TRANSFORMING CITIES ACROSS EUROPE

An interim report on problems and progress

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CASEreport 49

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Acknowledgments

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SUMMARY

1. WHY EUROPEAN WEAK MARKET CITIES?

This report draws together evidence from seven major cities in European countries that are experiencing huge change and transition from being industrial giants, through major decline in industrial manufacturing, to recovery. The cities we study all had a high proportion of manufacturing jobs until the 1970s and were internationally renowned for their skills and innovation, and were market leaders in key manufacturing industries. They experienced huge population growth and massive urban pressures, followed by extensive suburbanisation as wealthier people sought to escape the squalor created by industrial pressures. The themes of this overview are the crisis of collapse, the cities' response and the lessons learnt.

2. MANUFACTURING COLLAPSE

Manufacturing declined dramatically in the 1980s and 1990s and cities lost between 30 per cent and 80 per cent of their manufacturing jobs. This resulted in intense neighbourhood polarisation, reduced viability of city centres, a weakening of public transport, schools and health infrastructure, as well as placing a major question mark over the future of former industrial cities.

3. RECOVERY

In the 1980s a new sense of direction emerged based on a new service economy with high-tech knowledge-based enterprises, building on the great engineering and inventive skills of the manufacturing era. Cities developed a pattern book of recovery that relied on physical restoration, the upgrading of monumental industrial and civic buildings, much closer management of urban environments, and a mixed approach to funding involving all levels of government, and the European Union. This levered in significant private sector investment and longer term job growth. The cities developed flagship projects that would pull them to the front of international consciousness. They bid for world sporting events, established world class museums, created alluring city centres and improved residential conditions in order to attract leading global companies.

4. KEY STRANDS OF RECOVERY

There were ten key features to the recovery actions that cities took:

- new publicly sponsored agencies to deliver change;
- land reclamation and environmental upgrading;
- physical redesign and restoration of major landmarks;
- transport infrastructure;
- sprawl containment;
- neighbourhood renewal;
- jobs and enterprise;
- building new skills within the population;
- social inclusion; and
- civic leadership and community participation.

5. EMPLOYMENT SKILLS

With the pressure to develop a new economy, the skills mismatch of the existing workforce was increasingly obvious, and the sheer scale of poverty among the residents of the city forced a focus on neighbourhood renewal and social cohesion. The new jobs were of a different kind and in new sectors, requiring the retraining and 'hand holding' of the work force to help access new opportunities. Some careful bridging work with the new investors looking for a different skill base helped change the job market. The combined approach of skills development and new job opportunities helped the cities move towards recovery.

6. MEASURABLE REGROWTH

As a result of multiple initiatives, former industrial cities proved far more resilient than many commentators had dared hope. Population decline eventually stopped and began to climb again in most of the cities. Unemployment also ceased rising and new job opportunities grew, in some cities faster than the national average, eventually beginning to outstrip the job losses in manufacturing.

7. NEIGHBOURHOOD RENEWAL

A close grained and localised approach to the most marginal neighbourhoods was necessary in order to bridge the gap between; new work opportunities and the economically inactive and often alienated workforce; and between the realities of social exclusion and the vision of social progress. Neighbourhood renewal programmes adopted investment and support programmes at city level that worked close to the ground in the poorest neighbourhoods in order to upgrade the physical environment, retrain people for work and reintegrate marginal neighbourhoods into the city. These programmes are very much a 'work in progress' and their task is far from done.

8. SUSTAINABLE DEVELOPMENT

Overall, we assessed the progress of the cities through the lens of sustainable development, looking at the interaction of the physical and environmental benefits that recovery is bringing; the social programmes that the cities are fostering; and the economic progress that drives recovery.

9. CONCLUSION

At the end of twenty years of sharp decline in fortunes and strong efforts towards recovery, the signs of recovery are appearing in the economies of the seven cities. The assets that these cities offer in location, infrastructure, housing capacity, population and surroundings underpin their progress.

Public support in funding, leadership and infrastructure investment has encouraged private enterprise. Only with ongoing support will these cities continue on the path to a sustainable future.

Cities developed a pattern book of recovery that relied on physical restoration, closer management of urban environments, and a mixed approach to funding involving all levels of government.

1. INTRODUCTION: THE RISE AND FALL OF URBAN INDUSTRIAL CENTRES

From the mid-18th century and for 200 years, Europe experienced massive urban growth and industrial expansion, centred around areas of easily exploitable natural resources such as coal, iron and water. A tradition of craft and trade alongside other historic assets such as location on major river systems facilitated this growth fuelled by invention and rapid industrialisation. Urban growth led to major social and economic transformations, creating pressures on infrastructure, family life, social relations, and governance that had no precedent.[1] Industrial cities generated forms of squalor, disease, overcrowding and social dislocation that were previously unknown. Industrialisation and urbanisation involved vast internal and international movements of people as well as of goods. The conversion of natural resources, such as coal and iron into steel, through manufacturing, ship building, machine engineering, textiles, tools and many other forms of mass production created a huge range of domestic as well as industrial goods. The concentrations of new found wealth and the emergence of new professions led to a growth in need and inequality that forced the creation of totally new systems of local government in nineteenth century industrial cities[2].

The four most direct consequences for industrial cities in Europe were: significant environmental degradation of urban spaces through industrial smoke stacks and dense housing, chemical outpourings and concentrated human waste; the depletion of the natural resources that fuelled the industrial revolution; eventual industrial decline and economic change; and large concentrations of people and buildings whose earlier functions and roles became increasingly redundant in the latter decades of the twentieth century. The products of industrial expansion, based on coal, water and iron, that European industrial cities became famed for, transferred to other, cheaper, and as yet, underexploited places; Industrial cities went through a period of steep decline from which they are only just emerging today.

Three major changes in the international economic order greatly accelerated this process of decline:

- the oil crisis of 1974 and the steep rise in the price of energy, which hit energy-intensive industries hard causing chain effects throughout industrial economies;
- the opening of European markets to competition both within the fast evolving European Union and globally; and
- the rapid emergence of cheap industrial production centres in the developing world, particularly in East Asia.[3]

Our work focuses on the actual experience of formal industrial cities and their populations rather than the wider context within which their decline occurs, but the two processes, one local, the other global, are deeply interconnected.

LEARNING FROM EUROPE AND THE US

The LSE research programme on Weak Market Cities, or core cities, as they are often called in the US, is exploring the decline and recovery of seven European cities that were urban industrial giants but have lost their former pre-eminence.[4] We are working in parallel with the Brookings Institution in Washington which is examining cities experiencing acute industrial decline concentrated in the 'rust belt' states on the Eastern Seaboard and the mid-West of the United States. The Brookings Institution has described the phenomenon:

> *As the name implies, core cities (weak market cities) were at one time just that – the demographic, cultural and economic hubs of their respective regions. These cities matured at a time when access to raw materials, dense transportation networks, and proximity to markets were clear competitive advantages for the development of strong manufacturing industries producing goods for local and national needs.*
>
> *Since the end of World War II, however, these spatial attributes have decreased in importance, leaving core cities struggling to find their economic niche. At the same time, metropolitan areas both in Europe and America have become characterized by population and employment decentralization and racial and economic separation. As a result, core cities must continually grapple with a series of challenges that undermine their ability to attract and retain the skilled workforce and new growth industries needed to create a better economic future. These challenges include loss of home value and equity, a diminishing tax base, large-scale vacant and abandoned property, concentrated poverty, and a low-educated workforce.*[5]

These words resonate across the Atlantic. With support from the Joseph Rowntree Foundation (JRF), the Centre for Analysis of Social Exclusion is examining the following questions:

Industrial cities generated forms of squalor, disease, overcrowding and social dislocation that were previously unknown.

- What is the evidence for and cause of decline in European weak market cities?
- What recovery measures are the cities adopting to combat the consequences of such steep decline?
- What progress is being made as a result of these measures and are the signs of recovery validated by ground level evidence?

An important aim of the Weak Market Cities programme is to develop practical exchanges and learning in a network of city policy makers and practitioners attempting to secure urban recovery. JRF wanted this applied focus. Meanwhile, the Brookings Institution has developed a parallel and comparable programme which offers contrasting experiences. The Americans participate in European network events and vice versa, and we exchange research evidence. The City Reformers Group, linking recovering ex-industrial cities across Europe, meets annually at the London School of Economics to share progress and problems. This report captures that learning and reflects our evidence at the time of our last visits in 2007 – our final overview will appear in early 2009.

WEAK MARKET CITIES THROUGH THE LENS OF SUSTAINABLE DEVELOPMENT

At the outset of our research we proposed a framework for understanding the changes under way in the cities, applying the three core elements of sustainable development – social, economic and environmental progress for the benefit of current and future generations – to an analysis of city experience. The steep physical decline of infrastructure and the built environment that followed industrial closures was a result of the loss of economic investment and a decline in social and environmental conditions. The physical and environmental issues are here considered together because reclaiming used and damaged physical assets and improving the urban environment following the damage of the industrial era provides an opportunity to reduce the environmental impact of economic growth. The wider environment can be protected and enhanced by the process of recovery within cities. Thus we organised our work from the outset around the core proposition that sustainable development offers a framework for understanding the complex interactions between the factors that operate within cities to sustain their long-term viability: their economies; their social conditions; and their physical environment.[6] We discuss the implications of ignoring this balance of interacting elements in the final section.

STRUCTURE OF REPORT

The seven case study cities included in the programme are Leipzig, Bremen, Sheffield, Belfast, Bilbao, Torino and Saint Étienne. All the cities were chosen because of their heavy reliance on a manufacturing base up to the 1980s; their common experience of severe job and population losses due to the decline of manufacturing; and their significant recovery efforts. Full reports covering the seven cities are available from CASE.[7] Two German cities were included in order to have one city reflecting the post-communist transition to a West European market model; and two UK cities were included to reflect the regional distinctiveness of the devolved administrations of the UK.

This interim report presents the findings from two years of intense research into seven European cities, taking a historical approach to the problems of industrial decline and the efforts to initiate economic recovery. It presents an overview of our findings and offers a framework for understanding the changes underway.

The report is organised in the following sections exploring:

- the experience of industrial decline and severe job losses (Section 2)
- turning points towards recovery (Section 3)
- the framework for understanding recovery (Section 4)
- interventions to reshape cities (Section 5)
- population and employment recovery (Section 6)
- the new skills for urban growth (section 7)
- the need for neighbourhood integration (Section 8)
- the sustainability of progress (Section 9)

The direct experience from recovering cities can help policy makers at city, regional, national and European levels to understand intense urban problems and progress in overcoming them.

An important aim of the Weak Market Cities programme is to develop practical exchanges and learning in a network of city policy makers and practitioners attempting to secure urban recovery.

2. INDUSTRIAL DECLINE IN CITIES

The seven cities had many different, intrinsically important industrial roles over the period of Europe's greatest economic growth in the late nineteenth and twentieth centuries. Each city acquired significant status within its national economy as a result of its special role in industrial production. Chart 1 shows the historic roles of the seven cities, detailing some of their specific industrial strengths.

Chart 1: Traditional urban industrial functions of seven cities

Cities	Traditional urban industrial functions
Leipzig	Medieval trading centre between East and West Second half of 19th century: publishing/printing, textile and metalworking After WWI: electrical, chemical, mining, energy After WWII: 16 major industrial Kombinate – major state-owned production conglomerates Post reunification: car production (BMW, Porsche) and international logistics (DHL, Amazon)
Bremen	Medieval city state as trading centre for Baltic, Northern and Eastern Europe Shipbuilding Food and beverages Car production (Daimler-Chrysler) Aircraft and aerospace
Sheffield	Medieval and industrial cutlery production Early regional centre for coal mining industry Steel production and technological innovation Heavy engineering
Belfast	British domination – major trade port for all Ireland and Britain Late 18th century: linen production Mid-19th century: shipbuilding and trade Early 20th century: engineering
Bilbao	Medieval port and historic shipping centre for North Atlantic Early mining centre Second half of 19th century: iron, steel, shipbuilding industries 1950/60s: heavy manufacturing, metal products – still significant manufacturing base Major banking centre
Torino	Dominant Italian city state 18th century: textiles Since early 20th century: auto industry (Fiat) Typewriters and communication technologies
Saint Étienne	Since 14th century centre for coal, mining and iron extraction Early armaments production Since 17th century: textiles (mainly ribbons) 18/19th century: steel, armaments, engineering

Source: City visits, city reports

Photo 1: Industrial giants: Saint Étienne – the historical Manufrance factory
Source: Association 'Vagabondages en Cartes Postales'

The skills base and financial, and physical structures of the cities were transformed through the demands of this exuberant industrial economy. Each city became highly specialised, developing a series of secondary services to back-up and feed into high value production. National governments in every case attached great importance to these cities because of their contribution to national wealth and prestige – they often directly supported their industrial growth through subsidies for infrastructure and also directly through state investment in industrial enterprises.

RAPID POPULATION GROWTH AND DECLINE

The large influxes of population to work in fast developing industries was reflected in the growth patterns of the cities shown in Chart 2. This steep growth curve throughout the nineteenth and early twentieth century was followed by decline from the Second World War onwards, though this occurred earlier in the case of Leipzig.

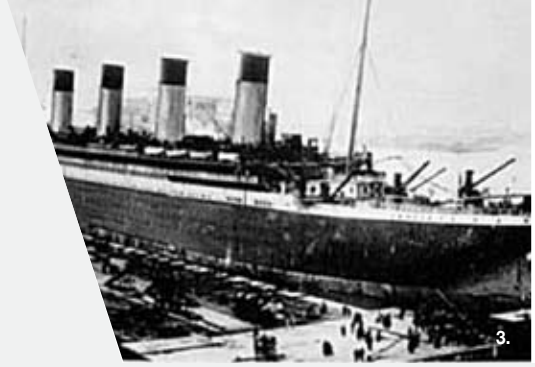


Photo 2: Industrial giants: Saint Étienne – the Imperial Arms Factory, 1894
Source: Collection Musée du Vieux Saint-Etienne, Fds Ico GF-1199

Photo 3: Industrial giants: Belfast – the new White Star liner 'Titanic' nearing completion in the largest graying dock in the world, 1912
Source: www.simplonpc.co.uk/2WhiteStar/Titanic-02.jpg

Photo 4: Industrial giants: Bilbao's heavy industries along the river
Source: City Reformers Group I, presentation by Juan Alayo

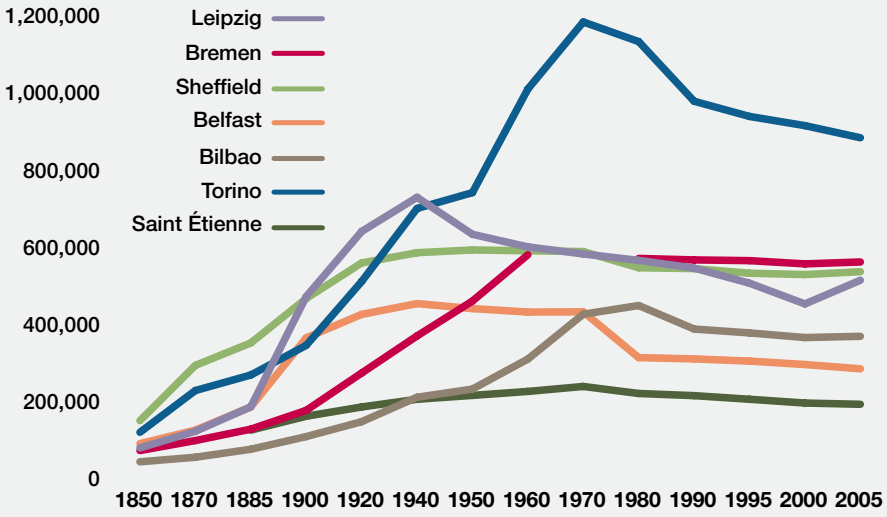
A close look at Chart 2 shows distinctive patterns of population growth and decline in different cities, with Torino growing most dramatically and ending up with a much bigger population than the other cities by 1970. Leipzig grew extremely fast between 1880 and 1940, then declined steeply and steadily until the turn of the twenty-first century when its fortunes began to turn. Bremen grew until 1970 and then experienced a slow decline. Bilbao meanwhile continued to grow up to 1980 when it went into slow reverse. Growth in Belfast, Sheffield and Saint Étienne levelled off slowly over decades until significant decline set in during the 1970s. In spite of these differences the overall pattern of rapid population growth followed by slower decline is clearly recognisable in all the cities. The decline reflects the major changes under way in their economies.

ECONOMIC CRISIS AND JOB LOSSES IN MANUFACTURING

The 1970s proved a watershed for many European industries in the aftermath of high inflation, spiralling costs and loss of investor confidence, which followed the oil price hike in 1974. As the economic crisis bit deeper into Western economies in the late 1970s and early 1980s, it affected these cities particularly severely since their economies had become so dependent on manufacturing. However, though in cases such as Bremen, Torino and Belfast, the wider traditions, functions and responsibilities of government that they carried gave them a bigger rationale. Cities such as Sheffield and Saint Étienne struggled to find new roles, while Bilbao, as the most significant economic centre of the Basque region, retained a power base under the post-Franco regional settlement that ensured continuing support from the federal and regional governments.

The decline, which began at different times in different cities, hit all seven cities in broadly similar ways with the exception of Leipzig, where the dramatic communist regime of the German Democratic Republic artificially propped up failing industries until the collapse of the regime in 1989. Chart 3 shows the scale of job losses in the manufacturing sector in all the cities.

Chart 2: Population trends in the seven cities, 1350-2005



Note: Time axis not callibrated
Source: National and regional statistical bureaux

Chart 3: Economic crisis in seven cities

City	Period	No. of manufacturing jobs lost
Leipzig (city)	1989-1996	87,000
Bremen (region: Land)	1970-2003	55,000
Sheffield (city)	1971-2004	86,000
Belfast (city)	1973-2001	51,000
Bilbao (metropolitan area: Gran Bilbao)	1970-2001	56,000
Torino (province)	1971-2005	171,000
Saint Étienne (metropolitan area)	1977-2001	29,000

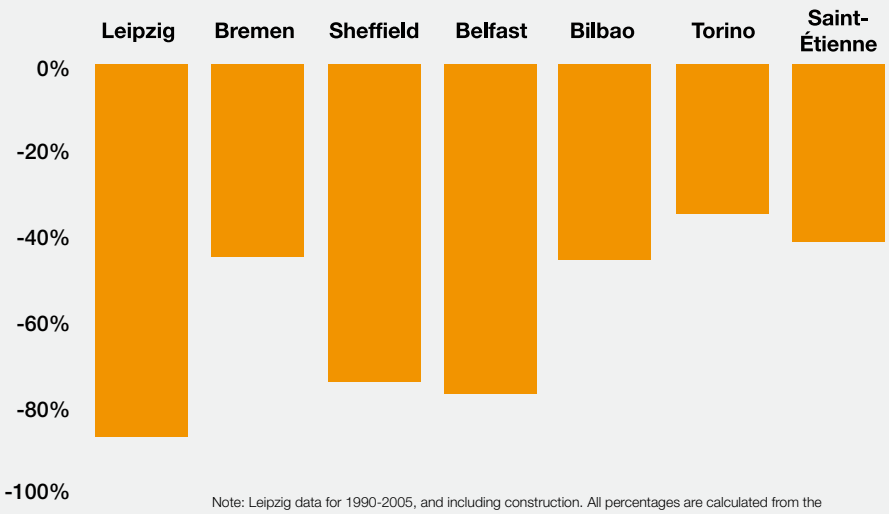
Note: In all tables, charts and graphs, city refers to the current administrative boundaries of the city. Where the wider metropolitan area is referred to, this is made clear.

Sources: Stat. Landesamt Sachsen; City of Leipzig; Stat. Landesamt Bremen; BAW Research Institute; EUSTAT; INSEE; Assedic; ISTAT; ONS; Nomis (2004); Sheffield City Council; NISRA; DFP

Photos 6a-b: Belfast – once Europe's largest shipbuilder
Source: Wikipedia; Jörg Plöger, 2007

Photo 5: Economic crisis: Bilbao – environmental burden and derelict industrial relics
Source: City Reformers Group I, presentation by Juan Alayo

Chart 4: Loss of manufacturing employment in each city (1970-2005) (% of all manufacturing employment)



Note: Leipzig data for 1990-2005, and including construction. All percentages are calculated from the baseline of the dates shown in Chart 3.
Source: Stat. Landesamt Sachsen; City of Leipzig; Stat. Landesamt Bremen; BAW Research Institute; EUSTAT; INSEE; Assedic; ISTAT; ONS; Nomis (2004); Sheffield City Council; NISRA; DFP.

