
ESPON Action 2.2.3: Territorial Effects Of the Structural Funds In Urban Areas

An Interim Report to the ESPON Coordination Unit

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1.0 INTRODUCTION

This report is the draft interim report for the ESPON Action 2.2.3 : The Territorial Effects of the Structural Funds in Urban Areas. The report marks the end of the first initial phase of the study and presents progress of the project as well as emerging issues.

The report is intended to provide the ESPON Co-ordination Unit with an update on progress made on the project to date and, more specifically:

- an overview of the indicators the necessary data to be used in the study and
- a presentation of the appropriate geographical level and the technology required for the collection of the data.
- a first outline of the conceptual model used for this study, including the methodology of the impact analysis
- the outcome of the literature review and a description of urban trends and the Structural Funds with relevance for Urban Areas.

This interim report will form the basis for discussion at the ESPON Seminar on 21-22 November 2002 in Luxembourg.

1.1 *Structure of the report*

The remainder of the report is structured as follows:

Section 2 provides an introduction to the Research Action and sets out the aims and objectives of the study

Section 3 looks at work completed to date, including next steps

Section 4 look at the approach and methodology to be used in the study

Section 5 provides an overview of findings to date.

2.0 THE ESPON 2.2.3 RESEARCH ACTION

2.1 *Aims and objectives of the research action*

Both the European Spatial Development Perspective (ESDP), adopted in May 1999, and the Second Report on Economic and Social Cohesion, published in January 2001, highlighted the need to promote a more balanced and sustainable development of the European territory. Against this background, the ESPON programme is intended to:

- Identify decisive factors relevant for a more polycentric Europe
- Develop territorial indicators and typologies capable of identifying and measuring development trends;
- Develop tools supporting diagnoses of principal structural difficulties as well as potentialities;
- Investigate territorial impacts of sectoral and structural policies;
- Produce a cartographic picture of major territorial disparities and of their respective intensity;
- Develop a number of territorial indicators and typologies assisting a setting of European priorities for a balanced and polycentric enlarged European territory;
- Provide some integrated tools and appropriate instruments (databases, indicators, methodologies for territorial impact analysis and systematic spatial analyses) to improve the spatial coordination of sector policies.

Taking this into account, and the more detailed requirements for ESPON 2.2.3 set out in the Terms of Reference, the Objectives of the research project are broadly to:

- Develop methods for territorial impact assessment of policies;
- Develop territorial indicators, typologies and new methodologies to consider territorial information and concepts, establishing database and map making facilities, sustained through data analysis on EU wide effects of spatially relevant development trends and their underlying determinants;
- Pay special attention to the detection of territories most negatively and positively affected by the identified trends, with special reference to identified features;
- Analyse these territorial trends at different scales and different parts of an enlarged European territory;
- Show the territorial influence of the policies on spatial development at relevant scales;
- Show the interplay between EU and sub-EU spatial policies and best examples for implementation;
- Recommend further policy developments in support of territorial cohesion and a polycentric and better balanced EU territory with reference to the objectives of the ESDP;
- Develop possible orientations for policy responses considering institutional, instrumental and procedural aspects;
- Consider the provisions made and to provide input for the achievement of the horizontal projects under Priority 3.

In order to take forward these objectives, and ensure overlap with related studies, the project will:

- Identify, gather and propose new indicators to display the state, trends and impacts of identified issues for urban areas
- Operationalise the relevant policy options developed in the ESDP, developing a methodology for territorial impact analysis at the EU scale
- Tackle specific territorial questions in the framework of urban affairs such as:
 - How far the structural funds address the process of metropolisation in relation to greenhouse effects and climate change
 - How the structural funds address the question of control of urban sprawl and the links between urban and rural areas
 - The territorial effects of increased socio-spatial segregation and inequity of access to amenities and services
- Evaluate the effects of good governance on strengthening urban functions and the role of the structural funds

3.0 PROGRESS OF THE STUDY

3.1 Work completed to date

The following tasks have been completed to date:

	Element of Work Programme	Achieved
1.	First working group meeting 10 th October in Brussels	V
2.	Literature review at a European and national level	V
3.	An outline conceptual model	V
4.	A description of urban trends	V
5.	A broad outline of the Structural Funds relevant to urban areas	V
6.	An analysis of the ESDP Policy Options relevant to the study	V
7.	Achieved consensus on a set of indicators and identified availability	V
8.	Identification of appropriate geographical level and technology required for data collection	V
9.	Development of initial basis for a typology of urban areas	V

3.2. Next Steps

The following represent the next steps of the project until the submission of the second interim report in March 2003.

Task	Month
Develop data base	November 2002
Fine-tuning of indicator sets.	November 2002
Data collection at a European level from	November/December 2002
Data collection at a national level	November/December 2002
Development of second revised and extended list of indicators at a European level	December 2002
Development of typology of urban areas	November 2002
Development of methodology for territorial impact assessment to be used at European, Member State and case study levels	November/December 2002
Identify case studies	November/December 2002
Set up and carry out case studies	January/February 2003
Refinement and development of conceptual model	2003
Refinement and development of typology of urban areas	March 2003

Working group meeting	March 2003
Development of initial hypothesis on territorial effects of Structural Funds in urban areas	March 2003
Submission of second Interim report	March 2003

4.0 APPROACH

4.1 Overall approach

The overall approach to this research action was set out in the Proposal and involves the following key stages:

The Study has been sub-divided into a series of Work Packages, identified above and set out in detail in Section 6. The following section briefly summarises the overall approach of the study in examining the territorial effects of Structural Funds in urban areas. The methodological approach to the study is based upon a mix of

- literature review
- secondary data analysis
- detailed case study analysis, and
- individual and group interviews

The study is to be progressed through nested case studies, an initial European scale assessment will be made to provide an overall perspective covering the EU, candidate and neighbouring countries. This will be supported through more detailed analysis in national study areas, namely:

- Spain
- Austria
- Greece
- Italy
- Netherlands
- UK
- Scandinavia

This will enable a range of different territorial and structural fund perspectives to be assessed. In turn this more detailed perspective will be further enhanced through 7 detailed case-studies of identified urban areas (representing different elements of European-scale typologies previously identified). This will provide a clear assessment of the territorial effects of structural funds in urban areas.

Mapping will principally be undertaken at a European scale (based upon European typologies) with additional layer details available for case study areas (national and urban area) demonstrating the future potential of the approach.

4.2 Level at which data will be gathered

The team will draw on data, at the most appropriate level. In principal data will be sought at the NUTS III level, although on occasion other local designations may be appropriate (in the process of undertaking case study analysis for example). NUTS II level data will only be utilized where the relationship to the urban area under consideration can be strongly attributed. We are aware that in many cases

information at appropriate territorial levels will not be available but this is one of the reasons that this study is being undertaken in order to improve the data sets available.

4.3 *The Methodology: Developing The Conceptual Model*

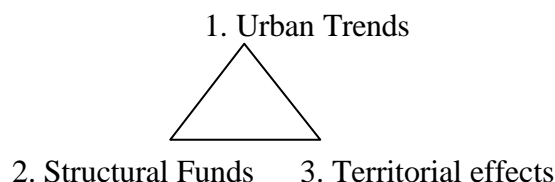
4.3.1 *Introduction*

The conceptual model proposed here draws on inputs from all partners, made during the initial working group on 10th October 2002. The model provides a framework for territorial effects of Structural Funds in urban areas. The conceptual model should look forward in making hypotheses for the better functioning of Structural Funds in urban areas in the future, rather than trying to look back and do an evaluation of the past. The key questions we want to address are ‘

The model is based upon the initial work developed by OIR, ECOTEC and NORDREGIO and operates at two key levels:

- Identifying urban issues of policy relevance at a European level (a policy-led approach)
- Assessing the role of the Structural Funds within this framework, both with respect to coverage and outcomes

A number of definitional elements will be crucial to the successful outcome of this study, particularly what constitutes an urban area, but this need not influence the conceptual model at this stage. The model takes as its starting point the following triangular relationship:



The study intends to explore how these three elements interact and the influences on this process. This will be explored, to different degrees, at a European level, a Member State level and at the level of individual urban areas.

4.3.2 *Structure of this section of the report*

We look at the following elements in turn:

- Territorial Impact Assessment
- The role of Structural Funds in urban areas
- The territorial dimension to the Structural Funds
- Factors influencing the territorial dimension
- Exploring the Conceptual model

4.3.3 Territorial Impact Assessment

The concept of Territorial Impact Assessment (TIA) has generated strong interest at a European scale since the term was introduced in the ESDP. The ESDP did not define what it meant by TIA, restricting itself to suggesting that this might be useful in the context of large infrastructure projects and when developing integrated strategies for the management of environmentally sensitive areas.

Recent work led by the UK Government on behalf of the Commission and the Member States has demonstrated the close links between TIA and other assessment frameworks, particularly Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA). It has also demonstrated that TIA is undertaken in practice in a number of Member States (Austria, Germany, Finland and Belgium among them) although techniques and approaches vary. There is, at present, no desire to make TIA a requirement under defined circumstances, as EIA is.

Present references to TIA have largely been in the context of assessing the impact of plans and projects. It is less often used in the context of assessing the impact of policies. For our current purposes we take the concept of TIA to mean a tool or procedure for assessing the impact of proposed spatial development activities against spatial policy objectives or prospects for an area.

