

Local and Urban Development in the European Union

by Cristina Brasili

Introduction

Turning the concept of local development into a short definition is not so simple. However, I'll try to do this in order to specify the elements which compound it and lastly analyze the role of cities.

Local development is a process of cooperation and change managed by local actors whose main goal is producing collective goods for the local community.

Local Development (LD) is a process which implies the skill in considering and checking the intentional actions (so as the regional politics of E.U. Teaches) and consequently estimating what would have happened without such kind of actions speaking of energies, praxis and investments with the aim of maintaining the conditions for the development.

If this is the shared vision of LD, now let's analyse what are the factors which favour the possibility of making the process start:

1. Presence and construction of a net of relations based on belongings and experimentations together with a political action which aims at building fiduciary ties and collective goods.
2. Adoption of clear strategies which allow the local productive systems to adapt themselves to the challenges of market and globalization creating collective local goods, improving the economical structure and creating high-technological firms (the argument could appear restrictive if we refer it only to IDs)
3. It's useful not to adopt defensive positions towards the pressure of globalization (on local communities and firms) being conscious that development can't be confined only to the local aspect.
4. Production of collective local goods to be considered as intermediate between “pure pure goods” and “pure private goods” so that they can be defined as “impure public goods”: in fact, they show some aspect of limited enjoyment that is to say that only the citizens belonging to a specific territory can use them. For instance, we can think of all the services which are distributed by the Chambers of Commerce representatives and associations of representation in favour of the firms, the local infrastructures, the simplification of all the procedures for the local administration, local institutes for research, cultural and artistic promotion.

We could define them, according to *Crouch et alri (2001)* “collective local goods for competitiveness.

5. Experimentation and innovation should become government method in order to avoid finding resources only for specific aims. You should not think of the only means and instruments but of *experimentation and innovation* just as a culture for the government of a territory.
6. You should avoid believing the best level of decision is always “the local one”: it's useful to be conscious that the LD needs a territory government in terms of political decisions and *governance* that is to say shared processes which come out from cooperation between private actors and public ones at a local level (Europea Regional Politics once again is teaching using its *principle of subsidiarity*).
7. The LD must actively attend to the “territorial capital” so as it is defined in the OECD document “Territorial Outlook” (2001), which we're going to analyse for the cities later on, that is to say that group of characteristics such as the geographical localization and the productive systems, the climate, the social and cultural traditions, the quality of life.
8. All these factors mixed together in the right way represent the ability in local self-organization.

How can Local Development and cities combine?

The growing part that cities have in the social, political, cultural and economic development is confirmed by the so-called “human variable” (Zimmermann, 2004) which, in short, underlines the city as development frontier.

The city can really be a “laboratory” (not by chance we proposed one) to experiment all those elements which, as we have already seen, are the basis of LD. Infact, the city synthesizes, just like a kind of “microcosm”, all the possibilities for government and development.

1. The city grows up because of the aggregation of economical factors, on the basis of a close mixture of endogenous and exogenous forces.
2. The city is fully involved by the globalization process.
3. Cities have the potentialities to manage the transition from post-industrial societies towards societies belonging to the tertiary and quaternary sectors (the theme of knowledge is implicit).
4. City crises are often associated to wider social and economical crises.
5. Good performances of cities depend on a net of intentional actions which must be ruled

and addressed to the creation of a consent regarding strategic themes.

1. European Union and the sustainable urban development: the Common initiative Urban

“The urban problem is the basis for a territorial, social and economic change. The cities are essential to find a strategy which can reach a sustainable cohesion and a sustainable development.”

[Unity of Europe, Solidarity of people, variety of territories – Second report about social and economic cohesion] European Commission (2001).

The “Program for a sustainable urban development”, adapted by the European Commission on October 1998, recognizes the importance of the urban dimension in the common politics and underlines the possibilities given by the plans of regional development which are co-financed by the structural Funds. The Commission wants to go ahead towards a greater effectiveness of the common politics provided for by the treatise, increasing the sensitivity towards the urban problems and assuring they are favorable for the integrated urban development. This document wants to warrant a common action regarding urban problems, which is marked by more definite aims and by a better co-ordination.

