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## TRANSVERSAL ANALYSIS

### LARGE SCALE URBAN DEVELOPMENT PROJECTS: A CHALLENGE TO URBAN POLICY IN EUROPEAN CITIES

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#### 1. Globalisation, local development and wild-cat capitalism

##### 1.1. Entrepreneurial logic, market stalinism and the myth of the trickle-down.

Throughout Europe, cities and regions have launched on a path of competitive re-development by means of a variety of strategies, ranging from large-scale mega-developments and integrated action plans to community-based local reconversion efforts. These schemes are spread over the European urban and regional landscape, operating in a variety of regulatory, political and socio-economic contexts, welfare regimes and public policy frameworks and combine private and public initiatives and finances in a great diversity of institutional and organisational frameworks. However, they are comparable in the sense that they are inserted in and grapple with epochal global trends and attempt to re-assert their position in the new global economic competitive climate and its associated technological, cultural and social transformations. Each of these produces a series of profound mechanisms of exclusion/integration and, at the end of the day, it is such activities, which shape or moderate the process of polarization and exclusion itself.

Over the past two decades, State intervention has radically altered. Faced with mounting fiscal stress and growing expenditures associated with the built-up of increasingly demanding universal Welfare programmes, policy-makers were faced with the conundrum of re-invigorating economic dynamics while cutting down on the expenditure side. Different national institutional frameworks grappled with this infernal trade-off in different ways resulting in quite important structural differences between countries. Yet, the overall pattern has been characterised by a combination of the following set of processes:

- a) Diminishing direct intervention in the economic sphere itself (de-nationalisation of companies; privatisation; abandoning subsidy- or direct incentive led investment programmes and the like.
- b) Curtailing national welfare programmes
- c) Simplifying the regulatory environment in which companies and individuals operate
- d) Changing the geographical scale of governance downwards to local or regional forms of governance or upwards to supranational forms of governance.

These mixtures of policy-changes were legitimised by a call to restore competitive conditions which were considered to be the panacea for to remedy the ills and pains of persistent socio-economic restructuring. Governments of all stripes and colours inserted themselves squarely in pursuing aggressively a set of strategies that would create this market-led development environment. Ironically, it was the State at all relevant scales, in close collaboration or partnerships with different fractions of private capital or its interest groups, that was and is instrumental in re-defining the regulatory environment of its activities and to impose a development trajectory supported by a relatively small social basis. Popular consent was marshalled via a carefully maintained discourse of partnership, subsidiarity and trickle-down. It is argued that socio-economic benefits from market-liberalisation would gradually trickle-down to those most heavily affected by economic restructuring and gradually incorporate them into the new order which would guarantee equitable and sustainable economic growth. Partnerships between the private and the public sector, and subsidiarity -- that is the delegation of political responsibility to the spatially 'lowest' echelon -- are presented as the normatively attractive contemporary model of democratic control. In reality, they are in the first place models of co-funding or risk-bearing of private initiatives by the public sector.

In light of the reduction in national economic and social programmes, territorially-based interventions were among the few options open to the State to engage purposefully with socio-economic restructuring. In a context in which the socio-economic structure of big cities is rapidly undergoing structural reform, urban-based interventions became an important strategy to revamp the urban fabric in line with the competitive dynamic set-free by the above processes.

## 1.2. Large scale urban development projects: spearheading territorial re-development.

The last decade has witnessed the rise to hegemony of a particular mode of intervention centred around large scale urban development projects (UDPs). Although the origin of some date back to the high-days of State-led and Keynesian intervention, all have been redefined to come more in line with the dynamics that started to dominate the public sphere since the eighties. The UDPs are, therefore, emblematic examples of a series of processes that have infused strategic policy-making and economic restructuring dynamics, characterised by an attempt to re-invigorate the competitive status of urban economies through the imposition of a market-led strategy (reactive rather than pro-active) and legitimised by a carefully cultivated myth of expected positive trickle-down effects. Of course, the particular re-development trajectories chosen by individual cities were part and parcel of a particular scripting of the future city in an image that paralleled the rhetorical logic of entrepreneurialism and competitive action. Clearly, such processes interact in a variety of ways with the local communities in ways that are at time empowering, but often disempowering as well. These strategies are part and parcel of an emerging new mode of urban governance reflecting a substantial reappraisal of the form, functions and scope of urban policies. The outcome of this process is far from unified; rather, a variety of competing styles of planning and urban governance can be identified from the various case studies. And yet, cutting across quite distinct institutional and political settings there are also a series of common features that cut across all cases and provide the grounds for a number of processes that are visible in each of the chosen case-studies.

These UDPs have, indeed, become one of the most visible and ubiquitous urban revitalization strategies pursued by cities in search of economic growth and competitiveness. They are the material expression of a developmental logic that views mega-projects and place marketing as major leverages for generating future growth and for waging a competitive struggle to attract investment capital.

Particular urban projects become as such the embodiment of processes that operate in and over a variety of scales, from the local to the global. The urban project becomes the lens that permits casting light on i) how the global/local interplay is etched onto particular urban schemes; ii) how these projects, in turn, express the way global and local forces intersect in the construction of new socio-economic environments; iii) how social polarisation and exclusion/integration are shaped in and work through these forms of socio-spatial restructuring; iv) what the catalytic impact of the regulatory framework on polarisation and exclusion/integration is.

Urban restructuring in general, and Urban Development Projects in particular, are the pivot of contemporary global-local ('glocal') restructuring processes. These projects are each inevitably deeply embedded in local/national social, economic and institutional frameworks. Yet at the same time, they are eminently global in a double sense. On the one hand, they respond to changing global (economic, cultural, technological) environments, while, on the other hand, they themselves contribute to these very global transformations. In other words, these projects are not mere responses to global change or emanations of local conditions for the restructuring is wrought from and, in turn, shapes local *and* global processes. They are, therefore, both a consequence of and a key element in the formation of a new global economy. Large scale urban projects provide key insights in both the mechanisms of global-local integration and their consequences in terms of social polarisation and inclusion/exclusion mechanisms that operate in the wider society. In short, such projects seize and reflect urban restructuring processes in a synthetic way and, therefore, pave the way for the analysis of wider more general processes of social inclusion/exclusion as they become magnified at the scale of the urban.

The choice of large scale urban development projects is, then, motivated by the following arguments: (i) large urban projects interfere with different processes of exclusion and polarisation (job creation and destruction, distortion of housing market, financial mechanisms, citizen participation or denial thereof); (ii) they demand and exemplify different policy/strategy structures and measures, and illustrate varying views on how to deal with the general processes of polarisation and exclusion; (iii) they, nevertheless, make use of often comparable strategies (networking, 'place' marketing, information technology, public/private interface, etc.) and express a common preoccupation with re-asserting the competitive position of the place in a globalising world economy.