In this context the critical task is to establish suitable assessment criteria. This should seek to recognise the broad positive and negative effects of proposed activities; the implications of strategies or development plans and the inter-relationships (and possible knock-on effects) of supported actions. A key task will be to identify what these effects might be in practice, and over what distance they might occur. In this respect TIA may be seen as a mechanism by which to appraise the positive and negative externalities of the supported activities being assessed.

Developing suitable criteria is based around:

- The role of Structural Funds in urban areas
- The territorial dimension to these activities
- The factors that influence that dimension

4.3.4 The role of Structural Funds in urban areas

The European urban debate is broadly focused around four key elements:

- Promoting a balanced and polycentric urban system
- The role of cities within functional regions
- The effects of disparities within individual cities
- And the role of governance and local empowerment in the management of urban affairs

The Structural Funds are able to have an influence in all of these aspects, both through the distribution of the Funds at a European scale and the focus of supported activities

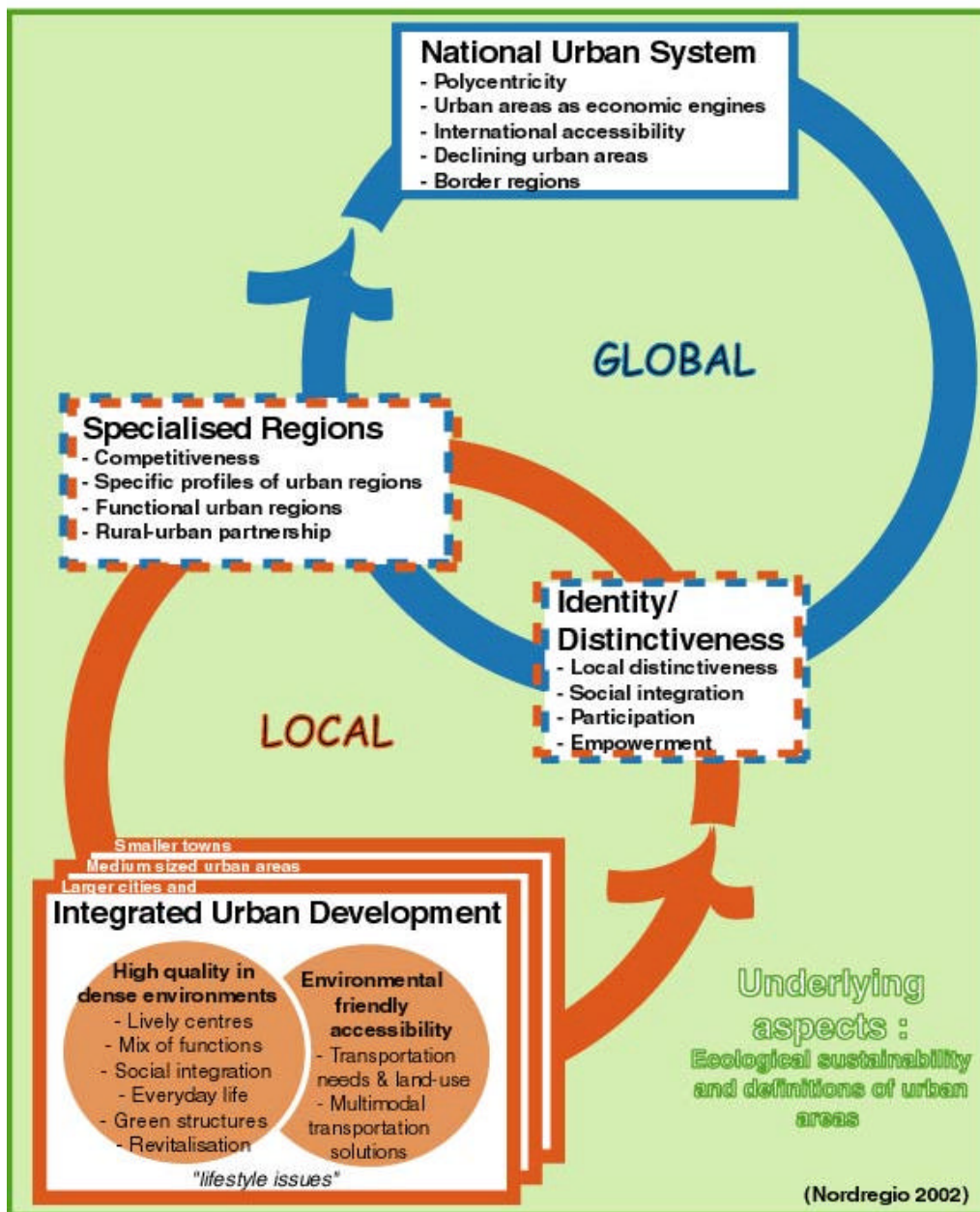
in individual urban areas. The ESDP stresses the importance of encouraging the development of a strong urban system, particularly through:

- Networking to support polycentric development
- Working to become dynamic and competitive economic centers
- Working towards sustainable and integrated development

The role of the Structural Funds may thus be seen as twofold: firstly to support the development of urban areas as actors in a global economy, supporting pan-European cohesion objectives, and secondly to support the strengthening of local economic and social cohesion through overcoming internal disparities.

The relationships between these two aspects can be illustrated in the following diagram:

Urban Policy - Driving Forces



A priori, it is judged that the role of the Structural Funds in urban areas may support one or more of the following:

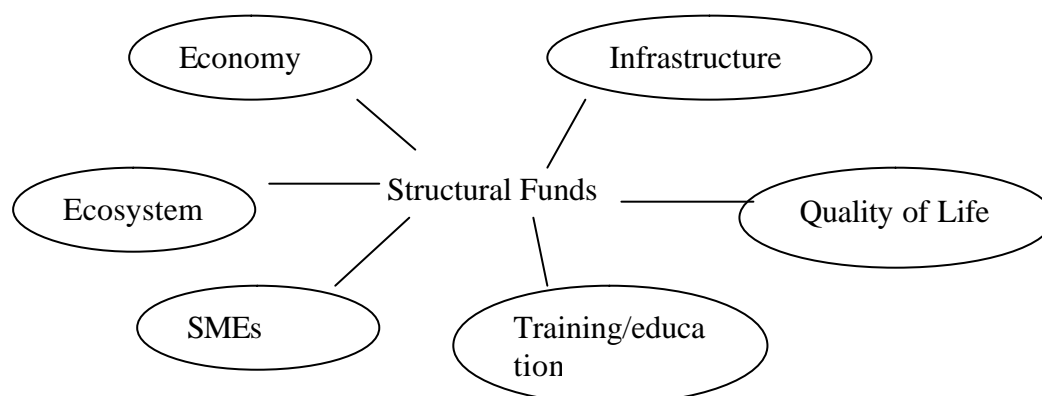
- Polycentric and balanced development (at a Member State or European scale)
- Increasing co-operation between urban areas
- Dynamic, attractive and competitive cities and urbanised regions

- Integrated and sustainable urban development
- Urban-rural relationships
- Cultural heritage

A key focus for the study is thus to examine what Structural Fund interventions are directed in practice towards urban areas. This will need to examine the actual ‘types’ of expenditure in urban areas, such as:

- Support for small and medium-sized enterprises
- Education and training
- Community economic development
- Infrastructure expenditure
- R&D interventions
- Environmental actions
- Heritage interventions

4.3.5 Structural Fund effects in urban areas



Naturally this may vary by type of Structural Fund programme and this will add a further dimension to the model which case study work will explore.

4.3.6 The territorial dimension to the Structural Funds

The territorial effects of the Structural Funds can be conceptualized at two levels.

- There is a pan-European dimension, which broadly relates to the distribution of Structural Fund expenditure in urban areas
- There is a more local effect, which relates to the distance over which Structural Fund interventions in urban areas are transmitted.

The model, as expressed above builds on both of these aspects. They form the two spatial dimensions to the work programme. The territorial dimension will also need

to be considered on two levels. There will be the direct effects of actual Structural Fund expenditure coupled with the indirect effects that this expenditure induces. Inter alia, this may be related to travel to work areas, supplier linkages, or the catchment areas of targeted interventions.

4.3.7 Factors influencing the territorial dimension

A key aspect in assessing the territorial impact of Structural Funds in urban areas is to understand the factors that influence the identified territorial dimension.

- The size and density of the urban area
- The scale of the resources involved
- The focus of the interventions, some may be more localised than others
- Geographical position of the urban area -accessibility, location, border effects (incl. cultural distance)
- Nature of the Urban System -whether an agglomeration, network of cities etc
- Economic Base – eg employment by sector, GDP, structure of employment growth
- Performance – eg structure of unemployment, income distribution by household
- The relationships to the surrounding area
- Nature of the labour market
- The prevailing governance relationships

These factors can be assessed at two levels:

A pan-European typology of urban areas, based on six principles:

- The level of urbanisation
- The geographical position of the urban area: peripheral, border, mountainous, coastal etc
- The nature of the urban area: metropolitan, agglomeration etc
- The economic base of the urban area: manufacturing, services etc
- The economic performance of the urban area: unemployment, amenity value etc
- The social performance of the urban area: social cohesion, income distribution etc

An urban-level assessment of critical factors influencing the territorial ‘spread’ of structural fund interventions, TO be explored through case study analysis, and potentially including:

- Accessibility and linkages with external areas
- Labour market role and surrounding travel to work area
- Governance arrangements
- Size and form of the urban area
- Scale and focus of interventions

4.3.8 Exploring the Conceptual model

The conceptual model will be explored at two scales:

At the macro scale (Pan-Europe)

A typology of regions will be constructed using the elements identified above. A policy level analysis will be undertaken to assess where EU and Member State policy interventions are occurring.

