



“The future of Europe for urban citizens”

Subject: Seminar notes from the 10th of December 2002
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The city of Malmö organised the seminar “The future of Europe for urban citizens” in the afternoon on the 10th of December in the European Parliament in co-operation with MEP Olle Schmidt and the group “Cities for Cohesion”.

The principal theme addressed was “A European regional policy with a strong urban dimension in an enlarged European Union”. After the European Commission “Cities for cohesion” conference in London 8th-9th of July this summer, more than 80 cities and decision makers signed up for an EU regional policy being more important than ever.

The first part of the seminar addressed the question **“Cities as growth engines in Europe”** – The future program of Europe’s urban policy and structural funds and included speeches from Director Mrs Elisabeth Helander in DG Regio, MEP Mrs Arlene McCarthy and the Mayor of Malmö Mr Ilmar Reepalu. The second part addressed the question **“Do we need an urban policy and the urban dimension on a European level and if so, how do we best implement an urban policy and urban dimension on a European Level”?** Speeches were made by Lord SMITH of Leigh, Leader of the Association of Greater Manchester Authorities and President Mr Jean-Paul HUCHON, Regional council of Île de France (prepared by) and read by Mrs Françoise Chotard director of the Île de France office in Brussels. Mayor of Malmö Ilmar Reepalu also gave a speech during the second part of the seminar.

Mr Reepalu started by underlining the importance of “Cities as growth engines”. *“But this only describes one part of the challenge which faces cities in Europe and in other parts of the world. The other part is connected to the burden of poverty-stricken districts, social exclusion, unemployment, segregation and extensive social costs. In my view it is important that the EU, our governments and the regional authorities address these two aspects of urban policy at the same time.”*

To be able to turn a negative trend in a region or to maintain a steady positive growth, it is vital to have a combination of a dynamic industrial sector, with a supporting service sector, and a vital community oriented university. This in combination with support actions from the EU is extremely important. Mr Reepalu said *“In this context the EU Interreg IIa programme (and the follow up Interreg IIIa) has been absolutely decisive for the activities mentioned above. By and large the programmes has been and are extremely important as being a kind of*

lubricate, which has made it possible to start a wide range of co-operative projects and initiatives. It is very essential that these money will be available in the future if EU really wants to support the continued integration process in cross-border regions and make it easier for cities in those regions to acts as growth engines.”

Further more, cities face a number of other problems such as those of segregation, social exclusion, unemployment and poverty. The work in the cities to tackle these problems has to be supported by the national government and the EU. Malmö have had a very positive co-operation with the EU via the URBAN program in the late nineties. Mr Reepalu ended his first speech by saying that *“It is my opinion that the EU, like in the URBAN Programme, which Malmö was part of in the first round, must continue to support the cities in their ambitions to solve the problems of segregation, social exclusion and poverty.”*

Mrs Helander, director at DG Regio, addressed the good experiences that have come out of the URBAN programme as well as the fact that it is consistent and addresses other EU policies such as sustainable development.

URBAN has tested flexible approach to zoning, whereby Member States select programme area subject to those areas meeting a number of agreed criteria. *“The approach of zoning deprived areas in Member States appears to have worked well, in that the Member States have for the most part selected the areas in a transparent and objective way and that the areas so selected include some of the most deprived urban neighbourhoods in the EU. There are obvious lessons here for the next round of Structural Fund programmes.”*

Mrs Helander also mentioned the new programme URBACT. This new innovative programme aims at the exchange of experience and will be an umbrella programme for several networks, studies and working groups transferring good practices and experiences.

After 2006, Mrs Helander stressed that the accession member states will participate fully in the Structural Funds regime. There is an emerging consensus on some of the main principles such as:

- *“no repatriation of regional policy*
- *continuation of Objective 1 for the poorest parts of the EU*
- *continuation of Structural Funds interventions outside Objective 1 areas, although concerning this point consensus is less certain”*

Mrs Helander also said *“The Commissioner favours Structural Funds interventions concerning for example cities also outside Objective 1, but needs support to achieve this. A possible new and probably rather fundamentally redesigned "Objective 2" might consist of a menu-driven approach incorporating some best practice from URBAN including:*

- ***integrated approach***, for 1) conditions for economic development and employment, 2) social exclusion and 3) physical and environmental regeneration
- ***focus on local partnership***
- ***flexible selection of areas*** by Member States in accordance with agreed criteria.”

This means in principle that Member States would be allocating resources on the basis of objective criteria to support this menu-driven approach. They would be able to choose one or more territorial themes (E.I. urban regeneration, industrial restructuring, areas of severe geographical handicap) and/or horizontal themes (technology and innovation, sustainable development, etc). The idea of tripartite contracts recommended in the White Paper on Governance could also be developed further. The third cohesion report that will be published by the end of 2003 will however include initial proposals for the post 2006 Structural Funds period.