## 2. Restructuring of the local economy and the role of UDPs.

As argued above, local restructuring is not a mere micro-level footprint of global restructuring dynamics. Local socio-economic change must be analysed as a part of structural and institutional dynamics at various and intertwined spatial scales. Collective and individual agency play a significant part in the outcome of restructuring, both as protagonists of structural and institutional logic, and as institutional change-makers.

Within this restructuring process, economic dynamics play a major part. The local restructuring actions of the last 20 years can only be analysed against the backdrop of economic dynamics which have been more or less generally recognized as the dynamics of an economic crisis that is generally dated with the break-down of the Bretton Woods system in 1971 or the beginning of the oil crisis in 1973.

Since then, an extensive literature on macro- and meso-economic crisis and restructuring dynamics saw the day of light (Moulaert et al. 1999 forthcoming). Towards the end of the 1980s, however, the focus shifted away from 'crisis' to 'globalisation'. The latter implied, depending on the chosen perspective, either the need to surrender to the

market and productivity logic of global capitalism or stressed the importance of reinforcing public institutions at various spatial scales in an attempt to offer a solution for the (un)employment crisis.

**2.1. Revisiting macro and meso-economic dynamics**

Despite the shifts in focus in crisis analysis (from productivity to innovation crisis, from the crisis of national fordism to the challenges posed by global production and distribution systems, etc.), the macro - and meso-economic dynamics in the 1970s or 1980s were largely comparable:

- the ‘*productivity crisis*’, i.e. the insufficient transfer of value added from labour income to innovative productive investments and the lack of changes in the organization of the work process and in labour flexibility;
- the *decline of the manufacturing sector*, especially in the large-scale production systems in traditional industry (coal, iron and steel, shipyards, textile) but increasingly so in fordist manufacturing sectors (automobile, electrical and electronic engineering, mass consumption commodities of different type). This decline adopts many faces: massive plant closures and job displacements, spectacular rationalisations in the labour force, outward and offshore investment, etc..... At the world level, some sectors show an absolute decline both in output and employment; others subside to a re-organisation of their international division of labour combined with a slow output and a high labour productivity increase;
- the decline of the manufacturing sector, in absolute or relative, employment or output levels, needs to be qualified. Production systems based on SMEs and involving new industrial activities (high technology of various types) resist quite well to the ‘*manufacturing crisis*’ and create many new jobs. However, like in the traditional and fordist sectors, competition is ferocious;
- the tertiarization or the growth of the service sector, a process that became increasingly important after World War II with the growing role of the public sector and the non-market services, and received a new impetus with the economic crisis of the 1970s, when the need for producer and business services as instruments to solve the reorganisation and management problems started to grow spectacularly. Today, in most developed countries, services represent more than 70% of all jobs. And in metropolitan cities, this percentage is usually still higher;
- changes in the monetary and financial system, starting with the huge trade and financial deficits of the US, leading to the end of the Bretton Woods agreement in 1971, and resulting in a contemporary situation characterized by volatility in the money and capital markets, which means at the same time opportunities for financial windfall profits, and uncertainty in the credit markets;
- changes in the roles and policies of the State (see section 2.3);
- shifts in the distribution of income and wealth. Job losses, polarisation between highly skilled and poorly skilled labourers, increasing income from capital investment to the detriment of income from labour, polarisation in the unequal exchange between poor and rich countries, the reinvention of crude capitalism in Eastern Europe and Asia, etc. have deteriorated income and wealth inequalities at various spatial levels.

Most of the metropolises involved in this research - maybe with the exception of Greater London and Randstad Holland - suffered significant losses in manufacturing employment, but only in rare cases were these losses completely compensated by the rise in service jobs. In Berlin, Napoli and Birmingham, the imbalance is even quite dramatic, whereas in Copenhagen the decline of manufacturing which started in the early 1970s was never significantly offset by service development. Maybe this is partly due to the voluntary policy to decentralize public administration and services. Berlin is probably the most institutionally coloured labour market in our research: the ‘fall of the wall’ and the loss of the special statute, first as a security area, and later - after reunification -- as a special support area, exposed a large part of the long-time protected economy to global capitalist strategies, which caused the loss of hundreds of thousands of jobs in manufacturing. According to statistics for 1991, Athens, Lisbon (20%), but also Naples (24.4% of employment in 1991) remain strong manufacturing centers. The share of manufacturing increases as a more suburban definition of the metropolis is used.

**Figure 1 Employment trends in the larger metropolitan areas**

Variable	Population	Population	Total employment 1975 (% services)	Total employment 1990 (% services)	Percentage
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City	1975	1990			change in total employment 90/75
Athens					
Berlin		3,433,695		1,736,400 68.5%	
Bilbao	914,634	952,366 (1991)	124,943 (42,1)	171,788 (59,6) (1991)	-2,7%
Birmingham	1,006,527 (1981)	937,763 (1991)	458,630 (1981) 57.3%	427,569 (1991) 70.2%	-6.8%
Brussels	1,050,787	964,385	602,067	582,729	-3.3%
			75.1%	85.0%	
Copenhagen			879,979 1970	924,214 1996	+5.03%
Dublin	852,200 (1971)	1,058,200 (1996)	330,400 (1971) 61.2%	409,200 (1996) 77.5%	+23.8%
Lille	1,042,357	1,067,356	401,799 (1982)	391,798	-2.48%
			59.2%	69.8%	
Lisbon	1,831,925 (1970)	2,540,244 (1991)	721,740	1,113,549 (1991) 70%	+54.3%
			(1970) 58%		
London	6,696,200 (1981)	6,393,569 (1991)		3,752,000	
				84%	
Naples (city)			309,523 (1971) 56.3%	408,984 (1991)	+32.1%
				67.1%	
Naples (province)	2,709,929 (1971)	3,016,026 (1991)	714,584 (1971)	668,103 (1991)	-6.5%
			22.3%	51.5%	
Rotterdam					
Vienna	1,614,841 (1971)	1,539,848 (1991)	769,225 (1973) 62.3%	744,516 (1991) 75.2%	-3.2%

It is not the aim of this chapter to reproduce in detail all changes in the meso- and macro-economic dynamics of the last 25 years. We only do so to the extent that we need them to reproduce the relationships between economic and urban restructuring dynamics. In summary we can say that the rupture in the "output-productivity" cycle, the macro-economic desquilibria which resulted from or reinforced this rupture, have had a number of severe consequences for cities and their regions, not only in the economic but also in the social and political domain. Among the disequilibria we believe that the following are most significant:

- disequilibria in the labour markets;
- disequilibria in international trade and finance;
- overruling of traditional by new output markets;
- disequilibria in public finance.