At the meso level (Regional and sub-regional)

Urban Case Studies will be undertaken in identified countries. The case studies will enable an urban-level assessment of critical factors influencing the territorial effects of Structural Funds in urban areas, as well as identifying what these effects can be.

Two different sets of indicators will need to be collected:

- Set 1: Indicators for the urban typology
- Set 2: Indicators for the territorial impact assessment

Further, there will be different levels of data availability depending on the scale:

Set 1: The collection of indicators for the urban typology will be at a Europe 27+ level and will generally require the availability of harmonized data. It may be possible to measure 'relative share' and make a statistical argument based on percentages)

Set 2: For the Territorial Impact Assessment set harmonized data will almost certainly not be available and there will be a reliance on data from the case studies

The importance of collecting qualitative indicators is recognised within this approach. For example this might look at the administrative/governance system.

The conceptual model not 'fixed' in time, but is rather a dynamic and evolving framework at this stage of the study and will be developed on an iterative basis according the outcome of research at European, Member State and case study level. The following questions, which are by no means exhaustive, will help inform this process. They will illustrate the territorial impact of structural fund in urban areas, guiding the case study research.

A. Policy description component

1. Which are the structural policies that affect urban areas (description and classification)
2. What is the size of available structural funding directly (and indirectly?) affecting urban areas (1) at the various levels (European, national, regional, local/urban)?
3. At what levels is disaggregation of structural funding (2) possible?
4. What are the main trends in the fields of structural funding in urban areas (e.g. taking the enlargement into account)?

B. Policy relevance to ESDP objectives component

5. How do structural funds affect the parity of access to infrastructure, innovation and knowledge?
6. Do structural funds affect the balance of the urban system and the forms of urban-rural relationships?
7. How structural funding affects the management of natural and cultural assets?
8. How structural funding contributes to the improvement of the competitiveness of urban areas?

C. Policy integration component

9. How does structural funding in urban areas relate to other European policies in the area?
10. How does structural funding in urban areas relate to other national and regional policies in the area?
11. How does structural funding contribute to the social and economic cohesion of urban areas?
12. How does structural funding contribute to the sustainable development of urban areas?

4.4 Developing an Typology

The core of the Territorial Impact Assessment model will be a typology of urban regions related to a number of functional and territorial criteria. In the table below the relevant domains (possible dimensions of the typology) haven been listed. This list is a modification of the functional and territorial criteria described in the proposal. We think that these domains are suited to base a typology on that reflects the trends in urban areas.

• **Level of urbanisation**

Urban regions are the focus of this study. In the definition of urban areas the results of earlier SPESP studies will be used.

• **Geographical position**

Urban development is influenced by the geographic position of the urban region, such as its accessibility, physical qualities (e.g. coastal, mountainous), central/peripheral/border location, administrative status.

• **Nature of the urban system**

The spatial composition of the urban region has to be taken into account, whether an agglomeration, network of cities.

• **Nature of economic base**

Employment by sector and its development are the focus in this respect.

• **Economic performance**

Economic performance is indicated by the urban region's GDP (and its development) and unemployment data.

• **Social performance**

Social performance in particular applies to income distribution and its development

4.5 The mapping process

Following the initial working group for the ESPON 2.2.3 project, it was agreed that the mapping element of the ESPON 2.2.3 Research action would include the production of the following key outputs:

- (a) supporting database and GIS integration and
- (b) materials for communicating efficiently both results and methods through graphics and maps.

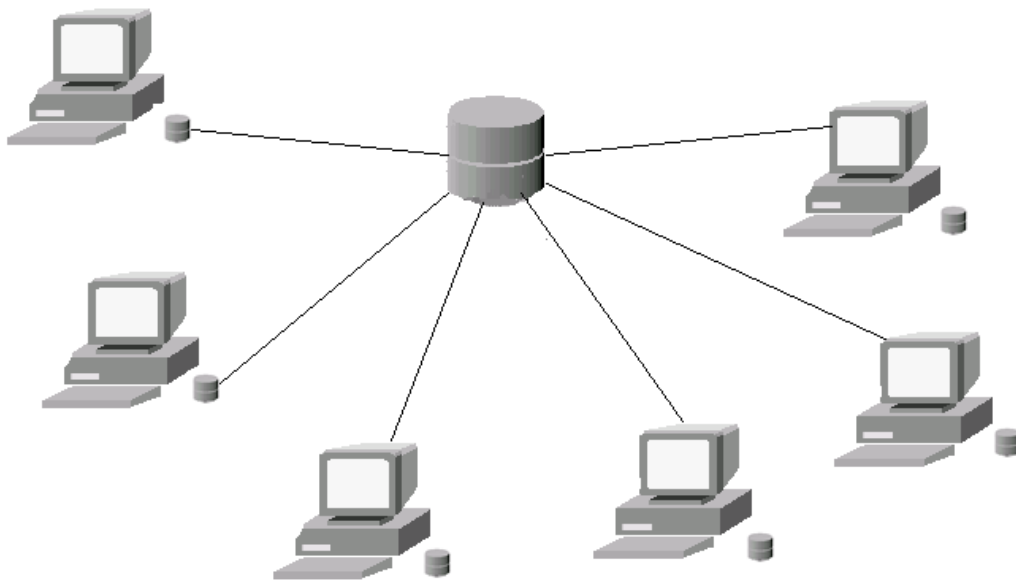
The mapping element will evolve over time, and will be an iterative process. Research discussions will influence the design of the communication material in addition to the communication material helping to advance in the research.

The materials to be produced will be harmonised according to ESPON 3.1 project and will try to be as simple and understandable as possible. They will mostly consist in:

- Interactive web mapping facilities for novice users to get access to basic indicators and produce their own thematic maps and graphics.
- Main graphics based on statistical data
- Thematic maps based on statistical data attached to administrative zones. They will be produced according to the criteria developed for the SPESP updated by ESPON 3.1
- Symbolic or conceptual maps and images to communicate key ideas, results and policy recommendations.

4.5 Technology For Data Collection

As specified in the Proposal to the ESPON Coordination Unit, the database will be designed and developed using MS-Access 2000 and will be based upon a hierarchical structure. The system will use a system based around a central Access database and a number of remote client databases (see diagram below). The remote applications, provided in either Access 97 or 2000, will be used for data entry at a local-level, while providing the capacity for data-upload to the central system, via e-mail transfer.



Database Configuration

5.0 PROGRESS AND OUTCOMES

5.1 Literature Review

The literature review has been a key exercise within the initial phase of the ESPON 2.2.3 project. The main aim was to identify issues, concepts and understandings to be used for the later analysis of Structural Funds and their effects on urban areas.

To achieve this, a number of European documents as well as national documents of European relevant to urban development have been reviewed. Guided by a brief questionnaire documents relevant to urban policies in 18 European countries (all 15 EU Member States plus Slovenia, Switzerland and Norway) have been reviewed. In parallel a set of European level documents have been analysed.

Annex A to this report draws the various reviews together to create a cross-European summary on challenges related to urban areas. The resulting overview covers both aspects of urban systems and local inner-urban issues. Proposals are also made concerning possible foci of the analysis of the Structural Funds which complement Annex B on the Structural Funds relevant to urban areas.

The literature review process included contributions from each of the partners as follows:

Partner	Countries covered
NORDREGIO	European literature review Nordic Countries, Germany
ECOTEC Research & Consulting Ltd	Spain, Portugal, France, Belgium, UK, Switzerland
OIR	Austria
NEI	Netherlands
IRS	Italy
SDRU	Greece

5.2 Agreement On Indicators And Data Availability

5.2.1. Introduction

Work package 3 for the ESPON 2.2.3 Research Action aims at developing consensus on indicators for use in assessing territorial effects of Structural Funds policy on urban areas and to develop new indicators where necessary.

There are two deliverables requested of this work package:

1. A set of indicators to construct a typology of (urban) regions, on the basis of which detailed national and regional case studies are to be carried out (see 2);
2. A set of indicators to be used in testing the Territorial Impact Assessment model for SF in urban areas, following analysis on data availability at the European, national and regional levels. Part of this deliverable is a set of 'new' territorial indicators to be used in future research on the basis of two requests to

EUROSTAT, EEA etc.

These indicators will have to be applied in national and regional case studies.

The starting point for the development of indicators is the outline conceptual model developed above. In relation to this model, the indicators have to meet three requirements:

- they deal with territorial effects
- they relate to interventions from structural funds
- they describe trends in urban areas

Organisation of this section

The first part of this section deals with indicators to define a useful and measurable typology of urban regions. We deal first with some methodological aspects of defining and compiling indicators according to this research action. On the basis of the typology detailed national and regional case studies are to be carried out with respect to the Territorial Impacts of Structural Funds.

The second part of the section is devoted to the compilation of indicators to measure the territorial impact of Structural Funds in urban areas.

5.2.2. Developing indicators for an Urban Typology

The indicators to construct an urban typology should be related to the urban trends and problems. The proposed indicators as a base for a typology (see the table below) are preliminary and need to be checked against the detailed results of the literature review.

