
| 100-250 000          | 427                  | 312   | 296   | 450  | 550  | -3.09                  | -0.53   | 3.55    | 3.40    |
| 50-100 000           | 164                  | 174   | 231   | 808  | 798  | 0.59                   | 2.87    | 11.00   | -0.21   |
| 25-50 000            | 645                  | n.a.  | 642   | 305  | 204  | n.a.                   | n.a.    | -6.01   | -6.48   |

(1) Estimated resident population on basis of census.

(2) Brussels and Antwerp both include suburbs.

**Table 23. Demographic change in principal Danish towns and cities, 1950-82**

| Town/city               | Population (× 1 000) |       |       |       | Annual growth rate (%) |         |         |
|-------------------------|----------------------|-------|-------|-------|------------------------|---------|---------|
|                         | 1960                 | 1970  | 1982  | 1988  | 1960-70                | 1970-82 | 1982-88 |
| Copenhagen <sup>1</sup> | 923                  | 802   | 645   | 620   | -1.40                  | -1.80   | -0.66   |
| Copenhagen <sup>2</sup> | n.a.                 | 1 380 | 1 377 | 1 343 | n.a.                   | -0.02   | -0.42   |
| Aarhus                  | 119                  | 100   | 247   | 258   | -1.72                  | 7.83    | 0.73    |
| Odense                  | 111                  | 137   | 170   | 174   | 2.13                   | 1.81    | 0.39    |
| Aalborg                 | 86                   | 100   | 154   | 155   | 1.52                   | 3.66    | 0.11    |
| Esbjerg                 | 55                   | 68    | 80    | 81    | 2.14                   | 1.36    | 0.21    |
| Randers                 | 42                   | 58    | 62    | 61    | 3.28                   | 0.56    | -0.27   |
| Horsens                 | 37                   | 44    | 55    | 55    | 1.75                   | 1.88    | 0.00    |
| Kolding                 | n.a.                 | n.a.  | 56    | 57    | n.a.                   | n.a.    | 0.30    |
| Helsingør               | n.a.                 | n.a.  | 56    | 57    | n.a.                   | n.a.    | 0.30    |
| Herning                 | n.a.                 | n.a.  | 56    | 56    | n.a.                   | n.a.    | 0.00    |

**Table 24. Demographic change in different sizes of Danish towns and cities, 1960-88.**

| Size of towns/cities | Population (1 000) |      |      |      | Annual growth rate (%) |         |         |
|----------------------|--------------------|------|------|------|------------------------|---------|---------|
|                      | 1960               | 1970 | 1982 | 1988 | 1960-70                | 1970-82 | 1982-88 |
| > 500 000            | 923                | 802  | 645  | 620  | -1.40                  | -1.80   | -0.66   |
| 250-500 000          | 0                  | 0    | 0    | 258  | 0.00                   | n.a.    | n.a.    |
| 100-250 000          | 230                | 337  | 571  | 329  | 3.89                   | 4.49    | -8.78   |
| 50-100 000           | 220                | 170  | 365  | 367  | -2.55                  | 6.57    | 0.09    |

<sup>1</sup> Copenhagen, Frederiksberg and Gentofte municipalities.

<sup>2</sup> including suburban areas.

Source: Resident population, census data.

from the second half of the 1980s indicates the process may be wider and deeper than data drawn from the complete decade suggests. This trend has been identified by the Urbinno Network in their research work for the FAST programme. This separates trends occurring during the first half of the 1980s from those in the second half of the decade. It confirms that many large cities did lose population in the period between 1980-85 and that only a modest number increased in size. However, in the second half of the 1980s, reurbanization occurred in a growing number of large cities in the Community.

2.7.4. This pattern can be seen in Table 25 which highlights the experience of 22 of our case-study

cities. Between 1980-85 only Seville in the periphery and Lyons in the new core of Europe increased in population. But the position changed dramatically in the period 1985-90. The old core cities of London, Paris, West and East Berlin, Brussels, Hamburg, Amsterdam, Dortmund, Rotterdam, the new core cities of Frankfurt, Lyons, Madrid and Barcelona, and the peripheral cities of Valencia and Seville all increased in population.

2.7.5. This evidence supports the general argument of this report that demographic trends in many respects reflect economic trends. The economically dynamic cities of the new core, or those developing rapidly in the periphery, are

**Table 25. Demographic change in the core and ring of selected European cities, 1970-90**

| Core city     | 1970-1975 |       | 1975-1980 |       | 1980-1985 |       | 1985-1990 |       |
|---------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
|               | Core      | Ring  | Core      | Ring  | Core      | Ring  | Core      | Ring  |
| Hamburg       | -0.77     | 0.85  | -0.91     | 0.36  | -0.77     | 0.06  | 0.24      | 0.06  |
| Frankfurt     | —         | —     | —         | —     | -1.01     | -0.04 | 1.62      | 0.11  |
| Dortmund      | -0.41     | 0.08  | -0.79     | -0.27 | -1.15     | -0.56 | 0.54      | 0.37  |
| Berlin (West) | -1.14     | 0.00  | -1.17     | 0.00  | -0.49     | 0.00  | 2.52      | 0.00  |
| Paris         | -1.48     | 1.93  | -0.69     | 0.66  | -1.02     | 0.78  | 1.01      | 2.06  |
| Lyons         | -1.79     | 4.25  | -1.23     | 1.18  | 0.07      | -0.04 | 0.07      | 1.21  |
| Marseilles    | 0.27      | 4.47  | -0.48     | 2.91  | -1.10     | 1.57  | -1.10     | 2.84  |
| Milan         | -0.14     | 1.06  | -1.17     | 1.07  | -2.02     | 0.60  | -1.03     | 0.35  |
| Amsterdam     | -1.84     | 1.51  | -1.11     | 0.81  | -1.18     | 0.57  | 0.34      | 0.47  |
| Rotterdam     | -1.99     | 1.10  | -1.38     | 0.81  | -0.28     | 0.56  | 0.22      | 0.28  |
| Brussels      | -1.99     | 0.48  | -1.38     | 0.15  | -0.95     | 0.02  | -0.17     | 0.04  |
| London        | -1.89     | -0.37 | -1.60     | -0.14 | -0.38     | -0.06 | 0.56      | -0.32 |
| Birmingham    | -0.30     | 0.35  | -1.01     | -0.66 | -0.33     | 0.00  | -0.37     | 0.06  |
| Glasgow       | -3.38     | -1.47 | -1.84     | -0.11 | -1.06     | -0.17 | -1.41     | -0.32 |
| Dublin        | -0.41     | —     | -0.41     | —     | -1.61     | —     | —         | —     |
| Copenhagen    | -2.28     | 2.00  | -1.47     | 0.46  | -0.59     | -0.12 | -0.72     | 0.14  |
| Thessaloniki  | 2.06      | —     | 1.44      | —     | 0.93      | 0.54  | —         | —     |
| Athens        | 1.09      | —     | -0.16     | —     | -1.43     | 1.45  | —         | —     |
| Madrid        | 0.45      | 8.28  | -0.20     | 8.19  | -0.63     | 3.16  | 0.28      | 0.07  |
| Barcelona     | -0.07     | 3.40  | 0.13      | 2.27  | -0.58     | 0.71  | 0.04      | -0.04 |
| Valencia      | 1.44      | 1.47  | 1.11      | 1.73  | -0.41     | 1.26  | 0.60      | -0.48 |
| Seville       | 1.24      | -0.02 | 1.81      | 1.23  | 0.16      | 1.19  | 0.75      | 0.52  |
| Berlin (East) | 0.21      | -0.05 | 1.14      | 0.14  | 0.90      | 0.06  | 1.85      | 0.17  |

*N.B.* Insufficient data for Athens, Thessaloniki, Dublin and Frankfurt 1970-75; Athens, Thessaloniki and Dublin, 1980-85; and Athens and Thessaloniki, 1985-90.

*Source:* Drewett et al, 1990.

experiencing population growth. Larger cities in the old core which had a degree of economic recovery during the second half of the 1980s — Hamburg, Dortmund, Rotterdam, Amsterdam — also grew in population. However cities which are still experiencing the problems of economic restructuring continue to lose population. For example, Glasgow, Manchester, and Birmingham in the old core, Marseilles in the new core and Naples in the periphery lost population during the second half of the 1980s, even though the rate of loss in some cases slowed down.

2.7.6. The process of reurbanization primarily follows the process of economic success not failure. Reurbanization is a complex mixture of economic, social and demographic trends which

has a variety of social and economic consequences. It has been driven by the wider process of economic restructuring which has attracted both high value-added new service sector jobs into many central cities. It has also been encouraged by the fact that many city governments have undertaken initiatives to revitalize their city centres. The revival of urban cultural activities, lengthening travel-to-work times, public and private sector investment on prestigious urban regeneration schemes have also reinforced the appeal of living within cities.

2.7.7. Reurbanization brings advantages but imposes many strains. One consequence is that the social composition of central cities changes as their economic functions change. The arrival of



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higher income groups allied with property investment by the retail and office sectors, raises land and property values. In turn, low-income households who have lived close to the city centre are no longer able to afford to live in the inner city and are forced out. Alternatively, those who remain are squeezed into more restricted inner city areas in the least desirable housing as the surrounding areas experience greater levels of economic, social and physical redevelopment. These problems of 'gentrification' are increasingly found within European cities. Nevertheless, it seems likely that reurbanization, reflecting economic restructuring and policy efforts to improve living, working and leisure conditions in city centres, will continue in the 1990s in many cities.

## **2.8. The future shape of the European urban system**

2.8.1. The forces that determine economic success or failure and the social forces shaping urbanization in Europe are complex. Nevertheless, some future trends are clear. The most likely pattern of future regional migration, in view of continuing economic restructuring in Europe and the development of the single market, is a modest migratory shift from urban areas with economic problems, especially in peripheral and old core regions, to economically successful urban areas. Rural – urban population movement will continue in peripheral regions, but at a much slower rate than in the past.

2.8.2. Potentially more significant is migration from outside the EC's borders, especially from North Africa, Eastern Europe and the former Soviet Union. This population movement is likely

to focus on cities with greater economic potential, in both the old and new core, especially those offering similar languages and established ethnic communities. These cities are more likely to act as magnets for potential international migrants than those in peripheral regions.

2.8.3. Despite their economic attractiveness to migrants, cities in Europe's new core often have low, or negative, rates of natural increase which, despite in-migration, will limit demographic growth. Equally, cities in Europe's old core which are still coping with economic restructuring are likely to continue to decline in population, although at a slower rate than previously. Cities in peripheral regions should continue to grow as rates of natural increase, even though declining, will remain relatively high for some time, and, although more slowly, as rural – urban migration continues.

2.8.4. During the 1990s the European urban system will remain more balanced demographically than it was two decades ago, since the growth of smaller towns which took place during the 1960s and 1970s will not be substantially reversed. Many smaller cities with comparative economic advantages may grow in demographic terms. Nevertheless, the pattern of growth and decline of cities will not be determined by size alone. During the 1980s the growth of smaller cities was slower than it was during the previous two decades. At the same time, many larger cities arrested their decline and in the late 1980s began to grow again. To simplify a complex process, it may be argued that the 1950s and 1960s were the age of the big cities. The 1970s and early 1980s marked the expansion of smaller cities. The late 1980s and 1990s could mark the beginning of the renaissance of larger cities in Europe.



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### **3. Beyond the locality: cities and cross-European issues**

#### **3.1. Cross-European issues in urban development**

3.1.1. Varying patterns of investment, migration and fertility which operate at a national and international scale, have had a critical impact on urban development in Europe. The movement of people and money is a major factor operating independently of city boundaries which facilitates or constrains urban change. A number of other factors, linked to economic and demographic change, will assume important places on the agenda of all organizations concerned with the future of European cities into the next century. The most significant suggested by the city case-studies are discussed in this chapter.

#### **3.2. European transport and communications**

3.2.1. Transport and communications infrastructures are fundamental in shaping urban form. Improved efficiency across all modes of transport — road, rail, air and waterways — will be crucial to the effective functioning of Europe's cities and its overall economy. Infrastructural development nevertheless has its costs. Europe's urban areas are becoming the focus of a transport crisis which could undermine the primary objective of the single market — the free movement of goods and persons throughout the Community. As key nodes of the transport

network, cities show increasing signs of strain as increased mobility, and hence growing demand, has outstripped the current and projected supply of infrastructure in Europe. Growth in global transportation flows — caused by a growing international division of labour, heavier international trade, reduced transport costs resulting from the shift from heavy to light commodities and relative falls in car prices — is likely to be boosted by the completion of the internal market. Additionally, the desire for greater personal mobility in the 1990s, by air, rail and particularly road, will place further demands upon cities as communication nodes.

3.2.2. Moves toward a more efficient transport network across Europe are made difficult by diversity in the transport and telecommunications policies of individual Member States and the determination of investment priorities along sectoral lines. National differences also reflect different traditions and approaches to public intervention in transport matters. While France, for example, has emphasized the importance of investment in telecommunications, motorways, high-speed passenger trains and regional air links, Germany has focused investment in high-density multi-modal transport systems along corridors. The UK, on the other hand, has favoured deregulation and increased reliance upon market forces in transport provision. The development of policy at the EC level has been hampered by disagreements over harmonization and

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liberalization in many transport sectors. Traffic bottlenecks at border cities in particular are exacerbated by non-standardized national regulations, for example in railway gauge-sizes.

3.2.3. Future emphasis in new and old core areas will largely be upon reducing demand for road infrastructure and on upgrading existing routes. The latter is likely to focus significantly on cross-border links. There is a growing lobby, for example, for improved links between Bavaria and Lombardy. Better integration between modes of transport and the development of alternative modes are under active discussion in the more congested regions. Amongst the options available are multimodal systems offering transport companies greater choice in routes and transport modes or the development of the more energy-efficient water transport system. The latter option would be expensive but becomes more viable as average truck speeds continue to decline.

3.2.4. In peripheral areas, a strong commercial and public sector lobby continues to favour the provision of additional infrastructure. New transport technologies make possible in principle, for example, a halving of the time it takes to transport goods from Thessaloniki to northern Italian cities, currently 36 hours. Although views differ on the relative contribution transportation infrastructure makes to the development of peripheral regions, reduced delivery times and transport costs for businesses suggest that speedier links to the core can play a positive role, provided they are linked to telecommunication investment and comprehensive city-regional economic development strategies. The latter might also help prevent inequalities within city-regions which are re-emphasized when transportation investment is focused on the main regional centre — a problem recognized in Andalusia which is increasingly dominated by Seville.

3.2.5. As well as improved intra-core and core-periphery links, which are more likely to be favoured by market developments, the often poor links between peripheral cities and their respective regions will require strengthening if urban and regional potentials are to be exploited. This especially applies to links between peripheral European cities and those of potential future member countries including, for example, Thessaloniki—Sofia links. Most border cities in Europe suffer from the fact that surface transport networks remain orientated to serving national rather than European needs and intra-European rather than extra-European ones. The infrastructures around Hamburg and Thessaloniki, for example, are not well suited to current investment and trading patterns, particularly given any further expansion of EC membership in Eastern Europe. Other missing links exist between Copenhagen and Sweden/Germany, although a link between Copenhagen and Malmo will be completed around 2000, between Thessaloniki and western Europe, and between northern Portugal and Galicia in Spain.

3.2.6. Road transport congestion is particularly pronounced in the extended core. Eighty percent of intra-EC urban freight moves are concentrated in the area between London and Milan and further growth is likely to be greatest in the extended core. Congestion will not be confined to the core, however, as levels of car ownership in the periphery catch up with more prosperous areas. Automobility is set to rise 70% in northern Europe, 300 to 500% in southern Europe and 1 000% in eastern Europe by the end of the century. Road transport is also a key factor in ecological and environmental damage. From 1973-88, transport's share of total energy consumption in the EC grew from 20 to 30% with road traffic accounting for 85% of that increase. Although fuel consumption and vehicle figures improved in the 1980s, this was more than offset by increased traffic levels.

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#### Isolation and peripherality: Thessaloniki and its communications infrastructure

Thessaloniki, although the Community's 'gateway to the east', is, like many peripheral cities, economically disadvantaged by its communications infrastructure:

- International and domestic flights are inadequate. The airport has a small and basic passenger terminal and most international flights have to go via Athens. In winter, fog often closes the airport.
- The rail network has limited capacity and efficiency. The line eastwards to Turkey is a single track constructed about 100 years ago and does not permit high speeds. Rail connections to the rest of Europe run via Belgrade and Bulgaria but they have limited efficiency and the latter is practically out of use.
- Strategic road links are also below West European standards. The main route to Turkey carries commercial and passenger traffic but has only a single lane in each direction and passes through towns *en route*; there is no dual carriageway for most of the 700 kilometres between the Greek border and Belgrade, making it one of Europe's most dangerous roads. The 330 kilometres to Sofia from Thessaloniki is a narrow single lane.
- Telecommunication links are poor. Demand, even for house telephones, outstrips capacity and unreliable lines make data transmission impractical.

3.2.7. The speed and reliability of European railways varies considerably between Member States and particularly between northern and southern Europe. The peripheral areas where services are poorest face severe constraints in overcoming the problems of peripherality. A major concern in peripheral cities is that recent investment in transportation infrastructure will continue to favour cities in core areas. The high speed train (HST) network will draw the favoured urban areas of the core closer together and disadvantage remote locations and other centres *en route* which do not get a station. The strategic significance of rapid train routes is readily apparent from the intense lobbying for TGV stations, for example by Bilbao and Barcelona for a connection on the Madrid—Paris line. Equally, whilst the Dutch Government is reluctant for planning reasons to route the TGV through agricultural areas of the Randstad — the fastest of the proposed options — decision-makers in Amsterdam and Rotterdam view their designated TGV status as of immense symbolic, as well as economic, importance.

3.2.8. New rail infrastructure is of particular significance for current air-traffic patterns. HSTs are expected to dominate short- and medium-distance European travel — up to 600 km — in the future. In response, many of the major

airport authorities in metropolitan Europe are already assessing the effects on business and, for example, planning to prioritize international trade or attract HST links. Loss of passengers from airports specializing in short- to medium-distance European flights may ultimately reduce their attractiveness as locations for high-tech and distribution firms in favour of HST-favoured localities.

3.2.9. Despite the challenge of HSTs, air travel is set to continue its growth. It is estimated that for each 1% growth in GDP, air passenger volumes increase by 1.5%. On current economic projections, an annual increase in passenger numbers of 3 to 5% up to the year 2000 can be expected. Growth in air traffic is likely to reinforce the existing hierarchy of airport cities. Strategically positioned airports serving major urban areas, from which the stronger carriers operate longer distance flights, will continue to dominate those providing feeder services and intra-European flights, especially as some of the latter will suffer from competition from the HSTs. The concentration process has already begun. Frankfurt, for instance, handles nearly twice as much freight as its nearest rival — Heathrow. These two airports also top the league of air-passenger transporters. Frankfurt airport employs a staggering 50 000 people and many more

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are employed in ancillary activities, freight-forwarding companies and high-tech firms which favour locations near to international airports.

3.2.10. With a growing tendency for traffic to be concentrated increasingly upon a few hub airports, these areas will remain attractive to distributive companies and high value-added exporters but will have to cope with the increasing flight delays and congested access routes which accompany such benefits. The deregulation of airports could mean that the economic benefits will be unevenly shared within the European urban system as cities with greater competitive edge gain disproportionately. If the US experience of deregulation is repeated in Europe, airports which are homes to successful carriers and act as international hubs, providing long-haul, high-quality intercontinental air services, will gain. Smaller airports, specializing in intra-European flights, will face stiffer competition as multitudes of routes and different classes of fare on particular flights appear and charter flights come under threat. Increased merger and take-over activity may result, depending on the degree to which member governments support weaker carriers on social or prestige grounds.

### **3.3. Networks and linkages in urban Europe**

3.3.1. The European urban system in the 1990s and beyond will be increasingly shaped by the dynamics of economic competition. However, there will be countervailing pressures with interventions at the national, regional and city levels designed to achieve a more diverse distribution of economic growth. In this context, numerous networks have emerged as cities and regions have sought to promote cooperation between themselves and limit the increasing intensity of competition. Networking in urban

Europe is not a new concept. In ancient times, cities forged informal and institutionalized alliances. In the 1980s, however, urban networks acquired a higher profile as urban policy-makers sought new ways of improving their cities' economic, political and technical capacities. The EC has given support to many of these initiatives in recent years. In particular, under Article 10 of the European Regional Development Fund (ERDF) it has financially assisted 12 European-wide networks to contribute to economic and social cohesion in Europe by promoting solidarity and identity of purpose between regions and cities across the Community.

3.3.2. Urban networks operate at European-wide, national, regional and cross-border levels. They can link neighbouring cities as well as distant ones, and cities in the new core with others in the old core and periphery. European-wide networks can provide the basis for extensive dissemination of knowledge and act as economic conduits between more and less successful cities and regions. They include networks between very different cities and regions and those with similar social, economic, environmental or geographical characteristics as well as networks which extend beyond the EC space.

3.3.3. A wide range of networks also operate throughout the Community at the national and regional scale. For instance, in France and Germany, there are long-established urban and regional networks which promote cooperation between participating members and enhance their competitive position. At the regional level, networks very often have an economic rationale. Sub-European networks and linkages may also have a supranational dimension. Two categories of sub-European networks are prominent. First, cross-border linkages have developed between cities or regions lying on either side of a national border. Second, international bilateral or trilateral

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linkages have emerged between cities further apart. Since they clearly transcend regional and national spaces, both are of wider European interest.

3.3.4. Networks and linkages have three distinct functions. First, they act as a forum for the transfer of knowledge and best practice about a wide range of urban and regional issues, and for stimulating policy, projects and technological innovation. Second, they act as catalysts for the generation of inter-city economic cooperation. Third, they have been mechanisms for lobbying at national and EC level. Some networks have specialized in one of these functions; others have all three.

3.3.5. For EC funding purposes, 'networks' are tightly defined. For instance, the staging of workshops and seminars for the exchange of officials and ideas is categorized as an 'exchange of experience'. Only when these exchanges lead to more concrete projects with partners formally agreeing to work together in a potential project does the Commission recognize it as a network. Equally, groups of cities acting as lobbying organizations, such as the Commission des villes, are regarded more as umbrella organizations than networks. Whereas the Community does not normally fund the establishment or development of such umbrella organizations, it does co-finance specific networks on identified projects promoted by these organizations or their member cities.

3.3.6. Lobbying by umbrella groups of cities or regions takes different forms depending on the institution lobbied and the purpose of lobbying. Broadly, they lobby to influence policy or to attract financial resources. Umbrella groups may comprise cities or regions with common characteristics which campaign for policies or resources to address issues relevant to its members, such as the Association of Traditional Industrial Regions (RETI). Alternatively, their members are more heterogeneous and campaign

on a range of regional or urban issues. 'Eurocities' falls within this latter category. Eurocities has a broad remit. Representing the second cities of the Community — large, mainly non-capital cities — it lobbies, exchanges best practice and fosters economic cooperation. In its lobbying capacity, it aims to influence the development of EC urban policy, to press for the provision of specific EC aid programmes in order to resolve urban problems, and to secure funding for joint projects.

3.3.7. The Commission des villes illustrates how umbrella organizations can develop networks and provide opportunities for shared research to take policy beyond existing practice. Established in 1989, it represents the small and medium-sized cities of the Community — membership is open to cities with an urban core of between 50 000 and 500 000. It operates five networks each of which has developed a staged programme leading to concrete cooperative activities. The networks are charged with addressing issues of unemployment and local economic development (led by Kalamari), urban infrastructure (Nancy), the development of science and technology parks (Montpellier), development strategies for medium-sized towns in the context of the single market (Évora) and the renovation of historic urban centres to revitalize the local economy and develop tourism (Coimbra).

3.3.8. In 1990, the Commission funded 12 European-wide networks on a pilot basis. Subsequently, in July 1991, Recite (Regions and cities for Europe) was launched. Recite aims to contribute towards economic and social cohesion by supporting networks between regions and cities which undertake joint projects. While the EC may co-finance networks, the responsibility for the direction and control of the networks rests firmly with the participants. Networks supported by the Commission address a wide variety of urban issues. Examples include the network on public transport interchanges (PTI) and Quartiers en

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crise. PTI, managed by the International Union of Public Transport, spreads up-to-date know-how and best practice on public passenger transport interchanges to local government, operators, agencies and research institutions throughout the Community. It is intended to pilot projects to develop model interchanges which can improve mobility, reduce traffic congestion in cities and reduce environmental pollution. The network focuses on three key topics: the location of transport interchanges, their functional design, and operational and managerial issues. Quartiers en crise is a network of 25 European cities which focuses on integrated approaches to revitalizing urban areas in decline. It involves cities with areas which have acute housing and unemployment problems including some with high concentrations of ethnic minorities. It combines training, an exchange of experience at the local level, and research. It aims to raise local knowledge of the reasons for urban decline, disseminate information about successful projects, encourage inter-urban cooperation in tackling problems of decline and generate awareness of the need for strategic policy responses to decline.

3.3.9. To face the challenges of the changing European economic and political scene, cities are also cooperating to coordinate development strategies, launch joint ventures and develop the exchange of best practice. Attracting inward investment by national and multinational capital in property development, service industries and research and development are priorities for many cities. In several of them, strategies have emerged to forge coalitions between two or more cities. By pooling resources and developing joint strategies, they hope to expand their common economic base. For instance, the Languedoc-Roussillon cities of Montpellier and Nîmes have agreed to combine and integrate their resources and activities to enhance their capacity and competitiveness in the European economic space. The collaboration is intended to create a single economic focus to compete with emerging

metropolitan groupings in other European States.

3.3.10. At the macro-regional level, cross-border linkages can promote economic collaboration. A recent initiative, for instance, seeks to devise a route of high technology around a 'Mediterranean arc'. Traversing Valencia, Catalonia, Roussillon, Nice and linking into Italy, this network aims to promote a distinctive economic role for the area and allow it to exploit its many comparative advantages. The quality of life of the area is intended to establish it as a major European axis for research and development in new technologies and the production of high value-added products. International linkages on a bilateral or trilateral basis can also unlock economic potential. For instance, the innovative 'Euro-gateway' project has constructed an economic alliance between Glasgow, Dortmund and Montpellier. The project involves the reciprocal provision of facilities for small businesses, as units are made available in Glasgow with advice from the local development agencies for small businesses in the other cities.

3.3.11. International economic exchanges and encouraging inter-urban cooperation can bring mutual benefits to cities through new economic activity. A distinction needs to be made here between economic objectives. Some networks are clearly geared to improve the ability of members to compete economically. Others simply aim to increase the internal efficiency of their cities through mutually beneficial interactions. The Polis network, for example, is a catalyst for the implementation of new technologies to solve problems of traffic congestion. Here, cities are able to cooperate with potential rivals without significantly mitigating their comparative strategic advantages. While the proliferation of networks throughout Europe is a recent phenomenon, it is possible to make some evaluation of them. First, networks are not simply a means to ameliorate competition by encouraging cooperation. While networks do enhance collaboration between cities,



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in the process they can also increase their individual competitiveness against non-members. In this way, cities facing economic disadvantage can use networks and linkages to help improve their relative standing.

3.3.12. Organizational efficiency and cost-effectiveness are a primary concern to cities involved in networks. However, there can be a tendency for networks to develop their own institutional logic and outlive their usefulness. The dynamics of urban and regional change create a rapidly changing policy environment. The best networks will have sufficient flexibility to respond to changing circumstances and avoid becoming trapped in their own organizational structures. The objectives of networks need to be specific. Networks with vague objectives not only have more difficulty in fulfilling them; a lack of focus leads to uncertainty in agreeing effective strategies. The most effective size of a network varies with its remit. There is a justification for lobbying organizations which represent a broad interest group to have a widespread membership. Larger 'umbrella groups' can play an important secondary function by enabling bilateral social, economic and cultural relations to develop. Indeed, many cities view this as a major reason for involvement in such networks, which they might otherwise not have joined. But a network designed to forge new economic alliances between cities is more likely to be effective with a few key members.

3.3.13. The most effective networks are those directed at practical projects, with members capable of financing them, which achieve results in a relatively short time span. While there is little evidence that networks are a panacea for correcting imbalances in the European urban and regional system, they can make a valuable contribution. In particular, they can help foster inter-urban relations, widen cities' economic, social and cultural horizons and encourage locally based projects and policies. Many of the most

dynamic and innovative cities in this study have particularly used networks to develop their 'internationalization' strategies and in this way strengthen their presence in the European economic arena.

### **3.4. Border and gateway cities**

3.4.1. Towns and cities situated near to existing internal EC national boundaries — border cities — will be amongst the urban areas most affected by the reduced importance of national boundaries and the abolition of customs duties and administration after 1992. Very few are large metropolitan centres. Copenhagen and, arguably, Dublin are the exceptions. Small border cities have historically been remote from national economic centres and relatively poorly served by national transport infrastructures. Nevertheless some are well placed to benefit from the potential expansion in their hinterlands and spheres of economic influence that greater European economic integration will bring. Cities like Aachen, Lille, Strasbourg and Nice, situated at the intersection of growing subregions of Member States in old and new core areas, are amongst the examples. Towns and cities on the borders of peripheral European countries, where infrastructural links tend to be particularly poor, will find it more difficult to develop new economic roles.

3.4.2. The advent of the single market should offer considerable scope for new private and public sector economic development ventures between cities and towns on either side of borders. Aachen, for instance, currently provides export marketing and other business advice to small high-tech firms in neighbouring parts of Belgium and the Netherlands as well as its own hinterland. Such services will undoubtedly become more prevalent after 1993. The changing hinterlands and spheres of influence of border cities will, however, require new institutional arrangements

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and modes of cross-border cooperation — as promoted, for example, by the EC's Interreg programme — in order to move beyond current linguistic, cultural and administrative barriers. Growing demands are also likely for new infrastructure in view of further increases in the volume of cross-border movement.

3.4.3. Gateway cities are the main entry points for non-EC migrants, whether from the neighbouring countries of northern Africa and Eastern Europe, the Middle East or more remote ex-colonies of EC Member States. One group consists of the homes of major international airports — London, Frankfurt, Paris, Amsterdam and Milan — which deal with significant non-EC trade. The other is made up of cities, port or inland, located at the outer borders of the EC or having a history of acting as reception centres for migrants, for example, Thessaloniki, Marseilles, Trieste and Hamburg. The latter are in the more problematic position as they will have to absorb many of the social and economic costs associated with migratory movements from the Maghreb and Eastern Europe. Gateway cities which have traditionally dealt with large numbers of immigrants benefit from being customs administration centres for the EC. However, they are now responsible as a result of the 1990 resolution of the Trevi Ad Hoc Group on Immigration for processing applications from asylum seekers, irrespective of their final destinations. They also have to absorb the policing costs of preventing illegal entry and of dealing with associated criminal activities such as drug trafficking, illegal exploitation of cheap foreign labour and the black market.

3.4.4. Although major airport cities are the principal arrival point for economic migrants and refugees from the Third World, the introduction of stricter entry controls, plus the considerable resources these cities control, suggest their ability to cope with migration is relatively well developed. Other gateway cities will experience more acute

problems. Cities along the East European border which have traditionally relied upon military functions will, for example, need to undergo substantial economic diversification if they are to deal with the negative consequences of better East – West relations. One way will be to develop economic interaction with East European countries. But the pace at which this might occur remains highly uncertain. Some gateway cities also suffer from poor East-West cross-national communication links. In Thessaloniki's case, problems of peripherality and the fact that political boundaries have restricted its hinterland, mean that it lacks the infrastructure to function as a major gateway city should the Balkan States become EC members. Modern, adequate facilities for the transfer of goods and people to the republics of the former Yugoslavia and Bulgaria, including terminals and road and rail linkages to international networks, are all lacking at present.

### **3.5. Smaller cities and towns in the European Community**

3.5.1. Smaller cities are important to the development of a large part of the Community. Smaller cities were the major beneficiaries of the counter-urbanization which occurred in Member States during the 1960s and 1970s. Many continued to flourish in the 1980s, particularly in prosperous subregions such as southern Great Britain, France, Germany and northern Italy. The key dynamic in the growth and decline of smaller cities is migratory patterns, particularly the in-migration of younger age groups attracted by economic opportunities.

3.5.2. The economic factors which have contributed to the growth of smaller cities are the same as those which have encouraged the selective economic decentralization from metropolitan areas. Diseconomies associated with larger cities — congestion, lack of space, expensive overheads and services, and obsolescent infrastructure —

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have prompted decentralization of manufacturing industry. Improvements in transport, telecommunications and computer technology have freed some sectors from ties to sources of raw materials and to markets, widening locational choice and enabling corporate rationalization into smaller units of production and functional specialization at different sites. Smaller cities also possess many qualities which some larger cities lack: abundant space, lower development costs, less severe social problems and conflicts, a greater sense of community and identity, less environmental pollution and higher quality of life, particularly for senior corporate employees. Smaller cities with attractive environments, good schools, health and leisure facilities and efficient public services have proved attractive to employers and employees alike and are therefore well placed to attract inward investment. Those within commuting distance of major cities are often able to offer the best of both worlds — an attractive residential environment, good local services, a sense of community plus ready access to the metropolis with its higher order services and superior cultural facilities.

3.5.3. Smaller cities have also become more attractive residential locations because developments in transport and telecommunications — high-speed trains, motorway networks and fax — have made them more accessible and diminished the disadvantages of remoteness. Public policies have also been important, for example through the designation of expanded towns like the 'villes moyennes' in France, or through restrictions upon the expansion of larger urban areas as in the designation of green spaces in the UK, the Netherlands and Denmark. Decentralized services, such as education and health in Germany, Italy and Denmark, and policies to encourage industrial development in rural areas in many EC countries, have also enhanced the status of smaller cities.

3.5.4. It is nevertheless an oversimplification to

assume that smaller cities will be the dynamic force of modern urban Europe. The globalization of economic forces, increased personal mobility, the separation of home from work, and the emergence of polycentric patterns of urbanization are increasingly binding together the destinies of large and small cities. Nor is there a simple relationship between the size of urban areas and the scale of economic development. Urban potential depends upon a city's local economic base, the strength of its subregional economy, its indigenous resources and quality of life. Smaller cities do not possess a monopoly of such strengths.

3.5.5. Smaller cities as a group differ in their economic prospects. Some rely upon economic functions which are declining in importance. Others are becoming growth points for high-technology industries and other expanding sectors of the economy. Location within the European core, good communications and distance from competing centres are also influential and can either render a town peripheral or place it within the economic mainstream. Differing national contexts also affect their role. Decentralized systems of government enhance the administrative importance of smaller towns. In more centralized regimes there has been a loss of control to higher administrative tiers with a less intimate knowledge of the characteristics of smaller towns.

3.5.6. In Germany and Italy, unlike in Great Britain, France, Spain and Greece, no single city has dominated the urban system and smaller cities have long enjoyed greater status, powers and resources and been able to develop good social and cultural facilities. Even within Member States smaller towns vary in importance because of the persistence of different cultural values and traditions and varying degrees of influence and patronage which key local figures — for example landowners, politicians and industrialists — mobilize for them.

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3.5.7. In sum, it is no more accurate to argue that smaller cities, irrespective of location and economic potential, will grow in the 1990s than it would be to argue that larger cities, simply because of their size, will necessarily decline. As with the larger cities, the development paths of smaller cities need to be understood within the context of their economic strengths and dynamics. These paths inevitably vary, not least in the economic inter-relationships between large and small cities. A number of simplified 'model' smaller city types are examined below to give an impression of the range of economic fortunes which can characterize smaller cities.

3.5.8 The satellite towns and cities on the fringes of large metropolitan areas have varied in their economic dependence upon their larger neighbours. Historically, they have performed dormitory and social functions for those working within the metropolis. With economic decentralization, though, towns that are sufficiently distant from major urban areas to have their own identity have increasingly developed as employment centres in their own right. More dependent cities include the growth centres in the Randstad, Holland, which have continued primarily to be residential and local service centres for commuters employed in the major cities of Amsterdam, Rotterdam, The Hague and Utrecht. Both types increasingly demand additional investment in orbital public and private transportation systems which provide a link to other such towns as well as the upgrading of radial routes into the centre.

3.5.9. Free-standing towns and cities have also carved out independent economic niches, helped by indigenous strengths such as tourist attractions, educational facilities, cultural importance, a valuable heritage, a diverse economic base and a position of regional dominance because of their location. However, economic success has also brought dangers for such areas. Their attractiveness to footloose investment has often

resulted in significant development and booming job and housing markets which destroy the original character of the town and provoke local resentment by pricing the native population out of the housing market. There is a sharp contrast between the job and promotion prospects of highly qualified in-migrants and relatively unqualified local workers. Transport corridor or interchange centres such as Augsburg or Swindon benefit from locations within strategic intra-metropolitan corridors of movement and hence are also dependent on the economic buoyancy of larger urban areas. Their popularity with modern distribution and retailing firms which favour efficient, less congested road infrastructures means that their prospects are generally favourable.

3.5.10. Peripheral towns in remote rural areas such as southern Italy, Ireland, Greece, Spain and Portugal are the most problematic. Most will find it difficult to maintain a minimum level of services for neighbouring areas as they cannot provide infrastructural support for new activities such as tourism, crafts or alternative technology. This lack of indigenous resources and low levels of demand for services also reduces the likelihood of telecommunications infrastructure and business support services being provided.

3.5.11. Many smaller cities have growth potential because of their strategic position and quality-of-life advantages over many of their larger counterparts. They will mainly be cities strategically located along transport corridors or those with indigenous resources such as heritage and tourism attractions, higher education functions, new technology industries and good facilities and quality of life. Their success, however, will generate new regional infrastructural demands. Dispersed settlement structures lead to pressures for the upgrading of transportation and telecommunications infrastructure both between these settlements and with the major conurbations. Other smaller cities

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are likely to face problems of decline. Some lack the resources to counter the effects of peripherality, depopulation and dependence upon declining economic activities. However, the problems of peripherality may be partially offset by the creation of networks. These can be an important way of disseminating good practice and providing smaller towns and cities with access to technical resources which would otherwise be monopolized by larger cities with their larger markets for advanced producer services.

### **3.6. Cities in regions**

3.6.1. A final theme which merits general discussion here is the role which cities play in their regional contexts, in particular the economic inter-relationships between the two. Historically, cities have been seen as natural regional centres which are the motor force of regional economic development and homes to the key regional economic and political functions. Whilst this remains substantially true, different patterns of urbanization and economic development mean that the relationships between cities and their surrounding regions are no longer as simple as this model suggests.

3.6.2. The model of a 'dominant' city and a 'dependent' region is still most common in peripheral Europe. In this study, in the regions around Athens, Naples and Seville, for example, the city is the dominant centre for public administration, 'knowledge' industries, and other producer and consumer services, including arts, cultural and leisure industries. Despite some decentralization of economic activity to urban fringe areas, the metropolitan areas also capture much of the remaining manufacturing sector. These cities act as nodes in international transport and telecommunication networks, and effectively regulate the economic, legal, cultural and technological relations between their regions and the outside world. Infrastructures link the central

city with other major centres rather than establishing stronger links between the city and regional centres or between regional centres.

3.6.3. The dominant city-dependent region model also characterized the old core during the periods of major industrialization and urbanization. In the last three decades, however, the process of suburbanization and economic decentralization has meant that the metropolitan centres of the old core have lost some of their predominance in terms of population and economic activity. Major urban areas in the old core have benefited from a reconcentration particularly in internationally orientated business services which have few linkages with the regional economy and retain many regional consumer service and administrative functions. At the same time, the countervailing economic power of suburban and regional centres, based on high-technology industries, distribution and decentralized retail functions and major airports, means that metropolitan centres dominate less their regions in the old core than in the periphery.

3.6.4. Regional infrastructures in the old core tend to favour intraregional links, whether radially to the city or between regional centres, more than in the periphery. The result has been a much more complex pattern of relations between cities and regions in the old core. Whilst the linkages, in terms of labour markets and economic interdependency, are still substantial in many old core cities, other regional centres are competitors in key economic activities. London and Paris, with their monopoly of international functions, are partial exceptions to this pattern. However, even in these cities, regional functions have increasingly grown outside the metropolitan area. Elsewhere, a complex mix of city-regional interdependence and rivalry was found in our study, for example, in the regions around Amsterdam, Rotterdam, Liverpool and Copenhagen, where it has been extremely difficult

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to secure consensus on regional development between 'rival' administrations. The regional dominance of particular cities in the old core is limited still further where there is more than one metropolis within a region. This is the case, for example, in the Ruhr, the north-west of England, and the Randstad when considered as a single region.

3.6.5. City-regional economic relations in the new core are a more integrated and complementary hybrid of the above models. Because economic development in the new core has largely taken place from a less industrialized base, there have historically been fewer dominant large cities within new core regions. As a result, smaller urban centres have found it easier to develop new economic niches which complement each other in a regional context. The most important example of such complementarity in our study was the 'Third Italy', the collection of industrial districts in Piedmont, Lombardy, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Tuscany, the Marches and Abruzzi.

3.6.6. The small cities of the Third Italy are characterized by a long tradition of cultural and economic independence. But together they present a particularly balanced form of regional development, which reconciles strong economic performance with environmental sustainability, cultural attractiveness, social equity and cohesion. This has been achieved through intraregional networks of firms, banks, municipalities, and service centres for local enterprises. Regional development and finance agencies played a key role in establishing these networks. In this study Frankfurt provides a further example of good functional links in a polycentric region, with a complementary division of functions as the regional capital has finance and 'gateway' functions, Heidelberg-Darmstadt has R&D and knowledge industries, Offenbach-Hanau has manufacturing industry and Mainz-Wiesbaden has politics and administration.

3.6.7. This study shows that a high degree of economic specialism within smaller, discrete urban centres has helped reduce competition between cities and encouraged the development of public sector and commercial networks within new core regions. Montpellier and Nîmes, for example, are attempting to establish links with other municipalities in the formation of Mediterranean France's high-tech route, while Lyons is promoting cooperation with Chambéry, Chamonix and St. Etienne in the Rhone-Alpes region. However, this pattern of specialization and growing cooperation does not work to the advantage of all new core cities. Indeed it can have the opposite effect. Marseilles is a clear example of a city which, through its port, industrial, administrative and regional retail functions, traditionally dominated its region in the manner of old core cities. Modern economic growth in south-eastern France, however, has been shared between smaller urban centres — Montpellier, Nîmes, Avignon — which specialize in different functions. The result is that Marseilles is 'squeezed' between a host of potential regional competitors.

3.6.8. Four types of economic relationships can be found between cities and their wider regions within the Community. In the first case, economic development occurs and is evenly shared between the city and the region. This presents no policy dilemma; the other three do. In some cases the economic problems of the city at the centre are severe enough to constrain the economic development of the wider region. In others the city at the centre of the region flourishes but the wider region fails to share in its prosperity and economic and social disparities between the two grow. Finally there are cases where the wider region develops economically but the city at the centre fails to share in that growth.

3.6.9. In this study, the Frankfurt urban agglomeration in the new core is a good example

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of economic growth which is relatively evenly shared between the city and the region. In the old core, Liverpool provides an example of where the economic, social and environmental problems of a city at the centre of a region constrain the economic performance of the wider regional economy. In the periphery, Seville and Rennes illustrate the dangers of an economically successful city outstripping the performance of its surrounding region, increasing the economic and social disparities between the two. The third problematic economic relationship is found in Provence Alpine Côte d'Azur in southern France where the city of Marseilles failed to share in the rapid growth and prosperity of its surrounding region and its relative economic performance and economic and social problems worsened.

3.6.10. Each of the three problematic relationships and patterns of uneven development presents a challenge to the economic and social cohesion of the Community's regions. In all cases the challenge for decision-makers is to ensure that cities succeed economically and contribute to regional growth. In particular cases, the challenge is to ensure that the growth in cities is dispersed throughout the region so that cities do not leave their regions behind. In others the challenge is to ensure that regional prosperity filters into cities. Whatever the relationship between the two, the fates of regions and cities are closely integrated. This study indicates that the economic linkages between cities and regions, and the linkages between the policies of Member States and the Commission, which affect cities and regions, need to be better integrated.





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## 4. The challenge of change in European cities

### 4.1. Introduction

4.1.1 The economic and demographic changes which were most important in transforming the European urban system during the past three decades have slowed considerably in recent years. Despite the continued economic restructuring associated with the creation of the single market and the uncertain impact of potentially enlarged EC membership, the European urban system is likely to be more stable in the period to 2000 than it has been in the last three decades. The shift from manufacturing to the service sector as the dominant employer within urban economies has now largely taken place. The rural—urban migration which characterized underdeveloped southern Europe and Eire has dwindled. Birth-rates in those regions have converged with those of mature industrial northern Europe, limiting the likelihood of rapid indigenous urban population growth in the medium term. Employment-led migration from non-European areas and the less-developed European regions to Europe's economic core is now less pronounced than in the boom period from the 1950s to the mid-1970s.