The roots of these disequilibria have too easily been sought in labour cost inflation, lack of innovation and flexibility, etc. Human beings, individually or collectively, but especially human-being-without-capital were blamed to be too demanding and too inflexible in his (her) work attitudes and behaviour. We do not mean to analyse this culpabilisation process according to a personalist logic, but recognize the existence of a social process that is fueled by certain elite social circles, press or social science, the business 'analysis' and 'ideology' of unemployment, the critique of the role of the State as a protector of labour and social rights, etc.

At the meso-level, at the scales of the metropolises, the following conditions are of key importance:

- the reinforcement of the macro-economic disequilibria in the labour market by mismatches between skill demands and training levels and contents;

- the excess-supply of short run financial resources does not meet the needs of long run, often high risk investment;
- risk-avoiding capital (e.g. real estate speculative investment) does not serve the needs of risk-bearing enterprises with long run strategies;
- R&D activities with a high capital intensity are concentrated in those production activities with the highest productivity gains, still reinforcing the vicious relationship between productivity and growth, and growth and wellbeing.

These disequilibria are usually reinforced by the spatial fix of local production structures and settlement systems. Top skills are reproduced at the top tier cities (e.g. Paris instead of Lille, Milano instead of Naples), and high tech and advanced services investments which could generate a pool for these skills, tend to locate in first-level cities in the urban hierarchy. In this way, supply and demand of high skilled labour power is re-directed in the hierarchical flows of the urban system. Concentration of capital in capital intensive activities reduces the chances of capital allocation to more labour intensive activities. Given the low labour/capital ratio in the former, cities and regions compete for a critical mass of high tech, professional services, R&D outputs, so that they can reach an acceptable employment creation effect in these activities. Most of the UDPs in our research – perhaps with the exception of EXPO 1998 in Lisbon and the Olympic infrastructure in Athens - have these ambitions integrated in their development agenda, but fail to attain the high level content in terms of technology and services which was originally envisaged. Finally, the disequilibria in the various segments of the capital and money markets are only beneficial to the real estate sector in speculation-eager districts, and to the activities of the urban economies which are most involved in the international financial system (London, Randstad Holland,...). No ‘economic’ activity has disrupted urban regions to such an extent as real estate speculation.

## 2.2. Economic disequilibria and their spatial scales

These macro - and meso-disequilibria affect nations, regions and cities, communities and populations in a generic and in a specific way. Focusing on urban regions: they follow the historical paths of economic, social and political development, reflecting the relationship to the disequilibria expressed before. These paths can be characterized by the history of production activities, trade relations, labour markets, reproduction, governance and regulation dynamics.

When we write about the restructuring dynamics of the cities in our samples, we do so starting from what these urban regions experienced throughout their recent or more remote history.

There is no need to repeat all the individual cases examined in the URSPIC programme here. A large part of the decline in employment can be explained by the composition of the manufacturing and service structure, the position of the city in the wider spatial division of labour, the place in the corporate control structure and the banking system, the dynamics of the national and regulatory system.

As already pointed out when illustrating the disequilibria at the urban level in the previous section, a limited presence of advanced producer services or high technology manufacturing, more common retail and wholesale trade, a stronger presence of traditional steel and iron activities are significant ingredients of the story of decline and stagnation. They colour part of the general employment crisis in specific meso-economic and urban terms. They have a relevant explanatory power as to the restructuring problems of urban economies.

In Lille-Roubaix-Tourcoing, the destruction of textile manufacturing industry starting in the late 1960s, could not be completely offset by the expansion of textile-related and other trade activities, because of the lack of experience in engineering and consulting services. Over the period 1971-1991, Napoli had a relatively limited decline in manufacturing, and the construction and service sector compensated largely for the loss in manufacturing. However, the activity mix is considered as little innovative. The disappearance of heavy industry (especially iron and steel) and the loss of the manufacturing supremacy position in the Mezzogiorno, could not be counterbalanced by the rise of a system of medium and small companies, and of producer services. Rotterdam, as the one leading world harbour, and a dynamic service economy, decline of traditional manufacturing services was offset by the producer services revolution. For about 20 years, Vienna managed to compensate losses in traditional manufacturing and services, with employment in public services and, less significantly, in financial and legal services. But as of the 1990s employment went downward: new activities started a process of suburban and regional migration, or showed reluctant growth and aggressive productivity signals. Manufacturing in Dublin, both at the level of the city and the urban region, reduced its share by half (from about 25 to about 12% of total employment). But in the city this loss (-30,000 jobs) was not compensated by service development, while at the level of the urban region employment increased by almost one third.

Other case-studies show similar generic mechanisms, where sectoral restructuring reflects the strength of the

activity mix and the the suburban location of new activities.

However, the role of these socio-economic disequilibria should not be misunderstood. *First*, an urban region which scores high in successful 'generic' economic restructuring does not necessarily offer prosperity and full employment to all its citizens. This may be the case, but it is exceptional: an urban economy, free-riding on the waves of globalisation, is very often a socially polarised economy.

*Second*, these generic dynamics are only part of a dialectics, to which also belongs the interrogation on how the urban region deals with the generic dynamics. The history of inclusion of the urban region in the wider space economy, the role of the business community and culture, governance dynamics, the power positions vis-à-vis other localities, etc. play an important part here. Business and finance communities, leading individual entrepreneurs and financiers, the political class, civil society, and the way all these are involved in the larger scale dynamics of the systems in which they operate, form the other part of the explanation of the luck and fate of a metropolitan urban region. However, the relationship between these specific and those generic forces cannot be interpreted as a structure-agency relationship in the sense that Giddens ascribes to it: pro-active local communities and public authorities seldom control structural and institutional dynamics to the extent that they can mould them conform to the needs of their development agenda. As will be discussed in section 2.3., quite the contrary is true for agencies operating in the institutionalized logic of capital.

Although all case-areas have a strong *specific* crisis and restructuring content, Berlin is one of the most convincing specific examples. The Berlin economy is characterized by a two-fold structural change: on the one hand the end of the island status of West Berlin, which till recently drastically reduced its economic competitiveness, and the loss of the special subsidies, which for about 5 years artificially maintained the position of the Berlin economy; and on the other hand the privatisation of the East German industry which led to the winding up of companies and to mass dismissals (from 1990 to 1995, about 70% of the industrial jobs were cut in East-Berlin).