In principal data will be sought at the NUTS III level, although on occasion other local designations may be appropriate (in the process of undertaking case study analysis for example). We are aware that in many cases information at appropriate territorial levels will not be available but this is one of the reasons that this study is being undertaken in order to improve the data sets available. The first target of the typology is to enable an efficient and proper selection of countries and regions for case studies building on the work of the SPESP.

To be able to define a clear typology, the set of indicators should be limited, distinguishing and efficient. The selection of these indicators is based on the one hand on our knowledge of urban trends and problems, and on the other hand on the indicators developed in studies such as the Urban Audit for the similar domain or the SPESP program. A first check learned that most of the indicators are available for the 15 EU countries.

In the national and regional case studies more geographical detail (below NUTS III level) can be analysed if appropriate.

For each domain a number of indicators has been given. To construct a workable typology the number of indicators should be limited. During the process of

constructing the typology it will be decided which of the proposed indicators will be relevant for each domain.

The data will be collected in principal for the period 1994-1999 and 2000-2006 as far as possible. In the table the availability and source of data is been named.

Proposed indicators for an urban typology

Domains	Indicator	Definition	Measure	Availability
Level of urbanisation	See SPESP studies	Degree to which a region can be defined as 'urban'	See SPESP studies	
Geographical position	External accessibility	Airport	Yes / no	Yes Source: maps and general knowledge
		Fast train station	Yes / no	
	Physical situation	Coastal	Yes / no	
		Mountainous	Yes / no	
		Plains	Yes / no	
Border	Yes / no			
Central / Peripheral	Central	Yes / no		
Administrative status	National capital	Yes / no		
	Regional capital	Yes / no		
Nature of urban system	Spatial composition of the urban region	Agglomeration, monocentric	Yes / no	Yes Source: partners (after clear definition)
		Network of cities, polycentric	Yes / no	
Nature of economic base	Employment by sector	Percentage of labor employed in manufacturing	%	At nuts 2 for EU25 (no malta and cyprus), '95-'01 Source: new cronos
		Percentage of labor employed in services	%	
Economic performance	Development of GDP	Average GDP growth between 1990 and 2000	%	Yes, also Nuts3, '95-'99 Source: new cronos
Social performance	Standard of living	GDP per capita as a percentage of the average national GDP per capita	%	Yes, '95-'99, also nuts 3 Source: new cronos
		% of households receiving less than half of the national average household income	%	
				AT Nuts 2, '95-'99 Source: new cronos

5.2.3 Indicators for territorial effects of Structural Funds

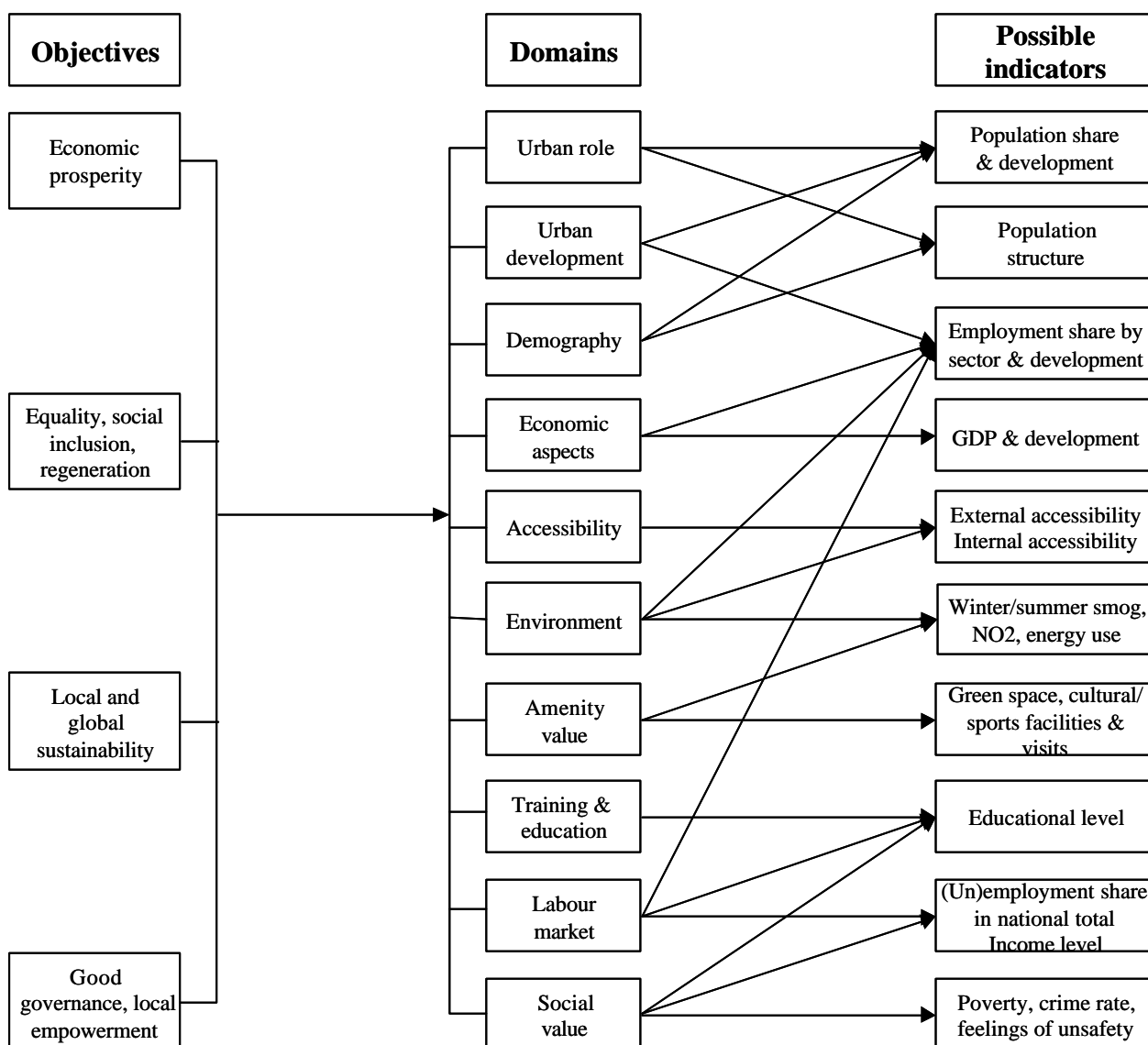
Following the urban typology, indicators are to be defined that allow for measurement of territorial effects of Structural Funds. Case studies at national and regional levels will take place in the types of urban regions as defined on the basis of the indicators mentioned previously.

To measure the *territorial effects* we propose to define indicators that describe the *distribution over the territory*. Because case studies will provide the information, the set of indicators allows more detail than the set used to develop the typology in the previous step.

The following domains (derived from the conceptual model Territorial Impact Assessment in the Wok Plan) will be taken into account:

- **Urban role.** For example: population share and population structure
- **Urban development.** For example: population growth, employment growth, GDP growth
- **Economic aspects.** For example: share of an urban area in the total regional, national or European employment or GDP; differences in economic structure between an urban area and the regional, national or European average structure.
- **Accessibility.** For example: external accessibility, internal accessibility
- **Demography.** For example: share of an urban area in the total regional, national or European differences in age/gender structure of population between an urban area and the regional, national or European average structure.
- **Environment.** For example: share of an urban area in the total regional, national or European CO2 output.
- **Amenity value.** For example: availability of green space, cultural amenities, sports facilities
- **Training and education.** For example: share of an urban area in the total regional, national or European number of students or educational facilities.
- **Labour market.** For example: share of an urban area in the total regional, national or European unemployment, differences in educational level of the residential population between an urban area and the regional, national or European average level.
- **Social aspects.** For example: demographic aspects of an urban area in relation to the regional, national or European level; differences in income distribution (quintiles) between an urban area and the regional, national or European average.

The model below shows the relationships between overall targets of the Structural Funds, the domains and the provisional set for the indicators. As described above, this might be changed due to the determined conceptual model. With possible indicators are examples of indicators mentioned; It is, however, not the final set of indicators.



In order to indicate the territorial effects of Structural Funds on urban areas:

- a) an ideal set of indicators will be collected
- b) a pragmatic set of indicators will be collected and measured.

The ideal set of indicators will be based on the literature review of the relevant European documents and the pragmatic set of indicators. Both sets can only be defined after the conceptual model has been developed. The pragmatic set will also include qualitative indicators.

In the table below the set of indicators is detailed further. For each domain an indication of the related urban trends has been given. These trends have to be checked against the outcomes of the literature review. For each domain a set of indicators is given. The selection of these indicators is based on the one hand on our knowledge of urban trends and problems, and on the other hand on the indicators developed in the Urban Audit for the similar domain. We think that the listed indicators will be available for most of the EU countries. Subsequently, for each indicator a (global) definition has been given. The periods and years, and the spatial levels for which the

indicators have to be measured, have not been indicated yet. This decision has to be made (very soon) in relation to the conceptual model. We propose to collect data from 1989 onwards for municipalities, Nuts III level, national level and European level.

