

Synthesis of baseline studies in the disadvantaged neighbourhoods theme

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Introduction to disadvantaged neighbourhoods theme

The work being done in the pole on disadvantaged neighbourhoods is mostly focused around two projects: CONET and REGGOV. Both have a strong emphasis on exploring the 'integrated approach', which is perhaps more strongly developed in this theme than in any other URBACT field. There are also strong links with the work being done in the Active Inclusion theme, which focuses on combating worklessness in specific groups.

In an urban context, the integrated approach was first used to describe an area-based model targeting disadvantaged regeneration areas of cities, which went beyond physical infrastructure improvements and included measures for business development, social inclusion and human capital alongside physical regeneration. This approach sought to challenge the 'property led' regeneration model that had become paramount in the late 80s in which the focus was on physical infrastructure rather than on the people of the neighbourhood or area.

In the sectoral approach, interventions were made through separate programmes or priorities in transport, housing, business premises, SME support, innovation, environment, inward investment and human development often controlled by a different department or ministry and there is frequently lack of coordination in space and time. REGGOV argues that relations between regions and cities have become decisive for successful development, implementation and funding of integrated urban development policies.

At EU level, the non-integration has been institutionalised through the continued operation of separate funds for social and regional development by the ERDF and ESF, which since 2007 are delivered in separate programmes. This is further complicated in rural areas and on the rural urban fringe¹ by overlapping responsibilities of the funds. There were experiments with integrated operational programmes before first reform of the Structural Funds in 1989. In the Objectives 1, 2 and 5b programmes that followed the reform, varying degrees of integration were seen. In some regions, integrated priorities had been written that contained linked ESF and ERDF measures. Merseyside Objective 1 and some urban centred Objective 2 programmes took this form of integration to the limit of what was then possible, especially in Merseyside's Pathways to Integration approach. URBAN was able to build on this experience and create small-scale integrated approaches targeting areas and neighbourhoods of cities.

Cities are faced with bringing together disparate policies emanating from EU, national and regional levels. It all has to be delivered at the local level in a way that enables the challenges in disadvantaged areas to be tackled.

Analysis of baseline studies focusing on disadvantaged neighbourhoods

¹ The European Agricultural Fund for Rural Development (EAFRD (formerly part of EAGGF) for rural development

The REGGOV baseline study

REGGOV titled their State of the Art: 'Good governance in integrated neighbourhood development'. This title indicates the challenge that the integrated approach poses for development and situates it as a challenge of governance.

The baseline study starts by describing how urban policies are now being mainstreamed within the programmes rather than dealt with by separate URBAN programmes as happened in the previous two funding periods from 1994 through until 2006. This is the first challenge facing the Member States and regions as they now look for ways to support urban regeneration from within programmes that are organised with reference to urban issues. REGGOV identifies the 'leading principles are working in partnership and the design and implementation of integrated development and regeneration strategies'.

For REGGOV the challenge of integrated urban regeneration is about how to combine the promotion of competitiveness and social inclusion in a way that enhances the quality of the natural and physical environment and the living conditions of Europe's citizens. They single out the physical renovation of city centres and public spaces including renovation of derelict buildings and Brownfield land. These are linked to environmentally sustainable public transport systems.

Urban regeneration has gone through 'waves' of change since the reconstruction efforts after the second world war. In the early days slum clearance meant comprehensive demolition of old areas and the construction of entirely new zones often containing nothing but housing. The 70s saw a recognition that there was value in these older places, both physically and socially. In contrast, many of the new build housing schemes started to be seen as recipes for disaster based on pre-fabrication and system building techniques that enabled rapid construction but failed to reproduce the communities that had existed in the city slums. The worst aspect was the production of large tracts of social housing either in the inner city or in huge outer estates with no accompanying economic development besides a few shops. The failure to integrate economic opportunities and especially small scale artisanal work into the outer estates was to lead to high levels of worklessness when factory work ceased to employ so many manual workers from the 1980s onwards.