### 2.3. The role of the state

An important aspect of the overhauling of the human community by the rediscovered logic of capital - and how labour should readapt to the requirements of renewed competition and the division of labour - are the changes in the role of the State. The changes in the macro/micro-political role of the State are well-known:

- the entrepreneurial State: the State should play a more explicit role in preparing the legal and administrative environment for private business initiatives. Occasionally, the State can also play the role of the project-coordinator and warrant, especially when the risks for the private sector are too high. The role of the entrepreneurial State should be developed at the expense of that of the welfare or Keynesian State;
- the decentralized State: several of the new state functions, find more affinity with the region, the city, the district, than with the national State. Especially the entrepreneurial State comes best to its right at the local level;
- the managerial state: in its administration and operation, the state must apply managerial principles of efficacy and efficiency, communication and coordination;
- the responsible state: the State selects its roles according to its financial possibilities and according to political priorities;
- the securing state: the State guarantees security at the different spatial scales of society. At the urban level, it reinforces its police and urban gentrification role.

In an attempt to isolate the contemporary free-market and neo-liberal view on the State, we intentionally use a normative style: the 'new' State should do so and so, and must not pursue this or that... The way these changes have been posited is strongly ideological, evoking a deontology for the State that is exaggerated, certainly in comparison with norms applied for the private sector. It is suggested that the State must follow the example of the private sector, of private firms; as if the private sector is so 'efficient', witness the numerous business failures, the wasting of production equipment and sites (the private sector has a very low 'technical efficiency', because of its high turn over of equipment and urban sites which are reduced into respectively scrap and derelict land). The decentralized entrepreneurial State is defended as the summit of local state. But these and other aspects of the 'new' State are quite debatable from a functional and an efficiency point of view. What the above rhetoric boils down to is a justification of the role of the State in the new urban competition dynamics in general and the large scale UDPs in particular. In fact, (local) State involvement in UDPs can be analysed in terms of its role in re-enforcing interurban competition and as a leverage for urban land and real estate speculation. By becoming increasingly involved in this type of urban development policy (in the name of 'subsidiarity'), the local state fails to fulfill its democratic missions: to guarantee social and political equilibria

between the various constituencies living in the metropolis, to keep up physical and social infrastructure in all districts of the city, to provide social and income assistance to deprived groups in the urban population. Financial commitment to large scale UDPs may become so great (sometimes even using Pensionfunds to meet the investment needs) that the State's social protection role can no longer be guaranteed.

The State which becomes increasingly involved in large scale urban development strategies only exceptionally meets the criteria of a democratic state, seeking to treat the different population groups according to their political representation or according to the mechanisms of solidarity inherent to the democratic State. But, in addition, in most cases, the UDP entrepreneurial State does not even respect the 'new' criteria. The UDP local State is quite often an irresponsible State, involved in risky financial operations, directly or indirectly mortgaging part of city property and narrowing the financial flexibility of the public budget. Because of its commitment to UDP investment, the State becomes increasingly incapable of playing its entrepreneurial role in other areas - outside the 'up market' estate sector - of the urban economy. One increasingly gets the impression that the discourse about the entrepreneurial and decentralized State is a mere veil for the high-risk, little public control involvement of the local state in the real estate sector. Once again evidence is provided that the neo-liberal free-market discourse about the 'uninvolved' State is a wrong representation and a false normative view of the real role played by the State in the various circuits of capital.

#### 2.4. Local spatial dynamics

Production and control activities, labour markets, housing and recreation, infrastructure works, real estate developments, all adopt spatial trajectories and forms. They can all be represented on maps, on which their positions change gradually or more discontinuously, or even chaotically. These maps can be drawn at various spatial scales: international and national for capital and labour migration flows, firm locations and displacements, etc. The regional scale shows the relationships between the travel-to-work areas, the cities and their hinterlands, the technical links between localized production systems in the hinterlands and the control and service functions in the cities, etc. At the urban level, i.e. the level of the Metropolis, intra-urban spatial stocks and flows (including the destruction of stocks) provide us with the visualisation of the restructuring dynamics in all its economic, social and political dimensions. Intra-urban, center-suburb, center-center migrations and fixations reflect part of the local geography of the new social disciplining, the prophesized obedience to the logic of the market, reinforced by the State participating in the inter-urban competition in general and UDP strategies in particular:

- the knocking down of working-class neighborhoods to give room to UDPs, gentrification of quarters with various class labels (e.g. bourgeois families selling 'en bloc' to real estate promoters);
- the moving-out of social groups from one area to live and work in another;
- the role of abandoned manufacturing sites in land speculation, but also in separating 'good' from 'bad' areas;
- neighborhood struggles and movements to resist UDPs or acting to favour alternative or supplementary development strategies;
- reinforcement of real estate dynamics through neighborhood inequalities and competition, at the expense of the policy space of the local public authorities. The re-inforced - not re-invented - logic of capital can be followed in infrastructure projects, movements in population and economic activities, local public investments, etc. Land and real estate price gradients mapped on a grid of urban districts often provide an eclectic snapshot of these dynamics.

### 3. URBAN RENEWAL STRATEGIES IN THE CASE STUDIES

#### 3.1. The search for economic growth and competitive restructuring

As the marco-analysis of the national policy context in the subsequent chapters abundantly show, one of the key components of the new mode of socioeconomic regulation in cities has been a gradual shift away from distributive policies, welfare considerations and direct service provision towards more developmental approaches aimed at pursuing economic promotion and competitive restructuring. In most cities, urban revitalisation is presented as an opportunity to change sectoral hierarchies and functions within the urban region, creating new jobs and strengthening the city's position in the urban division of labor also. The search for growth turns, in this way, urban renewal into a mediated objective, a necessary precondition for economic regeneration.

Although this general trend takes quite distinct forms in different cities, generally, it has involved critical changes in priorities and the ascent of a more assertive, dynamic and entrepreneurial style of urban governance. Planners and local authorities are persuaded to adopt a more proactive and entrepreneurial approach aimed at identifying market opportunities and assisting private investors to take advantage of them. Gradually shifting away from regulatory means and procedures, urban policy has assumed more direct forms of support to private capital including the use of leverage funding, direct subsidies, public-private partnerships and the removal of regulatory constraints to make investments more attractive and secure private sector involvement in urban

revitalization.