Proposed indicators for territorial impact analyses of Structural Funds in national and regional case studies

Domains and trends	Indicator type	Definition	Measure
Urban Role	Size	<ul style="list-style-type: none"> Number of inhabitants, male & female 	Number
	Population share	<ul style="list-style-type: none"> Percentage of national total 	%
	Density	<ul style="list-style-type: none"> Population per square mile 	Population / mile ²
	Administrative status	<ul style="list-style-type: none"> Role played in administrative organisation 	Regional/national capital
	GDP share	<ul style="list-style-type: none"> Share of GDP in national total 	%
Industrial base	Economic structure	<ul style="list-style-type: none"> Share of employment per sector (Primary sector, Secondary sector, Tertiary sector, Quaternary sector) 	%
Labour market role	Labour market share	<ul style="list-style-type: none"> Share of the urban employment in the total regional, national employment Share of the urban unemployment in the total regional, national unemployment 	%
Urban development	Population growth	<ul style="list-style-type: none"> Growth of the population by number since ... (optional: subdivision by gender/age) 	%
	Employment growth	<ul style="list-style-type: none"> Growth of employment by number since... (optional: sectoral subdivision) 	%
	GDP growth	<ul style="list-style-type: none"> Growth of GDP since 	%
Amenity Value	Natural amenities	<ul style="list-style-type: none"> Amount of green space available per capita 	m ²
	Cultural amenities	<ul style="list-style-type: none"> Amount of cultural establishments present, subdivided by type (cinema, museums, theatres) 	Number
	Use of cultural amenities	<ul style="list-style-type: none"> Number of visits to cultural amenities, subdivided by type (cinema, museums, theatres) 	Number per resident
	Sports facilities	<ul style="list-style-type: none"> Number of sports facilities present 	Number
	Use of sports facilities	<ul style="list-style-type: none"> Attendance to sports facilities per resident 	Number per resident
	Educational facilities	Number of places in universities and further education establishments per 1.000 resident population	Number/1.000
Social Value	Income:	% of households receiving less than half of the national average household income	%
	Low educational level	% of resident population who have completed lower secondary education (ISCED level 2)	%
	High educational level	% of resident population who have completed tertiary education (second stage) leading to a postgraduate	%

Domains and trends	Indicator type	Definition	Measure
Safety	Crime rate	university degree or equivalent Total number of recorded crimes per 1.000 population per year	Number/1.000
	Feelings of unsafety (?)	Number of population per 1.000 expressing feelings of unsafety	Number/1.000
Environmental quality	Winter smog	Number of days SO2 exceeds	Number
	Summer smog	• Number of days Ozone O3 exceeds	Number
	NO2 concentrations	• Number of days that NO2 concentrations exceed ..	Number
	Energy use	• CO2 emissions per capita	CO2 emissions
Geographical position	Mountainous region		Yes/no
	Coastal region		Yes/no
	Border region		Yes/no
	Peripheral region		Yes/no
Accessibility	External accessibility	• Airport • Fast train station	Yes/no Yes/no
	Internal accessibility	Shares of mode of journey to work(rail/metro, bus, tram, car, cycle, walking) in total journeys to work	%

BRIEFING NOTE – STRUCTURAL FUNDS IN URBAN AREAS

Overview

Many of the Structural Funds contribute in some way to urban issues:

- ? Much of Objective 1 spending is de facto in urban areas. It typically focuses on improving competitiveness, promoting cities as motors of growth for a less developed region as a whole. However, some Objective 1 regions (such as Merseyside in the UK) have urban deprivation as their main characteristic.
- ? Objective 2 has a dedicated urban strand, covering a population of just over 7 million (pro rata this would imply ERDF funding of 2.2 bn euro). In addition, many urban areas are covered under the industrial strand of Objective 2. Measures under Objective 2 concentrate particularly on economic restructuring.
- ? Training measures under Objective 3 and EQUAL may impact deprived urban areas, especially where such measures concern social inclusion.
- ? Finally, the URBAN Community Initiative covers 70 urban areas with 2.2m inhabitants, contributing 728m euro of ERDF. Measures concentrate on deprivation and neighbourhoods in crisis.

Structural funds and urban issues in London

http://europa.eu.int/comm/commissioners/barnier/document/london_conf_sf.pdf

The three priority objectives

To enhance its impact and secure the best possible results, 94% of structural funding is concentrated on the three objectives defined as priorities, which all have impacts for urban areas:

Objective 1 (territorial)

Helping regions whose development is lagging behind to catch up, i.e. providing them with the basic infrastructure that they continue to lack or encouraging investments in business economic activity.

Objective 2 (territorial)

Supporting economic and social conversion in industrial, rural, urban or fisheries-dependent areas facing structural difficulties. It is used to redress imbalance in urban economies by tackling barriers to economic opportunity in areas suffering industrial decline, urban deprivation, low economic activity and social exclusion.

Objective 3 (thematic)

Modernising systems of training and promoting employment. Measures financed by Objective 3 cover the whole Union except for the Objective 1 regions where measures for training and employment are included in the catching-up programmes. The

Objective tackles barriers to labour market participation experienced by the unemployed and the socially excluded and also supports work to enhance adaptability and promote lifelong learning.

The Community Initiatives

The Union has also devised four special programmes, known as Community Initiatives, to find common solutions to problems affecting the whole Union. These four programmes absorb 5.35% of the budget of the Structural Funds. Each Initiative is financed by only one Fund. For urban areas, the key programme is URBAN, currently URBAN II, which concentrates its support on innovative strategies to regenerate cities and declining urban areas (financed by the ERDF).

The majority of European citizens live in urban areas. Cities are centres of economic growth, but can at the same time face concentrations of social, environmental and economic problems. The URBAN Community Initiative is an instrument within EU Cohesion Policy, dedicated to the regeneration of urban areas and neighbourhoods in crisis.

The second round of URBAN ("URBAN II") consists of 70 programmes across the EU, covering some 2.2 million inhabitants. These areas often face quite severe deprivation and specific challenges. For example, on average unemployment and crime rates in URBAN II areas are both around twice the EU average. In addition, the proportion of immigrants is more than twice the average for EU urban areas. Finally, the proportion of green spaces - an indicator of environment and amenity - is only half the EU urban average.

Between 2001 and 2006, the European Union will invest more than Euro 728 million of European Regional Development Fund (ERDF) money in these areas. Adding local and national co-financing, including the private sector, this makes a total investment of Euro 1.6 billion. Funding concentrates on physical and environmental regeneration, social inclusion, training, entrepreneurship and employment.

A particular feature of the URBAN initiative is the high degree of involvement of the local level. In most cases the local authority is responsible for day to day implementation, advised by local community groups and in partnership with the national/regional authorities and the European Commission. Another interesting feature is that there will be a network of the URBAN II programmes ("URBACT") to exchange information and experience on sustainable urban development across the European Union.

http://europa.eu.int/comm/regional_policy/themes/urban_en.htm

The INTERREG initiative also has some impacts for urban areas, as it promotes cross-border, transnational and interregional cooperation, i.e. the creation of partnerships across borders to encourage the balanced development of multi-regional areas (financed by the ERDF). This has led to sharing of best practice in urban regeneration. INTERREG III-B in particular focuses on the polycentric development of urban areas, and includes a focus on the development of light infrastructure, environmental improvements and preservation and promotion of cultural heritage. The Equal Community Initiative (financed by the ESF) is to support the development of

new methods for combating all forms of discrimination and inequality on the labour market, both for people attempting to enter the labour market and for those already working. There is a focus for the integration into society and working life of those seeking asylum in the EU. This is particularly relevant to urban areas, where the majority of asylum seekers are placed.

Finally, Community Initiatives which support economic conversion such as KONVER, RESIDER, RECHAR and the SME Community Initiative are also relevant to urban areas through their impact on economic development and restructuring.

BRIEFING NOTE – ANALYSIS OF POLICY OPTIONS IDENTIFIED IN THE ESDP RELEVANT FOR TERRITORIAL IMPACT ASSESSMENT OF THE STRUCTURAL FUNDS IN URBAN AREAS

This note briefly sets out the policy options identified in the ESDP relevant for territorial impact assessment of the structural funds in urban areas, along with a short summary of key issues and spatial typologies identified in the document.

Overview

The European Spatial Development Perspective stresses the key importance of encouraging urban areas to play a role in the balanced spatial development of the European Territory. The ESDP suggests that urban areas will have a key responsibility in realising its main policy objectives, through:

- networking to support polycentric development,
- working to become dynamic and competitive economic centers and
- working towards sustainable and integrated development

The ESDP also briefly looks at the role and impact of the Structural Funds although less attention has been paid to looking at policy options which might directly influence the role of these funds.

Key Themes

Key themes in relation to urban areas within the ESDP include:

- Polycentric pattern of settlement
- ‘Compact cities’ and the limitation of urban sprawl
- Urban rural partnerships
- Developing cooperative networks between cities and urban areas – within Member States, and also across borders
- Developing dynamic and competitive cities, each with a diverse economic base, with good accessibility and strong ‘material and social’ welfare for their citizens.
- Developing a sustainable urban ecosystem which has essentially a ‘closed cycle of natural resources’ thereby reducing negative impact on surrounding areas. This includes reducing the contribution of European urban areas to CO² emissions
- Promotion and protection of cultural heritage

Key themes in relation to the Structural Funds include:

- The importance of using spatial typologies to frame the intervention of the funds
- The importance of structural fund interventions which look at urban centers as parts of a wider (regional) territory
- The importance of programmes which offer ‘integrated development plans’

- The importance of INTERREG with its focus on both integrated development and spatial development

Policy Options

There are a number of policy options within the ESDP with relevance to the research action on the Territorial Effects of the Structural Funds in Urban Areas. These are listed directly from the ESDP document, but grouped under a number of the key themes:

Polycentric and balanced development

- ‡ Strengthening of several larger zones of global economic integration in the EU, equipped with high-quality, global functions and services, including the peripheral areas, through transnational spatial development strategies.
- ‡ Strengthening a polycentric and more balanced system of metropolitan regions, city clusters and city networks through closer co-operation between structural policy and the policy on the Trans-European Networks (TENs) and improvement of the links between international/national and regional/local transport networks.

