

DILEMMAS OF INTEGRATED AREA-BASED URBAN RENEWAL PROGRAMMES

‘Hot Topic’ article for URBACT II

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Abstract

The ‘new generation’ of integrated area-based urban renewal programs aim at improving deprived areas through complex and interlinked multi-sectoral interventions. Compared to earlier approaches, where physical interventions played the leading role, social and economic aspects are now afforded more equal importance.

The paper will explore two sensitive dilemmas of such area-based programmes. The importance of these questions increases with the level of deprivation of the selected areas.

The first dilemma concerns the social composition of the residents in the area. According to the ‘social mix’ approach the most deprived areas can not be improved with long-lasting results unless the local social structure can be changed, i.e. making it more mixed by replacing a part of the low status residents with new, higher status ones.

The second dilemma concerns the question of whether there is a value of area-based interventions at all. There are views which suggest that the problems of the most deprived areas can not be solved within these areas. Instead, horizontal interventions are needed (reduce poverty, increase the level of education, etc.) and also physical interventions should address larger territories.

The two dilemmas are subject of heavy debate, pro and con arguments are raised in growing numbers. The article aims to provide an overview on these debates, making also an attempt to explore the relationship between the two dilemmas.

The topic is of interest for NODUS, both regarding the selection of deprived areas and the decision as to what the content of interventions in these areas should be. Alongside NODUS other URBACT programmes are also dealing with deprived areas, and are therefore equally implicated in the discussion of the two dilemmas.

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Dilemmas of integrated area-based urban renewal programmes

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Introduction

Urban renewal policies underwent significant changes in Europe in the last decades. With strong simplifications the following periods can be distinguished:

- 1970s: extensive physical interventions, ‘rough urban renewal’
- 1980s: efforts to keep the original population in place with ‘gentle urban renewal’
- 1990s: combining physical, economic and social interventions, ‘integrated urban renewal’

The last decade brought heated debates about the understanding of the problems of deteriorated neighbourhoods and about the potential methods to handle these problems. Earlier it was a common understanding that the problems of deteriorated neighbourhoods are caused by the bad physical characteristics of the places and the disadvantageous composition of the residents. Claude Jacquier (see e.g. Jacquier, 2008) was one of the first to call attention to the role of the crisis of local institutions and their incapacity to regulate the interactions between place (environment), people (social) and institutions (economic and political). According to Jacquier an integrated programme for sustainable urban development has to manage and improve the interactions between all the three components, in order to give a chance for the deprived areas to become ‘normal’ part of the settlement pattern. From this statement it follows that deteriorated neighbourhoods need complex interventions which have to cover not only physical and social issues but the whole range of government and governance issues.

Thus the ‘new generation’ of integrated area-based urban renewal programs aim at improving deprived areas through complex and interlinked multi-sectoral interventions. Behind this common understanding, however, there are two sensitive dilemmas, which are heavily debated.

1. Should interventions be targeted to deprived areas or not?

One of the dilemmas of integrated urban renewal is about the rationale and value of area-based interventions at all. The supporters of area-based interventions argue (Vranken-De Decker-Van Nieuwenhuyze, 2003:61) that although general anti-poverty programmes are essential, direct interventions into the most deprived neighbourhoods are of basic importance. Such interventions are needed to correct market failures (the capital avoids problematic neighbourhoods) and to empower the residents, improving their access to mainstream job opportunities and other institutions of the society.

There are many different versions of area-based policies. The most usual is determined by a top-down mixture of different types of (physical, economic, social) interventions. Another type, gaining ground in the 2000s, is marked by attempts to increase the participation of local residents. One of the best known example of this second type is the Neighbourhood Fund in Berlin.

Since 1999 Berlin introduced the system of Neighbourhood Funds. On the basis of objective indicators the worst neighbourhoods of the city are selected. Each of these get access to a given amount of money. The decision, what to do with this money, has to be taken by the residents. In practice a jury is established in each of these neighbourhoods, with at least 51% of the members selected randomly from the local residents. Ideas, collected from the residents, are then judged by the jury which takes the final decision.

There are, however, strong views which doubt the potentials of area based policies from wider societal perspectives. Such territorially targeted approaches simply displace problems between different neighbourhoods and do not add to the overall economic and social well-being of the city as a whole – “they are the equivalent of rearranging the deck chairs of the Titanic...”. This is the more true as - the causes of the problems and the potential solutions - lie outside the excluded areas.” (Vranken-De Decker-Van Nieuwenhuyze, 2003:62) According to this view the problems of the most deprived areas can not be solved within these areas. Instead, horizontal interventions are needed (reduce poverty, increase the level of education, etc.) and also the physical interventions should address larger territorial areas.

Vranken (2008) raises further problems with area-based interventions.