### 3.2. State-led or State-based: urban entrepreneurialism versus socio-economic management

In contrast to discourses of market-led and entrepreneurial activity (risk taking, market-led investments), UDPs are decidedly and almost without exception state-led, often state-financed, and inscribed in a logic of urban governance. In a context of national de-regulation, shrinking or stable social redistributive policies and the outright exclusion of some groups at the national or EU level (for example, immigrants) and an often narrowing fiscal basis for local urban intervention, UDPs are marshalled as panaceas to fight polarisation and to re-invigorate the local economy and, most importantly – an explicit goal in many projects – improving the tax basis of the city via a socio-spatial re-organisation of the metropolitan space. In some cases (like Lille, Rotterdam, Brussels, Copenhagen or Birmingham), a mix of projects is presented. Irrespective of the efficacy of such mix, their objective is to obtain a higher social and economic return and to re-value prime urban land.

Urban re-development is considered to be a central strategy in re-equilibrating the problematic fiscal balance sheet of local government. Territorial policies, aimed at producing increasing rent income, altering the socio-economic tax basis and producing profitable economic activities, are among the few options available, particularly in a context in which the structure of fiscal revenues is changing rapidly. As the financial services sector and profit making via global speculative transactions drains major financial means and investments, they simultaneously escape government control and generate only very limited fiscal returns. In such context, the re-valuation of urban land remains one of the few means open to local governments to increase tax returns.

Despite the rhetoric of market led and privately covered investments, the State is still one of the leading actors in the process. Risks are taken by the state, on occasion shared with the private sector, but given the speculative, real-estate based nature of the projects, deficits are likely to occur. Well-known processes of socialisation of the cost and risk, and privatisation of the possible benefits can be identified. While in the past, such practices were legitimised by invoking the social return of the projects, they are now usually hidden behind a veil of creative accounting, the channelling of funds via quasi-governmental organisations and mixed private/public companies.

A common theme is that most of the projects are decidedly rent-extraction based. Other development projects do not necessarily alter the tax basis of the (local) state; territorial rents are the ones that are guaranteed to improve the tax basis of the city. The success of the projects rests fundamentally on 1) the production of potential extra rent and 2) the subsequent realisation of the produced land rent. The employment and economic activity generating consequences of the projects, however important they may be, are all subject to the successful realisation of the 'manufactured' land rent embodied in the new built environment. The public-private or public-public initiatives re-work the urban fabric such that the potential rent from new developments is significantly higher than existing rent levels. Sinking capital and investment into the production of a new built environment re-values (at least potentially) the monetary value of the land and the built environment; benefits which are invariable almost always reaped by the private sector. This is particularly noticeable in the cases of Dublin, Brussels, Bilbao, Berlin, Athens or Naples.

### 3.3. Institutional fragmentation and pluralistic governance

More often than not, the new system of governing urban revitalization involves the subordination of formal government structures to new institutions and agencies, often paralleled by a significant redistribution of policy making powers, competences and responsibilities. In the name of greater flexibility and efficiency these quasi-private highly autonomous organisations compete and often supplant local and regional authorities as protagonists and managers of urban renewal. Moreover, the fragmentation of agencies and the multiplicity of institutions, both formal and informal, are often shown to be a positive sign of institutional thickness and capacity building - a viewpoint that is at least debatable. In most of our case studies (see Berlin, London, Brussels, Lisbon, Bilbao) a complex range of public, semi-public and private actors compound an interactive system in which different views and interests are "negotiated". Public-private partnerships epitomise the ideal of such cooperative and coordinated mode of "pluralistic" governance.

In contrast to the mythical view of large UDPs as examples of market-led regeneration, our case studies reveal that the massive funds required by these emblematic operations almost always imply the need for strong public support and enormous leverage funding to stimulate the private sector property and land market. Nonetheless, in our case studies we find all variants of partnerships, ranging from, for example, public-private partnerships in the case of Lille, public-public partnerships in Bilbao and a private sector property-led strategy in the case of Brussels.

The emergence of a more fragmented and pluralistic mode of urban governance has also contributed to redefine

the roles played by local authorities. In particular, it has served to reinforce the tendency towards a more proactive approach, letting local authorities act simultaneously as enablers, partners and clients. At the same time, the new governance structures also express the outcomes of an ongoing renegotiation between the different levels of government: local, regional, central administration, regarding competencies and powers in the management of urban revitalisation.

### 3.4. Exclusionary policy making and democratic deficit

It has been repeatedly argued that these institutions are bunkered against popular participation and influence by local community groups and, indeed, against democratic control and accountability. The cases of London, Lisbon, Brussels or Bilbao reveal an extraordinary degree of autonomy and impermeability of the managing organisations. Often, this organic autonomy has helped to reinforce the tendency to steal a social and political debate over alternative paths and strategies. Criticism and discussion is preempted by a veil of secrecy and a highly selective leaking of information justified on the grounds of commercial confidentiality and technical impartiality. Indeed, a conspicuous feature of these large scale projects is the relatively low resistance and conflict they generate; except in the case of Dublin or Brussels, there is no major contestation, only civilized reactions, to the UDPs. Legitimacy, on the other hand, is constructed on the basis of a discourse of modernisation, competitiveness and economic growth and well-being. The role of local growth coalitions is in this sense critical in framing a discourse of renewal, innovation, achievement and success where local boosterism and city marketing are central elements.

### 3.5. From planning to projects

Large scale urban projects are often presented as project-focused market-led examples which have replaced statutory planning as the primary means of intervention in cities. Planning through projects has emerged as the main strategy to stimulate economic growth and to "organise innovation" (Berlin). Large scale projects and events are perceived as strategic instruments aiming at reshaping the city. Against the crisis of the comprehensive Plan, the large emblematic *Project* have emerged as a viable alternative combining the advantages of flexibility and targeted actions with a tremendous symbolic capacity. Essentially fragmented, this form of intervention goes hand in hand with an eclectic planning style where attention to design, detail, morphology and aesthetics is paramount. The emblematic Project captures a segment of the city and turns it into the symbol of the new restructured-revitalized metropolis cast with a powerful image of innovation, creativity and success. And yet, despite the rhetoric, the replacement of the Plan for the Project has not displaced planning from the urban arena. In fact, the case studies reveal that in most examples there is a strong strategic component and a significant role for planning in the UDPs. But, in the process, there has been a drastic reorganisation of the planning and urban policy making structures and the rise of new modes of intervention, planning goals, tools and institutions.