Increasing cooperation

- ‡ Promoting integrated spatial development strategies for city clusters in individual Member States, within the framework of transnational and cross-border co-operation, including corresponding rural areas and their small cities and towns.
- ‡ Strengthening co-operation on particular topics in the field of spatial development through cross-border and transnational networks.
- ‡ Promoting co-operation at regional, cross-border and transnational level; with towns and cities in the countries of Northern, Central and Eastern Europe and the Mediterranean region; strengthening North-South links in Central and Eastern Europe and West-East links in Northern Europe.

Dynamic, attractive and competitive cities and urbanized regions

- ‡ Expansion of the strategic role of metropolitan regions and “gateway cities”, giving particular attention to the development of peripheral regions of the EU.
- ‡ Improvement of the economic basis, environment and service infrastructure of cities, particularly in economically less favoured regions, in order to increase their attractiveness for mobile investment.
- ‡ Promotion of an economic diversification strategy in cities which are too dependent on a single branch of economic activity, and support for the economic development of towns and cities in less favoured regions.
- ‡ Promotion of integrated urban development strategies sensitive to social and functional diversity. Particular attention should be given to fighting social exclusion and the recycling and/or restructuring of underused or derelict urban sites and areas.

Integrated and Sustainable Urban Development

- | Promotion of a wise management of the urban ecosystem
- | Promotion of better accessibility in cities and metropolitan regions through an appropriate location policy and land use planning that will stimulate mixing of urban functions and the use of public transport.
- | Support for effective methods of reducing uncontrolled urban expansion; reduction of excessive settlement pressure, particularly in coastal regions of metropolises and larger cities and areas hit by the decline of agriculture, also have to face great challenges.

Urban rural relationships

- | Promotion and support of partnership-based cooperation between small and medium-sized towns at a national and transnational level through joint projects and the mutual exchange of experience.
- | Promotion of company networks between small and medium-sized enterprises in the towns and countryside.
- | Promotion of co-operation between towns and countryside aiming at strengthening functional regions.
- | Integrating the countryside surrounding large cities in spatial development strategies for urban regions, aiming at more efficient land use planning, paying special attention to the quality of life in the urban surroundings.
- | Promotion and support of partnership-based cooperation between small and medium-sized towns at a national and transnational level through joint projects and the mutual exchange of experience.
- | Promotion of company networks between small and medium-sized enterprises in the towns and countryside.

Cultural Heritage

- | Development of integrated strategies for the protection of cultural heritage which is endangered or decaying, including the development of instruments for assessing risk factors and for managing critical situations.
- | Maintenance and creative redesign of urban ensembles worthy of protection.
- | Promotion of contemporary buildings with high architectural quality.
- | Increasing awareness of the contribution of urban and spatial development policy to the cultural heritage of future generations.

Spatial Typologies

In addition to providing a policy background on spatial development and urban areas, the ESDP also suggests a number of different spatial definitions relevant for the ESPON 2.2.3 Research Action:

Global economy integration zones :

“Global economic integration zones” represent areas that have the capacity to participate effectively in the global economy. The ESDP states that at present, there is only one outstanding larger geographical zone of global economic integration: the core area of the EU, the pentagon defined by the metropolises of London, Paris, Milan, Munich and Hamburg. This zone offers strong global economic functions and services, which enable a high income level and a well-developed infrastructure. In addition, the ESDP identified some isolated islands of significant growth (e.g. Barcelona, Region of the Øresund), where GDP was not yet high enough to significantly change the pattern of imbalanced spatial development in line with the underlying objectives of the ESDP. The economic-geographic situation of the EU differs from that of the USA, for instance, which has several outstanding economic integration zones on a global scale: West Coast (California), East Coast, Southwest (Texas), Mid-West.

Gateway Cities:

‘Gateway cities’ provide access to the territory of the EU (large sea ports, intercontinental airports, trade fair and exhibition cities, cultural centers). They include metropolitan regions located on the periphery, which can use specific advantages such as low labour costs, or special links with economic centers outside Europe or in neighbouring non-Member States. The ESDP states that it is important to strengthen the cities at the borders of the EU.

Spatial Corridors:

‘Spatial Corridors’ represent corridors of development, whether they are linked or not to cities or major urban areas. The ESDP states that these ‘Euro corridors’ can strengthen the spatial cohesion of the EU and are an essential instrument of spatial development through encouraging co-operation between cities. The ESDP states that there are a great number of potential corridors in the EU. Some corridors are already well-developed. In other regions such corridors have to be developed and connected with existing ones. Important missing links and secondary networks could be established.

ESPON – Territorial Effects of Structural Funds

Working Package 1 – Literature Review

First Draft

prepared by Kai Böhme (Nordregio)
based on input from various project partners

1.1 Introduction

This paper is a first draft version of the report on Working Package 1 of the ESPON project on territorial effects of Structural Funds in urban areas. The intention of this Working Package is to provide an overview of knowledge and work available in order to avoid duplicating work in this project. The main aim is to identify issues and understandings to be used for the later analysis of Structural Funds and their effects on urban areas.

To achieve this, a number of European documents as well as national documents of European relevant to urban development have been reviewed. Guided by a brief questionnaire documents relevant to urban policies in 18 European countries (all 15 EU Member States plus Slovenia, Switzerland and Norway) have been reviewed. In parallel a set of European level documents have been analysed.

This paper draws the various reviews together to a cross-European summary on challenges related to urban areas. This reaches from the aspects of urban systems to very local inner urban issues. In the last section proposals are made concerning possible foci of the analysis of Structural Funds.

1.2 Urban areas and urban policies in European countries

Today, the majority of EU citizens live and work in urban areas, and the EU is one of the most urbanised areas in the world. There are approximately 170 cities with more than 200,000 inhabitants and 32 cities with more than a million inhabitants (Berg et al, 1998) However, urbanisation is understood differently in each EU Member State: whereas in Sweden, a population centre is defined as built-up area with 200 inhabitants and a maximum of 200 meters between the houses, in Germany, there are at least 10,000 inhabitants needed for an urban designation. If the degree of urbanisation is judged by the proportion of population living in (large) towns, the conclusion is that Europe contains strongly urbanised countries (such as Belgium, Denmark, Germany, the Netherlands and the UK), slightly urbanised ones (Austria, Finland and Sweden) and a number of countries occupying a position in-between the two extremes (France, Italy and Luxembourg). How much various possible definitions of urbanisation differ is simply illustrated by the fact that e.g. Sweden has an 'urbanisation degree' of 55 percent according to United Nations and 84 percent according to national statistics.

There is a general recognition that urban areas/regions do not exist in isolation from wider forces originating in national, European and global spheres. This also comprises the fact that urban agglomerations are seen as motors of development in Europe. At the same time, fundamental changes in the economy, technology, demography and politics are reshaping the environment in the towns and cities in Europe. The environment of towns and cities becomes increasingly competitive and complex and they need to anticipate and respond quickly to opportunities and threats that influence their position on the national, European and global arena (Berg *et al*, 1998: 426).

Table 17.1 Spatial pattern and urbanization

	Degree of urbanization	Balanced urban system	Primary city	Stage of urbanization	Urban problem areas	Cities >100,000	Metropolises >1 million	National population
Austria	low	no	yes	suburbanization	inner cores	6	1	7.8
Belgium	high	yes	no	sub/deurbanization	inner cores	8	2	10.0
Denmark	high	no	yes	suburbanization	inner cores	4	1	5.2
Finland	low	no	yes	urbanization	inner cores	6	1	5.0
France	average	no	yes	suburbanization	suburbs	46	3	58.0
Germany (west)	high	yes	no	sub/reurbanization	inner cores	83	8	81.3
Germany (east)				sub/deurbanization				
Greece	average	no	yes	urb/suburbanization	mixed	6	1	10.3
Ireland	low	no	yes	urb/suburbanization	mixed	3	1	3.6
Italy (north)	average	yes	no	sub/deurbanization	mixed	46	4	57.9
Italy (south)				urb/suburbanization				
Luxembourg	high	–	yes	suburbanization	suburbs	0	–	0.4
Netherlands	high	yes	no	sub/reurbanization	inner cores	23	2	15.5
Portugal	low	no	yes	urb/suburbanization	mixed	5	1	9.3
Spain	average	yes	no	suburbanization	mixed	48	3	39.3
Sweden	low	no	yes	urb/suburbanization	mixed	11	1	8.9
United Kingdom	high	yes	yes	sub/deurbanization	inner cores	57 *	7	58.1
EU total						352	36	370.6

* Eurocities documentation, Barcelona, 1989.