MEP Mrs McCarthy started by saying that we, the cities and urban areas, need to make have a larger voice on these issues in Europe. 80% lives in towns and cities in Europe making Europe the most “urbanised place on earth”.

This being a reality we need to see the possibilities and the problems and what we need to target for the future. See of course the Copenhagen charter, problems with globalisation etc are clearly put forward in that paper, that’s why, Mrs McCarthy said, we need to focus on these issues.

In particular there are problems in urban areas such as social exclusion, environmental, transport issues. Europe plays an important role and needs to transfer best practice and know-how to solve these problems.

Generally, Mr McCarthy criticised the lack of co-ordination in Europe, not necessarily the fault of the European Commission but they, the other institutions and the Member States need to put more effort into co-ordinated actions with a new proactive agenda. I.e. a more coherent agenda on social issues.

Unemployment is another important urban fact which is difficult to tackle. Urban unemployment is above the unemployment average in the EU. Example the home constituency of Mrs McCarthy, Liverpool and Manchester, were some wards have an unemployment rate of more than 50%.

Cities and towns are in difficulties to target these problems with “stretched” budgets etc. **Structural funds need to focus on these issues.** EU funds are helping but not enough. The urban programme, urban pilot projects have assisted and helped focus on these problems. But we need partnerships, a creative citizenship, to find new solutions as well. There is probably not a shortage on EU policy but definitely on a coherent and structured agenda to target the problems in urban areas.

Cities need to be in the forefront in a more and more globalised and competitive world, Mrs McCarthy have set up some priorities (and is also pleased that Commissioner Barnier is addressing some of these points):

1. We need to commit ourselves and develop an urban policy in all fields’ with a better co-ordination of how they are run and goals are being met.
2. Recognise structural funds support to tackle problems and focus on regeneration etc.

3. We need a flexibility to assist regeneration around i.e. competition and state aid. The commission is often setting up to big an obstacles were the market has failed and these interventions work.

4. We need more funds but subsidies are not the only solution.

5. We need to look at opportunities such as information technologies and what that can do to help us. I.e. e-democracy and consultancy.

Mrs McCarthy finished by quoting a UK economist (part of the quote):

“Judge our civilisation by our cities, that is were people live, work, associate, love. Were politicians meet, business is being done etc. This is not to neglect rural areas, but the reality is that the future lies in the cities”

The speech made by **Lord SMITH of Leigh** had its origin from the paper produced by the “Cities for Cohesion” group and targets on 10 principal points.

The European Union’s Cohesion Policy is one of the clearest commitments of the EU to improving the lives of citizens throughout Europe. Over the years, the EU has made an enormous difference to some of the EU’s most deprived urban areas. It has also recognised that the urban area is key to the economic development of the region as a whole.

Some of these points are a Regional Policy for All. The EU’s regional policy should encompass all EU regions and acknowledge the role of urban areas. Regional policy must offer substantial support to the lagging regions of the EU as well as to growth regions. We support the view that for the most lagging regions the EU should be able to use Structural Funds and Cohesion Funds to assist with their development.

The Urban Question must be given full recognition: Though the key economic drivers of our regions, cities-regions suffer from the most profound and concentrated disparities. This is evident in many areas, such as, the environment, unemployment and social issues. A Europe committed to ‘economic and social cohesion’ must address the urban question.

Reforms to the CAP must be co-ordinated with the reform of regional policy and promote rural development. CAP absorbs almost 50% of the EU budget. The balance between support for rural development measures and the support for those living in our towns and cities must be redressed for the benefit of all.

There should be a strong integrative element to any future funds. Most EU programmes should have a strong networking element. This should be used as an instrument for the ‘lagging’, ‘conversion’ and ‘most economically successful’ regions to learn from each other’s best and good practices. Even if it is necessary to have sufficient funding or adequate funding to make a difference or the have an impact in terms of local and regional development, one should not focus entirely on funding itself. The future of the Structural funds and the cohesion policy is wider than merely a funding issue.

Simplification and Flexibility - The management of funds must be simplified. Account must be taken of the necessary auditing procedures which have to be defined at the Community level and made clear for operators. In addition, simplification also lies in the creation of a programme, which is straightforward and understandable. Regions need the flexibility to determine their development priorities and more flexibility in how they can deliver these priorities. The regulation must recognise the expertise of those working closest to Europe's citizens.

Mrs Chotard first excused **Mr Huchon** being enabled to come, and started to say that *"the European construction is reaching now a crucial stage for its citizens:*

- *on the one hand, the tremendous challenge of the enlargement - which will become a reality in early 2004, that is tomorrow - is a non-negligible cause for concern, and, as you may know, especially in France.*
- *on the other hand, the important issues under the spot lights of the Convention on the Future of Europe are less and less confined inside this assembly and are stimulating every day more debates and more discussions on our territories."*

Further more it was said by Mrs Chotard that *"we all know very well that there is, in Europe, a model for urban development, and for us, this urban Europe is the citizens' Europe! It is towards this Europe that the politicians, at **all levels**, must concentrate their efforts. Indeed, European urban cities and regions are not only areas of culture and life, of identities and growth, but also places suffering from acute social and environmental problems."*

Mrs Chotard also underlined the fact that Île de France has been eligible to objective 2 funding since 2000 and that there are also currently running various other Urban programmes. This proves that cities, even if they have a wealthy and prosperous growth product rate indeed need various support actions in terms of local and regional development to be able to tackle the problems faced by cities and metropolitan areas.