“Selecting only areas with the most severe problems might imply that areas that are only slightly better off do not receive any attention at all. Second, area-based policies may move problems from one area to another. Third, by focusing only on a few neighbourhoods or districts, the potential of other parts of the city or the metropolitan area may be ignored. Finally, area-based policies may just be chosen because of their better visibility – which is a strong argument for politicians – and not because they are more appropriate.”

As alternative to area-based interventions, horizontal policies are mentioned. These should take the form of public interventions for the whole urban area, either universally accessible or targeted on the basis of individual characteristics (not through selection of areas).

Some selective examples on such horizontal policies are the following.

- a) to give equal opportunities to everyone in education through schools which are of equal quality everywhere (example: Finnish educational system)
- b) to enhance the skills of residents in order to improve their chances of finding a job (example: Birmingham city council organized training for poor residents to maximise their chances of being employed in a new shopping centre)
- c) to improve the access to information (example: East Manchester, where the municipality ensured the access to internet for everyone)
- d) to improve transport to enable residents of poorer areas to reach opportunities existing in other areas (example: Docklands light rail system).

In the debate about area-based initiatives one of the views is that area-based initiatives are only good when the major problem of an area is the physical structure – if employment or the people are the cause of problems, interventions should not be based on the area. This statement, however, can be weakened by examples on horizontal policies which quite often do not ‘reach’ the most marginalized groups of the society – those living in the most deprived areas.

Needless to say, the dilemma about the rationale of area-based interventions is not conclusive, neither of the opposing views is universally accepted and all the opposing arguments raised in the debate are true to a given extent (for each of the arguments it is possible to find concrete cases which ‘prove’ the validity of the argument).

2. How to deal with the one-sided social structure of deprived areas?

The other dilemma relates to the social composition of the residents in deprived areas. According to the recently very fashionable 'social mix' approach the most deprived areas can not be improved with long-lasting results unless a change in the local social structure can be realised, i.e. making them more mixed by replacing a part of the low status residents with new, higher status ones.

The original version of this idea aimed to achieve a better mix of different housing categories in poor neighbourhoods, with the hope that a supply of new good quality housing will attract new affluent households, leading to better social mix of local residents. In a later version of this policy the aim has been modified „... social mix can at least offer the opportunity to successful households to stay in the neighbourhood. This means that they will not have to run up the downward escalator and leave the neighbourhood.” (Vranken-De Decker-Van Nieuwenhuyze, 2003:61) The continuing presence of successful households in deprived neighbourhoods is important to show positive career-routes to the future generation.

The growing popularity of social mix policies can also be interpreted as reaching the limits of integrated interventions in particularly deprived neighbourhoods: according to Kahrik (2006) „The lack of social capital in existing populations was a constraint on empowerment strategies which could be addressed by social diversity strategies ...”

The practice of the social mix strategy can be shown in the example of the Dutch urban renewal programmes. In the selected deprived neighbourhoods some of the cheap dwellings are demolished, and replaced by more comfortable dwellings offered to successful local households, i.e. not only for families from outside the neighbourhood.

The evaluation of such policies (e.g. the Dutch Big City Policy), however, showed ambiguous results. According to Musterd-Ostendorf (2008:83) “... the idea of attracting the better-off to settle in disadvantaged neighbourhoods appeared not to work”, partly because a long period of time is needed until real communication develops between the different social strata living in the same neighbourhood.

Social mix ideas, if not applied carefully and in combination with other public interventions, might develop in sharp contradiction with the social goals of housing policy. A recent case for this can be traced in the four largest Dutch cities.

These cities apply urban regeneration through the demolition of some of the worst housing stock with cheap public units and the creation of high-value new owner occupied housing. The aim is to increase social mix through the creation of housing mix which might attract middle and higher income people back to the city, into the new high quality housing built in the previously poor neighbourhoods. For this policy there is an investment budget of 1.4 billion euros given by the national government with additional resources from urban authorities and housing corporations for the period 2005-2009. However, these cities are criticized by analysts: by attracting higher-income residents through positioning their urban areas in the competition of the VINEX locations (large scale new developments outside their territory) their real aim is to increase their tax base, which leads at the same time to unacceptable social consequences.

Similar arguments are raised by Glynn (2008), who calls the social-mix oriented city-centre regeneration as 'sugar-coat' language for gentrification.

The outcomes of social mix strategies are rarely surveyed with empirical analysis. Such an analysis – still unpublished – was mentioned in a presentation given by Galster (2009). The empirical analysis of the outcomes of social mix policies faces a lot of problems. The first is the definition of ‘disadvantaged’ – this has clearly to be operationalized in different forms in different countries (income, race, tenure...). Also the concept of ‘social mix’ has to be defined carefully, referring to composition (on what basis), concentration (what is the amount of mixing needed), scale (building ... metropolitan level).