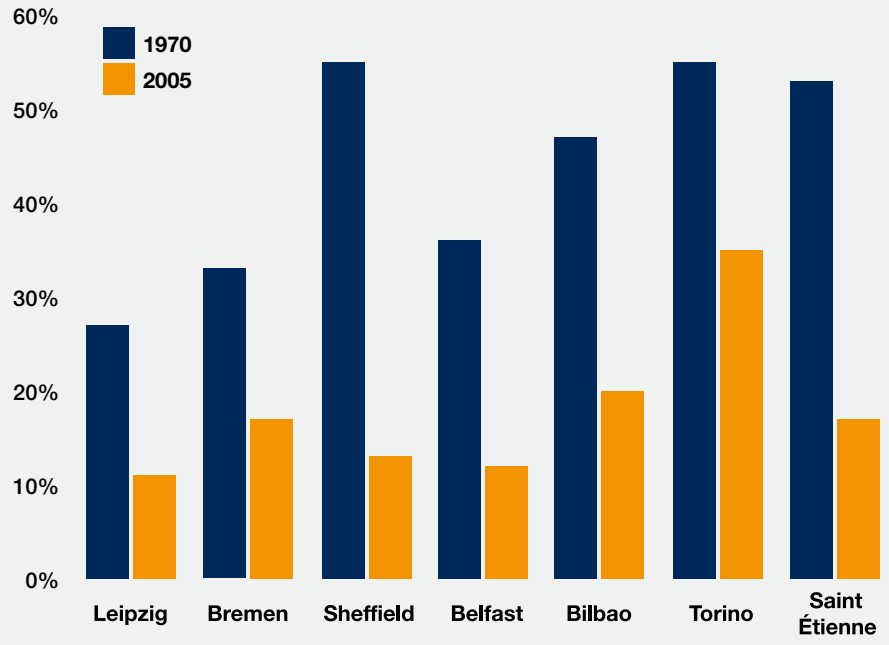
The proportion of jobs concentrated in manufacturing fell dramatically over a 35-year period. Chart 4 shows the proportion of jobs lost in manufacturing over this period – at least a third and rising to nearly 90 per cent in Leipzig. Belfast and Sheffield lost three-quarters of their industrial jobs.

The shift away from manufacturing led to extremely high unemployment levels in the cities for at least one or two decades following the crisis. Chart 5 shows the shift in the workforce away from manufacturing in the cities. Belfast, Leipzig and Sheffield now have the lowest shares of industrial jobs at just over 10 per cent, having suffered the biggest losses.

SUBURBANISATION AND INNER DECAY

The intense wealth creation that accompanied the long industrial boom before the cities began their decline drove suburbanisation. The more affluent beneficiaries of industrial success sought to escape the problems of pollution, disease and poverty associated with living in manufacturing cities. This exodus became more intense as industrial wealth declined, because wealthier people were anxious to protect themselves from the problems of dislocation and alienation that accompanied job losses. This movement to the suburbs further damaged the urban economy and infrastructure, particularly in urban centres and inner neighbourhoods.

Chart 5: Proportion of city workforce in manufacturing employment (1970-2005)



Note: Leipzig: 1990-2005
Source: Stat. Landesamt Sachsen; City of Leipzig; Stat. Landesamt Bremen; BAW Research Institute; EUSTAT; INSEE; Assedic; ISTAT; ONS; Nomis (2004); Sheffield City Council; NISRA; DFP

Photo 7a: Job losses in manufacturing: Bilbao – striking workers, early 1980s
Source: City Reformers Group I, presentation by Juan Alayo

Photo 7b: Job losses in manufacturing: Pickets and Police during the Miners' Strike, 1984
Source: www.nottscops.co.uk/fol2/minerstrikehome.htm

One response to the urban slums, common to all industrial cities, was the construction of 'mass housing' estates in the 1960s and 1970s. An industrial model of concrete blocks to house the workers of large-scale industry drew lower income people away from traditional neighbourhoods, often also to the periphery of cities, but invariably located far from the salubrious suburbs of the affluent middles classes. These estates quickly became unpopular and run down, and were difficult to manage. Their populations gradually became poorer and more marginal to the economy and eventually they too began to lose populations in most cities.[8]

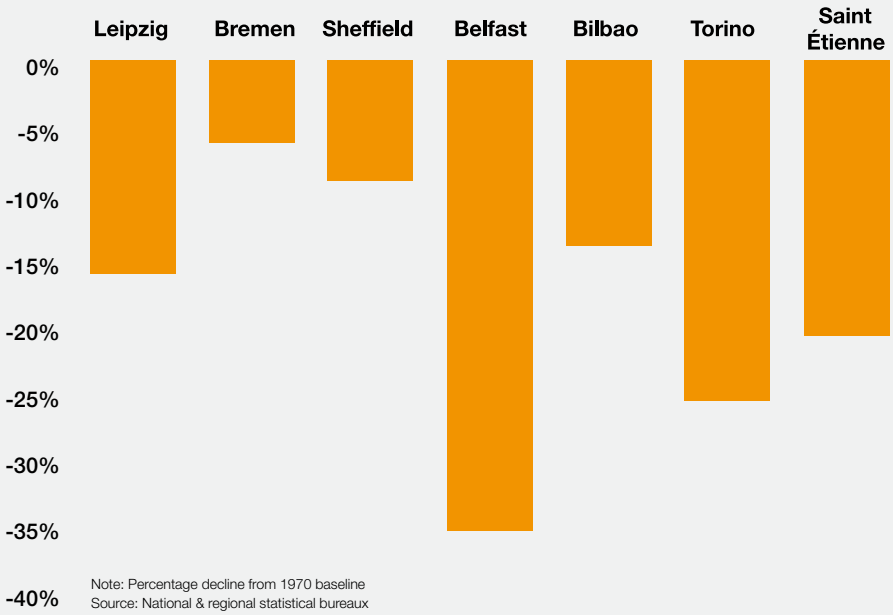
The process of suburbanisation and the development of mass housing estates which depleted core cities, even while their economies were still growing, was accompanied by loss of wealth, mass unemployment and concentrated poverty within the cities, making them deeply unattractive places in which to live or to invest. The urban systems that had grown up around major industries struggled to respond as the great industrial giants themselves flagged under the pressures of deindustrialisation. The population losses were most acute in Belfast which shrunk by more than a third, but were also severe in Torino, Saint Étienne, Leipzig and Bilbao. Only Bremen and Sheffield's populations shrunk by less than 10 per cent. Chart 6 shows the overall population decline in the seven cities that accompanied these changes.

Meanwhile the population of the whole metropolitan area of all the cities had by 2005 more than tripled the core city population. The administrative boundaries of the cities which define the basis for policy, decision making, political leadership and administrative structures were drawn at the industrial zenith of each city, but in reality the boundaries had long been breached by suburbanisation.

Chart 7 shows the extraordinary scale of this outward trend.

The shock to the social structure and the impact on the internal and wider environment of the cities of this exodus were immense. Spreading population, housing, roads, services and jobs over an ever wider expanse of territory as a way of improving urban conditions eventually became self-defeating as urban neighbourhood after urban neighbourhood and city centres succumbed to a parallel process of population and job losses, thinning out core cities and progressively destroying their wider environments.

Chart 6: Population decline in the seven cities (1970-2005)



Note: Percentage decline from 1970 baseline
Source: National & regional statistical bureaux

Chart 7: Population of city and wider metropolitan area in 2005

City	Population Core City (2005)	Population Wider Metropolitan Area (2005)
Leipzig	498,000	~ 1,000,000
Bremen	546,000	1,100,000-2,200,000
Sheffield	521,000	~ 1,300,000
Belfast	269,000	~ 650,000
Bilbao	353,000	~ 900,000
Torino	868,000	~ 2,200,000
Saint Étienne	177,000	~ 350,000

Source: National and regional statistical bureaux

Photo 8: Suburbansiation: Leipzig – rapidly built new developments on the urban fringe
Source: Jörg Plöger, 2007

Photo 9: Inner decay: Leipzig – growing depopulation and abandonment of decayed inner city areas
Source: Jörg Plöger, 2007

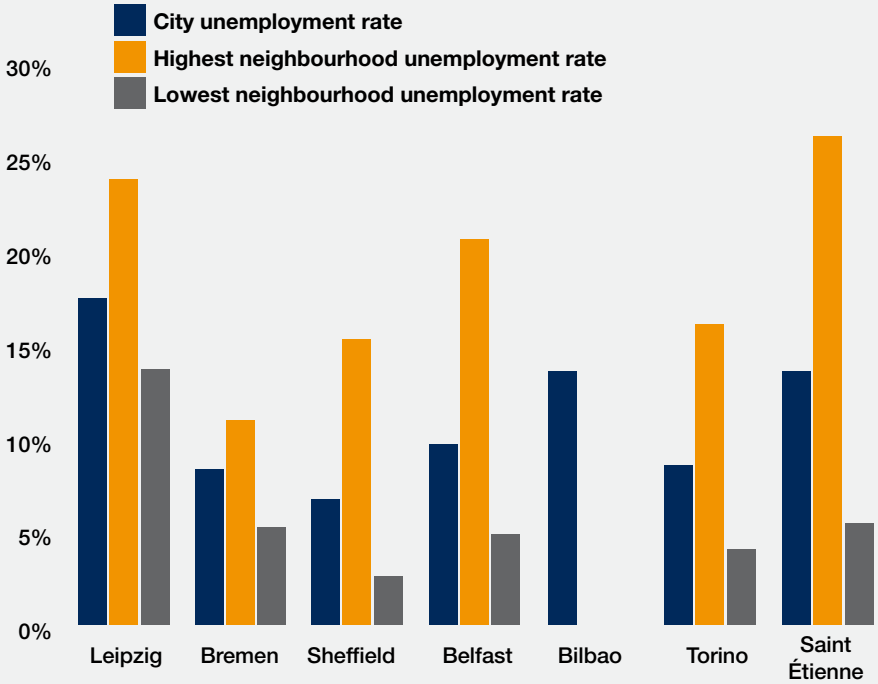
Photo 10: Unpopular housing estates: Saint Étienne – peripheral grand ensemble (block on the right to be demolished)
Source: Astrid Winkler, 2006

An intense hierarchy of more and less popular neighbourhoods emerged as poverty, joblessness and polarisation opened up a visible cleavage between the poorer and richer neighbourhoods.

NEIGHBOURHOOD POLARISATION

The knock-on effects of population decline on housing markets, neighbourhood services, schools, public transport, shops and other aspects of city life showed up most acutely in the poorest neighbourhoods where the job losses were concentrated. An intense hierarchy of more and less popular neighbourhoods emerged as poverty, joblessness and polarisation opened up a visible cleavage between the poorer and richer neighbourhoods. Traditional working class families, now often without incomes except for state benefits, became significantly poorer in real terms and employment rates between more disadvantaged and more prosperous city neighbourhoods began to diverge radically.[9] Chart 8 shows the variation in employment rates between the neighbourhoods with the highest and the lowest levels of unemployment within cities in 2001.

Chart 8: Variation in unemployment rates between neighbourhoods in the cities (2001)



Note: Bilbao is not in Urban Audit, city level data only
Source: Urban Audit

Photo 11: Demolition of unwanted blocks: Bremen – failure of outer mass-housing estates, Osterholz-Tenever
Source: Jörg Plöger, 2007

Photo 12: Population loss: Leipzig – temporary use of vacant lots as public space following abandonment
Source: Jörg Plöger, 2007

12.

Saint Étienne had by far the biggest gap in employment rates – a gap of 20 per cent between the most extreme neighbourhoods. Belfast came next with a 16 per cent gap, then Sheffield third, closely followed by Torino and Leipzig. The lowest differences were in the German city state of Bremen where the gap was only 6 per cent. The German cities had generally higher unemployment more evenly spread between areas, leading to lower levels of neighbourhood polarisation. These gaps between neighbourhood unemployment rates reflect the much greater economic polarisation of some cities, such as Saint Étienne and Belfast, compared with others such as Bremen.

Over a period of 30 years up to 2000, all the cities lost their core rationale, economic prominence and political weight. As producer cities, they had been central to their countries' prosperity – now they were increasingly seen as obsolete industrial 'left-overs' with a shrinking place in the new economy based on services and 'new knowledge industries'. Civic pride was damaged along with urban landscapes, and social exclusion came to reflect a deep and multi-faceted form of separation from mainstream society.[10] Civic leadership, often still embedded in the fading realities of the industrial era, lost its way. Skills mismatches seriously impeded recovery. The upgrading of the city infrastructure seemed an almost impossible challenge and many communities appeared stranded by a fast receding tide of job losses and service decline.

11.

3. TURNING POINTS TOWARDS RECOVERY

Rapid economic change and its social impacts often created local political turbulence in the cities. Such was the depth of the broader crisis affecting cities that it gave new political direction to national and local governments in Europe, throwing up new leadership in cities in the hope of finding a new economic rationale. The major challenges were; how to stop the haemorrhage of people and jobs; how to attract new resources and new players; how to retain the most skilled people and build new skills in an increasingly redundant workforce; how to create new functions for major cities; and how to develop the expensive infrastructure of the cities.[11]

Chart 9: Turning points in each city, from when the cities began to recover

Cities	Turning points
Leipzig	1989 'Popular Monday demonstrations' opposing the communist regime of East Germany based in a church in central Leipzig collapse of the socialist regime. Reunification with Western Germany 1998 Leipzig was the first Eastern German city to recognise the crisis of depopulation and develop a counter strategy at an urban workshop hosted by the city 2000 Experts commission on structural change in the housing market 2001 Federal Stadtumbau-Ost programme to help Eastern city cope with surplus and poor quality housing, supporting demolition and renovation of empty housing Strong political and administrative city-level leadership and organisation
Bremen	1991 New political coalition determined to turn decline around 1995-2004 Substantial financial aid from federal government due to massive budgetary deficit Subsidised investment in university research to develop new technologies Diversification of economic structure, fostering new-technology businesses, etc. Late 1990s city-region debates about the urban future leading to major regeneration
Sheffield	1997 New political leadership of city council and partnership-orientated Chief Executive New focus on creation of dedicated public-private agencies New Labour government offers many new funding streams to core cities City centre regeneration Neighbourhoods strategy and 'closing the gap' policy
Belfast	1994 Peace process along with the paramilitary ceasefires 1996 Major regeneration of city centre and Laganside 1998 Good Friday Agreement between all main political groupings at Stormont 1999 Re-installation of Northern Ireland Assembly Special financial aid from EU and central UK government to repair conflict damage
Bilbao	Strong Basque local leadership emerges following the institution of democracy in late 1970s Early 1980s Regional autonomy of Basque country re-established Fiscal autonomy at provincial level (Vizcaya), 1980s Late 1980s All layers of government working towards a Strategic Plan for the city 1991/1992 Innovative regeneration agencies set up including Bilbao Ria that delivered Guggenheim and new bridge
Torino	1993 First directly elected mayor; renewal of political initiative Civic bodies play leading role backed by bank foundations with major resources 1995 Urban Master Plan 1997 Torino Neighbourhoods Unit leading to participatory social and physical regeneration supported by the Council 1999 Successful bid for Winter Olympics leads to major investment and renewal 2000 City Strategic Plan
Saint Étienne	1983-2001 1st recovery phase, emphasising economic development and employment Late 1970s Major shift away from communist to pro-market leadership in city council 1999 Central government heavily involved; funding neighbourhood renewal programmes 2001-present 2nd phase, emphasises residential appeal; partnership with wider metropolitan authorities and attempt to consolidate wider city-region

Source: City reports and visits

Photo 13: Landmark turning point: Bilbao – Guggenheim Museum on reclaimed riverfront
Source: Jörg Plöger, 2007

Photo 14: Restored main square: Torino – The Porta Palazzo regeneration project centred around the open air city centre market where a lot of illegal immigrants work
Source: Astrid Winkler, 2007

Each city had its own particular turning points, driven by particular events and a political change of direction but invariably underpinned by the urgent need to 'do things differently'. An important unifying event – such as the election of a visionary mayor willing to break with tradition as in Torino and Saint Étienne, or a sharp change in political context as in Belfast and Leipzig' or a new strategy emerging from city and regional debates as in Bremen and Bilbao – often led to new forms of governance which Sheffield, Torino and Leipzig all exemplified but which most cities evolved.

The combination of a new generation of city leaders and a new vision for the city threw up new ways of tackling entrenched problems. It also generated a new economic dynamism that fostered strong partnerships between local government, the private sector and grassroots community initiatives to tackle problems of decay and decline. Civic leaders had to mobilise these new actors to shape a response strong enough to counter the loss of industrial power. Chart 9 highlights the key turning points city by city. The full city reports detail the particular events and the distinctive political factors at work in each city.[12]

A NEW SENSE OF DIRECTION

Whereas earlier political leadership had become relatively weak and defensive in the face of loss of prosperity, a new sense of political direction galvanised important sections of the community, forcing the pace of economic change, particularly in the 1980s and 1990s. For example:

- Leipzig's students, helped by a city centre church leader, played a pivotal role in the final stages of opposition to the communist domination of Eastern Europe, leading directly to the collapse of the Berlin Wall in 1989;
- Bilbao was a major player in the re-emergence of a democratically based Basque nationalist government in the late 1970s and managed to rebuild its international reputation with its visionary backing of the 'Silver Guggenheim' phenomenon;
- Saint Étienne, formerly run by a beleaguered communist local council, with strong ties to the traditional communist dominated unions, is fast becoming a restored and attractive city with a completely new emphasis since the 1990s on what the city could offer in a new world of high tech industries, services and accommodation;
- Belfast's long troubled history and 30 years of sectarian conflict led to a divided, physically damaged city on a scale unlike any other in our study. However it gradually reunified its political leaders around a fraught peace process. Only the establishment of a secure peace agreement in 1998 allowed the necessary reinvestment and regeneration process to begin.

The political and social pressures in these cities gave the sharp focus and potency to the recovery process that was needed. Economic recovery only became possible after political upheaval led to the emergence of stronger, more democratic local government in these cities.

The other three cities also had particular political dynamics at work that led to new leadership and a new sense of direction:

- Sheffield had a history of union conflict over industrial closures, local political clashes with central government, and catastrophic, politically driven investment decisions to try and stem the tide of de-industrialisation from the late 1970s. These confrontations eventually threw up a totally new, partnership-based, private sector oriented approach in the late 1990s which turned Sheffield into an avant-garde model of city reform;
- Bremen and Torino both have unique historic roles, reaching far beyond their industrial growth strengths;
- Bremen was one of only three cities in Germany (with Berlin and Hamburg) that was a legally autonomous government entity as a medieval city-state with jurisdiction over and fiscal responsibility for most functions that in Britain would be national or regional responsibilities. It was a major port for Central and Eastern Germany;
- Torino became the founding capital of a united Italy in the nineteenth century, having for centuries been the major gateway across the Alps from Italy to the North. It hosted Italy's most powerful industrial giant (the auto manufacturer Fiat) and the fourth largest private banking foundation in Europe, the Compagnia San Paolo, helping it to exercise far reaching influence throughout Italy and Europe.[13] This in turn aided its recovery.

CIVIC LEADERSHIP

The new civic leadership depended on three main sources of support:

- the mass of citizens and civic organisations that at key turning points played a dominant role in reshaping the direction of their cities;
- strong central and regional governments that wanted to invest to develop new urban initiatives, reshape old infrastructure and support social programmes;
- private companies that still owned large interests in the cities and had a big stake in their future.

These different players had to work together in new ways as the turning points in each city show. They could only do this with a new style of conciliatory, forward thinking, multi-sectoral leadership, stressing the potential for recovery through new rather than old-style methods.

4. FRAMEWORK FOR RECOVERY

Over the course of the late twentieth century, Europe gradually moved away from intensive manufacturing to a more service-based economy. The mismatch between what former industrial cities could offer and the requirements of the new economy was extreme. At the same time, broader changes towards the knowledge economy led to renewed recognition of the value of large cities as centres of diverse labour markets, universities, professions, cultural assets, and transport hubs. New uses quickly emerged for urban conurbations with core cities and with rich assets at their heart. Weak market cities in Europe began to show signs of becoming 'core' cities once more.[14]

Chart 10: Weak Market Cities Framework for understanding the cities' attempts at recovery

	Focus of city effort	Types of initiative
SOCIAL	Social inclusion and integration Community development Developing new skills Access to the wider city Neighbourhood and community rebuilding Immigration and minority inclusion Mixed income communities	Community projects Social programmes Citizen participation Social enterprises Skills development Hand-holding / advice Events, festivals Youth activities Multi-ethnic programmes
ECONOMIC	High tech development Innovation Increasing competitiveness Higher education 'Cluster approach' to business Business creation / start-ups Transport linkages Regional / intercity interaction Service sector development	Tourism Cultural facilities Retail expansion Financial and legal services 'Residential appeal' University programmes Incentives for inward investors Finance and professional services Lower skill services eg, retail, construction, call centres Higher skill knowledge based technologies
PHYSICAL / ENVIRONMENTAL	City centre renewal Neighbourhood renewal Housing offer / upgrade Transport infrastructure / public transport Public spaces Land reclamation and reuse Environmental upgrading Traffic control measures Urban green spaces Energy efficient buildings	Development led projects Port and water front remodelling Contaminated land clean up New public transport links – within city, trams, bus-ways – improved external train-links – new or expanded airports Beautifying city centre – public spaces, trees and gardens Cultural attractions – concert halls – art, music Neighbourhood reinvestment Estate regeneration Reclamation and reuse of major industrial legacies Environmental industries

* These aspects of physical and environmental action have wider environmental impacts
Source: City visits

15.

