

Contents

Workshop Theme 1: Resurgent European Cities	1
The Intrametropolitan Determinants of Foreign Investment Firms in Istanbul.....	3
Professor Dr Lale Berköz.....	3
The Governance of Shrinkage: a Prime Challenge for the Development of Europe’s Urban Regions.....	4
Matthias Bernt (Presenter: Annegret Haase).....	4
Labour Market Reform and Labour Mobility within Cities: Have the Hartz Reforms Succeeded?	5
Anthea Bill.....	5
Developing Creative Cities	6
Katherine Champion	6
Scenes: Disney Heaven, Bohemia and Other New Urban Dynamics	7
Professor Terry Nichols Clark	7
Universities and Social Transformation: a Regional Perspective	8
Professor Allan Cochrane	8
Is There ‘City Flight’ in Middle England?.....	9
Professor Mike Coombes	9
Vitalising Cities through Integrated Spatial Planning: an Example.....	11
Professor Gordon Dabinett.....	11
Urban Strategies Contributing to Regional Economic Development: the Hungarian Case Study.....	12
Katalin Döbrönte.....	12
The Changing Rationale for the Governance of Urban Regeneration	13
Paul Hildreth	13
Creative Cities – Innovative Sites and Attractive Places	14
Dr Ove Langeland.....	14
The Consumer Economy in UK Cities: an Economically Sustainable Strategy?	15
Paula Lucci.....	15
Vitality – Not Dependency. Social Relations in Scottish Urban Policy.....	16
Dr Gerry Mooney.....	16
Students in the Post-Industrial City	17
Moira Munro	17
Neo-Liberal Adjustment? The Restructuring of Old Industrial Cities and Regions in the Largest Countries of Western and Eastern Europe.....	18
Vlad Mykhnenko.....	18
Museums as Economic Re-activators: Challenges and Conditions for their Effectiveness	19
Beatriz Plaza	19
The Recovery of European “Weak Market Cities”	20
Jörg Plöger	20
Disrupting the Dominant Representations of Studentification as a Negative Process of Contemporary Urban Change	21
Joanna Sage.....	21
Regeneration, Business Strategies and Urban Competitiveness	22
Shaleen Singhal.....	22
The New Wave of Studentification?.....	23
Dr Darren P Smith.....	23
Metropolitan Cities in Implementation of EU Cohesion Policies in 2007–2013 Convergence Regions: the Role of City Actors in Regional Policy-Making Networks	24
Pawel Swianiewicz (i) and Marta Lackowska, Warsaw University.....	24
Hubert Heinelt and Achim Lang, Darmstadt Technical University	24
Andrew Cartwright, Central European University, Budapest	24
The Value of ‘Hypes’: Path Dependency and Factors of Change in the Post-Industrial Urban Economy	26

Dr Jan Jacob Trip	26
The Trajectories of European Cities, 1960–2005	27
Ivan Turok.....	27
City’s Foreign Policy – Competitiveness through Citizens Exclusion?.....	28
Nico van der Heiden	28
Fashion and the City – Social Interaction and Creativity in London and Milan	29
Dr Serena Vicari.....	29

Workshop Theme 1: Resurgent European Cities

The Intrametropolitan Determinants of Foreign Investment Firms in Istanbul

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ABSTRACT

In the context of economic globalization, there has been considerable academic interest on the understanding of location behavior of FDI firms. Generally while studies on FDI firm location focus mainly at the national and regional levels, those of the intra-urban level are limited, especially for developing countries. In developing countries, intensive studies have been carried out on the spatial impacts of foreign capital on the country city system or the regional determinants in the location choice of the foreign capital (Deichmann et al. 2003; Wei et al., 1999; Chien-Hsun, 1996). However, studies on the impacts of the foreign investments in the cities of the developing countries are limited (Wei et al. 2006; Wu and Radbone, 2005; Wu, 2000). The same situation is valid for the studies conducted in Turkey. However, studies on the spatial models at the intra-urban level are limited. The priorities in the location choice preferences of the FDI firms working in both industrial and service sectors in the Istanbul metropolitan area have been set forth by a study conducted by Berköz (2005).

Turkey adopted neo-liberal policies in order to increase economic integration into international relation after 1980. As a result of these policies, foreign direct investment (FDI) inflows increased greatly. In 1980 there were 78 FDI firms in Turkey whereas the number increased by 6511 in 2003. Turkey has become a hub of vast hinterland that extends from Balkans to Caucasus and represented a prime focus for foreign investment. For this reason, it is very important to know the characteristics and spatial distribution of FDI firms in Turkey. In the general perspective of Turkey related to FDI, Istanbul has an importance. Because Istanbul attracts the highest level of foreign investment in Turkey, 75.39% of Turkey's total capital investment and 63.29% of the total number of firms in Turkey are in Istanbul. Istanbul has attracted 59.63% of the firms which have made investment in industry in Turkey with 55.22% of this capital and 66.35% of the firms making investment in the service sector with 92.33% of the capital.

Foreign investment requires the market conditions of the area on which it would invest to be feasible for non-risky business and demands the conditions concerning the spatial quality of the area (such as the quality infrastructure, easy access, transportation-communication systems and the quality of the building and environment) to be of high standards as they are the conditions which reflect the power and prestige of the firm (Berköz, 2005).