4.1.2. With more stable patterns of employment, migration and fertility, the European urban system will be subject to less upheaval than elsewhere. There will not be urban growth within Europe on a scale comparable to the explosive urbanization that is still occurring in Asia, Africa and Latin America. Despite this degree of relative stability, changes which may appear marginal at

the European-wide level will present decision-makers in European cities with significant dilemmas and opportunities. The economic upheavals of the 1970s and 1980s have bequeathed a particular legacy to each European urban area depending on its historical development pattern, its functions in the public or market sectors, and the local effects of wider economic change. Many cities are still adjusting to these economic processes and the adjustment will be more painful in some European cities than in others.

4.1.3. Other factors, in addition to those which are primarily the consequence of decisions about employment locations, will be equally important in generating demand for public and private urban services. Suburbanization and reurbanization, changing age structures within cities, the feminization of the workforce, the outmoding of traditional skills, changes in household structures, increased leisure time and purchasing power amongst more skilled, secure workers and growing concern over the urban environment will have complex impacts on cities. They will throw up challenges for the provision of services in housing, transport, social welfare, education, childcare, training and environment. The way in which the public and private sectors respond to these challenges will trigger further changes in the way in which the physical capital of cities is used. Cities will also be constrained by wider forces — the performance of the international and European economy, investment decisions of multinational corporations, the policies adopted by national governments and the European

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Commission, developments in East European economies and pressures of migration from outside the European Community.

4.1.4. During the 1990s the uneven impact of economic change will continue both between and within European cities. In many cities there has been growing economic, social and political dynamism which has created increased prosperity. In others there has been continuing economic decline. Equally different parts of cities, and different groups within them, have been affected differentially by change. Some have benefited; others have been less able to do so. During the 1980s in many cities throughout the European Community there have been growing spatial inequities, increased social and economic disparities between groups and growing marginalization of the most vulnerable ones. This is especially true for ethnic minorities, where racial discrimination has compounded a lack of skills and made it difficult for them to enter Europe's expanding service sector economy. This uneven distribution of public and private goods and services and the segregation and marginalization of groups within cities, will remain major issues in urban Europe.

4.1.5. This chapter reviews the range of economic, social and environmental problems that are faced within European cities. It identifies the major problems that are faced in the areas of unemployment, spatial segregation, housing, the position of ethnic minorities, fiscal stress, transport and environment. The following chapter examines the way in which the case-study cities have responded to those problems. The relationship between problems and strategic responses is not direct. During the 1980s, in contrast to the social concerns which characterized urban strategies in the 1960s and 1970s, many city decision-makers made their goal the pursuit of economic growth, often in direct competition with other cities, rather than the resolution of social

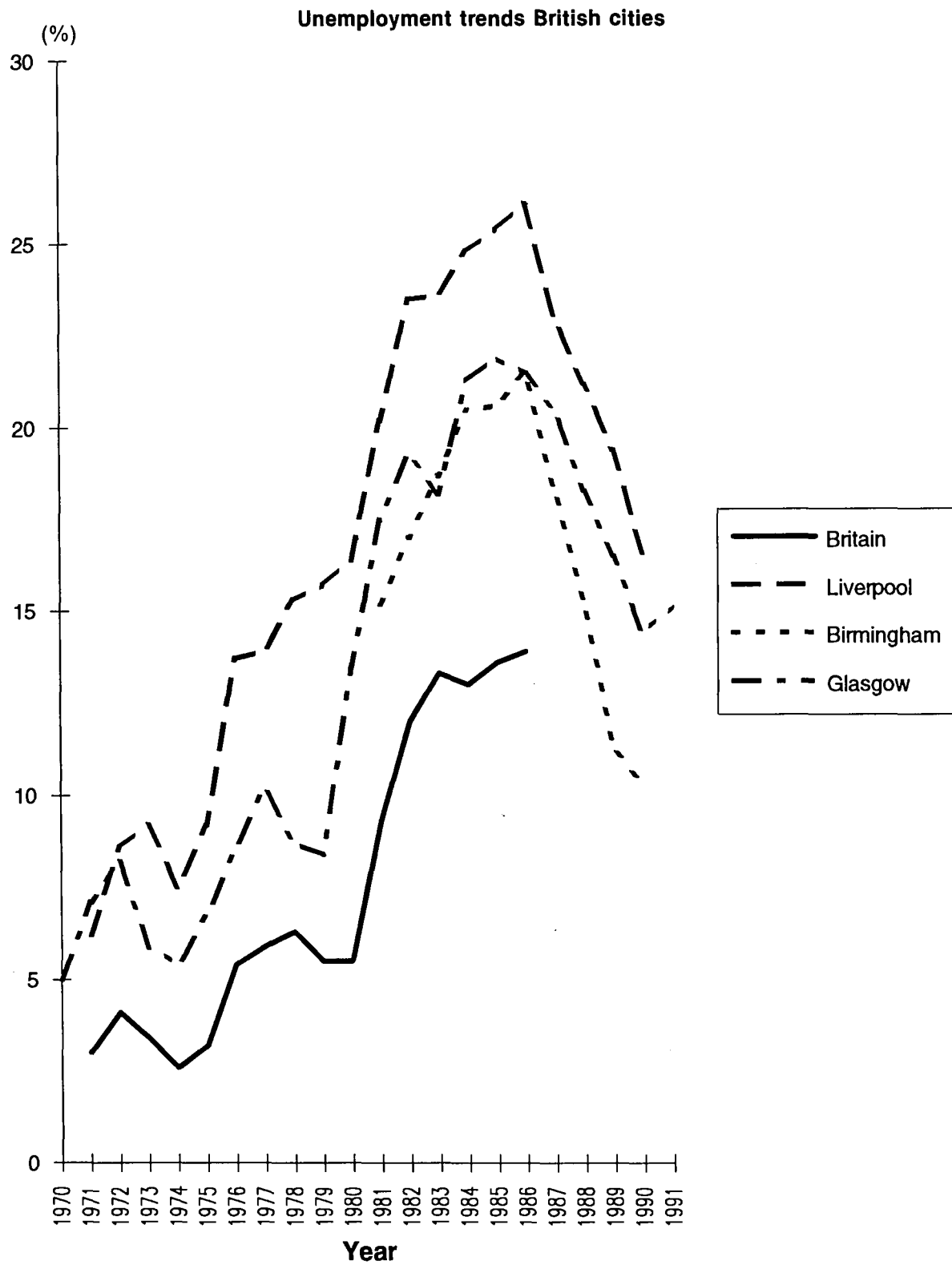
problems. To guide the discussion of these two issues, the typology developed in Chapter 1 which divides Europe into three broad economic areas — the old core, the new core and the periphery — is used. This distinction is useful in identifying the different contexts in which cities typically operate.

## **4.2. Urban unemployment**

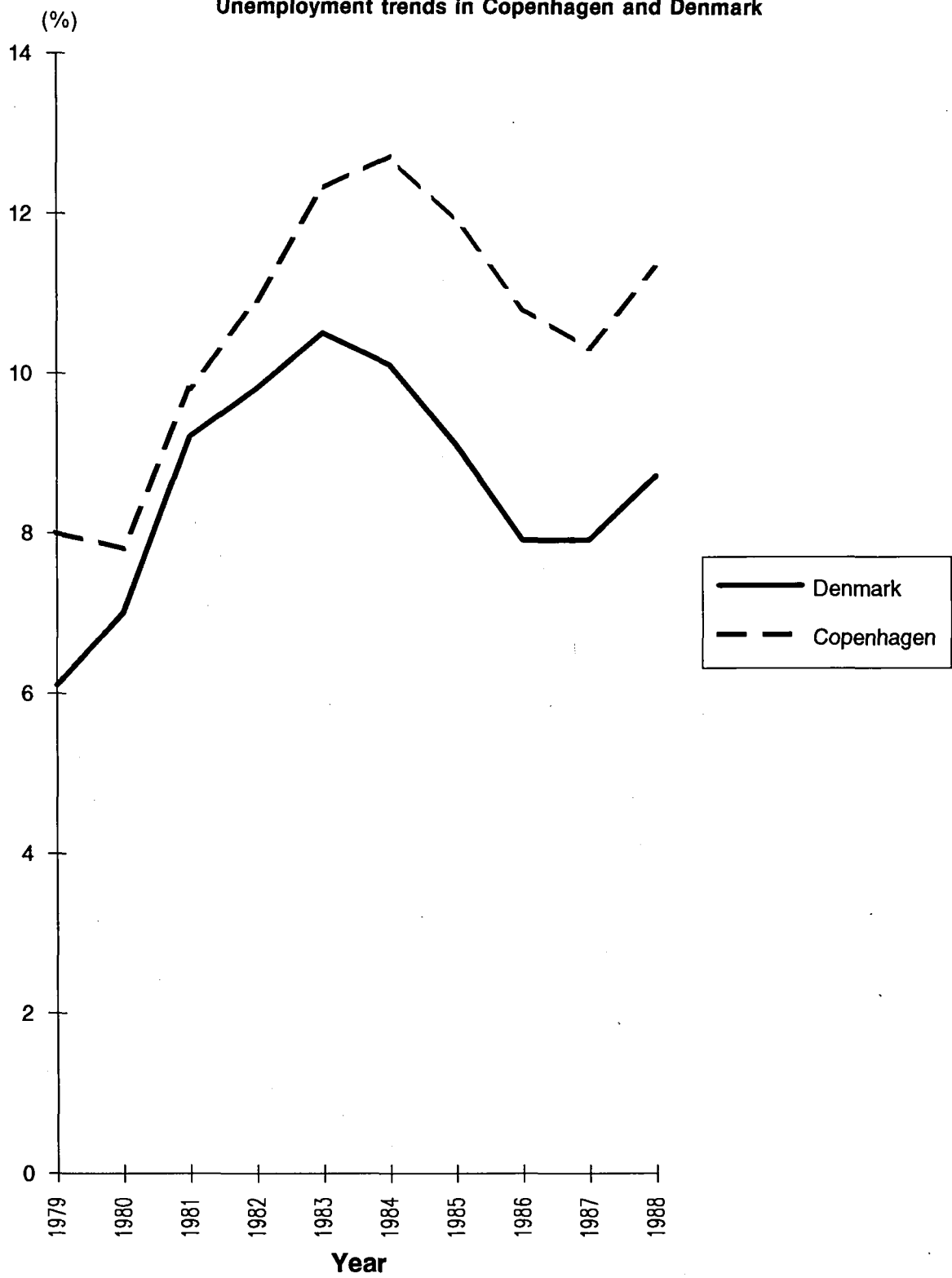
4.2.1. The clearest evidence of the unevenness of economic growth and decline in cities can be found in urban labour markets. The major European trend in the 1980s was growing unemployment. National unemployment rates grew rapidly following the onset of recession in the mid-1970s before levelling off and beginning a slow decline from the mid-1980s. In the same period, urban unemployment shadowed the respective national rates but typically at a higher level, reflecting the uneven impact of economic restructuring and the continued magnetism of metropolitan areas for mobile labour at a time of economic recession (Figure 15). During the 1980s unemployment rates in many major cities in France, Italy, Greece, the Netherlands, Spain, Portugal and the UK reached levels of 20% or more, up to twice the national averages. In some urban neighbourhoods and among particular groups the figures were frequently much higher.

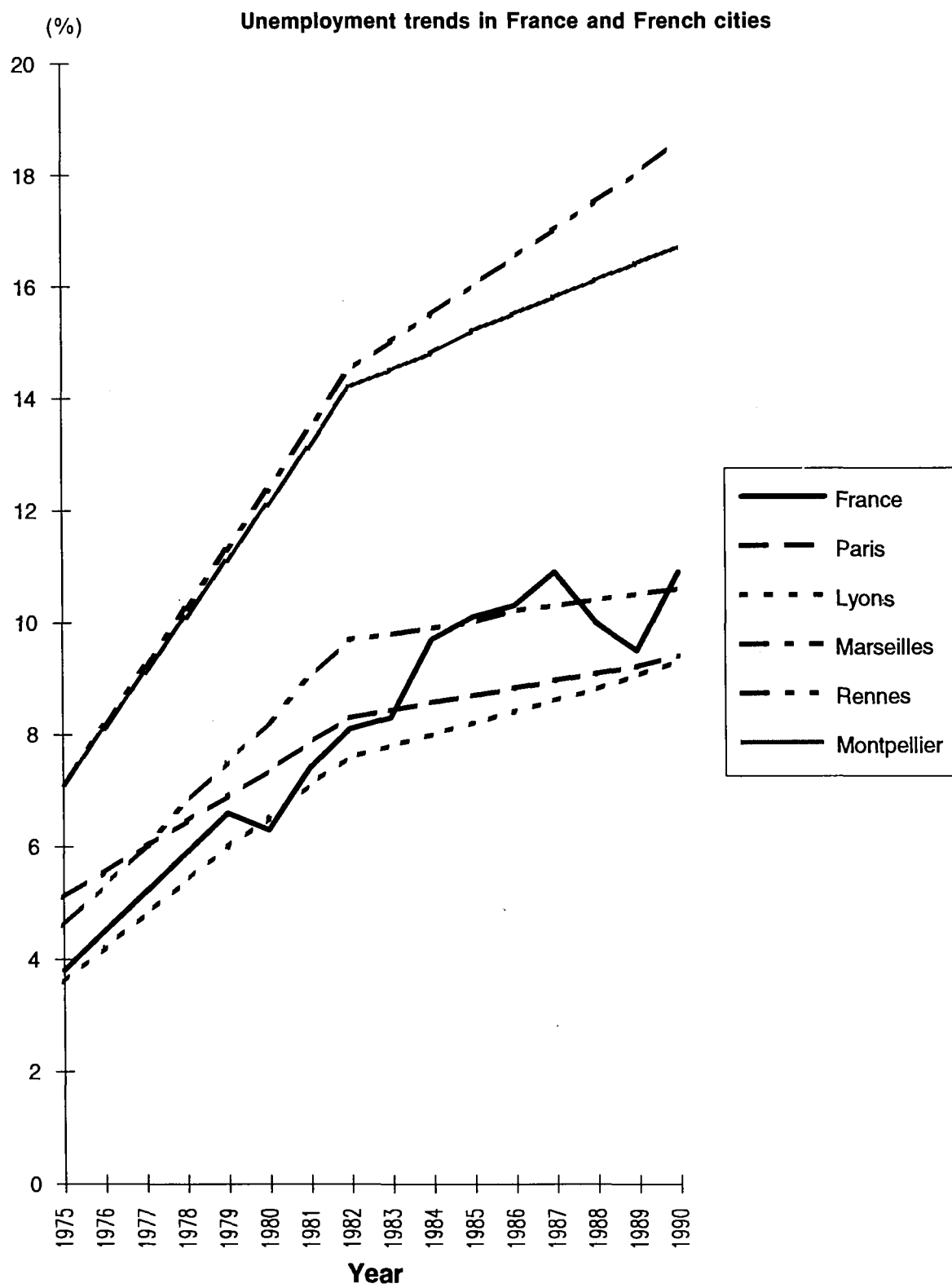
4.2.2. Problems in the comparability, quality and availability of unemployment data make precise comparisons between cities in different Member States difficult. Differences in national definitions of unemployment, in the way boundaries of cities and metropolitan areas are drawn and in the frequency of data collection mean that care must be used in interpreting even the limited evidence available. To give a single example of the way in which data can mislead, the 1990 unemployment rate in Brussels — a city which experienced enormous economic growth during the 1980s — was 17%, greater than that of the city of Liverpool — 15% — which suffered substantial economic decline during the period.

Figure 15. Unemployment trends in selected case-study cities

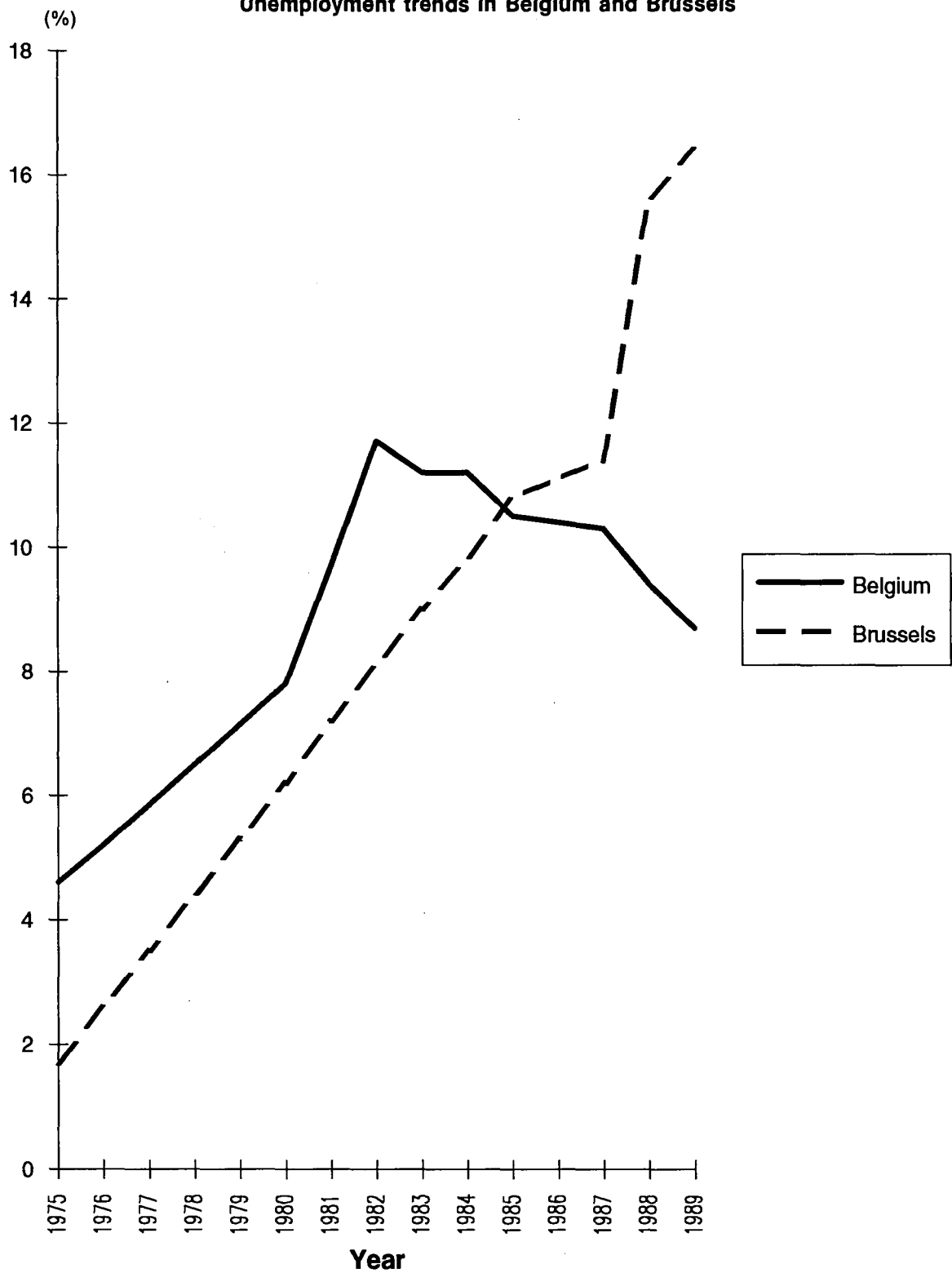


Unemployment trends in Copenhagen and Denmark

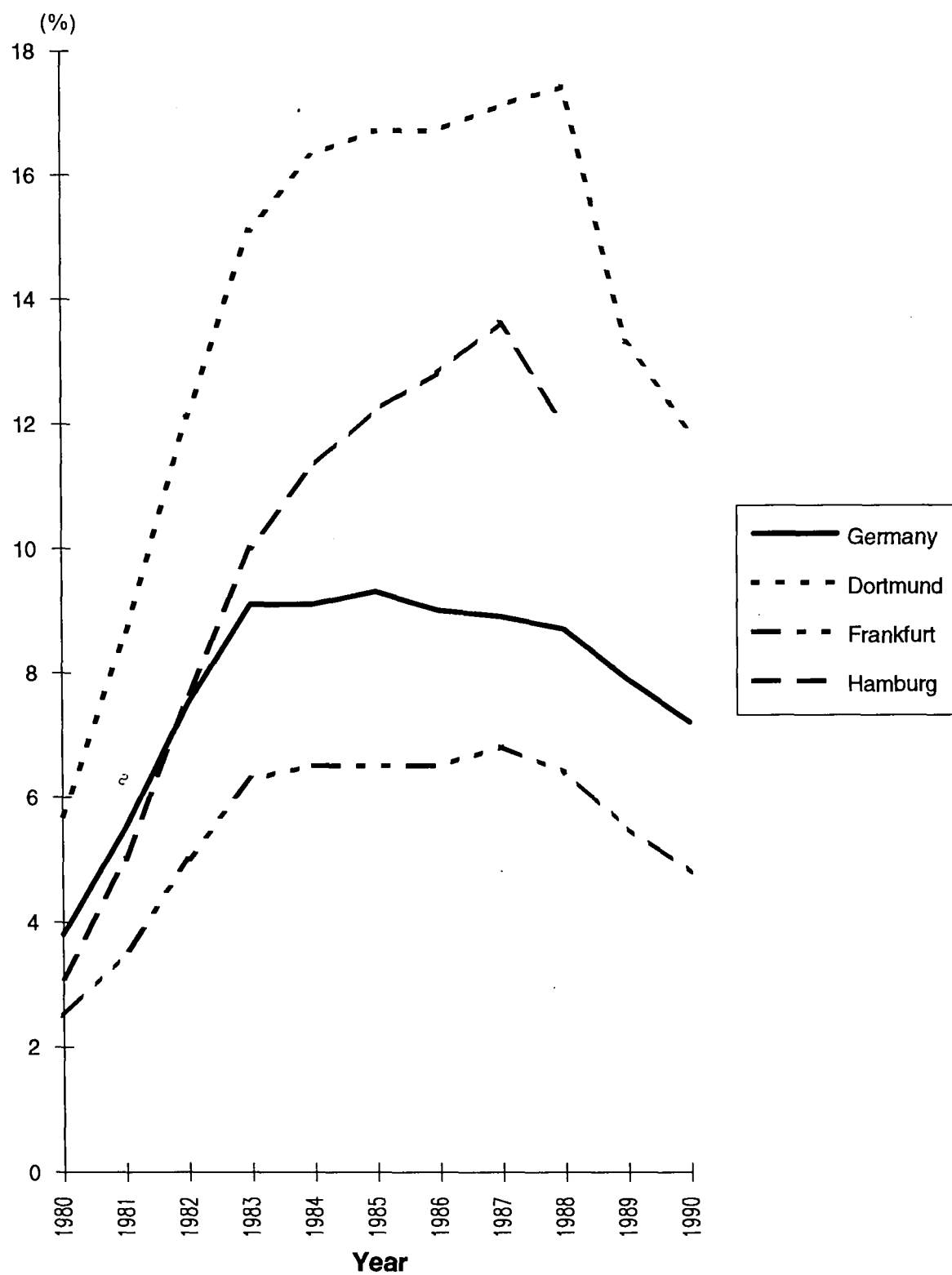




Unemployment trends in Belgium and Brussels

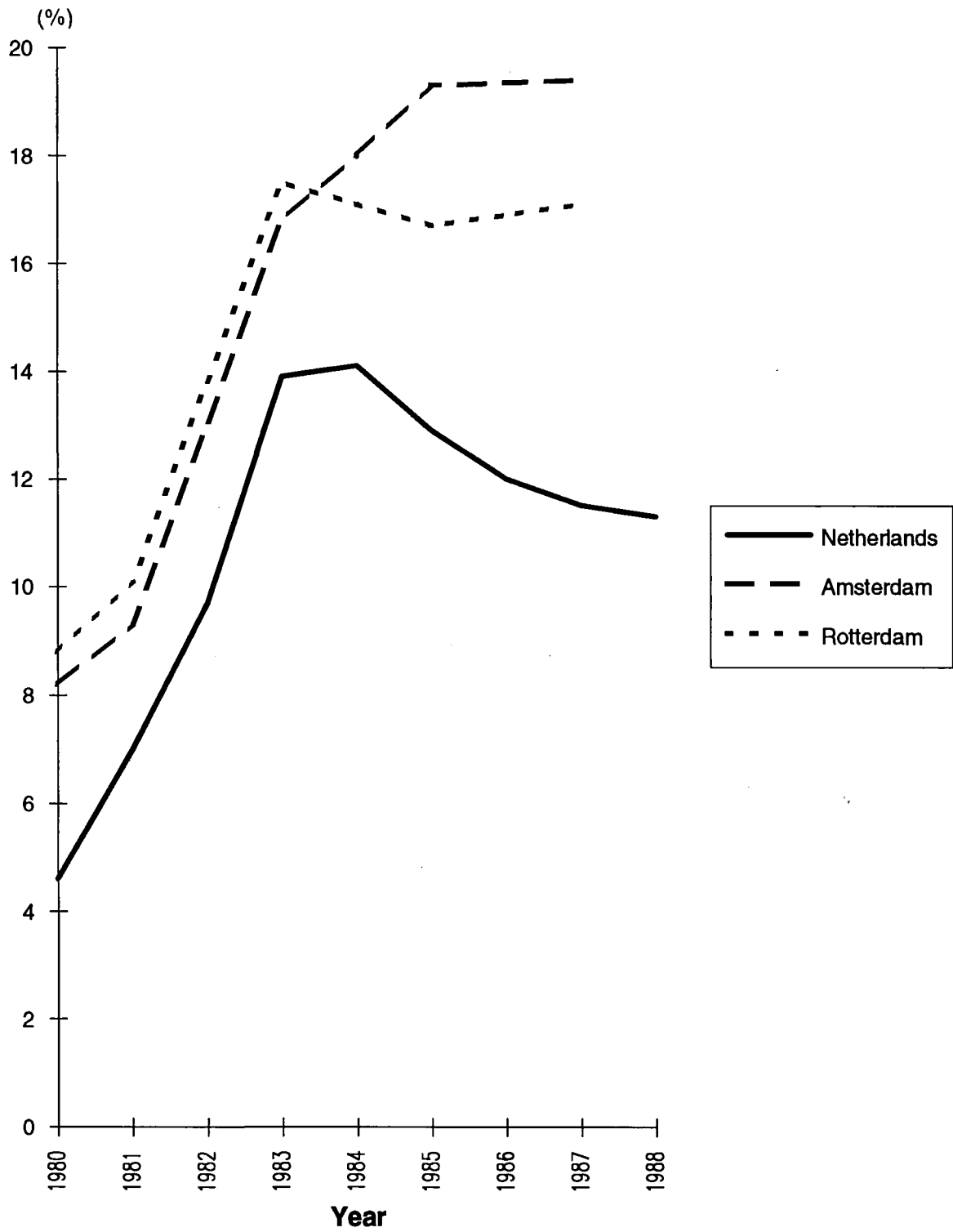


Unemployment trends in Germany and German cities



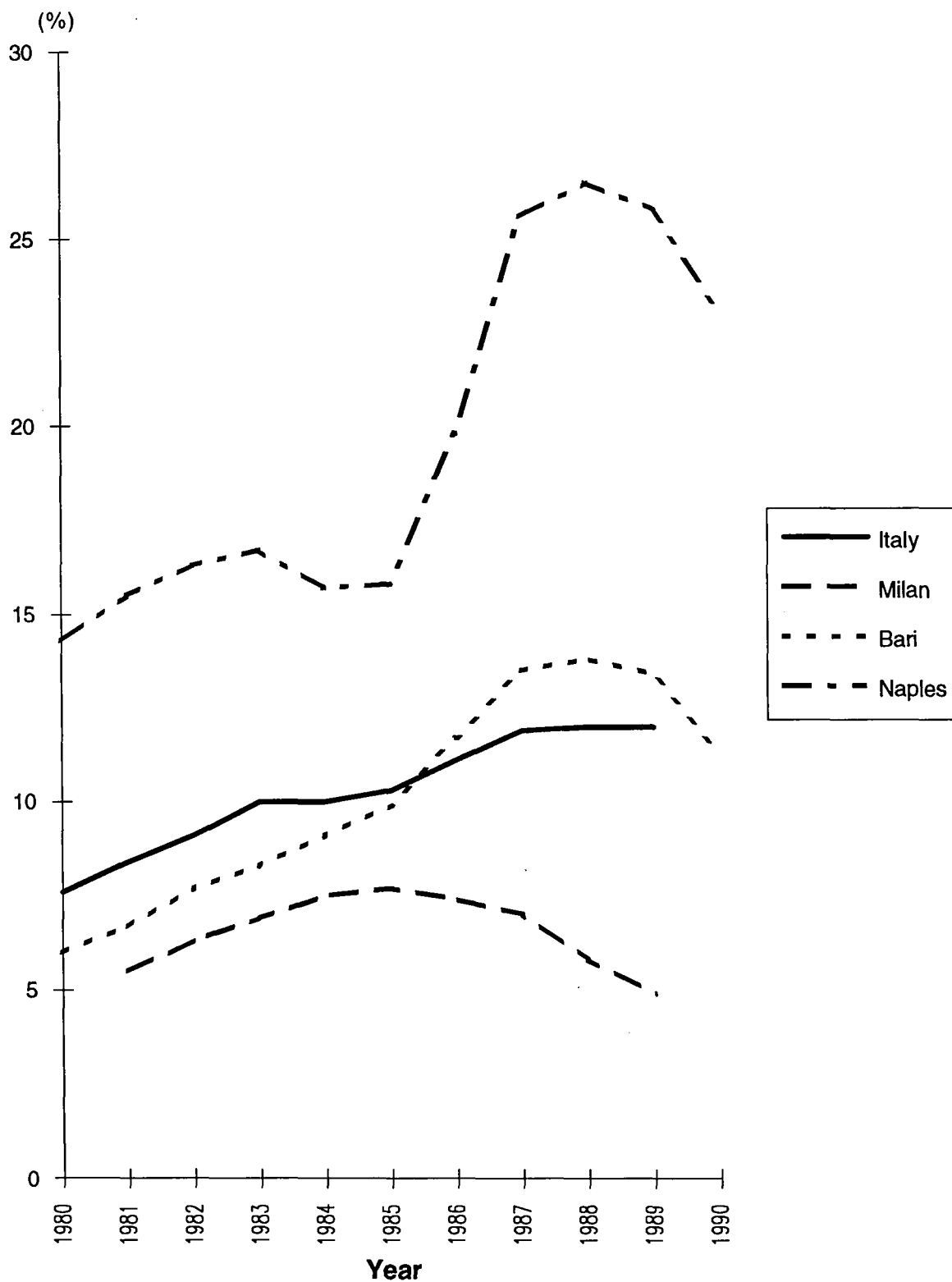
Note: National trends relate to the former West Germany.

Unemployment trends in the Netherlands  
and Dutch cities



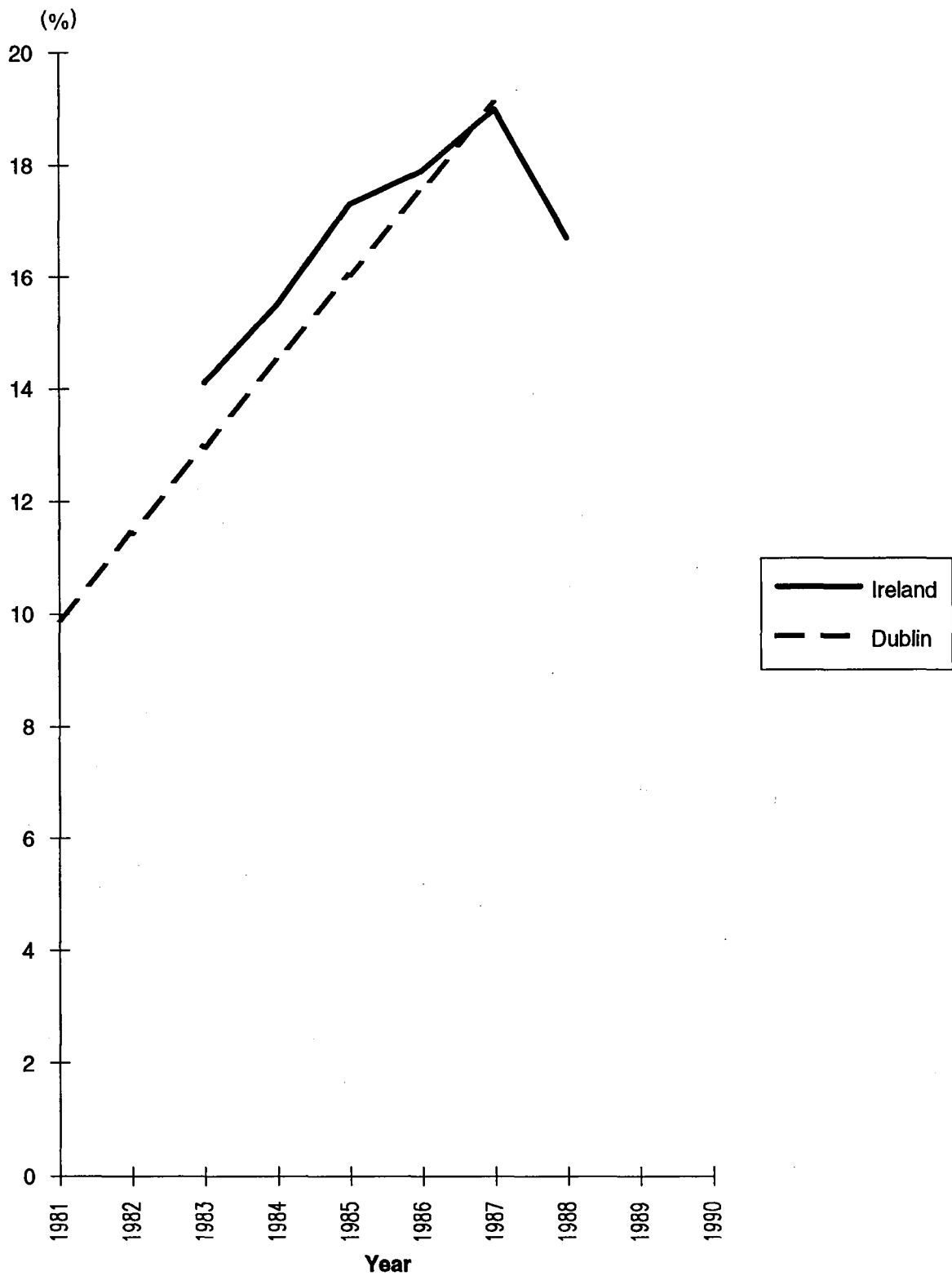


Unemployment trends in Italy and Italian cities

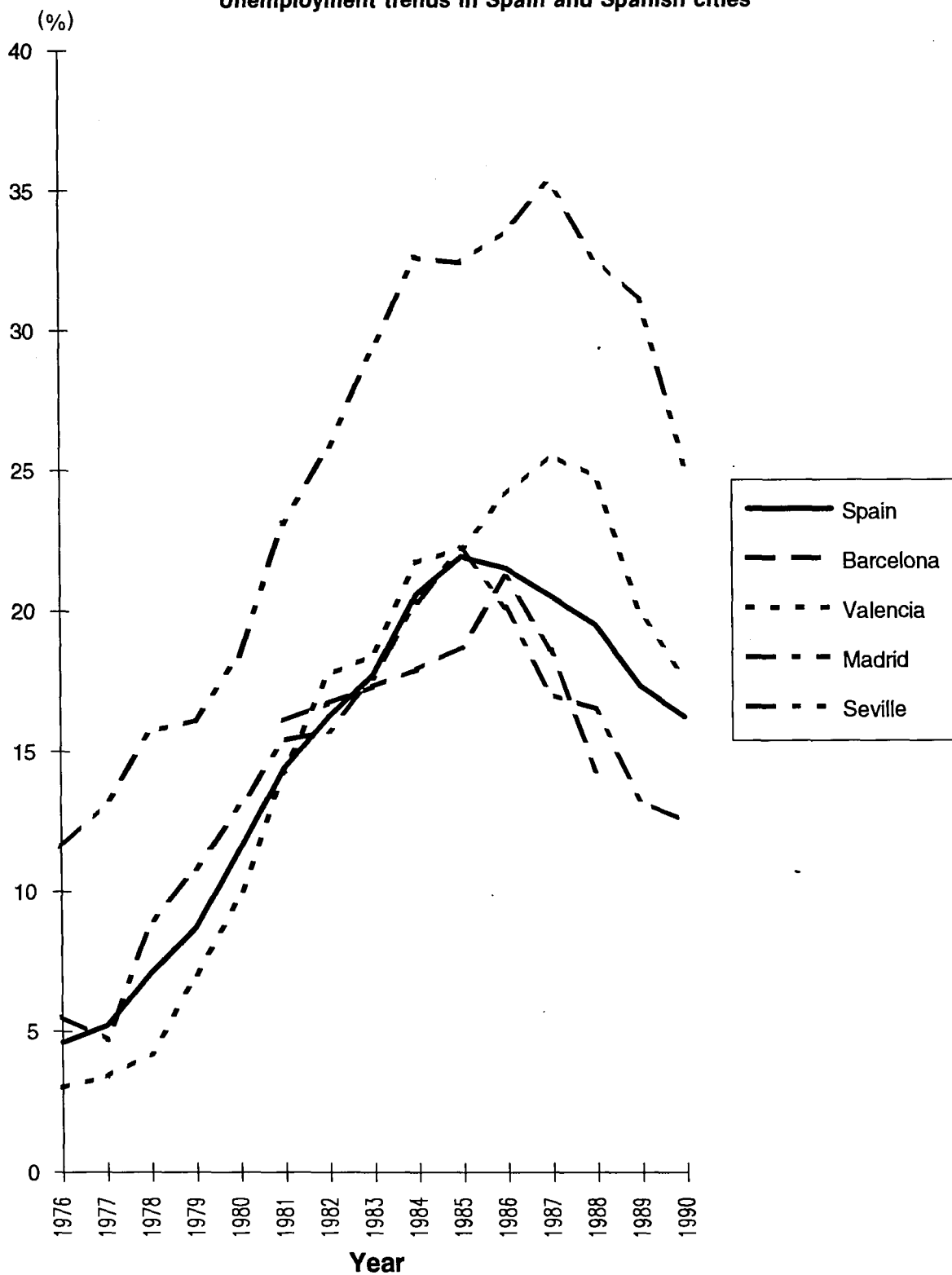


Note: Milan data is city data. Other data is at provincial level (comparable to the metropolitan area).

Unemployment trends in Ireland and Dublin

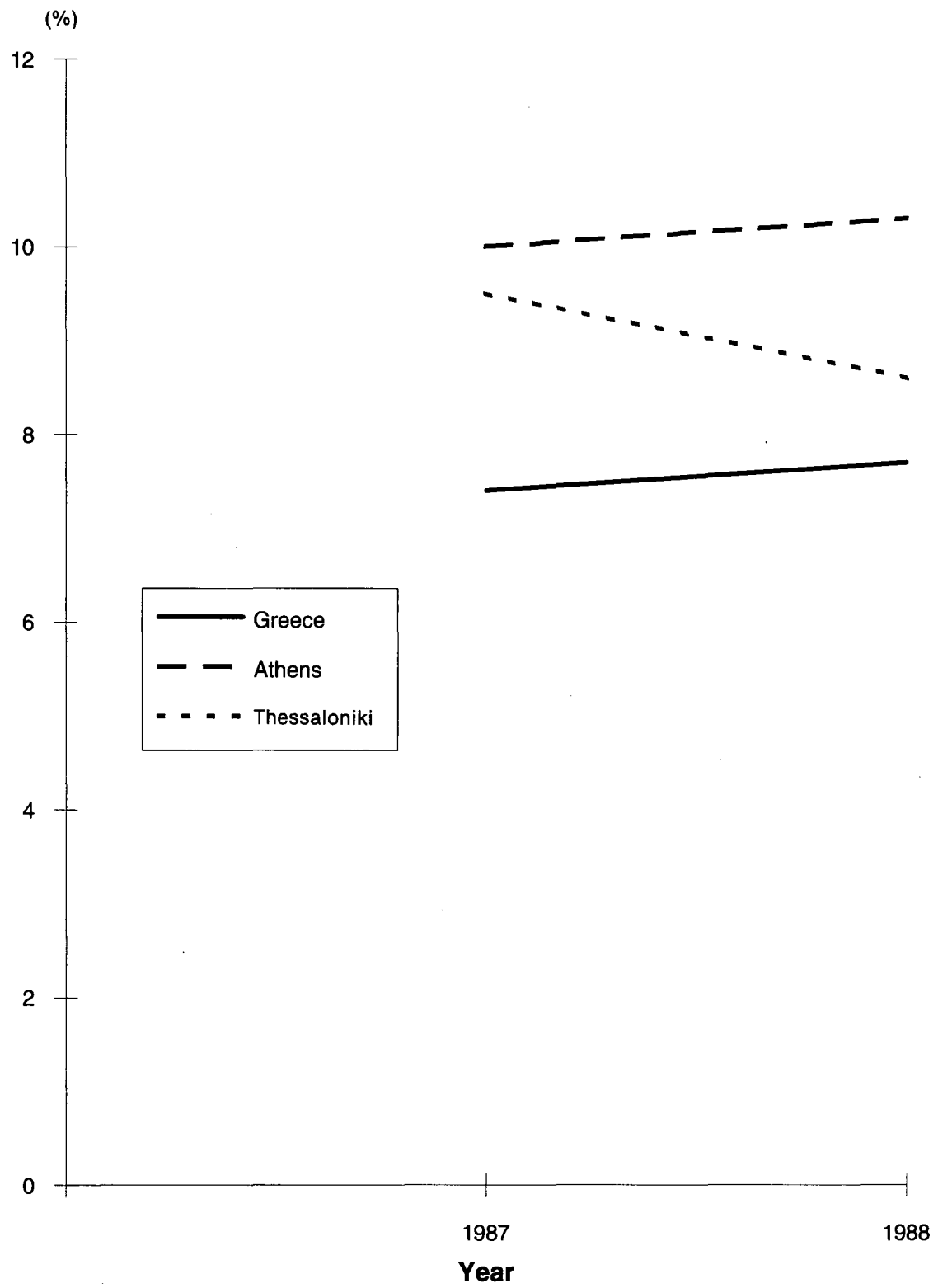


Unemployment trends in Spain and Spanish cities



Note: Barcelona data, 1984-88, and Valencia data, 1986-90 are city data. Other data is at provincial level but is comparable.

### Unemployment in Greece and Greek cities



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4.2.3. This apparent anomaly is explained by the fact that the boundaries of Brussels are drawn much more tightly than those of Liverpool and that Brussels attracts more substantial commuting from suburban areas. The two sets of figures therefore measure different things: mismatches between inner city labour supply and employment availability in Brussels, generalized urban economic decline in Liverpool. If not used with caution, such data can give a misleading impression of the structural health of different cities' economies. Nevertheless, combining the qualitative information from the case studies with available primary and secondary data, it is possible to overcome some of these problems and to look at trends over time in the old core, new core and periphery and the patterns of unemployment between different types of social or ethnic groups.

4.2.4. The most serious unemployment problems, affecting the youth labour market in particular, are in peripheral cities. Here, four factors have combined to generate some of Europe's highest unemployment levels. They are:

- (i) historically higher birth-rates which, although recently falling rapidly, have created a large cohort of young people seeking to enter the labour market;
- (ii) the legacy of earlier rapid in-migration from rural areas;
- (iii) decline in traditional sectors; and
- (iv) a sluggish economic recovery from the early 1980s recession.

The consequences are readily apparent in two of our peripheral case-study cities — **Dublin** and **Naples**:

- net loss of jobs in Dublin ran at 5 000 per annum between 1981-87, reflecting industrial decline and sluggish service sector growth;
- Dublin's unemployment doubled in both absolute and percentage terms in the same period;
- northern inner city Dublin had 27% unemployment in 1986;
- local unemployment on some of Dublin's peripheral housing estates topped 50%;
- unemployment in Campania, the region around Naples, was 13.7% in 1981, compared to 8.4% nationally;
- unemployment in Naples in 1987 was 24.2% compared with 23.2% in Campania and 11.9% nationally;
- 58% of Campania's unemployed in 1987 lived in Naples;
- 77.2% of Campania's unemployed in 1987 were aged between 14 and 29;
- estimates suggest up to 50 000 people sell smuggled goods in Naples' informal economy and that up to 33% of all Neapolitan families are without incomes.

4.2.5 In Spain, strong economic growth in the post-recessionary period of the later 1980s has meant more rapid urban modernization than is found in Ireland or southern Italy. This has not been sufficient to offset the legacy of rural — urban migration and the large youth labour supply. Unemployment thus remains high in peripheral and new core areas of the country, as indicated by the examples of **Seville** and **Valencia**.

- 100 000 people (32%) were unemployed in Seville in 1986;
- youth unemployment in Seville stood at over 50%;

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- unemployment in Valencia in 1986 was 24%, compared to 20% for the region and 22% nationally;
  - unemployment rates in Valencia varied between 17 and 30%, with the traditional working-class areas suffering most.

High unemployment, particularly among youths, will continue to be a key issue for the above areas in the 1990s. In those areas experiencing economic growth, youth unemployment is arguably exacerbated by lower standards of educational provision which limit the access of the young underqualified to newer, more skilled occupations.

