The EU Urban Agenda: It's potential for addressing the challenges and opportunities that urban communities face.

Dr. Haroon Saad, Director LUDEN

"Development of our cities will determine the future economic, social and territorial development of the European Union…if we can't get it right in our cities, we won't get it right at all." (Johannes Hahn, EU Commissioner for Regional and Urban Policy) [1]

The then Commissioners comment could not be more relevant. The majority of EU citizens live in urban communities. Urban communities account for about 75% of Greenhouse gas emissions. Urban communities offer the strongest possibilities in being able to meet the GHG emission targets owing to their social density and economic importance. They account for over 5% of EU GDP[2]. Moreover the economic power and social vibrancy of cities creates the potential for the kinds of collective ambition and social innovation that are needed to respond to the enormity of the low/no carbon transition challenge that they face within a difficult political and socio-economic context.

In short, urban communities are central to delivering on key challenges facing Europe: jobs, growth and investment, innovation, energy- efficiency, low-carbon development and CO²– reduction, social inclusion and growing poverty- to name a few.Hence why the EU Urban Agenda is very important and why it's essential that it has the potential to address the key challenges and opportunities faced by urban communities.

2015 has seen the emergence of what constitutes a "framework" for an EU Urban Agenda. We also have a new EC-OECD city definition which means cities with an urban centre of at least 50 000 inhabitants. This definition covers 60% of the EU population. It also encapsulates where over 85% of EU GDP is generated.

It's therefore an appropriate time to review where the EU urban agenda is in terms of its evolution, what its potential is and what steps need to be considered to increase its potential in addressing urban challenges and opportunities.

This paper explores this theme by first presenting the EU Urban Agenda and how we have arrived where we are.

The second part focusses on identifying key challenges and opportunities facing urban areas and how the new framework will or will not be able to address these challenges.

The third and concluding part raises some issues and offers some suggestions for debate and dialogue as part of the "stakeholder dialogue" linked to the discussion and consultation processes that DG Regional and Urban Policy co-ordinates.

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[1] European Commission (2013), 'Johannes Hahn: News' http://ec.europa. eu/commission_2010-2014/hahn/headlines/news/detail/index_ en.cfm?LAN=EN&id=791&lang=en .

[2] https://eu-smartcities.eu/about/european_context

The EU Urban Agenda

The new "framework" has emerged following a series of steps that have included a public online consultation, city forums that have bought together a variety of stakeholders, input from the EP Intergroup on Urban Policy as well as the publication of a number of key reports.[3]

The idea of an urban agenda is of course not completely new. In 1997 the Commission released a communication with the title "Towards an urban agenda in the European Union"[4] which initiated a public debate on the urban dimension of EU policies. Already in its 1997 communication the European Commission argued that new efforts were necessary to "….strengthen or restore the role of Europe's cities as places of social and cultural integration, as sources of economic prosperity and sustainable development, and as the bases of democracy".

This debate resulted in the publication of the document" Sustainable Urban Development in the European Union: A Framework for Action."[5]The EU Framework for action for sustainable urban development aimed at better coordinated and targeted community action for urban problems and was organised under four **interdependent** policy aims. It is worth revisiting these and what actions were identified in taking the EU urban agenda forward.

Sustainable Urban Development in the European Union: A Framework for Action.	
1.Strengthening economic prosperity and employment in towns and cities	*Action 1: Explicit urban programming for Structural Fund support*
	Action 2: A stronger urban dimension in employment policies
	Action 3: Support for "European knowledge centres"
	Action 4: Promotion of inter-urban co-operation
	Action 5: Promotion of attractive urban transport
	Action 6: Development of know-how and exchange of experience on urban economic performance.
2.Promoting equality, social inclusion and regeneration in urban areas	*Action 7: Co-operation against discrimination and social exclusion*

[3] Cities of Tomorrow; 8th Progress Report on Economic, Social and Territorial Cohesion, European Commission 2013; "The Urban Dimension of EU Policies – Key Features of an EU Urban Agenda", COM(2014) 490 of 18.7.2014 ; Results of the public consultation on the key features of an EU urban agenda-2015; EP Self Initiative Report on the urban dimension of EU policies-2015