In this study, locational determinants of foreign investment firms in Istanbul have been analyzed by using the logistic regression model.

Key Words: foreign direct investment (FDI), Istanbul, intra-metropolitan level, central districts, peripheral districts

The Governance of Shrinkage: a Prime Challenge for the Development of Europe's Urban Regions

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ABSTRACT

As a result of uneven economic development, migration and demographic changes, a growing number of European cities and regions have been facing long-term population loss during the last decades. The “shrinking city” is thus becoming a new normality bringing about numerous consequences for urban structures and space, planning and governance.

Recent research being carried out by the authors on a number of old industrialised regions in Europe (parts of eastern Germany, Upper Silesia, Northern Moravia, Northern England etc.) made obvious that the trajectories of local governance arrangements in shrinking regions differ greatly from their prosperous counterparts.

Firstly, population decline and decreasing demand lead to numerous problems for the maintenance and functioning of the housing market, of infrastructural facilities and social services. Secondly, shrinkage often goes together with a declining demand for already developed land and built environment and causes considerable changes in the urban form. Subsequently, new conditions for planning are created and local decision-makers are in need to replace established paradigms and find new ways to secure the attractiveness of their cities and regions. Subsequently, new agendas for urban politics are created and in most cases “coping with decline” becomes an important issue in local politics. Secondly, local coalitions are more dependent on resource transfer from the national scale, giving the national level a major importance. This background changes the conditions for urban coalition-building so that as a result we find “grant coalitions” rather than “growth coalitions”.

In the paper, we focus in a first part on the identification of challenges created by long-term decline or shrinking for urban regions and their underpinnings, taking different European urban regions as examples. Based on this, we will discuss in a second part the implications brought about by these challenges for various realms of urban governance and planning.

Key Words: governance, shrinking cities, European urban regions

Labour Market Reform and Labour Mobility within Cities: Have the Hartz Reforms Succeeded?

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ABSTRACT

Recent research has pinpointed cities as a hub of employment dynamism within Europe; their successful outcomes attributable to their scale, networks and advanced service functions. These characteristics are said to have afforded city workers higher earnings and greater opportunity to appropriate productivity gains through job mobility.

This paper explores the employment benefits city workers are afforded within Germany, and more particularly the impact of a comprehensive set of reforms initiated between 2003–2005, known as the Hartz reforms. These reforms aimed to reduce unemployment by increasing the dynamism of the German labour market, by accelerating labour market flows and facilitating efficient job matching. Among other things the reforms involved the tightening of eligibility criteria for employment benefits, the introduction of personal service agencies and the re-orientation of training (including the introduction of training vouchers).

However, the German unemployment rate has not come down so far. Does that mean the reforms have not affected labour market outcomes in Germany? Since it is early days to draw any definite conclusions we focus on how the deregulations have affected labour market outcomes within cities, in which – given their dynamism – we expect the effects to mature first.

Drawing on the German Socio-Economic Panel (SOEP), a longitudinal dataset of 21,000 individuals (in 2005) for the years 1985–2005, we provide descriptive analysis of employment outcomes pre and post Hartz reforms, focusing on the question of whether these reforms have exploited the advantages afforded by cities. We also model the determinants of inter-regional urban migration within cities, to see whether the Hartz reforms have resulted in a ‘freeing up’ of the German labour market. Finally we compare the resulting mobility patterns and their determinants to the deregulated labour markets of United States, United Kingdom and Australia (using Panel Survey of Income Dynamics, British Household Panel Survey, and the survey of Household Income and Labour Dynamics Australia respectively). We ask if city outcomes and mobility patterns have converged between the countries in recent years or whether they remain antithetical. Germany’s Rhineland background as opposed to the Anglo-Saxon background of the other three countries might have prevented Germany from taking too drastic measures to deregulate its labour market.

Key Words: urban labour markets, labour market reform and flexibility, job mobility

Developing Creative Cities

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ABSTRACT

Culture and creativity have been promoted as the panacea to reversing urban decline in the knowledge age. The posited benefits of becoming a ‘creative city’ cut across many aspects of policy and evidence suggests that unlocking the creative potential may well improve the prospects for successful urban regeneration. Such activity may be cultivated to attract economic gain (in the form of investment, developing the creative industry sector, business start up locations, tourism spend and knowledge workers) and also social cohesion (strengthening identity, civic pride and accommodating cultural diversity). There are some caveats to this approach: the benefits may be overstated and are often hard to measure. There is evidence that unintended consequences of policy in this area can include gentrification, a loss of distinctiveness and pricing out the creative sector pioneers. This paper presents an overview of UK activity, drawing on the approaches undertaken in three main categories of creative industries, public art and events programming.