4.2.6. The old core area of Europe was affected worst by the restructuring of traditional manufacturing industries which was exaggerated by the recession of the mid-1970s and early 1980s. Even where there has been pronounced recovery from the mid-1980s, two major implications remain for labour markets in old core cities. Absolute falls in employment opportunities initially meant that an earlier generation of youth entrants to the labour market faced difficulties in finding employment. The less skilled of this group continue to do so. They have been joined by a later generation within which the less qualified have faced particular problems in gaining access to employment in both the growing, more modern and highly skilled occupations and in declining traditional sectors. This problem has eased slightly but by no means disappeared with the recovery from the mid-1980s and the falling number of young people entering the labour market as a result of demographic change. The other major dilemma in the old core has been to reintegrate older workers displaced from traditional industries into a changed labour market. Again, the differential effects of these factors can be traced in the old core cities in the study.

### **Liverpool**

- half of the city's manufacturing jobs were lost between 1979 and 1983;
- unemployment rose to 25% in 1985. The 1991 figure (15%) remains well in excess of the national rate;
- unemployment amongst 16 to 19-year olds is over 30%;
- estimates suggest unemployment in peripheral social housing estates is over 40% and, for ethnic minorities, over 50%.

### **Birmingham**

- 25% of total employment, predominantly in manufacturing, was lost in 1979-82;
- unemployment reached 20.3% in 1985 before falling to 10.3% in the late 1980s;
- unemployment in the inner city is double that of the city and three times the national average;
- unemployment amongst whites was 13% in 1986 but 32% for the black population.

### **Glasgow**

- manufacturing employment fell by 45% between 1971 and 1983;
- unemployment in 1990 was 19% for males and 7.3% for females, exceeding the Strathclyde regional and Scottish national rates;
- in six districts of the city unemployment exceeds 25%.

### **Copenhagen**

- unemployment rose from 2.3% in 1973 to 12.7% in 1984, the latter compared to 6.9% for the region and 10.15% nationally;
  - unemployment in 1988 ran at 11.3%, exceeding the regional (5.8%) and national (8.7%) averages.
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### **Hamburg:**

- unemployment rose consistently to 13.9% in 1987;
- economic recovery meant the figure fell to 11.2% in 1990, still three times higher than Munich in Germany's more prosperous south.

### **Amsterdam**

- unemployment more than tripled between 1980 and 1985;
- despite falling back slightly, 70 000 people (over 20%) remained unemployed in 1988;
- 35 000 to 40 000 illegal immigrants, lacking entitlement to unemployment benefits are thought to be living on insecure, marginal jobs in the informal economy.

### **Rotterdam**

- unemployment stood at 20% in 1990, with considerably higher rates in poorer neighbourhoods;
- 50% of the unemployed have been without work for two years or more;
- ethnic minorities comprise 30% of the city's unemployed but less than 11% of its population.

### **Brussels**

- 42 800 people (17.4%) were unemployed in 1990;
- Brussels' regional unemployment is the sixth worst of Belgium's 26 regions;
- 42% of Brussels' unemployed have been out of work for over two years.

### **Berlin**

- unemployment rose from 6 000 at the beginning of the 1970s to 30 000 in 1980 to 96 680 (10.8%) in 1989.

### **Dortmund**

- unemployment rose from 5.7% in 1980 to 11.9% in 1990;
- the 1991 unemployment rate of 12.3% compares badly with the 11.1% in the Ruhr region, 8.5% in the *Land* and 7.2% in the former FRG area;
- 50% of Dortmund's unemployed are low qualified and 26% have been without work for over a year.

4.2.7. Cities in the new core fall into two broad categories: previously lightly industrialized centres which have grown as a result of concentrations of new technologies or other service industries, and cities, more like those in the old core, which have more substantial legacies of port-based and manufacturing industries. The nature and levels of unemployment are slightly different between the two types of cities. The latter share the characteristics of older industrialized north European cities, with comparatively high levels of unemployment and mismatches between the employment needs of older redundant workers and young people and new labour market realities. The case-study cities of **Marseilles** and **Barcelona** illustrate this point.

- Marseilles lost 30 000 of its 76 000 industrial jobs between 1962 and 1982;
- unemployment in Marseilles rose from 3% in 1962 to 12% in 1982. In 1990 it stood at 15%, compared to 9% in France and 11 and 13% at the regional and departmental levels;
- 126 185 people (16%) were unemployed in Barcelona in 1987 with young people being particularly badly affected.

4.2.8. Even new core cities lacking a heavy industrial heritage can suffer considerable unemployment problems. This is illustrated well by **Montpellier**. It is the fastest growing city in France. Between 1962 and 1982 the number of

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economically active residents grew by 62% but the unemployment rate also increased in the same period from 2.2 to 13.9%. Here, the problem is that local residents find difficulty in gaining access to increasingly high-skilled occupations. Amongst the faster growing new core cities which have experienced fewer problems are **Frankfurt**, where a more diversified economy weathered the recession well and where the 1990 unemployment rate was only 4.5%, and **Milan**, where unemployment rates remained at around 8% through much of the 1980s before falling to 5.5% in 1990. Figure 15 more fully illustrates patterns of unemployment in our case-study cities.

### **4.3. Labour market polarization and urban employment**

4.3.1. The growing influence of service sector employment in European economies has already been noted. The shift toward service sector employment has been particularly sharp in cities. The majority of cities in this study had more than two-thirds of total employment in the service sector by the end of the 1980s. Figure 16 demonstrates the increasingly important role of the tertiary sector in the economies of those cities.

4.3.2. Service sector growth has generated a large number of urban employment opportunities. Nevertheless the nature of the service sector has also posed particular employment problems in cities. Many service sector jobs are highly qualified, well trained and well rewarded. But many — especially in the retail, leisure and personal services — are relatively unskilled, unqualified, low paid and short term in nature. The bifurcated nature of the labour market in a service sector based economy has major educational and training implications for all European cities. In both economically growing and declining cities there is evidence of the need to

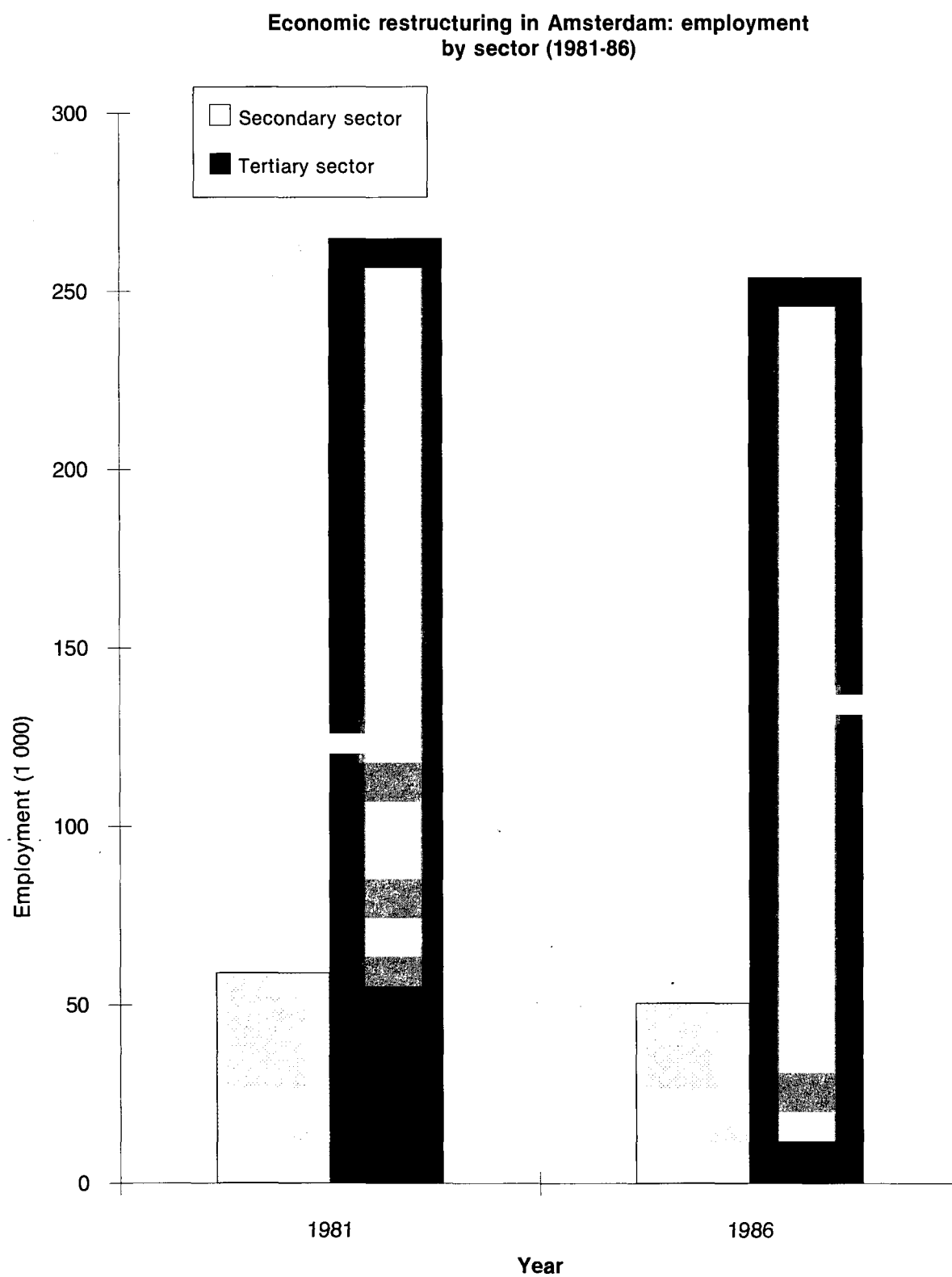
upgrade the qualifications of many people to allow them to take advantage of service sector jobs. These problems are most intense in the cities of the south where both the quality and quantity of education and training is less well developed than is the case in the north. But substantial numbers of older, younger and migrant groups in northern cities are excluded from the labour market by their lack of skills and present a major policy dilemma. The problem is particularly intense in the case of immigrant and ethnic minorities where a lack of skills and training compounds other difficulties in entering the labour market.

### **4.4. Spatial segregation**

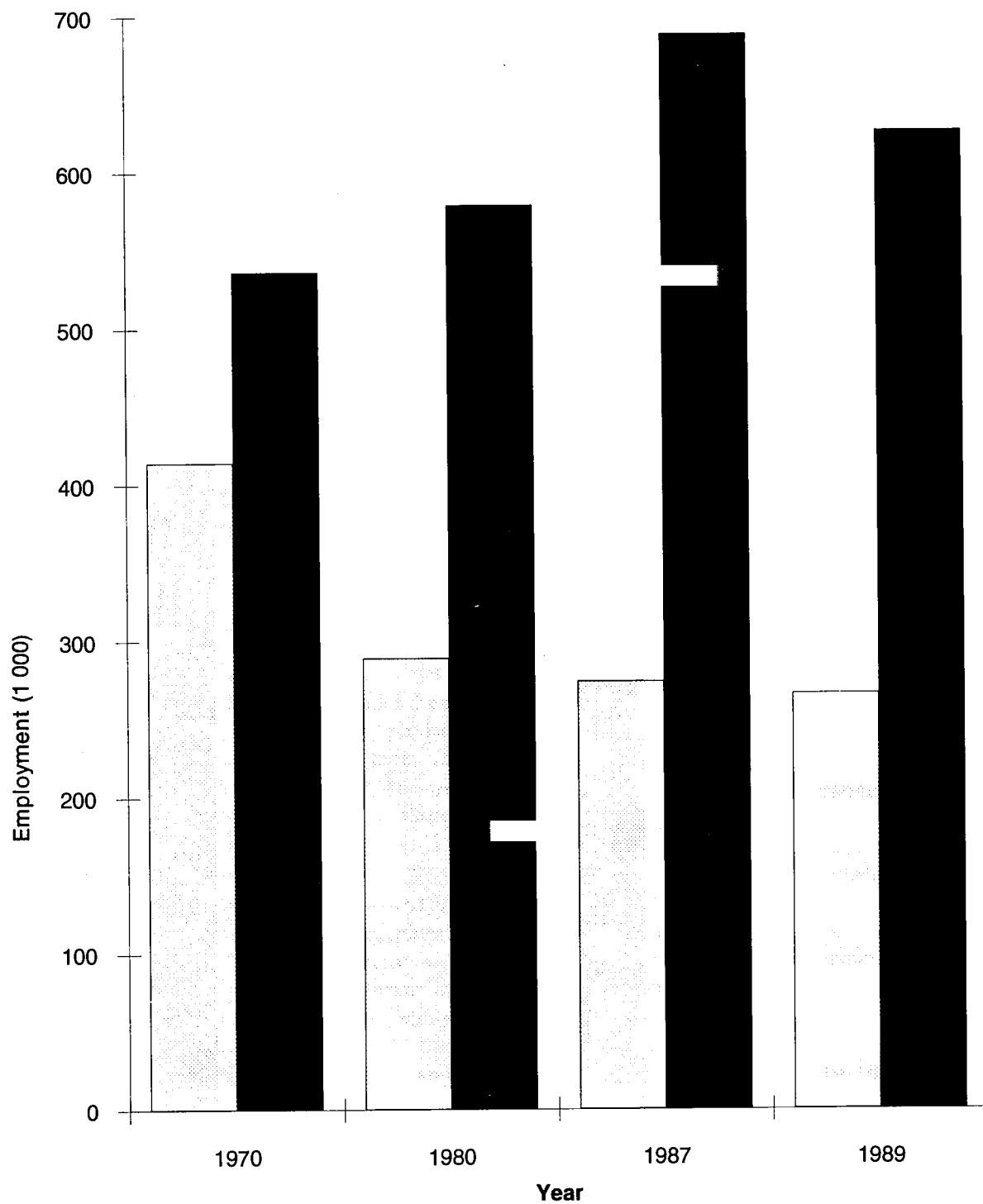
4.4.1. Economic trends are manifested spatially in European cities. In particular, marginal labour market groups are frequently concentrated in their own areas of the city, physically as well as economically separated from the mainstream. This problem — found in new core, old core and peripheral cities alike — is driven by market developments, often buttressed by public policies. It affects mostly two kinds of areas. They are the centres of cities which have undergone substantial economic and physical restructuring during the 1980s and the peripheral areas of many major cities which became the sites for substantial social housing in the 1960s and 1970s. Spatial inequities and conflicts have become more common in European cities as the development of high value-added service sector activities in central areas has led to an upsurge in office provision, upmarket residential areas and high-quality consumer services. This process has created intense competition for the use of scarce city centre space, inducing rising land and property values. As a result, more marginal local businesses, often more geared to meeting the needs of lower income communities, have been forced into closure or relocation to less expensive areas of cities.



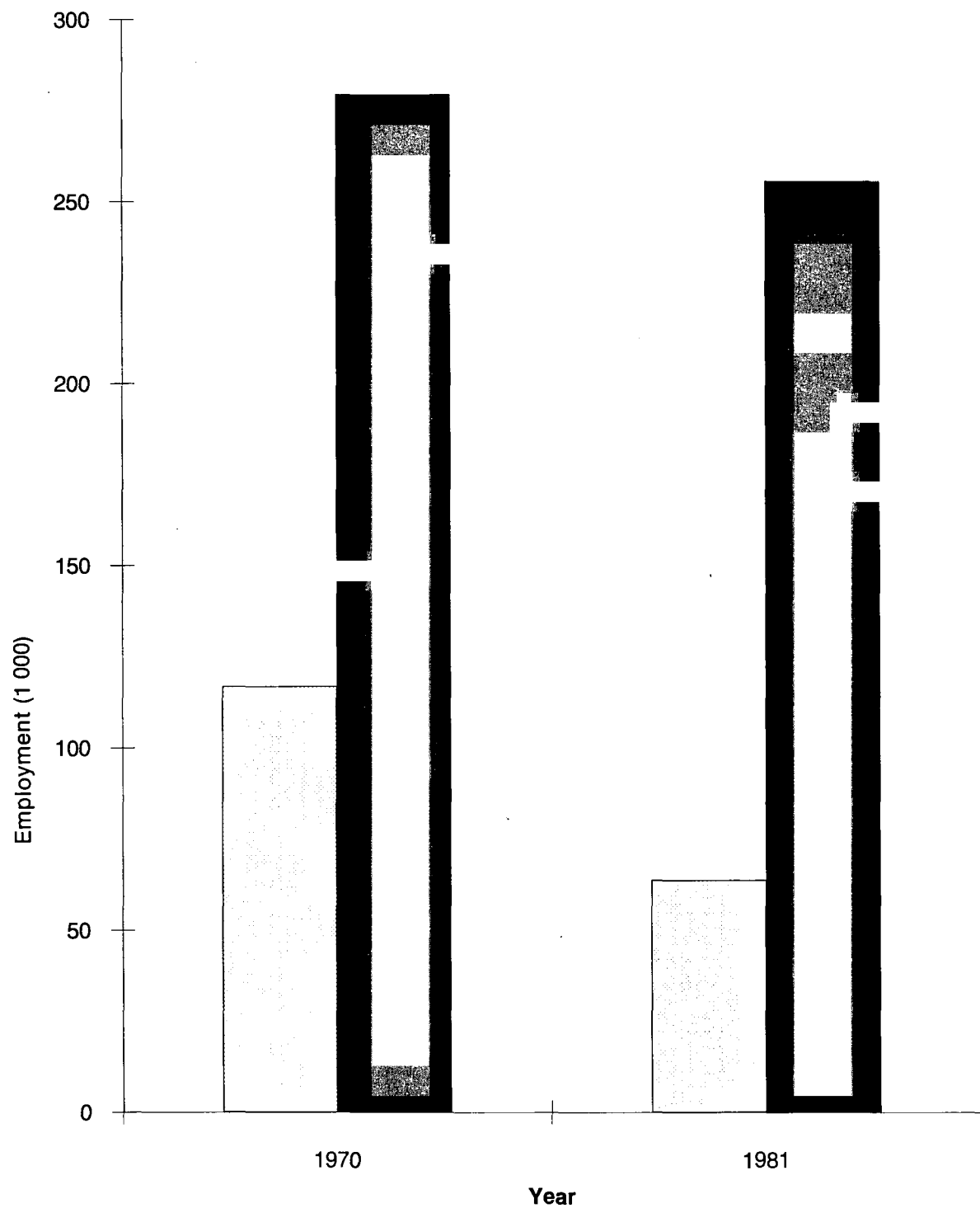
**Figure 16. Economic restructuring in selected case-study cities**



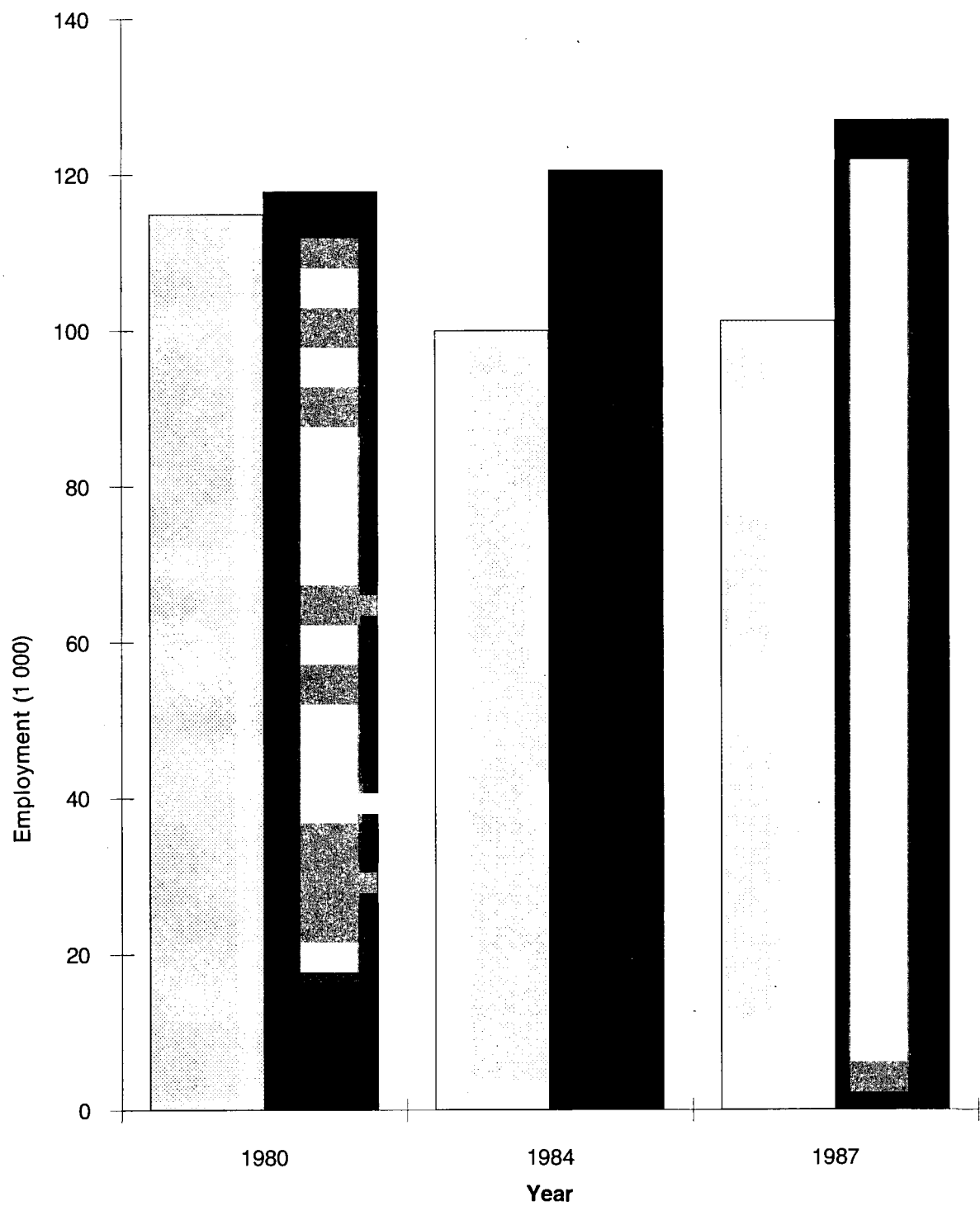
**Economic restructuring in West Berlin: employment  
by sector (1970-89)**



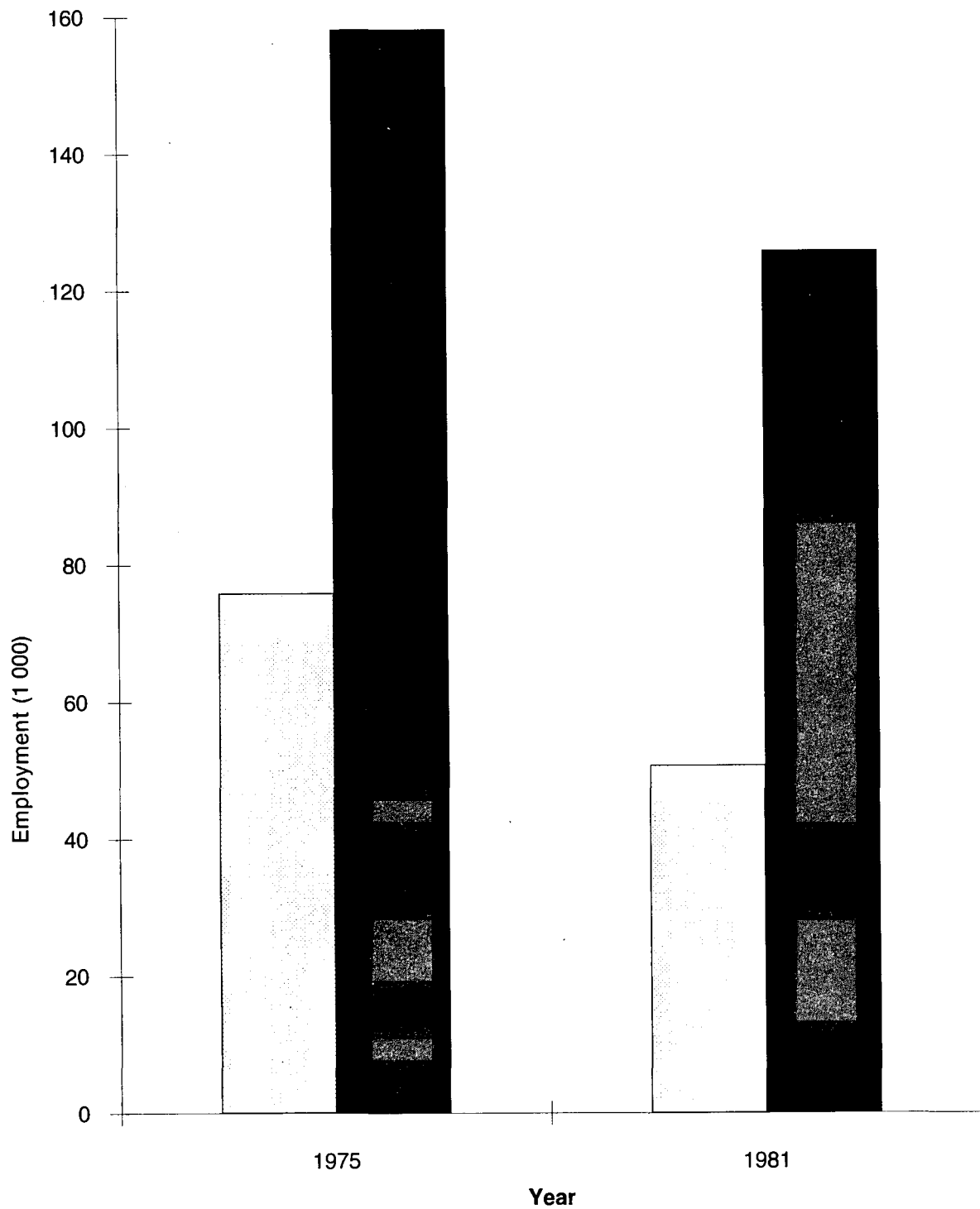
**Economic restructuring in Brussels: employment  
by sector (1970-81)**



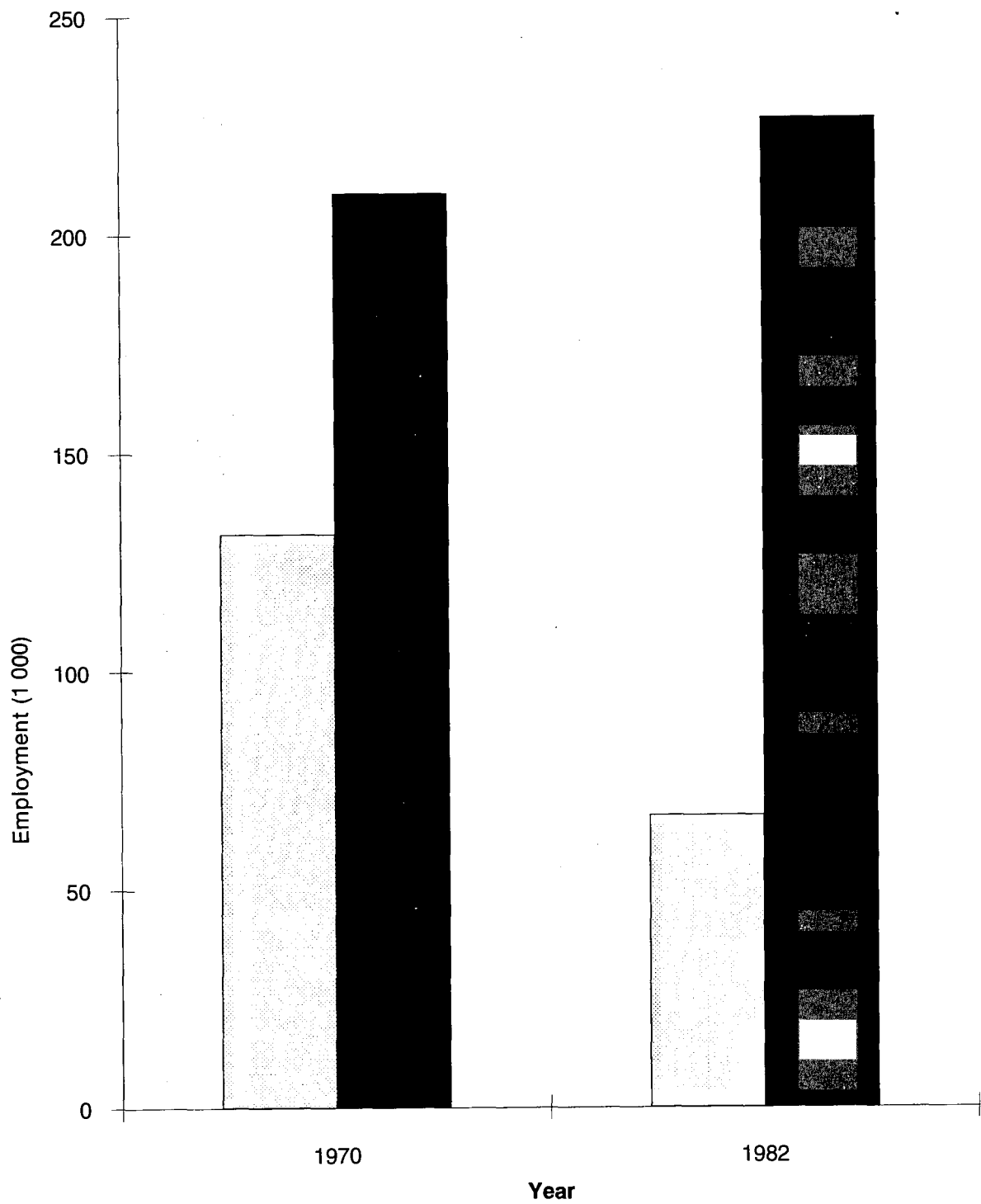
**Economic restructuring in Copenhagen: employment  
by sector (1980-87)**



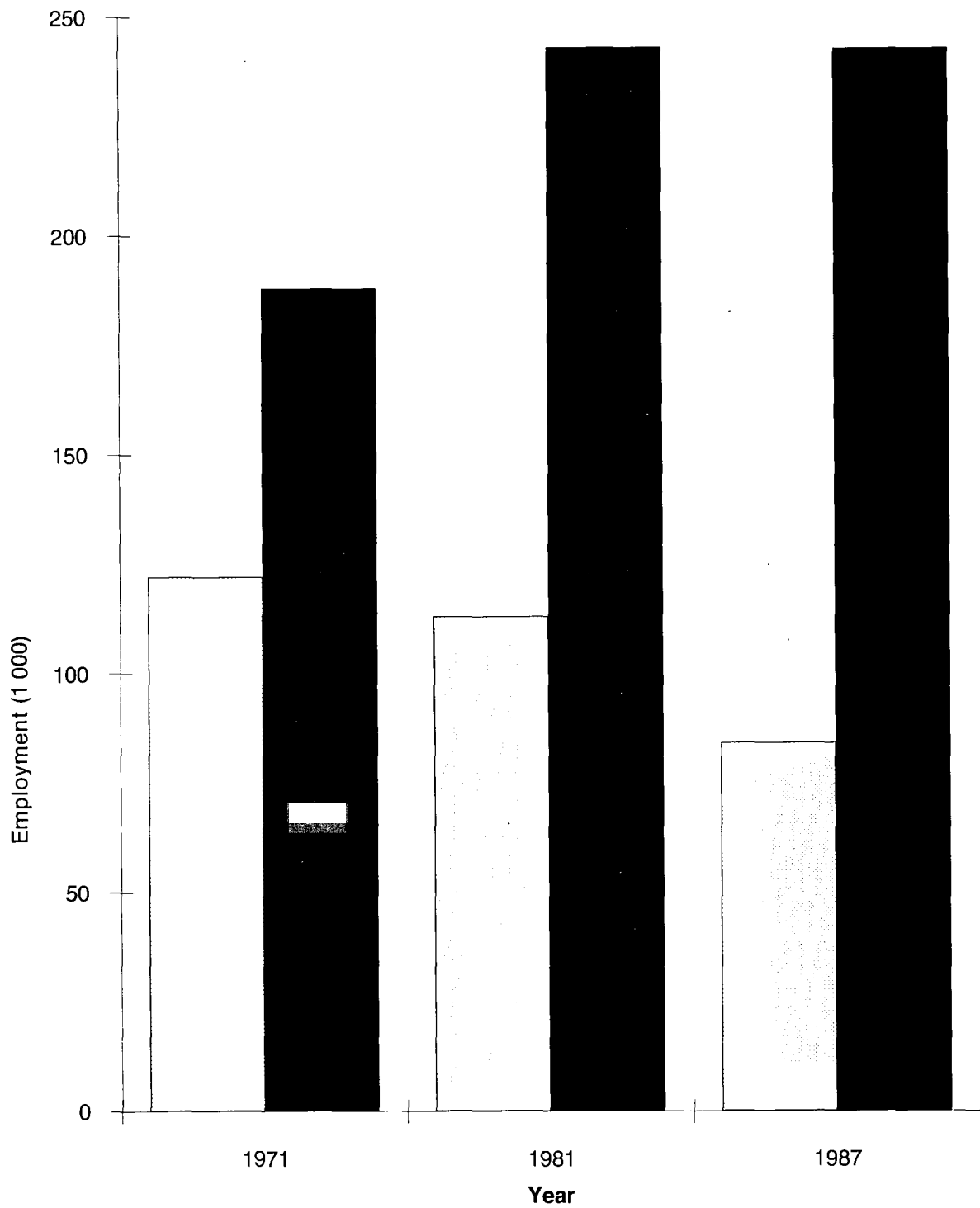
**Economic restructuring in Rotterdam: employment  
by sector (1975-81)**



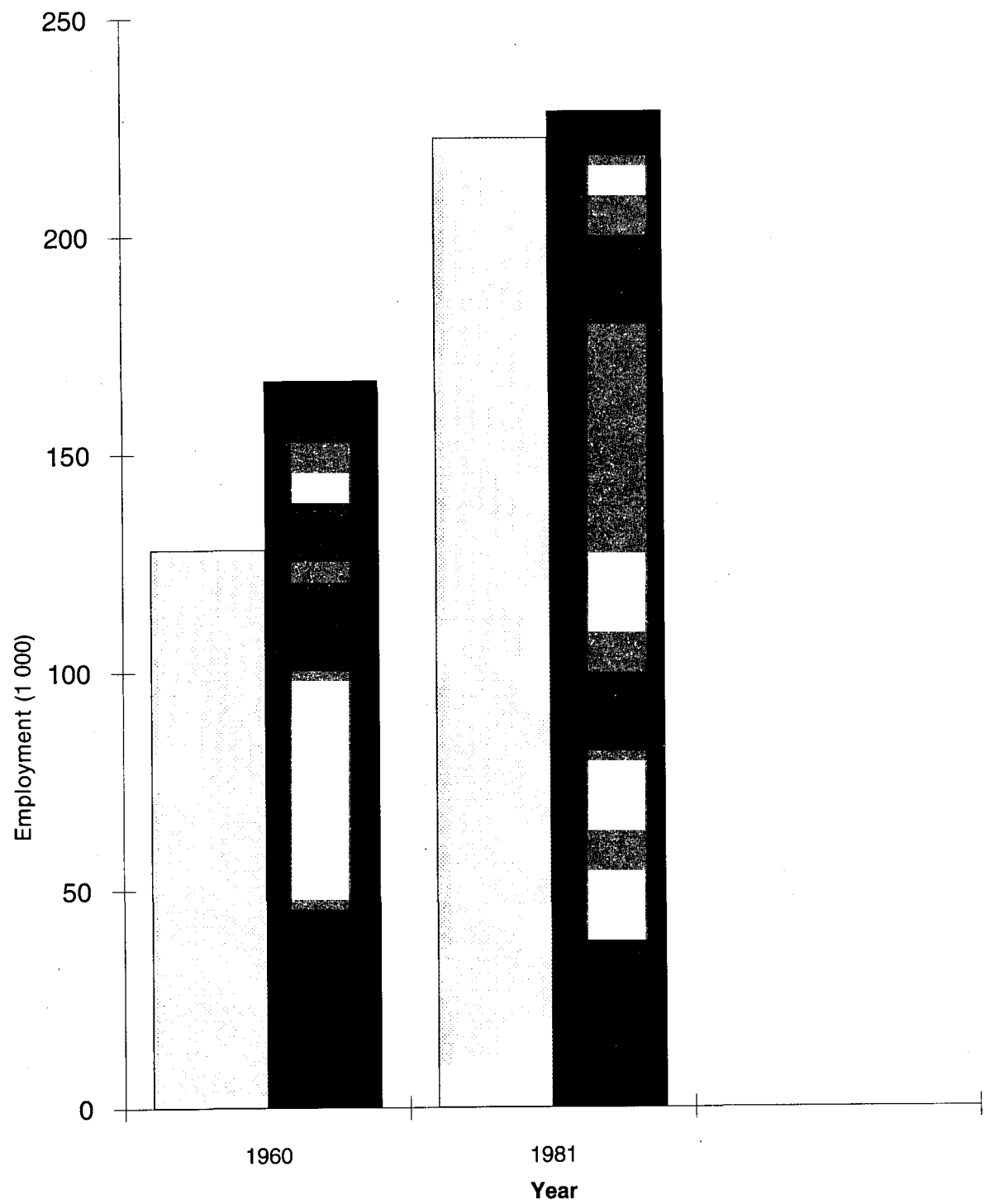
**Economic restructuring in Marseilles: employment  
by sector (1970-82)**



**Economic restructuring in Dublin: employment  
by sector (1971-87)**

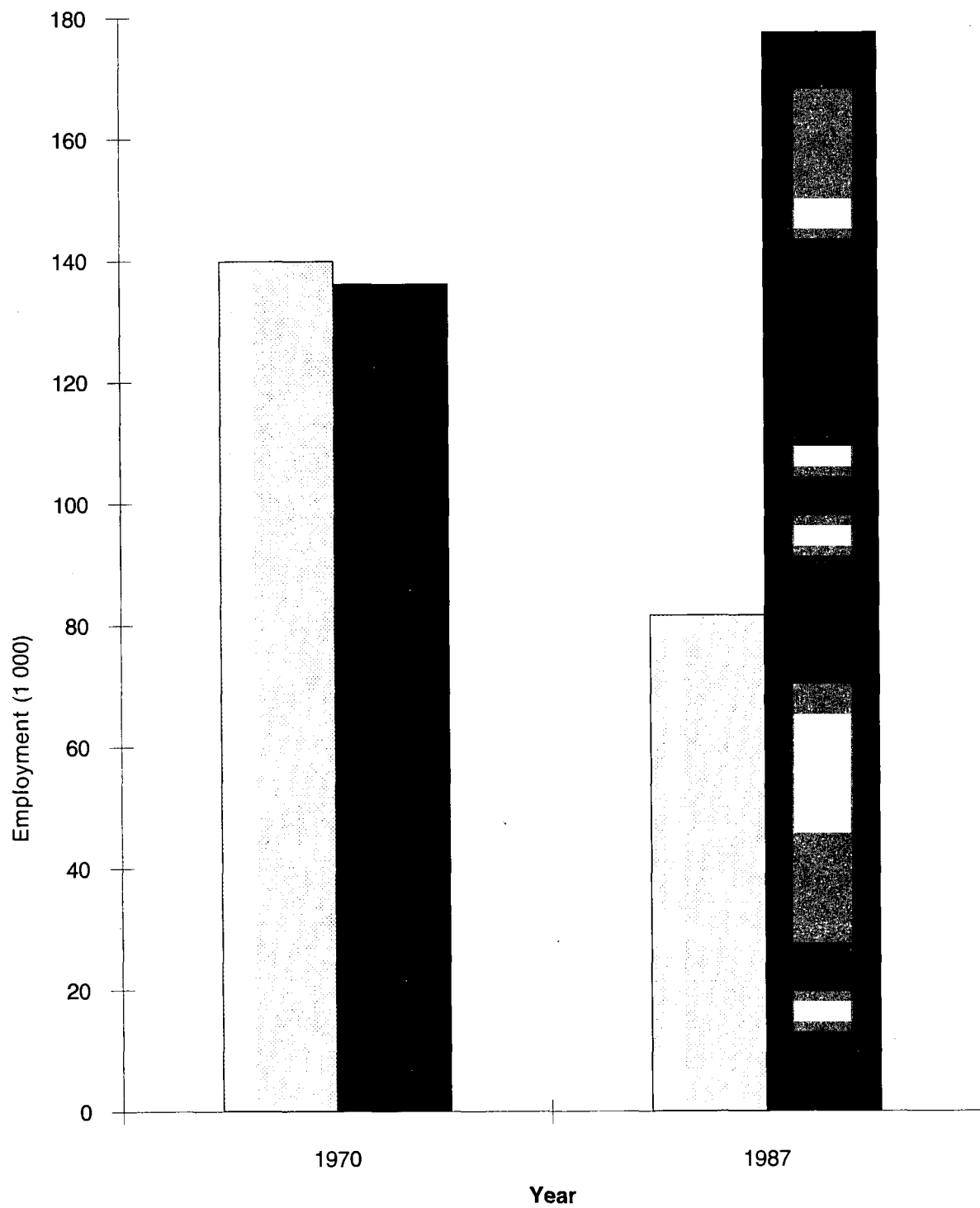


**Economic restructuring in Oporto: employment  
by (1960-81)**

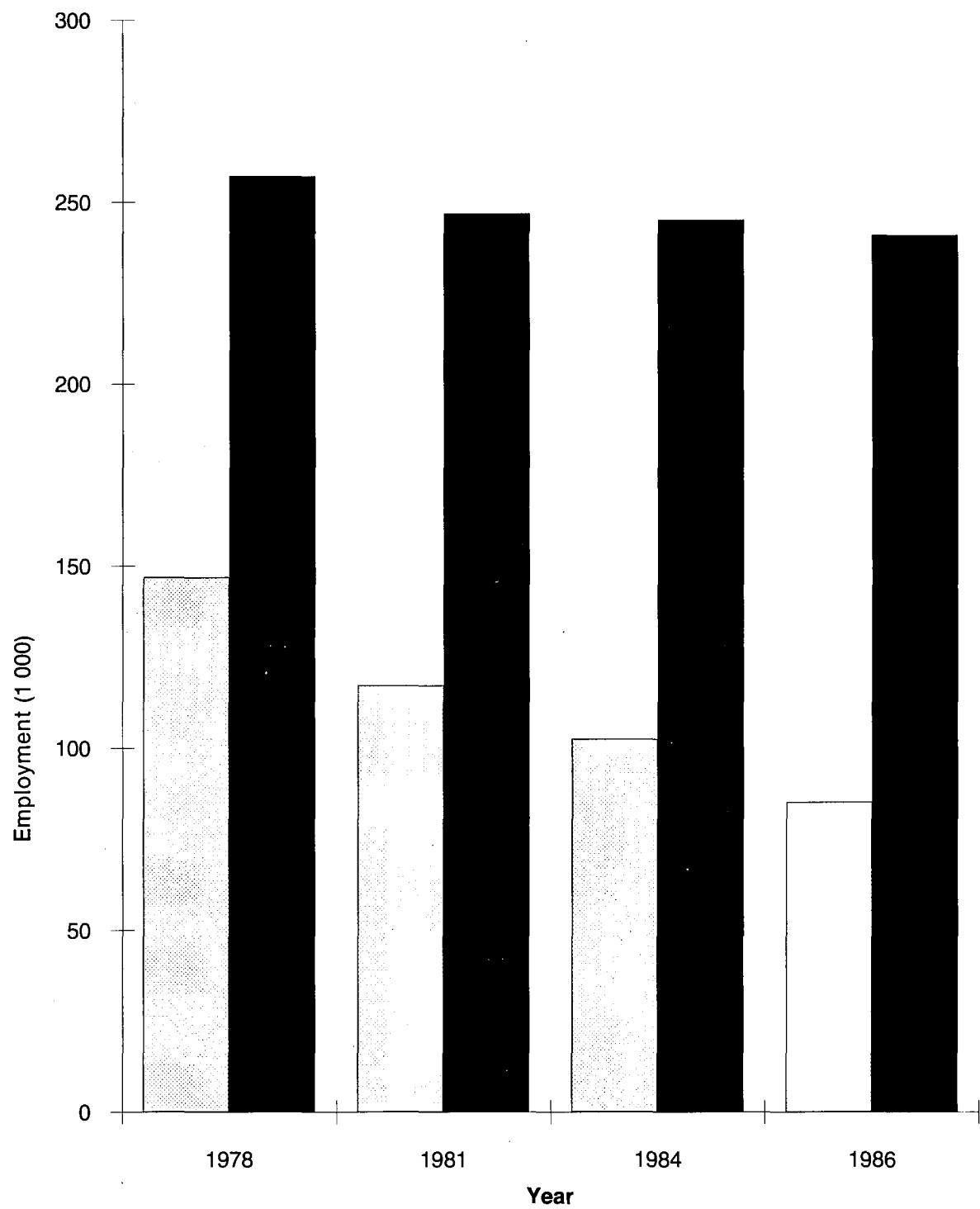




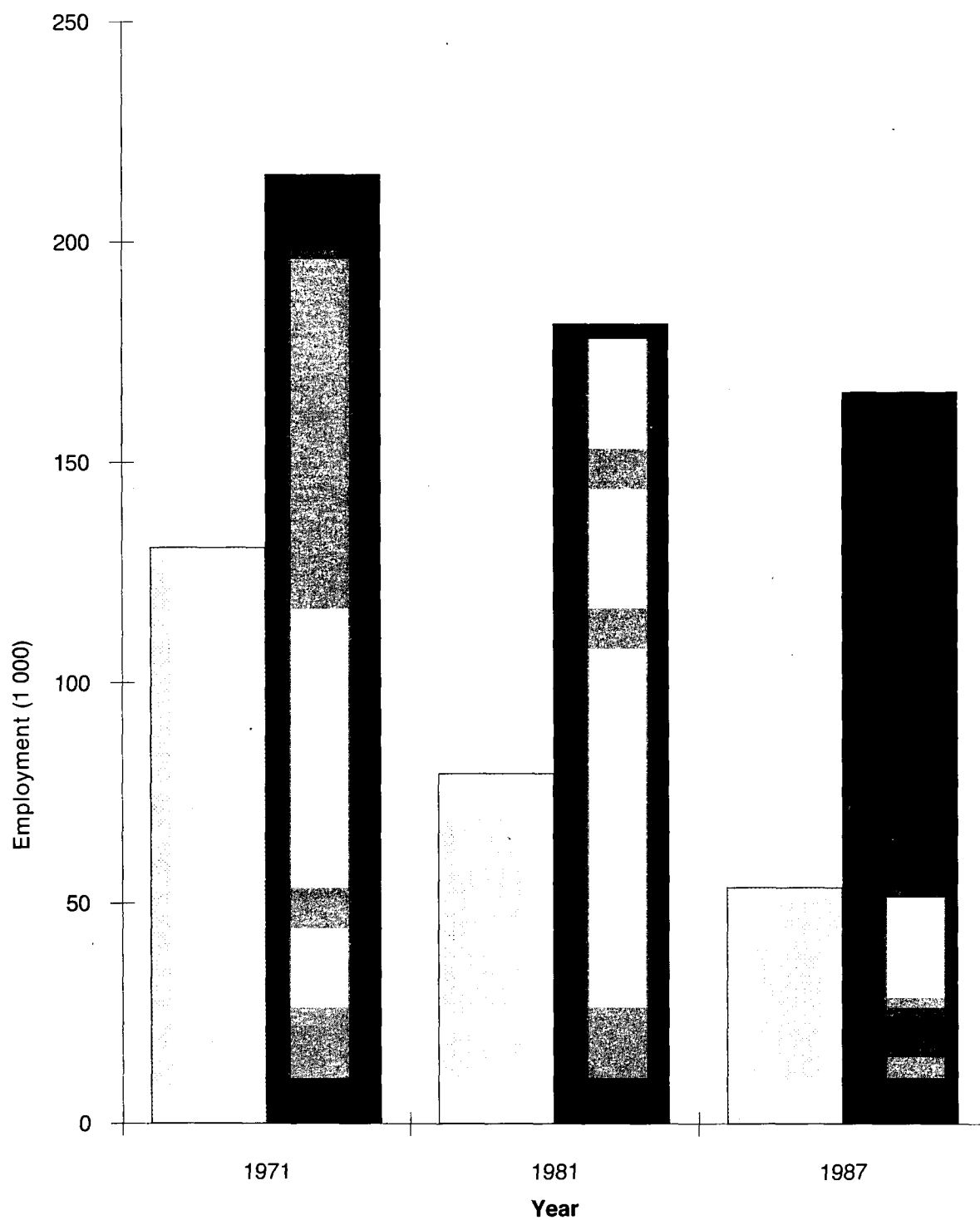
**Economic restructuring in Dortmund: employment  
by sector (1970-87)**