[4] Towards an urban agenda in the European Union (1997)

[5] Sustainable Urban Development in the European Union: A Framework for Action"

	Action 8: Structural Fund support to area-based action for urban regeneration
	Action 9: Second chance schools
	Action 10: Development of know-how and exchange of experience on discrimination, exclusion and urban regeneration
3.Protecting and improving the urban environment: towards local and global sustainability	*Action 11: Better implementation of existing environmental legislation at urban level*
	Action 12: Further legislation concerning waste, air quality, water and noise
	Action 13: Strengthening pollution control and clean-up in towns and cities
	Action 14: Contributing to a reduction of the environmental impact of urban transport
	Action 15: Sustainable urban energy management
	Action 16: Climate protection
	Action 17: Extending Eco-Labelling and the Eco-Management and Audit Scheme (EMAS)
	Action 18: EU Structural Fund support for protecting and improving the urban environment
	Action 19: Development of know-how and exchange of experience on the urban environment
4.Contributing to good urban governance and local empowerment	*Action 20: Awareness-raising, exchange of experience and capacity building for sustainable urban development*
	Action 21: Innovative urban development strategies
	Action 22: Increasing safety by promoting prevention in the field of urban crime
	Action 23: Improving comparative information on urban conditions
	Action 24: Contribution to the Member States' "Urban Exchange Initiative"

This is not the place for an exhaustive evaluation of the above Action Plan, but without doubt one could readily agree that a great deal of what the EC set out to do was actually or partially realised. Just think about the URBAN programme and its promotion of the model of "integrated urban development" which has now become ubiquitous at most Member State level. The several EU Urban Forums hosted by cities. The Directives relating to Renewable Energy, Waste Management, Air pollution, Labelling. The embedding within Structural funds regulations of the urban dimension and the promotion of programmes like INTERREG and URBACT to support exchange of experience and Innovative actions. The Urban Audit and the State of the Cities reports[6] as well as several research programmes[7] have also added to the evidence base underpinning the Urban Agenda. Last but least the renaming of DG Regio to include "Regional and Urban Policy" , the setting up of the EP Intergroup on Urban Policy and the informal Inter Ministerial Group on Territorial Cohesion and Urban Matters have lifted the "profile" of the EU Urban Agenda.

Whilst acknowledging these steps what is also readily apparent is that stakeholders in 2014 have continued to identify significant weakness in terms of impact of the EU Urban Agenda. In the responses to the consultation set up by DG Regional and Urban Policy it is significant to note that stakeholders are identifying the same problems that the Communication of 1997 highlighted. These are:

- A lack of integration amongst public sector activities, both vertically between different levels of administration and horizontally between various policy sectors.
- Better inclusive partnership needed because complex urban problems cannot be solved by single government bodies or agencies alone.
- Better coherence of EU policies with an impact on cities

This suggests worryingly that the "old" EU Urban Agenda did not bring about institutional change and as thus may not have had the impact on the ground that reflect the actions outlined above.

In response to these ongoing concerns the new EU Urban Agenda seeks to focus on fewer priorities, improve policy coherence and co-ordination of instruments and develop and make better use of the knowledge base. These broad goals in fact reflect a continuation of the goals of the 1998 framework.

As part of the process of further refining the urban agenda, DG Regional and Urban Policy has recently held three "expert" workshops which have focused on Inclusive, Green and Smart cities. As an agenda for these three workshops, a Scoping Paper[8] was circulated to participants. This paper proposed some cross cutting principles such as "an integrated approach…. improve governance and regulation…. urban-rural linkages and, innovative approaches.

The paper also proposed 12 possible priority themes:

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[6] State of the Cities Report 2008 and second state of cities report 2010
[7] CASE, RESPONDER
[8] EU Urban Agenda-Scoping Paper for the workshops- September 2015

- Job creation

- Affordable housing

- Inclusion of marginalised groups

- Age-friendly cities

- Sustainable use of land and buildings

- Climate adaptation

- Sustainable urban food

- Attractive cities

- Sustainable urban mobility

- Low carbon cities

- Intelligent use of urban data

- Public procurement by cities

What is really striking about the above list is how much of it still reflects the 1998 agenda. Apart from Sustainable Urban Food, all the other themes are echoed in the 1998 agenda. Given this feature,to what extent does the merging new urban agenda address the challenges that cities face in 2015 and for the next decade and what opportunities does it provide to address these challenges?