Photo 15: City Centre project: Sheffield – Peace Gardens redesigned, with Sheffield's first 5-star hotel in the background
Source: Astrid Winkler, 2007

The cities worked hard to rebuild a 'sense of place', reinvesting in central squares, civic monuments and upgraded housing depending heavily on higher levels of government in doing so. But progress relied as much on improving social conditions and economic prospects as it did on physical upgrading and environmental improvements. Cities could not escape the need to act on all three fronts simultaneously. In this section, we argue that our initial framework of sustainable development encompassed the many problems the cities confronted and the actions they undertook over the period of recovery.

Rebuilding the economy and changing the skills base of the workforce was an ill-defined, poorly understood and under-funded task in the cities. The workforce was still largely embedded in a manual tradition and even the children of former manual workers who themselves had little direct experience of this past, inherited the traditional view of work that described 'real jobs' as manual jobs.[15] Manufacturing still played a significant role in all cities but with a fraction of the earlier workforce while job losses in that sector continue even to the present.[16] Changing young people's attitude to work became a central pre-occupation of city administrations, job agencies, and local communities.[17]

Because the cities were forced to operate on many different fronts simultaneously, the range of programmes, projects, initiatives and strategies have multiplied over the last two decades of recovery attempts. All the cities developed their broad-based recovery efforts within the framework of sustainable development: social, economic and physical/environmental. Strikingly, a common set of initiatives across the seven cities developed within the broader framework we applied. Chart 10 sets out how the wide range of initiatives fitted within this framework for recovery.

CITY DISTINCTIVENESS

Different cities emphasised different aspects of this framework. These initiatives sought to attract people to the city centre, increase investor confidence and improve the general experience of residents and visitors.

- Sheffield argued that economic recovery would not work without neighbourhood renewal and social cohesion. At the same time it prioritised public-private partnerships and put a strong emphasis on arm's length structures. Sheffield also invested heavily in city centre projects such as the Peace Gardens, Winter Gardens, a high-class tourist hotel and the restoration of the Civic Hall.
- Bilbao invested more heavily in upgrading the public transport infrastructure and the historical city centre residential neighbourhoods, as well as directly commissioning and funding flagship projects such as the Guggenheim and the new bridge across the river Nervión.
- Belfast, for community cohesion reasons, focused efforts on integration, reconciliation and peace making. But in the process it managed to attract major private investors and is now seeing a striking growth in 'urban tourism', cultural enterprises and real estate values.
- Saint Étienne has relied heavily on regional and national interventions to drive the recovery process within the city, reflecting the French government's dominance of social and economic programmes. The city leadership has taken major initiatives in reclaiming land, restoring central squares and finding new uses for symbolic manufacturing relics.
- Leipzig took an early decision to save as much as possible of the historic inner city housing and streetscape, rescuing extremely dilapidated, under-occupied traditional apartment blocks, fronting onto dense streets, typical of pre-WWI East German cities. This 'Wilhelmenian style' is lastingly attractive, costly to restore but unexpectedly attractive to younger populations in a 'shrinking city'.[18] This new emphasis provoked an abrupt ending to the subsidies of the 1990s, encouraging building on the suburban fringe of the city and fuelling an urban exodus. Partial demolition of outer estates helped in saving inner city streets. Highly complex funding strategies, incentives, land holding, new uses and planning priorities were required over a decade or more to make an impact. The subsequent gradual recovery of the city stemmed the population outflow and encouraged reinvestment.
- Torino played to its strengths at the foothill of the Alps and won its bid to host the Winter Olympics in 2006 by restoring its medieval city centre and reusing its older, obsolete industrial buildings.
- Bremen adopted strong policies of social cohesion and maintained many of its industrial links by focusing on higher tech, research-led new technologies.

RECOVERY MEASURES

The seven cities adopted many common recovery measures that created a much improved environment for reinvestment. Chart 11 reflects the widespread adoption of common change mechanisms across all the cities under all the major themes. There is in the making a 'recovery pattern book' that could be more widely applied.

Photo 16: Greening of demolition site in East Leipzig to create new public spaces
Source: Jörg Plöger, 2007

Photo 17a-b: Neighbourhood planting: Saint Étienne – small scale greenery in the 100 Squares project
Source: Astrid Winkler, 2007

Chart 11: Common patterns of recovery

	Cities							Emphasis		
	Leipzig	Bremen	Sheffield	Belfast	Bilbao	Torino	Saint Étienne	Physical	Economic	Social
City centre upgrading										
New and restored public spaces	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Pedestrian zones, retail, entertainment	✓	✓	✓	✓	✓	✓	✓		✓	✓
Cultural initiatives eg, concert halls, museums, theatres, restoration of historic sites and buildings	✓	?	✓	✓	✓	✓	✓	✓	✓	✓
New or upgraded public transport systems	✓	?	✓	✗	✓	✓	✓	✓	✓	✓
Recycling land and buildings										
Land reclamation and reuse	✓	✓	✓	✓	✓	✓	✓	✓		
Expanding green spaces	✓	?	✓	?	?	✓	✓	✓	✓	✓
Inner city neighbourhood renewal	✓	✓	✓	✓	✓	✓	✓	✓		✓
Outer estate / neighbourhood renewal	✓	✓	✓	✓	✓	✓	✓	✓		✓
Economic development										
Inward investment measures – searching out new and expanding companies	✓	✓	✓	✓	✓	✓	✓		✓	✓
Financial incentives eg, for inward investors	✓	✓	✓	✓	✓	✓	✓			
Relocation of existing businesses to the city	✓		✓	✓			✓		✓	✓
High-tech industry building on traditional manufacturing skills and history	✓	✓	-	✓	✓	✓	✓		✓	✓
Supporting new small enterprises through incubators	✓	✓	✓	✓	✓	✓	✗		✓	✓
Tourism	✓	?	✗	✓	✓	✓	✗	✓	✓	✓
Skills development										
Targeting low income unemployed minorities	✓	✓	✓	✓	✓	✓	✓		✓	✓
Targeting universities, developing high skills	✓	✓	✓	✓	?	✓	✓		✓	
Hand-holding people into job access	✓	?	✓	✓	✓	✓	✓		✓	
Building balanced social structure										
Attracting new middle class by creating higher grade 'offer' eg, through housing, culture	✓	✓	✓	✓	?	?	✓	✓	✓	✓
Integration of minorities	-	✓	✓	✓	-	✓	-		✓	✓
Strong publicly-led initiative										
Partnership structures	✓	✓	✓	✓	✓	✓	✓		✓	✓
City-region initiatives	✓	✓	✓	-	✓	✓	✓		✓	
Citizen involvement	✓	?	✓	✓	?	✓	-		✓	✓
Public sector leadership	✓	✓	✓	✓	✓	✓	✓		✓	✓

Notes: Shaded measures indicate significant positive environmental impact through physical investment
Information is incomplete for a few measures: ? means unclear; – means partial
Source: City visits and city reports

17a.

17b.

CITY CENTRES

All seven cities built on their heritage and culture, restoring old civic buildings and reusing industrial warehouses, mills and canals, and creating popular pedestrian zones in city centres around imposing public spaces that were restored to their earlier role of citizen-gathering. In Saint Étienne, central squares were restored to an attractive civic space. In Belfast the frequently bombed central zone became a crowded and integrated public space. Leipzig's central streets and squares were attractively restored to pedestrian use. There was a general focus on the re-expansion of city centre attractions, retail and other services to compete with the lure of hastily agreed out-of-town shopping centres.

ENVIRONMENTAL MANAGEMENT

None of the cities have put a central emphasis on the fundamental environmental challenge of sustainable development, such as energy conservation, waste reduction, climate change, bio-diversity and so on partly because national governments have now actively adopted these roles.[19] But they all prioritised the urban physical environment. In the initial 'fire-fighting' stage of recovery, the most immediate worry was the economy and job creation. But all the cities realised that environmental upgrading of public spaces, streets, parks, buildings, and an emphasis on cleaning, repair, maintenance and security encouraged inward investment and population recovery. Therefore the cities directly addressed their immediate and local environmental problems. As climate change, energy use and waste management move higher up European and national agendas, the more progressive, change-oriented cities are capitalising on this new agenda as we will show in the final section.[20]

FUNDING

In the 1980s and 1990s, government leadership, recognising the essential future role of cities[21] provided funding support on a scale that transformed physical conditions beyond recognition, and gave the necessary resources to drive forward recovery programmes. The city leadership had to work extremely hard to stitch the funding together and ensure sufficient long-term investment to complete complex reinvestment projects (see Chart 12). There were multiple funding streams that each city drew on to support its various recovery projects. Grants and subsidies applied to both conspicuous recovery projects, and to the very wide range of lower level initiatives across the cities, over a ten to 15 year period, and often longer.

Cities relied on external funding for social inclusion programmes, the creation of new jobs, neighbourhood renewal and major infrastructure, but most programmes also required local funding. Chart 12 shows the diverse sources of funding for different programmes, both 'flagship' and more mainstream.

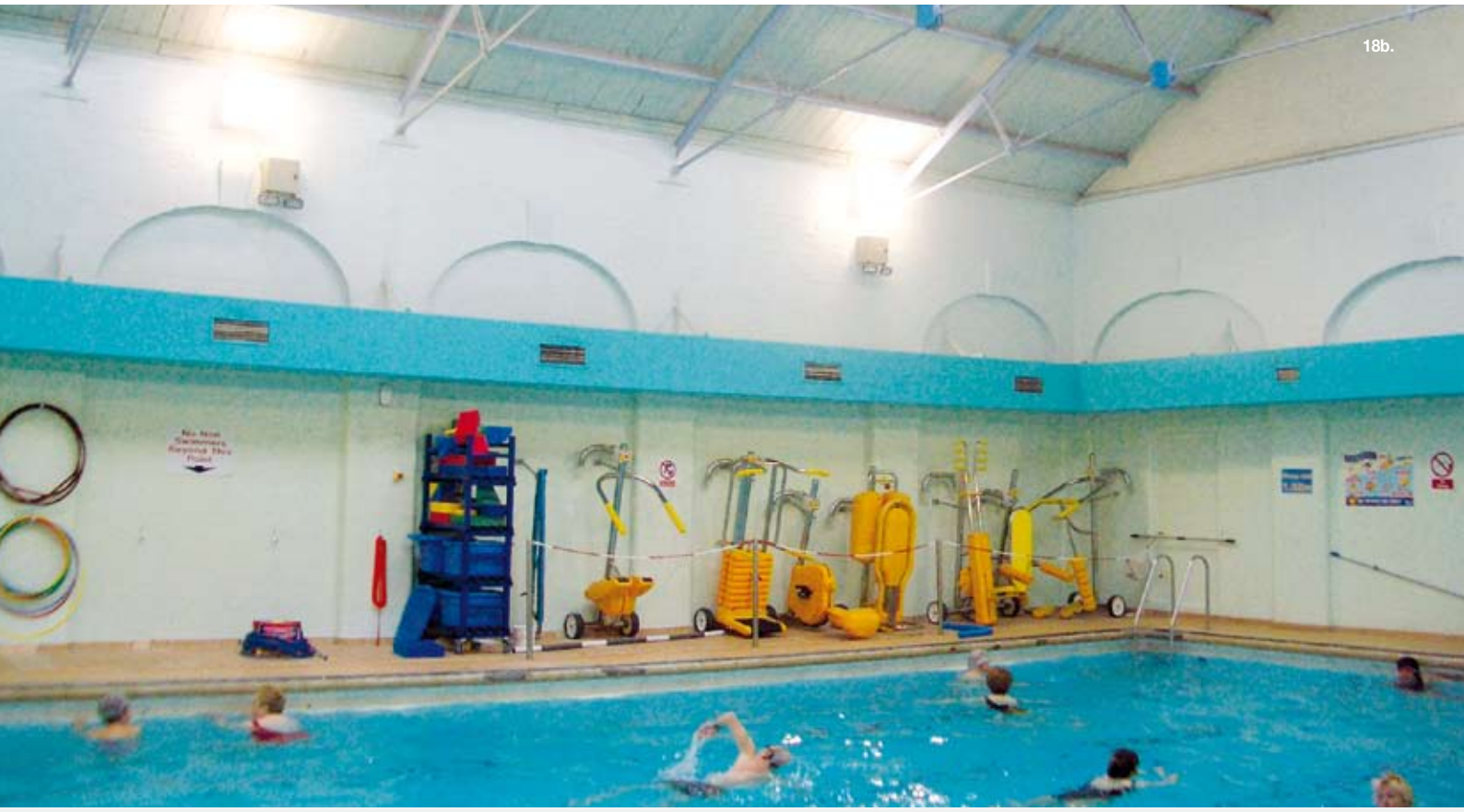
Chart 12: External funding streams in seven cities (1995-2006)

	Cities						
External Funding Sources	**Leipzig**	**Bremen**	**Sheffield**	**Belfast**	**Bilbao**	**Torino**	**Saint Étienne**
Urban / EU (Objectives 1 and 2)	✓	✓	✓	✓	✓	✓	✓
EFRE (European Fund for Regional Development)	✓	✓	✗	✓	✓	✗	✗
National / Federal	✓	✓	✓	✓	✗	✓	✓
Regional / Provincial	✓	✓	✓	✓	✓	✓	✓
Local city level resources	✓	✓	✓	✓	✓	✓	✓
Regulated private sector eg, Bank Foundations, Planning Agreements	✗[1]	✗[1]	✓	✓	✗[1]	✓	✓
Special publicly funded agencies at regional level eg, Regional Development Agencies in the UK	✓	✓	✓	✓	✓	✓	✓

1Private investors and major private companies invested heavily in these cities but they relied on public infrastructure investment to provide a viable framework.

Source: City documents and reports; EU

Photos 18a-c: Neighbourhood focus: Sheffield – Victorian bathhouse converted to Healthy Living Centre, Upperthorpe
Source: Astrid Winkler, 2007



European funding was important for all the cities, as the chart shows, and overall public investment was the critical lever in attracting private funds. The total amounts of money are obscured by:

- extended and multiple timescales;
- opaque organisational budgets;
- matched funding arrangements between different sources;
- the subsidised involvement of private investors;
- bending of mainstream public sector programmes;
- aggregation at city, regional and even national levels of particular funding streams;
- and the sheer complexity of partnership agreements.

The lack of transparency and multiplicity of delivery bodies and agencies means that for most cities there is incomplete information on the amount of funding that has been invested and the data available is distorted by many factors eg, the size of populations affected, wider economic impacts, measurable inputs in kind etc. Three findings are striking: the extent of reliance on public resources; the complexity of funding streams; and the scale of investment, and range and complexity of schemes. This was common across the cities.

The private inward investors who are vital to recovery were attracted by the support they received from the city leaders and by the publicly funded initiatives, both in the physical upgrading and in the skills development that supported their enterprises (See Sections 6 and 7 below). The same applies to new residents, higher education and research. Although many of the public funding streams were short-term and precarious, coming and going with political changes, nonetheless one phase of funding seems to follow on from another, and so far city recovery programmes have secured considerable resources over an extended period, accompanied by a growing flow of private investment. The cities are endlessly inventive in their attempts to win more support.

The cities are endlessly inventive in their attempts to win more support.

Photos 19a-b: Neighbourhood renewal: Bremen – Conversion of former fire station into new homes, café and childcare centre, Groepelingen
Source: Astrid Winkler, 2007

NEIGHBOURHOOD FOCUS

All the funding programmes were tied to particular areas of cities and particular activities. Very often poorer neighbourhoods received disproportionate investment both because they were more damaged physically and socially by industrial decline, and because their environments were already poor. They were widely seen as a 'drag' on city recovery, as well as a social liability and therefore their renewal received high resource priority. The twin impact of urban depletion through suburbanisation and traffic through greater commuting has generated greater recent interest in the idea of 'compact cities' and redensification of underused neighbourhoods.[22]

Within the 'Social Europe' philosophy of the EU[23], supporting equalisation of conditions and opportunities, investing in poorer neighbourhoods within struggling cities is central to raising their conditions closer to the average and reflects a deep fear of social cleavage. Worries about the growing concentration of people without work and other vulnerable and poorly integrated groups including ethnic minorities in poorer areas created a sense of urgency. The goal of creating greater social cohesion and reducing outward movement by more economically successful households was fundamental to city recovery (see Section 7). Chart 13 shows the programmes that were developed by the cities.

Chart 13: Conspicuous neighbourhood renewal and social programmes in each city

Cities	Special programmes ***Neighbourhood inequality, social integration and social programmes, targeted instruments for regeneration***
Leipzig	Housing vacancies, demolition, refurbishment: 'Stadtumbau Ost' Employment agency, matching workforce with companies willing to re-locate Also offering help for unemployed to access new jobs
Bremen	'Living in Neighbourhoods' programme – now part of the socially integrated city' programme 'Stadtumbau-West' demolition and rebuilding programme Innovation in employment, matching previous workforce to new jobs
Sheffield	'Closing the Gap' neighbourhood renewal strategy New Deal for Communities Housing Market Renewal programme Construction JOBMatch supported employment training programme, in partnership with Kier Construction Job Net – city-level job match scheme with neighbourhood-based drop-in centres
Belfast	Community environmental programme – Groundwork Social house building programmes in inner neighbourhoods Gasworks Employment Scheme (GEMS) targeting disadvantaged residents in neighbourhoods close to redevelopment scheme to link them to jobs
Bilbao	Neighbourhood renewal focus on problematic inner-city neighbourhoods and Old Quarter – Surbisa Renovation of outer neighbourhood eg, Barracaldo 'Lan Ekintza' – skills and employment programme
Torino	14 participative neighbourhood renewal programmes run by a dedicated department within the city council
Saint Étienne	Neighbourhood renewal in four neighbourhoods (largely funded by national urban renewal agency ANRU) Attempts to help unemployed into jobs

Source: City visits and city reports

The goal of creating greater social cohesion and reducing outward movement by more economically successful households was fundamental to city recovery.

5. INTERVENTIONIST STRATEGIES TO RESHAPE CITIES

Densely populated, with long urban roots, European cities gradually took on a new lease of life in the late 20th century. They were still at the heart of the economic and social systems of the countries we studied.[24] Even former industrial cities with much stacked against them began to make a comeback in the last decade.[25] Strong interventions created a new climate of confidence.