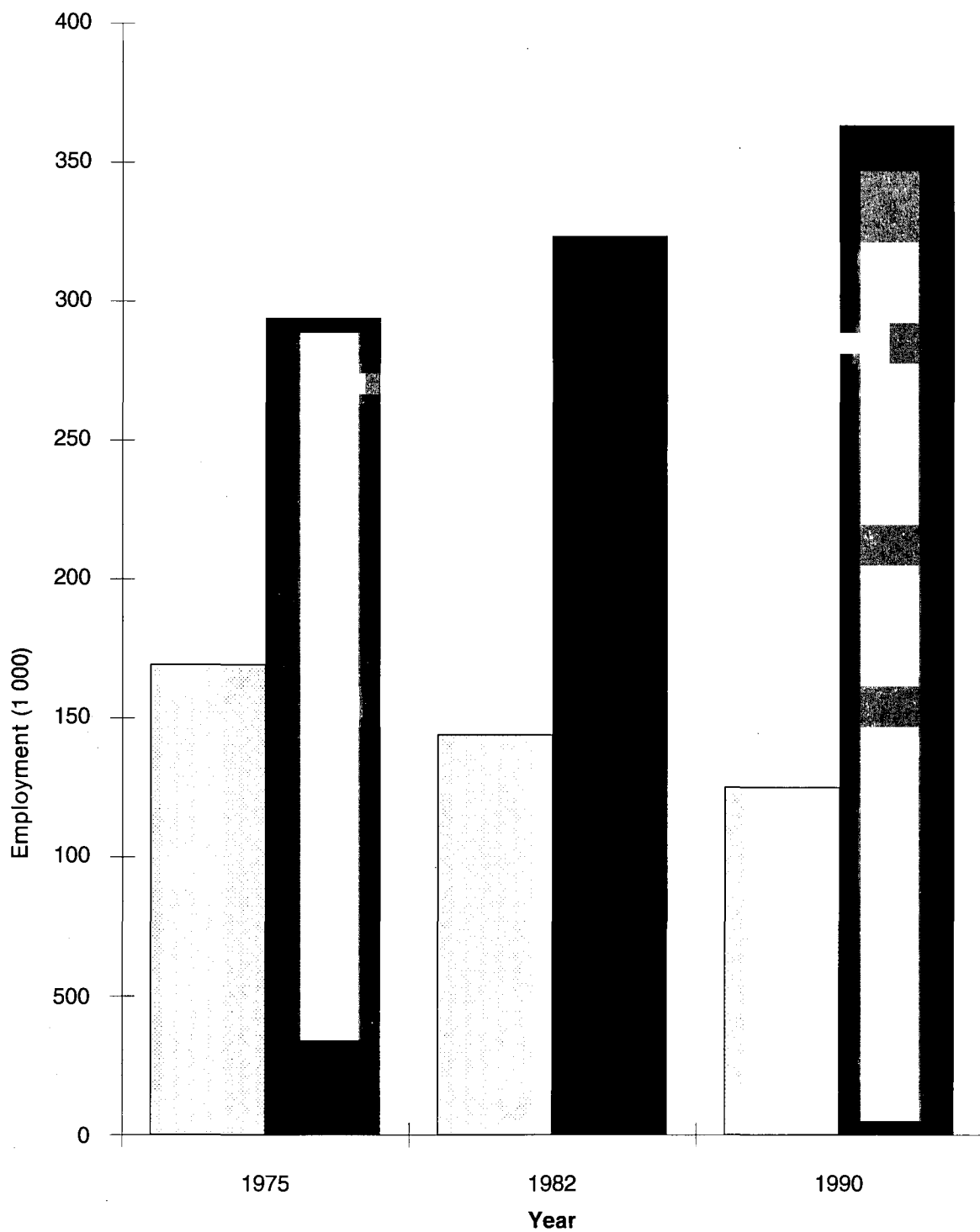
**Economic restructuring in Glasgow: employment  
by sector (1978-86)**



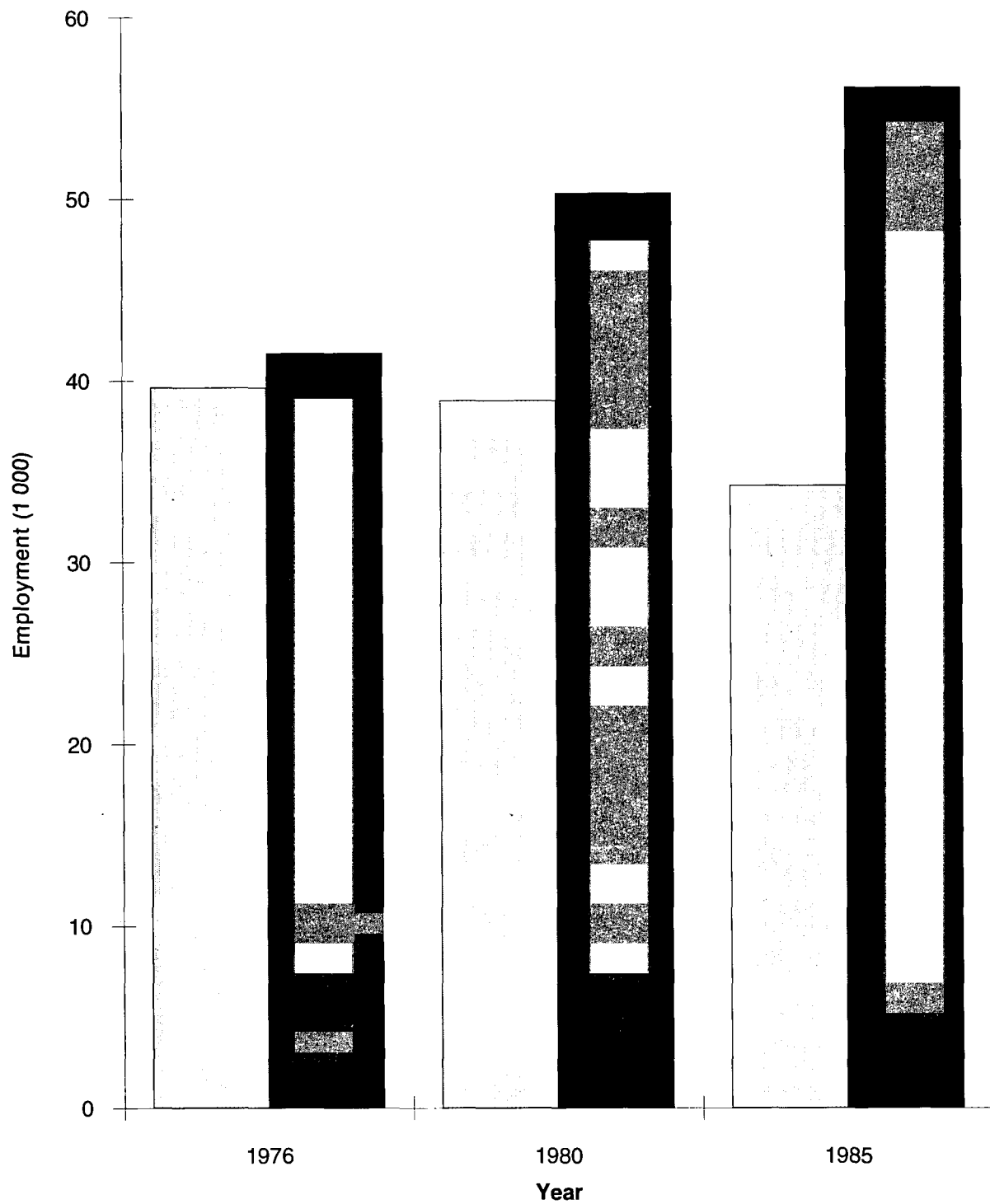
**Economic restructuring in Liverpool: employment  
by sector (1971-87)**



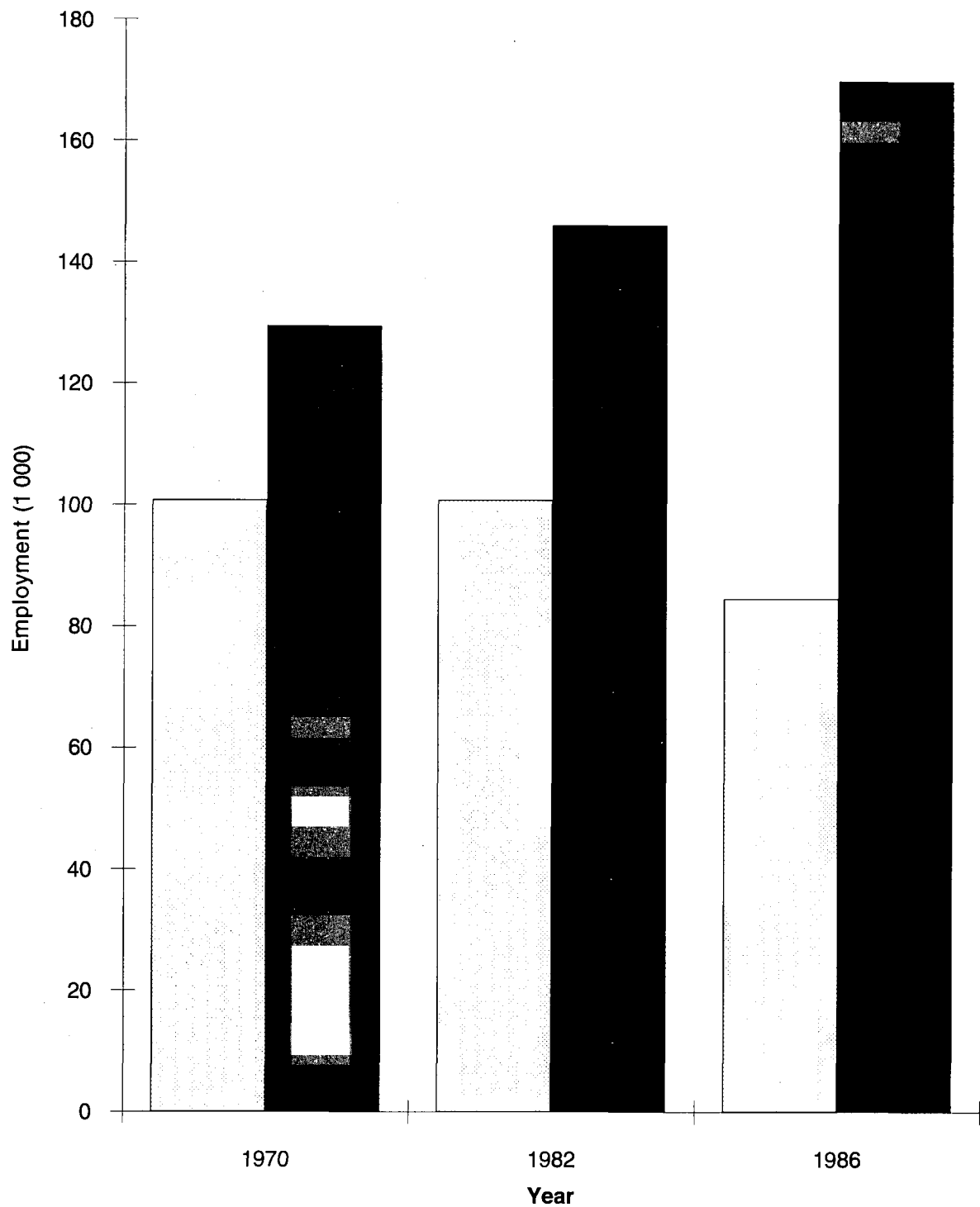
**Economic restructuring in Paris: employment  
by sector (1975-90)**



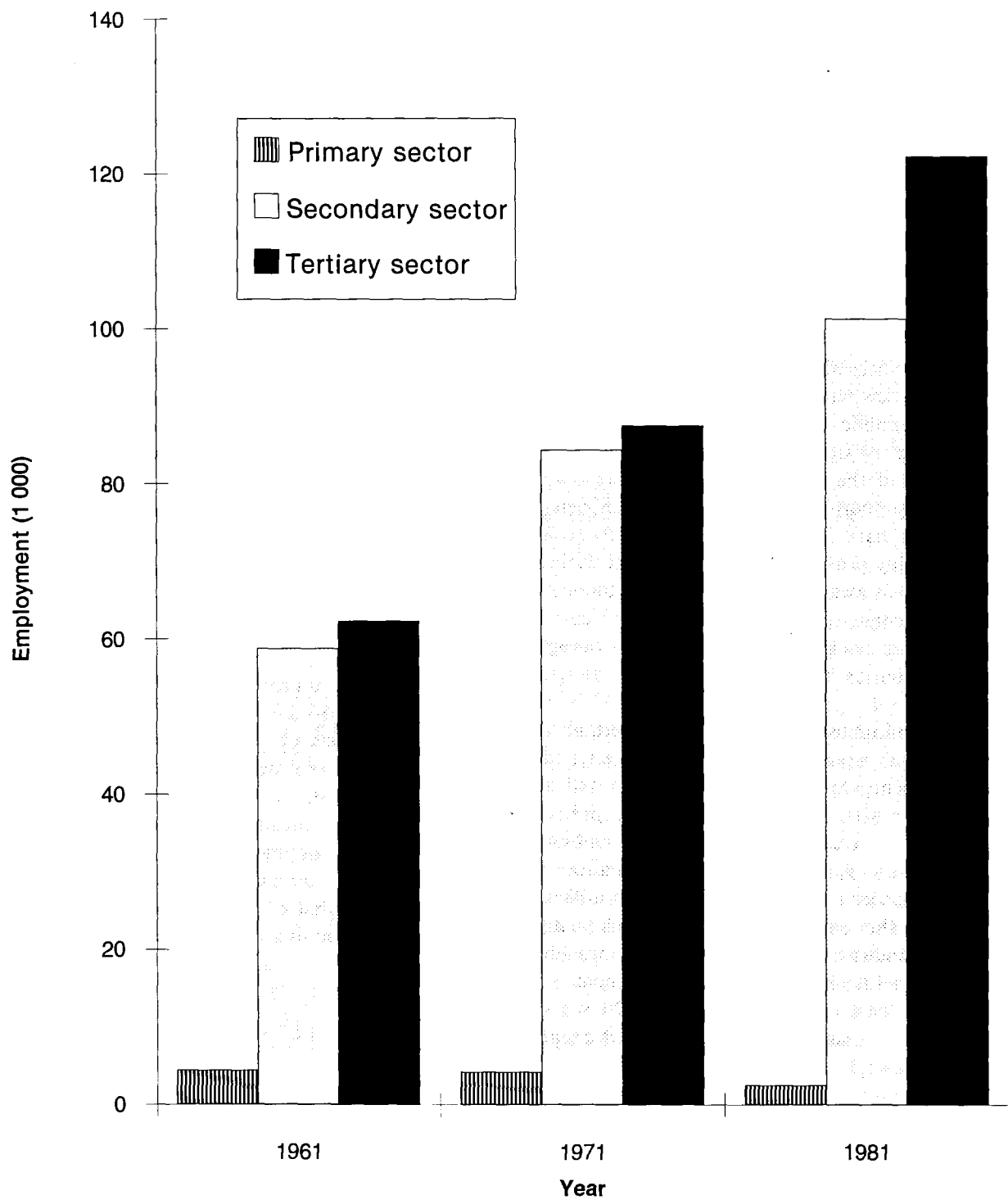
**Economic restructuring in Rennes: employment  
by sector (1976-85)**



**Economic restructuring in Seville: employment  
by sector (1970-86)**



**Economic restructuring in Thessaloniki: employment  
by sector (1961-81)**



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4.4.2. Rising land and property values have also forced low-income residents out of inner-city private rented housing as property owners develop for profit, speculators become active in local markets and new generations of inner city residents are unable to purchase homes. The process of gentrification and displacement is particularly familiar in European capitals — for example London, Paris, Madrid and Brussels — which experienced large-scale international investment during the 1980s. In these and other cities, provision of housing for higher income groups has been encouraged by public policies which have increasingly supported refurbishment rather than new building programmes, whilst also reducing public housing expenditure by encouraging private sector redevelopment. Even in Denmark and the Netherlands, where the State and State-supported non-profit social housing associations have long been the major force in urban housing provision, there was a shift during the later 1980s away from housing redevelopment for low-income groups toward more costly developments designed to encourage reurbanization by higher income groups.

4.4.3. The London docklands is an important, if controversial, example of central city physical redevelopment which has had negative as well as positive spin-offs. Substantial public and private investment created enormous economic development — particularly in financial and other producer services — in previously underutilized areas. At the same time it displaced many marginal industrial enterprises and brought limited benefits in terms of employment or housing to local residents. In the last 20 years, central Madrid has become spatially divided into four increasingly separate quarters as office expansion, growth of modern industries and the development of high-income central city housing has increasingly displaced low-income groups to smaller, densely packed central districts where the provision of collective services remains inadequate. Physical redevelopment in Brussels

during the 1950s and 1960s also displaced low-income communities and marginal businesses. This trend deepened in the 1980s as rising land values, property prices and rental levels encouraged more inner-city residents to leave.

4.4.4. The development of Frankfurt into a highly successful international finance centre had similar effects as low-income groups were displaced to peripheral areas with inadequate social facilities and forced to accept higher travel-to-work costs. Physical restructuring in the 1980s often overlaid and reinforced earlier patterns of segregation. Lyons, France's second largest city is, for example, divided into an affluent city centre dominated by the traditionally powerful bourgeoisie, middle class suburbs to the west and eastern working class suburbs which suffered major rioting in 1981 and 1990 and are a symbol of the country's urban crisis. Recent industrial decline in Marseilles has deepened the long-standing divide between the poorer northern areas of the city and the richer south. In 1977 Marseilles' three richest *arrondissements* took 37% of household income whilst the poorest three took 9%. By 1986 the respective shares were 42% and 7%. Pockets of redevelopment occurred in some central cities which did not experience much economic growth in the 1980s. Dublin and Liverpool, for example, have had major waterfront redevelopments which transformed the physical appearance and, to a lesser degree, the economic potential of their immediate environs. But the surrounding areas experience physical decay and economic marginalization.

4.4.5. The effect of central city redevelopment is felt by lower income residents in two ways. Where public housing is less available, low-income inhabitants tend to move to the nearest area where private rented housing is available and affordable. Where State provision of housing is more extensive, relocation to newer social rented housing, often on city peripheries, is more



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common. The former process is clear in Valencia, where the old city has become a reception area for those displaced by city centre redevelopment. The old city, containing pockets of severe

environmental decay and relatively high levels of drug use and crime, stands in stark contrast to the nearby city centre, renovated for public uses, commerce and entertainment.

#### **Brussels**

- Poor immigrants now occupy much of the more problematic pre-World War I inner-area housing stock.
- Public sector housing, none of which was built in the 1980s, now accounts for less than 10% of the city's total stock.
- Rising land and property values during the past decade have made rent increases a crucial problem. The same is true in Frankfurt and Hamburg.

#### **Birmingham**

- Of 400 000 housing units, 125 000 are public sector-owned and require UKL 1 billion investment in repairs.
- 30% of private units are unfit or require repairs costing more than UKL 3 000 per unit.
- The incidence of homelessness and the numbers on the council's waiting list have grown rapidly.

#### **Dortmund**

- 3 700 are on the social housing waiting list.
- In 1989 the number of households receiving housing allowances rose to 32 000 (11%).

#### **Berlin**

- The construction of new flats fell from 20 000 a year over the 20 years before 1974 to 5 000 a year during the 1980s.
- 23 000 new flats are needed to meet current demand.

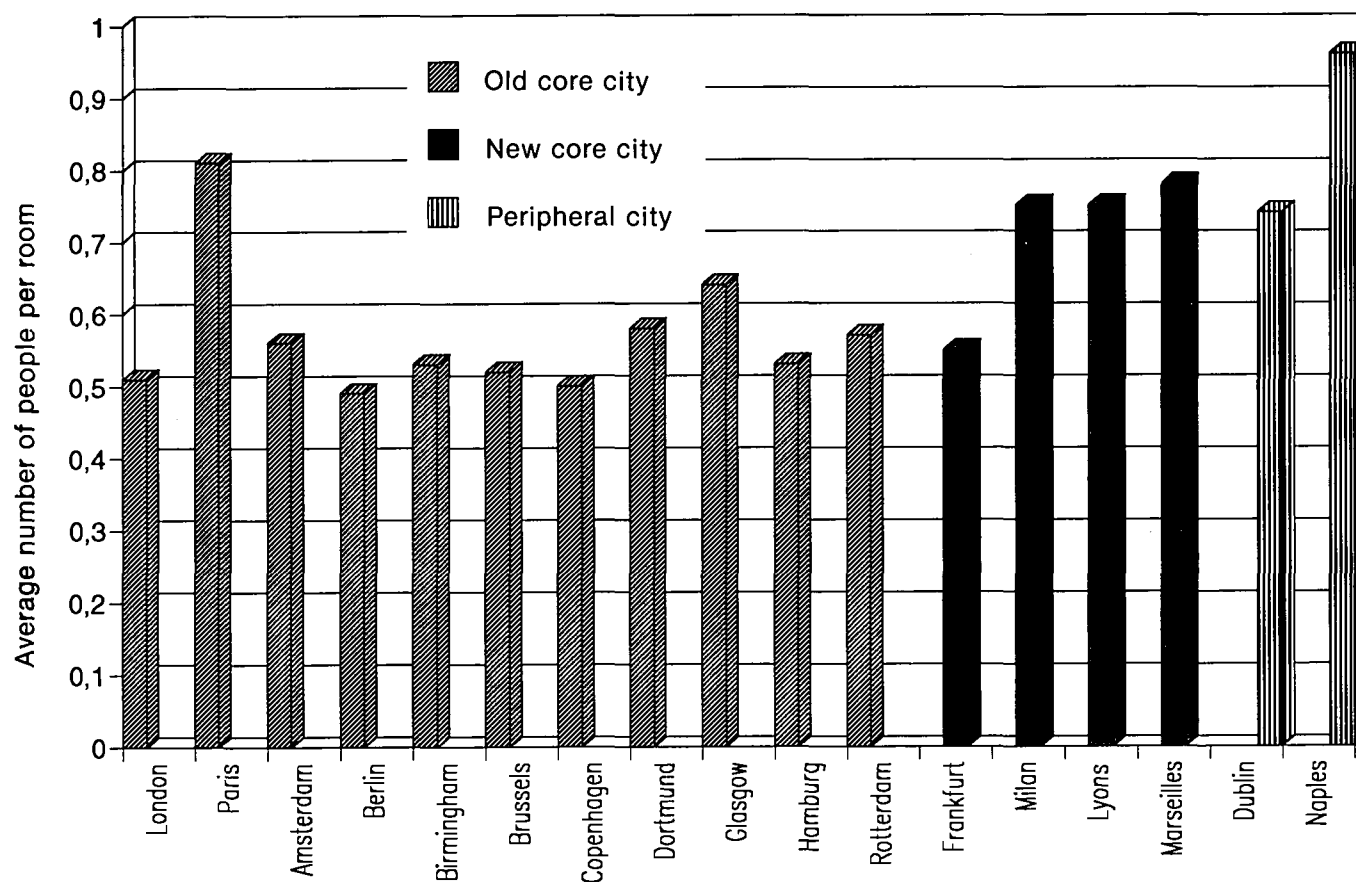
## **4.5. Social housing**

4.5.1. In many European cities social, low-cost housing is becoming a pressing issue. The problems are varied — inadequate supply, conditions and financing. The problems can be found in all cities although the three areas of Europe typically suffer from different problems. In peripheral cities the problems consist primarily of rapid population growth overwhelming provision so there are both intense shortages and inadequate old stock (see Figure 17). In many cities in the old core housing problems are found in the historic centres deteriorating from lack of investment and occupied by low-income, often ethnic minority, groups and in the massive post-war estates built on the periphery of cities. In the new core cities, frequently the problem is that economic growth has led to rising land values which have increased the cost and reduced the supply of public low-income housing provision.

4.5.2. The housing problems of cities in the old core are concentrated in two sorts of areas:

declining inner-city areas and peripheral estates. Social housing problems have also been exacerbated by a general trend for reductions in social housing expenditure by Member States during the 1980s and early 1990s. Housing tenures and conditions vary across Europe depending on traditions of State involvement in housing markets. In many cities, the inner-area stock, which is often the oldest in the city, tends disproportionately to be privately owned. While private inner-city housing is increasingly being gentrified, a substantial proportion is poorly maintained and lacking in facilities. It tends to accommodate the most marginal social groups who, because of limited finance or limited eligibility, cannot get access to higher standard private or social housing. Where Member States have encouraged greater public and non-profit intervention in housing markets, the inner-area stock often has a greater mix of tenures. Even where social housing is more available, the stock tends to be older and less well maintained and equipped.

**Figure 17. Overcrowding of housing in selected case-study cities: average number of people per room**



Source: Conti and Spriano (1990).

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#### **Housing in Milan**

- 40% of the city's population is estimated as experiencing difficulties in finding suitable accommodation.
- At the beginning of the 1980s, 55% of residents in the outer residential ring lived in overcrowded accommodation, 12% in conditions described as critical.
- Between 1971 and 1989, 133 000 rented dwellings were lost to the market by conversion to other uses.

4.5.3. The peripheries of cities in Denmark, France, Germany, the Netherlands and the UK, countries characterized by strong public intervention in the housing market, often provide large-scale social housing developments. These estates, often as big as towns, are often the result of discredited system-building methods commonly adopted in the 1960s and 1970s. Along with inner-city areas, they house many of the most marginalized city residents with fewest housing options available, and are often characterized by poor maintenance and the lack of social and cultural provisions. They present severe problems to policy-makers because, unlike city centres, they are much less 'saleable' to investors. Of our

case-study cities, Glasgow is an important example where conditions on four huge peripheral estates are compounded by a lack of accessible services, poor personal health and high rates of unemployment. The considerable public investment and effort put into service sector development in Glasgow city centre during the 1980s was highly successful but generated few benefits for tenants in peripheral estates. The growing polarization in social and economic conditions between different areas of the city is becoming a major political issue in the city and has led to growing efforts to physically and economically regenerate the peripheral estates.

#### **Affordable housing and homelessness in Frankfurt**

Affordable housing shortages in Frankfurt are a major problem. Land values have risen faster than in any other German city, except Berlin, and housing rents have risen sharply.

- Households pay up to 50% of their income for accommodation, particularly in traditional residential quarters.
- Waiting lists for affordable housing are long — in 1990, 16 000 households were registered for such housing.
- In the 1980s, affordable housing construction by private investors, housing associations and cooperatives stagnated.
- Homelessness in Frankfurt has risen since the early 1980s — in 1990 more than 3 200 people were registered homeless living in asylums and third-class hotels.

4.5.4. Meeting the demand for social housing in new core cities is made more difficult by rising land values which displace low-income housing. Figure 17 highlights the prevalence of overcrowding in new core and peripheral cities. In this study, Milan is a good example of such trends in the new core. Despite population decline in the city, the scarcity of land for residential and public service uses has generated housing shortages. Public and private investment in housing in the central city is at a very low level and potential buyers find prices increasingly beyond their reach.

Housing shortages are exaggerated by the increase in single person households and by the tendency to convert residential units into offices and shops. A substantial minority of the population suffers poor housing conditions which neither the market nor the public sector have addressed effectively. Evictions of tenants for failing to pay rents are rising. Finding adequate accommodation, rather than employment, is the major problem for the city's immigrants who are mainly from the Maghreb and Senegal.

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### **Housing in Naples**

Naples suffers from some of the worst housing conditions in Europe.

- 111 700 out of 330 600 dwellings do not meet minimum standards.
- Owner-occupation is prevented by inflated prices.
- Local authority building programmes are virtually at a standstill.
- Unauthorized house building flourishes within and outside the city — for instance, the quarter of Pianura was built almost entirely without official permission.
- An illegal economy thrives on renting accommodation at exorbitant prices and on the imposition of special conditions — such as a whole year's rent in advance.
- Unofficial agents charge high fees to desperate tenants.

These factors have provoked a partial abandonment of some centre areas of the city and overcrowding in peripheral districts where basic infrastructure is often underdeveloped.

4.5.5. In peripheral cities, social housing problems frequently result from rapid urbanization which overwhelmed relatively low levels of public provision. In Valencia, for example, the city's population grew by 200 000 between 1960 and 1975. Whilst the numbers of housing units doubled in the same period, many units lacked social amenities and were inadequate from the time they were built. In Barcelona the population grew by 40% between 1950-70 but little provision was made for low-income housing. Oporto is a further example of the housing problems experienced in peripheral cities. Housing in the historic city centre has very high concentrations of poor people in overcrowded areas lacking basic sanitation. There remain many 'barracos', areas of shanty housing occupied by almost 3 000 rural migrants. In the Ilhas — high-density 19th-century housing constructed in the gardens of the city's largest houses — there is a severe shortage of basic facilities. The city authority, short of finances, has a decaying housing stock, much of it in peripheral estates which lack appropriate services and experience substantial social problems including crime and drug abuse. Finally, rent controls have reduced landlord's profits which has led to underinvestment and the consequent decay of the private rental sector which constitutes 50% of the city's total stock.

### **4.6. Ethnic minority disadvantage**

4.6.1. The physical segregation and labour market marginalization of certain social groups have already been discussed. These problems, compounded by personal and institutionalized racism, are experienced most dramatically by Europe's ethnic minority communities. Ethnic minorities were originally drawn to urban centres, mostly in the old core, by the promise of employment at a time of national labour shortages. They can be divided into four status groups: guestworkers, whose stays are strictly regulated and whose families remain in the country of origin; third-party nationals who have been guaranteed citizenship of particular European countries as a result of colonial links; refugees, who can acquire citizenship or rights of residence for political reasons; and illegal immigrants, many of whom initially entered Europe as visitors or guestworkers but overstayed their legal period of residence. Illegal immigrants, lacking basic employment and welfare rights, are subject to particularly acute exploitation in the informal economy.

4.6.2. Ethnic minority workers have numerous countries of origin. Primarily, Afro-Caribbeans and Asians migrated to Britain, North Africans to

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France, and southern Mediterraneans and Turks to Germany, Belgium, and the Netherlands. The Netherlands was also the destination for migrants from the former Dutch colonies in Surinam and the Antilles. Even during the slowdown in immigration in the later 1970s and 1980s created by tightening national immigration rules — influxes continued from Eastern Europe and the Maghreb countries. Between 1987 and 1989 the number of migrants from the former GDR to Western Europe, mainly the former FRG, increased sixfold to 250 000 a year. Further estimates indicate that up to 2 million a year might wish to leave the former Soviet Union for the next six years because of political and economic uncertainty. Potential migration rates from the Maghreb to the south of the Community are difficult to predict but the historic links between these countries and the Maghreb, along with labour shortages and the reluctance of native workers to accept low status and unstable jobs indicates that pressures for immigration will continue.

4.6.3. In 1990, according to some estimates, there were as many as 16 million migrants and refugees in Europe, more than 5 % of the total population, with larger percentages in Belgium, France, Germany, the Netherlands and the UK than in Spain, Italy or the Scandinavian countries. Many immigrants are from ethnic minority communities who have historically gravitated toward the larger cities in search of employment opportunities. Larger than average ethnic

minority settlement in cities has become self-reinforcing as new generations have been born and stayed in the cities. For example, 40% of France's immigrant population lives in the Paris metropolitan region with a majority of the remainder in Marseilles and Lyons. In the Netherlands, 60% of immigrants live in the four largest cities — Amsterdam, The Hague, Rotterdam and Utrecht — where they constitute up to 30 % of city populations. Italian immigrants are concentrated in the largest cities of Rome, Milan, Naples, Florence, Turin and Bologna. In Belgium they are especially concentrated in Brussels and constitute 25 % of the city's population.

4.6.4. From the 1950s onward, starting in the UK, the presence of ethnic minority immigrants has generated political controversy, racist movements and occasional disorders in many European cities. Tensions were particularly acute in some cities in the 1980s. In Britain, the urban riots of 1981 and 1985 were fuelled by grievances, long-held by the black community, about discrimination in employment, public services and policing practice. The same is true of France where major rioting occurred in Lyons in 1981 and 1990 and where Marseilles, with its large North African community, provided the political base for the rise to prominence of Le Front National, an openly anti-immigrant party. In 1991 there were severe disorders in the city of Brussels as immigrants fought in the streets with the police.

- In **Rotterdam** the ethnic minority population from Surinam and the Mediterranean countries constitutes less than 11% of the population but over 30% of the unemployed.
- In **Amsterdam**, ethnic minorities constitute 18% of the population but 24% of the unemployed. Up to 40 000 illegal immigrants are also estimated to be working in marginal jobs in the informal sector of the economy.
- In **Brussels** the relatively high unemployment rate of 17% in 1990 was partly explained by the presence of a rapidly growing minority population lacking skills or language qualifications. Turks and Moroccans have especially low status and lack democratic rights, training, housing and job opportunities.

4.6.5. Such symptoms are clear signs that there have been substantial problems in absorbing ethnic groups into the mainstream economy and providing the education, training and social support services they require. They are absorbed into a segmented labour market and may remain trapped in the unskilled sectors with limited prospects of mobility. Equally they are trapped in segmented housing markets as entry and transfer costs and the shortage of affordable housing prevent mobility. Immigrant groups frequently experience discrimination which may worsen as xenophobia and racism appear to be increasing in many European cities. Social disparities between immigrant and native populations are growing in many cities because of the unaffordability of housing and the poor collective services in less affluent inner-city areas and peripheral housing estates where many ethnic groups are concentrated. Systematic evidence about the numbers or the economic and social conditions or prospects of immigrant groups is not readily available. Nevertheless our case-studies demonstrate that these problems can be found in a wide variety of cities in the Netherlands, Belgium, Germany, Britain, France and Denmark.

4.6.6. Immigrants tend to go to cities with the greatest economic opportunities. Frankfurt's successful economy has attracted a higher

**Table 26. Foreign population in Frankfurt compared with other cities in Germany**

| City/region | 1989 (%) | City/region | 1989 (%)   |
|-------------|----------|-------------|------------|
| Frankfurt   | 22.6     | Hamburg     | 10.8       |
| Offenbach   | 21.4     | Munich      | 16.0       |
| Darmstadt   | 12.0     | Cologne     | 16.6       |
| Wiesbaden   | 13.0     | Essen       | 7.0        |
|             |          | Dortmund    | 9.8        |
|             |          | Dusseldorf  | 13.5       |
|             |          | Stuttgart   | 19.2       |
|             |          | Bremen      | 9.6        |
|             |          | Hanover     | 10.2       |
|             |          | Duisburg    | 13.9       |
| Hesse       | 9.9      | Germany     | 7.3 (1988) |

proportion of immigrants than many other less economically successful German cities, especially in the north (see Table 26). Nevertheless, many of those immigrants are concentrated in areas of the city which lack adequate social facilities, in the shadow of the wealthy areas of the city. This contributes to the high welfare burden of the city which constitutes 6.7% of its budget and encourages tensions between the indigenous and migrant population. In Birmingham, which has the highest ethnic minority population in Britain — 20% — the average unemployment rate amongst blacks in the late 1980s was 32% compared to 13% for whites.

#### **Ethnic groups and schools in Amsterdam and Rotterdam**

Immigration to Amsterdam and Rotterdam has slowed but continuing family unification and larger household sizes for ethnic groups is increasing the size of the ethnic community. Ethnic groups comprise:

- 35% of under-15 year olds in Amsterdam.
- 40% of 0-4 year olds and 30% of primary school children in Rotterdam,
- 50% of the 0-4 age group, on current projections, in 2000,
- more than 70% in many schools in both cities — 18% of schools in Rotterdam fall into this category.

4.6.7. In Lyons the city's mainly north African immigrant community, constituting 12% of the population, even discounting second and third generation, is heavily concentrated in the east of

the city in large post-war estates segregated from the city centre and from public transport. In Copenhagen ethnic minorities from Turkey, Pakistan and Yugoslavia — who constitute 7% of

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the city's population, 2.5 times higher than the national average — are primarily concentrated in the inner-city area where the poorest quality private stock is found and in a suburban municipality which is dominated by high-rise housing and is unpopular with ethnic Danes.

4.6.8. The future pattern of immigration partly depends upon policy responses by Member States and by the European Commission. But even where the process of immigration has virtually ended, the problems of integrating existing ethnic minorities remain. Even with stricter immigration controls, urban ethnic minority communities continue to grow faster than indigenous ones as a result of continuing family unification and higher birth-rates. Unless European cities are more successful in improving the life chances of immigrant communities, there will be further pressures on collective services in housing, education, training, health and welfare. The difficulties faced by ethnic minorities can be found throughout the Community and are, in part, a result of the economic mobility that the expansion of the Community economy has encouraged.

## **4.7. Fiscal stress**

4.7.1. The economic restructuring of urban economies has had profound spatial impacts upon many cities in the Community. The loss of economic activity and more skilled and affluent residents from the central city to surrounding suburban communities in the metropolitan area, or the net loss of economic activity and people from metropolitan areas as a whole, characterized many north European industrial cities during the 1970s. The pattern has been repeated more recently in Mediterranean cities where urban development historically took a different path, generating different relationships between central cities and neighbouring areas. Madrid, Barcelona, Athens, Thessaloniki and Valencia have recently

experienced decentralization and suburbanization observed in old core European cities.

4.7.2. The trend toward the loss of more skilled and affluent workers by metropolitan centres to the suburbs is not universal however. In some cases reurbanization reflects a shift back into the cities by higher income groups as public policies which encourage low-cost housing developments beyond city boundaries have displaced many low-income groups. Paris, where the social base of the city has become increasingly bourgeois whilst many of the areas beyond the city have become more proletarian, is the most notable example of this counter-trend.

4.7.3. Despite individual urban development patterns, the result of these trends has been marked differences in the economic and residential attractiveness of administrative areas. For the poorer communes or local authorities, with less economic development and affluent residents, this uneven pattern of development is a route to fiscal stress. Fiscal stress occurs when local administrations have difficulties in raising sufficient resources to cover the costs of providing services. It is particularly marked for urban governments where (a) there has been economic decline, (b) the proportion of poorer residents and demands on social and welfare services have grown, (c) there have not been boundary extensions which could 'capture' the new areas of economic and higher income residential growth, and (d) where national systems of financing local services rely heavily on local taxes and fail to compensate for declining local taxes by increased government grants or fiscal redistributions between administrations.

4.7.4. Fiscal relations between governments vary within Member States. But fiscal stress can occur even in those countries where central governments provide the bulk of funding to subnational authorities. In the more austere public expenditure climate in Europe during the 1980s a second route

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to fiscal stress has been opened up as most national governments have reduced, rather than increased, central grant support for cities, devolved service responsibilities to cities without increasing resources and failed to reform the structure or financing of subnational governments to give fiscal advantages to deprived areas. A measure of the pressures faced by national governments can be seen in the recent introduction by the French Government of a financial solidarity programme which aims to redistribute resources from municipalities with higher tax bases to ones which are fiscally poor.

4.7.5. Fiscal stress has major implications for service provision. Many urban governments, needing to provide increasingly expensive support services for a less affluent population with declining public resources, have to reduce the range and quality of public services in housing, welfare, environment, transportation and infrastructure. When services have been maintained it has often been at the price of higher local taxation levels, asset sales and greater borrowing and municipal indebtedness. The trend can be found in cities whose economic fortunes in the 1980s were as different as Liverpool, which experienced extreme economic decline and teetered on the brink of municipal bankruptcy, and Hamburg which is one of the richest cities in Germany but whose per capita municipal indebtedness is the highest in Germany. In future, many less affluent administrations will face intense difficulties in maintaining their ageing infrastructure — social housing, schools, hospitals, roads, public transport, and water and sewage systems.