According to Galster there are grounds for social mix both on equity and on efficiency criteria. These can be surveyed through analysing the outcomes of policies, regarding the question, who is going to win: 1) the disadvantaged, 2) the advantaged, 3) the society (which means both but not necessarily equally). The evaluation criteria of the effects of social mix policies can be the following:

- Equity criteria: to what extent is the first group the winner (improving in absolute sense the well being of the disadvantaged)
- Efficiency criteria: to what extent is the third group the winner, i.e. positive sum outcomes for the society (aggregation of disadvantaged + advantaged), taking both intra and extra neighbourhood effects into account

Galster emphasized that social mix policies might only be efficient within given circumstances: if the share of disadvantaged in a neighbourhood is below 20%, there is no effect to handle, but if this share is above 40%, it is too late, the explosion of the problems is very likely to occur. (These figures refer to ‘disadvantaged’ as defined by the US poverty standard, i.e. these percentages are not general to other definitions of disadvantaged.) On this basis one of the methods to increase social mix might be reducing the share of poor to 20% in all neighbourhoods where the existing proportion is above this threshold. This could mean that poor families from these areas are ‘parachuted’ to non-poor neighbourhoods, however, only up to an extent that they increase by no more than 5% the proportion of the poor households there. Of course, there are also other methods possible, e.g. through initiatives encouraging non-poor families to move into new housing in poor areas.

Social mix policies raise many interesting questions. One is the evaluation of the effect of the population change. The effect of the parachuted poor households on richer neighbourhoods can be measured e.g. through the changes of the real estate values in these areas. On the other hand the effect of the parachuted richer families on poor neighbourhoods can be shown with the resulting positive communication-based effects. Andersson and Musterd (2005), however, argue that there are usually no such effects, and if this is true, the real aim of mixing is only to increase property values in the area, or in other words offering nice real estate to middle class families...

Another question is the justification of the application of social mix policies. This might be different according to the type of neighbourhood: in “ghetto” areas this may be more justified than in low-rent or immigrant-receiver areas (in other phrasing it may be more justified in deprived areas where the reason for the concentration of disadvantaged people is the lack of choice or racial discrimination). In low-rent areas mixing can easily lead to destroying existing social links without offering anything better. Even political counter-arguments can be raised: social mix can be considered by the poor as a new form of institutional intervention into their case. This can especially be true for ethnic/migrant groups¹. For example poor black households do not want to move into high class white neighbourhoods where they are immediately attacked and considered as problem families. On the other hand

¹ The following example has been raised by Phillip Thompson at the International workshop “Planning with/for people. Looking back for the future”. 14-17 June 2009 Technion – Israel Institute of technology Haifa

they do not want to stay in neighbourhoods with bad schools, no hopes for social development. They are looking for something else, which is not on the list of the planners' ideas offered ...

An additional question could be the selection of the poor families which should be moved out – should these be the poor or the 'harmful' families (the latter are handled in the UK by the law on anti-social behaviour). Similarly the question can be raised as to where they should be parachuted to, under which circumstances – to what extent should the residents of these areas be included in the decision-making concerning the rehousing initiative. In order to solve this problem, Lyon has developed a legal charter "Greater Lyon Charter for Rehousing" as a means of trying to resolve this problem of inclusion in the decision-making where both residents and municipality are bound by agreed conventions and obligations in the initial phases of the process.

The social mix strategy can easily become too 'fashionable', applied without careful analysis of local circumstances and/or leaving important aspects out of consideration. Recently many large-scale demolition programmes have been launched in lower status neighbourhoods in European cities with a reference to social mix policies but with little or no regard on the external effects and on social consequences. In the case of Paris, for example, large scale demolition in the banlieus (large prefabricated housing estates in the outer parts of the city) are heavily criticized by social analysts referring to the fact that in the same areas there is a huge shortage of social housing. There are similar large scale demolitions in Glasgow, Lyon and German cities (just to mention a few), together with large scale investments in the magnitude of many hundred millions of euros in transport, in upgrading public areas, erecting new public buildings.

In most cases it is not the physical problems which justify the large urban regeneration programmes linked to extensive demolitions, but economic and social problems. In some areas segregation became unbearably high (the La Duchère housing estate in Lyon is just an example with 80% social housing), the prestige of these estates has decreased, as a result of which they have sunk to the bottom of the housing market.... In most cases demolitions of technically sound buildings are clear consequences of earlier mistakes in public policies, regarding economic development, employment, urban, housing and migration policies. This means that social mix interventions have to be applied in time, before segregation is reaching a level which can no longer be "repaired" through application of such cautious interventions.

The dilemmas of the social mix approach are highlighted from a different angle by Vranken (2008).