STRANDS OF ACTION

We identified ten dominant strands of action:

i. **New publicly sponsored agencies to deliver change.** City chief executives and elected mayors relied not only on central government and the European Union for public resources. They also appealed to the city's own financial and industrial base, aiming to anchor companies searching out new investment possibilities. Public partnerships with private involvement were the first forms of partnership that emerged. The Urban Development Corporations in Sheffield and Belfast were in this mould. Often, as in the case of Bilbao and Leipzig which set up their own delivery bodies such as Bilbao Ria, these are still strongly public bodies, but operating at arm's length from core government functions, attracting private support and operating with many private sector methods, even though they are primarily driven by the public sector. They involve innovative structures, programmes and styles of operation very different from past public structures, creating a new image and economic focus that attracts inward investment.[26]

ii. **Land reclamation and environmental upgrading**. Large port areas, contaminated industrial land and former mines, disused steel works, gas works, mills and warehouses all cried out for restoration and reuse. Cities invented whole new regeneration strategies around their damaged but potentially valuable industrial assets. Turning polluted, abused and semi-abandoned urban landscapes into something usable and attractive required major public resources, often directed into partnership bodies that converted disused city spaces into an asset from a liability. Leipzig and Saint Étienne have led the field in cleaning up large tracts of abandoned land, poisoned by coal waste and other industrial pollution.

iii. **Physical redesign and restoration of major landmarks**. Former industrial era civic buildings such as old town halls, theatres, civic halls, public squares and even older department stores, factories and warehouses were renovated and given new uses. Whole city centres were redesigned and the reinstatement of civic buildings and spaces has become a central plank of city rebuilding. It has given even the ugliest and most decayed cities a sense of their own value and has helped rebuild civic pride, by making cities attractive places again after decades of blight following industrial over-growth. The same is true in neighbourhoods where disused churches, schools, workshops, vestries, cinemas, banks, and shop fronts have been revitalised. This reinvestment helped attract new enterprises, including multiple social enterprises.[27]

iv. **Transport infrastructure**. Major upgrading of public transport aimed to overcome the dominance of traffic and the continued expansion of roads which was dissecting cities, destroying urban spaces and communities. New and upgraded tram lines in Sheffield and Saint Étienne, modernised metro systems in Bilbao, restricted car access and car parking in Leipzig and Bremen, and above all the rapid expansion of pedestrian areas in all cities, particularly noticeable in Belfast, have greatly increased pedestrian street activity and the attractions of city centre living and shopping. Traffic-tamed areas and good public transport have proved to be immensely popular with citizens and visitors, reinstating core cities as magnets for re-growth. Without fast public transport connections and tamed traffic cities will not repopulate.[28]

Accelerated transport links from the cities to their regions and nearby major cities by both train and road also promise to open up employment opportunities by expanding the labour market, making it easier to attract inward investment and help weak market cities benefit from the stronger growth of larger, neighbouring cities. Lyons and Leeds are examples of large second tier regional centres near Saint Étienne and Sheffield. Both cities are now building on this wider connection, hoping to benefit from faster transport links.[29]

Photo 20: Transport infrastructure: Saint Étienne – new tram line connecting centre to train station (which links to Lyon)
Source: Astrid Winkler, 2007

Photo 21: Bilbao – new tram line, and metro station designed by Norman Foster
Source: Jörg Plöger, 2007

v. **Sprawl containment**. All the cities rely on the city-region for housing, a bigger work force and more diverse economic activity. This has generated major investment in speeded-up urban and outer urban road networks. The growth in car use outside city centres alongside continuing road investment generates environmental and congestion problems no city has yet solved. Bilbao has gone further than any other city in analysing its economic as well as social and environmental costs.[30] However, most cities now have containment plans alongside their inner city recovery. Leipzig has started to repopulate on the back of urban containment and anti-sprawl policies.

vi. **Neighbourhood renewal**. The relatively recent large housing estates and the older, decayed inner-city neighbourhoods, often repopulated by incoming migrants as the indigenous population dispersed, were deeply damaged by the de-industrialisation process. This triple blow led to rapid decay and intense social polarisation, distancing these areas from the rest of the city. The cities prioritised neighbourhood renewal, as part of the recovery effort, targeting the most deprived areas with special government funding. But a majority of the cities also used neighbourhood renewal more strategically in order to improve the 'residential appeal' of their city. Without this, their ambition to attract the new 'knowledge-based companies' would fail to materialise and the cities' populations would remain skewed towards lower-skilled, lower income groups, while poorer neighbourhoods would remain under-populated, under-employed and socially segregated. Therefore, while neighbourhood renewal aimed to help disadvantaged areas, it also aimed to attract and retain higher income, more advantaged households in order to create a greater social mix and to hold onto more skilled households. People with more money and more entrepreneurial skills would help create a stronger middle class and generate more demand for services. Saint Étienne openly adopted this approach, but other cities, like Leipzig and Sheffield want the same. All cities want to retain their university graduates but Bremen has developed a whole high tech strategy around this, as we show in Section 7.

Cities invented whole new regeneration strategies around their damaged but potentially valuable industrial assets.

Photo 22: Attracting higher income groups: Saint Étienne – café and block due to be refurbished
Source: Astrid Winkler, 2007

Photo 24: Jobs and enterprise: Torino – young researchers from the Politecnico working on cutting-edge telecoms technology; commercialising research, creating synergies between universities and business
Source: Astrid Winkler, 2007

vii. **Jobs and enterprise**. Cities actively supported the start-up of new service businesses through the provision of 'incubator' spaces, to attract high tech growth industries. By creating attractive investment sites, often on old industrial sites, they generated a new economic climate in the city, favouring the private sector. 'Chasing the knowledge economy', was central to this, creating cultural attractions and generating a new kind of 'service city' wealth, and a dynamic alternative urban environment. This accounts for many of the new jobs, but it is hard to capture or measure, even though it shows up in the type of jobs new workers in cities take up. High skill enterprises in media, culture, new communication technologies, design and financial services generate new service demand in retail, entertainment, catering, cleaning, health, childcare and so on, thus fuelling a virtuous circle of regrowth.[31] The enterprising dynamics at work in the cities fitted the new economic environment. Yet, the private sector became engaged in large part because of the leverage of public funding, delivering projects conceived of and executed through public-private agencies that adopted many of their methods from the private sector.

viii. **Building new skills within the population**. Changing the skill base of a large under-employed population was essential to attract new companies. This approach was often linked to social integration and neighbourhood renewal, where locally targeted skill-building and support programmes helped former manufacturing workers and a new generation of marginalised youth into new jobs. It was linked to attracting new private companies that would offer jobs but required a more skilled and adaptable workforce. Skills development involved immensely detailed, people-specific, long-term and often relatively small-scale local programmes to achieve this skills transition. Cities supported intermediate, semi-subsidised job recruitment and training agreements with higher education institutions to attract new inward investors and bridge the gap with their own workforce.

ix. **Social inclusion**.
The de-industrialisation process did so much harm among the less skilled parts of the workforce that urgent programmes were instituted in all cities. In five cities, Torino, Bremen, Sheffield, Belfast and Saint Étienne, community-based projects grew in neighbourhoods with working class, immigrant or ethnic minority populations that became extremely marginal or had never become fully integrated. In Belfast the most marginal areas were virtually all white working class communities, where a loss of rationale and income devastated the confidence of the community. In other cities like Sheffield, Saint Étienne and Torino, with more mixed populations, community-based projects were often small, involving ten or less workers, a community building and an open door service to people within walking distance of the service. They attempted to bridge the gap between new economic strategies and the large still declining areas experiencing concentrated poverty among 'left behind' people. Only such small-scale, community-focused programmes could actually reach the most marginal residents.

x. **Civic leadership and community participation**. Civic leaders increasingly rely on citizen involvement in their new plans and argue strongly for engaging the wider population in new approaches to regeneration and renewal. Civic participation became a dominant tool in city recovery over the 1990s. This was partly because cities were so disoriented by the post-industrial crisis that they needed their citizens to help them grasp the problems and shape consensual ways forward. It was partly because big production systems had failed them and they were forced to adopt a more bottom-up approach. The focus on social issues and social inclusion was driven by a civic leadership anxious to reintegrate a fragmented city.
Chart 14 gives some examples of what was done.

Photo 23 – Recovering city population: Sheffield – new luxury flats by the canal in the Lower Don Valley
Source: Astrid Winkler, 2007

Photo 25: Children's play schemes: Saint Étienne – community association in Cret de Roc
Source: Astrid Winkler, 2007

Photo 26: Civic leadership and community participation: Bremen – a participatory budget meeting with residents in Tenever
Source: Astrid Winkler, 2007

Chart 14: What has helped?

Strong, creative leadership
Saint Étienne's real turnaround has only began only since its mayor, Michel Thiollière, became a senator in 2001 and gained access to the influential politicians to whom he could sell his vision for the city. Since then, regeneration funding has poured into the city and is now supporting a clutch of flagship physical projects (Zénith stadium, GIAT factory conversion to Pôle Optique/Vision and Design City, large supermarket chain, Casino HQ, and 4 ANRU neighbourhood renewal projects).
Torino's turnaround was kick-started by a strong, non-'political' mayor capable of mobilising a wide range of people and resources to effect a consensually-developed vision, crystallised in the Strategic Plan of 2000.
Involving residents, building a shared vision
Torino's Neighbourhoods programme was developed by groups involving hundreds of residents in at least 14 city neighbourhoods. Its wider strategic plan was evolved through workshops targeting many different groups of residents.
Sheffield's City Strategy was developed in consultation with residents. Residents are surveyed to assess progress every three years.
Creating special public bodies to fast track reclamation
The French government was made aware of the large number of derelict sites in the industrial western Rhône-Alpes region, and created the Établissement Public de l'Ouest de Rhône-Alpes (EPORA) to recycle these sites by buying them up, demolishing or renovating existing buildings and decontaminating the land. The recycled land is then sold to private developers at 60 per cent of the cost – the public sector funds the difference. Since its founding in 1998, EPORA has recycled 150 hectares of the 300 hectares of land in the Saint Étienne city-region.
Bilbao Ria was created to reclaim large tracts of derelict port land in the centre of Bilbao which is then developed for new enterprises.
Collecting accurate information on problems
Sheffield developed its SNIS (Sheffield Neighbourhood Information System) to provide detailed data (44 indicators) on the 100 neighbourhoods targeted by the Closing the Gap policy.
Torino's Progetto Speciale Periferie conducted preliminary 'needs assessments' in its deprived neighbourhoods, in consultation with residents. Once it had created a neighbourhoods database of information on problems and proposed a regeneration budget, it could choose neighbourhoods to put forward for national regeneration funding competitions.

Source: LSE Weak Market City Programme City Reports

Strong citizen support was necessary for change. The focus on social issues and social inclusion was driven by a civic leadership anxious to reintegrate a fragmented city.

CITY FLAGSHIPS

At different points in the turnaround process, city leaders drew up an overarching strategy or vision that brought together disparate interests to agree a new vision for the city. Strong citizen support was necessary for change. These embraced a number of 'flagship' proposals to transform the cities' physical, economic and cultural attractions as well as promoting a unifying vision for the longer term. These flagship projects formed the vanguard of city recovery, symbolising for residents and visitors alike the dawn of the post-industrial era. Behind them lay the careful work of building new institutions, attracting new money and generating new ideas. Sometimes the flagship projects served to kick-start regeneration; sometimes they underpinned a much wider recovery process already under-way; sometimes they were part and parcel of inevitable change. Chart 15 shows the key flagship projects and programmes each city adopted in order to build a new rationale for the city and attract new investment.

Photo 27: Saint Étienne: the former Imperial Arms factory being remodelled as the Design Village cluster site
Source: Astrid Winkler, 2007; Jörg Plöger, 2007

Photos 28a-b: Saint Étienne: New health clinic built on site of demolished block in Quartiers Sud-Est
Source: Astrid Winkler, 2007

Chart 15: Flagship recovery projects in the seven cities

Cities	Flagship recovery projects
Leipzig	Football World Cup (2006) Cultural events celebrating local heroes Bach and Goethe City-centre and inner city restoration Reestablishment of historic trade fairs traditionally hosted by the city Application for Olympics 2012 (lost)
Bremen	Technology park (linked to university) Major waterfront mixed-use redevelopment ('Overseas City') Restoration of historic centre Application to become Cultural Capital of Europe 2010 (lost)
Sheffield	Major city-centre regeneration project including public squares and gardens, renewal of main train station, new Retail Quarter Advanced Manufacturing Park (linked to university) Lower Don Valley regeneration programme (in planning) Neighbourhood and housing renewal programmes
Belfast	Development of entertainment, shopping and tourist facilities Waterfront redevelopment: Laganside (completed), Titanic Quarter (begun), North Foreshore (in planning) Victoria Square and city centre pedestrianisation Re-opening of Stormont and civic functions Application to become Cultural Capital of Europe 2007 (lost)
Bilbao	Guggenheim Museum on Abandoibarra site Waterfront mixed-use redevelopment scheme Revived metro system designed by Norman Foster and further infrastructural projects (eg, airport, port, train station) by renowned architects Upgrading and expansion of metropolitan public transport system Refurbishment of its historic old quarter
Torino	Urban Master Plan featuring 'central backbone' road and new metro line Winter Olympics 2006 Restoration of historic city centre Conversion of factory infrastructure to new uses Torino Wireless ICT cluster
Saint Étienne	Design Biennale (founded 1998) Design Village and Optics/Vision 'cluster sites' Zénith concert stadium (designed by Norman Foster) Châteaucreux city-centre business services district (adjacent to main train station) Four major neighbourhood regeneration projects New tram line Application to become European Capital of Culture 2013

Source: City visits and city reports

Many of the flagship projects were controversial and costly. As yet their wider, more lasting impacts are unclear, but they appear to set failing cities back on the map and generate interest far beyond their immediate goal of city recovery. The spin-off benefits may be most conspicuous in the case of the Torino Winter Olympics, the Bilbao Guggenheim and the Belfast city centre regeneration. In Belfast after thirty years of limited activity in the city centre, public areas are now attracting all sections of the community and new schemes are being pursued to encourage social interaction in public space.

The flagship initiatives had far-reaching consequences in setting the pace for other recovering cities. Nobody has fully explained the chain effects but urbanists now commonly refer to the 'Guggenheim effect', the 'peace dividend', the 'heritage dividend', 'industrial architecture'. All cities, as a result, now seek to reuse land and buildings, thus revaluing their earlier, often seriously devalued industrial legacies. The renewed value of cities as centres of trade, services, culture, knowledge and innovation, based invariably on their industrial past, is the foundation stone of recovery, emphasising the intrinsic worth of cities and the links between the past and the present.

Applying to host international events has two important consequences; it forces the cities to look outward and aspire to new standards; and it galvanises local commitment around the intrinsic assets of the cities, their location and connectivity, their historic buildings and public spaces and their image. It helps them develop new tourist facilities employing many low-skilled, part-time, female and immigrant workers, alongside more high-skilled entrepreneurial 'knowledge' workers. These new service jobs are often dubbed as 'low-value', but in recovery strategies, they carry great significance. Bars and cafes, from Bilbao to Sheffield, underline this change. The cities were acquiring a new rationale, based on innovation, culture and services.

28a.

28b.

EXPANDING ENTERPRISE

Many new firms and enterprises moved to our cities over the last 15 years creating new jobs and many existing firms took on a new lease of life. Private companies seeking out opportunities for expansion in previously declining cities created many new-style jobs in service industries and high-tech innovation, although there was often a link from the cities' historic positions to their new economic roles building on earlier industrial expertise. Chart 16 shows the main growth sectors and the connection with the earlier industrial heritage of the cities.

Thus Saint Étienne is developing specialist optic lenses, based on its earlier experience in armaments which required precision engineering to produce gun lenses, for accurate firing. Sheffield has developed health-related laser technologies based on its earlier expertise in stainless steel, knife-making and other metal processing technologies. Bremen's traditional role in high-level engineering led to it's decision to go for a 'high-tech' university-based approach to developing an advanced aeronautics industry and advanced shipping. Torino not only restructured and reshaped its earlier highly successful car industry, but also its earlier communications industry, superseded by modern IT. Leipzig, as an ancient trade route and trading centre, became a major world wide distribution centre when Amazon and DHL both decided to each place one of their few worldwide centres there. Meanwhile, Belfast and Bilbao have rapidly expanded their tourist potential, drawing on their unique histories. In different ways, all the cities are beginning to claw back their position and create a new urban focus, generating many small service enterprises, alongside a few major investors.

Chart 16: New investors in cities

City	Jobs *Inward investment, employment and growth sectors*	Examples of major firms relocating or expanding since recovery began	Links to earlier industry and skills
Leipzig	Logistics Car-production Media and Publishing	DHL / Amazon	Logistics linked to ancient trade centre roles
Bremen	High-tech, university-linked development Maritime and harbour services Logistics Food technology Aerospace industry Advanced engineering Environmental engineering	Airbus (EADS)	Expansion of many existing food manufacturers with new technologies
Sheffield	University-related services Advanced manufacturing and engineering Medical technology Business services, eg, call centres Construction	Boeing research Polestar print works Nationwide	Laser development linked to knife technology
Belfast	Business services, eg, call centres Tourism Retail Public sector (40% of jobs) no longer growing	Halifax Developer of Titanic Quarter	Creating investment appeal by reclaiming the port area which built the Titanic
Bilbao	Advanced industrial manufacturing Major international banking Tourism-related services Technology Park	BBVA	Advanced international banking and tourist recovery linked to traditional Basque investment tradition
Torino	Restructured car industry Industrial design Telecommunications (eg, wireless technology) Tourism	Fiat	Hydrogen engines linked to car manufacture
Saint Étienne	Medical technologies Business services Design Optics Advanced mechanical engineering Construction	Casino Retailer	Optics and zoom lens linked to earlier arms lenses

Source: City visits and city reports

29.

Photo 29: Restoring and remodelling old industrial buildings: Bremen – restored wharf houses creating new ateliers for artists and university art department
Source: Jörg Plöger, 2007

RESILIENT CITIES

A new urban image emerges through city centre restoration, through the renovation of more attractive, older housing and other buildings, and through street activity, pedestrian areas, and public spaces based on traditional urban structures. This fosters visitor and resident interest, generates service activity, encourages cultural enterprises and new investment. But while the growth in smaller households is filling housing units, the overall density of people is still often too low for many vital city functions, such as frequent buses and local shops. Growth in the metropolitan surroundings may still be stronger than growth within the cities, although there are some signs that this too is beginning to slow and some governments, notably the UK, Germany and France have reduced financial incentives to 'sprawl'. The redensification of cities has the potential to generate increased demand for local services and greater economic activity.

These cities are all heavily dependent on public funding and all retain major social, environmental and physical legacies from the past that currently limit the capacity of the cities to adapt. Economic prospects for particular places are clouded with uncertainty as they are all heavily dependent on wider economic conditions. However, they have all significantly diversified their economies and this should help them in the harshly competitive environments they face.

If public funding was withdrawn and if wider public support for the recovery efforts of these cities was diminished, as well it might if they continued to progress and economic conditions deteriorate, then a future left to the market might reveal some of the inherent weaknesses in a market-only economy. Yet some private investors are coming in entirely without public 'carrots' on the back of the wider progress towards recovery driven by the recovery measures, polices and channels we have identified. Commercial rental property in Sheffield is gaining value more rapidly than the national average, some of it without public subsidy.[32] The best hotel in Belfast has recently opened in the Cathedral Quarter in an old bank, restored entirely with private money. It is listed as one of the five very best small hotels in the world.[33] These investments could lose their purchase in the more difficult economic conditions we are facing in 2008, but urban history is engraved with such risks and they are now showing a resilience that was not expected even ten years ago.

A combination of image creation, population attraction, inward investment and new enterprise is helping the cities to weather their industrial decline and begin to recover.

The redensification of cities has the potential to generate increased demand for local services and greater economic activity.

A combination of image creation, population attraction, inward investment and new enterprise is helping the cities to weather their industrial decline and begin to recover.

6. POPULATION AND EMPLOYMENT RECOVERY

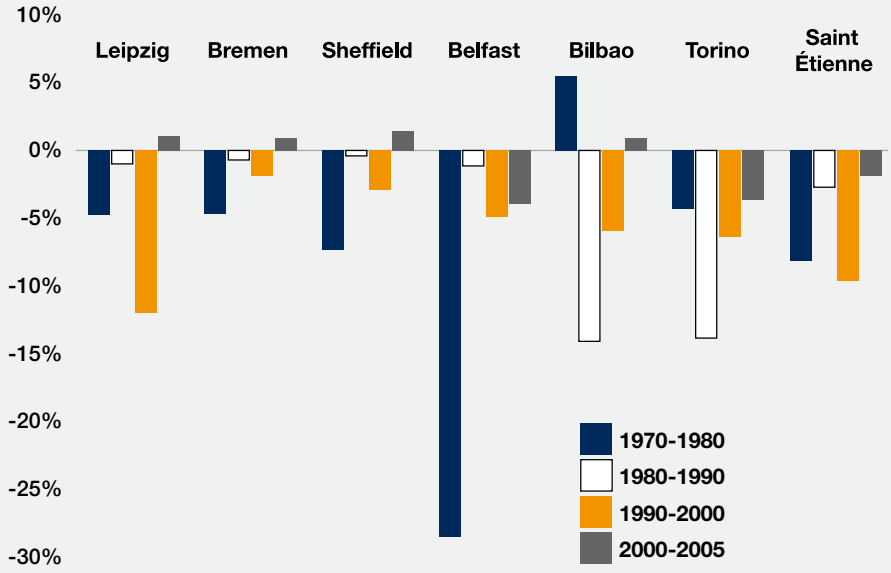
POPULATION

All the cities now show a slowing in population decline and actual re-growth in five cases. The cities appear to have bottomed out from their steep decline and begun the recovery process. The trend suggests that losses have slowed considerably, even in the two cities Saint Étienne and Belfast, where they have not yet stopped completely. Chart 17 shows the most recent population trends with a clear if small recovery pattern in five cities. Population stabilisation makes an immediate impact on housing, services, local economic activity and therefore jobs.