Challenges and Opportunities

The new Urban Agenda is being launched in a very different context to that which existed in 1998. Seven years on from the collapse of Lehman brothers there is no sign that the structural imbalances that underlay the 2007/8 crash have been resolved. We are in unchartered territory in which all conventional (consumer stimulus measures) and unconventional (quantitative easing) tools have failed to make any significant headway. GDP figures have sharply shown their narrow value as even with growth there has been ongoing crisis. These are hard times for the vast majority of people. The idea that the global economy was going to be driven by the BRICS has spectacularly hit the buffers. Brazil is in deep recession, China is slowing down in such a way that many forecast a hard landing, Russia is in recession, South Africa also. Leaving only India looking in good form, but even here the appearances are superficial and underlying the Indian economic "boom" is a story of environmental degradation and abuse of civil rights. The Eurozone crisis has also damaged the whole European project in ways that have yet to materialise and whilst there is marginal growth being reported for the first time in many years, this is simply a statistical aberration arising from the 20% devaluation of the Euro against a number of currencies.
This is not the place for a discussion about macro-political economy but simply to highlight that the urban agenda is being launched in a volatile and rapidly changing context. Here are some of the key challenges or rather external shocks that urban communities face:

- **Demographic.**
  This is not just about the transition to an ageing European society, it's about migration flows, migration settlement patterns and more generally about family formation patterns (e.g. more single person households, more single parent households etc.). Demographic change will create huge challenges in relation to financial markets, public spending and migration. Overall, about $50 trillion is held in pension funds, insurance funds and public pension reserves across the OECD countries, well above their combined annual GDP. The problem is not the current position of the $50 trillion. The problem is that an ageing population means a smaller potential workforce, lower growth and lower output per head. Either future retired elderly will have to live on much less or the financial system has to deliver spectacular returns, which looks highly unlikely. Moreover, ageing population also means greater government debt arising from spending on health, long term care and public pensions. More than 50% of all private pensions' money is currently invested in government debt. The problem here is that ratings agencies like Standard and Poor's predict that by 2050, even with pension cuts, 60% of all countries in the world will have credit ratings below investment grade.
  The ageing society is not simply being caused by people living longer, it's also intimately linked to falling birth rates as women through advances in contraception, education, human rights **and** urbanisation secure greater independence. This makes the growing age imbalance irreversible.
  Alongside ageing, will the increasing flows of migration. By 2050 there will be 1.2 billion more people of working age. Over 50% of this projected growth will be in just 8 countries all of which are locations from which migrants are already arriving in Europe. In European integration policy context, migration has long been understood as the leaving of one's home country to arrive as a host country where one settles down for a long time, if not for the rest of one's life. Movements within Europe today are not at all always movements to final destinations, nor are they based on decisions for the long term. Mobility and temporality hence have taken on new meanings in the context of social vulnerability and precariousness.

- **Economic**
  There is a jobs –drought. We have structural unemployment. These changes are creating a new culture of precarity for many employed people- especially but not exclusively young workers. Employment is itself changing with short term contracts and part time working being key features in sectors where there is job creation. Cities have seen their labour market polarise between high and low paid jobs, while employment in middle-income professions has fallen. The share of jobs in high pay occupations, including corporate managers has increased as has the share of jobs in low pay occupations, including caring, sales and customer services and elementary occupations. Meanwhile jobs in intermediate occupations, including production and administration have fallen.
  Unemployment has become clearly structural by any definition in many urban communities. The focus on long term unemployment by the EU reflects this concern.

Long term unemployment affects 11.9 million people or 4.9% of the active EU population. Of these, 59% have been jobless for at least two consecutive years. The impact on the ground in many urban areas has been and continues to be significant. For groups (e.g. some ethnic minorities, people with disabilities etc.) who have already experienced high levels of unemployment for years leading up the 2008 crash, the changes in the labour market have pushed long term unemployment rates to over 50%.