Key Words: creative cities, creative industries, public art, events programming

Scenes: Disney Heaven, Bohemia and Other New Urban Dynamics

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ABSTRACT

We elaborate a new framework starting from themes like post-industrial society and the rise of consumption. These cumulatively weaken the impact of jobs and material concerns, and heighten consumption, lifestyle, and amenity issues, especially for people making migration decisions. Persons moving cross-nationally, nationally, and within a metro area are increasingly driven by these new factors, which drive society and the economy more generally. This is not to deny the older factors, but it contextualizes them, suggesting how people vary in their decision criteria; the propositions suggests where and why the new explanatory factors are more important. Following related work on the New Political Culture, we expect the newer factors to be stronger with younger, more affluent, more highly educated persons, who travel more, use the internet more, work in jobs with smaller firms where knowledge and social skills are more salient, Protestants more than Catholics etc.

Our theory of scenes is more than 1. neighborhood 2. physical structures 3. persons labeled by race, class, gender, education, etc. We include these but stress 4. the specific combinations of these and activities (like attending a concert) which join them. These four components are in turn defined by 5. the values people pursue in a scene. General values are legitimacy, defining a right or wrong way to live; theatricality, a way of seeing and being seen by others; and authenticity, as a meaningful sense of identity. We add sub-dimensions, like egalitarianism, traditionalism, exhibitionism, localism, ethnicity, transgression, corporateness, and more. All the dimensions combine in specific ideal-types of scenes like Disney Heaven, Beaudelaire's River Styx, and Bobo's Paradise.

The original data for the study come from assembling apparently the most extensive zip code based data set for the US to date with a focus on consumption and amenities. Some 800 core items – types of restaurants, museums, tattoo parlors, barbershops, churches and civic groups – have been assembled from the Census, electronic Yellow Pages, the Internal Revenue Service, state arts associations, and web pages. Each amenity item has been coded in terms of the degree to which it represents 12 scenes (like Disney Heaven) and 15 analytical dimensions of scenes (like authenticity). We are analyzing how strongly these amenities explain migration by different age groups (young and old, etc.) as well as levels and changes in income and rent, to test the propositions in our framework. We combine multiple methods: bits of oral history of Chicago (from a book on this), ethnography and participant observation, especially in Bronzeville, plus regression, GIS, and HLM analyses of neighborhood and scene effects.

Key Words: urban development, consumption, entertainment, scene

Universities and Social Transformation: a Regional Perspective

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ABSTRACT

The direct economic impact of higher education was until relatively recently seen as of little relevance to its wider ambitions to educate students and pursue research – to produce and disseminate knowledge, if not for its own sake, at least to provide trained and intellectually competent individuals for elite and middle class employment. In this context, the economic justification for universities was constructed at an almost abstract level – higher spending on universities seemed to be associated with greater national economic success, but no one was quite sure why, except that investment in human capital was a ‘good thing’.

Today, however, the expectations are rather different. The geographical focus has shifted, or at any rate become more differentiated – a few universities are identified as national champions in a global higher education market place, while the rest are enjoined to focus on regional priorities, making the regions within which they are located more competitive and innovative. The role of universities in urban and regional economic development and regeneration is increasingly widely recognised.

The recent emphasis on the knowledge economy and on creativity has helped to reinforce this, and the direct employment and investment impacts are hard to ignore, particularly when the impact of the economic multiplier is taken into account. While the effect of the expansion of higher education over the last two decades on ‘widening participation’ may be uncertain, the localised impact of student spending on housing and other goods and services (including cultural activities) has been associated with regeneration and economic revitalisation. There is a danger, however, that the new (and increasingly instrumental) understanding of universities as drivers of economic change and employment creation may distract attention from their broader social role. Drawing on approaches first developed in work relating to post Apartheid South Africa, this paper mobilises wider notions to consider the role of British universities in social transformation at regional level.

This ‘more than economic’ approach makes it possible to consider the how universities, whether in response to strategic priorities or simply as more or less unintended consequences of other activities, influence local and regional social relations. It also makes it possible to critically assess their impact, instead of being trapped in a dominant narrative which simply assumes that the economic (and therefore the social) impact of higher education must be positive. This paper draws on preliminary work undertaken as part of a recently funded ESRC funded project.

Key Words: universities, social transformation, regions

Is There ‘City Flight’ in Middle England?

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ABSTRACT

This paper examines the ‘city flight’ concept that is increasingly to be heard in policy debate. Much varied literature is reviewed in order to clarify the key features and drivers related to those trends which the concept is intended to highlight. The paper takes the three largest cities of the English East Midlands as an empirical proving ground of the relevance of the concept to the processes current shaping ‘Middle England’ (i.e. the medium-sized cities, and their city regions, which are home to a large proportion of the British population but which attract far less research attention than either the largest cities or the most rural areas of the country).

Both the conceptual discussion and the empirical work following it focus on migration patterns. To highlight the key issues raised in debates on city flight it is essential to be aware that:

- migration tends to be a highly selective process, so that even if a city is close to balance between its overall inflows and outflows, this may disguise major net shifts in different groups’ movements (egg. the affluent moving out while poorer people move in); and also
- it is essential to separate moves within the city region boundary (mainly for housing and ‘neighbourhood quality’ reasons) from longer-distance flows (mainly for labour market, higher education or family reasons).