EMPLOYMENT

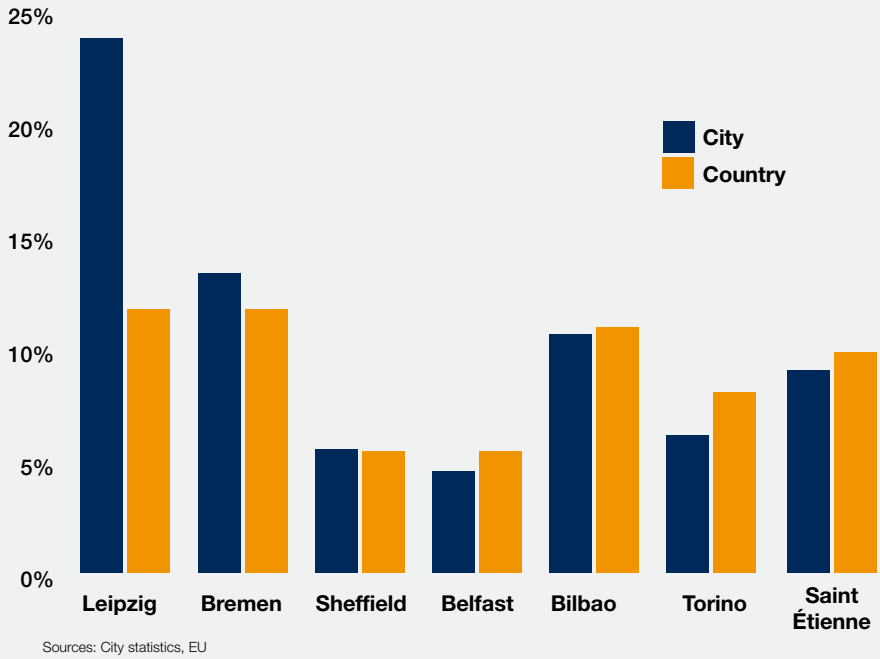
Some of the cities now perform better on unemployment compared with the national picture although the rate of job creation, the flows in employment and the scale of new investments to the cities are all processes that are hard to pinpoint with precision. The overall position reflects stabilisation, reductions in registered unemployment and in some cases re-growth in both population and jobs. Chart 18 shows that in four of the seven cities unemployment has now fallen below the national average. The two most notable exceptions are the German cities where industrial job losses continue to be significant and where the reunification costs over the 1990s had a debilitating effect on the economy of Leipzig particularly. There are still major budgetary deficits in both cities which could have knock-on impacts on the local job market. Since 2005 Germany's economy has recovered steadily.

Chart 17: Population change per decade (1970-2005)



Note: the baseline for each decade change is the beginning of that decade
Source: National and regional statistical bureaux

Chart 18: Unemployment rates in 2005 in the seven cities and their countries



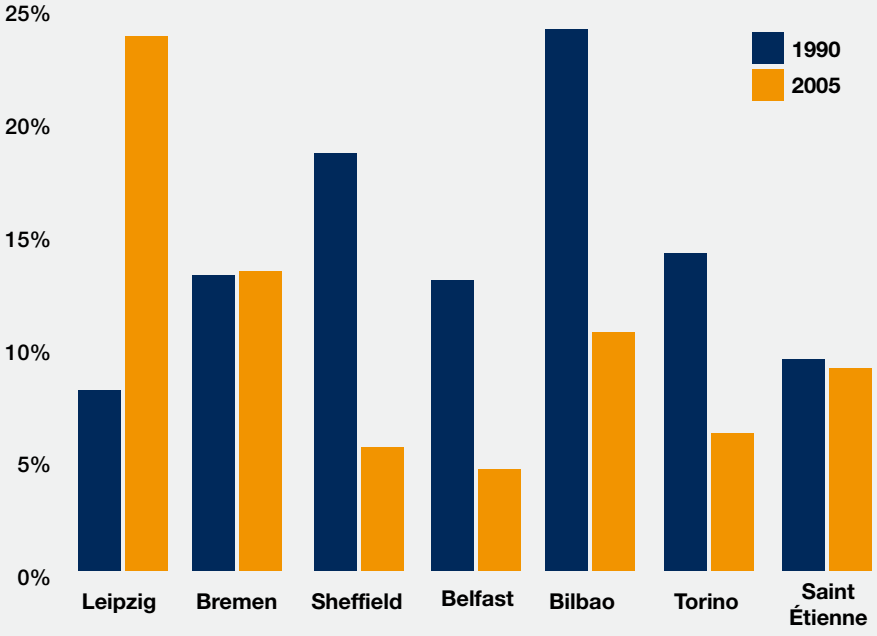
Sources: City statistics, EU

DECLINING UNEMPLOYMENT

The changes in unemployment levels over 15 years show a decline in the rate of unemployment in all the cities except Leipzig. There the total change of economic system from a communist to a Western model made the transition more difficult. Leipzig has in the last five years attracted several very large international investors, offering potentially thousands of new jobs and generating many smaller service enterprises to accompany the significant job growth that is promised over the next few years. Therefore there is optimism that unemployment will fall there too over the next few years. The pattern for most of the cities is encouraging, suggesting a growing degree of participation by the workforce through alternative job creation. However, while Belfast and Sheffield have experienced a large fall in officially registered unemployment, both cities have major problems of economic inactivity – people simply opting out of the job market and no longer showing up in official statistics. Our skills case studies highlight this problem. Chart 19 shows the major changes in official levels of

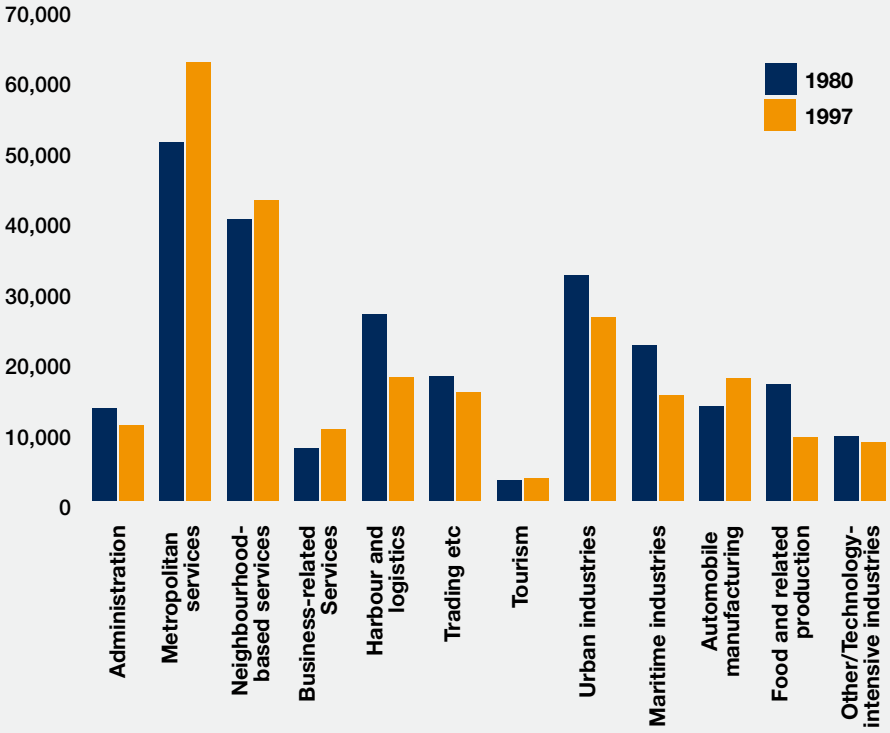
The pattern for most of the cities is encouraging, suggesting a growing degree of participation by the workforce through alternative job creation.

Chart 19: Unemployment rates in 1990 and 2005 (% of active workforce not in work or full-time training)



Sources: Stat. Landesamt Bremen, Stat. Bundesamt, Bundesanstalt für Arbeit, Stat. Landesamt Sachsen, Stat. Bundesamt, Bundesanstalt für Arbeit, Eustat, Inst. Nacional de Estadística (INE), Inst. National de la Statistique et des Études Économiques (INSEE), Inst. Nazionale di Statistica (ISTAT), Office for National Statistics (ONS), Northern Ireland Statistics & Research Agency (NISRA), Dept. of Finance and Personnel (DFP), Office for National Statistics (ONS)

Chart 20: Bremen: Change in employment per sector (1980-1997)

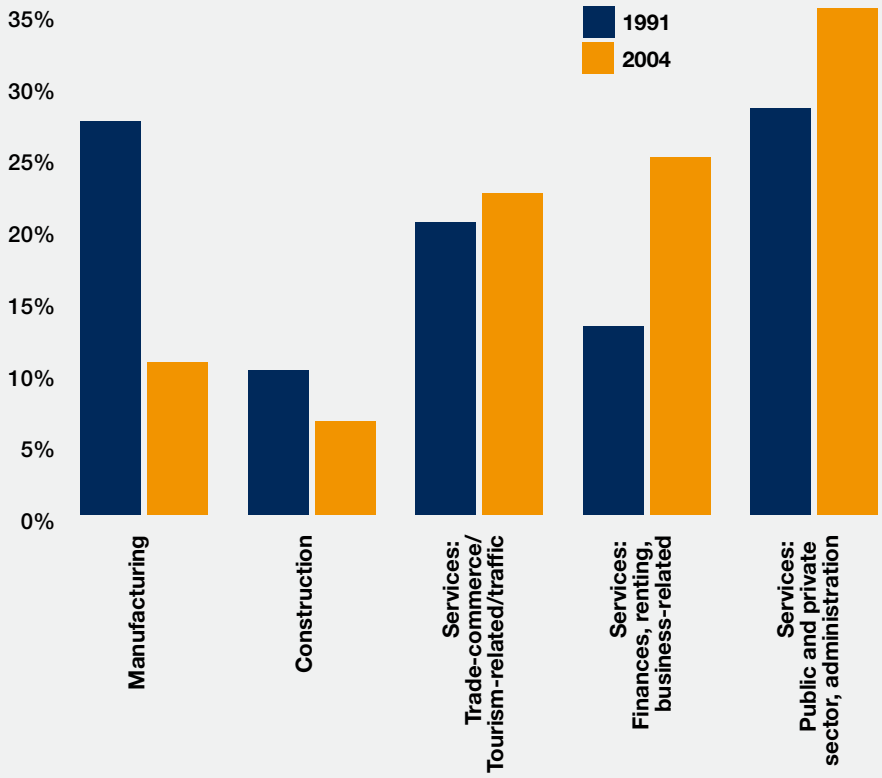


Source: Source: Prange & Warsewa (2000); Data: Statistisches Landesamt

unemployment, with a 15 per cent fall in Bilbao and Sheffield, and a 10 per cent fall in Torino and Belfast. Charts 20 and 21 highlight how employment has changed in the German cities. Chart 20 shows how Bremen experienced job growth in service sectors but continuing job losses in other sectors, particularly its core traditional industries; and Chart 21 shows the changing structure of jobs in Leipzig over a 10 year period with a decline in traditional manufacturing and construction jobs, and a smaller increase in service related jobs which are often part-time and less secure. This pattern is common to all of our cities.

Overall, on the two main statistical indicators we used to gauge the cities' decline, population and unemployment, the cities have at least slowed down their losses and stabilised their populations. This in practise is bound to reflect some new economic growth to compensate for the continuing job losses in manufacturing, even if it hasn't yet pushed the total job figures back to where they were in their heyday. In practice, attracting and creating new jobs requires very detailed and laborious efforts by City Councils, companies and community based bodies to ensure skills development in a workforce geared to older industries and to encourage employers to recognise this potential. In section 7 we examine this potential.

Chart 21: Leipzig: Change in employment per sector (1991-2004)



Source: IHK, 2006

Attracting and creating new jobs requires very detailed and laborious efforts by City Councils, companies and community based bodies.

7. NEW SKILLS FOR URBAN REGROWTH

Changing the skills base of former industrial cities was necessary to address the changing economic context and was therefore a high priority for the cities. Those cities with strong universities recognised the potential that lay in expanding higher education. Bremen, for example, based its overall economic restructuring on a strategy of high-level research, scientific innovation and business development linked to the universities.

At the opposite end of the scale, the cities used 'hand holding' techniques to help disadvantaged and unemployed workers whose skills were no longer in demand into basic service jobs that were rapidly expanding in these cities. This often involved micro-level work on an individual basis as well as wider programmes to support the local initiatives we studied. 'Skills conversion' strategies helped former industrial workforces and more recent immigrants to adapt. This built on the physical restoration process that encouraged new enterprises to invest. We explored skills development in greater detail in order to understand better how specific projects and programmes related to the wider efforts at economic recovery. We also wanted to understand the connection between local social issues and the wider economy. We chose the programmes we set out below because they reflected a range of approaches connecting local with wider issues. There were still many excluded groups who were outside this process of recovery, but we found evidence of a shift, not just in thinking, but in action. City governments wanted to close the gaps in skills and experience by building people's confidence and creating new routes into work. Even Saint Étienne, which seemed to focus less strongly on jobs and skills and more strongly on renewed physical infrastructure, was opening a 'maison d'emploi' (employment centre) in its poorer inner neighbourhoods, to link people into jobs. The city also builds local employment requirements into its construction contracts for neighbourhood regeneration.

Chart 22: City experiences of jobs and skills programmes

	Focus on jobs	Skills context as driver	Skills orientation
Leipzig	Driving purpose is to attract more jobs Major plank of economic recovery strategy Targeting large scale employers	Eastern European state planned economy Previous 'full' employment Totally new economic, social and job context	Leads to major investors coming in Offers in work training and adjustment to new technologies etc Changes working practises in favour of new style working
Bremen	Decision to build on high skills / engineering tradition to generate new jobs	Need to refocus on new opportunities Top level drive Strategic and large scale spending on innovation	Focus on higher education, helps graduates develop business ideas Innovation is central to city strategy Chain-effect on technical professional development Links between science and wider economy
Sheffield	City strategy driven by extreme job losses Low skilled labor concentrated in marginalised neighbourhoods, need to re-integrate them into the mainstream employment market	Previous skills largely obsolete High wage industrial economy crashed Need to develop former skills to create new skills	Apprenticeship style on-the-job training for new recruits Training for tenants in building skills so they can supervise local contract repair work New ways of working for builders and Council – supported employment leading to an industry-accredited qualification
Belfast	Driven by extreme unemployment levels and high dependence on public sector jobs Social exclusion and general deprivation	Urgent need to reinvest in skills to meet demands of private / service economy	Service skills development for ex-industrial workers
Torino	Core aim to link extremely marginal, often illegal immigrants to jobs	Immigrants' existing skills often under-recognised Culturally sensitive advice Attempt to identify and acknowledge their skills	Developing job-readiness skills Preparing people to develop micro-businesses through training in business planning

Source: ASC reports

Photo 30: Skills: Sheffield – Old Victorian building being converted into Community Learning Centre, Burngreave
Source: Astrid Winkler, 2007

30.

SPECIAL CITY SKILLS PROGRAMMES

We selected five cities with established working projects and this section summarises our findings.[34] First we explored the rationale for the city-wide focus on jobs and skills. Chart 22 sets out what drove cities to establish these 'job projects'.

THE CASE STUDIES

The details of the five case study projects are outlined in Chart 23. Bremen adopted a very different approach from the others: it operated city and region wide, developing a high level, technically oriented, research based programme, directly linked with its universities. Leipzig likewise adopted a city and sub-region wide, outwardly-focussed approach. However, the city through its employment agency directly linked new job opportunities to the city's unemployed because the large underutilised labour pool was one of the attractions for investing companies. The other three cases – Belfast, Sheffield and Torino – targeted particular deprived areas, even though the programmes behind them spread out across the cities and in Belfast and Sheffield, the region as well. Over time, four of the five programmes had a regional remit and impact.

There was no single magic bullet. There were many challenges which the projects had to overcome in order to deliver. Without the necessary new skills, new jobs simply would not come.

Chart 23: Details of five skills case studies

City	Case Study Projects	Aims	Methods/ Approach	Funding	Target Beneficiaries	Scales of operation and impact	Who Runs Programme
Leipzig	Personal services to businesses (PUUL)	Provision of employment-related services for investors. Increase job market access for unemployed	Pre-selection of workforce Training of unemployed	2001-2005: €2.5 million (~2/3 by City Council); Since 2006: (60% public; 40% private companies)	Unemployed (local and regional) Existing and potential new companies	City-wide with regional impact Channelled more than 3,000 jobseekers into new jobs (~50% of which were unemployed)	Independent company founded by city council, now independent with city council as biggest shareholder
Bremen	Development Strategy to promote innovation ('City of Science')	To overcome structural crisis by fostering specific economic sectors	Extension and restructuring of 'science landscape' Links between higher education and local economy	1984-1994: local gov. 1994-2004: €2.6 billion; fed. gov. (special aid) Since 2004: €200 million; mixed (local gov., fed. gov., EU) Very high cost	Students, graduates Some start-up enterprises Local/regional companies	City-wide including Bremenhaven	City council
Sheffield	Construction JOBMatch	Training for hard-to-reach groups in construction skills to meet industry demand for new workers	Supported work programme with built-in training, plus wrap-around basic skills training	Phase I (100 trainees): £1,300,000 from construction companies (through contracts) £672,000 from Decent Homes and Housing Market Renewal £84,000 from EU	Women Ethnic minorities Long-term unemployed Individuals from deprived areas	Phase I: city-wide, 100 trainees Phase II: city-region-wide, 500 trainees	City council's Employment Unit five construction companies
Belfast	Gasworks Employment Matching Service (GEMS)	Link between long-term unemployed and new job opportunities through regeneration on Gasworks site (Laganside redevelopment)	Training, job market skills, help with applications Link employers with local area Create local participation	2002-2005: €1.2 million; mixed funding by local gov., Laganside Corporation, central gov. bodies, EFRE Since 2006 multiple sources	Unemployed in a number of deprived East and South Belfast wards	Six deprived wards in S and E Belfast, now covers all Northern Ireland Unemployed: 327 into employment (after two years); 343 into training / education (after two years)	Set up by Belfast Council and South Belfast partnership with other board members
Torino	Associazione Apolié	Information and guidance to support access to jobs for immigrant job-seekers. Broker training and apprenticeships.	Personalised approach; one-to-one interviews with employment counsellor in drop-in centre Cultural mediator helps bridge to Italian system Legal advice on visas and work permits from in-house lawyer	Per annum: €30,000 (75%) from bank foundation Compagnia San Paolo €8,400 from Province of Torino	Job-seekers of all ages in deprived immigrant neighbourhood	Neighbourhood-based Drop-in centre had 730 users in 2006 Part of wider neighbourhood regeneration programme	Local community-based association – set up by enterprising immigrants.

Source: ASC reports

There was no single magic bullet, even within each specific programme or target group; many different factors accounted for the success of each city in developing new skills among its population and improving access to jobs. In all cases delivery was dependent to some extent on the city council and in all cases public subsidy and the city's organisational support were significant. There were many challenges which the projects had to overcome in order to deliver. Chart 24 shows how the programmes worked in practice and the solid outcomes they reported, albeit they were limited in scale.

Chart 24: The way the programmes worked in practice

City	Key success factors	Key challenges	Outcomes
Leipzig	Good political leadership and cross-departmental cooperation Early recognition of urban crisis and subsequent change of urban development strategy Willingness to go 'the extra mile' to ensure inward investment	High unemployment, many long-term unemployed Municipal debts vs. oversized infrastructure for less population Many new jobs tap into regional rather than local labour markets	Channelled more than 3,000 jobseekers into new jobs (approximately half were unemployed) Significant job creation especially in automotive and logistics sectors
Bremen	Freedoms and responsibilities linked to City-state status Federal government aid (1994-2004) > enabling design of Special Investment Programme Having a clear long-term strategic vision focusing on technology and innovation	Forced to cut budget due to threat of bankruptcy again (another special aid by fed. gov. uncertain) How to link low-skilled workforce with the new economic sectors Lack of company headquarters, dependency on decision made elsewhere, lack of high-skilled services	Increased share of high-tech employment Several successful companies in economic niche markets (environmental technology, maritime logistics, aerospace) Higher education institutions labelled 'centres for excellence' (2005)
Sheffield	Sustained leadership and support from Council's Chief Executive In-depth understanding of local communities' needs Ability to use regeneration funding to finance programme Ability to build programme into construction companies' delivery contracts Lead construction company partner Kier Sheffield LLP championing programme to other construction companies	Getting funding together (mainstream training funders not keen to fund non-traditional programme) Winning construction companies over to programme Recruiting hard-to-reach individuals and those who wouldn't traditionally consider construction	High retention rate among 109 trainees (80% still on two-year programme, now ¾ of way through) Good performance of current trainees Expansion of programme across the city-region 23% of trainees achieved their construction qualification six months early Over 50% of trainees come from the city's most deprived neighbourhoods There are eight times more women and almost six times more BME workers in the construction workforce nationally
Belfast	Creation of unique and innovative partnership model Attempt to link large regeneration efforts with local communities Political leadership willing to overcome crisis	Structure of 'old' government arrangements Difficulty to match new jobs with existing skills base The consequences of long-term exclusion	327 unemployed into employment (after two years) 343 unemployed into training/education (after two years)
Torino	Personalised, relationship-building approach, which deals with cultural as well as skills issues On-site experts to advise and support, eg, lawyer, enterprise counsellor, cultural mediator	Convincing informal workers to formalise their work, despite disincentives Overcoming cultural barriers to female employment in immigrant communities	Survey of users in 2006 showed 75% were in permanent employment Two new businesses and two associations created by users during 2006 Total of 730 users during 2006, 82% of whom were immigrants

Source: City visits and city reports; ASC skills reports

31a.