It provides for four interdependent aims:

1. To improve economic prosperity and employment in the cities. The Commission underlines the need to improve the effectiveness of the Structural Funds Contribution, introducing an explicit urban dimension in the regional planning. Besides, it expects the structural Funds will help in promoting the cooperation among urban areas in different member states, with the aim of extending the possibilities for a combined development. A particular attention is paid to the development of a more substantial urban dimension in the politics for the employment, through the reinforcement of the local participation together with the support of the local initiatives regarding development and employment. The role of cities, as centre of innovation and economical development, will be reinforced.
2. To promote equality, social integration and renewal in the urban areas. The next cooperation in the fight against discrimination and outcasting, based on the treatise of Amsterdam, should recognize the bigger concentration of such phenomena in the urban areas. The Commission supports an integrated territorial strategy for the renewal of the depressed urban areas in the sphere of the structural Funds; this strategy should be able to integrate the social, economical, cultural and environmental factors together with all

the aspect regarding security and means of conveyance. The same importance is given to the connections between the urban areas which are in difficulties and the wider social and economical strategies so that the phenomenon of segregation in the cities could be avoided. The Commission wants to offer a firm support to the “second opportunity for training and education”.

3. To protect and to improve the urban environment: towards local and global sustainability. The program underlines the environmental interventions which can assure demonstrable improvements in the urban areas and it collects a great range of common initiatives which can give results regarding the quality of urban environment, the management of energetic sector, means of transportation, waste material, quality of the air, water resources, acoustic pollution and contamination of the soil. The program also underlines the importance of integrated strategies for the environmental management together with the importance of the contribution offered by the structural Funds to warrant a more sustainable urban environment.
4. To contribute to an efficient urban management and to the reinforcement of the local powers. It's important to warrant a greater political integration between all the different power levels and the intervention of the citizens whose powers must be reinforced. The Commission provides for the adoption of actions which help the sensitization and the reinforcement of capacities and for principles to sustain innovative strategies for urban development, in order to reach good results regarding urban management, conferment of power and urban safety. Moreover, the Commission proposes actions for the improvement of comparative information about urban conditions, giving its own support to the Initiative promoted by the member States, which regards the exchanges about urban problems. For each of the four aims, the Commission suggests several improvements regarding methodologies and techniques, encouraging the exchange of experiences among the different involved subjects. According to the European Commission's option, the starting-point for a territorial re-qualification at a social, economical and environmental level, is given by cities where the most part of people live and where we can find, above all in some areas, problems of discomfort which Europe wants to face and to get rid of. From this point of view, the programs URBAN, financed by the structural Funds, wanted to be the answer to this kind of problems.

URBAN I

The Common initiative URBAN I was launched in 1994 in reply to some problems which you could find in several cities of the Union: strong unemployment together with a social and

economical discomfort were leading many people and ethnical minorities towards a serious risk of social exclusion. Spain had the most of the programs; here the initiative URBAN supported 29 projects for as many cities. Spain is followed by the U.K. (Northern Ireland included) where URBAN supported 19 projects, then there's Italy with 16 projects, Germany with 13 ones and France with 12 ones.

URBAN II

After the results the initiative URBAN I obtained during the period 1994-1999, looking at the aims given by the European Commission, the Common initiative URBAN II was set up for the period 2000-2006. It is aiming, more precisely, at promoting the formulation and fulfillment of new development models which help the social and economical recovery of the urban areas which are passing through a crisis. This initiative also wants to strengthen the exchange of information and experiences regarding the sustainable urban development in the European Union. The URBAN II programs propose development models for the redevelopment of the concerned areas and they are based on some fundamental points fixed by the European Commission:

- Environmental and material redevelopment which must be consistent with the environment and spaces of urban territory; it must also be carried out so that it can create employment, integrate the local communities (ethnical minorities included), increase the safety and in general improve the conditions of life in the cities.
- Support to entrepreneurship and employment.
- Integration of the outcast people and possibility of approaching the public service.
- Creation of means of transportation which are more integrated and eco friendly.
- Development of the technological potentialities of the information society in the economic, social and environmental field.
- Reduction, at the basis, of the quantity of waste material and consequent (waste) disposal, reduction of acoustic pollution and promotion of energetic efficiency.