The policy concerns raised by cities’ population loss through migration include urban housing market failure and lower economic growth due to skill shortages; in addition, the quality of life which is part of the ‘pull’ of rural areas may be degraded due to rapid growth (where the existing residents may not welcome it). If there is a rise in long-distance commuting then increased pollution and congestion may be shared by urban and rural areas alike.

The paper finally reviews potential policy responses to migration flows from cities:

- improved city educational services, and better secondary schools in particular;
- tackling city problems of crime and anti-social behaviour;
- improving public transport on high density corridors;
- facilitating new employment growth sectors which favour clustering in cities;
- upgrading and extending urban and suburban retail and leisure facilities;
- providing a more diverse housing ‘offer’ in the main urban areas;
- putting further emphasis on development on brownfield sites; and

- improving access to open space and enhancing the quality of the local environment including the public realm.

Key Words: population migration, city flight policy, England – Midland

Vitalising Cities through Integrated Spatial Planning: an Example

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ABSTRACT

This paper argues that town centres may also be considered as viable and vital neighbourhoods. We examine an EU Interreg project whose aim was explicitly to achieve vital neighbourhoods through integrated spatial planning, showing how the partner small-cities adopted particular strategies for revitalisation, both in their city centres and in residential neighbourhoods. The five partners to the project, all small cities in the North Sea Region, combined social and spatial programmes of physical urban regeneration alongside citizen- participation programmes and combined learning centres, to integrate their approaches to revitalisation. In doing so, they have experimented with different approaches to development, planning and welfare, and developed a set of principles related to integration in spatial planning. The paper will consider the role of the vitalisation project in shaping visions of vital urban life, and the effectiveness of Interreg as a space for policy experimentation.

Key Words: revitalisation, spatial integration

Urban Strategies Contributing to Regional Economic Development: the Hungarian Case Study

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ABSTRACT

It is already a widely accepted notion that cities are key actors in economic development. I will examine in my essay what are the prerequisites of cities being the engines of the development of knowledge based society of their regions on the Hungarian case study.

Hungary decided as a central level policy to promote cities as catalysators of regional development in several ways: The National Concept for regional development designates seven regional growth poles, out of which Budapest is a growth pole of international importance. The other growth poles are Hungarian cities of high economic performance in different regions (NUTSII) with universities. The concept is that the growth poles contribute to the development of the knowledge based economy within their regions through concentrated development of highly innovative industries thus contributing to the development of the regional economies. The concept is also included in the Hungarian National Strategic Reference Framework, thus ensuring the necessary instruments for the implementation. Similarly, the central level also decides on a conscious urban planning system, which means cities are driven to base its urban structure on an integrated urban strategy. The integrated urban strategy is based on a participative stakeholder planning system and on a territorial approach.

The essay examines how the different policy concepts can be implemented

The growth pole concept is based on the cooperation of universities and highly innovative SMEs, how this relationship can prove to be a catalyst for the regional economy, what are the conditions for the regional spread of effects. What is the role of universities, what is the role of the cities in this process? How the different initiatives that referred the universities (like regional university centre programmes) before can be channelled into the present growth pole programme? How the regional business infrastructure, like innovation parks, incubation facilities can be linked with the universities in activities?

The seven Hungarian cities designated as growth poles are very different in history, in their economic structure – the regions of theirs are also very different in economic performance. Cities with long history traditions in disadvantaged regional economy, or cities with higher economic performance but weaker university structure needs different approach. Hungarian growth pole cities are also unique as they are along the state border: how far do they act as catalyst within their statistical region, and how far can they establish cooperation across the border as a natural spread of effects.

Key Words: regional development, economic dynamism, innovation

The Changing Rationale for the Governance of Urban Regeneration

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ABSTRACTS

The rationale for the governance of urban regeneration is changing. Urban regeneration has often been addressed through specific economic, social and environmental interventions targeted at small areas, such as neighbourhoods, often out of context to the situation of the surrounding economy. However, if the potential of ‘places’ and their communities are to be realised, it is important that localised interventions are planned within the context of the wider economy in which they are located.

However, to do this requires agencies at different levels of governance to have an improved understanding of physical, community and economic ‘place’. This implies developing a shared analysis of how people, firms and investment assets interact across ‘place’, which takes into account the different spatial levels in which we live our lives and in which the spatial economy works:

- ‘Where we live’ – a neighbourhood
- ‘How we are governed’ – the municipal town or city
- ‘How we live’ and how the functional economy works - ‘city-region’, ‘urban region’ or ‘sub-region’

Once sorting mechanisms between assets are taken into account (for example, between people and ‘place’, people and housing, and firms and economic structure) the consequence is a dynamic ‘place-shaping’ process with different outcomes likely in different places.

The policy implications explored from this approach are that:

- There should be greater recognition of significant structural differences both within and between economies of different towns, cities and regions
- A one size fit all approach towards the regeneration of local economies is inappropriate, since ‘places’ are different and may have different routes to realising their potential
- Developing a shared evidence base across different levels of governance with responsibilities for local, city and regional economies is important
- There is a need to improve the vertical and horizontal integration of policy across levels of governance and sectors around a shared understanding of the key challenges facing local, city and regional economies and the key policy outcome objectives

Key Words: urban, governance, place-shaping

Creative Cities – Innovative Sites and Attractive Places

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ABSTRACT

Modern economies are denoted as knowledge-based and innovation driven economies in which cities are assumed to play a central role in enhancing innovation performance and regional competitiveness. A striking aspect of the knowledge economy is that economic activity and growth seem to become more spatially concentrated and increasingly city-based. Knowledge-intensive and creative industries are typically clustered in cities, and particularly larger cities seem to have specific innovation advantages based on a combination of localisation and urbanisation advantages, and a favourable business and people climate.