What makes the nature of the shift in the labour market even more pronounced is the job less nature of whatever recovery can be seen. So for example, the Spanish economy grew by 0.5% in the first half of 2015. However it has only succeeded in cutting the unemployment rate from 25.1% to 23% over the last year (March 2014 to March 2015).Furthermore there is evidence that great deal of this drop is due simply to migration and people falling out of the official register. The same effect is evident in Ireland. In Portugal it remains at 13.5% and in France and Italy has gone up to 10.6% and 13% respectively over the last year.

- **Environmental**

The pace of climate change has become more apparent since the crash. Indeed, there are those[9] who have highlighted how the crash has contributed to an acceleration of climate change on the back of the subsidies for bio fuels and coal that has increased CO_2 emissions despite the economic slowdown. Zero Carbon plans are now on the agenda whereas prior to the crash it was only something spoken about in "Green" circles. The IPCC report[10] has starkly pointed out for the first time the connection between our human activities/behaviours and the future of the planet. The pace of climate change is of course part of the key transition from fossil fuel based energy to renewable energy and thus this transition is destined to determine which of the IPCC future scenarios of less than 2°C, more than 2°C, or 4°C plus we will face.

Underlying this transition is the economic value that is under threat as exposed by the movement for the dis- investment of funds in the fossil fuel sector. A report produced by Carbon Tracker and co-authored by Professor Nicolas Stern [11] calculates that the world's currently indicated fossil fuel reserves equate to 2,860bn tonnes of carbon dioxide, but that just 31% could be burned for an 80% chance of keeping below a 2C temperature rise. For a 50% chance of 2C or less, just 38% could be burned. Despite this the report highlights that far from reducing efforts to develop fossil fuels, the top 200 companies spent $674bn (£441bn) in 2012 to find and exploit even more new resources, a sum equivalent to 1% of global GDP, which could end up as "stranded" or valueless assets.
What is emerging is that we need to reduce CO_2 emissions by 3% per year between now and 2030.This will not be easy given the current dependency on consumption led growth.

[9] Naomi Klein: This Changes everything
[10] http://www.ipcc.ch/pdf/assessment-report/ar5/syr/SYR_AR5_FINAL_full.pdf
[11] Unburnable Carbon 2013:Wasted capital and stranded resources
http://www.carbontracker.org/wp-content/uploads/2014/09/Unburnable-Carbon-2-Web-Version.pdf

- **Technological**
One of the key transitions taking place but still not fully incorporated into the mainstream urban policy is a whole set of changes in relation to how we as city dwellers collectively understand, approach and use the environment around us. The changes here relate to a range of technological tools from personal networked devices; always on wireless connectivity which has become so pervasive so that we no longer see it as "technology"; connected sensors; display systems, and analytic techniques linked to production of data. This is creating what some commentators refer to as a culture of "networkedness" which is having and will continue to have ripple effects in relation to the urban economy, reshaping local politics, push against the material consumption in the daily environment and have some bearing on the structure and content of our own psyches.
We are living through the moment when the internet finally moves from being a secondary transmitter of information produced elsewhere, to becoming the main nexus of human culture. Any form of politics which does not reflect upon the nature of this shift and respond to it creatively to it is going to be left behind. This is already evident in the explosion of informal co-operation in the sphere of information itself. Over the past decade the growth of the internet has seen information break free from the customary world of the market and the state. Citizens armed with their computers have bypassed the old institutions and are connecting to each other directly. They are sharing their news and their images, even their unused gardens. They are exchanging or passing on no longer needed possessions. They share advice and experience and work together on developing ideas and projects.

We will soon be living through a wave of technological change that will alter the labour demand across the economy, and its geography. These changes are some mixture of the use of artificial intelligence, big data, and algorithms to supplement or replace human judgment in tasks. This could affect large swaths of the skilled professions that are at the heart of labour markets in high-income urban areas in high-income countries. At the same time, in manual work, the arrival of robotics will change the labour demand for both traded goods (possibly re-on shoring them?) but also may change the demand for labour-intensive personal services that are concentrated in cities. It is imperative to get a grip on these changes at the earliest possible moment.