31b.

OUTCOMES FROM SPECIFIC PROGRAMMES

These dedicated skills and job programmes introduced new avenues to work that would not have been uncovered without looking at detailed grass root level projects. Cities supported training initiatives, university links, employer support as well as hand-holding, employment-linking initiatives. Subsidies from EU and national programmes, as well as regional and city resources, supported these projects as a way of supporting local economies. Kier Construction in Sheffield for example faced recruitment problems for relatively low skilled jobs in a city of under-employment and high inactivity because of the poor image of construction work. The training subsidies and the hand-holding into recruitment for real construction jobs led to a mutually beneficial partnership between the city, Kier Constructions and the target communities. In this way, in different cities, through many funding streams over two decades of concentrated effort and leadership, the different projects targeting skills and jobs access helped marginal groups directly, as Chart 25 shows.

The programmes had measurable outcomes in all cases, even on a micro scale, as in Torino. They also had wider impacts beyond immediate job creation, job access and skill building objectives.

- The projects convinced cities and employers of the need for bridges between low income, often demoralised communities with the 'wrong' skills and new job opportunities – Torino and Sheffield programmes exemplify this.
- Building bridges between employers and the types of potential worker they might otherwise overlook in a high unemployment situation persuaded employers of a valuable labour force potential within low income and low skilled groups.[35] Belfast and Sheffield did this with large private sector employers and their former industrial workforce.

Chart 25: How the projects helped young people and excluded groups

City	Young people	Excluded groups
Leipzig	Very high youth unemployment as a city issue Whole population targeted but new industries favour younger workers	Since many new jobs are manual, some impact on marginal areas – very few immigrants
Bremen	Universities are main base for innovation, attracting young people into science, technology and business start-up Start up businesses attract youthful workers	Special programmes targeting ethnic neighbourhoods with lower level skills than this project targets
Sheffield	Directly targets young unemployed people Lots of 'sales' work to persuade youth of construction jobs' worth	Particularly aiming to help excluded groups including minorities and long-term unemployed
Belfast	Many new immigrants are young Generally youthful population Works with local schools to attract young people into jobs	Targets new immigrants Aims to integrate across Belfast
Torino	Whole population targeted but includes young people	Led by minority community activist Main aim to helping immigrants integrate through the labour market

Sources: City visits, ASC reports

- The companies that the city wanted to attract were often searching for cheaper, bigger spaces – Leipzig and Belfast could offer cheap sites with good access and environments. Bilbao, Bremen and Saint Étienne are also reclaiming large tracts of obsolete industrial and port land but we did not include all of them in the skills study. Nonetheless all three cities have attracted investors who have created jobs and training.
- Universities, research funding and hi-tech companies can often combine resources and needs in older industrial cities – Bremen exemplifies this but Saint Étienne, Sheffield and Torino are also doing some of it.

These dedicated skills and job programmes introduced new avenues to work that would not have been uncovered without looking at detailed grass root level projects.

Photo 31a-b: Building new skills: Sheffield – Construction Design Centre, where young people are trained in the construction industry
Source: Astrid Winkler, 2007

Chart 26: Improving community conditions

City	Community conditions
Leipzig	City and regional programme with big overall effect on city recovery and community viability
Bremen	Programme has major impact on city innovation and overall status benefits job growth High-tech industries generate ancillary services
Sheffield	Directly upgrades low income areas as part of Decent Homes Programme Neighbourhood focus Creates momentum for jobs and training
Belfast	Part of major urban regeneration, explicitly recruiting long-term unemployed in the former dock area
Torino	Part of wider neighbourhood regeneration project Based in neighbourhood with highest immigrant concentration Breaks down barriers to integration

SOCIAL GOALS OF SKILLS PROGRAMMES

The skills projects were driven by a wider social need to improve community conditions. Chart 26 shows how each programme fitted with the need to upgrade community conditions.

The combined approach of job creation, skill building and social integration undoubtedly contributed to city recovery. The steep fall in unemployment levels that happened in every city except Leipzig and Bremen underlines the strength of the economic recovery. But without the necessary new skills, new jobs simply would not come. Both Leipzig and Bremen are now experiencing job regrowth.

Local neighbourhood projects in each city show the micro-level at which it was necessary to work in order to make a difference in people's lives.
But without the necessary new skills, new jobs simply would not come.

GENERAL LESSONS

There were many common threads running through the skills programmes. Even though each programme was distinctive, tailor-made to each city, and in the case of Sheffield, Torino and Belfast, to particular communities within the city, there were many common lessons emerging across all the cities. The following chart sets out some of the wider lessons from the programmes.

The big chain effects of industrial collapse, skills mismatch and physical decline were most concentrated in the poorest neighbourhoods where unemployment was highest and housing and environmental conditions most decayed. In the worst affected areas, 40 per cent or more of the adult working age population was not in work, studying or training. Schools were seriously underperforming, shops closed or were too expensive and crime high.[36] Up to one third of the population of our cities, mostly in inner areas, but also in large, government-sponsored post-war estates on the edge, was caught up in a spiral of physical disinvestment and social unravelling.[37] Yet the commitment to helping these areas and integrating their impoverished communities was high on the agenda of the cities, more so as recovery gained momentum and the demand for both homes and labour began to revive. Local neighbourhood projects in each city show the micro-level at which it was necessary to work in order to make a difference in people's lives.

Chart 27: General lessons from the skills programmes

a) Focus on jobs
This was a driving purpose of the cities' special programmes and overall strategies. The programmes are all based on skills development in order to qualify the workforce for future economic demands ie, jobs.
City governments and business leaders recognised the need for a higher tax base to fund new infrastructure, having lost tax resources heavily through deindustrialisation. New jobs and an employed workforce helps this.
b) Skills context as driver
All the cities needed to adopt the new skills requirements of new companies and wanted to spread skills more widely among large disadvantaged populations.
In a rapidly changing job market it became important to get people into work they were qualified to do.
Cities also wanted to attract higher education institutions into partnering new skills programmes with knock-on benefits for people lower down the job ladder.
Companies looking for more skilled workers were important partners in the programmes.
c) Professional development and skills orientation
Training was an essential ingredient of all programmes.
Employer based training complemented the more basic training the programmes offered.
The programmes directly offered new style work place experience to target groups. This helped employers by providing a relatively low-cost workforce.
Promotion of higher level skills and people based skills was common to all programmes.
d) Young people
Sheffield had the strongest focus on youth in poorer areas.
Most cities supported business incubator centres.
Training targeted young people.
New business parks tailored to inward investors.
Holding onto graduates is a common goal across cities, but only Bremen focused on universities as key levers into innovation and the new economy.
e) Social integration
Efforts to include immigrants and ethnic minorities in work programmes required special effort if this was to work in practice.
Hand-holding disadvantaged people into training and work was the only way to ensure success with more marginal groups, particularly minorities, low-skilled youth and long-term unemployed.
All cities shared the goal of integration.
Helping people into work combats social exclusion.
f) Community conditions
Social conditions deteriorated through lack of work and the converse appeared to be true.
A majority of skills and job programmes had a direct community focus, particularly in deprived areas.
Disadvantaged areas were seen as a job resource and as places where job and skill growth have the biggest impacts.

Source: ASC Case Studies

8. MARGINAL COMMUNITIES AND NEIGHBOURHOOD PROJECTS

Sections 4 and 5 explained how the cities incorporated neighbourhood renewal and skills development into their broad recovery framework. Section 6 showed the gradual change for the better in jobs and population. Section 7 summarised the findings and lessons from five cities' specific skills projects. We now examine three neighbourhood projects to show the micro-level at which it was necessary to work in order to make a difference. These are our initial findings on the problems, challenges and approaches each country and city adopted. Chart 28 shows the problems the cities faced at neighbourhood-level, revealing particularly acute conditions even today, after a decade of recovery.

All are inner-city neighbourhoods with most housing built around the turn of the 20th century. In Saint Étienne and Torino, four and five story apartment blocks line the streets, often with shops and small enterprises at street level. In Sheffield the streets are mainly lined with terraced houses, often in multi-occupation.

In all three neighbourhoods, dilapidated, poorly-maintained private and subsidised housing gave the streets a depressing air.

Deterioration in housing conditions reflected a parallel deterioration in the socio-economic conditions of residents. As better-off residents moved out, lower-income residents became more concentrated in the neighbourhoods. A rising proportion were recent settlers from other parts of the world.

As better-off residents moved out, lower-income residents became more concentrated in the neighbourhoods.

AIMS OF SPECIAL NEIGHBOURHOOD PROGRAMMES

The aims of the neighbourhood programmes were to integrate marginal communities into the city and to upgrade conditions so working families would want to stay in the areas. Torino and Saint Étienne aimed largely at physical upgrading, while Sheffield aimed at inclusion through employment.

However, Torino's efforts were more than just physical because the City Council decided to fund the extra socio-economic development that residents also prioritised and which they felt was a necessary accompaniment to the physical work. And Saint Étienne not only located the central Employment Centre within the neighbourhood, but also required 5 per cent of construction jobs within the programme to go to residents. Sheffield and Torino took a community-based, capacity-building approach. Therefore they both functioned in a bottom-up way and the projects took on lives of their own, developing autonomous elements, but both were linked to an umbrella structure at city level. Saint Étienne's was state-driven and top-down in structure, although to achieve its goals it had to function in close liaison with residents and community associations.

Chart 28: Neighbourhood projects to tackle acute problems

City	Problems
Sheffield	High poverty and unemployment in the inner city Netherthorpe and Upperthorpe neighbourhood which has hard-to-reach populations including substantial Yemeni and Somali communities. Feels cut-off from the city centre. Unemployed residents are wary of interacting with statutory employment services for fear of losing their benefits. Entrenched pockets of long-term unemployment in specific neighbourhoods across the North and East of the city, which previous targeted programmes failed to impact.
Torino	Via Arquata is an 'island' of dilapidated 1920s-era social housing in a central district of Torino. It is cut off by two railway lines and an overpass, had high rates of unemployment and benefit uptake, and became a haven for prostitutes and drug dealers. Social housing across the city had become run down after years of under-investment by the state housing company – ATC.
Saint Étienne	Tarentaize is an old miners' neighbourhood at the eastern edge of the city. Built at the turn of the century, its housing (both social and privately-owned) is now in extremely poor condition, with some homes not even having electricity or running water. There was high poverty, and a 17% vacancy rate in 1999. 20-30% of the residents are from the Maghreb, but many are also Turkish. There is a community of 200 travellers who also live in poor conditions. Housing conditions, in both privately-owned and social housing, had become extremely poor in both inner city neighbourhoods and peripheral housing estates (grands ensembles). Middle-class flight, sprawl.

Photo 32a-b: Poorest areas suffer most: Saint Étienne, Tarentaize – decayed neighbourhood conditions
Source: Astrid Winkler, 2007

Photo 33: Skills and marginal communities: Sheffield – Jobnet@NUCA drop-in centre, Upperthorpe
Source: Astrid Winkler, 2007

The aims of the neighbourhood programmes were to integrate marginal communities into the city and to upgrade conditions.

Chart 29: Summary of aims at city and neighbourhood level

City	Aims and proposals
Sheffield	**City programme** Jobnet was designed to help those 'furthest from the labour-market' into work, using a 'supply driven' model driven by a knowledge of job seekers' skills and work interests, delivered through 16 community-based drop-in centres. To 'broker' access to jobs between local employers and job-seekers in Sheffield's most deprived neighbourhoods, and to get unemployed residents job-ready by offering tailored help in dealing with barriers such as confidence, interview skills, and finding childcare. **Neighbourhood project** Jobnet@NUCA helps unemployed people into work through a local, personalised advice service that is independent of statutory employment agencies. To link local and city-wide vacancies to local residents. To use the Jobnet local drop-in centre model but taking advantage of Netherthorpe and Upperthorpe Community Alliance (NUCA)'s extensive networks and relationships within the local community as a source of clients, training opportunities, childcare options etc.
Torino	**City programme** To identify the most problematic and marginalised neighbourhoods across the city, and source funding for tailored interventions. To involve residents in target neighbourhoods in the planning and implementation of projects that have a distinct 'local development' orientation. **Neighbourhood project** To carry out a detailed area study with community consultants Avventura Urbana, initiated and driven by local residents. To upgrade facades and public spaces as well as the housing. To bring about economic development within the area.
Saint Étienne	**City programme** To improve conditions in the area and improve the lives of residents, ensuring they were able to stay, gain some of the jobs and enjoy better conditions. To reinvest in physical conditions to make these neighbourhoods viable again. **Neighbourhood project** The main goal is to improve the neighbourhood's residential appeal and to create a more mixed community. To preserve the working-class, multicultural character of the neighbourhood. To diversify the type and quality of homes on offer, and physically upgrade the roads, cultural infrastructure. To de-densify the neighbourhood, through demolition and the 'aeration' of the inner courtyards of certain blocks. To integrate the two islands of social housing in Séverine and Tarentaize back into the urban fabric. To regroup municipal services including an employment centre into a single building in the neighbourhood. To improve quality of life through work in schools, public spaces etc.

ACTIONS AND METHODS

All the projects were backed by a city-level 'HQ' structure piloting the local projects. The Sheffield and Torino neighbourhood projects adapted in response to ground-level experiences. Both were very much face-to-face projects and Torino's priorities, although driven by physical investment like Saint Étienne, were resident-led whereas Saint Étienne's were determined by officials.

Saint Étienne was committed to keeping residents in situ, having learnt from its experience of decanting them into outer estates and building clumps of new social housing in Tarentaize in the 1970s. This in practice required detailed face-to-face dealing too. So all projects were fine-grained and closely shaped by actual area conditions.

Chart 30: Actions at city and neighbourhood level

City	Actions
Sheffield	**City** A local NGO opened Jobnet drop-in centres in 16 high-unemployment n'hoods across Sheffield. Jobnet engages with employers in the city and compiles a database of job offers with skill requirements. It developed a training brokerage service after realising that most clients had no basic skills. **Neighbourhood** Jobnet@NUCA is a community-based employment drop-in centre. It is one of a range of services offered by the local development trust NUCA. Jobnet@NUCA advisors match clients' skills and goals with jobs listed on the central Jobnet database, and hand-hold them through the application process. Advisors identify training needs and broker training if necessary. Advisors also deal with 'pre-job' issues such as worries around loss of benefits, CV-writing, interview practice, finding local childcare confidence-building. Jobnet@NUCA uses NUCA's extensive network of relationships with other institutions and people in the local community as a source of potential (and potentially hard-to-reach) clients, training opportunities, childcare options etc.
Torino	**City** The city didn't have the funds to invest, so created a dedicated Neighbourhoods Unit within the City Council to source funding for projects and design / deliver them. The Neighbourhoods Unit adopted a multi-disciplinary approach. It formed a top-level, inter-departmental working group to tackle problems relating to neighbourhood service delivery in an integrated way. **Neighbourhood** The Neighbourhoods Unit gave extra funding for a 'Social Accompaniment Plan', which added social and economic action alongside the largely physical project. Participative approach: the Neighbourhoods Unit formed local working groups of residents and public service employees to design and co-deliver programme. Two local working groups were set up: firstly, a 'technical' working group made up of local representatives of all the municipal departments delivering services in the area (social work, police, education etc.); secondly, a 'Social Table' made up of residents, associations, trade unions and local businesses. These two groups came together to discuss priorities and design the project. A local development agency was set up by residents to deliver the work relating to social and economic development, while the social housing company delivered the physical improvements.
Saint Étienne	**City** The ANRU/GPV programme targets four of the poorest neighbourhoods in Saint Étienne. Although this funding is usually reserved for the peripheral postwar-era estates which are traditionally the locus of urban problems in France, in Saint Étienne the conditions in the centre were so poor that funding has been extended to two central neighbourhoods as well as two peripheral estates. Methods include: • Housing renewal • Upgrading of open spaces and facades • Partial demolition of small areas • Aid to private landlords to carry out upgrades to their property. **Neighbourhood** The ANRU/GPV project in Tarentaize-Beaubrun-Séverine is largely physical, and spending is broken down to reveal priorities: • 20% on infrastructure • 30% on physical upgrading (public spaces and housing) • 50% on construction and rehabilitation of buildings • Some of the spending goes on social support within the area and handholding residents through the rehousing and renewal process. The city is committed to keeping the community together by re-housing people in situ, and has set up a Rehousing Commission to take care of this.

Photo 34: Environmental upgrading: Torino – Via Arquata's Contratto di Quartiere upgraded the neighbourhood using a participative approach. The physical part of the scheme included pedestrianisation and creation of new walking paths, upgrading of facades, removal of abandoned cars, and the creation of a playground.
Source: Astrid Winkler, 2007

FUNDING AND ORGANISATION

All the projects involved majority funding from outside the city (Saint Étienne: central government, Sheffield: the EU, Torino: central government). The scale of investment was very big for the investment programme and much more modest for the job support. Funding was as follows:

- Sheffield: £100,000 per annum since ~2001
- Torino: €1.65m per annum, 1998-2008
- Saint Étienne: €6.9m per annum, 2004-2012

The population the area programmes covered ranged from 1,600 residents in Torino; 9,000 residents in Saint Étienne; to 12,000 residents in Sheffield.

All the projects had direct impacts on the ground, albeit on a small and incremental scale.

Chart 31 shows the main local actors and the direct impact on the ground of what they did.

A striking feature of the projects is the chasm between the lives of the people living in such poor areas on such limited incomes and the aspirations and actions of the city leaders, civic and private, on a city-wide scale. Many key lessons emerge on how to bridge this gap.

Sheffield's and Torino's projects have adapted to fit individuals' needs on a user-driven basis. For example Jobnet integrated a training brokerage service into its offer as so many of its unemployed clients required basic training in order to be job-ready. In Torino the Via Arquata local development project was resident-led and designed in response to residents' feelings about the decline of the areas and possible solutions.

Chart 31: Outcomes so far

City	Local actors involved	Impact on the ground
Sheffield	Other NUCA employees (NUCA has a staff of 30), eg, Family Support Worker and BME Link Worker, who refer hard-to-reach clients and give support, and Volunteering Coordinator, who helps job-seekers organise work experience that often leads to a job.	During 2007, Jobnet@NUCA registered 63 new clients (ie, job-seekers) Got 32 people into work Across the city Jobnet registered 4,800 clients between 2005 and 2007, and found employment for 1,700 people (50% of whom were from Sheffield's ten neighbourhoods with the highest unemployment rate, and 40% from BME communities).
Torino	Residents, local business owners, the City Council's public service employees working in the area (teachers, police, gardeners, social workers etc.)	The neighbourhood's Local Development Agency has become a national best-practice model for local capacity-building and resident participation in the delivery of regeneration. The physical upgrading work was complete as of the end of 2007, and is visually impressive. This includes: • New children's playground • New facades on all blocks • Pedestrianisation and greening • Attractive new walkways
Saint Étienne	The regional land recycling agency EPORA (in charge of demolition). The regional 'société mixte' SEDL (in charge of buying up properties and contracting private companies to carry out the work to them). The City Council, which manages the project, hand-holds, runs consultations, funds associations and social centres.	During the period 2003-2007, the project: • bought 240 homes in poor condition • rehabilitated 100 of them • demolished 40 • and is still working on 100. It incentivised 50 landlords to upgrade their homes. It upgraded • four primary schools • three small squares. The traveller community will be settled into new housing adapted to their needs to the east of the neighbourhood, to be completed by the end of 2008.

Another important lesson was the role of 'anchor institutions within the areas. Non-statutory mediators can play a vital role in social projects and in outreach to those excluded. For example, Jobnet@NUCA became a mediator between the unemployed and the job market, and was successful because its non-statutory status meant prospective clients weren't scared of losing their benefits. It was based within a much bigger community organisation called NUCA. In Torino the Neighbourhoods Unit employed neutral non-statutory mediators called 'tutors' to bridge the gap between the Council staff and residents. The projects have also created new links between residents within fragile communities.

CHALLENGES

The challenges are huge, funding is precarious and a question hangs over whether these projects and programmes will be too short-lived and too small-scale to see through the generation-long commitment involved in turning around such very difficult problems. Chart 32 shows the main challenges.

The biggest challenge is that these projects have to be local, small scale and intensive if they are to reach the isolated and marginal groups left out by more standard agencies. Yet their most successful ingredients make them vulnerable to funding cuts from government that sees problems on a larger scale and wants to generalise programmes; and from city leaders who are looking for 'big hits' and can quickly tire of the micro-scale actions involved.