As the European Commission is stating in its Cohesion report:

"The urban question is at the heart of economic, social and territorial change. Cities are a key location for the pursuit of a strategy for cohesion and sustainable development."

Further more Mrs Chotard put forward some of the recommendations that has been made by AER:

- The overhaul of the cohesion policy must be based on a clear distinction of the competencies of each level of governance: EU, Member states, regions and towns and on a bottom-up and truly decentralised approach.

Regions, as partners of the Member states and of the EU, must be fully associated not only to the definition of the objectives but also to the others phases: from the programming to the allocation of the funds, the managing of the funds, the evaluations of the resources.

Finally Mrs Chotard underlined what Ken Livingston said during the conference on urban policy organised last July in London by the European Commission. He suggested to us, presidents of regions, mayors, responsible in Urban zones, to sign a declaration

claiming **the necessary recognition of the urban issue as a priority for the future regional policy in an enlarged Europe.** This has been signed today by more than 80 politicians.

Mr Reepalu ended the second part of the seminar by talking about the fact that Europe is going through an important and difficult democratic challenge. *“The Intergovernmental Conference in 2004 will attempt to create a Europe which is closer to its citizens; for this to be achieved, cities must be necessarily included in the process.”*

A majority of Europe’s citizens lives in cities and local and regional authorities are those institutions closest to the citizens, thus underlining what Mr Reepalu said above.

The URBAN programme, running in Malmö between 1996-1999 also proved to be a very important tool both in terms of addressing the problems some of the areas in Malmö were facing but also by being close to its citizens. Mr Reepalu said *“the most important feature of the URBAN initiative is the high degree of involvement of the local level – in contrast to most other EU-programmes”.*

What Malmö learned via the URBAN programme among many things was that exchanges such as those made possible by the Urban initiative is vital. The Urban programme proved to be a catalyst for growth in Malmö and that is surely the case in other cities in the EU as well. The European Commission should learn from these experiences and continue its work in line with these experiences as well as improving the tools being made available.

Mr Reepalu said *“the URBAN initiative should be seen as catalyst for growth”* thus when speaking about growth in deprived city areas we need to recognise the importance of these tools and make best use of them.

Of course cities work with national policies and programs as well and it is very important that they function together with European policies. In Sweden this is the Swedish metropolitan policy and its goals are:

To provide the foundations for sustainable growth in the metropolitan regions and thereby should the metropolitan policy be able to contribute to the creation of new employment opportunities in both the metropolitan regions and the country at large. And to stop social, ethnic and discriminating segregation in the metropolitan regions, and to work for equal and comparable living conditions and gender equality amongst the people living in the cities.

As you can see, this correlates with European policies as well and even if it is difficult to some extent to form a single European Urban policy Mr Reepalu ended his speech by saying that:

“Our common needs, could be described as twofold. Firstly we – the elected representatives closest to the citizens need to be included in the decision-making process. To involve cities is crucial should we ever manage to move Europe and its institutions closer to the citizens.

Secondly, we, the urban areas must be recognised as the engine for growth by the European Union as well as by the national governments. European Funding such as the URBAN community initiative and the URBACT must be supported and encouraged in order for cities to be able to combat poverty and social exclusion and taking the role to a full extent as centres of prosperity, creativity, culture, communication and innovation.”

Some of the most important key points made at the seminar:

1. A regional policy for all.
2. The urban question must be given full recognition.
3. Cities are growth engines but the other side of the coin is connected to the burden of poverty-stricken districts, social exclusion, unemployment, segregation and extensive social costs.
4. We need to commit ourselves and develop an urban policy in all fields' with a better co-ordination of how they are run and goals are being met. Networking should be an important part as well as program simplification and flexibility. The European institutions and the Member States need to put more effort into co-ordinated actions with a new proactive agenda.
5. The future programs seem to be heading in the direction of a menu-driven approach; Integrated approach, for 1) conditions for economic development and employment, 2) social exclusion and 3) physical and environmental regeneration
6. Focus on local partnership
7. Flexible selection of areas by Member States in accordance with agreed criteria
8. One should NOT forget the importance of programmes such as INTERREG and URBAN to be able to meet the above mentioned issues. The programmes have been and are extremely important as being a kind of lubricate, which has made it possible to start a wide range of co-operative projects and initiatives.
9. Both INTERREG for interregional co-operation and the URBAN Programme must continue to support the cities in their ambitions to solve the problems of segregation, social exclusion and poverty.