- **Political**
Low trust in our representative bodies is at all-time high. Surveys have shown across the EU a lack of trust in politicians in that many believe that voting seems to make no difference, politicians cannot be trusted to deliver on their promises. This challenge is reflected in turnout figures which are falling. In the majority of members states turnout was not higher than 35% in the last EP elections. There is growing sense that the political class is no longer accountable. This sense of powerlessness, may well be an important element underlying the growing societal malaise.

Low trust has thrown up a growing body of people who are questioning whether what we have can secure our future. That is to say that there are growing social movements in urban communities who have "political " but non-party political goals in that they are driven by a feeling that citizens need to regain control of their own future. Indeed the goal echoes what a growing body of research is showing, namely that a strong sense of autonomy is one of the essential elements for mental well-being. From this perspective there is a growing awareness that it is both an economic and democratic crisis that European have been living through. Our politicians by and large no longer represent us and this accounts for most of our social, economic and environmental ills. There is instead a closer relationship with corporate interest manifested in the money and resources that those corporate interest invest in "lobbying" which includes travel, dinners, tickets to key events, campaign funding as well as state of the art ready amendments legislation to be presented by those whom they have lobbied. The pervasive "revolving door "arrangements is cultural product of lobbying ,whereby politicians and top officials secure lucrative positions in the same private sector companies that they previously gently regulated and /or gave hefty public contracts to. In this context corporate interests are viewed by politicians as peers in the policy making process.

Moving from the wider democratic issues to the issue of urban governance, then it is clear that the above broader context has entered into political and academic discourse on urban politics and decision -making processes. This discourse is characterised by all or at least most of the following features – according to the perspective used (bottom -up or top-down governance):

- o some form of active cooperation between a variety of stakeholders (state, civil society, private enterprises),
- o several decision -making levels (EU, national, regional, city region, city, neighbourhood/district),
- o several domains (usually defined in terms of interdepartmental collaboration between employment, housing, education, health, culture, urban planning);
- o relatively autonomous with the state as stage director;
- o decentralised decision-making;
- o a new political culture, and flexible and responsive administration;
- o structural participation of citizens/clients/users (who – as individual citizens or organised in local voluntary associations – should be considered as stakeholders on a par with public institutions, technical experts, and other non -government organisations.

- **Social**
  The growth in inequality, the growing levels of ill health and the interrelated social and physical segregation evident in urban communities   A large number of EU countries have seen increasing numbers of people falling below the poverty line in recent years. Between 2009 and 2013 an additional 7.5 million people, across 27 EU countries, were classified as living with severe material deprivation, with 19 countries registering an increased level. In 2013 122.6 million people, or 24.5 % of the population in the EU-28 were at risk of poverty or social exclusion. [12]. This headline figure masks very wide variations across the EU. More than a third of the population was at risk of poverty or social exclusion in five EU Member States: Bulgaria

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[12] http://ec.europa.eu/eurostat/statistics

(48.0 %), Romania (40.4 %), Greece (35.7 %), Latvia (35.1 %) and Hungary (33.5 %). At the other end of the scale, the lowest shares of persons being at risk of poverty or social exclusion were recorded in Sweden (16.4 %), Finland (16.0 %), the Netherlands (15.9 %) and the Czech Republic (14.6 %). The percentage of children living in a household at risk of poverty or social exclusion ranged from 13.0 % in Finland, 15.5 % in Denmark, 16.2 % in Sweden to more than 40.0 % in Hungary, Romania and Bulgaria.

The correlation between growing inequality and health has also been well documented.[13] This trend has knock on consequences in demands for social care and health services.

A recent report[14] highlights that there is clear evidence that income inequality has increased markedly since the mid-1980s, and the Euro area debt crisis together with fiscal consolidation programmes adopted by several EU countries could worsen the situation in the short and medium run. Recent literature, including by Piketty[15], has stimulated fierce debate on inequality among academics and policy makers. There is a perception that inequality is at a historic high and that it is related to the fragility of the economic recovery since the crash, both as a consequence of the recession or perhaps as the prime reason for the slow recovery (Stiglitz,[16]). Inequality continues to increase even as economies recover from the crisis, particularly in countries hit hardest by the crisis such as Spain, Ireland, Greece, and Estonia. As recently stressed by the OECD[17] (2014), the drop in income since the crash , has been larger for individuals at the bottom than for those at the top of the distribution.