What makes world cities like New York, Paris, or London so attractive is the existence of a kaleidoscope of ethnic villages. This means that social heterogeneity should not be a target at the lowest spatial level. Within apartment blocks, streets and even small neighbourhoods, social heterogeneity is not only hard to realise; it often creates more problems than it solves and will be self-destructive in the end. Do not try to create 'communities' through physical constructions."

All these mean that a carefully planned social mix strategy can not exclusively concentrate on a selected area: besides interventions within the deprived area (demolition of bad and construction of higher quality housing) interventions in other areas are also needed, i.e. to where the poor residents of the deprived area are to be moved to. It also means that to achieve social mix in deprived areas this requires a well planned housing policy, covering the whole urban area, ensuring the production of sufficient social housing in less segregated areas.

As an example the case of Lyon can be mentioned, where according to a programme starting in 2001, thousands of housing units have been demolished in Venissieux (a

high-rise housing estate with a very bad reputation), while a similar number of new social housing units have been built in other areas, to create new balance across the entire Lyon area. This was a quite costly strategy for the local government who had to buy plots in higher income areas in order to be able to provide social housing in non-segregated neighbourhoods.

In some countries (e.g. France, Germany) there are national laws existing either to prescribe a minimal share of social housing for each settlement or to ensure that a given percentage of new housing in each new housing project above a minimal size should be affordable for lower income households.

While there are debates about social mix in all western countries, this topic is hardly mentioned in the post-socialist countries. One of the reasons for this difference is the fact that in these countries the large housing estates and inner city areas are not yet as segregated as in many of the western cities. There is also another reason, however: the re-housing of the poor and disadvantaged families who have to leave the low status neighbourhood. In the post-socialist countries no or only very little new social housing is built, thus to find replacement flats for the most excluded is almost impossible (to put them into existing neighbourhoods is also difficult, due to the strong exclusion tendencies in the majority society).

3. The link between the territorial scale and the social character of renewal interventions

From this short overview it turns out that there are no clear answers on the dilemmas of urban renewal regarding 'area-based or horizontal interventions' and 'how much social mix is needed at all'. Of course, the level and type of deterioration of an area might give some ideas: urban ghettos should be handled differently from the case of simply marginal – low rent – areas. However, the final answers on these questions should depend on the strategy of the given city and the metropolitan region: discussions with the affected residents and with all other actors in the broader area should decide the fate of people, places and institutions.

The joint analysis of the topics of social mix and of the area-based character of urban renewal interventions leads us to some important conclusions.

Urban renewal interventions should never be exclusively area-based – even in cases when most types of interventions concentrate on a selected deprived area, it has to be acknowledged that some types of problems (e.g. employment, education, health care) can not be handled exclusively on the basis of the small area and need therefore interventions beyond the area, on a much broader territorial scale.

The stronger the socio-spatial segregation of an area is, the more 'social mix' type of interventions are needed. However, in order to minimize negative externalities, such interventions should be planned on a broader territorial base (e.g. city-region, see Tosics, 2007). This also means that the interventions should not only be carried out within the deprived area and the monitoring of the effects should take place for the whole of the broader territory.

In an optimal scenario both area-based and horizontal (people based) interventions should be decided within the framework of a wider urban renewal strategy, covering the whole urban area. Such a strategy should include a longer term perspective about the economic, environmental and social aspects of development of the whole urban area and should create the area-based and the horizontal policies for interventions on that basis.

The introduction of area-based urban renewal policies was a very important step 10-15 years ago, enabling the integration of physical, economic and social interventions within the selected neighbourhood. The growing externalities of such policies, however, make it necessary to recognize that to overcome the “area effect”, the integrated approach should be extended to the city-region level, where the areas for interventions should be selected, NGOs and population groups should be involved in the area programmes and the outcomes should be monitored. This means a ‘second integration’: local area based actions must be integral parts of larger scale, regional development strategies. These ‘next generation’ integrated policies will also enable the more sophisticated and controlled use of social mix ideas in urban renewal.

Thus the city-region level has a key role to play: instead of simply applying global ideas and/or pre-defined indicators, the governance system of the functional urban area has to identify and understand the local problems and set up the strategy to handle the problems, with the help of locally developed solutions, ensuring the integrated approach and involving the local stakeholders. At the same time the city-region level is also important to minimize the area (spillover, external) effects.

All these tasks would need a strong government on the functional urban area level. The reality is far from that, the development of integrated policies in the city-regions is quite difficult all over Europe. Both top-down efforts and bottom-up initiatives are needed to ‘build up’ the much needed financial and regulatory functions of the city-regions.

National urban policy should also play an important role in making the step forward from limited examples of good integrated area based programmes towards more systematic practices. In this process also the field professionals have their tasks to act as conspirators (Jacquier) to build in a bottom-up way municipal, regional and national competencies in offices and departments and in the political sense develop both levels of integrated urban development.

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