## **4.8. Urban transport problems**

4.8.1. The increasing volumes of traffic in cities are creating a growing range of problems, including congestion, pollution and degradation of the environment. The increased scale of

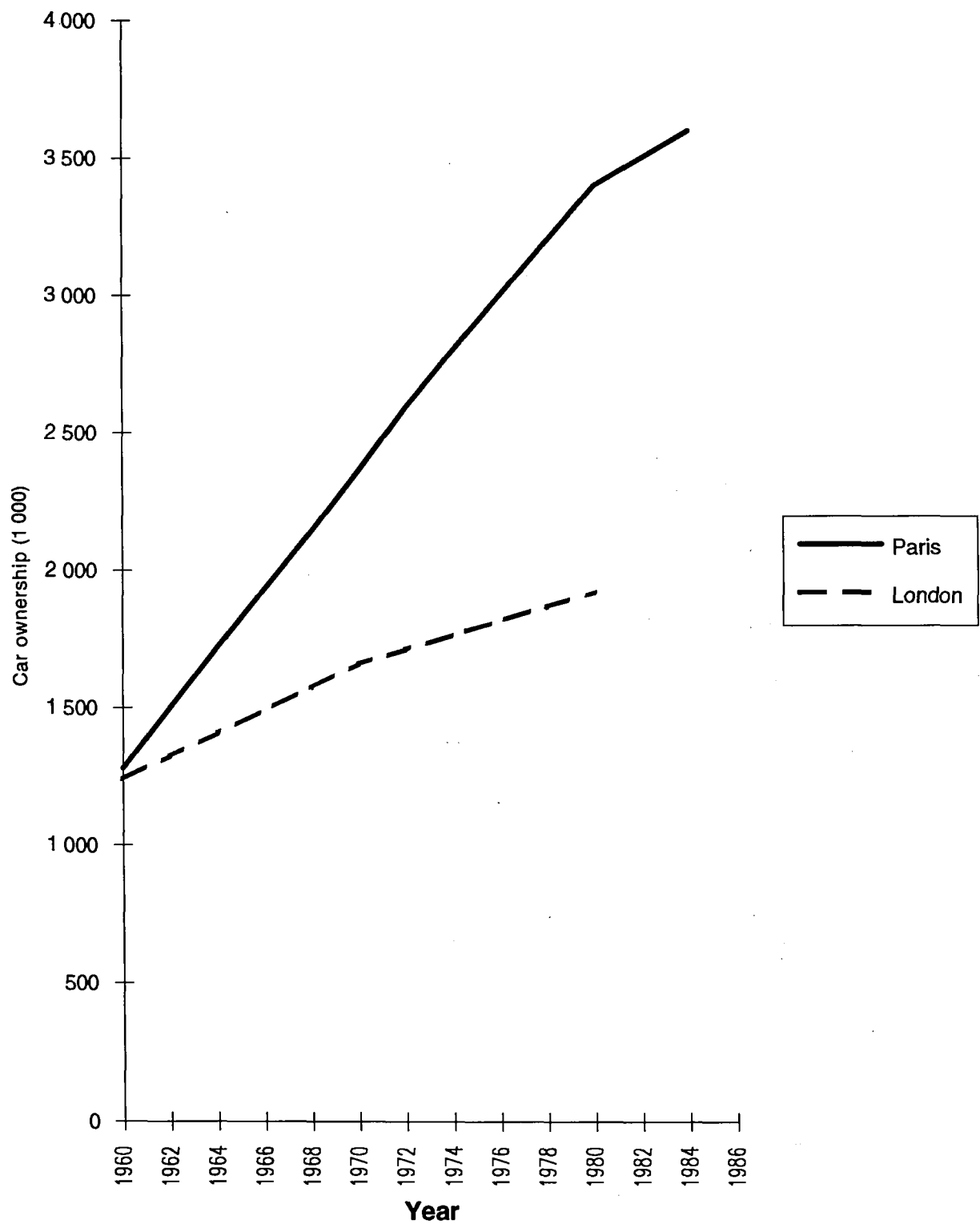
commuting which has accompanied decentralization and rapid increases in car ownership, worsens these problems. In the case-study city of Birmingham, for example, it is estimated that while general traffic flows will increase by 30% between 1989 and 2010, commuting flows will rise by as much as 50% in the same period. In many cities widespread car ownership has encouraged such a dispersed urban form that greater use of public transport is not a realistic alternative in the short term. Moreover, investment by Member States in urban surface transport infrastructures continues to fall in relation to Europe's GDP. Underinvestment results in the growing obsolescence of transport infrastructures, not least because their users rarely contribute directly to maintenance or expansion costs. Nevertheless, attempts to provide new facilities face increasing opposition and delay on amenity and environmental grounds.

4.8.2. There has been a consistent rise in Community-wide car ownership since 1970. This trend is also found in Europe's cities. Figures 18, 19 and 20 illustrate upward trends in car ownership in most old core, new core and peripheral cities. There is a clear correlation between rising traffic volumes and increasing congestion. Average traffic speeds in London, Paris and many other European cities have already fallen to a mere 10 m.p.h. Figures 21 and 22 illustrate the impact which increased congestion has had on the efficiency of public transport services — the average speed of most urban bus and tram services has slowed significantly.

4.8.3. Decisions on land and transport issues have imposed significant social costs in many cities. Underinvestment in public transport and the location of facilities in areas which are only easily accessible by private transport has disenfranchised the poor and elderly. In some cities, such as Glasgow and Lyons, poor or expensive public transport reinforces the ghettoization of the residents of outer housing



**Figure 18. Car ownership in London and Paris**



Source: Newton and Kenworthy, 1988.

Figure 19. Car ownership in selected old core cities

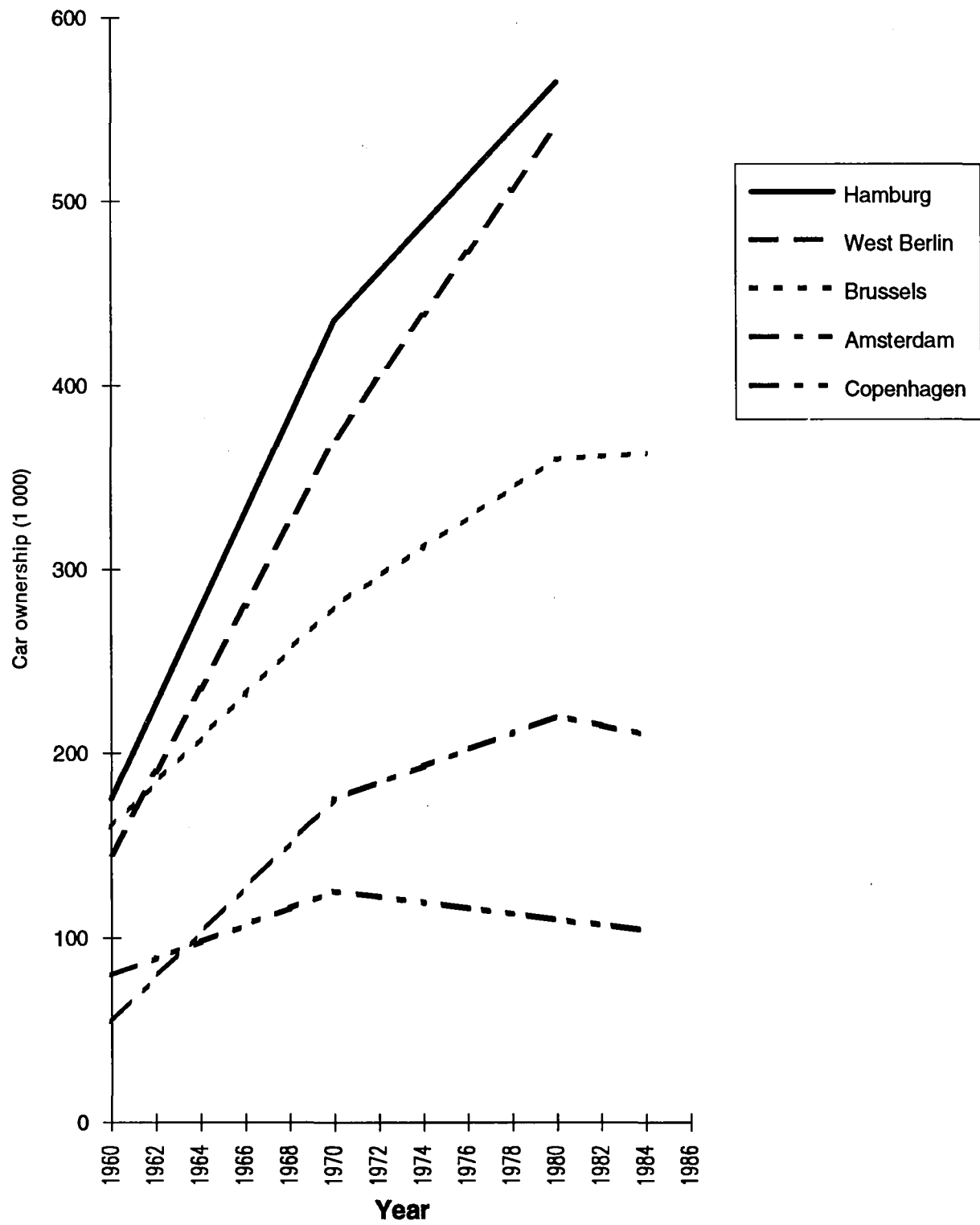
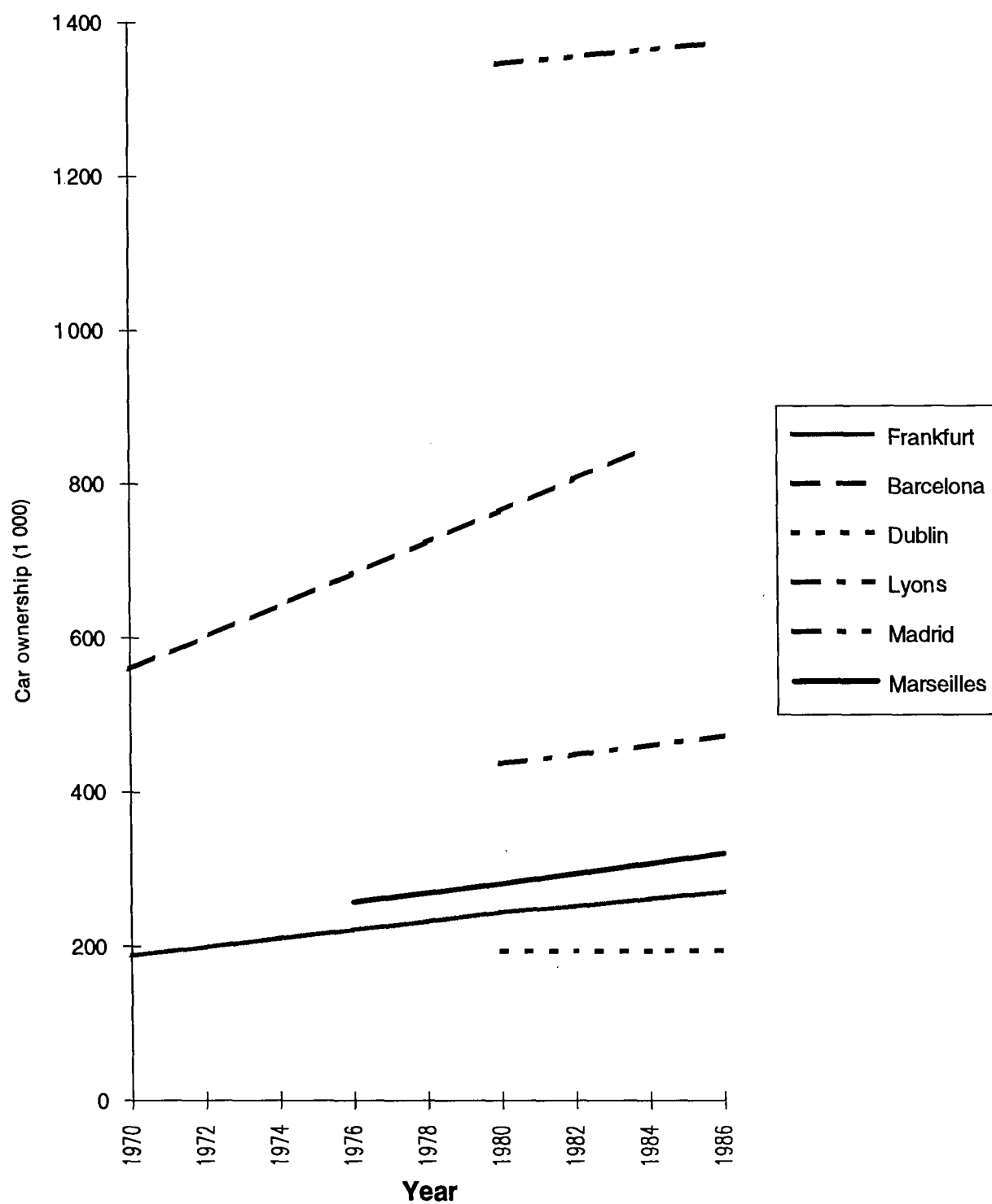
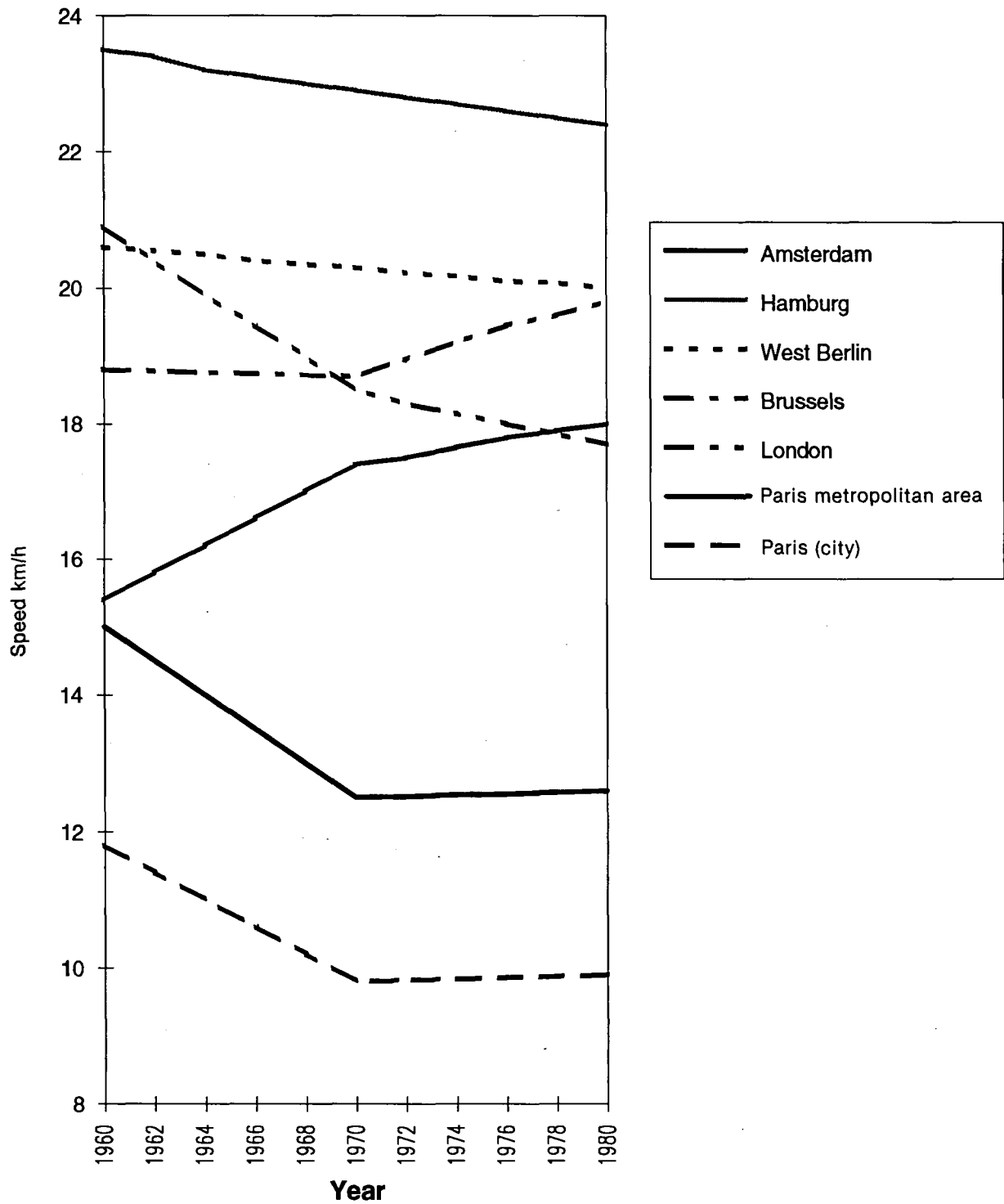


Figure 20. Car ownership in selected new core and peripheral cities

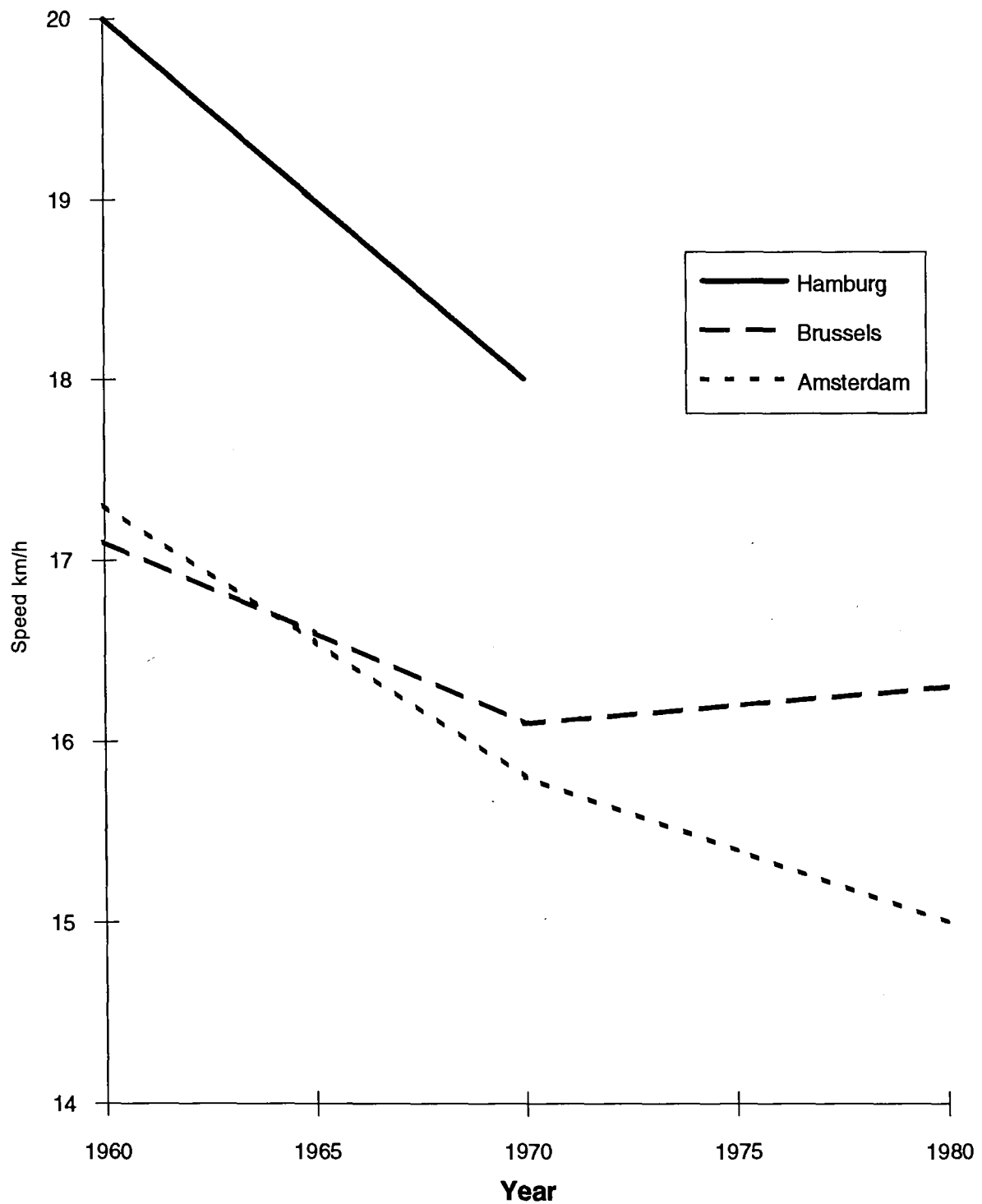


**Figure 21. Average speed (km/h) of buses in selected case-study cities**



Source: Newton and Kenworthy, 1988.

**Figure 22. Average speed (km/h) of trams in selected case-study cities**



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estates remote from the majority of urban facilities. However, excessive reliance on the motor car reduces amenity for the more affluent urban population as congestion and high fuel prices discourage social interaction. With the partial, recent exception of the Netherlands,

urban land use planning in most EC countries has ignored the consequences of locational decision-making for energy consumption. As a result, longer journeys to work and dispersed retail and leisure facilities are excessively car-dependent.

#### **Public transport in Oporto**

There are a variety of public transport problems and constraints in Oporto which are characteristic of many peripheral cities. Oporto suffers from:

- an insufficient capacity at peak hours;
- an ageing stock of buses, trolley buses and trams;
- a multiplicity of operators — there are 38 private bus companies servicing the metropolitan area (although within the municipality of Oporto, the state-owned STCP is the major operator);
- the absence of an effective system integrating different modes of transport;
- a shortage of funds to implement improvements to the public transport infrastructure — such as a proposed light rapid transit system to link Matosinhos, Oporto and Gai.

4.8.4. Internal links within many cities are frequently inadequate. In some cities, such as Milan, road and public transport networks are too radially oriented and more investment is needed in cross-metropolitan links between peripheral areas. In Brussels, congestion of radial routes into the city, particularly at the intersections with the outer ring motorway, has generated growing interest in making greater use of the rail network. Intense pressure upon orbital motorways around cities like London and Paris indicates that greater emphasis will have to be given in future to intra-metropolitan as well as inter-metropolitan and inner-city traffic movements, possibly with increased segregation of intra-urban and through traffic and passenger and freight traffic.

4.8.5. Cities which have failed to devise a city-wide transport policy face a formidable series of problems. London's transport problems have worsened since the abolition of the strategic land and transportation authority, the Greater London Council. The absence of an authority to undertake land and transportation planning on a metropolitan-wide basis has led to poorly coordinated plans and a failure to integrate

different modes of transport. Equally, Hamburg has no master plan for its traffic system or the protection of its urban environment. Its transportation system is at saturation point, traffic connections between road, rail and river transport systems are outmoded or non-existent and it lacks a ring road. Lyons requires a new transportation system to cope with huge traffic jams caused by the inappropriate planning solutions of the 1960s and a failure to devise a policy for the whole urban area. Its poor outer communes are particularly disadvantaged because they are inadequately served by the Metro system.

4.8.6. To cope with congestion and pollution many cities have attempted a mixture of traffic management measures and support for public transport. The exact mix varies but has included pedestrianization to improve city-centre amenity and turnover, comprehensive and widely accessible public transport, increased taxation of vehicles and fuel and car-parking policies. All these measures have been used successfully in one of our case-study cities, Copenhagen.

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4.8.7. The experience of Frankfurt in the provision of multimodal transport services indicates the way good transport planning can enhance the economic prospects of cities in a strategic position within the European urban system. The experience of Zurich, which is not in the Community, is valuable. It has a variety of well coordinated modes of public transport

including trams, trolley buses, diesel buses and minibuses and a suburban train system. In contrast to the less well planned and supported public transport systems of many other European cities, they have consistently enjoyed increasing patronage over the last five years despite very high levels of car ownership.

**Strategies to alleviate traffic congestion in Milan**

To tackle traffic congestion in Milan the city council's policy proposes:

- extending the city's pedestrian zones and its network of cycle lanes,
- extending the areas with restricted access for cars,
- Improving public transport by completing a third underground line, creating a radial light rapid transit system and developing an underground high-speed railway 'through line' (*passante ferroviario*) which will link three existing rail stations from the north-western to the south-eastern periphery of the city.

4.8.8. In Montpellier, urban amenities have consciously been distributed around the city outskirts to alleviate congestion in the city centre and promote greater accessibility and balanced development. A high-speed underground through-rail line with improvements to the public transport system will be developed in Milan to decongest the city centre and encourage more polycentric development of the conurbation. Other measures which have been attempted in our case-study cities include computerized traffic control systems to maximize vehicular flows, planned introduction of light rail systems (Amsterdam, Rotterdam and Milan), traffic-calming measures in inner residential areas prone to through traffic, construction of ring roads to divert through traffic (Rotterdam, Seville, Birmingham, Oporto and Valencia) and policies to improve flows of goods traffic by transferring goods to rail and the designation of 'goods only' stretches of highway (Amsterdam and Rotterdam). Longer term measures include an attempt to locate major traffic generators on sites well served by public transport (Brussels, Amsterdam and Rotterdam) promoting higher residential densities, more mixed land uses and

facilitating healthier forms of travel such as cycling.

## **4.9. Urban environmental issues**

4.9.1. Environmental issues have become increasingly important in Member States as industrial pollution, radiation scares, and firmer evidence on the depletion of the ozone layer and global warming have pushed environmental protection and sustainable development to the top of the policy agenda. There is a growing awareness amongst policy-makers that free-riding on environmental resources cannot continue indefinitely. This has a number of implications for urban areas, including energy generation and conservation, the rationalization of urban transport systems and sustainable local economic activity and development. Directly or indirectly, cities are the major environmental offenders. They consume most of the world's dwindling supply of non-renewable energy resources, are the major source of carbon dioxide emission — the main greenhouse gas — and are major environmental polluters. The free movement of

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water and air, however, means that the consequences are not necessarily restricted to their source — cities. They externalize the environmental costs of producing goods and services by disposing much domestic and industrial waste into the atmosphere or watercourses, causing environmental damage in neighbouring areas.

4.9.2. Most air pollutants damage the health of people living and working in cities. Whilst the severity of the damage they cause depends upon the absolute levels of pollution concentrations, they are particularly harmful to the respiratory and cardiovascular systems. SO<sub>2</sub>, NO<sub>2</sub> and particulate matter have adverse effects on the respiratory system. Carbon monoxide can slow reflexes and cause drowsiness and low-level ozone can impair breathing, irritate the eyes, nose and throat and lead to headaches. Concentrations of lead in the atmosphere can harm the liver and kidneys and may cause neurological damage. In all cases, the elderly and very young are the highest risk groups.

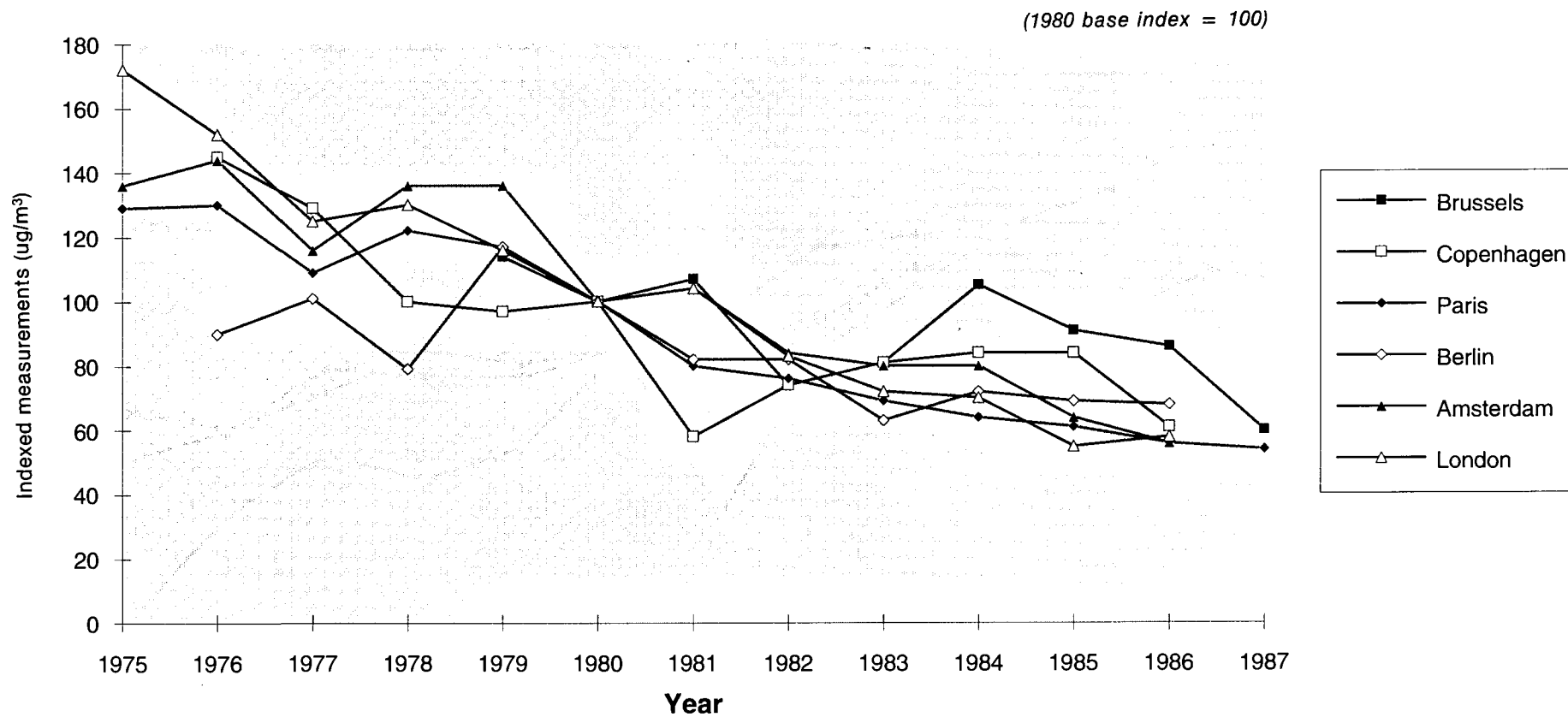
4.9.3. During the past two decades, however, emission levels of many traditional air pollutants have generally declined in West European cities. Figures 23 and 24 illustrate the downward trend in SO<sub>2</sub> emissions in 10 case-study cities between 1975 and 1987. Three key factors underpin this trend. First, the introduction of tighter regulatory mechanisms has reduced the average sulphur content of fuels. Second, energy policies based on conservation criteria and a general shift from reliance on oil to sulphur-free energy created alternatives such as natural gas and nuclear energy. Thirdly, structural economic change brought with it cleaner industrial production methods and a decline in the heavier polluting sectors. Significantly, concentrations of SO<sub>2</sub> have declined most sharply in urban areas especially in cities with the highest levels in the early 1970s. Nevertheless, many of Europe's southern cities exceed the EC's air-quality guidelines.

4.9.4. Declining levels of particulate matter in urban areas are attributable to the reduction of coal burning in industry and in the home, and to the installation of dust removal equipment in coal-fired utilities (Figures 25 and 26). However, in many cities, lower particulate emissions are being offset by the increased use of diesel-powered vehicles. Reductions in the concentration of levels of lead in the atmosphere have also been most marked in urban areas. EC air-quality standards, in this context are usually met. Indeed, levels of lead concentrations in the air fell by about 50% over a five-year period in Frankfurt, Brussels and Paris. The continuing substitution of unleaded for leaded petrol should ensure that these downward trends continue. Trends in concentrations of NO<sub>2</sub> in urban areas, however, display a different trajectory. In some cities, emissions have increased since the late 1970s (Figure 27). These trends suggest that pollution control and technological progress have not been sufficient to counteract the growth of NO<sub>2</sub> emissions, caused by the growth in transport use.

4.9.5. Despite its overall decline, the extent of air- and water-borne industrial pollution remains a major problem in many European cities. Its consequences are felt far beyond the immediate locality. The newer 'clean' industrial areas of the new core and old core suburbs pose far fewer problems than traditional heavy industrial areas. Air pollution is particularly problematic in districts where pollutants from industries such as chemical works combine with other urban pollutants to produce widespread smog, for example in Hamburg and Rotterdam. Concentrations of urban areas along rivers and coastlines also result in downstream accumulations of pollutants, for example in the Mersey, Rhine and Danube rivers. The discharging of untreated or semi-treated wastes into the sea and rivers often means one city's waste becomes another city's environmental headache. Dutch cities which rely upon the Rhine for drinking water, for example, incur heavy costs

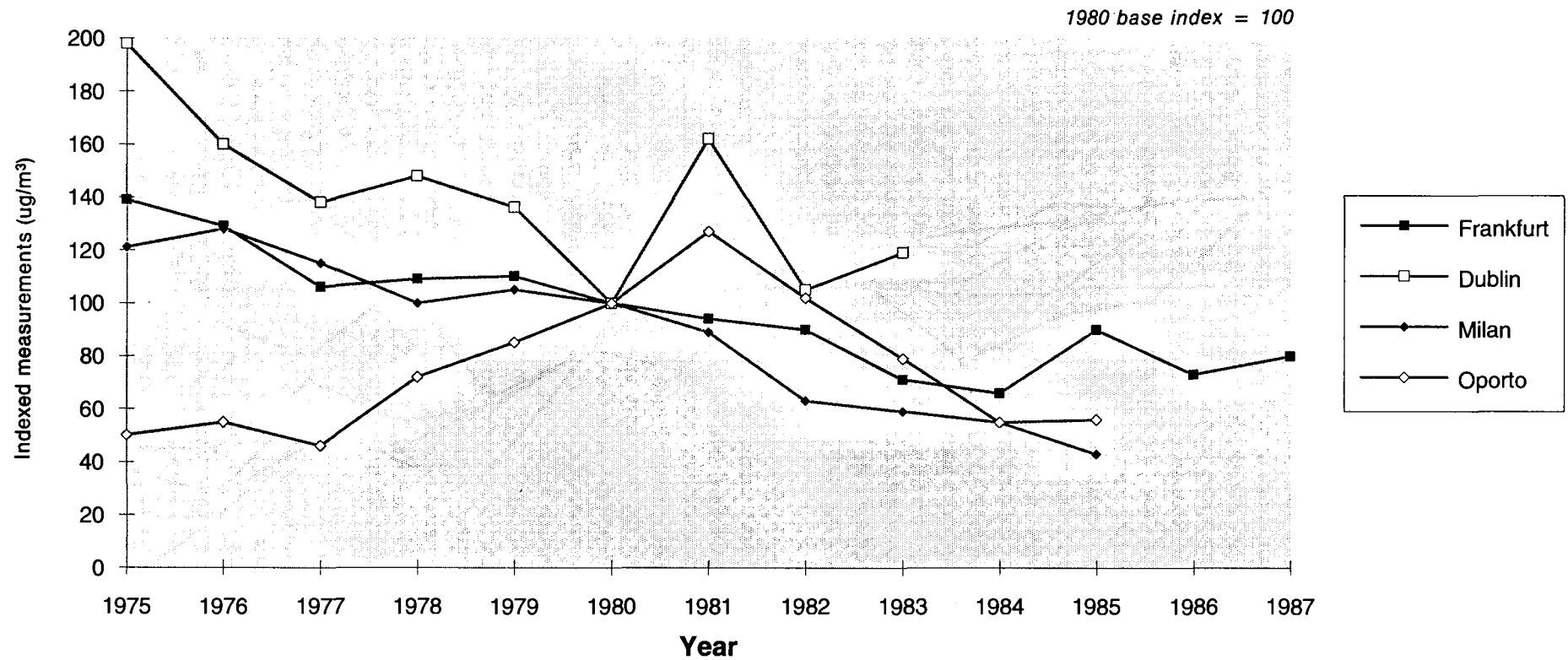


Figure 23. Indexed trends in concentrations of SO<sub>2</sub> in selected old core case-study cities, 1975-87



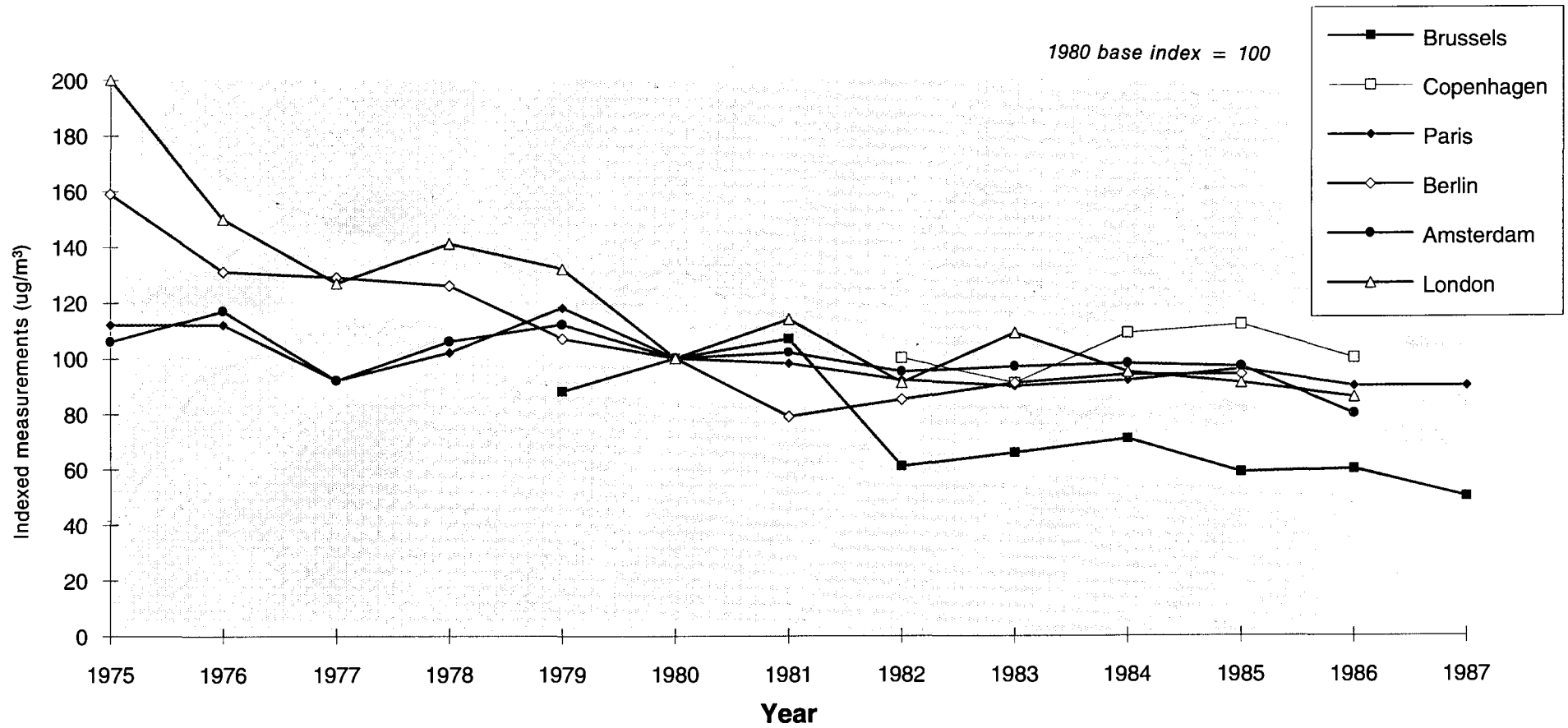
Source: OECD environmental data (1989).

**Figure 24. Indexed trends in concentrations of SO<sub>2</sub> in selected new core and peripheral case-study cities, 1975-87**



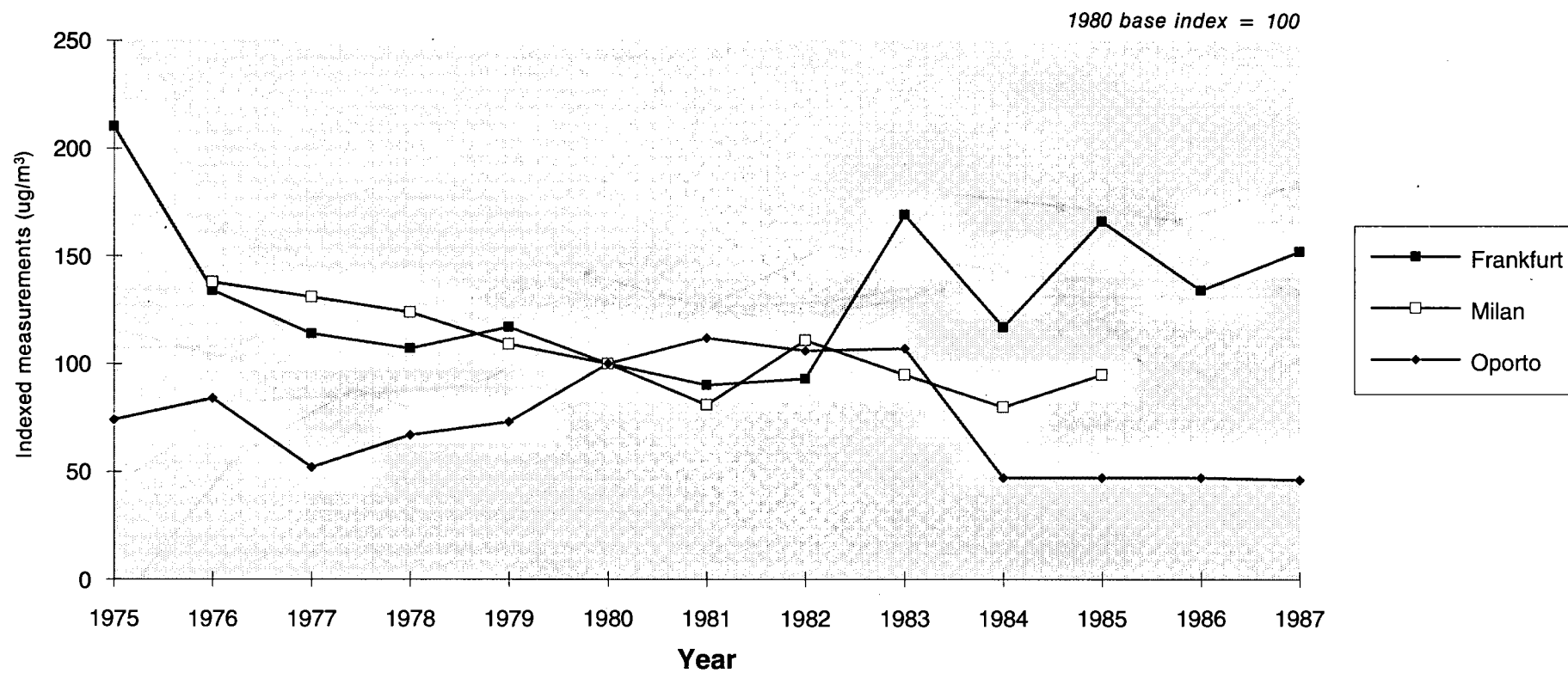
Source: OECD environmental data (1989).

**Figure 25. Indexed trends in concentrations of particulates in selected old core case-study cities, 1975-87**



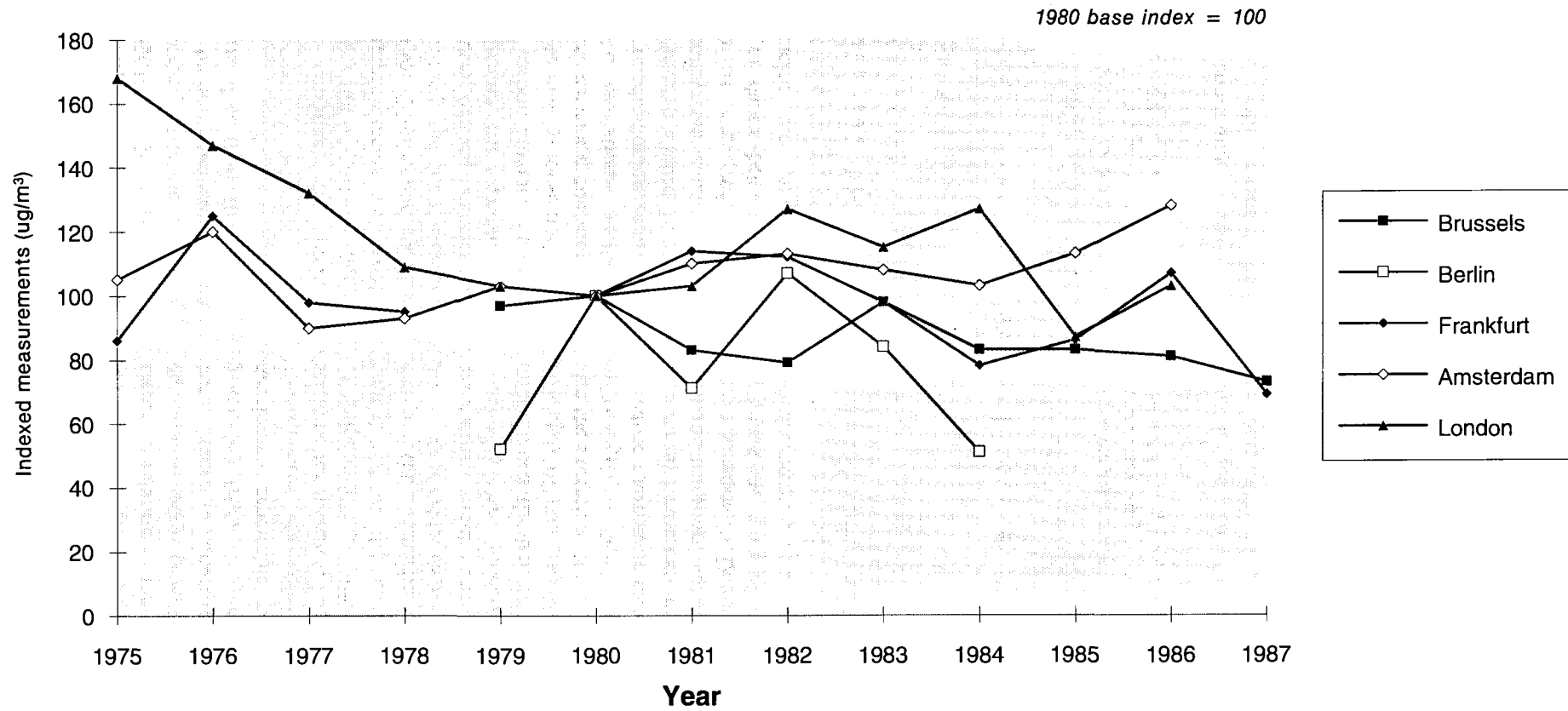
Source: OECD environmental data (1989)

**Figure 26. Indexed trends in concentrations of particulates in selected new core and peripheral case-study cities, 1975-87**



Source: OECD environmental data (1989).