Cities are looked upon as information entities with high knowledge spill-over intensity in which interactive learning processes are facilitated by proximity and face-to-face contact, and where economic and social diversity are assumed to promote the production of new and innovative ideas and products. The paper discusses theoretical approaches and concepts related to knowledge economy, creative cities, innovation and attractiveness of urban areas with a special focus on localisation of knowledge-intensive and creative industries and the significance of quality of local places for new economic city-based activities.

The paper will draw on economic geography and sociology as well as urban and city planning theories, where the emphasis will be on the urban structures' ability to facilitate proximity and face-to-face contacts.

The paper will follow a two-level approach and focus on both the city-level and inner-city level. It will use register data to give an overview of industrial localisation, and draw on empirical evidence from present studies as well as relevant documents such as the Master Plan and the Regional Development Plan for Oslo in order to substantiate the questions of:

- why cities are regarded as centres of idea creation and transmission of knowledge;
- why cities seem to grow and contribute to economic performance particularly when producing new ideas;
- why some cities and places within cities attract, retain and develop human capital and creative capabilities better than others.

Key Words: creative cities, innovation, attractiveness

The Consumer Economy in UK Cities: an Economically Sustainable Strategy?

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ABSTRACT

The ‘consumer economy’ of retail, leisure and tourism is big and growing. Retail alone is the UK’s 3rd largest industry, and tourism is the 5th largest (Accessible Retail 2006, DCMS 2006). The reasons for its growth are complex, spanning demographic, economic, social and cultural drivers. Cities are key sites of the consumer economy. In London and the English Core Cities, consumer sectors make up at least 25% of employment. Again, a number of factors are driving this. Industrial change has emphasised the importance of the urban service sector, and opened up land for new uses. Cities offer advantages for consumer – easy access to big markets and a range of goods, services and amenities. And there’s a renewed interest in urban lifestyles, particularly among younger people.

The consumer economy is increasingly important for UK cities. But is it an economically sustainable strategy? What are the economic impacts and possible risks for cities increasingly relying on the consumer economy? This paper addresses these questions – drawing on secondary data, synthesis and pen portraits of two UK cities.

Among the most obvious economic impacts are the number of jobs supported by the sector, especially entry-level jobs linked to local people and their related income effects. More indirect impacts include opportunities for urban regeneration. In some cases this could contribute to cities’ re-branding – potentially making them more attractive to visitors and mobile capital. Risks include the social and spatial distribution of gains: consumption-orientated strategies, as any economic strategy, generate winners and losers. In addition, broader trends in the economy, such as the state of the macro-economic context and the likelihood of a credit crunch or global developments, such as outsourcing and e-shopping, also need to be factored in. Finally, there may be a temptation for cities to envision growth strategies based on the consumer economy as the substitute for a lost industrial base. However, the consumer economy may only work for particular cities with specific characteristics and sizes.

The paper is structured as follows. The first section introduces the concept of the consumer economy, and its significance for UK cities. The second section develops an ‘impact typology’ for consumption-orientated urban economic strategies. The final section discusses the risks associated with this type of approach, including its distributive impact and the likely effects of economic, technological, social and policy change. It concludes by emphasising the risks of consumption-orientated strategies becoming a one-size fits all strategy.

Key Words: consumption, urban economic performance, resurgent cities

Vitality – Not Dependency. Social Relations in Scottish Urban Policy

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ABSTRACT

Economic policy in Scotland is strongly focused on the nation's cities – with key policy documents such as the City Review, Community Regeneration Statement and the recent Regeneration Policy Statement firmly centred on urban growth and vitality. Vitality as economic growth and prosperity is thus the key national project of Government and business elites. *Vitality* is here a fitting term to distinguish projected successful urban futures, as exemplified by Edinburgh and Aberdeen, from the diagnosed ailment from which Scotland has suffered for too long: dependency, and most notably *welfare* dependency of the many people living in particular in its former industrial cities of Glasgow and Dundee.

In such policy discourse cities are equipped with biological characteristics of living organisms (to which other dependents ones should aspire); all the while eclipsing the social conditions and relations on which not only urban fortunes are built. In the specific context of urban Scotland, the importance of an active social policy is key to combat welfare dependency and to promote vitality. Cast as social inclusion – not only in relation to housing but most notably to urban labour markets – such social policy should provide cities and residents fit for economic competition.

This presentation will interrogate the means by which such 'social neo-liberalism' is being produced across national and city scales. It will do so specifically by two related sets of arguments: Firstly, it examines the extent to which organism notions of vitality underline contemporary urban policy with specific reference to Scottish cities; and secondly to explore the extent to which such vitality can at all be an academic tool for understanding 'the urban', harking back to earlier critiques of the specific constructions of the city and its social relations within a biological (functionalist) frame.