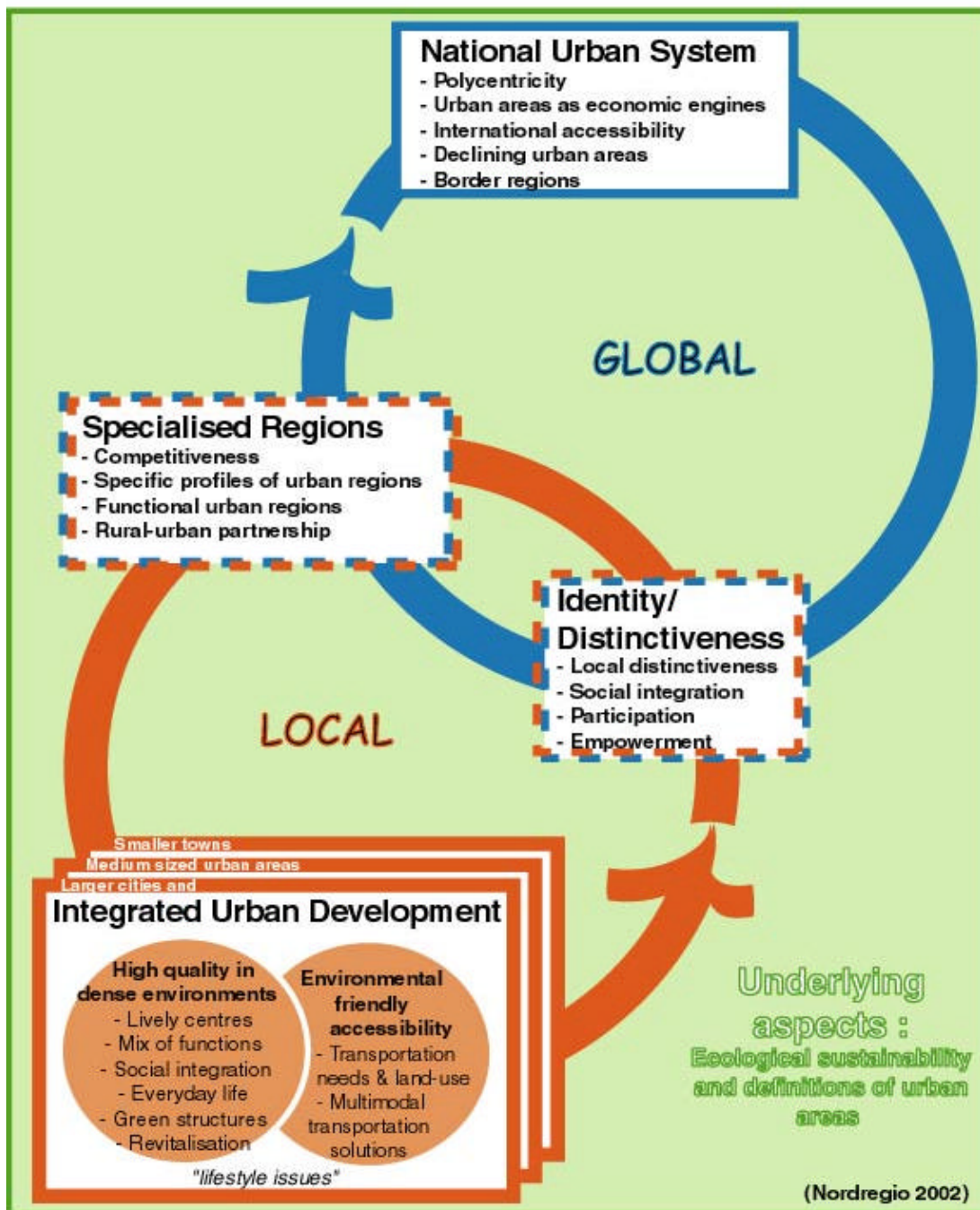
(Source: Berg et al 1998)

Each of the national governments in the EU tailors its policy initiatives to the specific circumstances in its country. It is significant that nowhere in the EU is a ministry exclusively occupied with urban areas and their development. There is, however, a number of countries, where urban policy plays a role in domestic policies, e.g. in *the Netherlands*, which has a State Secretary for Major-City Polices under the Ministry of Interior, or *Finland* where urban policy is part of the regional policy carried out by the Ministry of Interior. In other countries, e.g. *Denmark*, the Ministry of the Environment is responsible for urban questions. In many countries urban policy has no strong stand in the political system. However, in most countries, the Ministers of Housing, Spatial Planning, Transport, Social Affairs, Employment, Economic Affairs etc. have an influence on cities and their development, mostly through sectoral policies which are not explicitly oriented towards urban areas. The division of tasks among these ministries is organised differently in each country.

Regarding the issues addressed in relation to urban policies, two major fields can be identified (i) socio-economic problems of town as well as metropolitan problems, and (ii) balanced or polycentric development focusing on the position and role of towns in the regional and national spatial organisation pattern. This division corresponds largely to the division of urban policies approaches aiming at cohesion respectively such aiming at strengthening competitiveness.

A closer analysis of the aspects addressed in urban policies allows a division into four categories. Apart from illustrating respectively grouping the different aspects of urban policies it shows also how urban policies aiming at cohesion and those aiming at competitiveness are inter-related.

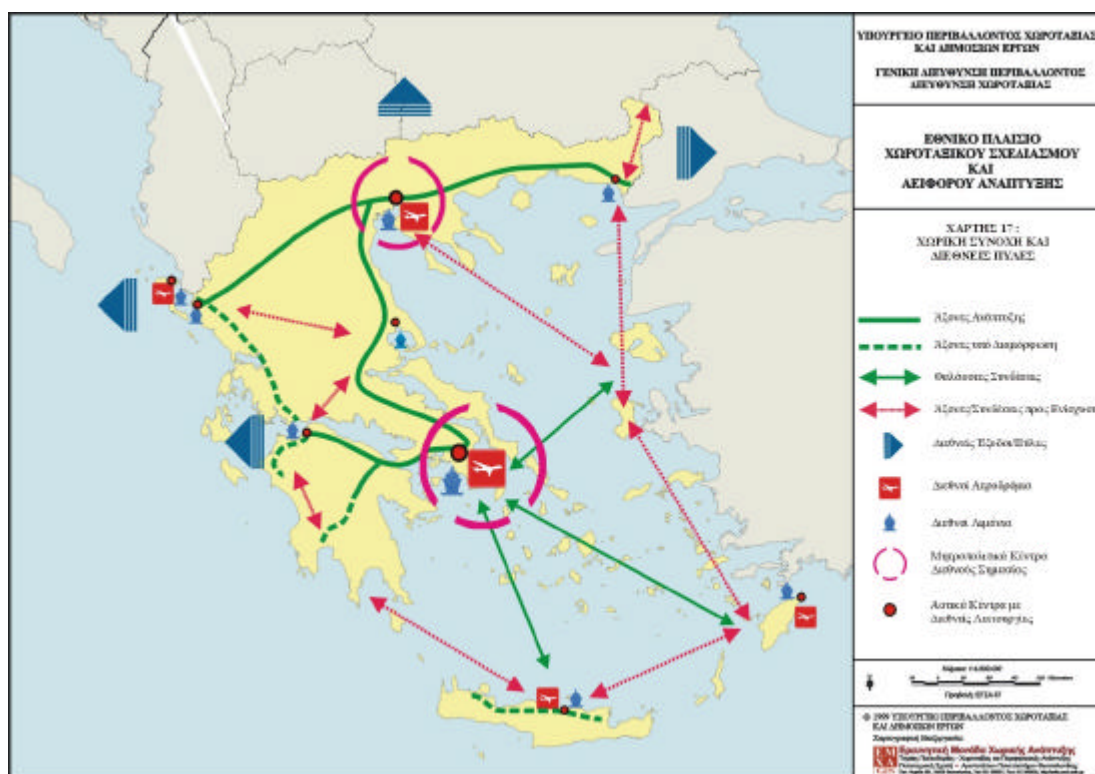
Urban Policy - Driving Forces



(Source: Nordregio 2002)

Starting with the issue of **strengthening competitiveness**, a recent credo in the field of spatial policies is that balanced development, i.e. utilisation of all parts of a territory, is an important factor for strengthening economic competitiveness. Balanced development is in turn often related to the idea of **polycentric development**. Indeed, this is reflected in a wide range of national urban policies, although wording and framing of this idea may differ. In countries following this aim, urban policy is also seen as policy focusing on the national urban system. A number of countries with strongly monocentric urban patterns make special provisions for their capital cities, normally the largest urban area, both in terms of its economic and social links with the rest of the country, but also in terms of its unique range of problems related to

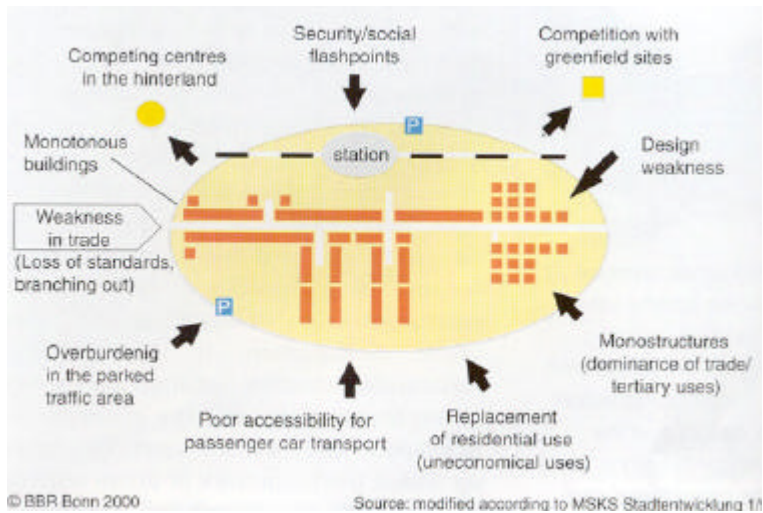
it. For instance in Spain, are the significant differences between large urban areas (Madrid and Barcelona) and the rest of the country considered an important policy issue. Also Finland is an example of this approach to urban policy.