The Opportunities

In terms of the programming period 2014-20, there are number of support measures which seek to address some of the above challenges:

- Climate action objectives should represent at least 20% of spending across the budget;
- Financial engineering instruments should be used more widely to maximise the leverage effect of the EU budget;
- Innovative actions in the area of sustainable urban development are allocated €330m from structural funds;
- A minimum of 5 % of the ERDF resources allocated to each Member State will be invested in integrated actions for sustainable urban development, potentially implemented through the Integrated Territorial Investment (ITI) tool.
- The Integrated Territorial Investment (ITI) is a new delivery mode that bundles funding from several priority axes of one or more operational programmes for multi-dimensional and cross -sectoral interventions. ITI aims to support integrated actions, which can benefit urban areas due to the possibility to combine funding linked to different thematic objectives, including the combination of funding from the ERDF, ESF and Cohesion Fund (CF) (Art. 99 of the proposed Common Provisions for CSF

[13] http://ec.europa.eu/health/social_determinants/docs/healthinequalitiesineu_2013_en.pdf

[14] http://www.europarl.europa.eu/RegData/etudes/STUD/2015/536294/IPOL_STU(2015)536294_EN.pdf

[15] Piketty, T. (2013), Capital in the 21st Century
[16] Stiglitz, J. (2013): Inequality is holding back the recovery.
[17] OECD (2014): Income inequality Update

Funds 2014-2020). This will be very challenging because the implementation, audit and reporting systems will still be separate.

- The top three thematic objectives in terms of volume of funding in support of urban development (Article 7 of Regulation (EU) No 1301/2013 of 17.12.2013) relate to the low-carbon economy (especially investment in energy efficiency and sustainable urban mobility); the preservation and protection of the environment (especially investment for the protection of natural and cultural heritage, and the improvement of the urban environment); and the promotion of social inclusion (especially investment for the regeneration of deprived communities).

- The EU Smart City approach   also offers opportunities as it is focused on linking and upgrading infrastructures, technologies and services in key urban sectors (transport, buildings, energy, ICT) in a smart way will improve quality of life, competitiveness and sustainability of our cities. This is a strong growth market, estimated globally to be worth €1.3 trillion in 2020 - a great export market for European business.

- Relatedly there is a need for strategic and integrated planning to modernise the way we use energy and other resources, and to apply innovative technological and organisational solutions. This includes, as a key element, accelerating the development and deployment of energy efficient and low-carbon technological applications at urban level in Europe, both in the short and long term. This is not only necessary to achieve energy and climate objectives, but also to reinforce Europe's economy and its global position in technology development.

- The emergence of new financial instruments such as Holding Funds and Urban Development Funds which the EC is promoting. By the end of 2012, commitments to Holding Funds and Urban Development Funds amounted to around EUR 1.9bn and covered 64 NUTS2 regions across EU-27. Some 45 UDFs in 11 Member States are currently engaged in identifying and delivering investment to a variety of urban projects, many of which contribute to the development of smart and sustainable cities.

The above survey has undoubtedly missed other opportunities that are also available (eg Horizon 2020 and also JPI Urban Europe) but what is clear is that there seems to be a mis - match between the scale of the transitions that cities are facing and the policy response. Professor Michael Parkinson, who chaired one of the city forums and has been heavily involved for over 20 years in the EU urban agenda discussions, wrote: "the EU and the Commission look increasingly old-fashioned in their urban policy approach – something like where the UK was 20 years ago….(The) Dutch were trying to take the lead with national governments when they held the Presidency of the EU in 2004 and when I anonymously wrote for them the Rotterdam Urban Acquis, accepted by Member States as the right basis for future urban policy in Europe. We have not moved much forward on delivery since then, despite the endless conferences and declarations from Bristol, Leipzig and Toledo or wherever."[18]

In addition without a strategic change in the objectives and planning of national and local authorities the impact of the EU Funds will be insufficient. Moreover, what also needs to be taken into consideration is that in the context of the complexity that cities face, having "a urban agenda" may not be appropriate. It may need to be a number of urban agenda's rather