Key Words: Scottish cities; policy discourse; social relations

Students in the Post-Industrial City

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ABSTRACT

This paper will explore evidence of the dramatic growth in student populations in post-industrial cities in the UK and consider the potential implications of this growth. There has been relatively little attention paid to this growing population – the assumption perhaps being that their (typical) transience means that they do not have lasting impacts at the local or regional level. On the contrary, though, this paper argues that it is this very transience that is of interest – it perpetuates the presence of a large group of people who share similar characteristics, that are distinct from the local population (younger, no dependants, disproportionately middle class and better qualified) that is constantly refreshed as each cohort is replaced by a successor. This paper develops a framework in which the impacts of student populations on local and regional economies can be systematically addressed: as workers (well qualified and flexible); as residents (spatially concentrated) and as consumers (with high disposable income and particular cultural and creative demands and impacts on the night time economy). It is argued that these effects might be of particular (and potential) significance for the economies of post-industrial cities, with their need to reverse population and economic decline, while also suggesting that there may be a range of negative effects on disadvantaged local communities and neighbourhoods.

Key Words: student population, cities, implications of growth

Neo-Liberal Adjustment? The Restructuring of Old Industrial Cities and Regions in the Largest Countries of Western and Eastern Europe

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ABSTRACT

In claims about the rise of the knowledge economy (OECD 1996; DTI 1998), learning regions (Morgan 1997) and the more recent 'creative' cities (Florida 2002), there is a concern with how developed economies are restructuring in order to position themselves at a competitive advantage when labour costs are significantly lower in developing countries. This restructuring is illustrated in the declining proportion of industrial employment in developed economies and the growth of the service sector, which has been an ongoing trend for a number of years, if not decades. For example, the latest data on the UK shows that since 1997 the number of people employed in manufacturing jobs has fallen by over 1 million or 25% (Office of National Statistics).

However, this restructuring is not evenly spread but rather impacts on those cities and regions that were most dependent on industrial employment. These so-called old industrial regions (OIRs) and their cities encounter a number of difficulties associated with their path dependence and lock-in to certain forms of employment and industrial activity that precludes, or at least inhibits, their adjustment to this new knowledge economy. In Europe there are a number of such cities and regions spread across the continent, which face different processes of transition constituted by neo-liberal expectations that align transition with globalisation. Such expectations differ not only between cities and regions within these countries, but also between and within Western and Eastern Europe, where the former is driven more by a 'knowledge-based' service sector focus (Lisbon Agenda 2000) and the latter by concerns with 'over-industrialisation' (De Melo et al 1997; World Bank 2000). In this paper we will explore these processes through an analysis of employment and GDP trends in OIRs from the largest Western and Eastern European countries and the relationship these trends have with population change in old industrial cities in these regions.

We will focus on labour restructuring in the last 10 years and in particular focus on the changing levels of hi-tech and low-tech manufacturing and service employment, as well as processes of deskilling that these changes might reveal. We will finish by analysing the various policy responses to these changes by supranational (i.e. EC) and international (i.e. World Bank) actors.

Key Words: neo-liberalism, industrial restructuring, knowledge economy

Museums as Economic Re-activators: Challenges and Conditions for their Effectiveness

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ABSTRACT

When a decaying industrial city in the Basque country decided in the 1990s to spend the equivalent of about €166 million on a modern art museum, critics objected to so much public money being squandered on something so irrelevant and exclusive. This year, 2007, is the tenth anniversary of the Guggenheim Museum Bilbao, sufficient time since its opening to make a robust economic evaluation of the museum's effectiveness in re-activating the economy of the city.

Certainly, investments in heritage sites generate speculation on land prices, increase the price of services and, as a result, hinder economic development when these prices affect the local firms' cost schemes. As a consequence, negative dynamics would surpass the positive multiplier process. The efficacy of a large heritage investment in developing a city depends on three variables. Firstly, the greater the diversification of the city's economy, the greater the absorption of price tensions – in other words, the impact of investments in cultural heritage could be negative to the extent heritage industry is large relative to the whole economy. Secondly, the more the redevelopment zone's markets are integrated, the easier the absorption of price tensions. Due to the significance of the non-heritage sector, they will have adequate resources in terms of labour, goods and services for productive purposes. Thirdly, the greater the productivity of the city's economy, the greater the absorption of price tensions. The aim of this paper is to quantify the museum's impact on employment and to analyze its effectiveness.

Key Words: employment contribution of the Guggenheim Museum Bilbao, conditions for its effectiveness

The Recovery of European “Weak Market Cities”

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ABSTRACT

Following overarching transformation processes since the 1970s, many industrial cities have experienced a dramatic decline of their economic base. During the subsequent crisis, these cities were confronted with a wide range of problems that severely affected their functioning (e.g. population decline, increased social problems and welfare dependency, pressures on municipal budgets). Most cities have since made considerable efforts to adjust to the new requirements, their strategies and approaches have been widely studied. The level of success has varied considerably as we know from many examples around the world.