## 4. UDPs AND THEIR INTERACTION WITH THE LOCAL COMMUNITY: INTEGRATION AND EXCLUSION MECHANISMS

### 4.1. Visioning the city as an elite playing field.

The UDPs that are included in our study have a variety of characteristics, but their sheer dimensions elevate them to central icons in the scripting of the image of the future of the cities where they are located. Invariably, the main aspiration is to turn the city into a global competitive actor in the domain in which it feels it has some competitive advantage. Needless to say that the imagin(eer)ing of the city's future is directly articulated with the visions of those who are pivotal to the formulation, planning and implementation of the project. Consequently, these projects have been and often still are arenas that reflect profound power struggles and position taking of key economic, political, social or cultural elites that are instrumental in the urban arena. The scriptings of the project highlight and reflect the aspirations of a particular set of local, regional, national or sometimes also international actors that shape, through the exercise of socio-economic or political power, the development trajectories of each of the areas. In some Ups, international actors are remarkably absent or play a marginal role. In fact they occur in the privileged position of being able to compose their portfolio quite selectively. As such, the UDPs can be considered as 'elite playing fields', where the stake is to shape an urban future in line with the aspirations of the most powerful segment among the participants. Clearly, the association of coalitions of elite players changes over time and alliance formation and break-up redefine development trajectories in important ways. Struggles for inclusion in or exclusion from the elite circles becomes a pivotal element in shaping wider process of social integration or exclusion. Each of the case-studies narrates the socio-historical dynamics of shifting alliances in the choreography of social power struggles. These are, in conjunction with structural socio-economic changes, instrumental in shaping the fortunes of urban environments as they decide fundamental rights to housing, access to services, access to land and the like. Again, the role of the State, the system of governance and the position of the citizen vis-à-vis these institutional forms will be central in determining the mechanisms of inclusion/exclusion that are shaped by the new urban development trajectories. Yet, the underlying motive is to re-invigorate a successful accumulation strategy that revolves around the requirement to turn the projects into viable, that is profitable, economic ventures.

In what follows, the implications of this in terms of processes of inclusion/exclusion that have been identified in the case studies will be summarised.

#### **4.2. From a social to a territorial definition of development: targeting spaces rather than people.**

Almost all of the projects pay at least rhetorical attention to social issues associated with the planning and implementation of the project. The assumed trickle-down mechanisms, occasionally accompanied by targeted policies to facilitate social inclusion processes, are considered of sufficient strength to permit a socially balanced and successful development. However, in contrast to universalist and blanket support policies that characterised Keynesian and Welfare State interventionism, economic re-generation is now primarily achieved via territorially-based large-scale re-development schemes. While national funding and incentives are diminishing, private development capital (from local, national or global origin) is marshalled into territorially defined projects that will shape the new urban fabric in decisive ways. In addition, given the reduction in universal Welfare programmes (especially the checking of the levels of unemployment compensation) the 'territorial' approach or 'targeted' area approach has replaced universal support structures.

In sum, there has been a shift from universalist to spatially targeted and place focussed approaches in the 1990s. In the same way as in the 1980s the region was rediscovered as the territory of economic innovation, in the 1990s urban regeneration became the general strategy of economic development in metropolitan cities. Poverty and exclusion as well as re-development are socio-spatially located. Targeting policies/interventions to geographically circumscribed areas and to economically dynamic or promising activities is presented as a path to remedy socio-economic exclusion. UDPs insert themselves in a rationale of territorialisation of anti-poverty policies and of economic development initiatives. Rhetorical attention to social issues is marshalled to legitimise projects, while the underlying and sometimes explicit objective is different. The assumption of trickle-down, however, does not hold true in a context of absence of regulatory (labour market, financial markets) or re-distributional (social welfare; demand management systems) systems at the national or EU level. Moreover, the production system of UDPs is such that its backward and forward linkages - with the exception of construction properly speaking; and even this remains to be seen - reinforce inequality generating mechanisms: incomes for high level professionals and low level maintenance personnel, promotion of exquisite trade and business service activities, etc.

The targeting of spaces for 'development' permits re-casting the bodies of particular social groups as problematic, excluded, marginalised, non-integrated which can be re-incorporated through territorial policies rather than through socio-economic measures and political strategies. In sum, it is places that need to be integrated and not citizens; it is places that need re-development, not people that require jobs and income. Of course, the above is not a plea for dismissing community capacity building and local-level initiatives, but they need to be framed in more general redistributional policies at higher scale levels, i.e. the national state or the European Union.

There is, in consequence, a noticeable absence of notions of citizenship, of political participation, of justice, of rights and of emancipation. The economic logic is the dominant one to the detriment of most other considerations. This is combined with and re-enforced by an elite vision about the desirable urban development trajectory.

#### **4.3. Inter-urban competition for national or EU-Funds – A drain on resources.**

As most of the UDPs are nationally or EU (co-)funded, municipalities or other forms of local governance compete for targeted funding. In general, the concentration of public investments in these large-scale project locations involves redistributing resources away from other uses and areas. The benefits of renewal are not evenly distributed among the neighbourhoods and social groups. In addition, funds are allocated on a project formulation basis and not on the basis of social needs are on the basis of considerations of fostering the social economy. The competitive tendering process, either explicitly or implicitly, by national or international organizations favours projects that have a sound institutional and organisational basis capable of engaging in the complex task of project formulation, lobbying, negotiation, and implementation. This requires not only a set of sophisticated skills, but also significant financial resources as well as easy access to the centers of power. All of this is usually not available to the weaker social groups and areas in the city, who are subsequently falling behind and are dependent on ad hoc measures imposed from above. This is particularly striking in the cases of Birmingham, London, Bilbao or Athens.

Moreover, given the need to foster alliances between often rival economic and political groups to create the necessary 'hegemony of vision' to successfully compete for state support, the development activities are often masked in a web of secrecy and hidden behind a screen of commercial confidentiality. This sometimes involves the siphoning off of funds, which should have been dedicated to other purposes as the case of Birmingham illustrates.

As such, many of the projects exemplify changing forms of urban governance. In a context of more targeted interventions and reduced universal support, which is increasingly organised and conducted by and through

elite coalition formation, public resources are drained from universal programs to targeted territorial projects geared at supporting a particular social configuration; a process that itself harbours exclusionary mechanisms. The misty organisational structures in Brussels, the exclusive elite coalitions of Birmingham, the shifting alliances in Copenhagen or Naples all illustrate the variety of processes through which this takes place.

#### 4.4. Demonising Cities/Idealising Cities? The role of the elites in imag(en)ing the competitive city.

The narrative shift from 'poverty' to 'poor', and from 'dominating and subordinated classes' to 'the excluded' or 'underclass', individualises the problematic of social inequality. Its individual roots (alcoholism, bankruptcy, drug addiction, mental disability, etc.) are highlighted at the cost of more structural causes. As such, it becomes a politically safer concept: causes of poverty or exclusion have to be found within the individual characteristics of the poor, the excluded or the underclass, rather than in in-built inequalities in the organisation of society. One does no longer have to question the degree of justice in our society in order to address the problem of 'the poor'. This narrative change easily fits into right-wing ideologies and can legitimize downsized welfare programs that are targeted to the 'truly disadvantaged', i.e. those who can no longer rely upon someone or something, after close scrutiny of their life trajectory. To speak of 'new poor' distinguishes them from the 'old poor' and downplays continuities in economic deprivation. This allows to reform social policies in a conservative direction, first, by restricting the new poverty to a highly differentiated set of individuals with multiple handicaps, which makes it easier to target policies to the most disadvantaged categories and then, through stigmatisation, reduce even this limited support. It lends itself to the promotion of a charity society, where it suffices to donate certain sums of money to 'the unlucky' while leaving society's unequal distribution of wealth unquestioned. This includes the demise of universal insurance schemes.