THE VALUE OF SMALL SCALE NEIGHBOURHOOD PROJECTS

Participation takes time and effort to develop – resident capacity-building is resource-intensive so plugging into existing local networks has been vital for accessing clients in Sheffield and understanding problems in Torino. In Saint Étienne both the community associations running children's programmes and the renewal process itself showed how detailed involvement had to be if programmes were to succeed and help existing residents. In Tarentaize, the programme organiser told us: 'We have to knock on every door and help every family understand what we are trying to do. Then we help them stay and get the benefit. This is one of the poorest and oldest areas of Saint Étienne, dating back in parts to medieval times. We really want the community to survive.' In an other estate in Saint Étienne, a youth leader told us angrily: 'It is always the same, they just herd residents into blocks and we get nothing. Things will never improve, we will never get jobs'.

Chart 32: Challenges

City	Challenges
Sheffield	Main challenge is still simply reaching people, especially in more isolated communities eg, the Yemeni community (the BME Link Worker is a big help with this). Clients are often scared about losing their benefits; – Jobnet@NUCA advisors do 'better-off' calculations with them to work out whether they're better off working.
Torino	Getting the different actors, with different agendas, to work productively together – the Neighbourhoods Unit developed the idea of an independent 'tutor' who ran the group discussions between residents and Council staff.
Saint Étienne	Developing a culture of participation with the residents (there is a lot of will, but little experience of this in France). Improving the employment rate in the area, widely recognised as the toughest challenge facing the project. Rehousing the traveller community.

Quartier Sud Est, where this young man lived, was one of the areas where violence erupted in October 2005. Disorder is one of the fears that drives the commitment to integration among city leaders. The other side of that coin is that neighbourhood integration is the life blood of city recovery. As Sheffield's Chief Executive explained to us: 'We know our city is one of the most divided. Only if we can integrate the deprived neighbourhoods into the city, will we succeed.'

The neighbourhood projects seem very important to the lives of the vulnerable people they involve directly. The people working in the projects on behalf of the city or bigger agencies without exception showed imagination, understanding, enterprise, patience and skills in brokering the divides, (ethnic, economic, social and geographic), between the poorest parts of cities and the rest. This was their core task and mission. But the impact on wider conditions was hard to measure and would certainly spread over many years of effort. On the other hand, it is hard to see how without these efforts, bridges could be built between the most marginal communities and the rest of the city.

'We know our city is one of the most divided. Only if we can integrate the deprived neighbourhoods into the city, will we succeed.'

Sheffield's Chief Executive

9. SUSTAINABLE COMMUNITIES AND SUSTAINABLE DEVELOPMENT

Sustainable communities are places that will last into the future without causing harm now or to future generations.[38] A sustainable community is a place that is lastingly viable and attractive on three interconnected counts: economic, social and environmental. Do programmes that expand skills at the bottom of the employment hierarchy and renew poorer neighbourhoods make communities more sustainable?

To be sustainable, communities must have an active economy with a means of survival for able-bodied adults. This means jobs at different levels and skills to take up job opportunities. The goal of the skills programmes we studied was always to create or attract sustainable long-term jobs but any kind of job was the core measure of successful recovery. For example, Leipzig's 24 hour flight access was a key determinant in Amazon and DHL locating there, a big job opportunity with a big environmental price. Belfast's heavy reliance on two airports and its poor but improving shipping and rail connections underline the dependence of an isolated region on connectedness. Sheffield's initial support for the out-of-town shopping mall created jobs but seriously damaged its city centre retail and cost the city centre many jobs and attractions.

There is a broad consensus that economic activity is the raison d'etre of cities, totally central to their survival. Nonetheless, social and environmental conditions within cities are essential to sustainability because they help to attract economic activity, which in turn ensures community sustainability and an active labour force. Given how much these cities had lost, jobs per se were the prerequisite of other forms of progress. What city leaders often worried about was whether the jobs created were sustainable. It was impossible to predict how permanent the new jobs were or how long inward investors would remain in the city. They might become embedded or alternatively might move on as older industries had. What really mattered was that residents had diverse and adaptable skills so that they could fill more than one niche in the economy.

Box showing environmental innovation in the cities

Leipzig has the largest grid-connected solar photovoltaic power plant in Europe
Bremen has pioneered the first commercial use of wind for state of the art shipping
Bremen and Leipzig form part of the Federal plans to cut carbon emissions from all pre-1978 existing homes by 80%, a truly path breaking, neighbourhood based and job intensive development. These are exciting breakthroughs in the new carbon reduced economy of the future
Belfast is building the world's first commercial tidal turbine
Bilbao is driving a public transport policy that aims to cut radically people's reliance on cars, curb carbon emissions and other pollutants, and reduce sprawl
Torino is building hydrogen buses

Jobs, skills and new opportunities were considered as much social as economic challenges. Many social problems were still unresolved in the cities, particularly inequality, the marginalisation of some groups and poor neighbourhood conditions.[39] On some fronts, social instability in families, communities, institutions, and migration patterns were becoming more difficult.[40] All the cities recognised these interacting problems and their remedial programmes aimed to help reduce these.

Environmental care, in the wider sense of climate change, energy saving, waste recycling and limiting development impacts, was third in the hierarchy of effort by cities. However, more recently it has been rapidly climbing up the agenda as European Governments set tougher and more ambitious targets. Several cities, using their industrial and engineering know-how, are becoming pioneers of new 'environmental' industries which promise jobs, resources and high recognition.

In spite of these breakthroughs the cities tend to see the urban environment in terms of a more attractive or less polluted setting for economic and social development. Much of the physical investment which drives the recovery of these cities involves environmental benefits for local communities. However city recovery can also protect wider environmental assets, by recycling buildings and materials, and reducing sprawl. Land decontamination and reclamation, water and air pollution controls, developing green spaces and tree planting, neighbourhood renovation, and improving public transport are some examples of sound environmental management.[41] Maintaining the urban environment more carefully, enhancing public transport infrastructure and giving priority to pedestrians over traffic all make cities more attractive, reducing demand for sprawl housing and car use.

Photo 35: Upgrading and renovation: Torino – Upgrading in progress in a run-down city-centre neighbourhood, San Salvario
Source: Astrid Winkler, 2007

Photo 36: Environmental potential: Saint Étienne is close to the Pilat National Park, a coveted asset attracting new residents
Source: Astrid Winkler, 2007

The environment of cities is a major determinant of their success, the principle mechanism deployed by the cities themselves to prevent the outward flow of more affluent populations and ensure the inward flow of investors. As a result, environmental protection around cities, as recently agreed in Saint Étienne[42], and promoted by Bilbao, will enhance social integration within cities.[43] The physical and environmental restoration of weak market cities inevitably prioritises recycling land and buildings, taking a custodial approach to neighbourhoods and public spaces, creating a compact, dense form which reduces energy intensive infrastructure.

Looking at the three main divisions of sustainable development in turn, it becomes clear that the cities are in fact adopting a comprehensive, multi-faceted approach to long-term city sustainability.

Land shortages and wider environmental pressures augur well for the future of weak market cities because their underused and damaged assets are being revalued as a result. These cities exhibit some of the worst consequences of environmental exploitation, yet their former assets now offer large potential future value, both as part of a rich industrial heritage that is attracting new investment, and as reclaimed environments that can be recycled into new uses. Therefore the potential of these cities to contribute to long-term sustainability is immense as their economies revalue what is there already.

Box showing the actions comprising the three divisions of sustainable development

Physical and environmental: there are many different parts of the cities that are targeted, from the city centre to neighbourhoods, and from land reclamation to building reinstatement. The examples range from finding new uses for derelict factories, and reinstating unused port areas to creating new public attractions such as concert halls or art centres out of old buildings. All cities are active in their physical environments and there are projects to learn from in all the cities.
Economic: there is an equally strong range of activities, from high-tech investment related to universities and business start ups, to region-wide training schemes and small-scale service development. The examples range from tourism to research programmes, and from culture to financial and other professional services, from the most basic hand-holding into jobs to major science-based innovations. All seven cities are active in their own economic recovery.
Social: all of the cities have significant wider social problems as a legacy of the loss of economic activity. However, in Leipzig and Saint Étienne, where the economic shocks and physical decline have probably been the most severe, and where recovery is the most difficult, physical and economic activity, in part shaped by government-led initiatives and government funding, have taken priority over more community-oriented approaches. Interestingly Belfast, while being similarly affected, sees itself as having no choice but to prioritise community cohesion because of the bitter sectarian struggles of the last decades. Four of the seven cities have large immigrant and minority communities, where working to advance social cohesion and integration is given high priority and where there are serious worries about the risks of social and ethnic polarisation.

10. CONCLUSION

The seven cities we are studying are struggling to overcome the loss of viability that they did not expect or plan for. As a result they have a dazzling patchwork of initiatives, programmes and projects underpinned by not one but several strategies.

A hands-off urban policy has been tested in two other very different types of weak market city we have encountered through this work. Both are worth remembering.

- The American urban experience shows that many weak market cities in the US are not yet recovering, or even approaching the point where they might begin to recover.[44] American evidence suggests that urban conditions become much worse when public policy no longer supports the major investment needed to set cities on the road to recovery, following major economic and population shocks.
- In Eastern Europe, a chronic shortage of funding has reinforced the urban policy vacuum left by the collapse of earlier industrial and urban systems under strongly state-driven regimes. Eastern Germany was shielded from the worst consequences of this process by integration with the West, but still experienced dramatic and sudden decline now countered by intense recovery efforts.[45] Nonetheless East German cities have lost up to 30 per cent of their population in just 15 years.

These extremes do not generally apply to the cities examined here, far from it; they are policy and programme hot-houses. Sometimes for specific historic and political reasons, cities such as Belfast, Bilbao, Saint Étienne and Leipzig face particularly intense pressures and problems, but each is supported by a wider urban policy framework that offers strong incentives to aid their recovery. This makes a big difference.

Our overall conclusion is that there are overarching links in the cities between social, economic, physical and environmental needs. **Social problems** abound as a result of economic collapse, and cities respond strongly to this by trying to build new skills, create new jobs and improve neighbourhood conditions. **Economic needs** create a sense of urgency and city leaders are anxious to attract new investors with a direct benefit to job growth and skill building. **Environmental needs** show up most clearly in the physical decay of land and buildings whose restoration attracts inward investment, re-values cities and thereby reduces sprawl building. **Physical upgrading** helps social integration by holding onto ambitious residents and attracting new workers. This supports the new service economy by generating demand for shops, cafes, entertainment, schools and so on.

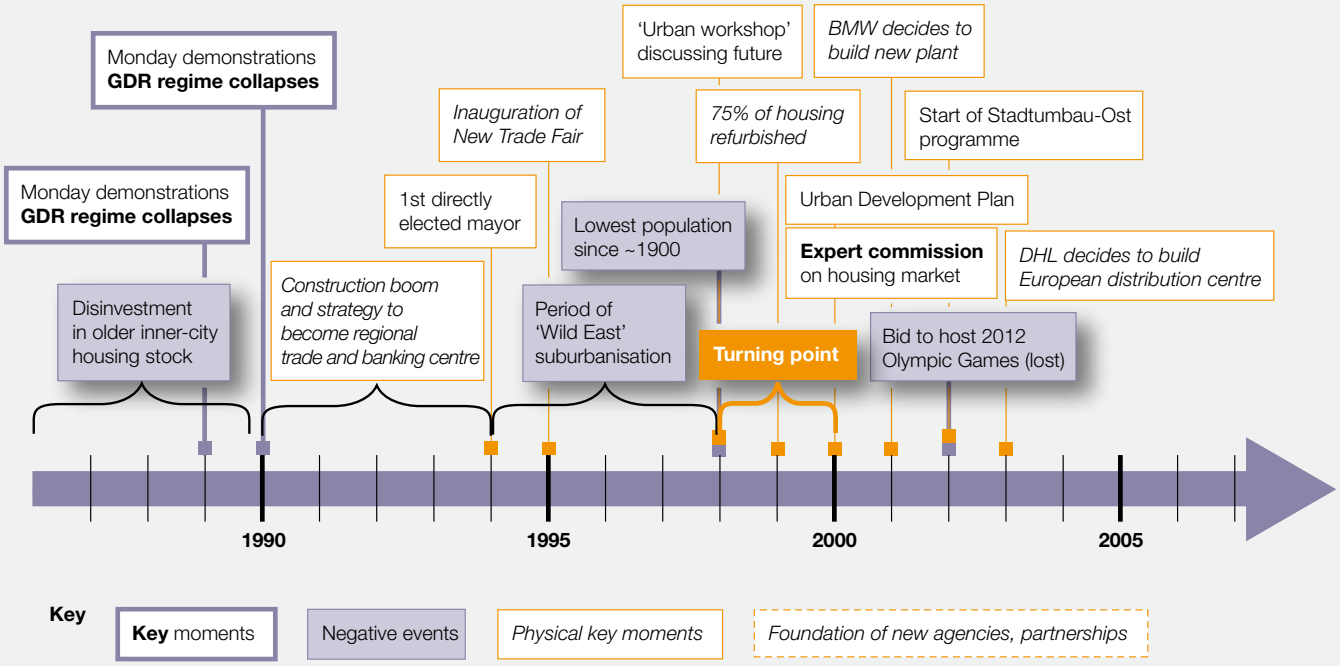
We conclude that while a dominant goal is the economy and jobs with the associated requirement for skills development, cities cannot recover without restoring their urban environments and helping their disadvantaged populations back into work. The three elements of sustainable development are together pivotal to the recovery of weak market cities.

Cities cannot recover without restoring their urban environments and helping their disadvantaged populations back into work.

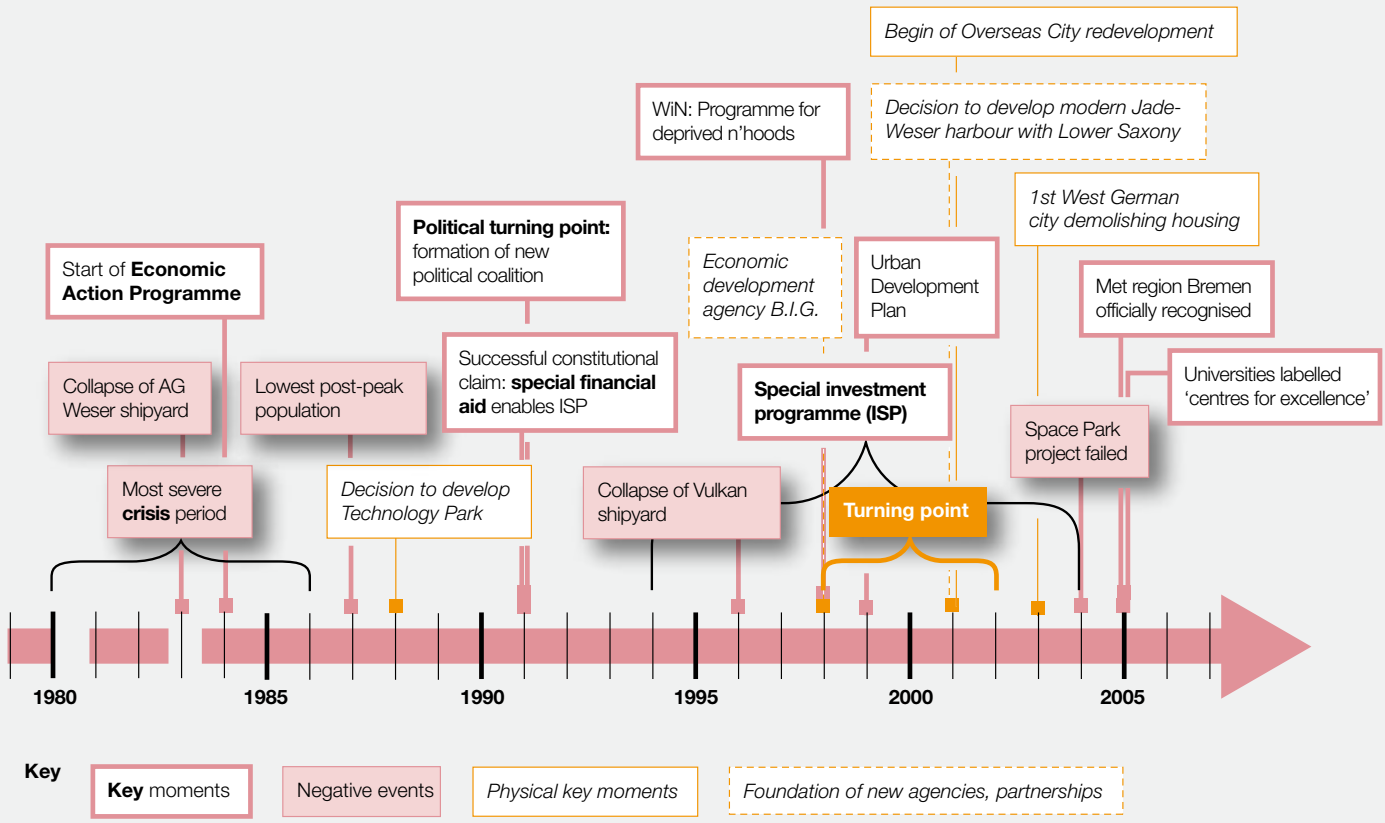
APPENDICES

Annex 1: Timelines

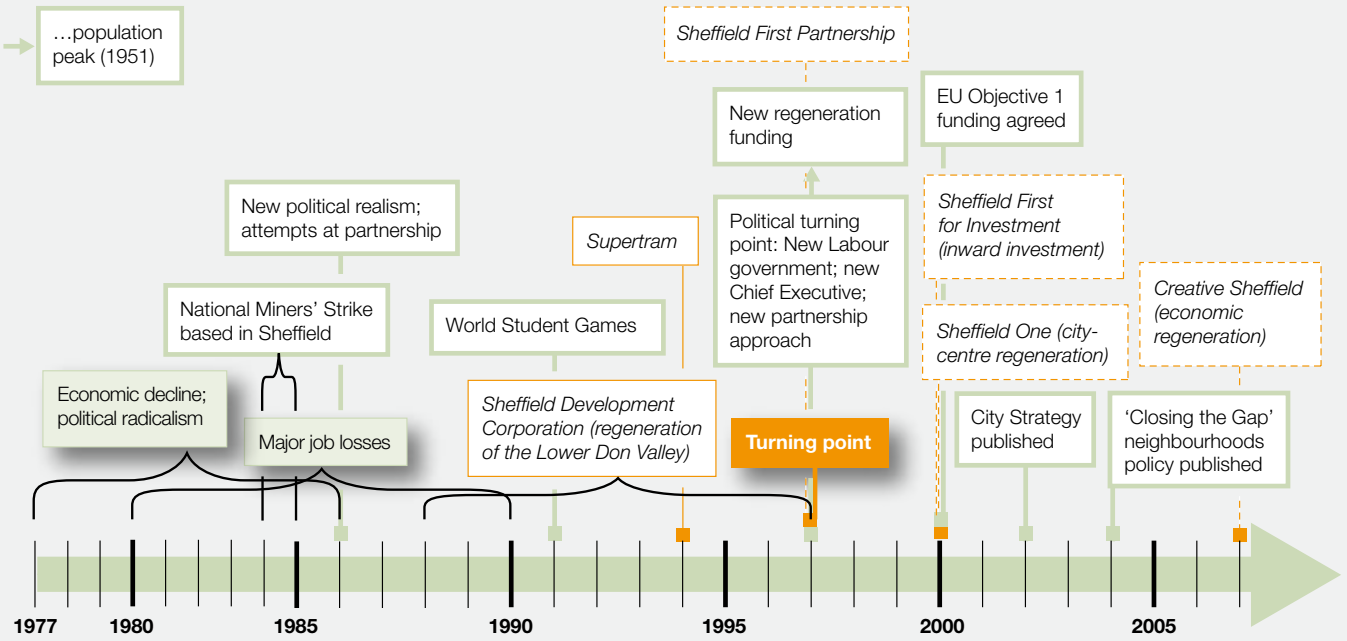
Leipzig recovery > important events (since 1990)



Bremen recovery > important events (since 1980)