Even if the two programs are linked together by a close bond, nevertheless URBAN II shows essential differences in comparison with URBAN I. The changes express the teachings derived from the previous experiences together with the European Parliament and the Court of Auditors advices:

- Inclusion of the small and middle size cities. The limit of 100.000 inhabitants for the whole city has been suppressed. The only limit fixed by URBAN II regards the

program (the area concerned by the program must have 20.000 inhabitants at least – 10.000 inhabitants as an exception that must be duly justified).

- Explicit principles for the selection of the areas, in compliance with the trend of URBAN II. A cleaner procedure of selection ensued.
- Use of only one Fund in order to make the administrative procedures easier. Before, in the URBAN areas both the European Fund of the Regional Development (FESR) and the Social Fund were present creating the consequent duplication of the procedures. On the contrary, URBAN II is financed only by the FESR; in this way it's possible to halve the administrative burden which regards some aspect such as the requests for money. However, this doesn't imply the exclusion of some standard measures from the Social Fund such as the training measures and others which face the outcasting.
- Use and development of the urban Audit as systematic source of information.
- Reinforcement of the “ex ante” valuations.
- Programs to create a net which can promote the exchange of the best procedures belonging to the urban sphere.

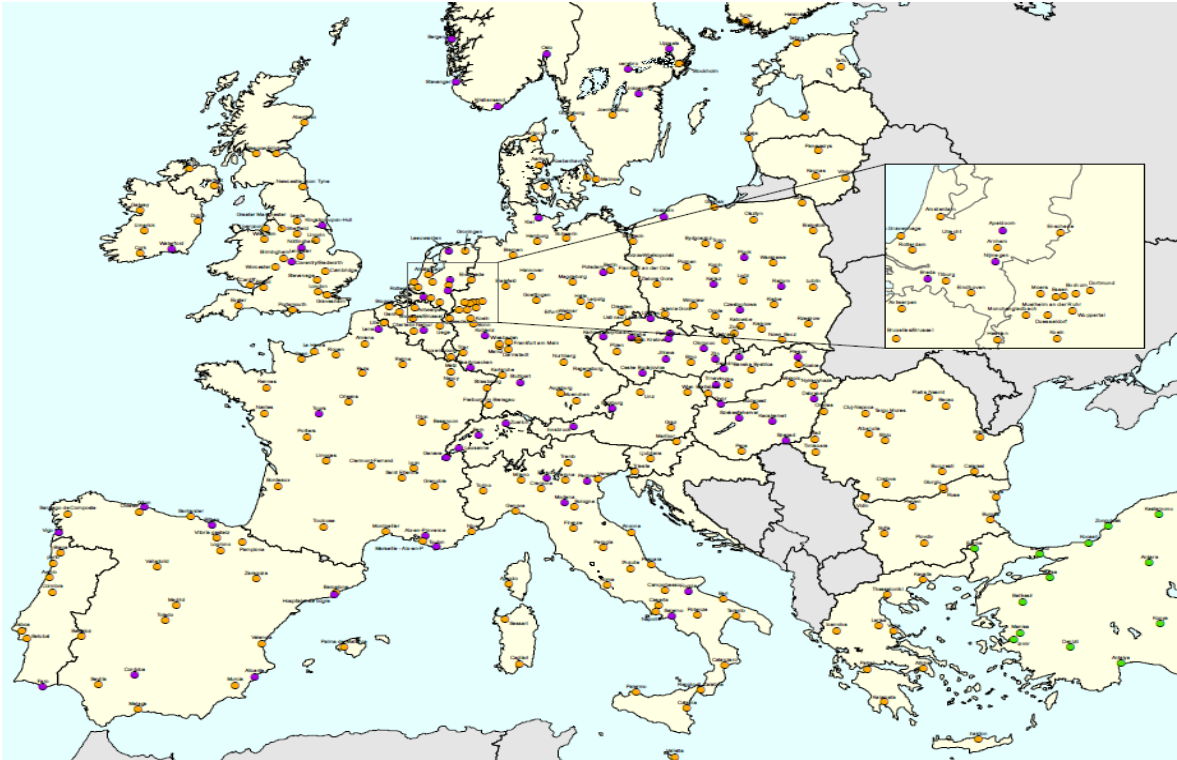
During the whole programming period 2000-2006 in the countries of European Union, the Common initiative URBAN II created 70 programs regarding areas in which 2,2 million of people live; the project which involved the greater number of citizens was that regarding Amsterdam (62.000 inhabitants), while that which involved fewer was that regarding Amadora in Portugal (10.000 inhabitants). On the average each program could have a FESR contribution of about 10 million of Euros. Among the cities that had more resources from FESR, the first three places are occupied by Italian cities (Taranto, Crotone, Misterbianco near Catania); then there are six German cities which had a contribution of 15 million of Euros while the lowest amount was given to the city of Amadora (as we've already seen this is the project which involves a minority of inhabitants) which had about 3,6 million of Euros.