Many of the fashionable new terms like 'exclusion' or 'new poverty' are drawn from recent contributions to analysis of poverty, which attempted to render the study of exclusion processes more dynamic. These dynamics analyses contrast sharply with the causal explanations of poverty which inspired social welfare policy in the 1960s. Of course, the uncritical adoption of these new concepts and stripped from their theoretical underpinnings, provides a typical example of how political discourse not only hollows out quality research on poverty, but also contributes to a particular categorisation of poor to serve a certain ideological agenda.

Significant sections of capital, now more mobile than ever before and therefore able to desert places and people at will, have become indifferent to the well-being of the city, so that the once fruitful coalition between capital and bourgeois reformism has disappeared. While locally-embedded capital has an interest in promoting the well-being of the city, mobile capital is much more oblivious to the development position of any particular place. The disembedding of some forms of capital, consequently, threatens to break to link between investment prospects and local socio-economic conditions.

The appearance of the urban poor does no longer really matter, as long as the poor do not concentrate in particular places to such an extent that they become a 'nuisance', as long as they do not beg 'aggressively', or as long as they do not systematically occupy park benches (several cities have installed 'homeless-proof' benches which can only be used to sit on – see for example Davis, 1990). In line with this is Mingione's (1996) observation that there has been an important narrative shift from a focus on 'poverty', i.e. conditions under which poverty can occur, to a focus on 'the poor', i.e. the rupture of citizenship through life histories affecting people negatively. This narrative shift does not entail that the causes and consequences of urban poverty have changed dramatically, but, through the reconceptualisation of the poor as mere victims of their own unfortunate social trajectories, the bourgeoisie opens up the possibility to cut themselves off from addressing the poverty problem in a structural manner.

Nevertheless, in spite of humble attempts to do something about the most deteriorated neighbourhoods in various European cities, the majority of urban regeneration initiatives revolves around attracting the rich to the city, either to live in upgraded urban quarters with their fashionable condominiums and lofts, or else to spend their money in cleaned up, festivalised and culturalised city centres. The consequence of this sort of urban planning is that successful urban regeneration and further urban deterioration are existing side by side, which leads to socio-spatial polarisation. The contribution of urban planning to polarisation is in sharp contrast with planning objectives that are inscribed in most of the official urban policy documents of our case-study cities.

There is a long tradition of course of viewing the city as a dystopian hot-bed of society's pains and ills, from the disease-ridden cesspools of 19<sup>th</sup> century reformers to the drug, crime and violence infected urban centres of late 20<sup>th</sup> century representations of the city. Of course, notwithstanding the serious problems of many cities, the dystopian character is part and parcel of what makes cities potentially vibrant, dynamic, tolerant, colourful, inclusive and variegated. It permits the expression of desires, identities, cultures, activities not easily possible in other spatial settings. Elite-fostered imagineering of future urban spaces systematically skirts around this 'dystopian' character by projecting an image of a healthy, wholesome, inclusive, sanitised and economically sound environment; an image that usually caters to the suburban, middle-class, white-skinned and white-collar, sanitised images of dominant socio-economic and cultural groups. As such, even in the sphere of the imaginings of the future of the city, less powerful groups remain excluded, not just from the functioning of the

city itself, but already from the moment the future of the city becomes imagined.

In sum, the discourse of urban development as well as the rhetoric associated with identifying urban problems are already socially biased and are an integral part of processes of exclusion and polarisation.

#### **4.5. Authoritarian management, exclusion and client formation.**

The new systems of urban governance, the quasi-governmental institutional framework based upon forging synergies between the public sector and the elite fractions of civil society also justify the adoption of discretionary and authoritarian forms of management, which open channels for forms of clientelism. Thus, the way the process develops creates the conditions for the establishment of centralised, and discretionary forms of management, which privileges direct appointments. The role of lobbies, family ties, business connections and forms of clientelism become, therefore, dominant.

The integration of project developers and investors in the decision-making procedures is one possibility of using external resources like know-how and management knowledge to facilitate policy-making. The question is how the interaction within the urban regime can be democratically controlled and how the fragmented projects can be coordinated. The risks of bypassing the openness of planning procedures are great.

These forms of coalition-formation at the level of project formulation and implementation accentuates a growing gap between actual governance and civil society, intensifies processes of political exclusion and promotes a dualised society in terms of a coalition of public/private interests on the one hand and a growing group of disenfranchised on the other.

#### **4.6. The Dynamics of growth machines and networks of power**

While the above suggests that growth machines, elite coalitions and networks of power are centrally important in shaping development trajectories, it is evident from our case-studies that different growth machines are associated with different interests and lead to different mechanisms of inclusion/exclusion. Yet, the "coalitions" of public and semi-public actors invariably produce an exclusive group involved in a common discourse on the progress of the project, which is not open to the public. Important decisions and arrangements are made in steering groups, board of directors of operating companies and are often kept secret. Outsiders are usually not tolerated. There is, at best, only a highly formalized form of public participation. It re-enforces elite formation while preventing new elites to emerge or consolidate their power. Particularly, emerging elites from hitherto marginalised groups are sidelined (for example, immigrant entrepreneurs, immigrant leaders, groups of unemployed, women organisations, environmental lobbies and the like). These coalitions create a public discourse on the importance of the project, define it as a particular milestone in the shaping of the future of the city and are presented as indispensable to a competitive inter-urban position.

The term public-private partnership leaves aside important societal groups like political associations of the citizenry. The role of citizens is indeed marginal.