(Source: Greece – Spatial Cohesion and International Gates)

Closely related to the aspect of national urban systems is the aspect of **functional urban regions**. Here, the focus is often on cities or functional urban regions as motors of economic growth. A wide range of European countries reflect this aspect in their urban policies. The idea of cities as centres of economic growth is framed differently in these countries, e.g. the Netherlands and Austria focus on international competitiveness whereas the Nordic countries take a more general approach seeing cities as motors for development. A similar approach can be seen in the UK focusing especially on building up economic clusters. A further aspect is question of international accessibility as precondition of economic growth. This is e.g. emphasised by Greece or the Netherlands. In addition to the clear cut approaches to functional urban regions or cities as economic centres also aspect such as industrial centres in change or in decline are an issue in urban policies, not at least in Belgium, Luxemburg and Greece. In terms of functional urban regions also aspects of networks between cities and town (Greece, Switzerland) and rural-urban partnership at regional level (UK, Sweden) are comprised under urban policies.

One aspect which is strongly related to the performance of functional urban regions, namely **distinctness and social aspects forming the identity** of such a region are not so often explicitly stressed in urban policies. To a certain extend these may be comprised under governance, empowerment and partnership principles put forward in urban policies. In this review, however, this aspect has only rarely been identified in urban policies. However, there are number of examples addressing the issue of identity, e.g. on of the tree general goals outlined in the Slovenian Spatial Development Concept is the preservation of the identity of spatial structure.



(Source: BBR 2000)

The fourth aspect of urban policies centres on **inner-urban areas and disparities within cities**. Not surprisingly this is the aspect stressed mostly in the various documents. Urban policy focusing on socio-economic aspects or urban quality of life can be found, e.g. France. This category of policy responses to urban affairs deals mainly with issues as unemployment, integration of minorities and asylum seekers in the urban society, as well as urban security. Increasingly, environmental and cultural (heritage) topics are entering this field as well. In more urbanised countries – e.g. Denmark, the Netherlands, Germany, Luxembourg, Finland and Sweden - the value of the environment rises and environmental policies point out the need for high standards for new infrastructure in urban areas. Any attempt to categorise features addressed in urban policies focusing on the situation within urban areas faces difficulties because of the broad variety of aspects and differences in formulating these aspects in the various countries. Anyway, it has been tried to set up a tentative list of such aspects:

On the one hand there are a number of countries addressing social cohesion at local level. This covers issues of segregation, social integration or **social cohesion at local level** (Austria, France, Greece, Italy) as well as more explicit aspects such as social infrastructure (the Netherlands) or pockets of deprivation (Belgium). Also aspects related to the housing are to be found here, such as need for housing (Ireland, UK), renewal and further development of large housing estate (Germany) or the need for competitiveness of the housing market (the Netherlands).

Strongly relate to the social aspects are aspects of strengthening **economic cohesion at local level**. In this spectrum the focus is on what has been formulated as “linking needs and opportunities – **ensuring that local communities are able to benefit from economic growth**” (UK). In the same line are policies addressing employment and training (Ireland, the Netherlands) or economic revitalisation (France).

Another large field of urban policies concentrates directly on the urban infrastructure and land-use management. Main features are **urban renewal or regeneration** (Ireland, UK), reactivation of inner-city brownfields (Germany), development of harbour and old industrial areas (Denmark), attractiveness of urban centres (Finland), sustainable restructuring of declining districts (the Netherlands) or quality of life in urban areas partly focusing on attractiveness and partly stressing the issue of safety (Denmark, Finland, the Netherlands, Switzerland).



(Source: Norwegian Ministry of the Environment 2002)

In addition aspects of **transportation** (Austria, Denmark, Finland, Greece, Ireland, Norway, Switzerland), especially as regards efficient urban transportation systems and environmentally friendly transportation solutions, and aspects addressing the environment and **sustainable development** (Denmark, Finland France, Greece, Norway, Portugal) are to be found in various countries. A more concrete example of an environmental approach to integrated urban development is the Portuguese Programme of Urban Rehabilitation and environmental improvement of cities (POLIS).

Furthermore, **sub-urbanisation** is an issue in a number of countries, especially Belgium and Ireland, as well as **decline in urban population** (Belgium) and attracting **private investors** (UK).

This illustrates the wide range of issues addressed by urban policies in European countries reaching from economic competitiveness to social cohesion at local level and urban regeneration projects. It has however, to be kept in mind that the issues here are just spotlights representing different aspects to considered when discussing urban areas. This is by far no concluding list and also the countries mentioned are just examples most issues are addressed by more countries.

1.3 European Level Issues

In addition to the urban policies at national level, there are also activities at European level addressing urban areas. Among these are e.g. Urban Framework for Action (UFA), the European Spatial Development Perspective (ESDP), the Urban Initiative, the Urban Audit, the Community Initiative Urban or the Structural Funds Guidelines.

Through these as well as a number of other activities at European level aspects shimmer through which are considered important when it comes to urban areas. Aspects stemming from the European debate can be roughly divided into four categories.

Coming very much from the debate on the European Spatial Development Perspective the issues of **balanced polycentric urban systems** is stressed. This involves also issues such as rural-urban relationships and the role of small and medium sized cities.

A related feature is **functional regions** as engines for development. Strengthening economic prosperity and development is not just an aim expressed in the Urban Framework for Action. Also other key documents discuss cities and functional regions as engines for economic development. Partly this is related to the question of accessibility or rural-urban partnership at regional level. The majority of documents focuses on development aspects, but to a certain extent also this is also addressed in terms of economic cohesion focusing on less favoured areas. This includes objective 1 and 2 areas as well as urban industrial areas.

A rather broad issue is related to urban development and **disparities within individual cities**. The aspects covered by this issue reach from environment and cultural heritage over social integration and regeneration of urban areas to transportation in urban areas. To a large extent the same variety of aspects is reflected as discussed earlier under the heading of inner-urban areas in national urban policies. As e.g. the URBAN II selection criteria for supporting urban areas reflect, there is a rather strong emphasis on cohesion perspectives when it comes to inner cities and disparities within cities. This stands in contrast to the aspects of polycentric development and function regions, discussed above, where economic competitiveness and growth are in the focus.

Criteria for supporting urban areas (URBAN II)

- High level of long-term unemployment
- Low level of economic activity
- High level of poverty and exclusion
- Specific need for conversion, due to local economic and social difficulties
- High number of immigrants, ethnic and minority groups or refugees
- Low level of education, significant skills deficiencies and high drop-out rates from school
- Precarious demographic trends
- Particular rundown environment

Finally, at European level the aspect of **governance and local empowerment** is stressed in various documents. Indeed, partnership and involvement of the urban population appear at European level to be worth more words than in many national documents.

However, in large the discussion of urban issues at European level confirms the set of issues identified at in the national documents.

A study conducted by the European Policies Research Centre (EPRC) and Nordregio investigated the inclusion of urban aspects in Structural Funds Programmes of the recent period. The focus was mainly on Objective 1 and 2 Programmes and the inclusion of aspects addressed in the Urban Framework for Action (UFA). This overall conclusion is that the policy aims put forward in the UFA are considered to varying extent in the programming documents. In Objective 1 programmes the inclusion of urban issues is in general rather low where as in Objective 2 programmes the policy aim on “strengthening economic prosperous and employment in towns and cities” and the aim on “protecting and improving the urban environment” show a certain predominance in relation to other urban issues addressed.

1.4 Focus for the study deriving from this review

Drawing on the various aspects highlighted in relation to urban areas, there derive various options for setting a focus for the continuation of this study.

Firstly it appears that balanced polycentric development is an overall issue one should consider in one way or the other. This can easily be related to an overall focus in urban areas

and their potentials for economic **competitiveness** respectively for acting as economic engines. Such an approach following a rather obvious economic **growth** paradigm could also include the issue of accessibility.

Secondly, among others stemming from the European cohesion policy, another important issue are aspects of **economic and social cohesion** in urban areas. This focus could address the question of urban areas in decline, urban revitalisation/regeneration and urban challenges related to disparities within cities in general.

Thirdly, there would be the option of a rather clear-cut **integrated urban development** approach, emphasising on inner-urban questions and developments. This approach would very much draw on aspects discussed under the heading of national urban policies centring on inner-urban areas and disparities within cities. Especially issues as urban renewal, transportation in urban areas and environment in urban areas would be on stake here.

Both the second and the third approach are easily to be connected with what might be considered as fourth approach aiming at **governance issues**. This approach would include issues in the fields of integration, public participation and empowerment.

Certainly, these approaches are not mutually exclusive and a combination of them will be needed. It seems however worthwhile spending some thought on the issue whether the focus tends rather on issues of economic growth and competitiveness or on social and economic cohesion or on what might be described as the “planners approach” focusing mainly on inner urban development in general.