The next wave valued the social capital of these areas more and started to go beyond physical construction to working on how to rebuild local economies and create jobs for local people.

In the section on 'core elements of integrated urban regeneration strategies' REGGOV goes beyond the economic, social and physical aspects and adds in a focus on environmental, cultural development and demographic change.

REGGOV identifies that governance is a core for all integrated urban regeneration. Working in partnership has become an imperative, not just because public funds are constrained but also because no single organisation has the know-how to do everything. The study refers to entrepreneurial know-how from the private sector and local know-how from the community. In this there are a series of steps, as if on a ladder, from public private partnership through to comprehensive local partnerships. REGGOV emphasises that the partnership has to work

for all of its participants. There are preconditions for success, including bringing in partners right from the start, developing comprehensive common goals and objectives and making reliable agreements between all partners.

REGGOV differentiates between vertical and horizontal cooperation. Vertical cooperation involves the partnership between different levels of government from the neighbourhood up to the European Union and taking in city, regional and national levels. This cooperation is something that needs to be explored within URBACT II and developed in the context of the management of the operational programmes for ESF and ERDF.

The special challenge of integrated development of multiply deprived neighbourhoods focuses on the problem of social polarisation and the build up of economic, environmental and social problems in the neighbourhoods. Although the problems are experienced at their deepest within neighbourhoods they actually reflect much wider structural problems of the city and conurbation and not all problems can be solved at the level of the neighbourhood. This is apparent when thinking of dense urban traffic in deprived communities, which is mostly generated by other parts of the conurbation. Similarly the economic opportunity to regenerate the neighbourhood can only partly be created within its borders. It means that to solve endemic problems systematic links need to be established between deprived urban areas and regional and citywide growth areas. In this way competitiveness and cohesion can be linked with growth being used to foster inclusion. This linking of neighbourhoods to their regions was a key theme of the Pilot Fast Track Network URBAMECO. Increasingly deprived urban areas are also perceived as interesting areas for private investment. This is important for the new member states to note as up to now only wealthier and green-field areas have been seen as ripe for investment and deprived areas have been left to the public sector. Much of this debate mirrors the ideas around 'economic inclusion' the use of economic tools to foster social inclusion that have been developed in the UK by regional development agencies amongst others.

The Dutch experience suggests that what is needed is a simultaneous and systematic combination of citywide strategies, area based strategies and target group oriented strategies around active inclusion. These last two are frequently conflated resulting in many poor families missing out from policy initiatives because they do not live in target areas.

Finally there is value in creating networks between programme areas to speeding up exchange and learning at the Member State level. In some countries there has been corresponding capacity-building activity in the shape of training for the actors and internet platforms – such as that for the UK's Innovation and Development Agency IdeA², which works with local government on a wide range of policy issues and is collaborating with NESTA in developing a social innovation lab. At EU level these are supported by a number of transnational networks such as Quartiers en crise, Eurocities, the German Austrian network and and by URBACT itself.

Many of the ideas developed by URBAMECO and by REGGOV have been heavily influenced by the work of Claude Jacquier. One of the key ideas that Jacquier brings to the

² See website <http://www.idea.gov.uk/idk/core/page.do?pageId=9505863>

debate is the role of the disadvantaged neighbourhoods as recycling zones for the city and its people. The neighbourhoods act as part of an escalator (of both inclusion and exclusion) whereby people and places are transformed into a new state. In the case of the people this can result in them moving out and into more salubrious neighbourhoods. The place may act as the crucible for the emergence of new sectors – some recent examples include cultural industries, the financial sector and science poles, parks and cities. The best exposition of Jacquier's ideas is in a 2005 paper he did for OECD³.

Similar ideas were developed by Jan Franken and Burgers who included some of the same team.⁴ They focused on the ingredients for developing successful urban development plans based on a nine-country study. Their focus is on the integrated approach to urban development.