The reactions of the local state to exogenous and endogenous pressures are manifested in the establishment of these new forms of urban governance (public-private-partnerships, development co-operations, new administrative structures and new political forums) that circumvent, by-pass, ignore or marginalise certain social groups. Ironically, the state itself is often instrumental in shaping and organizing such exclusive growth coalitions and in providing the extra-ordinary regulatory environment in which they can operate outside a system of public accountability. In some case, such growth-coalitions reproduce or re-enforce existing, but threatened, corporatist forms of governance. Informal networks of a relatively small number of persons, occupying key positions in the administrations, in business or in architecture form a new field of power. In the tendering of large-scale projects these networks are of crucial importance. Needless to say, the projects are therefore closely associated with the interests of the particular coalition sets (and their clients); they are usually self-referential, closed circles that consolidate their power while preventing access to others

#### **4.7. UDPs, speculation and the production of land rent.**

The city territory functions as a physical means for speculation and as an opportunity to extract from the State further resources in terms of public investment for infrastructures and buildings. Most of the project's development costs are, therefore, supposed to be met from the sale or renting of land/buildings; rents whose value has been jacked up through State support, re-regulation or funding.

This means that it became financially very interesting for real estate developers to concentrate on developing

projects for the more well to do customers, both for housing as well as for businesses. In fact, urban revitalisation is predicated upon closing existing 'rent gaps' by means of the production of a new built environment that is, at least potentially, capable of generating high income. The uncertainty, and hence intrinsically speculative character of the production of new land rent, points at the State as the preferred interlocutor to carry the financial risks associated with such real-estate based urban restructuring. Whether successful or not, the dependence of rent returns for the feasibility of UDPs invariably targets high-income segments of the population or potentially high-productivity based economic activities. This does not contribute to alleviating the process of social segmentation and exclusion and often leads to the creation of islands of wealth in an impoverished environment, resulting in the city becoming a patchwork of socio-economically highly diversified and mutually exclusive areas.

Moreover, given the real-estate based nature of these projects, the funding provided by the various scales of governance becomes, through private rent appropriation, transferred to the private sector. There is, consequently, a flow of capital from the public to the private sector via the built environment, often without a mediation by means of socially targeted policies or instruments.

#### **4.8. The restructuring of work: labour markets out of joint.**

Given the often radically new socio-economic functions associated with UDPs – in an effort to align the urban socio-economic fabric with the expected conditions in a new international competitive environment – there is inevitably a process of transfer and of dislocation of jobs taking place. Spatial labour markets become out of joint or are mismatched. Targeted labour market policies might remedy some of these disjunctures, but the sheer size of the labour market restructuring often implies prolonged stress on the labour market combined with painful processes of adaptation and an often growing separation between remaining local communities and the incoming new workforce. This separation is often accentuated through now generalised processes of de-regulation of labour markets. This leads to a double-edged dualisation of labour markets. Both in the construction phase of projects and in their effects. Increasingly dualised labour markets are seen, with a group of highly paid and educated executives on the one hand, and a large group of less secure -- often informal -- workers on the other. In addition, the dualisation is further re-enforced as a result of the spatial mismatch between labour markets as alluded to above.

The structural restructuring of labour markets, which is facilitated by national de-regulation of labour market rules and other changes in the national regulatory frameworks, becomes cemented in and expressed by the socio-economic composition of the UDPs. The inclusion of the existing labour pool proves difficult or impossible, while retraining and targeted labour market entry policies tend not to be very successful, despite the prolonged support for such programmes.

#### **4.9. Souci-spatial reorganisation of the city and urban island formation: the city as a patchwork**

UDPs produce urban islands, a patchwork of discrete spaces with increasingly sharp boundaries (gated and surveilled business, leisure or living community spaces). This is re-enforced through a combination of physical, social, and cultural boundary formation processes. The overall result is the rise of the fragmented city, which accompanies the re-organisation of the socio-spatial fabric of the urban agglomeration. In some cases, it takes the form of suburbanisation of poverty, while internal differentiation accentuates socio-spatial differentiation in the city. This leads to increasing socio-spatial polarisation, which at times takes outspoken racialised forms

### **5. Alternative strategies for urban revitalisation**

For the most part, the primacy of large scale urban development projects is followed by a very limited role for alternative socio-economic development approaches. And, where these alternative strategies are present, they are inadequately linked or quite bluntly unrelated. The urban policy split between spatially-focused projects and socioeconomic initiatives is a common strand in most of the case studies. Nonetheless, several of the case studies reveal a combination of initiatives and programs alongside the UDPs which attempt to tackle directly socioeconomic problems.

Attempts to reach the urban policy gap between spatial-oriented and socioeconomic strategies are particularly visible in the case of Copenhagen where a national action programme for social renewal in deprived urban areas was launched in the early 90s based on principles of area based action and local participation. A part of the programme was to fund multidimensional and partnership based action against socio-cultural disintegration at district level. Yet, as the case concludes, the policy responsiveness vis a vis problems of social exclusion and disempowerment is (despite the universal schemes of social protection and services) fragmented and strictly divided between socio-cultural responses at district and district and neighbourhood level and those at the city/regional level. Linkages between the two are still to be achieved.

In Rotterdam, the municipality developed several programs to address the impact of economic recession in the city. These programs, such as the economic policy project "New Rotterdam" and the social policy driven "Social Renewal of Rotterdam", aimed at economic revitalisation, urban regeneration and social renewal. They involved a variety of initiatives which focused, on the one hand, in attempting to broaden the city's socioeconomic base while, at the same time, tackling unemployment and social exclusion.

In Lille, it is possible to identify two approaches to urban policy. A social logic relating to the neighborhoods and populations with difficulties has been developed throughout the 1980s and 1990s. Lille launched pilot initiatives aiming at socio-economic integration via the Plan Local d'Insertion (1989) and the creation of the Comités de Bassin d'Emploi (1985). But Euralille reflects the economic logic of **urban development** centered around the notion of urban marketing and oriented towards the prosperity of the middle classes and the well-to-do groups.

In some cases such as Birmingham, the City Council Housing Department has been a main proponent of participatory development in the approaches in the city. Yet, while their activities include setting up and supporting various service related groups few resources seem to be allocated to any form of alternative socioeconomic renewal schemes. In others, like Vienna, the creation of the Integration Funds to facilitate migrants insertion in the community can also fall into this category.

It is obvious that civil society when supporting the new "local" State and its UDP logic, cedes to the fatality of giving up the "social city". A number of political and social actions must be put forward to counter the UDP local state, to encapsulate, supplement or replace it. Some suggestions have been summarised above. The next phase of the project will, among others, identify the contours of a policy framework targeted towards the "social city".

All case-studies, despite their variety, highlight the downside of an UDP-based strategy and implicitly advocate a different way of approaching the city. In what follows, the dynamics of the large-scale development projects will be examined for each of the case-study cities. The remarkable consistency and comparability that shines through the analysis suggests that comparative analysis is valuable as a tool to identify common processes and as a means to elucidate some of the structural dynamics at work in contemporary urban re-structuring processes. In addition, the problems associated with such trajectories are easily identifiable and provide a platform for the formulation of alternative policy instruments.

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