With a research project on “Weak Market Cities” we are currently investigating the recovery processes in seven European cities (Belfast, Bilbao, Bremen, Leipzig, Sheffield, St. Etienne, and Torino). Evidence gathered from data as well as key experts and stakeholders suggests that the situation in these cities seems to have improved since the crisis. Although one might argue that the larger regional, national and global context builds the general operational framework, cities still seem to have a certain degree of flexibility to influence their development. The research was driven by a number of questions:

- How was the turning-point reached? How do we evaluate what has been achieved so far?
- Which were the main factors for progress?
- Is there a more general lesson to learn about urban recovery?

One of our observations is that the cities demonstrate both striking similarities and differences in their urban recovery process. The presentation will draw upon our learning from the seven cities and present the major outcomes that we were able to distil from the research.

Key Words: urban recovery, urban transformation, resurgent cities

Disrupting the Dominant Representations of Studentification as a Negative Process of Contemporary Urban Change

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ABSTRACT

This presentation will focus on the effects of studentification within a range of diverse enclaves within Brighton. The discussion will emphasise the micro-level differentials of studentification.

Drawing upon qualitative research with local community groups and residents associations some preliminary findings will be presented.

This will disrupt conventional representations of studentification and point to relatively harmonious relations between students and established resident groupings. It will suggest that a more nuanced interpretation of studentification is required.

Key Words: studentification, urban renaissance, gated communities

Regeneration, Business Strategies and Urban Competitiveness

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ABSTRACT

Certain cities have competitive advantage and capture the opportunities for growth and development while others continue to negotiate their position in an increasingly competitive global economy. The less competitive cities are struggling to employ effective urban regeneration strategies and property linked business strategies. In context this paper evaluates the importance of various 'factors' of urban regeneration and the property-linked business strategies that are considered to be essential in promoting urban competitiveness. The methodology employed for research consists of examining various regeneration and property linked business strategies being adopted by urban centres, developing a framework of key factors from regeneration and business perspective that contribute for urban competitiveness, and testing the framework through expert opinion as a prelude to the application of Delphi approach. The paper presents key findings from research based on the review of literature and expert opinion and provides an overview of the approach to be employed by obtaining stakeholder consensus for regeneration and business strategies linked to urban competitiveness.

Key Words: urban competitiveness, regeneration, property

The New Wave of Studentification?

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ABSTRACT

This paper focuses on the effects of a second-wave of studentification, and considers the implications for wider policies of urban renaissance. Drawing upon empirical evidence from the UK, USA, Australia, Canada and Ireland, it is shown that the manufacture and supply of purpose-built student accommodation is being redefined. Pointing to the growing prominence of ‘student gated-communities’, it is argued that this trend may place student populations in more vulnerable socio-spatial contexts. It is therefore contended that the unfolding global geographies of studentification are tied to an increasing ‘ghettoisation’ of student populations, and higher levels of social segregation. This will have important implications for policies which seek to foster balanced and sustainable communities, and will have serious impacts on the ‘student experience’ and well-being.

Key Words: studentification, urban renaissance, gated communities

Metropolitan Cities in Implementation of EU Cohesion Policies in 2007–2013 Convergence Regions: the Role of City Actors in Regional Policy-Making Networks

- Germany – Hannover in Lower Saxony and Dresden in Saxony (by Hubert Heinelt and Achim Lang, Darmstadt Technical University)
- Hungary – Pecs in South-Danubian region (by Andrew Cartwright, Central European University, Budapest)
- Poland – Wrocław in Lower Silesia (Dolnośląski) and Kraków in Małopolski regions (by Pawel Swianiewicz and Marta Lackowska, Warsaw University)

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Panel presentation includes three papers focused on the same topic but presenting different cases.

ABSTRACT

Structural Funds which support development of Objective 1 and 2 regions (in 2000–2006 perspective) or ‘convergence’ and ‘competitiveness and employment’ regions (in 2007–2013 perspective) are allocated on NUTS–2 level. The allocation for individual projects (and consequently among individual sub-regions) is made by member states or regional governments. In many countries it is a hot issue to maintain the balance between support for more rural periphery and metropolitan core of respective territories. The process of metropolization of global economic growth suggests treating core urban regions as potential engines of regional development, and concentrating considerable of development policies there. On the other hand, cohesion character of EU regional policies suggests a special attention for rural areas, which are usually lagging behind. This dilemma is often reflected in regional debates (or even conflicts) between actors involved in regional policy making.

Papers in the panel will have two parts which will include:

- general information on the national debate on the role of metropolitan areas in absorbing structural funds. This will be illustrated by data showing flows of funds to metropolitan and non-metropolitan areas;
- results of empirical study performed with the usage of SNA (Social Network Analysis), analyzing the role of the core-city actors in the regional network of actors involved in relevant areas of policy making. Is central city central in the regional network? Is it marginalized by more numerous representatives of the “countryside”? What are sources of specific role (if any) played by actors from the central city?

All three papers will be using the same methodology (arising from the FP6 Research Project “SOCCOH”) of empirical study and presentation of the results, so it will allow full comparability of the conclusions. Applied methods are both quantitative (mainly SNA related) and qualitative (based on in-depth interviews with regional stakeholders).