Should policy concentrate on deprived neighbourhoods or deprived people? Initiatives in areas and initiatives for areas

Murray Stewart in a conference paper given in Copenhagen in 2001 elucidated the issues about area-based approaches⁵ and specifically on whether they are about people or areas and whether they are initiatives in areas or initiatives for areas.

'There is a continuing dilemma as to whether Area Based Initiatives are about people or areas. The evidence as to geographical concentration of deprivation seems inconclusive. Most deprived people do not live in spatially concentrated areas. Nevertheless many do, and the work of the social exclusion supports a conclusion about the existence of neighbourhood-based concentrations of exclusion⁶. However, whilst spatial concentration may compound exclusion and disadvantage the evidence about policy impact is mixed; programmes targeted on the most disadvantaged seem to work best when focussed on specific groups – older people, people with disabilities⁷.

'There is thus an important distinction to be made between initiatives in areas and initiatives for areas. There are Area Based Initiatives, which are nationally conceived and address problems of low income and deprivation and happen to impact on people in

³ CAN DISTRESSED URBAN AREAS BECOME POLES OF GROWTH ? CLAUDE JACQUIER, CNRS
www.oecd.org/dataoecd/53/40/35565524.pdf

⁴ How To Make A Successful Urban Development Programme: Experiences From Nine European Countries Jack Burgers & Jan Vranken (eds.) With the co-operation of Maurice Blanc, Pascal De Decker, Karien Dekker, Thea Dukes, Jürgen Friedrichs, Carola Hommerich, Claude Jacquier, Ronald van Kempen, Hans Kristensen, Giampaolo Nuvolati & Iván Tosics.

⁵ <http://www.sbi.dk/aura/workshops/murraystewart.htm>

⁶ Social exclusion unit 2001

⁷ See lawless 2001

particular places. Generalised fiscal policies and universal social security benefits are the obvious cases. By supporting people in need, and to the extent that some/many of these people are concentrated in specific places, areas benefit – more income circulating with some spent locally, more material consumption in households some improving the quality of community as well as family life. ‘

‘There remains therefore the broad if over simplified distinction to be made between policies and programmes which aim to assist people wherever they live (universalist policies), those which aim to assist people in particular disadvantaged areas (targeted policies which by coincidence assist area regeneration), and those which aim specifically to assist places (and hopefully the people in those places). Area-based policy is certainly about the third of these categories, and probably about the second, but the question remains as to whether area improvement is an end in itself or whether it is a means to an end.’

The reverse of the question that Murray Stewart raises is whether the notion of an area based policy concentrated on ‘deprived areas’ is always talking about the same space. The focus of physical housing renewal is often strictly delimited because these housing blocks were built at a particular time, to a specific design and have worn out or become socially unsustainable at the same point. When, in an integrated approach we decide to make steps to address social and economic factors on the estate it quickly becomes evident that the spatial scale at which the labour market operates goes well beyond that of the estate. It is no longer possible to reduce unemployment or combat worklessness at the level of one housing estate because the demand conditions and the jobs they generate go well beyond this small area. This difference in spatial levels between different policy fields that policy makers are attempting to integrate is a central problem for area based approaches, neighbourhood regeneration and integrated urban development plans. The UK’s sub national review of economic development and regeneration⁸ is an interesting attempt to find the most appropriate level for different parts of the economic development and employment system. It resulted in a considerable de-centralisation of economic powers to elected city based local authorities.

⁸ http://www.hm-treasury.gov.uk/d/subnational_econ_review170707.pdf

The CONET baseline study

CONET is exploring current approaches to strengthen social cohesion in neighbourhoods. In response to the challenge of increased social segregation and polarisation, even and sometimes especially in rich European cities - in spite of the fact that a lot has been done to improve sustainable living conditions in deprived areas and to better the chances of the inhabitants. The aim is to exchange both area-based⁹ and integrated approaches¹⁰ to local development in deprived areas, which strengthen communities and neighbourhoods, improve education and build the economy and employment. CONET takes an analysis, which is more social and focused within the neighbourhood rather than addressing the role of the neighbourhood within the wider economy.

