Cities of tomorrow

Challenges, visions, ways forward

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Preface

More than two thirds of the European population lives in urban areas. Cities are places where both problems emerge and solutions are found. They are fertile ground for science and technology, for culture and innovation, for individual and collective creativity, and for mitigating the impact of climate change. However, cities are also places where problems such as unemployment, segregation and poverty are concentrated.

We need to better understand the challenges that different European cities will face in the years ahead. This is why I decided to bring together a number of urban experts and representatives of European cities to think about the future. This report is the outcome of that reflection.

It raises awareness of the possible future impacts of a range of trends, such as demographic decline and social polarisation, and the vulnerability of different types of cities. It also highlights opportunities and the key role cities can play in achieving EU objectives – especially in the implementation of the Europe 2020 strategy. It presents some inspirational models and visions. It also confirms the importance of an integrated approach to urban development.

The 'Cities of Tomorrow' reflection process will provide inspiration for policy-makers and practitioners involved in urban development, whether at local, regional, national or European level.

Looking ahead and developing visions of the cities of tomorrow is becoming increasingly important at all levels. The development of our cities will determine the future of Europe.

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Contributors

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Executive summary

Cities are key to the sustainable development of the European Union

- **Europe is one of the most urbanised continents in the world**. Today, more than two thirds of the European population lives in urban areas and this share continues to grow. The development of our cities will determine the future economic, social and territorial development of the European Union.

- **Cities play a crucial role as engines of the economy, as places of connectivity, creativity and innovation, and as centres of services** for their surrounding areas. Due to their density, cities offer a huge potential for energy savings and a move towards a carbon-neutral economy. Cities are however also places where problems such as unemployment, segregation and poverty are concentrated. Cities are therefore essential for the successful implementation of Europe 2020.

- The **administrative boundaries of cities no longer reflect the physical, social, economic, cultural or environmental reality of urban development** and new forms of flexible governance are needed.

- In terms of aims, objectives and values, there is a **shared vision of the European city of tomorrow** as:

  Ø a place of advanced social progress with a high degree of social cohesion, socially-balanced housing as well as social, health and 'education for all' services;

  Ø a platform for democracy, cultural dialogue and diversity;

  Ø a place of green, ecological or environmental regeneration;

  Ø a place of attraction and an engine of economic growth.

- **Cities play a key role for Europe's territorial development**. There is a consensus on the key principles of future European urban and territorial development which should:

  Ø be based on balanced economic growth and territorial organisation of activities, with a polycentric urban structure;

  Ø build on strong metropolitan regions and other urban areas that can provide good accessibility to services of general economic interest;

  Ø be characterised by a compact settlement structure with limited urban sprawl;

  Ø enjoy a high level of environmental protection and quality in and around cities.

The European model of sustainable urban development is under threat

- **Demographic change** gives rise to a series of challenges that differ from one city to another, such as ageing populations, shrinking cities or intense processes of suburbanisation.

- **Europe is no longer in a situation of continuous economic growth** and many cities, especially non-capital cities in Central and Eastern Europe, but also old industrial cities in Western Europe, face the serious threat of economic stagnation or decline.

- Our economies in their current form are unable to provide jobs for all – **weakening links between economic growth, employment and social progress** have pushed a larger share of the population out of the labour market or towards low-skilled and low-wage service sector jobs.

- **Growing income disparities and the poor getting poorer** – in some neighbourhoods, local populations suffer from a concentration of inequalities in terms of poor housing, low-quality education, unemployment, and difficulties or inabilities to access certain services (health, transport, ICT).

- **Social polarisation and segregation are increasing** – the recent economic crisis has further amplified the effects of market processes and the gradual retreat of the welfare state in most European countries. In even the richest of our cities, social and spatial segregation are growing problems.

- **Spatial segregation** processes – as an effect of social polarisation – make it increasingly difficult for low-income or marginalised groups to find decent housing at affordable prices.

- **An increasing number of 'society dropouts'** may lead to a development of closed sub-cultures with fundamentally hostile attitudes to mainstream society in many cities.

- **Urban sprawl** and the spread of low-density settlements is one of the main threats to sustainable territorial development; public services are more costly and difficult to provide, natural resources are overexploited, public transport networks are insufficient and car reliance and congestion in and around cities are heavy.

- **Urban ecosystems are under pressure** – urban sprawl and soil-sealing threaten biodiversity and increase the risk of both flooding and water scarcity.

There are opportunities to turn the threats into positive challenges

- European cities follow different development trajectories and their diversity has to be exploited. Competitiveness in the global economy has to be combined with **sustainable local economies** by anchoring key competences and resources in the local economic tissue and supporting social participation and innovation.

- **Creating a resilient and inclusive economy** – the present economic development model, in which economic growth does not equate to more jobs, raises challenges: to ensure a decent life for those left outside the labour market and to engage them in society.

- The **potential of socio-economic, cultural, generational and ethnic diversity** must be further exploited as a source of innovation. Cities of tomorrow have to be both elderly-friendly and family-friendly, as well as places of tolerance and respect.