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[18] Town & Country Planning June/July 2015 Professor Michael Parkinson

than one to fit all sizes. For example, recent research [19]has highlighted the need for a more varied approach that highlights differences between capital cities, second and third tier cities and also rural regions close to cities in respect to future resilience. There is also a big difference between western and eastern noncapital cities that cannot be explained by size alone. Many secondary cities, especially in Central and Eastern Europe, are experiencing complex shrinkage, with both demographic and economic decline, even comparably sized cities, with similar industrial structures within the same Member State, show significant variations in terms of economic and social performance.[20]

The emergence of polycentric (mega)-city-regions, which are webs of medium and small cities without a real functional and political base, is a growing phenomenon in Europe.[21] Growing mismatch between administrative and urban structures reduces cohesion and impairs competitiveness due to inadequate governance and infrastructures.[22]

Since 1993, the 20 largest metropolitan areas in Europe have achieved annual income growth just of 1.6%[23]Rome, Milan, Athens, Madrid and Barcelona may still retain a compelling image among prospective visitors – as indicated by the finding of City RepTrak's Global 2012 City Reputation Index. But national economic fundamentals have radically affected their jobs base and investment capacity.

The EU urban agenda needs to reflect these complexities if it is going to realise its potential. However, in order to do so then there will be need to think outside the box. In particular, it requires recognising the limits of the market mechanism as far as possible in developing the economic potential of urban areas and systems and meeting emergent economic trends and social preferences.

Ideas and suggestions for the way forward

We face a future of weak growth. This is the conclusion of an OECD report [24]which concludes that the current dynamism even in the developing countries will be exhausted by 2060 and that inequality will rise by 40%. For the vast majority of young Europeans what this means is that the best of the Second World War economic model is over. They will be the first generation who will not stand metaphorically speaking on the shoulders of their parents. This is important for the urban agenda as it is young people who gravitate to cities.

As such an urban agenda needs to be conceived through the lens of young people as they will bear the brunt of the challenges outlined above. In practical terms it means that an urban agenda needs to be built around some key goals such as: low unemployment, the spread of incomes is radically reduced, limits of the planet are respected, working time is reduced, more time and money spent on education, civic renewal, leisure and cultural activities.

Such goals in turn mean a focus on information technology which will increasing blur the edges between free time and work as well as give rise to post-market goods and services

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[19] The effects of the global financial crisis on European regions and cities-Dijkstra, Garcilazo and McCann Journal of Economic Geography 15 (2015)

[20] http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_economic.pdf

[21] http://ec.europa.eu/regional_policy/conferences/urban2014/doc/presentations/dg_urban_sandrobalducci.pdf

[22] "What Makes Cities More Productive? Evidence on the Role of Urban Governance from Five OECD Countries". OECD Regional Development Working Papers, 2014/05

[23] Europe's Cities in a Global Economy: Trends, Challenges and Opportunities-Greg Clark & Tim Moonen, October 2013

[24] Policy Challenges for the next 50 years, OECD, 2014

through collaborative production. It is this transition from a market driven approach to post market driven approach that needs to be one of the key pillars of an urban agenda.

What does this mean in practical terms, what are the priority actions that need to be part of the urban agenda from this perspective? Here is a possible list:

- **Reshaping markets to favour sustainable, collaborative and socially just outcomes.** In particular this relates to the energy, housing and health markets as the first areas of action. Such reshaping will create local jobs, affordable housing, reduce health expenditure and cut CO_2 emissions. There is a need for strategic and integrated planning to modernise the way we use energy and other resources, and to apply innovative technological and organisational solutions. This includes, as a key element, accelerating the development and deployment of energy efficient and low-carbon technological applications at urban level in Europe, both in the short and long term. This is not only necessary to achieve energy and climate objectives, but also to reinforce Europe's economy and its global position in technology development.