The CONET baseline study examines long-term processes of social and urban change, and explores the multidimensional aspects of poverty. CONET point out that despite years of work on social cohesion everyone is still learning. They explore the evolution of policy from its original focus on material aspects of poverty towards social inclusion, which implies a two way process in which society has to open up to the excluded but also the excluded must become active in their own inclusion.

In the new approaches, people are not the objects of care or policy and projects. They should be considered as actors – capable of managing and acting in their own right. The approach becomes one focused on doing things with communities not to or for them. However, to do this the communities need appropriate support. CONET make the connection between an integrated approach and a new urban governance.

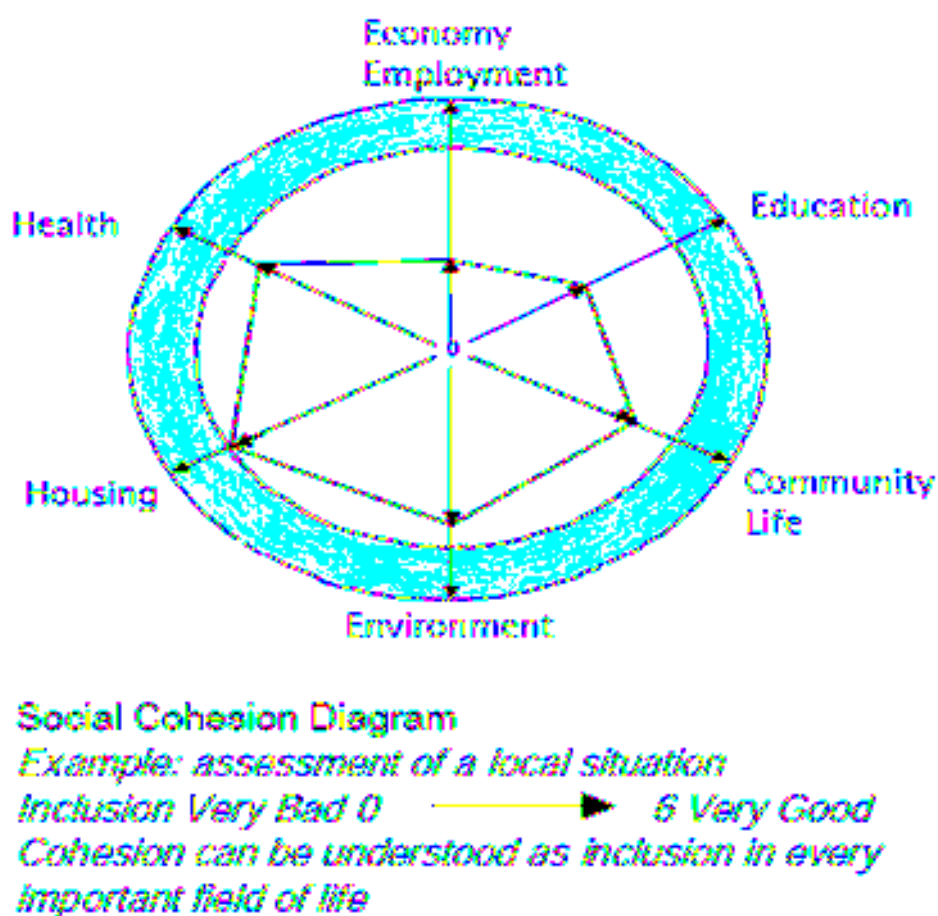
‘To achieve integrated approaches that are necessary because of the multi –faceted aspects of social inclusion there must be a concerted effort to break down barriers between departments – the so-called silo effect, and between professions. Governance implies a process of steering and decision-making and the processes by which decisions are implemented. It includes both formal and informal structures and actors. However, governance is also a buzzword, more used in the Anglo Saxon and French worlds than in other EU languages. Participation and empowerment play a key role in this new governance. It can be seen in efforts to encourage service users to co-design services, in communities participating in the planning process and in the way that citizens in many fields are taking a direct role in solving their own problems. The internet has become a facilitator in this process.