Key Words: metropolitan governance, European funds, regional policy making, social network

The Value of ‘Hypes’: Path Dependency and Factors of Change in the Post-Industrial Urban Economy

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ABSTRACT

The paper aims to explore the relation between the long-term development of urban economies and the effects of short-term developments, such as the intangible image effects connected to the high-speed train, or the present creative economy debate. Once introduced, processes such as these may easily be exaggerated and too much considered in isolation, and even become considered somewhat of a ‘fashion’ or ‘hype’. However, mostly they are more than just that. Considering this, the paper explores the presumptions that most factors of urban competitiveness and vitality are rather constant and to a large extent subject to path dependency, and that the value of an economic ‘hype’ for a city often lies in the opportunity to interrupt an unfavourable path dependency in the urban economy.

The paper focuses in particular on the relation between the current creative economy debate and the long-term processes involved in the urban-economic transformation that takes place in many former industrial cities. While it is very influential at the moment, the concept of the creative economy (as well as related concepts such as the cultural economy and quality of place) is also widely criticised for being too much of a ‘hype’. Still, it is a hype, but it is more than just that. Based on an analysis of the role of the high-speed train, the creative class and quality of place in the development of, in particular, Lille, Rotterdam and Amsterdam, the paper addresses the questions of how these short-term developments could disrupt a long-term, path-dependent process, in which circumstances this may occur, and which kinds of processes are affected. These issues will be analysed by means of a concise study of the development of Lille and Rotterdam, although comparisons to other cases will be made where appropriate.

Key Words: urban economy, path dependency, creative economy

The Trajectories of European Cities, 1960–2005

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ABSTRACT

Cities have been viewed for several decades as the places within Europe typically facing the greatest problems associated with economic and population decline. A contrasting view has emerged recently that identifies cities as sites of economic dynamism and social vitality. The paper offers evidence on population change for 310 cities across the whole of Europe to assess how their fortunes have changed over the period from the 1960s through to 2005. It reveals considerable diversity of experience, with one in seven cities described as resurgent on a strict definition of decline followed by growth. They are outnumbered by cities that have experienced continuous growth and those that have had a recent downturn. Taking a long-term overview, the growth of European cities has generally slowed over the last few decades. A short-term perspective suggests something of a recovery within the last five years. Growth and revival are more common in Western Europe and decline is more widespread in the East. The position of larger cities also appears to have improved slightly relative to smaller cities.

Key Words: city trajectories, population chang, resurgent cities

City's Foreign Policy – Competitiveness through Citizens Exclusion?

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ABSTRACT

According to the rescaling literature, the increasing global economic competition between metropolitan areas leads to new necessities for a political response to these developments. City partnerships and international networking are one of the instruments of such a response where cities try to increase their room for manoeuvre in the multi-level governance setting. It is theoretically unclear whether cities do this to stay competitive and therefore follow a neoliberal way of policy-making within these activities or if they try to regain political steering capacities to foster social cohesion through international networking. In general, there is a tendency of exclusion of the public in these international activities as they are mostly carried out in a top-down way of government and do not involve citizens or parliamentary inclusion. The increased engagement of cities in international activities raises though questions of democratic legitimacy. Our empirical analysis of the international activities of five Swiss and two European cities shows that not all cities are increasingly engaged in international activities. But those which are, they clearly target an increase of their global economic position with these activities. Additionally, the role of the European Union in city networking is crucial in a twofold way: It is firstly fostering city networking with financial initiatives and secondly, it is at the same time the addressee of such networking as these networks are lobbying the European scale for money and an increasing influence of the city scale.

KeyWords: urban foreign policy, democratic legitimacy, competitiveness

Fashion and the City – Social Interaction and Creativity in London and Milan

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ABSTRACT

Creative industries (design, fashion, art, entertainment) are key to the economic growth and renaissance of contemporary cities. Characterized by a constantly changing environment, high levels of uncertainty, and tacit knowledge (Scott 2000), these industries show patterns of concentration in urban quarters; the relevant literature suggests that such concentrations reflect the critical role played by frequent face-to-face interaction and exchange among individuals, organizations and institutions in fostering innovation and creativity.

On the basis of previous work (d'Ovidio 2005) and current research, in this paper we focus on the interactions among fashion designers in Milan and London, two international fashion capitals. To begin with, we show that firms in these cities are tightly clustered in specific quarters and that designers engage frequently in face-to-face interaction, which they consider to be very important. We then discuss the different functions of interaction in relation to the construction of trust, the building of in-group reputation (Storper and Venables 2003) and the nourishment of creativity (Molotch 2003). In a third section we present the diverging patterns of interaction in the two cities; despite the strong economic performance of this industry in both cities, the “creative field” is perceived to be much more vibrant in London than in Milan. We discuss these different patterns with respect to complaints regarding a perceived decrease in the creativity of the Milanese designer community and clear signs of crisis in the local fashion industry. Finally, we advance a tentative explanation for the relative weakness of the Milanese creative community based on the absence of links with other fields of creative production in the city; we argue that this absence is in turn due to the lack of effective institutional actors.

Key Words: face-to-face interaction; creativity; fashion