Figure 27. Indexed trends in concentrations of NO<sub>2</sub> in selected case-study cities, 1975-87



Source: OECD environmental data (1989).

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in dealing with pollution upstream by German and French industry. Similarly Rimini, the Italian seaside resort, suffers from Adriatic pollution which is largely caused by heavy industries in the Po valley and other parts of northern Italy.

4.9.6. Many cities continue to pollute unnecessarily because they fail to conserve energy or use it efficiently. Improvements here would have many implications for planning and building regulations in Member States and for the design and construction of houses, offices, factories and shops. It has been estimated, for example, that 37.5% of emissions of carbon dioxide, the main greenhouse gas, is due to energy consumption in buildings. Measures to reduce energy consumption through improved conservation methods, reutilizing waste heat or developing renewable energy resources are becoming more common. However, only in Scandinavian countries have simple measures such as improved building insulation and the use of shelter belts and solar panels become widespread.

4.9.7. Many European cities also have a poor record in relation to the other side of the energy equation — energy generation. Few measures have been taken to improve efficiency in energy generation from non-renewable resources or in developing renewable sources. The ecological consequences are considerable. British power stations, for instance, in pumping large quantities of sulphur dioxide into the atmosphere have contributed to the incidence of acid rain in Scandinavia, damaging forests and sterilizing lakes. Renewable energy, through solar power generators, tidal power and wave energy convertors or modern windmills, remains undeveloped throughout Europe. Improving the efficiency of non-renewable sources of energy is also the exception. But in some cities, particularly in Denmark and Sweden, there have been attempts to reduce the consumption of fossil fuels and to give energy conservation a central role in urban land and transport planning. Combined heat and power schemes in Denmark, for example, have facilitated the more efficient conversion of fuel into electricity.

#### **The environment and health in Naples**

The working-class quarters of Secondigliano and Fuorigrotta, with concentrated industrial activity register high incidences of cancer due to:

- dangerous levels of sulphur dioxide in the air,
- cement works provoking respiratory illnesses,
- domestic leather working, due to inhalation of fumes from glues and solvent, contributing to the incidence of stomach cancer.

The historic centre and dormitory suburbs are badly affected by other diseases.

- Infant mortality rates are amongst the highest in Italy.
- Rickets is widespread, in the poorest quarters, due to lack of light and ventilation.
- Water pollution in the bay makes eating seafood hazardous and spreads hepatitis.
- Heroin addiction has increased the incidence of hepatitis and contributed to the spread of AIDS.

4.9.8. The rapid and continuing increase in motorized transport — both personal and commercial — also presents many challenges to Europe's urban areas. Dense urban traffic contributes significantly to emissions from the transport sector which account for a high proportion of pollution levels. Transport in

industrialized countries emits 90% of CO emissions, 50% of NO and atmospheric lead emissions, up to 40% of CO<sub>2</sub> emissions and contributes to CFC emissions which deplete stratospheric ozone levels. In addition, city residents have to endure the nuisance of traffic-generated noise and an increasingly

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congested urban environment. Traffic-generated pollution also harms the built environment. Vehicle emissions contribute to the erosion of historic buildings and the vibration produced by heavy traffic leads to their structural

deterioration. Despite some success in recent years in reducing concentrations of an array of pollutants, there remains substantial problems in many Community cities.

#### **Pollution in Milan**

Rising traffic and industrial emissions have sharply increased levels of atmospheric pollution in Milan to the extent that:

- concentrations of sulphur dioxide there are amongst the highest of Italian cities — in winter levels reach 10 times the national average;
- in February 1991, the local authority issued guidelines advising the public to avoid cycling in the city and using pushchairs for children as their low height exposed them to a higher degree of toxicity;
- river pollution in the metropolitan area is the worst in the country — the rivers Lambro, Seve and Olona have become so polluted that they can support no life at all.

4.9.9. While urban policy-makers have begun to tackle some of these environmental problems, pollution levels remain acute in many cities. Worsening pollution is most marked in south European cities where environmental deterioration continues. In Athens, vehicular and industrial pollution levels are so high that vehicles are now only allowed to enter the city on alternate days and not at all if levels exceed safety limits. Similarly, in Milan the authorities ban cars from the city centre on a rota basis using car number plates to curb traffic pollution. In Naples, toxicity

levels in the atmosphere are particularly high due to a combination of car exhaust emissions, industrial waste and volcanic activity. Noise pollution caused by heavy traffic flows and the proximity of the airport to the city is also a major nuisance and even impairs hearing and produces nervous complaints. With car ownership in southern Europe set to rise at least 300% over the next decade, the cities of the south face considerable policy challenges if they are to successfully confront these mounting threats to the urban environment.

#### **Environmental strategies in Milan**

Milan's 1990-93 municipal programme aims to enhance the city's environmental sustainability. Its strategy includes:

- giving a much higher profile to environmental impact considerations in the planning process,
- setting up a comprehensive databank and monitoring structure for the urban eco-system,
- improving systems for the recycling of domestic and industrial waste and for its partial reuse for heating and electricity generation.

#### **The 'greening' of Athens**

Under Article 10 of the ERDF, a pilot project has been established in Athens to develop a 'Regional Recreation and Training Centre'. The project aims to:

- develop a major urban park,
- create an open air museum of Attica flora,
- provide training in gardening and environmental protection,
- establish a permanent Green Fair.

The project is costing ECU 7.68 million, of which ECU 5.76 million is from the ERDF, and targets ethnic minorities and low income groups. It is anticipated that up to 100 jobs and 200 training places will be created.





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## **5. Strategic responses to change in European cities**

### **5.1 Introduction**

5.1.1. As earlier chapters of this report have made clear, the map of urban Europe is diverse and contains not only cities grappling with economic, social and environmental problems but many which appear to have coped more successfully with such difficulties. Part of that diversity has been determined by the impact upon cities of the major structural economic changes that have occurred in the international and European economy. Another key dynamic in the diversity in cities' circumstances has been the reactions within individual cities to those changes. Part of the economic recovery that occurred in European cities during the second part of the 1980s can be attributed to strategic responses made by city leaders.

5.1.2. This chapter explores the dynamics and significance of strategic policy decisions made by decision-makers in different European cities. It discusses the extent to which cities have been able to shape their economic trajectories or have been constrained by wider structural change. It examines the factors that encouraged the emergence of more activist and entrepreneurial European city leaderships in the 1980s. The chapter identifies the strategies developed by cities which address economic change and the institutional mechanisms created to implement them, in particular the role of public — private partnerships in urban regeneration. It illustrates

this discussion with the experience of a number of representative cities which have had different degrees of success in responding to the problems of change. The chapter ends with a discussion of the factors that underlie the different economic potential of cities in the Community during the 1990s.

### **5.2. The rise of the 'entrepreneurial' European city**

5.2.1. Cities have historically been the source of creativity as well as tensions in Europe, generating much of its economic, social and cultural dynamism. Their economic and political significance has, however, varied in recent periods. During the 1980s cities have emerged on the European agenda, not only as a source of major problems or as recipients of substantial public assistance, but as important economic and political actors in an emerging European-wide economic system as they assumed greater powers and more interventionist roles in responding to change. The emergence of the entrepreneurial city in Europe during the 1980s was driven by many factors: the impact of economic restructuring; political and administrative decentralization; the limitations of national regional policies; the renaissance of interest in urban living and the awareness of increasing economic competition between cities after the creation of the single market in 1992.

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5.2.2. The primary driving force in the emergence of more 'entrepreneurial' city regimes has been the dramatic economic change occurring within Europe in recent decades, as outlined in Chapter 1. The full impact of the international recessions of 1973 and 1979 left many cities facing severe economic and social problems. In these circumstances city decision-makers in many Member States decided that in the 1980s they could not rely solely on national government policies to alleviate the impact of economic restructuring but had to develop their own strategic responses.

5.2.3. The development of city-based solutions to economic difficulties was also encouraged as the limits of Member State regional policies became increasingly obvious during the 1980s. In many Member States the regional policies of the 1960s and 1970s failed to create regional prosperity, spread their resources too thinly or simply failed to address the problems and needs of cities which were not identical with those of their larger regions.

5.2.4. The trend was often encouraged by national governments in the Community — not only those controlled by right-of-centre political parties — which reacted against the perceived failure of centralized policy making and delivery systems that had characterized much of the post-war period. In many Member States this resulted in reduced national intervention and public expenditure and a shift in the balance of power between national and local governments. This decentralization provided local institutions with greater policy responsibilities but also created new political space which gave local decision-makers the opportunity to play larger strategic roles.

5.2.5. The process was most marked in countries which had traditionally been more economically, administratively and politically centralized. France

and Spain were particularly visible examples of this trend as major decentralization reforms changed the traditional internal balance of power and encouraged the emergence of activist and entrepreneurial regional and local governments. The trend to increase regional and local discretion was also found in traditionally less centralized countries like Germany, Italy, Belgium, Denmark and the Netherlands. Britain, Greece and Ireland were exceptions to this process of decentralization. Nevertheless, in Britain, cities were encouraged by national government to behave in a more dynamic, entrepreneurial fashion and in particular to form new alliances with private sector interests.

5.2.6. At the same time growing interest in cities in Europe was encouraged by the larger processes of economic restructuring as new activities in the service sector replaced traditional economic activities. Cities in the old core of Europe in particular continued to shed their 19th-century role as centres of manufacturing and reverted to older pre-industrial notions of cities as places of meeting, communication, exchange and leisure. This had some important demographic consequences. Although many cities continued to lose population during the early 1980s, at the same time in many of them a process of reurbanization emerged as particular groups, frequently younger professional people or older people whose children had left home, moved into city centres to take service sector jobs or to enjoy their cultural and life-style advantages.

5.2.7. The impact of this often higher income group upon specific central areas created a sense of renaissance in many cities. Despite the conflicts that process often created, and despite continuing structural decline in many cities, the process of selective reurbanization contributed to the image of cities as assets rather than liabilities during the 1980s and created renewed political interest in their role and future.

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5.2.8. The emergence of more entrepreneurial urban leaderships was also encouraged by the challenge of the single market after 1992. By threatening to speed up the rate of economic change, it made city leaderships anxious to avoid falling even further behind the already economically successful cities in the EC and keen to emulate their strategies. In part this contributed to the growth of many kinds of networks between European cities during the 1980s as cities attempted to share their experiences of responding to economic change. The prospect of 1992 also had a major impact upon national decision-makers, making them increasingly conscious of the need to increase national economic competitiveness. This had an indirect impact upon cities, since in many States the response was to identify the cities with the greatest economic potential as the dynamos of the national economy and to adopt strategies which would favour their growth.

5.2.9. In some cases capital cities were designated, implicitly or explicitly, as key economic players. National restrictions upon the growth of Paris and London were relaxed in the 1980s and were accompanied at the end of the decade by demographic recovery after an earlier period of economic and population decline. This growing awareness by decision-makers of the national economic significance of their major cities and attempts to encourage their economic revival, can be identified in Denmark with Copenhagen, in Belgium with Brussels, in the Netherlands with Rotterdam and Amsterdam, in Italy with Rome, and in Spain with the cities of Seville and Barcelona as well as Madrid. Despite the degree of political and administrative decentralization that occurred in many Member States during the decade of the 1980s and the autonomy that provided for many entrepreneurial city leaders, a contradictory trend has also appeared. There is a growing concentration of economic activity in a limited number of cities which could lead to the emergence of an economic

elite of powerful cities within each Member State.

### **5.3. Public — private partnerships in cities**

5.3.1. These factors combined to place cities more centrally on the European policy agenda in the 1980s and 1990s. As well as a greater recognition of the problems cities faced, there emerged more activist, entrepreneurial city leaderships who sought new strategies and mechanisms to encourage local economic development. They were prepared not only to review the economic development strategies adopted in their cities but also the institutional and administrative mechanisms through which those strategies were developed. Many responded to the economic problems they faced by creating new institutional mechanisms — in particular public — private partnerships — in an effort to generate and implement new economic strategies. During the 1980s the process occurred in a variety of the case-study cities in the old core, new core and periphery of Europe — Hamburg and Dortmund in Germany; Rennes, Lyons and Montpellier in France; Glasgow, in Britain; Rotterdam in the Netherlands; Milan in Italy and Barcelona in Spain.

5.3.2. The process of creating public—private partnerships in these cities was initiated by different institutions in different ways. Often elected leaders, typically powerful mayors, took the initiative by creating a review process involving a wide variety of groups in the city — government, business, the community and the universities — to reassess traditional policies and propose alternative ones. The specific institutional relations of the partnership varied in membership, organization and formality. In some cities, like Montpellier, Milan, Glasgow, Hamburg and Rennes, there was a more formal alliance between public and private sectors and an organized

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partnership with limited membership, administrative capacity and specific policy goals. In others, like Barcelona or Dortmund, a new institutional framework did not emerge; rather the process of public consultation, policy review and strategic development was crucial.

5.3.3. Underpinning all of these initiatives was an attempt to replace internal conflict with agreement over long-term goals and to generate local consensus amongst public and private actors on a development strategy for the city and the resources that should be devoted to it. Such alliances did not prevent all internal conflict. Nor were they a sufficient condition for economic success. None the less, during the 1980s, the cities that developed such institutional relations were more often associated with the generation of dynamic development strategies than cities which were unable to create such alliances. Some examples of different kinds of partnerships found in our case-study cities are contained in the boxes below.

## 5.4. New economic development strategies

5.4.1. The growth of new institutional arrangements was accompanied by the

development of new economic strategies. These varied according to the economic and social problems cities faced, as well as to the resources that were available to city leaders. These resources included, for example: the strength of the city's public and private economic sectors; its human resources including their educational, skill and entrepreneurial levels; its social class relations; its environmental and locational advantages; its cultural assets; its leaders' access to national resources and their ability to influence policy-makers at higher levels of government.

5.4.2. The strategies were not mutually exclusive but complementary. Decision-makers rarely adopted a single strategy, although some were more common in particular regions of Europe. In many cities like Hamburg, Dortmund, Rotterdam and Glasgow, the strategic focus was upon the diversification and restructuring of traditional economic sectors like steel, coal or shipbuilding. Although not confined to them, cities without the problems of that traditional inheritance like Montpellier, Rennes, Bari or Valencia placed a strategic focus upon the development and exploitation of high technology, where the development of good working links between government, business and the research industry was crucial.

### Rotterdam Development Board (Rotor) — Think-tank on city-region relations

- Rotor is funded by the municipality and Chamber of Commerce to act as a think-tank in promoting the economic modernization of the city.
- It was set up in 1990 and consists of a board of key representatives of leading economic sectors supported by five senior research staff.
- Its main achievement has been to stimulate new forms of debate about the relationship between the city and the surrounding Rijnmond region. It has encouraged regional industrial and political interests to focus on pollution, regional infrastructure, provision of family housing, allocation of sufficient land for wholesale and distribution activities and regional public transport services.
- It has also suggested ideas for public—private sector collaboration on social renewal schemes, the improvement of health and welfare systems and social return from major redevelopment projects, where the municipality has undertaken business development, training the unemployed and improving public open space.

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**Birmingham Heartlands — Reclamation of derelict land by a local partnership of public and private interests**

- Birmingham Heartlands Limited (BHL), a company owned by five construction companies, Birmingham City Council and the Chamber of Commerce, was formed in 1988 to redevelop 2 500 acres of underused and derelict land on the fringes of the city centre.
- The company works to an agreed development framework to attract new economic activity to the area and improve the conditions of existing residents.
- Action will include the provision of a canal-side mixed-use complex, services industrial sites, residential development and associated improvements in landscaping and community facilities, and a UKL 0.3 million, 3.5 million sq. ft. retail, leisure and sports development.
- A Community Trust has been established to take local residents' and businesses' views into account. The City Council also has recruitment training programmes so that residents will benefit from expected job creation.
- The initiative will cost UKL 1 billion and is expected to take 10 to 15 years to complete. It aims to generate 20 000 jobs directly, 5.2 million sq. ft. of new business floorspace and 650 new homes.
- BHL and the City Council have successfully lobbied government for essential investment in infrastructure and communications. A spine road costing UKL 117 million is under construction.
- The Heartlands Initiative is a locally inspired alternative and the City Council retains significant control over the development process.
- Although it is early to evaluate success, development interest in the area has already increased appreciably.

**Codespar in Rennes — Consensus building and deriving a future plan for the City**

- Codespar (Comité de développement économique et social du pays de Rennes) was established by the mayor to bring together the key representatives of the business sector, unions and local authorities to prepare strategic economic and social plans for the area.
- After an extensive consultation programme, Codespar secured local agreement to an urban planning strategy containing 45 costed initiatives. The plan argued that the town's future lay in the exploitation of its scientific research capacity and recommended that economic development be focused in three sectors — electronics and communications, health and environment and bio-industries.
- A successful science park 'Rennes-Atalante', has been developed; 4,500 people work in the park, of which 900 are new jobs, and Canon have recently located their European research centre there.
- The town's economic vitality has provided the basis for the integration of education, culture and new technology. It is renowned as the first city to obtain cable television and also for its music and electronic art festivals and the CCSTI, a cultural centre for new technology.

**Montpellier LR Technopole — Harnessing a city's economic development potential**

- Montpellier LR Technopole, which was originally based within the municipality has become a hybrid association comprising local politicians and professionals such as entrepreneurs, researchers and university lecturers.
- Its role is to stimulate and promote the local economy by harnessing its assets which include the presence of IBM, advanced university research facilities, innovative small and medium-sized enterprises and an attractive environment.
- LR Technopole is structured to encourage links between research and industry in the following areas: pharmaceuticals and medical research, computer technology, agronomic research, communications, and tourism and leisure.
- It offers business development advice in conjunction with other agencies, organizes annual conferences in each of the above sectors and promotes local firms nationally and internationally.
- Successful research centres on each of the five themes have been established, e.g. Euromedicine, Agropolis, Antenna, Heliopolis and also a small business centre, Cap Alpha.

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**Tecnopolis, Bari — A partnership between public educational institutions and private interests**

- Tecnopolis, Italy's first science park was founded in 1984 in Valenzano, a small town about 15 km from Bari, by a non-profit-making consortium which includes the Universities of Bari, Lecce and Sassari, together with a partnership of local entrepreneurs, construction companies, banks and regional development bodies.
- It has been funded mainly by the Italian Government through the Ministry of Special Interventions in the Mezzogiorno.
- Its key aims are to attract new industrial plants and research centres to the area and encourage local firms to use advanced systems of information technology.
- Tecnopolis performs a variety of tasks such as product development in the field of electronics, telematics and advanced robotics, technology transfer, modernization of information systems used by local companies, and acts as an incubator for new innovative companies.
- The science park has attracted significant inward investment and major companies such as IBM, Bull and Olivetti have established plants there. Also, Tecnopolis has been successfully marketed to help Bari project an image as a high-tech city.

**Wavertree Technology Park, Liverpool — A successful property-based public—private partnership in a depressed local economy**

- Wavertree Technology Park was a company set up jointly by Plessey plc, English Estates, Merseyside County Council and Liverpool City Council to develop a technology park.
- An attractive 64-acre parkland has been developed on the site of formerly derelict railway marshalling yards at the cost of UKL 11 million in reclamation, landscaping and infrastructural works.
- English Estates have developed, in two phases, incubator units for new high-tech companies each of which is now fully let.
- Wavertree is now the second most successful technology park in the country in terms of constituent jobs after Cambridge; 1 500 people and 40 firms are currently based on site, including a UKL 7 million 100 000 sq. ft. development project for accommodating Barclaycard which will eventually create 600 new jobs.
- The park has been so successful that it is now being considerably extended.

**Public—private partnership in Hamburg**

In July 1985, the Government of Hamburg, the Chamber of Commerce and the 10 most important banks set up the Hamburg Business Development Corporation (HWF).

- Its remit was to attract new firms and to fund and support existing ones.
- Focal points of the strategy were the media, information technology, electrotechnology, aviation industries, medical technologies, biotechnology, harbour-oriented services and environmental technologies.
- HWF attracted, in its first five years 387 firms — including 81 from elsewhere in West Germany, Scandinavia (91), Taiwan (42), China (33), the United Kingdom (24), Japan (19), Korea (10) and the United States (9).
- They also acted as consultants for 769 existing firms.
- 16 000 additional jobs were created.
- New investments totalled DM 3.7 billion — mostly in the construction sector — which fuelled a major city construction boom.

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5.4.3. In some cities, for example Seville and Barcelona, the emphasis was upon prestige redevelopment projects like waterfront redevelopment or major events to give a strategic focus to economic and urban modernization. Successful attempts were made to develop new economic niches for cities, for example in cultural industries, tourism and leisure. In other cities — Montpellier, Barcelona, Birmingham, Glasgow and Lyons are examples — decision-makers made conscious efforts to develop a wider role in the European economy by playing leading parts in European-wide organizations, developing economic and cultural links with other European cities and fully exploiting European Community programmes and funding.

5.4.4. In most cases the strategy attempted to move the focus of the city's economic strategy from traditional to modern sectors and to diversify the economic base. Not all strategies had the same economic potential or impact. The development of cultural policies, the capturing of prestige projects, the development of international strategies or city marketing were not a substitute for, but a complement to, the development of core economic activities in the high value-added sectors of the manufacturing and service economy. But the former often provided an indication of entrepreneurial and innovative behaviour which characterizes many of the most dynamic cities in the Community.

5.4.5. The following section illustrates this discussion by examining a number of cities whose experiences exemplify the range of problems and responses found during the 1980s in the old core, new core and periphery of Europe. Some of the problems faced were common in all areas; others were specific to particular areas. Leaders in some cities were more successful than others in coping with change. The experience of the successful restructuring of urban economies in the old core of Europe is illustrated with a discussion of Hamburg, Rotterdam and Dortmund. Montpellier

and Barcelona are examined as examples of economic growth in the new core. Seville and Rennes are examined as examples of cities where more successful responses to peripherality were made. The experience of Liverpool in the old core, Marseilles in the new core and Naples, Dublin and Thessaloniki in the periphery of Europe are also briefly discussed as examples of cities which experienced greater difficulty in responding to economic change. The evidence presented in the following sections is used selectively to illustrate a general argument about responses to urban change. It does not claim to be a comprehensive account of the recent experience of these or other cities in this study. More detail about their economic, social and physical circumstances and responses to them can be found in the longer individual case-studies.

## **5.5. Strategic adaptation to urban change in the old core**

5.5.1. Cities in the old core of Europe faced problems as a result of the rapid decline of traditional sectors like manufacturing, steel and coal production and port-related activities, particularly during the international recessions of the mid-1970s and early 1980s. The more successful city strategies helped promote the modernization of those traditional sectors but also to develop new ones. The experiences of Rotterdam, Hamburg and Dortmund are clear examples of the process. In each case the economic crisis in the 1970s triggered a political response from city leaders in the 1980s, which led to the abandonment of existing strategies and the implementation of new ones, accompanied by the creation of a new coalition and consensus in favour of change.

5.5.2. Their experiences, although different in detail, exemplify several important points about old core cities in Europe:

(1) Those cities do have the economic and social resources to respond to problems by restructuring and diversifying their economic base.

(2) Their capacity to recover from the economic crisis of the 1980s has reasserted the traditional regional balance of power in Europe. The traditional economic dominance of northern Europe persists despite the economic success of cities in the new core or periphery of Europe.

(3) Strategic choices made by public and private

leadership groups can affect the economic trajectory of cities, and partnerships between these groups is an important factor in regeneration.

(4) The successful restructuring of urban economies does not guarantee that all groups in the city equally share the economic benefits.

#### **Poverty, housing and homelessness in Hamburg**

Data from Hamburg illustrates the extent of poverty and housing problems in the city.

- 151 000 (9.5% of the population) received social assistance in 1987, subsequently rising to 167 000 (10.5%).
- 45 000 received housing subsidies in 1981 rising to 84 000 in 1987.
- The number of homeless in the city grew from 8 000 to 42 000 between 1988 and 1990.
- Public housing waiting lists extended by 9 000 in one year to reach 50 000 households in 1989.
- Only two-thirds of those with severe housing needs are accommodated within one year.

### ***Hamburg***

5.5.3. During the 1970s and 1980s, Hamburg went through an economic crisis as its four traditional sectors — the port, oil refining, ship construction and transport and communications experienced the impact of restructuring and international recession. The city fell from being one of the richest in the EC in 1970 to the average level in 1985. Unemployment rose to 13%. Hamburg's economy failed to compensate for this decline with growth in the service sector. During the 1970s the city's political and business leaders failed to recognize the changing nature of international economic processes and unsuccessfully concentrated upon using public money to attract heavy industry into the city.

5.5.4. At the peak of the crisis during the 1980s city leaders changed their strategy, in the process helping to restructure Hamburg's economy. The city's mayor persuaded the different groups within the city — business, labour, government, and knowledge-based sectors — to participate in the formation of a new economic development strategy. The new strategy which emerged during the following two years shifted the economic

priorities of the city from the attraction and retention of traditional to modern economic sectors. Physical urban renewal was planned to improve the city's retail facilities, housing, tourist attractions, cultural facilities, sports events and facilities. Crucially, the ruling party's traditional goal of the redistribution of economic benefits was replaced by a policy of wealth creation, in particular through attracting international investment.

5.5.5. To implement the new policy, in 1985 the City Council, the Chamber of Commerce and the 10 largest banks created the Hamburg Business Development Corporation (HWF), a classic 'public — non-profit — private partnership'. The focus of the strategy was to develop modern, high value-added industries — the media, information technology, electrotechnology, aviation, medical and environmental technologies, biotechnology and port-oriented services. Between 1985 and 1990 the HWF attracted 387 new firms, many from overseas, contributing to the creation of 16 000 additional jobs. It attracted investments of DM 3.7 billion, primarily in the construction sector, which fuelled an enormous inner-city construction boom.



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5.5.6. Technological innovation was aided by the creation of the new Technical University in the late 1970s, supported during the 1980s by the creation of the Hamburg Technological Institute, the Technological Advisory Centre, the Centre of Energy, Water and Environment and a programme on artificial intelligence. During this period, the port was modernized as a centre of logistics and distribution. The city's economic success was aided by a flourishing trade fair and a burgeoning congress industry which in 1990 attracted 10 major international fairs.

5.5.7. By the beginning of the 1990s, Hamburg's leaders had taken the necessary steps to counteract economic crisis. Unemployment was falling, jobs and investment rising. The city's economy had been modernized and diversified. It had a modern efficient port, industries geared to the future, a well-developed service sector, a large number of banks and insurance companies, and extensive scientific research institutions and organizations. The unification of Germany and the opening to the east had provided major commercial and trading opportunities.

5.5.8. Hamburg's economic success was achieved at a price. The internationalization of the city and its transformation for higher value uses imposed social costs. Social housing became increasingly unavailable and the price of housing rose dramatically. The city became increasingly segregated into separate residential areas, with intense political conflicts and pressures around the inner-city area traditionally occupied by workers now experiencing urban renewal. Unemployment remained high at 12%. The city was rich, with the highest proportion of millionaires in Germany — two for every 1 000 inhabitants. But in 1990 it also had the highest proportion in any German city of people on social assistance — 105 in every 1 000. Clearly the fruits of Hamburg's economic recovery were unequally shared.

## *Rotterdam*

5.5.9. During the 1970s and 1980s Rotterdam, the world's largest port, went through a similar crisis in its port, shipbuilding and petrochemical industries as unemployment rose to over 20%. With the recovery in world trade in the mid-1980s, Rotterdam experienced both an economic resurgence and a growth in population. It emerged from the recession with stronger restructured port and industrial sectors and benefited from the growth in services during the 1980s. The municipal port authority invested heavily in port reorganization and new transport logistics. Enormous corporate investment in the petrochemicals sector occurred. There was substantial commercial investment and expansion of office space. A 'Brainpark' catering for small highly professionalized companies was developed near a major university site as was a new business park near the airport which attracted Pacific Rim investment looking for a European foothold after 1992. The service sector grew at 6 to 10% annually in the late 1980s and business services increased by almost a third between 1985-89. There was moderate growth in banking and insurance and retailing. Hotel and catering employment also grew, fuelled by developments in leisure and entertainment sectors especially near the riverside city centre.

5.5.10. The economic revival of the city was at least in part the result of conscious changes in municipal policy on urban development. During the 1970s much renewal had concentrated upon renovating social housing in the city, which was almost entirely publicly financed. Despite the great success in raising housing standards, the strategy could not address the collapse of the city's economy. In 1983 the city undertook a major policy review which identified the need to create improved relations between the City Council and the private sector, as well as the need to balance the social concerns of the 1970s with economic strategies. Rotterdam's new strategy

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involved support programmes for small businesses particularly in urban renewal areas and massive investment in the port's infrastructure. The City Council used its own land resources to make a number of major public — private deals for office and leisure-based developments which transformed areas of the city centre. Efforts were made to broaden the city's housing stock with private and high-income property. The city authorities initiated two of the largest redevelopment schemes in Europe, which included a wide range of offices, housing, retail and tourist services and industrial development.

5.5.11. Relations between the public and private sectors were transformed during the 1980s by the partnership approach. The city involved financial institutions and developers at early stages of the planning process. Relations with the Chamber of Commerce were substantially improved. A key symbol of improved public — private partnership was the creation in 1989 of Rotor, funded by the city and the Chamber, to build bridges between the public and private sectors and generate new ideas for collaboration especially on social renewal schemes. As in Hamburg, the final point was crucial. Rotterdam's undoubted economic revival coexists with a variety of social and economic problems and an unemployment rate of 20%. By 1990 the city has returned to some of its earlier policy concerns in an attempt to create social programmes which would bring the benefits of prosperity to those in the city it had eluded.

### *Dortmund*

5.5.12. Dortmund also experienced a crisis during the mid-1970s and 1980s as traditional sectors of the city economy were threatened by structural change. By the 1990s strategic decisions taken by city politicians and business leaders had placed the city on a surer footing. In 1970 Dortmund's economy, built on coal, steel and brewing, was booming with an unemployment

rate of 1%. But recessions in those sectors meant that by 1988 it had risen to over 17%. Traditional industrial monopolies and entrenched attitudes meant few modern industries had established themselves in the region to compensate for the loss of traditional jobs. They had gone instead to the rapidly developing cities of southern Germany. The local university played no real part in the local political or economic debate. The influential unions were reluctant to accept new technology. Local government was completely committed to dealing with the problems of the declining traditional sectors. The political power of the regional coal and steel industries meant that State government was primarily concerned to subsidize those sectors. The city centre which had been rebuilt after the war was physically unattractive. By 1990 many of these difficulties had been overcome. Dortmund's image was considerably improved. Substantial environmental and physical renewal had taken place and the city's economic base had been transformed. Manufacturing had declined from 50% of the workforce in 1970 to 30% in 1990; services had increased from 30 to 70%. New high-technology industries were growing. Unemployment had fallen from 18% in 1988 to 12%.

5.5.13. As in Hamburg and Rotterdam the shift was aided by conscious decisions by Dortmund city leaders. The closure of a major industrial plant in 1981 led the city's Lord Mayor to call a conference of federal, State and local politicians and administrators and local industrialists to consider the city's future. The result was an expansion of the city's economic development machinery and budget but more importantly a new economic development strategy for the city. Since the 1960s the development strategy of the city had primarily been a physical planning strategy. To that a new goal of economic development was added. Its priorities were to shift away from traditional coal and steel sectors and to convert Dortmund into a regional centre for future-oriented manufacturing and services. By

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accelerating technological change the city would be transformed economically. By improving the environmental, housing and leisure amenities the city would be made attractive to highly skilled labour.

5.5.14. The strategy helped produce some notable successes. A series of newly created research and development facilities in transport technology and automation and robotics were attracted. A technology transfer system was established between the university, the polytechnic and the local Chamber of Commerce. A technology centre was created with a technology park adjacent to the university. The local banks and the City Council developed programmes to encourage new entrepreneurs. The university, which was created as late as 1968, with its strong science and engineering faculty and 20 000 students, played a critical role in the innovation process with key academics playing influential parts in the development process.

5.5.15. The City Council also launched job creation programmes and supported unconventional employment initiatives in the informal sector of the economy. Drawing upon EC regional and social funds the Council offered free management consultancy services to initiatives in the manufacturing sector, gave financial support for initiatives in the social and cultural sectors and converted derelict industrial buildings to provide premises for small firms.

5.5.16. The City Council upgraded the architectural and environmental quality of the city with extensive pedestrianization, the creation of urban boulevards and attractive public places and the renovation of existing buildings. A financially successful casino was developed. A major cultural development project encouraged the growth of cultural activities in a city which had traditionally lacked such activities. In a major area of dereliction in the city, the State and city are developing a major international building

exhibition, which will initially upgrade the environment of that area. But it will become an innovation centre for the regeneration of such areas, the creation of industrial heritage schemes, the promotion of new forms of social housing and the development of innovative approaches to social development at local community level. By 1990 the city of Dortmund was seen in Germany not as an example of industrial failure but of successful urban regeneration.

## **5.6. Promoting urban growth in the new European core**

5.6.1. The pattern of economic regeneration in old core cities, based on the modernization of traditional industries and renewal of outdated physical infrastructure, is different from the pattern of economic growth in cities in the new core of Europe. Such cities in northern Italy, southern Germany and south-east France have substantial assets — freedom from industrial dereliction, expanding higher education institutions and qualified personnel, attractive locations and environment — which have allowed them to be amongst the most dynamic centres of Europe during the 1980s. Although some cities in the old core recovered economically during the same period, the area remains an extraordinary success as a result of the rise of a series of dynamic cities and entrepreneurial leaders who aggressively exploited urban assets with sophisticated economic development strategies.

### *Montpellier*

5.6.2. Montpellier in south-east France is a model example of economic growth in Europe's new core. During the 1980s Montpellier's leaders aggressively pursued an economic development strategy which emphasized modernism, innovation, excellence and internationalism. They developed a 'technopole' strategy, expanded the

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city's cultural assets, undertook architectural and environmental projects of European significance, formed political alliances with other regional actors and adopted an internationalist pro-European strategy.

5.6.3. In 1962 Montpellier was the 22nd largest city in France; in 1990 it was the eighth. Between 1975 and 1987 it experienced the highest employment growth of France's 22 regional capitals with 23%, ahead of Rennes' 19%. During the 1980s it attracted 60% of all the 300 000 jobs created in its region, attracting immigrants not only from the surrounding regions but also from Paris. By 1990 Montpellier was one of the most dynamic cities in France. But in the mid-1960s this was unexpected.

5.6.4. The growth of Montpellier was triggered by the location of a major IBM factory in the city in 1965 which stimulated the growth of many small and medium-sized companies in robotics, electronics and communications, pharmaceuticals, and agronomy linked to the university research sector. But growth was sustained by the conscious promotion of indigenous economic development. As in northern cities a point can be identified at which the changes in local strategies occurred. In Montpellier it was not economic crisis but a change in political direction in 1977 after the election of Mayor George Freche.

5.6.5. Before 1977 Montpellier had doubled its population in 20 years but the city authority's strategic responses to growth had been limited. City redevelopment had been of poor architectural and environmental quality with the proliferation of public housing programmes, an inadequate city centre and extensive suburbanization. Under Freche, Montpellier pursued a more comprehensive social, architectural, cultural and economic renewal strategy. The city centre was redeveloped, collective services were provided to outlying areas, public transportation to the city was improved, public housing standards were

upgraded and social, cultural and sporting facilities developed throughout the neighbourhoods. The city authority's programme of major architectural projects of offices, housing and public spaces was regarded as one of the most prestigious in France and was intended to link the city by river to the Mediterranean seven kilometres away. A conference centre and opera house comparable with the Bastille in Paris was opened, supporting an opera, a symphony orchestra, schools of dance and drama and contemporary music of national and international standing.

5.6.6. This physical, social and cultural redevelopment strategy was underwritten by the city's economic performance during the 1980s. Particularly crucial was the 'technopole' strategy. In 1985 the city authorities helped establish a public — private partnership, Languedoc Roussillon Technopole, to guide its strategy which developed into a major local economic development agency bringing together politicians, entrepreneurs, researchers, and academics in one of the most successful local public — private partnerships in France. The company created five technopoles to commercially exploit research in medicine, computer technology, agronomic research, communications, and tourism and leisure. It encouraged links between industry and research, marketed the city nationally and internationally, and attracted inward investment.

5.6.7. A coherent internationalization strategy, forging economic and cultural links with other cities in its region and beyond, was adopted. The city authority is an active member of the Eurocities group and the International Association of Science Parks. The City Council especially pursued the European theme. It was intimately involved in the development of the integrated Mediterranean programme and received substantial EC funding for major development projects and from its science and technology programmes.

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5.6.8. Montpellier's attractive environment and climate, the major port in Marseilles-Fos, its wide range of tertiary and industrial activities, its 60 000 university students in a population of 300 000, continuing immigration and dynamic local leadership indicates that the city should remain at the centre of an increasingly successful urban region in Europe, linking Toulon, Avignon, Aix and Marseilles with strong cross-national links to Barcelona. The region is a model of the pattern of growth that can be expected in the 1990s in the new core of Europe.

### *Barcelona*

5.6.9. Barcelona is an important example of a city which is located in the rapidly growing new core of Europe but which has the economic base more typical of cities found in the old core of Europe. Although it originally developed as an industrial city in the 19th century, between 1950 and 1970 Barcelona experienced rapid urbanization fuelled by extensive rural immigration and unregulated economic and physical growth which overwhelmed its ability to provide collective services. During the 1980s Barcelona faced the twin dilemmas of modernizing a traditional economic base at the same time as responding to the problems of rapid urbanization more typically experienced in the peripheral regions of Europe.

5.6.10. Barcelona responded to those two challenges in a dynamic fashion. The capital of Catalonia and the second largest city in Spain, it consolidated a remarkable modernization process with the attraction of the Olympic Games. This event finally put the city on the world's map and extended the European vocation of the early 20th-century elite of Barcelona. The process of democratization and political decentralization which occurred in Spain at the end of the 1970s and the dynamism of the city's leadership were also crucial in achieving the social and political

consensus needed to meet the challenge of economic and urban restructuring.

5.6.11. The European economic recession hit Barcelona at the end of the 1970s and the beginning of the 1980s. However, two important events also occurred during this period. One was the 1979 democratic local elections held after 40 years of dictatorship; the other was the designation of the city's general metropolitan plan. Both aided Barcelona's urban restructuring as the City Council, despite its financial limitations, developed a more important role in city planning and undertook the creation of facilities for industrial location and collective services. The City Council also undertook sectoral planning policies aimed at upgrading deteriorated parts of the city as well as sites of symbolic value including many which were in the central city. In total the programme cost PTA 146 000 million, 46% coming from the City Council, 40% coming from private investors and 14% from bank loans. It was not confined to the inner city and the Council made significant efforts to spread the impact of regeneration spatially and socially across the city.

5.6.12. After 1984 priority was given to three main themes: (a) the adoption of an active policy of economic promotion of the city; (b) the attraction of the Olympic Games; and (c) the implementation of a strategic plan for Barcelona as a centre of a network of cities in west Mediterranean Europe. The City Council adopted a four-pronged strategy. The first was the creation of municipal companies and institutions to attract and coordinate investment especially in new technology and infrastructure. The second was the creation of an economic and social development area to encourage and support the creation of small-scale production and service companies. This dealt with the promotion and management of training and employment programmes with the support of central government and European Commission funding. The third strand was

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collaboration with the city's universities in the creation of technology parks. The fourth was the setting up in 1986 of a municipal/private business creation centre, 'Barcelona Activa SA'. This was the first of its kind in Spain designed to support new entrepreneurs by offering advice, premises, services and training.

5.6.13. The turning-point for Barcelona was 1986, the year in which it was designated to host the 1992 Olympic Games. The Games served as a catalyst for massive public and private investment in the city. Barcelona capitalized on the Games to accelerate the modernization of its urban infrastructure, create a more rational transport system and to generally improve the quality of urban life in the city. The broad strategy was to develop the city towards the sea — Barcelona had historically expanded towards the mountains — within the broader strategy of urban modernization. The capital investment required to develop sporting facilities at four major sites in the city was originally budgeted at PTA 51 million but that was anticipated to attract PTA 1 billion private sector investment in a five-year period. The organization of the Games had a distinctively municipal character with the mayor playing a leading role. He was able to gain the support of the Spanish national Government by portraying the Games as an important national event while retaining its image as an initiative developed by Barcelona in Catalonia. The Catalan government gave financial support to the Games on the proviso that one of the official languages of the Games would be Catalan. The Olympic Games created a social and political consensus in the city and became an important flagship for the urban redevelopment that Barcelona had required for several decades, but for which it had been unable to mobilize the necessary political or financial support.

5.6.14. In 1988 the City Council introduced a strategic plan to capitalize upon and consolidate the economic momentum generated by the

Olympic Games. The plan involved major public participation and included contributions from almost 200 institutions supported by over 500 people working in the technical commissions of the plan. This high level of participation amongst a wide range of institutions, from the association of businessmen to workers' unions representatives, was crucial in generating support for the Council's strategy. The plan had three strategic goals designed to promote Barcelona as an entrepreneurial European city. The first was to secure the position of Barcelona at the centre of a macro-region by promoting internal and external accessibility through improvements in transport infrastructure. Here priority was given to the establishment of a TGV link with Paris and to the modernization of the airport. The second goal was to improve Barcelona as a commercial and tourist city. The emphasis was placed on improving training and cultural infrastructure, and introducing housing and environmental improvement policies. The third goal was to strengthen the industrial and service sectors and to integrate them into a business centre. This involved a series of projects aimed at developing a centre for new technologies directed at medium and small sized businesses.

5.6.15. Barcelona's ambitious plan was far from Utopian. By 1990 over a quarter of the plans were in operation and all were intended to be completed by 1992. In 1991 Barcelona received a special commendation from the European Commission for the contribution of its strategic plan to urban planning in Europe. At the beginning of the 1990s the city continued to face a range of problems related to the inadequacy of its social and physical infrastructure and uneven economic development across the metropolitan region. Barcelona nevertheless remains an important example of a city which by the strategic exploitation of its economic and cultural resources, the development of a European and internationalist perspective and the creative use of a major prestige event has positioned itself as a dynamic city well placed to

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**The Community programme for the social and economic integration of less-favoured groups: the case of Oporto**

Located in the medieval core of Oporto, the Community's programme takes an integrated approach. It acts as a catalyst for 16 organizations operating locally and its objectives are to address urban rehabilitation, skills training, and job creation, improve education and health standards. It targets disadvantaged groups, including the young unemployed, women, children and pensioners.

The project has a budget of ECU 3.6 million between 1989 and 1994. The EC's anti-poverty programme contributes ECU 2 million, the Portuguese Government ECU 1.5 million, with the balance resourced by local government.

The strategy of introducing programmes specifically tailored to meet local needs, and incorporating local participation, displays a degree of sensitivity which enhances the chances of benefits accruing to the local population.

benefit from the wider changes taking place in the developing European economy.

## **5.7. Promoting economic growth in the periphery of Europe**

5.7.1. The cities in the periphery of Europe suffer different economic, social and physical problems from those in the old or new core. Located in Greece, southern Italy, southern Spain, Portugal, western France and Ireland they are often characterized by inadequate infrastructure, limited inward investment and dependence on technologically underdeveloped industries. Their regions lag considerably behind those of the European core and the cities face intractable problems caused by late urbanization — inadequate housing, education, transport, social services, planning and physical infrastructure. But during the past decade many cities in the periphery have begun to address successfully the problems of peripherality. The experience of case-study cities like Seville, Valencia, Oporto, or Bari demonstrates that

peripherality remains a major constraint on both economic development and social balance. Nevertheless the success they have experienced underlines the dynamism found in many peripheral cities and regions. Peripheral cities, by adopting innovative development strategies, have been able to limit the impact of structural constraints and are a guide to potential changes during the 1990s.

### *Seville*

5.7.2. Seville, in Andalusia, provides an excellent example of economic development in the European periphery. During the 1980s, after the introduction of democracy and the creation of regional government, Spanish city authorities in general developed more coherent physical, social and economic strategies which are beginning to bear fruit. The particular significance of Seville lies in its strategic exploitation of a prestige redevelopment project — the World's Fair Expo 92 — as a way of providing a sustained focus for urban development.

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**Development of telecommunications infrastructure in Seville**

A major investment of public expenditure is transforming Seville's telecommunications infrastructure. It intends to make Seville an important international communications node:

- By 1993 a digital network and complementary fibre-optic cable routes should be in place. These will link the major urban centres throughout Andalusia to each other and to the international telecommunications systems beyond.
- An International Communications Centre for voice, data and video transmissions should be in operation in 1991. It will incorporate an automatic international exchange, with digital technology, linked to an integrated services digital network, to handle continental and global traffic, a teleport and a satellite communications complex.