Figure 1 below illustrates the six dimensions that CONET has identified to explore the domain of social exclusion at the neighbourhood level.

⁹ Area based approaches are those that focus on a specific space which can be a few streets, a neighbourhood or a wider regeneration area

¹⁰ Integrated approaches are those that bring together a number of policy strands to solve inter connected problems such as those making up social exclusion

Figure 1 : The Dimensions of social exclusion and cohesion



CONET has used its baseline study to explore how the integrated approach combines with the new urban governance to combat problems at the neighbourhood level.

It goes on to explore the European experience from the URBAN pilot projects through the two rounds of the URBAN Community Initiative. In a useful round up of EU experience, it explores the role that pioneers of urban policy for disadvantaged neighbourhoods have played in developing the state of the art. Particular attention is focused on the French, UK and Dutch experience. We have summarised this experience in a separate document [\[hyperlink\]](#)

The baseline study goes on to examine the experience of the other Member States that contain cities that participate in the CONET project including Belgium Italy, Spain Sweden and Germany from the EU 15 and Poland, Bulgaria and Romania from the A12 countries.

Figure 2: Key players at the neighbourhood level (source CONET)



For CONET, the quality of good governance is illustrated in Table 3 below. They emphasise consensus, participation, equitable and inclusive, the rule of law, transparency, accountability, efficiency and effectiveness and responsiveness. It would be possible to devise a scorecard method of assessing each of these dimensions at the urban level. The problem for governance is that with increasing fragmentation of institutions and levels there is not just one governance being delivered by one local government level but a panoply of governance that is inter-agency, multi level and cross-sectoral. These issues are developed more within the metropolitan governance theme.

Table 3: Key characteristics of good governance



Characteristics of good governance,
Unescap 2008: What is good governance?

JESSICA 4 CITIES is exploring how cities can make the most from Urban Development Funds aimed at financing integrated plans for sustainable urban development. Each city in the working group is developing strategies and integrated plans for sustainable urban development, which will contain projects that are capable of being funded by JESSICA type instruments (that are developed at regional level). They are working on a two-way bridge, on the one hand to determine how in practice European cities can draw the maximum benefit from Urban Development Funds supported through JESSICA and on the other hand, how the implementation of JESSICA can be structured having regard to existing Structural Fund regulations to best accommodate the needs of cities. The project has the close involvement of the EIB.

The area of integrating finance goes wider than the use of new public and private partnerships, which is the focus of the work in Jessica 4 Cities. One of the key questions at city level is how can the city recover its investment costs from other levels of governance that achieve savings as a result of local actions. Cities such as Sodertalje in Sweden have used socio economic reporting¹¹ to explore how savings achieved by one department (for example in employment activation) can be used to invest in solving the problem at a more fundamental level. This is easier to do when all funding is devolved to the local authority level and much more complex when there is multi level governance. Finding new ways to pool finance across levels of government so that returns accrue to those services that have made critical interventions is a major challenge to public sector finance models that are built on a cost model rather than a investment and savings model. As public expenditure tightens because of the credit crunch and its impact on deficits there will be a need for much greater innovation in public finances so that resources are channelled to meet needs. Cities have a major role to play in this process and integrating finance could well develop into a theme in its own right or as a sub theme of the metropolitan governance cloud.

The Jessica 4 Cities baseline study explains the workings of the JESSICA initiative and has been developed with the expert guidance of the EIB's JESSICA task force.