- **Breaking feed-back loops that create poverty, stress, anti-social behaviour, atomized families and ill health.** Here the focus needs to be on Anti-poverty measures targeted at children and families. Measures to improve educational attainment in early and middle years. Measures to improve wellbeing. Engagement and empowerment actions Measures to support long term unemployed people

- **Decentralized forms of governance and decision making with citizens at the heart.** The existence of citizens is perhaps one of the only constants in cities as they evolve in new and yet-unimagined ways. Building solutions with the evolving needs and nature of citizens at the heart – and driving this change - will create an adaptable foundation on which to shape the future of cities.[25]The multitude of challenges facing European cities directly impact the citizens who live there. At the same time, citizens are contributors to urban issues, through their behaviour and demography. They are also a crucial component in solutions, offering immense aggregate power from their behavioural change, education, participation and empowerment. The EU Urban agenda perhaps needs to be thought of as a "new municipal agenda" as the challenges outlined above (as well as those I have missed) will have to be addressed at a municipal level

- **New models of financing.** Markets are often fragmented, missing out on their full economic potential. Many innovative solutions require new business models and financing solutions for decreasing risk. Since demand for better infrastructures and services is high and still increasing but public budget is under pressure, knowledge needs to be shared effectively and capacities developed. In particular we need a shift away from the disastrous legacy of public private finance initiatives.

- **From Petropolis to Agropolis models of mobility, consumption and production.** [26]This is concept that has been developed by the world futures council and Hafen City University from Hamburg. Urban regeneration in this concept becomes a process of eco-regeneration which is a comprehensive political, financial and technological strategy for an environmentally enhancing, restorative relationship between cities and the ecosystems from which they draw resources for their sustenance.

- **Actions that focus on the human transition aspects of change.**

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[25] https://eu-smartcities.eu/sites/all/files/CitizenFocus%20FINAL%20DOC%20%282%29.pdf

[26]http://www.worldfuturecouncil.org/fileadmin/user_upload/papers/WFC_Regenerative_Cities_web_final.pdf

It's not just an economic transition we are facing but it is also a human transition. Given the impact of climate change alone, we have to evolve into not just consuming not so much; but considerably less. The throw way culture that has dominated our socialisation means that there is a need to focus on re-education, sensitising as well as behavioural change inducing actions. However, it's not just climate change that will require human transitions, we are going through an era of stagnation, growing numbers living in or at risk of poverty, which is in turn linked to growing inequalities. These factors are changing life cycles as well as family pattern. There is a growing "crisis of meaning" for many people which is linked to the way in which even the labour market has evolved which has resulted in people having short term connections socially and to place.

- **Regional Banks, credit unions and local currencies.** Transforming European cities requires a considerable investment. Unfortunately, the debt crisis has had adverse effects on many municipal budgets. Not only are investment requirements considerable, but a large number of cities have neither the means nor the credit rating to find cheap sources of funding. Austerity measures and decreasing tax revenues risk delaying the decarbonisation of cities, which is a core requirement for abating EU greenhouse gas emissions. This has negative repercussions on industries in the low carbon sector, and it will ultimately adversely impact the economy, as energy, transport and ICT are core economic sectors. Given the strategic importance of cities, it is important to deploy all possible financial tools to make a low carbon transition possible and affordable.

- **The Digital Transition.** This is a cross cutting action as the impact of technological innovation will support the transition to low carbon economy as well as create new possibilities for revitalising democratic mechanisms. However, at municipal level the support of **tactical urbanism**[27] and setting of **open data partnerships** are simple steps that will release considerable latent potential and promote greater citizen engagement.

The above is not meant to be an exhaustive agenda, what the above sets out to do is to start a discussion about how to make EU urban policy, which only has limited budgetary clout anyway, to be focusing on real experimentation and diffusing of replicable actions that ideas which allow for the development of a new local municipal agenda. What would be a real shame is that we end up with an agenda that looks too much like what we had in 1998. Yes history is made up of continuity and change, but we are in period of time that marks the beginning of an important rupture or even breakdown as some would argue, with the model of development that has been largely in place since the Second World War.

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[27] "Tactical urbanism," is a deliberate approach to city-making that features the following five characteristics:

- A deliberate, phased approach to instigating change;

- An offering of local ideas for local planning challenges;

- Short-term commitment and realistic expectations;

- Low-risks, with a possibly a high reward; and

- The development of social capital between citizens, and the building of organizational capacity between public/private institutions, non-profit/NGOs, and their constituents.

Tactical Urbanism also used digital technologies to build the civic economy.