- **Combating spatial exclusion and energy poverty with better housing** is key to not only making a city and its agglomeration more attractive and liveable, but also making it more eco-friendly and competitive.

- Making cities 'green and healthy' goes far beyond simply reducing CO_2 emissions. **A holistic approach to environmental and energy issues** has to be adopted, as the many components of the natural ecosystem are interwoven with those of the social, economic, cultural and political urban system in a unique manner.

- **Thriving and dynamic small and medium-sized cities** can play an important role for the well-being not only of their own inhabitants but also of the surrounding rural populations.

They are essential for **avoiding rural depopulation and urban drift** and for promoting balanced territorial development.

- A sustainable city must have **attractive open public spaces** and promote **sustainable, inclusive and healthy mobility**. Non-car mobility has to become more attractive and multimodal public transport systems favoured.

New forms of governance are essential to respond to these urban challenges

Cities of Tomorrow have to **adopt a holistic model of sustainable urban development**

- Ø Deal with challenges in an integrated, holistic way;
- Ø Match place- and people-based approaches;
- Ø Combine formal government structures with flexible informal governance structures that correspond to the scale at which the challenges exist;
- Ø Develop governance systems capable of building shared visions reconciling competing objectives and conflicting development models;
- Ø Cooperate in order to ensure coherent spatial development and an efficient use of resources.

- **Governance systems need to be adapted to evolving circumstances** and take into account various territorial (e.g. supra-urban as well as infra-urban) and temporal scales.

- **Cities have to work across sectors** and not let 'mono-sectoral' visions set the agenda of what urban life should be like.

- **Horizontal and vertical coordination** is required as cities have to work with other governance levels and reinforce their cooperation and networking with other cities in order to share investments and services which are required at a larger territorial scale.

- **New governance modes** based on citizens' empowerment, participation of all relevant stakeholders and innovative use of social capital are needed.

- In the context of weakened links between economic growth and social progress, **social innovation** offers an opportunity to widen the public space for civic engagement, creativity, innovation and cohesion.

- **Foresight is a specially relevant tool for managing transitions**, overcoming conflicts and contradictions between objectives, and developing a better understanding of realities, capacities and objectives.

Conclusions

This report has gone through three steps: demonstrating that there is a European model of urban development (chapter 1); discussing the major strengths, weaknesses, opportunities and threats to this model (chapters 2 and 3); and focusing on the governance challenges of our Cities of Tomorrow (chapter 4).

The conclusions support the main urban and territorial development principles, priorities and objectives that have been expressed through the Leipzig Charter, the Toledo Declaration and the Territorial Agenda 2020, underlining the importance of **a stronger territorial dimension** in future cohesion policy. The report supports the key objectives of the Europe 2020 strategy, but points to the need for integrated, coherent and holistic approaches across sectors, governance levels and territories.

Social, economic and environmental **challenges have to be addressed both at neighbourhood level and in broader territorial contexts**. Cities can no longer be defined solely by their administrative boundaries, nor can urban policies target only city-level administrative units. Attention has to be paid to the necessary complementarities between functional approaches – at the level of larger agglomerations and metropolises – and social and cultural approaches involving citizens' engagement and empowerment – at the level of neighbourhoods. Both the broader territorial reality and the internal urban form have to be taken into account. Urban policies will have to ensure coherence between sectoral initiatives with spatial impacts and place-based initiatives.

To fulfil such objectives, **fixed coordination mechanisms have to be complemented by flexible ones** to ensure dialogue and cooperation between territorial and governmental levels, as well as between sectors concerned by urban development. Tensions between different interests will have to be overcome. Compromises will have to be negotiated between competing objectives and conflicting development models. **A shared vision** is important to sustain such dialogue.

A solid knowledge base is needed to underpin a shared understanding of development potentials – a must, before any vision of the future can be elaborated. Such knowledge cannot be derived solely from experts but needs to be understood and sometimes even co-produced by all those concerned. In addition to improving the availability and comparability of territorial data and knowledge based on sources such as ESPON, the Urban Audit and Urban Atlas, there are needs for less tangible data. Stakeholders' and citizens' involvement is essential for asking the right questions, measuring the right things, creating ownership of strategies and mobilising endogenous potential.

Strategies will have to **take into account the diversity of cities**: their development paths, their size, their demographic and social contexts, and their cultural and economic assets. For example, it will be important to examine the relevance of smart specialisation strategies in those cities or regions which face specific difficulties due to the convergence of demographic, economic and social difficulties.

Innovation will have to be fostered to support a transition towards Cities of Tomorrow. Cities of Tomorrow should be diverse, cohesive and attractive cities, they should be green and healthy, and they should be places for a resilient and inclusive economy. The potential of socio-economic, cultural, generational and ethnic diversity should be fully exploited as a

source of innovation. Innovation strategies have to be manifold, addressing services and technology as well as institutional and social innovation.