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5.7.3. During the late 1980s the Seville economy was on an upward trajectory. Inward investment was growing, unemployment was falling and there were high rates of economic growth. The city nevertheless retained key characteristics of underdevelopment — levels of technology in indigenous industries were low, the skill levels of the workforce were underdeveloped and the communications systems was inadequate and fragmented. Decision-makers in Seville and the regional government of Andalusia strategically chose to use a major redevelopment project, the World's Fair Expo 92, to address those three problems. The event acted as a catalyst for the comprehensive modernization of Seville's physical and telecommunications infrastructure and laid the foundations for a major science and technology complex in the city, to be located on the Expo site after the fair ended.

5.7.4. Expo 92 was intended to physically transform a major neglected area of the city, attract a very large number of high-quality architectural projects, stage a wide variety of international conferences on science and culture, develop cultural, sporting and leisure facilities, and host a major cultural festival which would be broadcast by satellite around the world. By 1990, Expo had helped transform the city's physical and telecommunications infrastructure and would eventually give it a regenerated city centre and improved road, rail and air links, integrating the city in the Spanish and wider European economy.

5.7.5. After the fair the site will be developed into a science and technology park to upgrade technological skills and capacity in the Andalusian economy. The park will specialize in sectors where the region is already strong — agriculture, food, fisheries, and tourism — but also encourage growth in the aerospace industry, car components, medium-tech telecommunications equipment, micro-electronics and computers. It is intended to serve as the core of a wider regional network of

advanced technology centres which will unite scientific institutions, educational and research centres and innovative companies. It is intended not only to be a source of technology transfer within the region but an international resource for technological transfer and cooperation between the industrialized and developing worlds.

5.7.6. Seville is at a critical juncture. It is modernizing rapidly but retains many of the characteristics and problems of an underdeveloped society. The utilization of a major prestige project to modernize its infrastructure and attract international attention should allow the city to remain a successful regional capital and may attract the international investment to make it a more important player in the national and European economy.

5.7.7. The city's experience raises important issues about economic development in the periphery of Europe. There is a danger that the benefits will be spatially concentrated and that Seville will benefit more than Andalusia from forthcoming economic growth. Equally there is a risk that the economic, social and physical costs of modernization will be borne by the majority of the local population, but that only a minority will benefit from employment or housing opportunities. The city still has an unemployment rate of 30% and a youth unemployment rate nearer 50%. Prestige redevelopment projects played an important strategic role in Seville's modernization programme but their success underlines the need, apparent in similar projects in other cities, for strategies which will improve the local skill base and upgrade the human capital, as well as the physical infrastructure of peripheral cities, if they are to succeed in the long term.

### *Rennes*

5.7.8. Rennes in Brittany is not a classic peripheral city of the kind found in southern



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Europe. Nevertheless it is in a region of France which experiences many features of peripherality. During the 1980s many of those problems were overcome in Rennes as new institutional mechanisms were created and a new economic strategy developed, helping the city to become a potent symbol of modern urban planning and a centre of economic and cultural innovation. As in many other successful cities, important changes in leadership strategies during the 1980s helped shape this success.

5.7.9. During the 1950s and 1960s Brittany experienced substantial decline and population loss. During the 1970s Rennes itself entered a period of uncertainty, if not collapse, as its relatively modest industrial sector went into a recession and 10% of its jobs were lost. But major policy changes occurred in the 1980s. Factory closures created pressure for the city to develop an indigenous economic strategy. The election of the Mitterrand Government in 1981 allowed the city's mayor — an influential member of the majority party — to enter the Cabinet and get access to national resources. National decentralization reforms after 1981 gave significant additional impetus to the emergence of local economic development policies.

5.7.10. These changes led to the adoption of a new strategy for the city and to the creation of a public — private partnership, Codespar, to determine strategic planning for Rennes and acquire government finance for development programmes. Under the control of the Mayor-Minister, Codespar developed an intensive consultation process with unions, businesses, entrepreneurs in high technology, training and higher education, politicians, academics and community groups. Attention was focused around eight themes: agriculture and biotechnologies, the building trade, electronics and computing,

research and development, planning, training, finance and marketing. The new strategy that emerged identified the economic future of Rennes in research, training and in three sectors — electronics and communications, the health and environment industries, and biotechnology industries.

5.7.11. By 1990 the systematic pursuit of those goals and the exploitation of national programmes and resources meant that many of the city's targets had been achieved. A new science park was successfully attracting substantial private sector investment, tapping the expertise of the city's substantial higher educational sector — 3 000 academics and researchers and 40 000 students in a population of 300 000. The city became the first in which cable television was introduced into the school system and special cable provisions were made for low-income people. Major cultural institutions and initiatives in theatre, dance and music were developed. The city centre was renovated. Communications were improved with a new TGV station. Economic growth had been reconciled with balanced social development. Considerable resources were invested in renovating older low-income housing and in the science park major efforts were made to integrate jobs with housing and to diversify the housing tenure. Rennes' experience demonstrated that the handicaps of a peripheral city can be overcome, that peripherality need not be associated only with the development of low value-added economic sectors and that growth and equity can, to a significant extent, be reconciled.

## **5.8. More limited responses to economic change**

5.8.1. Despite such examples of cities in the old core, new core and the periphery of Europe where there has been successful adjustment to and promotion of economic change, there remain

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#### **City marketing: Glasgow style**

City marketing has been a key component of Glasgow's regeneration strategy. It has enjoyed considerable success in changing the external image of the city. The city markets its assets and has enhanced its cultural capacity to attract tourists and inward investment.

Cultural and tourist attractions, such as the Burrell Collection, the 1988 Garden Festival and the 1990 European City of Culture celebrations, together with major property developments, such as the Scottish Exhibition and Conference Centre, and the retail developments of Prince's Square — an upmarket speciality shopping complex — and the St Enoch Centre, all form part of an overall package of attractions that help give Glasgow a dynamic, modern and cosmopolitan image.

cities in all of the areas which still experience acute economic problems. In many respects they present the mirror image of successful cities. Partly their problems reflect a lack of resources. But they also reflect the inability of local decision-makers to mobilize existing resources in a strategic fashion. In other words economic problems are exacerbated by institutional and strategic failure. The cities in this study which had most difficulty adjusting to economic change in the 1980s, for example Liverpool in the old core, Marseilles in the new core or Naples in the periphery, had similar difficulties in creating stable institutional alliances which could generate long-term political support for a coherent regeneration strategy.

#### ***Liverpool***

5.8.2. Liverpool is an example of a city in the old core whose traditionally port-dominated economic structure, low skill base, location and

internal politics prevented it from successfully adjusting to change during the 1980s. The city experienced profound economic decline in its port-based and manufacturing sectors without being able to replace them with high value-added service sector activities. Liverpool's manufacturing industry was dominated by large, often externally controlled, employers and the city's indigenous business class was relatively small. The city population declined by almost 50% in 40 years, the selective outflow leading to a loss of skilled workers. Unemployment remained consistently high and a substantial minority of the city's population was increasingly dependent upon State benefits. Its peripheral location on the English west coast became inappropriate for trade with the continent of Europe after the United Kingdom's entry into the European Community and it remained distant from the economic centre of Europe with relatively underdeveloped air, rail and road links to it.

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#### **The Merchant City quarter in Glasgow**

Located centrally, the Merchant City is an impressive example of Georgian townscape. But from the mid-1960s one-third of property fell vacant. Land and property dereliction followed.

In 1981, Glasgow District Council designated the Merchant City as a 'special project area' — a status acknowledging the area's potential to stimulate private sector activity if positive action was first taken by the public sector.

A coincidence of factors — the relaxation of constraints on private development within the city centre by the planning department, policy shifts in the housing department and the availability of grant aid for housing improvement and the introduction of Leg-up (local enterprise grants for urban projects) from the Scottish Development Agency — all combined to facilitate a property-led urban renewal strategy. The District Council's extensive land and property owning interests in the area helped the development process.

Area renewal has transformed obsolete warehouses into upmarket mixed-use developments which are breathing fresh life into a once run-down urban quarter, attracted the return of city centre residents, stimulated new service activities and created a well-defined mixed-use locality.

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5.8.3. Crucially, the increasingly severe economic and social problems which emerged during the 1970s and 1980s were accompanied by political and administrative instability. This caused internal political volatility as well as severe conflict with national government. The consequence was that during the 1980s, the city was unable to construct the alliances between national and local politicians, business, labour, the trade unions and the universities that emerged to give a constructive response to the similar problems of economic decline in Hamburg, Rotterdam, Dortmund or Glasgow.

5.8.4. The experience of Glasgow was in marked contrast to that of Liverpool. In many respects it endured very similar economic problems in recent decades. The crucial difference was that during the 1980s Glasgow had the political stability to construct a coalition of government and business interests which identified and mobilized around a regeneration strategy concentrating on the revitalization of the city centre and the development of its cultural assets. The consistent pursuit of that strategy during the 1980s meant that, although Glasgow continued to experience substantial problems associated with economic restructuring and peripherality, the city leaders achieved clear progress in decisions about economic strategy. Liverpool's business and political leaders began that process a decade later in the 1990s, but the initiative remained fragile. Much remained to be done to exploit its assets.

### *Marseilles*

5.8.5. Marseilles is located in the dynamic Mediterranean crescent of the new core but it suffers many of the economic problems of old core cities. In addition, during the 1980s it experienced political instability which prevented the city sharing in its wider regional prosperity. Marseilles experienced the decline familiar in north European ports during the mid-1970s but

was less successful in adjusting to changes than those cities. The city's economic, social and fiscal problems worsened during the 1980s. Political stability and consensus was made more difficult, although it was not caused by the fact that Marseilles — with its substantial North African immigrant population — became the power base for the divisive Le Front National party.

5.8.6. In part Marseilles' difficulty stemmed from its location. The city is surrounded by the successful, dynamic cities of Montpellier, Aix, Toulon and Sophia Antipolis which offer good opportunities for the development of typical new core economic activities in less degraded environments. In addition much traditional economic activity relocated from Marseilles to surrounding areas, partially as a result of government policies, during the 1960s. Also the decentralization reforms of 1981 created a stronger regional administration whose economic interests often differ from those of Marseilles.

5.8.7. During the 1970s the city's traditional political leadership, in contrast to that in a number of similar cities, failed to identify the nature of Marseilles' decline. While in the 1980s leading decision-makers in cities like Hamburg, Rotterdam or Dortmund began the process of strategic rethinking for their cities, Marseilles' political institutions went into crisis. The emergence of Le Front National in Marseilles politics initially deflected debate about the city's underlying economic problems. The death of the city's mayor in 1986 undermined the traditional machine which had governed the city for 40 years. It created the political instability which prevented the emergence of a coherent redevelopment strategy. Marseilles has a number of assets as a port and as a centre of technological institutions. But in contrast, for example, to Barcelona which occupies a similar location, the city lacks sufficient political and wider consensus to help capitalize on some of its advantages. Marseilles

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risks becoming an extreme case of regional inequality, an economic failure isolated at the centre of one of Europe's most dynamic regions.

### *Dublin, Naples and Thessaloniki*

5.8.8. Peripheral cities in the Community suffer from particular locational, economic, and social disadvantages. Although some cities in this study have adjusted to those difficulties, others, like Naples, Dublin and Thessaloniki illustrate the constraints of peripherality. Thessaloniki's inadequate road, rail, sea, air and telecommunications facilities and links to the outside world are a major barrier to integration in the European Community, especially as it is divided from the Community by non-member

States which do not provide reliable or growing markets for its products. Its economic future is highly dependent upon the Balkan region, which is neither economically nor politically stable. Dublin is separated from the mainland of Europe by two seas and is severely disadvantaged by the quality of rail links through England and Wales to the ports of southern and eastern England and, eventually, the Channel Tunnel. Naples airport is inadequate for large aeroplanes, as well as being dangerously near to the city. Its ports have fallen behind their Mediterranean and Middle Eastern competitors and are in a critical state because of lack of investment, poor strategic planning and managerial inefficiencies. Naples' road links are inadequate and the rail network slow; trains take 10 hours to reach the economically dynamic Milan.

#### **The Custom House Docks Development Authority (CHDDA), Dublin.**

- The Custom House Docks site — a redundant port facility — lies in the north bank of the River Liffey, and is close to the city centre. Recognizing its redevelopment potential, the government established the CHDDA in 1986.
- The Authority's remit is to secure the redevelopment of the site and so spearhead the regeneration of other decaying, derelict and obsolete quayside areas along the river.
- The site was earmarked for the development of an International Financial Services Centre (IFSC) and accorded financial incentives including a favourable rate of corporation tax for international financial services.
- The high-profile project also includes office, residential and retail accommodation and a museum, hotel and conference centre.
- Total estimated development costs are IRL 300 million.
- The key actors in the funding, developing and marketing of the scheme are the developers — a consortium of three private sector property developers — and the CHDDA. Direct marketing of the IFSC is performed by Ireland's Industrial Development Authority.
- By 1990, 76 companies had confirmed they would trade in the Centre with a projected workforce of 1 500. Amongst them were some of the world's leading financial institutions including Chase Manhattan, Dresdner Bank, Sumitomo Bank and Banque Bruxelles Lambert.

5.8.9. Such locational problems compound the economic problems of these cities, in which the skills and traditions needed to sustain successful, indigenous economies in the high value-added sectors are absent or undeveloped. Dublin, for example, attracts considerable external investment by international corporations which tend to transfer profits back to the parent company rather than feeding them into the local economy. It also

suffers from problems of human capital as it copes with the legacy of high rural migration to the city and the loss of a high proportion of its substantial number of university graduates who tend to migrate to successful economies within the EC and beyond.

5.8.10. In Thessaloniki, the traditional food-processing and textile industries are unable

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to sustain their share of the market as they compete with more sophisticated goods from richer countries or more cheaply produced goods from poorer ones. Naples suffers from a historic legacy of underdevelopment which reflects the particular history of the Italian state. Its economy is deindustrializing. It is dominated by an inflated, unproductive service sector, a massive but unstable public construction sector, a myriad of unskilled small firms and externally controlled large firms. It lacks medium-sized manufacturing firms. All three cities, but especially Naples and Thessaloniki, experience inadequate physical and social infrastructure because of their legacy of unregulated development. They indicate the gap that exists within Europe between leading and lagging cities.

## **5.9. City choices — city futures**

5.9.1. This review of the experience of a range of cities examined in detail in this study has made it clear that there is no single route to economic success in the 1990s. Decision-makers in different cities have pursued different strategies incorporating high technology, research and development, financial services, modern manufacturing, transport distribution and communications, public sector services, retail, tourism, leisure and culture. Equally location in the three areas of the Community — old core, new core or periphery — is neither a guarantee of success nor failure. Cities in all three areas have experienced different economic trajectories during the past decade. Some have been more successful than their regional location might have suggested. Others have been less successful than might have been anticipated.

5.9.2. The evidence from this study indicates that the cities with the greatest economic potential in the 1990s will be those which have:

(a) a diverse economic base in a range of service

and manufacturing sectors, particularly the high value-added sectors;

(b) the human capital to develop, and commercially exploit, advances in high-technology sectors;

(c) the knowledge-based institutions to provide a flow of skilled workers for those advanced sectors of the economy;

(d) the quality of life — cultural and environmental — to attract and retain a highly skilled and potentially mobile workforce;

(e) good economic, physical and telecommunications links with the most dynamic areas of the Community's economy;

(f) the local institutional capacity to identify a development strategy and generate the political, financial and personnel resources needed for successful implementation.

5.9.3. The point about institutional capacity and decision-making is important. Cities differ in the extent to which they possess the characteristics associated with high economic potential. The problems of cities which suffer from peripheral location, a degraded physical environment, dependence upon declining sectors of the economy, an under-skilled workforce or a legacy of local conflict cannot be understated. Nor can they be overcome without difficulty or in a short time scale. The challenge for city decision-makers seeking economic growth is to attempt to develop those conditions, given their own cities' social, economic and physical resources.

5.9.4. Nevertheless, this study has demonstrated that decision-makers in cities which face common problems have responded to them differently. Some have developed strategies designed to minimize their problems and exploit their strengths. The creation of local coalitions and alliances between different sectors, and the development of a strategic economic development

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plan, characterized the most successful and dynamic cities of Europe during the second part of the 1980s. Decision-makers in cities as diverse as Glasgow, Birmingham, Rotterdam, Hamburg, Dortmund, Lyons, Rennes, Montpellier, Milan, Valencia, Seville and Barcelona in the old core, new core and periphery of the community have adopted remarkably similar approaches in response to the problems created by economic change and restructuring. Although such cities stand at different points on their economic trajectories with different degrees of economic potential, they appear to be moving in the same forward direction. By contrast, in cities where the mobilization of political and financial resources to address economic decline has occurred less, economic recovery has been restricted. The internal institutional, cultural and political dynamics of cities remain a crucial dimension of their potential economic development. Cities are constrained by structural forces — but not completely. City leaders do have choices to make about their futures.

5.9.5. The choices faced by urban leaders during the next decade and beyond are complex. Much of the energy of city leaders during the past decade has been invested in seeking economic growth.

However, many of the problems faced in cities remain essentially social in nature. The successful, city-based pursuit of economic growth has rarely addressed the interconnections and contradictions between these two sets of issues. In our case-study cities, economic growth has not resolved the many social problems identified earlier in this report. Indeed, with limited exceptions, the politics of growth have increased inequalities within those cities. The pursuit of growth has also brought environmental problems and a loss of architectural and environmental amenity. There is evidence from this study that many city decision-makers, under pressure from a growing range of groups, are now questioning the virtue of a development strategy which seeks economic growth at all costs. The costs of internationalization strategies now inform much of the public debate in cities as diverse as Copenhagen, Hamburg, Lyons, Brussels and Glasgow. City leaders will face difficult dilemmas in reconciling growth with environmental balance and social equity during the 1990s. Cities are important to Europe not only as engines of economic growth but as examples of civilized living. In many cities there is a developing belief that the pursuit of the former may threaten the realization of the latter.

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## 6. National strategies for cities

### 6.1. Introduction

6.1.1. The local development strategies described in Chapter 5 illustrate the increasing importance of decision-making at urban level during the 1980s. However, these strategies were developed within specific national contexts which differ substantially within Europe. It is essential to understand these differences in order to place the trend toward 'urban entrepreneurialism' in perspective. Although EC member governments cannot implement self-contained macroeconomic strategies in an era of increased globalization and economic interdependence, their decisions still continue to play a critical role in shaping the social, economic and political conditions of the Community's cities.

6.1.2. This chapter explores governmental structures and national policies which impact on urban areas. Governmental arrangements, particularly the division of responsibilities between national and subnational governments are crucial because they determine which public organizations have the power to develop urban development strategies. The discussion of government structures concentrates on central — local relations and on the powers and discretion given to subnational decision-makers. In particular it examines the growth of administrative and policy decentralization in the Member States which promises increased discretion to urban governments.

6.1.3. The discussion of national policies for urban development focuses on the distinction

between implicit and explicit urban policies. Most national policies affect urban development. Policies in the fields of housing, industry, the environment, transport, telecommunications or land-use planning have an impact on urban fortunes. But they are rarely focused specifically on, or designed solely to meet the needs of, urban areas. They can be described as 'implicit' urban policies. 'Explicit' national urban policies are specifically targeted at selected urban areas. Regional policies of Member States, which target areas invariably containing major centres, occupy an intermediate position between these two policy types. Regional policies and implicit and explicit urban policies are therefore discussed separately. The final section examines whether Member States are converging in the priority they attach to urban development policies.

### 6.2. Intergovernmental relations and structures in European States

6.2.1. Government structures have played an important role in the development of national urban systems. Countries with traditionally powerful central governments, such as France, the United Kingdom, Denmark, Ireland and Greece, have developed urban systems and hierarchies with at their apex economically and politically strong powerful cities — Paris, London, Copenhagen, Dublin and Athens. In countries with established traditions of regional autonomy, such as Germany and the Netherlands, the creation of regional capitals — Hamburg,

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Munich, Rotterdam and Amsterdam — has encouraged the emergence of more decentralized economic and political urban systems.

6.2.2. The existence of regional governments has enabled regional capitals to become the focus of the local government machinery and infrastructural development which accompany regional capital status. In many cases, regional economic development strategies explicitly identify cities as engines of economic growth. Such policies often produce a bias of resources to the regions' larger urban areas on the assumption that economic growth will be greater if it begins in the cities and will subsequently flow to the remainder of the region. These policies are not without their critics. Undue emphasis on urban economic growth is sometimes viewed as exacerbating existing intraregional social and economic inequalities. Nevertheless, they have been pursued in many European city-regions.

6.2.3. European cities have had varying powers and financial discretion in different eras and in different countries. At one extreme, some countries have a long tradition of local autonomy, sometimes in tandem with traditions of local democracy. Italy, for instance, prior to unification in 1860, had a traditionally decentralized system of powerful city-states. In other countries — like Portugal, Spain and France — national governments for many years resisted pressures to extend local discretion and continued to exercise central control.

6.2.4. The structure and financing of the national political and administrative systems have far-reaching implications for cities. They determine the level at which explicit urban policies are initiated and administered. They also establish the financial context which determines the extent of discretion that cities possess. The relative balance of powers between national, regional and city government is constantly shifting as dynamic,

economic and political processes continue to shape intergovernmental relations. Despite the diversity of intergovernmental relations throughout Europe, a number of common trends have emerged in recent years.

6.2.5. Although it has emerged at different times, there has been a trend towards decentralization in most European countries during the past 20 years. It should be noted, however, that constitutional and political autonomy has not always been accompanied by matching financial resources. Regional and city governments have often acquired powers and responsibilities formerly the preserve of national government, but levels of government expenditure have often been reduced. At the same time the capacity of subnational government to raise local income has been constrained in a number of Member States. As a result, many local authorities, given their statutory responsibility to perform a minimum of functions, have become fiscally stressed.

6.2.6. The process of decentralization is apparent in a number of European countries. During the 1980s a decentralized system of government, with strong regional tiers, has developed and been consolidated in Germany, France, Spain, Italy and Belgium. In the Netherlands and Denmark there is a counterbalance to central government, but it is at the city rather than the regional level. This position contrasts with other Member States where traditionally centralized systems of government have been retained. Pressures for decentralization have been resisted in Portugal, Ireland and Greece. All have strong central governments with extensive powers, no regional tiers, and local governments which have relatively fewer powers and financial independence and little room for policy discretion. In Britain during the last decade there has been recentralization of power and reductions in local financial autonomy.



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6.2.7. Germany has a system of decentralized government which dates from the federal system created by the 1949 constitution. Under the constitution, 11 *Länder*, including the three city-states of Berlin, Hamburg and Bremen, form the base of extensive regional autonomy. This remains important despite the constitutional reforms of 1969 which gave the federal government an enhanced role in areas which were previously the sole domain of the *Länder*, including regional economic and urban policy. The 1969 reform ushered in an era of 'cooperative federalism' where policy issues were addressed through 'joint-venture' programmes by the two tiers of government under a complex set of rules for decision-making and financing. In the late 1980s, however, the federal government began to withdraw from direct involvement in a number of key policy areas for cities. For instance, it disengaged in 1986 from financial responsibility for social housing assistance. In its place are a series of individual State programmes. In an era of relative financial austerity, compensation by the federal government for its withdrawal does not match funds received under the joint financing procedures.

6.2.8. In 1970, Italy took an important step towards more regional autonomy with the creation of 14 regional authorities with 'ordinary statutory powers'. This reform created a more comprehensive regional system of government. Before 1970 only five regions with 'special statutory powers' had been set up in areas of particular political and ethnic sensitivity — Sicily, Sardinia, Val d'Aosta, Trentino-Alto Adige and Friuli-Venezia Giulia. Despite extensive formal powers, effective regional autonomy is limited by the degree of funding available to regional authorities. Municipal government in Italy is characterized by relatively low levels of statutory power and discretionary finance although some cities — such as Bologna and Milan — have creatively exploited their statutory and financial resources to good effect. The need to increase

fiscal autonomy was implicitly recognized in the 1990 reform of local government.

6.2.9. The reform did have wide-ranging implications for the future development of Italian urban policy and continues the process of decentralization. There will be seven new provincial councils — the third tier of government under the State and the regions. The powers of the new councils in the urban policy field will be considerably strengthened — new powers include the formulation of provincial land-use plans to coordinate municipal master plans. Most significantly for Italian cities, the 1990 reform also creates nine new metropolitan cities. These will incorporate the municipalities of Turin, Milan, Venice, Genoa, Bologna, Florence, Rome, Naples and Bari and other municipalities which have a close relationship with these cities in terms of economic activities and essential services. The new metropolitan councils will perform the range of functions currently carried out by municipalities and provincial councils, including the provision of transport and traffic infrastructure, land-use planning, preservation and responsible exploitation of environmental and heritage resources, waste disposal, economic development, and the coordination of health, education and training provision.

6.2.10. Spain, France and Belgium also witnessed increased regional autonomy during the past decade. Following the restoration of democracy in Spain, political pressure to replace pre-existing, highly centralized, State structures was intense. The new constitution of 1978 firmly placed Spain on the road to decentralization. Recognizing the country's regional diversity, the constitution created 17 autonomous communities with varying degrees of autonomy. In place of a unitary State, divided into 50 provinces which administered central government services, the country now has a semi-federal structure with each of the autonomous communities having its own president, parliament, executive and high

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court of justice. The degree of self-government achieved so far varies. The most independent regions are those with the strongest ethnic identities — the Basque country, Catalonia, Galicia and Andalusia, where there was widespread popular support for full autonomy. The autonomous communities have powers to address virtually the entire range of government responsibilities — excepting defence and foreign policy. However, even in the latter case, many regions are developing their own policies towards other European regions and the EC. The provincial tier of government is leftover services from pre-democracy days. It survived the constitutional transformation of 1978 but its comparative local government weight is diminishing.

6.2.11. The powers and autonomy of municipal government have widened and strengthened since 1979, primarily in urban planning, transportation, local infrastructure, parks, culture and social services. The 1988 'Local Finance Bill' envisaged the creation of a self-sufficient system of finance which would allow greater local discretion. But this remains largely unrealized due to the new-found strength of regional governments which play an increasingly important role in urban areas. Local government has also become more complex as a result of the division of functions between the different tiers of government. The result is that the expanded role of local councils in planning, education, culture, health and social services requires increased coordination with the regional administration. This has led to difficulties where local and regional tiers are controlled by different political parties.

6.2.12. In some major Spanish cities, for instance Valencia, a metropolitan tier of government provides an important coordinating and strategic perspective on a number of metropolitan-wide issues such as transportation, sewage and water infrastructures, and urban

planning. Under agreements with the respective autonomous communities, the metropolitan government receives finance to carry out these functions. The metropolitan tier acts on the one hand as a coordinating instrument of the local municipalities and for the development of metropolitan policies. On the other hand, it is an instrument for decentralizing the activities and responsibilities of the autonomous communities.

6.2.13. In France the political and administrative system has traditionally been centralized and hierarchical. Prior to the local government reforms of 1982, each of the 95 *départements* was headed by a prefect who was the government's representative. The 1982 reforms reflected growing demands for local autonomy in France and represented the first fundamental reform of local government for a century. In line with trends in Germany, Spain and Italy, the reform fostered a decentralization of power from prefect to authority communes and *départements* and democratized each of France's 22 regions. As a result, the mayors of cities with large financial and technical resources at their disposal became even more powerful political operators. Budget increases were especially marked at the *département* level in comparison to that for smaller cities, suburbs, remote rural areas and the regions. The *départements* were also endowed with many important new functions.

6.2.14. Decentralization in Belgium, following a series of State reforms in 1970, 1980 and 1988 led to the creation of three regional entities — Flanders, Wallonia and Brussels. Prior to 1970, most policies relating to urban areas were highly centralized whilst housing and land-use planning functions were the responsibility of a fragmented system of local governance. Following the reforms, each region was given substantial socioeconomic powers and most functions impacted on urban areas. Urban renewal, public transport, economic policy, industrial location,

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environmental protection, regional planning, housing policy and energy and water policies are now handled by the regional tier of government. The land-use planning system was rationalized and the regions now concurrently administer local planning with the municipalities, enabling more coherent urban development and management policies to emerge.

6.2.15. In the Netherlands and Denmark, there are long-standing traditions of strong local government in the largest urban areas. In the Netherlands, a heavy financial dependence on the national government by local authorities coexists with sometimes significant discretion over the local use of central government grants. A gradual decentralization of decision-making from the national to the municipal or provincial level continued through the 1980s, although at a slower pace than that desired by large urban authorities. Trends in Denmark are different. It has a three-tier system of administration: central government, 14 counties and 275 municipalities. A special indirectly elected authority also represented the Copenhagen metropolitan region from its inception in 1974 until its abolition in 1989, following pressure from provincial interests in central government. Throughout the 1980s, in a climate of fiscal austerity, successive Danish governments have reduced local authorities' room for financial manoeuvre, imposing a system of penalties for some authorities which budgeted over government-set limits and reducing grant support. As a result, local authorities have become more reliant on local taxes which are a particular problem for poorer areas where the loss of economic activity and higher income residents has reduced the local tax base.

6.2.16. In Britain, a combination of central grant reduction, privatization of local services and the reduction of local government responsibilities has seen local autonomy reduced. During the

1980s national government enhanced its dominance since, except in Scotland, there are no regional authorities, and local government became weaker. Moreover, in contrast to established trends elsewhere in Europe where metropolitan and regional government structures were being created or strengthened, national government abolished the metropolitan councils of the six largest urban areas in England. In these major conurbations strategic planning has become more difficult and intra-metropolitan area relations more complex. UK national governments have also assumed a high profile in urban renewal and economic development initiatives. In many cases this involved the creation of new vehicles for policy implementation which is not part of the local political process and encouraged the erosion of local authority powers over the development process.

6.2.17. Central — local relations, and the balance of powers between tiers of government, vary across Europe. However, there is a broad trend towards decentralized government and especially increased regional autonomy. At the urban level, the picture of autonomy is more uneven as many urban authorities face fiscal difficulties and depend on central or regional government for finance. Financial constraints have provoked budget crises in some cities. In others, local administrations have exploited their discretionary powers and resources to promote substantially independent social, economic and physical development projects and policies. Decentralization, promoting regional, metropolitan or local autonomy, has enhanced the trend towards urban entrepreneurialism where statutory powers have been backed up. Without the financial resources to back up these new powers, the practical effects of decentralization can be muted. Indeed urban decision-makers are often faced with difficult decisions about priorities, particularly in the trade-off between economic and social policies.

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### 6.3. 'Implicit' national urban policies

6.3.1. Throughout Europe national governments pursue an array of transport, telecommunications, housing and sectoral economic policies which have widespread social, physical, economic and environmental impacts on cities. A comprehensive analysis of the impact of all such policies goes beyond the remit of this study. Nevertheless, these policies have important consequences and no analysis of policies influencing urban areas would be complete without considering them. This section highlights the range of policies pursued in Member States and illustrates their diverse impacts with some examples.

6.3.2. Sectoral economic policies have significant spatial implications. Whether integral to, or separate from, regional policies and whether they provide incentives to restructure the economy or support declining sectors, their impact can be profound. Sectoral policies have varied in northern and southern Europe. In Germany, for instance, massive programmes of federal government subsidies and support for the steel, coalmining and shipbuilding industries — all of which primarily benefited city-regions — have had funding far in excess of any specifically urban programmes. Subsidies to the coal industry in 1985 alone were over DM 5 billion. Indeed, it could be argued that the coal programme was the largest urban programme in the Federal Republic. Massive public investment helped cities dependent on coalmining to weather the storm of economic decline while their productive bases were restructured. Essen, for instance, whose economy previously depended on coal and steel, is now bereft of mines. In their place are a university and a strong service sector. Although major economic problems remain in many former coal cities, public intervention has effectively mitigated the costs of decline. Federal aid also cushioned the effects of decline in the steel and shipbuilding sectors and eased the transition to new markets. It assisted the cities affected by crises in those

industries to cope with decline, improve the prospects of surviving firms and encourage job-creation in other economic sectors. In Luxembourg, since the mid-1970s, national economic policies to promote diversification and attract foreign investment have had a major impact on the capital's economy. The financial sector, in particular, expanded rapidly throughout the 1970s and 1980s and now accounts for about one-third of the city's wealth as the number of banks in the city increased from 37 in 1970 to 177 in 1990.

6.3.3. In south European countries — for example, Portugal, Greece and Spain — sectoral policies have sought to smooth the transition from agricultural and low-technology manufacturing bases to modern economies which are able to compete in European markets in the 1990s. In Portugal, national policies recognize the imperative to continue restructuring the economy. An extensive development programme incorporates the reprivatization of many companies nationalized in the aftermath of the 1974 revolution; it continues investment in the transport and communications infrastructure, developing internal links and lines with west European States; it raises levels of education and professional training, and enhances the levels of technology to increase the value-added content of production; and it raises productivity and promotes the competitiveness of firms in European markets.

6.3.4. A substantial programme of road, rail and air transport modernization is under way, with an annual budget in the order of ESC 20 billion. Between 1985 and 1995 the road development programme alone will upgrade an estimated 2 700 kilometres of inter-city links. The rail network will be made more efficient and the airports expanded. Pedip (programme to modernize Portuguese industry), begun in 1989 with EC support, provides funding to modernise industry and to facilitate professional training.

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These programmes, along with the Portuguese Government's macroeconomic policies, have important implications for urban areas. It is likely that the major beneficiaries of these programmes will be the country's two major conurbations, Lisbon and Oporto.

6.3.5. Transport policies, implanted through indirect subsidies or direct public investments, have major implications for urban areas. In Belgium, for instance, transport incentives have consistently prioritized suburban areas. A long succession of policies have subsidized long-distance commuting and encouraged residential decentralization. Subsidy mechanisms include tax-deductible expenses for car journeys to work, employer subsidies to lower income workers and heavily subsidized public transport, especially for long-distance rail commuting. Belgium's extensive and free motorway system has also bolstered dispersal trends.

6.3.6. Social policies also influence urban development. Social welfare, housing and cultural development policies affect the quality of life in cities, the urban form, land use and urbanization trends. Housing policies can be integral parts of national urban policies and programmes, as for example in the Netherlands. In others, for instance Belgium and Denmark, they are not specifically urban in intent but have clear urban consequences.

6.3.7. In Denmark, as in many north European countries, national funds for social housing, an important component of the housing stock in urban areas, particularly in Copenhagen, are channelled through local authorities to non-profit housing associations. The various phases of social rented housing in Denmark are similar to its north European neighbours. The smaller scale developments of the post-war era gave way in the 1960s and 1970s to large-scale, often peripheral, high-rise system-built developments which proved

unpopular with residents. The lessons of this phase were duly learnt. The Urban Renewal Act of 1983 replaced the 1969 Slum Clearances Act and ushered in a policy of rehabilitation and refurbishment in place of the comprehensive demolition and rebuilding which characterized the earlier phase.

6.3.8. National housing policies can be an equally important influence on urban land use and development. In Belgium, housing policies which subsidize mortgage interest payments and the construction of private housing, as well as constructing social housing on cheaper outlying sites for single family houses, have reinforced decentralization, suburbanization and urban sprawl. Similar results are evident in Ireland, where grant and mortgage subsidy systems have favoured new housing and so encouraged development in peripheral areas on greenfield sites where costs are lowest. At the same time, such incentives have made it less likely that decaying housing stock in inner-city areas will be refurbished.

6.3.9. Social renewal and cultural policies will be increasingly important to cities in the 1990s. For example, in the Netherlands, national expenditure on cultural institutions and services has risen sharply over the last four decades. The development of cultural facilities plays a particularly important role in current plans to enhance the ambience and quality of life and the international attractiveness for investment purposes, of the Randstad cities. Social renewal is a new developing national programme. Based on a pioneering programme in Rotterdam, social renewal is intended to improve the welfare system by enhancing individual and community self-help rather than create dependence. It aims to develop mechanisms to allow the urban underprivileged to benefit directly from redevelopment schemes. The programme is an important test of how far the pursuit of competition and internationalization which are a key feature of many national policies

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can be reconciled with wider social goals and avoid widening social disparities within cities.

6.3.10. Implicit urban policies have far-reaching impacts on European cities. The impact of the battery of national programmes' policies which are not spatially targeted is not easy to assess. It is clear that the cumulative impact of such programmes is greater than that of explicit national urban policies more recently developed and whose funds, in relation to other governmental expenditures, are modest.

#### **6.4. 'Explicit' national urban policies**

6.4.1. Explicit national urban policies are becoming increasingly common in Member States. Because they developed in response to urban decline, they were initially the preserve of Member States whose urban areas suffered earliest and most seriously from industrial restructuring. Local economic crisis, declining population, expanding tracts of derelict land, environmental deterioration and physical decay created a spiral of social, economic and environmental problems demanding policy responses from national governments. Thus the UK, France and Germany were the first to develop national urban policies. The equivalent policies in Italy and the Netherlands are more narrowly defined. In Portugal, Spain, Greece, Belgium, Luxembourg and Denmark, there are no explicit urban policies. But there is a perceptible trend towards policies targeted at urban areas in those States. The Irish Government launched its first explicit national policies for urban areas in 1986. Legislation has been introduced in Portugal which will give a greater urban orientation to national policies in future.

6.4.2. Current national urban policies vary in terms of their strategic objectives and the mechanisms employed to achieve them. Policies include grants and subsidies for specific

developments, site-specific comprehensive urban renewal schemes, financial incentives for land reclamation, the waiving of local planning restrictions and the stimulation of local economic growth through development agencies. Project delivery can involve intergovernmental cooperation, government-appointed agencies, the participation of the private sector and a range of other non-governmental organizations.

6.4.3. National urban policy in the United Kingdom, where many urban areas have suffered acute industrial decline, provides the most extensive array of policy instruments and initiatives. Central government in the 1980s played an important role in urban development as its policies had a significant impact on the physical form and economic activity of many inner-city areas. These policies have a different emphasis from those in the 1960s and 1970s. Those earlier policies had a social welfare focus and placed the public sector in the lead role. Recent policies have placed greater emphasis upon economic development and the use of incentives to involve the private sector in urban regeneration.

6.4.4. A variety of initiatives have been introduced aimed mainly at promoting physical redevelopment in selected urban areas. Fifty-seven English local authority areas, concentrated in declining regions but including the inner areas of more economically buoyant regions — notably Greater London — provide the spatial focus for urban policies, along with the urban centres of Scotland and Wales. National priorities have been to provide 'pump-priming' incentives to tackle obstacles to physical development and to assist in the development of small businesses. English initiatives have been developed largely through government departments or centrally appointed agencies. Scotland and Wales rely substantially on regional development agencies — the Scottish Development Agency, now 'Scottish Enterprise', and the Welsh Development Agency.

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6.4.5. A number of initiatives have been introduced on the assumption that local planning authorities are too restrictive in permitting new development. Initiatives such as enterprise zones, freeports and simplified planning zones and changes in national planning legislation, have encouraged local authorities to favour new development. The government-appointed urban development corporations (UDCs), have led to the removal of development control powers from local authorities. Central government officials have also become more active in urban development programmes through initiatives like task forces and city action teams. Both aim to increase the involvement of private businesses and to co-ordinate the urban development work of government departments.

6.4.6. Public sector 'pump-priming', the absorption of that proportion of costs which is necessary to facilitate private development, underpins initiatives such as the city grant, the derelict land grant and garden festivals. It also dominates the approach of UDCs. Twelve UDCs now exist to regenerate derelict areas of industrial and former port land. With some of the largest government grants under urban programmes, UDCs have undertaken substantial property development for service industries, often highly visible 'flagship' schemes and private housing. Criticism of the lack of benefit to local residents, particularly those on low incomes, have recently led UDCs to expand into local training, enterprise development and local community initiatives.

6.4.7. In France, the economic basis of urban problems was recognized earlier than in the UK. It might be argued, indeed, that French urban policies in the 1960s prevented, or at least delayed, the crises which occurred in many British cities in the 1970s and 1980s. An explicit urban focus to French regional policy emerged in the late 1960s through 'la politique des métropoles d'équilibre' and 'la politique des métropoles de recherche'.

Eight urban areas were initially selected as growth centres; a further four were added in 1970. Within these areas, government support was provided for the development of new towns, universities, new neighbourhoods, infrastructural improvements and the renovation of city centres. Research and higher education institutes, banks, public services, hospitals and cultural centres were also developed in city centres. Public investments were reinforced by private investments and industrial deconcentration. Such policies contributed significantly to urban modernization and helped prevent the decay of the urban infrastructure and environment. The map of the most dynamic French cities in the 1980s — Rennes, Toulouse, Montpellier, Nîmes, Nice, Grenoble, Lyons — correlates with the targets of 1960s national policies. It can also be argued that earlier investments were crucial to cities like Lille and Saint-Etienne to enable them to emerge from economic crisis.

6.4.8. In the 1980s, national resources were focused on urban areas facing industrial decline and economic modernization policies were given an explicitly urban remit. In 1984, the government launched 15 'Pôles de conversion' to support urban areas disadvantaged by industrial restructuring whilst continuing to channel resources to less problematic cities to enhance their competitiveness on the European stage. The 'Banlieue 1989' and the 'Développement social des quartiers' (DSQ) programmes were also introduced to address social and physical decay in the suburbs of some cities. DSQ committees, chaired by a mayor, prioritized housing renovation, improving the environment and developing social and cultural initiatives. Although the scale of the programmes was limited in terms of the number of neighbourhoods selected and the size of budgets, policy assessments were generally positive. 'Banlieue 1989' was a smaller, architecturally-led programme aimed at transforming the physical environment of some of the worst estates.

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6.4.9. However, many French urban areas failed to benefit from these programmes. Smaller urban areas lost State support but lacked the political or administrative clout to compete with regional capitals in attracting other public or private investment. Because of their size, they were not designated as 'pôles de conversion' and to further compound their problems, State support for them steadily waned. In addition to the Banlieue and DSQ programmes, 'les missions locales pour l'emploi', headed by local actors and jointly funded by national and local governments, were launched to assist young people to obtain skills training, secure jobs and housing.

6.4.10. In recent years, a new wave of national urban policy initiatives has emerged, reflecting the increasing political importance attached to urban issues in France. New initiatives include: the setting-up of the 'Délégation interministérielle à la Ville' in 1988, attached to the newly created Ministère de la Ville; the 1990 Housing Act which allowed prefects to limit rent increases in urban areas, the 'loi antighetto' which allows the imposition of social housing developments on reluctant municipalities and the financial solidarity law which provides for a redistribution of resources between rich and poor municipalities. As integrated and well-funded urban policies developed at the end of the 1980s, cooperation between the State and local authorities took on a new importance. These partnerships were the hallmark of national urban policy in the 1990s and complement the decentralization of France's administrative system.

6.4.11. In contrast to the UK and France, national urban policies in Germany were initially formulated to help cities cope with the problems of growth. The urban development assistance programme, derived from the 1971 Urban Development Assistance Act, gave local governments special administrative and planning powers in designated urban renewal areas and provided a legal framework for federal matching

grants for local renewal and development projects. The programme led to the completion of many such projects throughout Germany. In the 1970s, the programme's emphasis shifted. Responding to the need to renovate ageing neighbourhoods and to meet the challenge of industrial decline, the programme was redirected to develop industrial wasteland and improve mixed residential and industrial neighbourhoods.

6.4.12. Nevertheless, explicit urban policy in Germany remained limited in scope. Programme improvements were available only for improving the physical urban infrastructure. Projects with explicit economic development objectives claimed only about 7% of the programme. Moreover, the system of intragovernmental negotiations between the federal State and the 11 *Länder* on the distribution of federal funds prevented resources from being targeted to those cities most affected by urban industrial decline. Instead, distribution was organized on the basis of population alone.

6.4.13. In recent years the federal government has retreated from direct engagement in many welfare policies, with responsibilities shifting to the *Länder*. But its involvement in urban policy continues. Inner-city renewal projects, commonly targeted at housing, environmental and traffic schemes, are supported through cooperative funding divided equally between the federal government, the *Länder* and the *Commune*. The division of federal finance for urban areas on the basis of population has met with considerable criticism. In the mid-1980s, for instance, it seemed that federal government financial support for urban renewal would lapse.

6.4.14. A major factor in the proposed devolution of urban policy to the *Länder* was the lobbying by a coalition of States willing to absorb a reduction in federal funds in return for gaining full control over urban policies. In view of the targeting problems experienced by intergovernmental coordination, the devolution of



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responsibility was welcomed by some groups. Nevertheless, not all States favoured the change. The city-states of Berlin, Hamburg and Bremen all argued against the transfer since they wanted the federal government to maintain their involvement and earmark urban funding. In an era of fiscal abundance, German cities benefited from cooperation between the federal State and the *Länder*. In the more fiscally constrained late 1980s, despite the retention of an explicit federal urban policy, cities in Germany with limited sources of alternative revenues were less able to address their problems and exploit their potential.

6.4.15. The UK Government's UDC model and focus on area-specific, property-led urban renewal has been shadowed in Ireland. The 1986 Urban Renewal Act was the first explicit national urban policy launched by the government. Led by the Department of the Environment, the policy applied to many urban areas in the country. However, its flagship was the establishment of a free-standing Development Authority for the Custom House Docks in Dublin. Equipped with streamlined planning powers and an array of tax and rating incentives, the Development Authority was charged with regenerating the Custom House Docks site and spearheading the redevelopment of other decaying, derelict and obsolete quaysides along the river Liffey. The development of a prestigious International Financial Services Centre is central to its strategy.