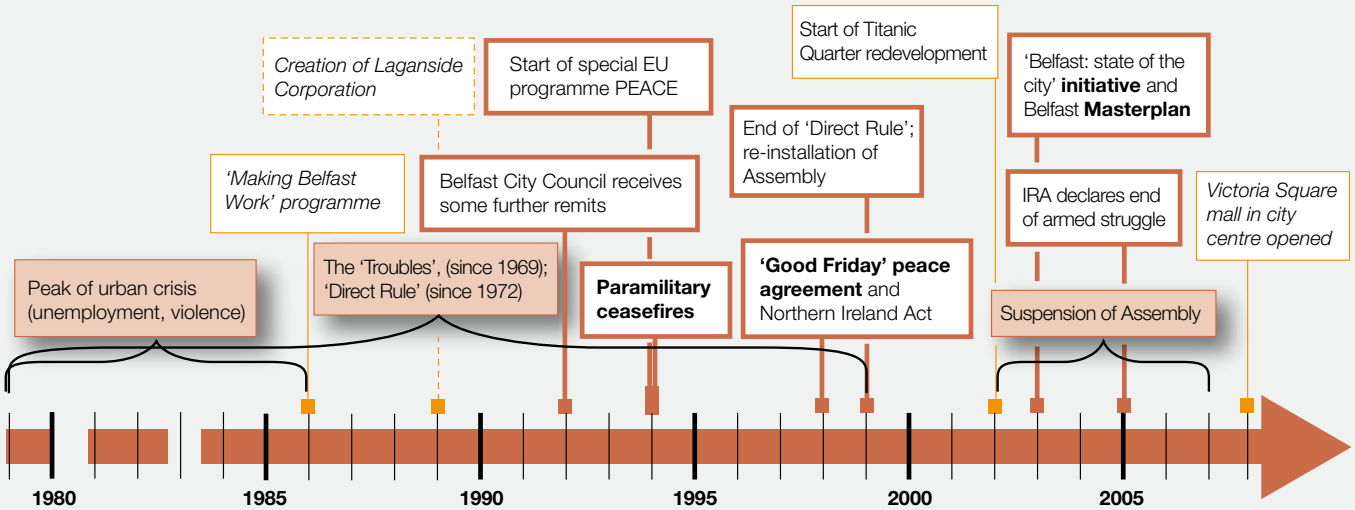
Sheffield recovery > important events (since 1977)



Key

Key moments | Negative events | *Physical key moments* | *Foundation of new agencies, partnerships*

Belfast recovery > important events (since 1980)

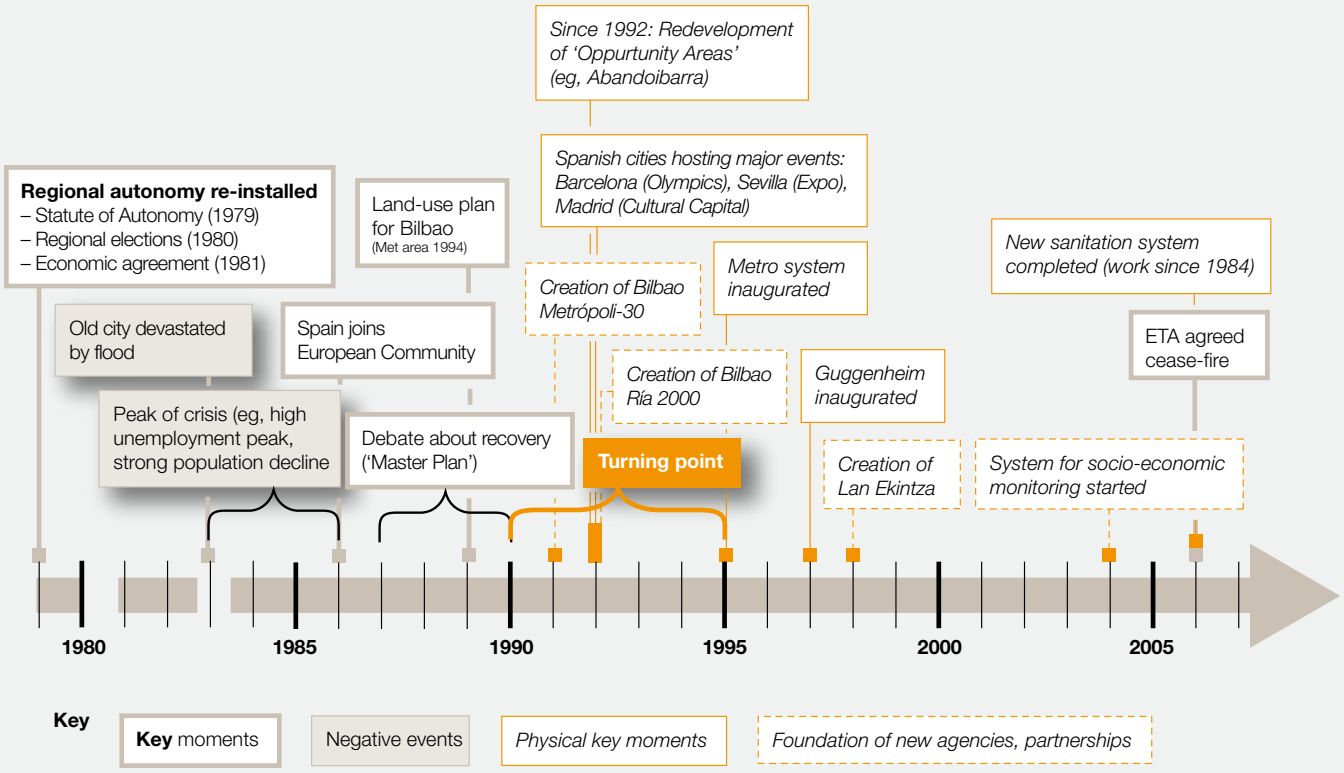


Key

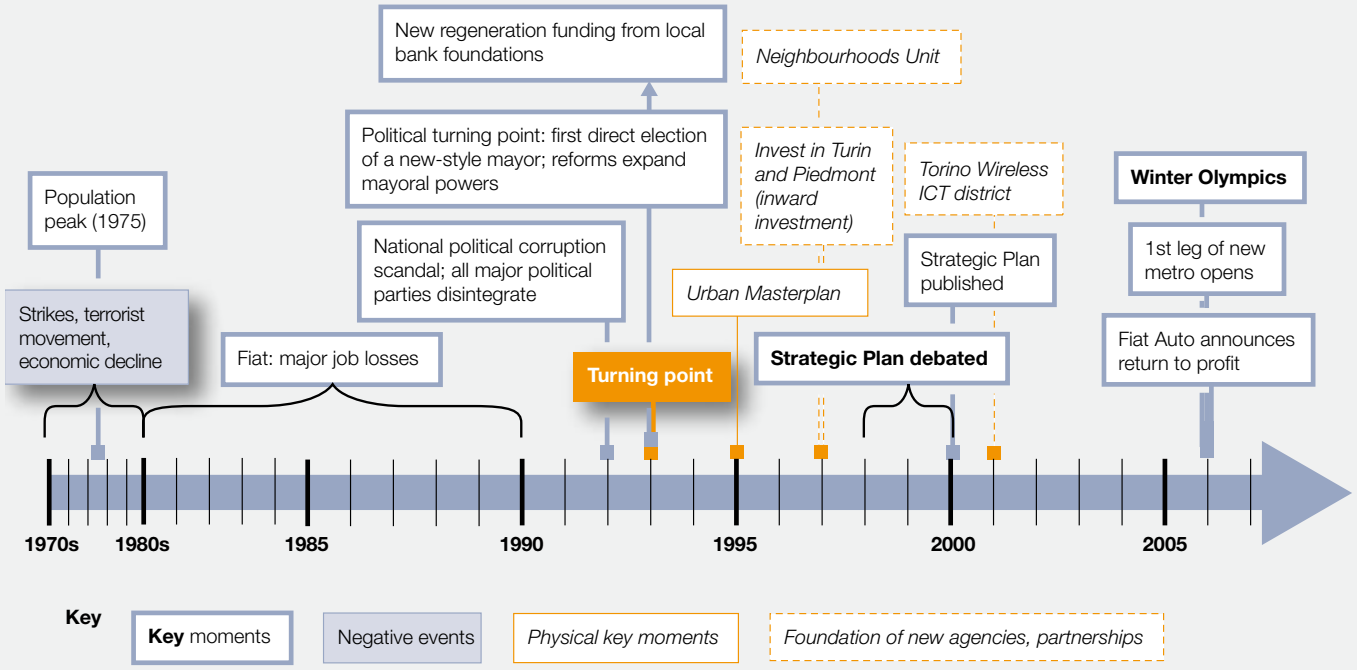
Key moments | Negative events | *Physical key moments* | *Foundation of new agencies, partnerships*

Turning point Cannot yet be clearly identified

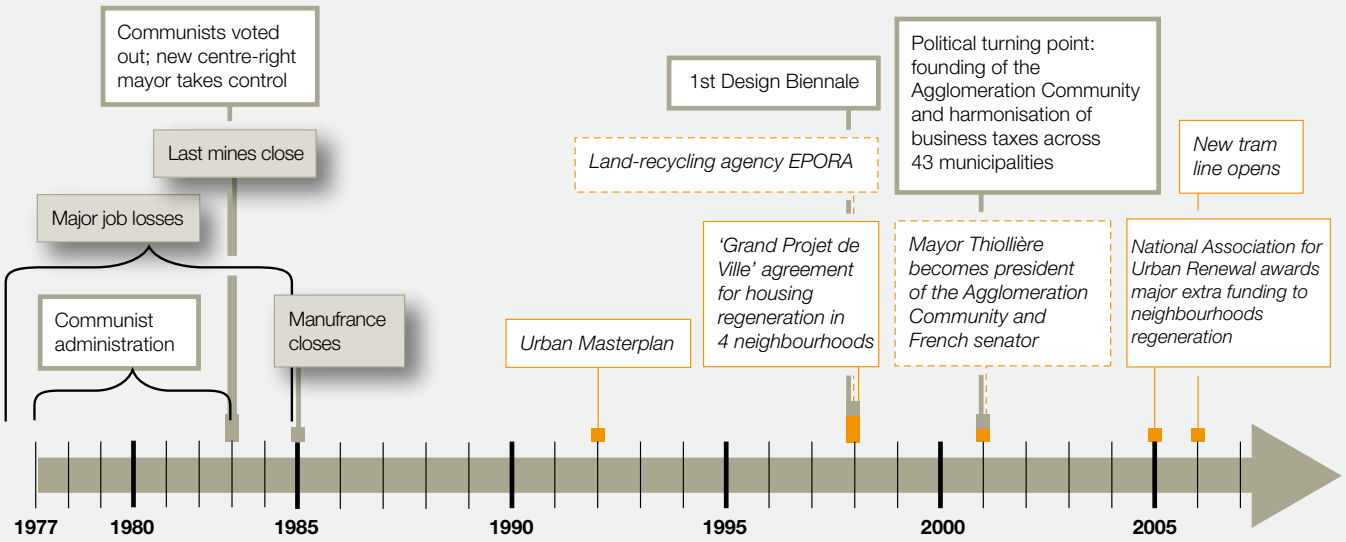
Bilbao recovery > important events (since 1980)



Torino recovery > important events (since late 1970s)



Saint Étienne recovery > important events (since 1977)



Key

Key moments

Negative events

Physical key moments

Foundation of new agencies, partnerships

Turning point

Cannot yet be clearly identified

Annex 2: Detailed figures on unemployment and population in seven cities

Unemployment rates, 1970-2005

Cities	1970	1975	1980	1985	1990	1995	2000	2005	2007	Data sources:
Leipzig	n/a	n/a	n/a	n/a	8.0	12.2	18.1	23.7	19.8	Stat. Landesamt Sachsen, BA Arbeit
Leipzig (region, NUTS2)	n/a	n/a	n/a	n/a				19.3		Eurostat
East Germany	n/a	n/a	n/a	n/a	10.3	14.9	18.8	20.1		Stat. Bundesamt, BA Arbeit
Germany (since 1990)	n/a	n/a	n/a	n/a	8.5	10.4	10.7	11.7		Stat. Bundesamt, BA Arbeit
Bremen	0.7	4.3	5.3	15.0	13.1	13.0	13.5	13.3		Stat. Landesamt Bremen
West Germany	0.7	4.7	3.8	9.3	7.2	9.3	8.7	9.4		Stat. Bundesamt, BA Arbeit
Germany (since 1990)	n/a	n/a	n/a	n/a	8.5	10.4	10.7	11.7		Stat. Bundesamt, BA Arbeit
Sheffield	3.5		12.5		18.5	11.0	9.0	5.5		ONS, ILO
South Yorkshire (region)								4.8		Eurostat
Yorkshire and Humber (larger region)	4.0	5.5	7.3	12.0	6.7	8.7	5.0	5.1		ONS
UK	4.0	4.2	6.1	11.4	6.9	8.8	5.6	5.4	5.5	ONS
Belfast	5.4		8.2		12.9	10.8	5.4	4.5		NISRA
Northern Ireland	5.7	5.5	9.4	16.0	14.0	11.8	4.1	5.6		NISRA, DFP
UK	4.0	4.2	6.1	11.4	6.9	8.8	5.6	5.4	5.5	ONS
Bilbao	2.2	2.3	18.0	25.7	24.0	22.2	15.1	10.6		Eustat
Bizkaia	2.0	2.1	16.7	22.3	18.8	25.4	16.9	7.4	4.1	Eustat
Euskadi	1.6	2.0	15.6	21.1	16.2	23.8	13.7	5.7	3.4	Eustat
Spain	3.0	3.0	10.0	22.0	16.3	22.7	13.9	10.9	8.5	INE; Min. de Trabajo y Asuntos Sociales
Torino			10.1		14.1		7.9	6.1		ISTAT
Piemonte			6.0	9.5	7.5	8.3	6.3	5.3		ISTAT
Italy	5.4	5.9	8.4	10.6	12.0	11.3	10.6	8.0		ISTAT
Saint Étienne				13.6	9.4	13.4	13.6	9.0		INSEE
Rhône-Alpes				8.6	8.2	11.5	8.6	7.5		INSEE
France	2.9	4.8	7.0	10.6	9.6	11.6	12.9	9.8		INSEE

Notes:
1) No data for former East Germany (and therefore Leipzig) available; data available from 1990 onwards (after reunification)
2) In several cases the figures apply for the year closest to the indicated date (comments in original excel file)
3) In italics: estimates, or variation between different source

Manufacturing employment (numbers and proportion of workforce), 1970-2005

City	Unit	Split 2nd Sector	1970		1975		1980		1985		1990		1995		2000		2005	
			No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Leipzig	City	Manufacturing										27.4					15,626	10.6
		Construction										10.1						6.5
		Total									101,095		22,320		12,229		13,648	18.2
Bremen	Region (Bremen)	Manufacturing	122,730	32.9							98,500	24.3	84,032		74,700		67,966	17.4
		Construction	28,772	7.7							20,900	5.2	21,625		18,500		16,181	4.1
		Total	151,502	40.6							119,400	29.5	110,735	27.9	93,200	23.8	84,147	21.5
Sheffield	City	Manufacturing	117,100	46.1			76,240	34.3			41,840	19.5			34,074	16.4	30,810	12.5
		Construction	17,660	7.0			14,450	6.5			17,620	8.2			15,787	7.6	10,007	4.1
		Total	134,760	53.1			90,690	40.8			59,460	27.7			49,861	24.0	40,817	16.6
Belfast	Region (Northern Ireland)	Manufacturing	177,000	36.0					110,350		106,600		101,810	18.0	104,550	16.4	85,560	12.0
		Construction							35,450		34,050		24,000	4.2	34,090	5.4	40,200	5.6
		Total							145,800		140,650		125,810	22.2	138,640	21.8	125,760	17.6
	City	Manufacturing	67,000				37,925	23.4	30,000		22,242	14.4	18,170		15,828	8.7		
		Construction																
		Total																
Bilbao	Province (Bizkaia)	Manufacturing	156,561	45.7					132,700	38.9	129,000	33.5	91,500	24.6	102,600	24.4	106,600	22.0
		Construction	35,915	10.5					21,000	6.2	31,400	8.1	35,600	9.6	41,800	9.9	43,800	9.0
		Total	192,476	56.2					153,700	45.1	160,400	41.6	127,100	34.2	144,400	34.3	150,400	31.0
	Metro area (Gran Bilbao)	Manufacturing	124,539	47.2	136,304	45.5	117,757	44.2	93,691	37.1	91,359	31.7	72,487	26.9	68,066	20.3		
		Construction	29,992	11.4	33,824	11.3	17,817	6.7	17,817	6.8	23,795	8.3	19,690	7.3	32,837	9.8		
		Total	154,531	58.6	170,128	56.8	135,574	50.9	111,508	43.9	115,154	40.0	92,177	34.2	100,903	30.1		
Torino	Province (Torino)	Manufacturing	492,791	55.2			432,396	45.0			352,396	37.3					322,000	34.5
		Construction	55,988	6.3			51,545	5.4			55,815	5.9						
		Other 2nd sector	8,272	0.9			10,867	0.6			9,394	1.0						
		Total	557,051	62.4			494,808	51.4			417,605	44.2				38.2		
	Comuna (Torino)	Manufacturing									126,396							
		Construction									19,535							
		Other 2nd sector									3,938							
		Total									149,869							
Saint Étienne	Department (Loire)	Industry							92,000	34.8								22.8
		Construction																6.5
		Total							92,000	34.8								29.3
	Travel-to-work area (Sud Loire)	Industry					75,535	52.7	57,460	46.7	53,637	41.0	46,563	37.0	45,731	32.1	42,409	30.3
		Construction					13,110	9.2	9,246	7.5	10,519	8.0	9,983	7.9	10,776	7.6	10,813	7.7
		Total					88,645	61.9	66,706	54.2	64,156	49.0	56,546	44.9	56,507	39.7	53,222	38.0
	Metro area (Région Stéphanoise)	Industry			69,727	52.9	64,319	51.0	50,769	45.8	50,205	41.2	41,470	35.9	41,104	32.2		
		Construction			12,125	9.2	11,114	8.8	8,043	7.3	9,422	7.7	8,562	7.4	8,874	7.0		
		Total			81,852	62.1	75,433	59.8	58,812	53.1	59,627	48.9	50,032	43.3	49,978	39.2		
	City	Manufacturing											14,889	25.7	13,652	22.2	10,467	17.2
		Construction											3,821	6.6	3,499	5.7	3,901	6.4
		Total											18,710	32.3	17,151	27.9	14,368	23.6

Notes:
1) No data for former East Germany (and therefore Leipzig) available; data available from 1990 onwards (after reunification)
2) In several cases the figures apply for the year closest to the indicated date (comments in original excel file)
3) In italics: estimates, or variation between different source

Data sources:
Leipzig: Stat. Landesamt Sachsen, City of Leipzig, Bertelsmann Stiftung
Bremen: Stat. Landesamt Bremen, BAW
Bilbao: EUSTAT
Saint Étienne: Departement: INSEE, Chambres Commerce Industrie Rhône-Alpes; Region: Assedic; City: INSEE
Torino: ISTAT
Sheffield: ONS; Nomis (2004); Sheff. City Council; www.visionofbritain.org.uk
Belfast: Region: DFP, NISRA; City: NISRA, Gaffikin/Morrissey (1999)

Population (total and change), 1970-2005

City	Population (absolute)					Population change (over period) (%)				
	1970	1980	1990	2000	2005	1970-1980	1980-1990	1990-2000	2000-2005	1970-2005
Leipzig	594,100	566,000	560,387	493,052	498,491	-4.73	-0.99	-12.02	1.10	-16.09
Bremen	582,277	555,118	551,219	540,950	545,869	-4.66	-0.70	-1.86	0.91	-6.25
Sheffield	572,794	530,844	528,708	513,234	520,700	-7.32	-0.40	-2.93	1.45	-9.09
Belfast	416,679	297,983	294,580	280,054	268,978	-28.49	-1.14	-4.93	-3.95	-35.45
Bilbao	410,490	433,030	372,054	349,972	353,173	5.49	-14.08	-5.94	0.91	-13.96
Torino	1,167,968	1,117,154	962,507	865,263	867,857	-4.35	-13.84	-10.10	0.30	-25.70
Saint Étienne	223,223	204,955	199,396	180,210	176,800	-8.18	-2.71	-9.62	-1.89	-20.80

Data Sources:

Leipzig: Stadt Leipzig, Stat. Landesamt Sachsen
Bremen: Stat. Landesamt Bremen
Sheffield: ONS
Belfast: NISRA
Bilbao: Eustat
Torino: ISTAT
Saint Étienne: INSEE

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18 Shrinking Cities programme **www.shrinkingcities.com/**

19 European Union leaders agreed a binding target on the use of renewable energy – 20% by 2020. March 2007. See **www.news.bbc.co.uk/1/hi/world/europe/6433503.stm**

20 Evidence from Brookings Institutions suggests that US cities are already leading the way in this.

US Conference of Mayors **www.usmayors.org/climateprotection/**; Clinton Foundation – International Clinton Climate Initiative **www.c40cities.org/**; Gore, A (2007) The Assault on Reason: How the Politics of Blind Faith Subvert Wise Decision-making, London: Bloomsbury Publishing PLC.

Manchester and Newcastle have declared their intention to become 'environmental leaders' in the field – see **www.manchesterismyplanet.com**; **www.manchestergreencity.co.uk/site/images/stories/greening%20manchester.pdf**; **www.manchester.gov.uk/localdemocracy/committees/physenv/previous/1212/report01.pdf**

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