> '[…] I believe that in the current economic turmoil, where the financial crisis has
> already had serious consequences on employment and public budgets, we have to mobilise
> all our strengths to alleviate the negative impacts on the most vulnerable populations.
> Social innovation is not a panacea but if encouraged and valued it can bring immediate
> solutions to the pressing social issues with which citizens are confronted. In the long term,
> I see social innovation as part of the new culture of empowerment that we are trying
> to promote with a number of our initiatives, starting with the Renewed Social Agenda. […]'
> José Manuel Barroso, President of the European Commission, 31 March 2009

Innovation will also have to address organisational and institutional issues as new forms of governance will be required to tackle the complexity of the challenges ahead. Linking to social innovation, the question of **values and ethics** has been underlined by several experts during the reflection process.

Inclusive growth strategies will have to overcome the negative consequences of the decoupling of economic growth from social development and address vicious circles of demographic and economic decline that an increasing number of European cities will face in the coming years. A **coherent approach to smart, inclusive and green growth strategies** must be adopted so that conflicts and contradictions between these different objectives can be overcome and accomplishment of one objective is not detrimental to meeting others.

Lack of financial resources, low fiscal or regulatory power, or insufficient endogenous development potential make it difficult for many European cities to develop in a harmonious and sustainable way, following the ideal model of attractiveness and growth. **Shrinking cities may have to redefine their economic basis** and manage transitions towards new forms of economic, social and spatial organisation.

In addition, if current trends continue, **social exclusion and increasing spatial segregation** will affect a growing number of regions and cities, including the richer ones. Pockets of poverty and deprivation already exist in the wealthiest of European cities and "energy poverty" hits the most vulnerable groups, especially in cities with poor or obsolescent housing stock.

There is a strong political rationale for paying special attention to **deprived neighbourhoods** within the context of the city and larger territory as a whole, as underlined by the **Leipzig Charter** and by the **Toledo Declaration**. Education and training play a crucial role in permitting social and spatial mobility and stimulating employment and entrepreneurship – this report also underlines the importance of social capital, which goes beyond education and training and includes relational skills. But social inclusion should not be an aim only for 'people-based' policies; people-based approaches need to be combined with place-based ones. Addressing only 'people' can help people to move away from problems and further impoverish disadvantaged neighbourhoods; addressing only 'place' may either displace the problem or have lock-in effects on local communities.

As already underlined by the Toledo Declaration, this report points to the strategic role of **integrated urban regeneration**, framed in the broader concept of integrated urban development, as one important perspective for achieving a series of objectives, such as: ensuring citizens' participation and stakeholders' involvement in working towards a 'more sustainable and socially inclusive model in the whole built environment and in all the social

fabrics of the existing city'[1]; addressing climate change, demographic change and mobility as major urban challenges; ensuring greater coherence between territorial and urban issues; and promoting a common understanding of the integrated approach.

This report points to recommendations of Territorial Agenda 2020 with respect to framing urban development in a territorial context linked to the Europe 2020 strategy and promoting a balanced polycentric territorial development and the use of integrated development approaches in cities, rural and specific regions.

One of the challenges in a harmonious territorial development of Europe, as identified by TA2020, is the quick pace of land takeover due to the spread of low-density settlements, i.e., **urban sprawl**. Strategies for **recycling land** (urban regeneration, redevelopment or reuse of abandoned, derelict or unused areas) have already been developed in the context of cohesion policy and may play a key role in the future, as may other green strategies, such as the development of green belts and/or corridors, the **greening of the city** and fostering of family- and elderly-friendly cities via public spaces and services for all, while improving the management of energy and material resources and flows in the city (urban metabolism, recycling, local energy solutions).

In line with TA2020, this report also emphasises the need for territorial integration in cross-border and transnational functional regions and highlights the importance of improving territorial connectivity and cooperation between European cities.

Cities cannot be defined solely by their administrative boundaries, nor can urban policies target only city-level administrative units. The importance of **multilevel governance** has been strongly underlined by the European Parliament and the Committee of the Regions. This is completely in line with the conclusions of this report: European, national, regional and local policies need to be articulated with each other.

This report takes the concept of multilevel governance further. Policies addressing neighbourhoods need to be articulated with policies addressing not only larger agglomerations or territories in which cities are embedded, but also neighbouring areas. The subsidiarity principle that has been strengthened by the Lisbon Treaty implies not only that a higher governance level is being replaced by a lower one, but also that **new relations are being forged between different levels**, e.g. between the European and the local levels. The range of actors involved in policy-making and policy-shaping needs to be widened to include diverse stakeholders, including citizens. In essence, policies have to operate in a **multiscalar governance framework**.

It is the responsibility of all governance levels to ensure that the full potential of cities and urban agglomerations can be exploited to the benefit of all European citizens. **Europe's future depends on our Cities of Tomorrow**.

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[1]   Toledo Informal Ministerial Meeting on the Urban Development Declaration, Toledo, 22 June 2010.