6.4.16. Under this legislation, a number of other urban areas were designated and enjoy fiscal incentives similar to those given to the Custom House Docks area. Encouraging signs of development in these urban renewal areas led the Minister for the Environment to extend the designations further. Although development activity in the original designated areas shows promise, its extent remains limited. It is uncertain whether these fiscal incentives of the legislation are enough to stimulate private sector-led

regeneration. Despite the high profile afforded to the renewal areas, public expenditure within them is small, the incentives are largely tax-related. In 1990 only IRL 2.5 million was provided by the government. These limited resources were made available to local authorities to carry out environmental improvements in designated areas but had to be shared by many areas throughout the country.

6.4.17. In Italy and the Netherlands explicit urban policies remain narrowly defined and limited in scope. In the Netherlands there are occasional structure sketches for urban areas which set out government guidelines and priorities. But these statements are derived from the highly integrated system of national land-use planning. The same is true of Dutch expenditure programmes. Whilst some are designated as 'urban', most of the government resources channelled to urban areas are rarely distinguished from the larger programmes of which they form a part. The limited scope of explicit urban policies in the Netherlands thus obscures the fact that there is a very strong implicit national urban strategy.

6.4.18. Explicit Dutch urban programmes concentrate on the provision of social housing. The urban renewal programme of the mid-1970s was a response to demands for policy changes from the larger cities. They pressed for the need to stem migration from cities and reduce the social imbalance within cities that resulted by exploiting existing housing stock rather than encouraging the development of growth centres and comprehensive redevelopment projects which demolished older housing and developed peripheral high-rise estates. The urban renewal programme vastly improved the quality and quantity of urban housing. The programme escaped public expenditure cuts for much of the 1980s. But it was seen as vulnerable in the early 1990s as the Dutch Government continued a strategic shift toward the provision of private urban housing.

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6.4.19. No coherent explicit urban policy has yet emerged in Italy but the national government has initiated a series of important, if fragmented and time-limited, urban renewal projects. These national policy responses fall into three categories. Firstly, national urban policies have emerged in response to particular emergencies. For instance, a major reconstruction programme was launched in the aftermath of the 1980 earthquake in Campania. Secondly, policies have been introduced to overcome particular implementation problems. For instance, 'Roma Capitale', launched in 1989 by the Prime Minister's office, was designed to ensure the implementation of key projects — such as the creation of better communications and an advanced services district in the eastern part of the city to relieve city-centre congestion — which had remained blocked for many years in the administrative system. Thirdly, specific national urban policies have been implemented by the State to enhance Italy's national image abroad. For instance, the Ministry of Tourism, Sports and Entertainment initiated a major programme of infrastructural renewal associated with the 12 cities hosting the 1990 Football World Cup.

6.4.20. These urban renewal projects shared a number of characteristics. Implementation procedures in different cities were left to local actors — usually municipalities and public — private partnerships. The result was considerable variation in policy reflecting local circumstances. In each project, final expenditures also greatly exceeded original estimates. In addition to launching *ad hoc* projects, the Italian Government established a Ministry of the Problems of Urban Areas. However, its political status is relatively low. The Ministry has failed to attract substantial responsibilities from other central government

departments. The Ministry of Public Works, for example, continues to be responsible for public housing, but it has no full-time specialist staff and a very limited budget. Its only significant legislation to date has been the 1989 Act outlining a new national policy for car parking in urban areas. Although Italy does not have a comprehensive urban policy, the establishment of the Ministry for the Problems of Urban Areas and the introduction of legislation creating nine metropolitan city councils indicates that national government increasingly recognizes the need for better integrated interventions to address the most pressing problems of large conurbations.

## **6.5. Trends in national urban policies**

6.5.1. The emergence and development of national urban policies in many Member States in recent years marks a recognition of the acute problems which many cities experience and the limitations of traditional regional policies in dealing with them. Nevertheless national policies for industrial location, sectoral economic policies, infrastructural development and macroeconomic strategies exert the greatest influence on urban areas throughout Europe. Explicit urban policies remain limited in their scope and their resources. This will be increasingly recognized in those countries which have not yet formulated national urban policies but which have cities facing growing urban problems. Effective national urban strategies will be vital in the 1990s if the cities are to compete on the European stage. Whatever national urban policies emerge this study indicates that they will be most effective where partnerships between central and local government, the private sector and local communities are encouraged.

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## 7. Community policies and urban Europe

### 7.1. Introduction

7.1.1. As with a number of Member States, the EC has not formulated an explicit urban policy. Nevertheless there has long been an implicit urban strand to many Community policy instruments, programmes and initiatives, augmented recently by an embryonic explicit programme for urban areas. Taken together, these programmes have a significant impact upon cities. Directorate-General XVI (DG XVI), with its regional development policy responsibilities, is most deeply involved in such work but other directorates in the fields of employment, social affairs, education, transport, information and culture, environment, science and research, telecommunications, and energy play important supporting roles. The Treaty of Rome does not prescribe an urban policy for the Community. Nevertheless, many of the Community's policies impact on urban areas. The Commission proposed to add the words 'urban decline' to the Treaty in 1991 at Maastricht but this phrase was deleted by Member States.

7.1.2. This chapter, drawing on the case-study research, assesses the ways in which Commission policies have — or have not been — utilized within European cities and their usefulness in urban or urban — regional development strategies. First, there is a brief résumé of the key EC policies which most obviously impact upon cities. There follows a discussion of the principal ways in which urban decision-makers have used EC programmes and of the conditions which encourage successful use of EC funds. There

follows a summary of the broad urban impact of EC programmes, with an assessment of the strengths and weaknesses of current policies, in the view of local decision-makers, in relation to strategic priorities, targeting, funding, implementation and organization.

### 7.2. EC programmes and urban development

7.2.1. EC programmes with an explicit spatial dimension have grown since the introduction of the European Regional Development Fund (ERDF) and specifically the reform of the structural Funds in 1988. Since the Single European Act amended the Treaty of Rome, regional policy has aimed to promote economic and social cohesion and support 'harmonious development' within the Community, by encouraging economic growth in the least favoured regions, thus reducing interregional disparities. The Act also led to reform of the two structural Funds — the ERDF and the European Social Fund (ESF) — that are most relevant to urban areas and through which much of the Commission's spatial interventions are organized. Whilst neither of these funds are targeted explicitly at urban areas, a significant proportion of expenditure is incurred in Europe's cities and towns.

7.2.2. The structural Funds are applied through a series of objectives, some of which have a specific spatial focus. Those of greatest relevance

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to cities are Objectives 1 to 4. Objective 1 regions broadly match the European periphery as described in this report whilst Objective 2 regions are concentrated in the old core but can be found in all Member States (see Map 1). In Objective 1 regions, EC funding aims to boost the competitiveness of regional economies mainly through assistance with the development of physical and telecommunications infrastructures, vocational training, advanced research and technology, and renewable energy sources.

7.2.3. In Objective 2 regions, the aim is to promote economic restructuring in declining industrial areas defined jointly by Member States and the Commission. Here, the emphasis is on productive investment and job creation, particularly through the development and application of R&D, the physical regeneration of declining inner-city areas and environmental improvements to enhance an area's appeal to tourists, investors and skilled personnel. Discrete programmes within the ERDF framework are devoted to one or more of the priorities noted above.

7.2.4. In the last two years, DG XVI has developed a pilot urban component of the ERDF under Article 10 of the Regulation. Aiming to enhance the functioning and economic well-being of cities and boost their contributions to regional development, Article 10 pilot actions, covering a wide range of economic, environmental and social projects, are currently running in 21 cities. No spatial constraints are applied: the cities are found in the periphery, the old core and the new core. The programmes have developed three types of action — the development of economic activities in deprived housing areas, the restoration of historic city centres and the emergence of closer ties between economic and environmental goals.

7.2.5. Objectives 3 and 4 apply across the EC. The former seeks to combat long-term unemployment and the latter youth

unemployment. Programmes supporting these two objectives are administered by DG V (Employment, Industrial Relations and Social Affairs), largely using the ESF. Besides administering the ESF, DG V is responsible for the Poverty III programme which finances projects addressing the poverty issue in all its aspects — housing, health, education, employment, training, and leisure — and involves actors from the public, private and voluntary sectors.

7.2.6. The activities of DG XI (Environment, Nuclear Safety and Civil Protection) are increasingly relevant to urban areas. The 1990 Green Paper on the urban environment, although a discussion document, proposes a series of actions which have significant implications for cities. These include: guidelines for the incorporation of environmental considerations into town-planning strategies within Members States; pilot projects for revitalizing disadvantaged urban areas by introducing a greater mix of uses and by widening access to urban facilities; innovative approaches to the provision of public transport and the environmental management of urban traffic; more assistance for the conservation of historic buildings and areas of European significance; pilot projects for 'green' planning; and the establishment of systems of urban energy planning and management.

7.2.7. Important changes in the EC's spatial programmes followed the Single European Act. Since then attempts have been made, using higher regional fund resources, to increase the efficiency of EC intervention by achieving a greater synergy between the funds, allocating ERDF resources more evenly between basic infrastructure and productive investments, concentrating resources on fewer priorities and creating a better balance in resource distribution between central and regional authorities. There has been a move away from support for individual, unrelated projects,

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towards groups of projects drawing on more than one structural Fund. The national programmes of Community interest (NPCIs), the integrated development operations (IDOs), the integrated Mediterranean programmes (IMPs) and the Community programmes (CPs) in particular aim to increase the coherence and cost-effectiveness of Community-funded schemes, to ensure genuine additionality of EC expenditure and to improve coordination delivery.

### **7.3. Individual cities' use of EC programmes**

7.3.1. There have been major differences in the degree to which cities in the Community have taken advantage of the opportunities provided by EC policies and programmes. The performance of city administrations in this respect is affected by a number of factors, including: the eligibility criteria applied to programmes; the presence of well-developed internationalization strategies; cooperation between national and local government; the dynamism of public sector leaders and the support of specialist units of staff; strategic awareness of the potential of 'playing in Europe'; an entrepreneurial culture of openness to the outside world; a private sector ready to enter into transnational cooperative agreements, and also linkages with the Commission's administration in Brussels.

7.3.2. The case-study cities revealed a range of experiences. In the cases of Glasgow, Birmingham, Rennes, Lyons, Montpellier, Seville, Valencia and Barcelona, for instance, a growing interest in fostering relations with the EC was part of a broader internationalization strategy developed by the municipality. Many of the cities which have successfully exploited EC resources have set up units of officers specialising in liaison with the Commission. Amongst the many examples, Glasgow District Council has a full-time European Affairs Officer and an

Economic Policy Group in the Town Clerk's Department responsible for monitoring EC developments affecting Council activities and for securing Community resources. Birmingham City Council has a European Liaison Unit within its Economic Development Unit, to advise all Council departments about how to take advantage of EC funding, and to inform them of developments in Community policy. The unit is headed by a senior European advisor, who is the main link between the City Council and the Commission. The City Council also has a 1992 Planning Group of Chief Officers, chaired by the Chief Executive, whose main task is to prepare the local authority for 1992 in terms of recruitment practices, and public procurement.

7.3.3. The municipalities of Rotterdam and Amsterdam have created a single coordination point through which all EC-related information is channelled. Amsterdam City Council provides a 'Eurolink' service producing regular bulletins which are distributed to key public and private sector organizations. City governments which maximize EC urban development initiatives also tend to have representatives in Brussels for liaison, information and lobbying purposes. For example, Rotterdam Port Authority, jointly with port-based companies and the Chamber of Commerce, have had a representative in Brussels since 1971 performing a two-way information channelling function. Amsterdam City Council has employed a consultant to act as an intermediary between the municipality and the Commission since 1989, while the Comunidad Autonoma Valenciana in 1990 opened a Brussels office, which is financed 50% by the Generalidad and 50% by the region's chambers of commerce and other private sector institutions. Many cities participate in urban network organizations, another important channel of influence.

7.3.4. In some case-study cities, the local private sector rather than the public sector has taken the lead in developing relations with the EC. This has

been particularly important for those programmes aiming to promote technological innovation, where the primary recipients of funds are firms or independent research organizations rather than subnational government authorities. The private sector has consistently shown greater awareness of the importance of more general liaison with the Commission and other EC institutions in cities such as Milan, Thessaloniki, Bari and Brussels.

7.3.5. The EC programmes most exploited by cities are the integrated development operations and the integrated Mediterranean programmes, although other programmes have also been important. In a period of fiscal restraint and

uncertainty, EC help in developing rolling annual programmes through the infusion of additional resources has been particularly important in a number of cities. The experience and expertise of city and regional administrations in generating metropolitan-wide solutions to urban problems meant they were sometimes better suited than national governments to developing the corporate and strategic planning dimension necessary for many EC programmes. Cities also appreciate the greater role they have been given in the development and bidding process, including the possibility of lobbying direct to Brussels — a process traditionally dominated by national governments.

#### **Integrated Mediterranean-programmes (IMPs)**

Of the cities we have studied, Montpellier has taken most advantage of IMPs. The Languedoc-Roussillon IMP from 1986-88 received EC contributions amounting to FF 620 million — more than any other French IMP. FF 317 million were spent on agriculture, 53 million on fisheries, 200 million on manufacturing, crafts and advanced services, and 44 million on tourism. Montpellier performed a key role in negotiating with Brussels about the content of the Languedoc-Roussillon IMP. The negotiations conducted by the municipality led to modification of the terms of the regional IMP which were favourable to Montpellier. The city, for instance, obtained support for the enlargement of its airport, the construction of a conference centre, and the development of various technological poles. The experience of Montpellier shows how entrepreneurial municipalities, endowed with a coherent internationalization strategy and with good links with Brussels, can exploit successfully even Community programmes which at first sight would appear not to be directly related to urban development.

#### **Integrated development operations (IDOs)**

The Naples integrated operation (NIO) was the first IDO to be launched on a pilot basis in 1980. It covered more or less the whole Naples metropolitan area. The Commission, in conjunction with the Casser per il Mezzogiorno, the Regione Campania and the local authorities of the metropolitan area, defined the NIO's objectives: infrastructural renewal; improvements in public transport systems and interprovincial road links; provision of training and 'structural services' for small and medium-sized firms; provision of technological services and creation of new business districts situated outside the most congested areas of the Neapolitan conurbation. The relative success of the NIO in its first period of operation (1980-84) induced the Community and the Italian Government to extend it for a further three years and again in 1987 for a similar period. Partly as a result of the earthquake which hit Naples and surrounding areas in November 1980, the NIO's original objectives were somewhat reshaped, and higher priority was given to infrastructural interventions.

The NIO has, however, failed to balance expenditure for infrastructural renewal with investment aimed at strengthening the local production system, for instance by improving human capital and technological resources. As for the 1985-87 programme, 58.3% of total resources were spent on transport infrastructure, and 14.3% on sanitation and water supply. Non-infrastructure projects — such as initiatives in the fields of training, technological innovation and industrial development — accounted for 12.6% of total expenditure; three times more than in 1980-84, but still relatively small.

The NIO did succeed in achieving a higher degree of coordination between the actions of different levels of government than previously deemed possible. Moreover, projects funded under the NIO generally had a better completion rate than projects funded by the Italian Government and they left the city a legacy of much needed new infrastructure.

**The Strathclyde IDO (SIDO)** was built on an earlier NCPI. The **Glasgow NPCI** (1985-87) was organized mainly by officials in the Industry Department of the Scottish Office, in collaboration with the Chief Executive's Department of Strathclyde Regional Council. It received UKL 64 million mainly for the Glasgow District Council area, and focused on eight subprogrammes: roads, public transport; water and sewage; industrial development; vocational training; energy; environmental improvements; tourism. While inner-city areas benefited considerably from these interventions, they left largely untouched the city's seriously deprived peripheral housing estates.

SIDO was approved in 1988 and is the largest IDO in an Objective 2' region with a total budget of UKL 1 billion. It is managed by representatives from the Industry Department of the Scottish Office, Strathclyde Regional Council, the Scottish Development Agency, the Training Agency, relevant district councils and the private sector. The four principal components of SIDO in terms of Community contributions are NPCI (UKL 232 million), ESF (UKL 42 million), and loans from the EIB and the ECSC for a total of UKL 104 million. The operation consists of eight action programmes, which largely coincide with those of Birmingham. The main strategic objectives of SIDO are to develop the tourism industry, to reconstruct the region's image and to exploit the potential of Glasgow as an engine for regional growth.

**The Birmingham IDO (BIDO)** included the Birmingham NPCI. It was a strategy for the regeneration of the city, with nine broad objectives: job preservation and creation; improved training; provision of industrial sites; new transport infrastructure; technological development; the creation of conference facilities; the expansion of tourism; the improvement of the city's environmental quality. The total EC contribution for the NPCI (1987-91) was UKL 113 million. In addition to the NPCI, the IDO comprised UKL 30.6 million from ESF, and UKL 44.5 million loans from the EIB and the European Coal and Steel Community (ECSC). BIDO was articulated in six action programmes, related to economic development, communications, business development, environment, tourism and manpower.

Birmingham is a good example of a city which during the 1980s systematically targeted and obtained EC funding for many of its major projects. Many of its new EC supported facilities such as the International Convention Centre, coupled with the way in which they are marketed now reflect its wider ambition of becoming a European city.

● **Seville**, through the Comunidad Autonoma of Andalusia, obtained substantial resources from the EC which played a crucial part in the modernization and upgrading of the city's communications infrastructure. Andalusia in 1988 was allocated the largest proportion of both ERDF and ESF funds for Spain: 26.5% of ERDF, and 23.3% of ESF. Within Andalusia, the province of Seville received the largest share of these funds. A considerable proportion of EC funds was spent on infrastructural renewal projects, such as the building of a new motorway linking Seville with Granada and Baza. Under the agreed Community support framework for 1989-93 Seville will also benefit from EC contributions for projects which are not related to physical infrastructure. They will include the strengthening of the agro-alimentary sector, the introduction of innovative technologies in the local economy and the development of artisan firms. Infrastructural projects such as the building of a motorway system linking Seville with Madrid and Barcelona (under the Spanish Government's NCPI for motorways) will, however, continue to be very important, and will attract the lion's share of Community funding under the NCPI.

**Oporto**, in addition to benefiting from EC support for massive infrastructural programmes of strategic significance, received ECU 153 million through the Proramp scheme (operational programme for the metropolitan area of Oporto). The vast majority of the funding (ECU 148 million) is devoted to infrastructural development, including sanitation and the building of a new hospital. Oporto also received Poverty III programme funding. A project in the Se e Baredo district of the city has been funded under this programme. The EC contributed ECU 2 million to a total budget of ECU 3.6 million. The scheme has been praised for its sensitivity to local needs and its efforts to maximize grassroots participation.

**Barcelona** used ERDF funds to finance the widening and improvement of various highways, the extension of the underground line and the establishment of the Valles Technology Park.

**Valencia** used EC funds for 41 road and water engineering infrastructure projects.

In **Dublin**, the 1987-91 STAR programme contributed to the development of a sophisticated digital telecommunications system. This played an important part in the development of a major renewal initiative on the waterfront: The Customs House Dock Development Corporation is providing the city with major financial services facilities.

**Dortmund** successfully used ERDF and ESF within various job-creation schemes, including the provision of management consultancy services to local manufacturing firms and premises for small businesses.

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7.3.6. Most case-study cities can point to a number of benefits that have flowed from the move towards more integrated intervention by the Commission in recent years. IDOs encouraged the development of coherent programmes rather than the project-based approach to urban and regional problems which typified past approaches. The five-year planning horizon of these programmes has also allowed more flexible organization of implementation and the development of packages of smaller projects which, by their nature, take longer to plan. The integration of ERDF and ESF funds within IDOs has also resulted in the better handling of economic development issues such as the compatibility of training and business development and infrastructural improvements. IDOs in particular have succeeded in generating greater cooperation between different public sector agencies and between public and private sector organizations.

## **7.4 EC programmes and urban development: an evaluation**

7.4.1. EC policies form part of a wider range of national and international, public and private decisions and policies. Nevertheless, this study has demonstrated that the EC's programmes have played an influential part in shaping urban development in many of the Community's cities. Most importantly, the EC has made a substantial contribution towards the modernization of the economic base and the infrastructure of cities. Cities in both Objective 1 and 2 regions have been most directly affected by infrastructural projects — subsidized by the EC — which have had substantial impacts on the physical form of cities and important consequences for the urban environment. In the countries with the weakest inter-urban and intra-urban communications networks — Portugal, Spain, Ireland and Greece — European finances have exerted considerable influence on the upgrading of the road, rail and

air transport infrastructure and on national telecommunications systems.

7.4.2. EC investments in airports and international and national road and rail links are assisting cities in peripheral and old core regions of Europe. EC investments in telecommunications systems are especially vital to cities in the European periphery. Whilst developing transportation and telecommunications infrastructure alone is no guarantee of overcoming the economic constraints of peripherality, without an efficient and modern infrastructural system, cities and regions will not be able to compete in European markets. Of the cities in the study, Dublin, Belfast, Glasgow, Birmingham, Dortmund, Montpellier, Oporto, Seville, Barcelona, Valencia, Naples and Thessaloniki have all benefited in this way.

7.4.3. Community programmes have also encouraged the growth of collaboration and links between cities in Europe. Such links were often initially made in order to achieve EC funding for specific projects but those efforts often led to more permanent working relationships. Equally, EC programmes have encouraged cities like Montpellier, Barcelona, Lyons, Glasgow and Birmingham to become more engaged in the wider European economy and to play a more entrepreneurial role in Europe.

7.4.4. The operational effectiveness of EC regional policy undoubtedly improved during the 1980s, bringing improvements for urban areas. As indicated by the Article 10 pilot projects and other recent actions, there is a growing awareness of the urban dimension of regional development problems and potential policy responses within the Commission. The increased resources allocated to regional development policy are envisaged to double by 1992 as the regional policy share of the EC budget increases from 18% in 1988 to 30%. Cities in Objective 1 regions, which command 80% of ERDF expenditure, stand to gain most.



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The adoption of multiannual rolling programmes of intervention has added further to local discretion.

7.4.5. As a result of these changes, the structural Funds are being deployed more efficiently. The quality of applications has improved although this is also due in part to the growing competition for funds in the late 1980s which resulted from the accession of Greece and Portugal as well as increasing awareness of EC programmes. The level of cooperation between the Commission and national, regional and local governments in Member States has also improved. Nevertheless, the study has revealed that urban policy-makers have a variety of concerns about the criteria, organization, priorities, funding and implementation of current programmes. Some are strategic concerns, others are operational matters.

7.4.6. The EC resources devoted to regional policy, whilst increasing, remain small in comparison with national government expenditure upon regions and cities and with the EC budget. Overall, the ERDF represented 0.1% of total Community GDP in 1989 and the three structural Funds represented 0.2% of GDP. Their percentage contribution in designated areas is higher. In Objective 1 regions, structural Funds represented 1.2% of GDP in 1989, increasing to 1.6% in 1993. For Member States defined entirely as Objective 1 regions, the rates rise to 2.5% and 3.3% respectively. ERDF financed about 3% of total investment in all the less developed regions during 1989 and nearer 7% in the States entirely defined as Objective 1 regions — Portugal, Ireland and Greece. The relatively modest funding of EC programmes, particularly for cities which are not eligible for the most substantial structural Funds, has discouraged some urban decision-makers from seeking EC programmes.

7.4.7. One of the most common criticisms relating to the urban dimension of the

Community's regional policies concerns the emphasis placed on infrastructural projects rather than investment in human capital, technology and other factors directly affecting local economic development and job creation. Only 13% of ERDF investment in the 1981-86 period went to projects promoting productive investment in the industrial, crafts and services sectors, arguably a key reason why the employment impact of EC interventions has been relatively small. The Commission has recognized this problem, and has set a target specifying that ERDF expenditure for infrastructural projects should in future account for no more than 60% of total ERDF contributions in Objective 1 regions and 25% in Objective 2 regions where support for productive sectors is the priority. The effect of this policy change on cities will be positive, since the development of new infrastructures, rather than smaller scale modification to existing ones, is a lesser priority than training and enterprise development in urban areas, particularly in the old core. The EC's intention to negotiate with national governments about the prioritization of vocational training, productive investment, R&D, telecommunications, and the protection of the environment within the Community support frameworks (CSFs) should further help eligible urban areas.

7.4.8. There is a need for a balance between infrastructural and other forms of investment if regions, and the cities within them, are to achieve sustainable development. The development of urban and regional infrastructure, unless it is accompanied by the building-up of productive capacity, could mean that future economic growth will be biased to relatively successful areas. Equally, stimulating economic growth without improving the employment prospects of those with most difficulty in securing jobs in the labour market will create wider disparities between social groups. It is important, too, that infrastructural investment strategies emphasize links within regions as much as those which go beyond

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regions. Regional capitals will be the hubs of strategic communications networks and will be most likely to benefit from infrastructural developments. Whilst cities may be very effective as engines of regional economic growth, if the region is not well integrated, disparities between the regional centre and outlying areas may widen. Even with initiatives to improve accessibility to less favourable areas, physical and telecommunications infrastructural development is still likely to favour its regional capital. Many of these factors are increasingly recognized by the Commission and have played an important role in the formulation of many CSFs.

7.4.9. The fact that the ERDF in the past primarily supported major projects has also been criticized. Whilst this strategy may have a logic in terms of major regional development programmes, revitalization or improvement in schemes in urban areas often require smaller scale interventions. Moreover, the exclusion of smaller projects could jeopardize progress where initiatives rely on matching funding from fiscally pressed urban authorities. Financial packages of interlinked small schemes are often not only more feasible in the urban context but also more desirable.

7.4.10. The fact that many directorates other than DG XVI administer programmes which impact upon cities means that, despite the improvements mentioned above, the EC's 'urban policy' remains the sum of many individual, weakly integrated parts. This administrative fragmentation creates problems for cities, since no single part of the organization is responsible for providing overall strategic guidance on urban issues. The common criticism made even by those case-study cities which benefited from EC programmes is that they attempted to plan their development in a strategically and administratively integrated manner but were forced, by the Commission's administrative structure, to disaggregate their strategies.

7.4.11. Levels of administrative capacity at the national and subnational level also have implications for the effectiveness of EC programmes. City governments in the least prosperous, often peripheral, regions compare badly to their richer counterparts in preparing and part-funding ERDF programmes. The case-studies suggest that the better-resourced cities, with superior technical expertise and lobbying capacity, are well placed to take a disproportionate share of programmes which are administratively and financially demanding, unless some form of technical assistance is given to less powerful administrations.

7.4.12. Many urban decision-makers in the study point out that the majority of projects for which EC assistance is requested are still determined at national government level and do not reflect sufficiently urban, regional, or European strategic interests. In this context additionality remains a major issue. There is a great temptation for national governments to use ERDF and ESF contributions as a way of limiting public expenditure. For ESF especially, most projects submitted by Member States form part of existing government programmes for training and job creation. For some, this is seen as leading to the appropriation of EC resources by Member States in order to offset national exchequer contributions and transfers.

7.4.13. For many cities the most problematic aspect of regional policy is the extent to which it fails to target many areas which experience severe economic, social and environmental problems or particularly acute urban problems within eligible areas. The eligibility criteria for current EC programmes, whilst consistent with the aim of reducing inter regional imbalances across Europe, mean that urban areas experiencing similar problems are treated differently according to their geographical location. Cities in Objective 1 and 2 regions clearly benefit from Community programmes. But others which experience similar

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problems, occasionally with greater intensity, but lie outside regions eligible for Community support, can only draw on Objective 4 and 5 funds. The map of Objective 2 regions, in particular, does not include a number of cities which suffered from the decline of port-related activities and 'heavy' manufacturing sectors and the economic, social and environmental problems which went with it. Of our case-study cities Rotterdam, Copenhagen, Hamburg, Marseilles and London, for example, fall into this category.

7.4.14. Whilst some urban areas are ignored by EC programmes due to eligibility rules, others derive little benefit despite the location of a city within an Objective 1 or 2 region. As with Member State regional policies, cities can benefit from EC regional policies but they do not do so automatically. Indeed, if regional policy expenditures are concentrated in areas beyond metropolitan boundaries, cities can be disadvantaged by loss of population and employment, and the development of productive capacity outside the city which is encouraged.

7.4.15. It was clear in many case-study cities that a number of pressing urban issues were not addressed by regional policies. Some of the most serious urban problems highlighted earlier in this report are not the subject of support from EC resources. For instance, accommodation problems relating to the supply and condition of low-income rented housing, which are acute in many cities throughout Europe, are excluded. Eligibility criteria are particularly harsh on peripheral housing areas which lack any local employment base or economic infrastructure and are amongst

the most economically and socially disadvantaged parts of European cities. EC criteria require finances to be linked to transport, industrial or tourism development projects, making it difficult for such areas to qualify for assistance. Support for environmental improvement projects is very difficult to divert to such areas for similar reasons. On the human capital front, many cities contain major immigrant populations which experience severe economic and social difficulties. With the exception of a handful of Article 10 projects, this problem is not specifically addressed by current programmes.

7.4.16. This chapter has evaluated the impact of regional policy upon cities in Europe. It has shown the beneficial impact that the growing resources devoted to regional policy has had, especially upon cities in Objective 1 but also on many in Objective 2 regions. It has demonstrated the merits of the greater integration of Community programmes created by the IDO system. The chapter has also identified the factors which have encouraged different cities in the Community to take advantage of available programmes and resources and the implications for less 'entrepreneurial' cities. However, the review has also identified a number of worries about current policy. These include concerns about the failure to integrate different Commission policies which impact upon cities, its limited spatial targeting, its failure to address some crucial urban problems and the anomalies created by its eligibility criteria. Regional policy should address these issues in future if it is to develop a greater urban dimension and improve the circumstances of cities in the search for increased regional cohesion.



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## **8. Urban challenges towards 2000 — implications for spatial policy in Europe**

### **8.1. Introduction**

8.1.1. The European urban system will become more stable during the 1990s than it has been during the past three decades as the major economic, demographic and migratory trends which transformed the face of Europe in the post-war period slow down. Nevertheless new challenges will emerge during the next decade. The changes that may occur in membership of the Community will affect trading patterns within Europe and the economic potential of different cities. The migration from Eastern Europe and the Maghreb will exert economic and social pressures upon many cities. The revolution in work practices and occupational structures which characterized manufacturing in recent decades will affect service industries during the 1990s. The restructuring of the service sector and its impact upon employment, incomes and urban land use will affect the economic potential of cities and groups within them. The cities which have been the major beneficiaries of recent service sector growth, currently Europe's urban success stories, could experience economic dislocation.

8.1.2. Changing life-styles with fewer marriages, more divorces, fewer children, more working women and more older people, will present new challenges for the provision and financing of public and private urban services. Despite consistently high levels of unemployment in many cities, increased affluence and growing leisure

time for the more fortunate sections of the urban workforce will create demand for new consumption services in cities and for the opportunity to move freely both within and between urban areas. The process of reurbanization will also bring demands for different services.

8.1.3. This chapter discusses two issues which will be important factors in the urban debate in Europe during the 1990s. First it identifies the dynamic force which underlies many of the changes taking place in Europe — the process of competition between cities which has created a search for economic growth with a series of negative social and environmental consequences. Competition has driven many of the changes taking place in European cities — economic marginalization, social polarization and physical segregation. Second, the chapter discusses the implications of those processes for urban policy at the European level and the contribution which the EC could make to it.

### **8.2. Urban competition and the search for economic growth**

8.2.1. The process of competition will be critical to urban development in Europe. This study has demonstrated that the importance of cities in the

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competition for investment and economic development grew considerably during the 1980s and early 1990s. Although policy-makers in cities do not focus exclusively on economic growth, a concern with growth as opposed to equity distinguishes current policy debates from those of earlier periods. The search for enhanced urban competitiveness can be found at all levels of decision-making, driven by the negative effects of economic restructuring, pressures on economies and budgets and the anticipated effects of the single market.

8.2.2. At a European level, the competitive strengths of its cities in the global economy are seen as important in maintaining the strength of the European economy in relation to other trading blocks. At national level, cities are regarded as increasingly important elements in the search for national economic competitiveness, a process which has already been encouraged by the decentralization of powers in many Member States. At local and regional levels, decision-makers focus on the advantage that cities can gain over their economic 'competitors' in their metropolitan area, surrounding region, or at national and international level.

8.2.3. The attempt to increase urban competitiveness presents different challenges in the old core, the new core and the periphery of the Community. Decision-makers in old core cities, particularly where the recovery from structural economic changes has been weak, will continue to face the challenge of modernizing economic, social and physical infrastructures. Those in growing cities, particularly in the new core, will face the problems of managing the social and environmental costs of economic growth. Those in peripheral cities will face problems in modernizing indigenous economies, developing physical and social infrastructure, and improving transport and communications systems.

### **8.3. Economic growth versus social and environmental balance**

8.3.1. The search to improve competitiveness of cities has meant that strategies to achieve economic growth have dominated the policy agendas of many European cities. The promotion of economic growth, often in response to acute economic crisis, has also been seen as a way of resolving physical and social problems. However, although economic development may support social and environmental goals, there is now a growing recognition that the two can be antagonistic. One of the most crucial findings of this study is that economic growth strategies have not only been unable to prevent social polarization and segregation and the deterioration of the environment but they have actually deepened these processes in some cases. The responsibility does not lie entirely with city strategies themselves but with the nature of modern occupational structures as well as the limited links between economic, social and environmental policies. The redrawing of national welfare strategies, which in many Member States has led to reductions in social and welfare expenditures, has further deepened the division in opportunities between different social groups in cities.

8.3.2. Where urban economic restructuring and the growth of the service sector have encouraged the physical restructuring of city centres, creating new demands from more affluent service sector workers for offices, accommodation, retail and leisure services, social polarization and segregation have grown. One consequence is that the goals of social balance, environmental sustainability and architectural and cultural diversity are increasingly being counterposed to the pursuit of physical and economic expansion. Signs of a new social and environmental agenda have emerged in many cities in the light of growing evidence of the uneven distribution of economic and social benefits, deterioration in the social housing stock, industrial and domestic

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pollution of the environment and the declining efficiency of transport infrastructures.

8.3.3. A less direct economic rationale for a new agenda in cities is also emerging. The enhancement of the physical, cultural and natural urban environment will be crucial for cities in future since these factors increasingly affect the locational decisions of both firms and individuals. To attract investment and retain the skilled workforce that modern industry requires, urban decision-makers will increasingly need to provide liveable, socially balanced environments. The major dilemma facing European urban decision-makers in the 1990s will be to reconcile increasing competition and the pursuit of growth with wider social and environmental goals, so that short-term economic success does not destroy the attraction of living in cities nor create longer term economic vulnerability.

#### **8.4. Responding to urban change in Europe**

8.4.1. The forces and trends discussed above will present a series of continuing challenges to decision-makers in Europe during the coming decade. Private decisions by individuals, groups and firms will inevitably play a major part in shaping responses to those challenges. But so must the public sector. Public authorities at local, regional and national level already play major roles in shaping urban development in Europe. That responsibility will not decrease during the coming decade, nor will it be replaced by the Commission.

8.4.2. The precise role that each level will play in responding to urban change and the strategies they may adopt is in many ways a matter for debate within Member States. As this study has shown, despite a growing common concern with urban issues across the Member States, Member States'

responses to them vary substantially. Those national differences in institutions and policies will inevitably remain. Even though many of the urban opportunities and problems identified in this report are experienced on a European-wide scale, it cannot be assumed that the European Commission could, or should, accept responsibility for addressing them. The principle of subsidiarity means that national and urban governments in the Member States will play the major, and the Commission a more limited, role in responding to urban problems.

#### **8.5. Urban problems in a regional policy context**

8.5.1. However, the Commission already makes a substantial contribution to urban development through its regional policies. This report suggests that to achieve its goal of increased regional economic and social cohesion the Commission could develop further the urban dimension of its current regional policies. The economic fates of cities and their surrounding regions are inextricably connected as are urban and regional policies. One affects the other. In some areas development occurs evenly across the cities and regions. This presents no policy dilemma. But there are three kinds of problems in the economic relations between cities and regions that restrict regional economic growth or limit social cohesion. In each case the implication is that there should be greater concern for the economic linkages that exist between cities and their wider regions as well as the linkages between different policies which are aimed at urban areas and regions.

8.5.2. The first type of problem emerges when the economic, social and environmental problems of cities not only restrict their own economic development, but also constrain the economic and social development of the wider region. In this case, in order to increase regional competitiveness the primary challenge is to develop urban policy

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instruments which prevent cities being a drain upon regional growth. The second problem emerges when development takes place in the city at the centre of the region but it is not shared by its surrounding region. Here the policy task is to connect urban to regional growth and prevent growing disparities between prosperous cities and declining regions. The third problematic relationship occurs when the region develops but the city at its centre does not and economic and social disparities develop between a prosperous region and more deprived central cities.

8.5.3. Although this analysis intentionally simplifies the nature of the relationship, this study has found evidence of all three problematic relations in many areas in Europe. These dysfunctions within regional economies suggest there is a clear rationale for greater intervention through the Community's regional policy in the range of urban problems identified in this study. Despite considerable expenditure on infrastructure which has benefited both regions and cities in eligible areas, Community support frameworks have not fully addressed some of the intractable problems of economic and social marginalization and deteriorating physical environments which prevent some urban areas from playing a major role in the economic development of their regions.

8.5.4. Article 10 pilot projects have developed some creative, albeit limited, actions by promoting economic opportunities in housing estates with high unemployment, improving the urban environment and encouraging the restoration of historic centres. These kinds of actions could be developed as a valuable adjunct to those traditionally supported by the European Regional Development Fund. This might require adjustment in future priorities unless extra resources are made available. While major infrastructures supported by the ERDF have clearly benefited many cities, actions targeted at marginal groups within cities can be undertaken

with more modest sums of money. Flexibility in packaging projects and uniting the efforts of government, private and non-government or voluntary sectors is often the key.

## **8.6. Developing an urban policy**

8.6.1. A wide range of questions arise about the nature of urban policy. These include questions about the principles, levels and instruments of intervention, the choice of policy priorities, the scale and targeting of resources and the contributions of and relations within and between public, private, non-profit and government institutions.

8.6.2. The urban-policy challenges identified in this report could be met at national, regional, local or Commission level which have different authority and capacity to act in urban areas. Nevertheless, two broad principles especially justify intervention in some policy arenas by the Commission. The first concerns issues which affect the wider European urban system, the other concerns the encouragement of excellence and innovation in Europe. In the first case there are a variety of issues which are not confined to a single city or Member State. Initiatives in this case can be seen as attempting to strengthen the European-wide urban system by increasing the flow of information, expertise, exchange and interaction between the cities of the Community. They include, for example, the communication of information about best practice, the encouragement of networks, the creation of physical and information links within Europe, the encouragement of joint ventures, and the transfer of urban technology and skills.

8.6.3. There are other policy problems or initiatives that occur in individual cities that the Commission might wish to further address or support. Here the intention is not to provide policy solutions for all instances of the problem



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but to support best practice in specific projects and by doing so encourage the improvement of policy standards at a European level. Such initiatives can occur in a variety of sectors. The Article 10 pilot projects are a good example of this approach in developing new ideas and delivery mechanisms which both the Community and Member States can pursue.

8.6.4. Governments in Member States currently have rather different urban policy targets. Some focus upon the creation of wealth in cities; others focus more on the creation of equity and increased welfare through social housing or programmes to redress ethnic disadvantage. Some prioritize investment in physical capital — property and infrastructure — while others focus more upon human capital and investment in people through, for example, training programmes. Some target resources upon places, others upon institutions, others upon particular groups or individuals. More generally the focus of some policies is upon alleviating the problems of urban decline; in others the focus is more upon the development of urban potential. These are not mutually exclusive strategies. But they do have different implications for how urban issues are tackled and the development of policy responses.

8.6.5. Across many areas of the Community there are deepening patterns of economic marginalization, social polarization, physical segregation and environmental deterioration which are reflected in a variety of policy arenas — labour and housing markets, ethnic minority disadvantages, fiscal relations, transport and environment. This study has indicated that the problems faced by ethnic minorities and tenants in social housing in many European cities are particularly acute and limit the contribution that cities can make to balanced regional economic growth.

8.6.6. The Commission, like governments in Member States, would need to identify the way in

which urban policy instruments can best target such problems. Inevitably, the nature, range and depth of intervention in these different policy sectors will be shaped by the level of resources available. In addition the Commission would need to decide the appropriate contribution of, and working relations between, the variety of public and private actors in urban areas, especially types of partnership arrangements. As this study has revealed, the integration and coordination by all governments, including the Commission, of their different policies impacting upon urban areas is a crucial issue. An urban policy — whether it is at a Community, national or more local level — should integrate economic development, employment, environment, transport and housing policies along with continuing investment in human capital both to create wealth in cities and to allow for its equitable distribution.

## **8.7 Urban problems, spatial levels and eligibility criteria**

8.7.1. The spatial level at which policy operates is important. This study has identified three spatial levels at which problems of urban development can be found: European, regional and city level. There are great differences in economic and social performance and prospects of different cities within the Community with substantial inequalities between them. Equally, there are problems in the relations between cities and their surrounding regions and growing economic and social disparities between many of them. Finally, within all cities there are substantial economic, social and physical inequalities between different social, occupational and ethnic groups.

8.7.2. A successful policy would recognize that these different spatial levels are not separate but interact in crucial ways. For example, the economic and social problems found within specific parts of individual cities are frequently

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caused by decisions and processes of change which take place at wider regional, national or European levels. A policy which focused on narrowly defined spatial consequences of broader trends — for example, unemployment or housing problems within the 'inner cities' and peripheral housing estates, or the exclusion or ghettoization of ethnic minorities — while ignoring wider regional, national and European labour and housing markets, and investment trends, is likely to be ineffective. The spatial level and administrative boundaries for which policies are created should vary according to the nature of the problem faced. Concentrated effort within narrow boundaries for spatially specific problems is required for some problems. For others it misses the target. This raises policy questions about geographic boundaries.

8.7.3. The problem of boundary definition clearly connects with indicators and data issues. If a policy uses indicators of economic or social problems across a whole urban agglomeration or wider region, it can overlook examples of urban problems which are more spatially concentrated. For example data drawn from the wider conurbations of London, Paris, Hamburg, Brussels or Rotterdam may not indicate specific and severe problems which we identify in the case-studies carried out for this study.

8.7.4. Issues of boundaries and spatial eligibility are already important for the Commission's regional policies. In particular, the eligibility criteria used to determine which regions qualify for EC programmes are consistent with the aim of reducing interregional imbalances. Cities in Objective 1 and 2 regions benefit most from Community programmes while those outside can only draw upon Objective 4 and 5 regions. But eligible regions do not include a number of cities in this study which experienced substantial decline in their port-related and 'heavy' manufacturing sectors and suffered a variety of economic, social and environmental problems. These include, for

example, Rotterdam, Copenhagen, Hamburg, Marseilles and London. The use of indicators of regional problems does not adequately identify examples of severe urban problems within more prosperous regions. This is an issue which has not so far been addressed except for some limited pilot projects.

## **8.8. Urban policy, data needs and problems**

8.8.1. There is enormous variation between and within Member States on definitions of cities and the administrative units which constitute urban areas, the type and volume of data which is routinely kept on these areas and the frequency with which they are gathered. The data which is available usually measures different things and is invariably incomplete and out of date. The Commission collects substantial amounts of data on a regional basis but relatively little on administrative levels below that. Combined with national and local variation in definitions and data-collection practices, it is extremely difficult to assemble reliable, comparative data about cities, or groups and areas within them, which measures changes over time in crucial areas where an urban policy might operate. We found this to be a major problem in assembling good comparable data for this study.

8.8.2. The current lack of accessible, comparative data extends, for example, to sectoral economic change, patterns of employment and unemployment, income distribution and levels of affluence or poverty, educational and skill levels, housing conditions, the socioeconomic circumstances of ethnic minority communities, the quality of environmental, health and transport services or degrees of fiscal health or stress. Inevitably this means that policy-makers at all levels of government lack the appropriate databases to allow them to understand and respond in policy terms to the changes that are

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taking place in urban Europe. Substantial efforts are required to improve the European database and thus help decision-makers at all levels to devise and implement effective policies.

## **8.9. Conclusion**

8.9.1. The range and variety of urban problems and issues faced in urban Europe is large and complex. Responsibility for responding to many

of them will inevitably remain with national, regional and local government in the Member States. This study identifies many of the problems and opportunities which will need to be addressed by decision-makers. Some of these impact at the European level. Thus, the wider search for a more economically dynamic and socially balanced Europe suggests that, in future, support for cities should become a greater priority for, and make a greater claim upon the resources of, the European Community.



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The evidence used to support the analysis in this report was derived primarily from the field work in 24 cities and the six thematic studies specifically commissioned for this study. In addition, a wide range of primary and secondary published material was used to substantiate the argument and analysis. These references are listed below and are presented around the substantive themes of this report.

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