¹¹ Social economic reporting is a similar approach to Social Return on Investment (SROI) developed in the United States by the Roberts Foundation and further developed by New Economics Foundation in UK

Analysis of project Sub themes in Disadvantaged neighbourhoods

REG GOV has organised its work into four clusters

- New forms of regional co-operation in integrated neighbourhood development (or regeneration)
- The involvement of private sector and community representatives in efficient governance models for the regeneration of deprived urban neighbourhoods
- Integration of ROMA-population into the social, cultural and economic life of their cities
- The development of citywide Monitoring Systems for the development in urban neighbourhoods

Each cluster is hosted by one city and will produce a thematic output. It follows that only a selection of cities participates in the cluster activity. Broader themes are covered in three thematic meetings in which all cities participate. Partners in the REGGOV network are concentrating on these cross-sectoral forms of integration and how to promote these at regional Managing Authority level.

CONET has a different approach to sub themes, which instead focus on five sub themes that cover the social, the physical and the economic issues in neighbourhood work

- Habitation and surroundings
- Social and cultural mutuality
- Kids and youth
- Public space
- Local economy

Jessica 4 Cities has a more narrow focus on financial and legal aspects for developing public private partnership.

Analysis of the sub themes proposed by the projects in table 2 below reveals that there is very little overlap between Jessica 4 Cities, REGGOV and CONET. There is a possibility that JESSICA 4 CITIES will play a role in the Metropolitan Governance theme in which there is a stronger focus on public private partnership and organising finance.

There is also a strong connection with the theme of active inclusion. Efforts to revitalise disadvantaged neighbourhoods frequently face the conundrum of whether to adopt place

based strategies or people based approaches. In a genuinely integrated approach, both are tackled in an integrated way. Failure to do this can lead to unbalanced regeneration. If the approach is totally place based there is a risk that the original population will not capture benefits arising from physical regeneration. This was the case with the so-called property led regeneration of the 1980s in England with the extreme example of London Docklands epitomising the tendency.

A focus on developing people without adequate efforts to improve places can lead to high levels of out migration from the neighbourhoods as living standards rise among formerly disadvantaged populations. This has been the 'natural' tendency in many cities and is particularly visible among migrant communities that over two or more generations often relocate to leafier suburbs, or trendier neighbourhoods as their living standards rise. It can promote instability and 'sieving' or residualisation in poor neighbourhoods particularly when these are mono tenure and dominated by social housing and poorer and more excluded minority groups. Most contemporary regeneration efforts in disadvantaged neighbourhoods try to focus on balancing efforts targeted on people such as active inclusion approaches and those targeted on place making. However, there are limits to what is achievable in a free society and in the long run people will make their own choices about where to live based on housing quality and affordability, schooling and access to work as well as other 'lifestyle' factors.

Area based and neighbourhood based approaches have been a significant area of study in urban policy, urban planning and urban sociology. The theme on urban disadvantaged neighbourhoods will aim to reference some of this literature including works by key authors in the field including Castells, Krugman, Parkinson, Stewart and Jacquier.

Table 4 below shows potential areas of connection between sub themes identified by the projects CONET, REGGOV and JESSICA 4 CITIES. The highest levels of connection are shown by the Xs on the table with three representing a core theme, two a high level of association and one a lower level.

Table 4 Analysis of project sub themes in disadvantaged neighbourhoods

		ACTIVE AGE	BHC	CITY REG- IONS NET	Co-net	JOINING FORCES	J 4 CITIES	MILE	MY GEN	REG GOV	SUITE
CONET	Habitation and surroundings	x	x		xxx						x
	Social and cultural mutuality		x		xxx						
	Kids and youth		x		xxx				xx	x	
	Public space		x		xxx					x	x
	Local economy			x	xxx			xx			
4REGGOV	Integrated approach to local development		x	x	*	x	x	x		xxx	x
	Local development				x			x		xxx	x
	Integration and inclusion	xx	x		Xx	x		xx	xx	xxx	
	Working with Managing authorities	x	x	x	x	x	x	x	x	xxx	x
JESSICA CITIES	Legal structures for PPP			x			xxx				
	Financial structures for PPP			xx			xxx			x	x
	Integrated Urban development plans			xx	**	x	xxx			xx	xx