Germany is the country which has the most part of active URBAN programs and had the biggest contribution from FESR (about 150 million of Euros) with a difference of 24 million in comparison with U.K. (11 projects and 124 million of Euros of Funds), about 35 million in comparison with Spain and Italy (10 projects and 112/114 million from FESR); in the Scandinavian countries (Sweden, Finland, Denmark) only one project for each country was developed. Redevelopment of urban areas was a very sensitive issue for the most part of the cities in fact, a great part of the funds were assigned to it (on an average 40%) (Graph 1.2).

Very few cities invested less than 30% in this chief necessity, in some case more than 70% of

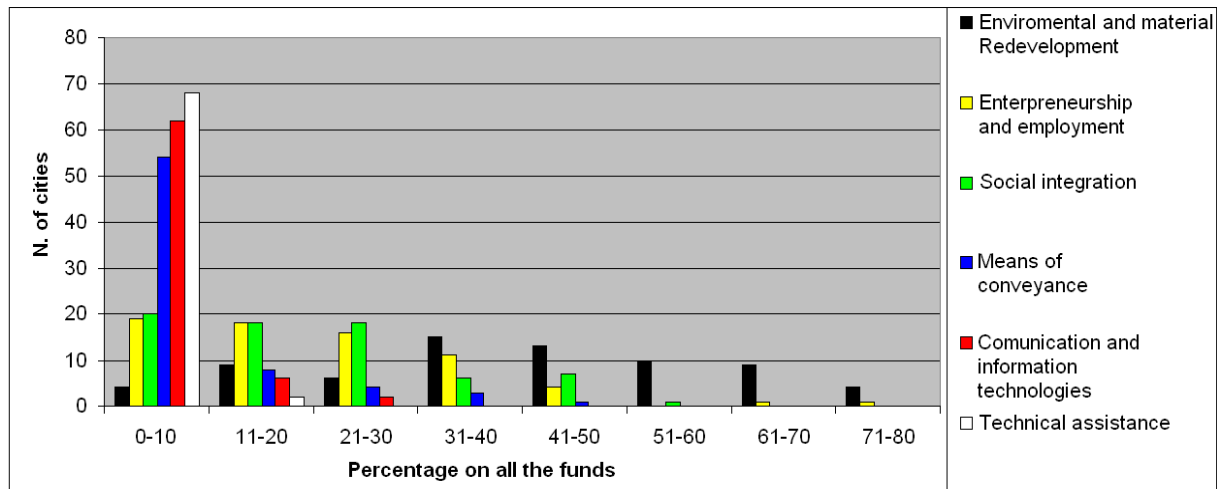
one's own budget was invested in it. A great part of the funds was also exploited for other important aims: entrepreneurship and employment and social integration; the average cost for each program regarding such aims is about 20%. on the contrary, the cost for what regards means on conveyance, use of technologies for information and communication together with technical assistance, is smaller: the average cost is between 4% and 6%. Even if they are the centre of economic activity, innovation and employment, European cities must face a lot of challenges. The increasing expansion of suburbs, the increase of poverty, unemployment and overcrowding in the urban areas are so difficult problems which require integrated and definite strategies for the means of conveyance, lodgings, training and employment. European regional politics of cohesion face these problems.

Graph 1.1 Cities which take part in Urban Audit.



Source: Eurostat

Graph 1.2 Distribution of the funds for the six main points of intervention.



Source: Eurostat.

Leipzig Charter

In May 2007, in Leipzig, the presidency of EU proposed the proof of a “Charter on sustainable European Cities”. The Leipzig charter seemed to take again a process of support to the urban politics which had been started by the Union during the previous decade (with the Urban programs) and subsequently interrupted. Knowing all the challenges, the opportunities and the different historical inheritances, in this document the Ministers engaged themselves to start a political discussion in their States about the way of integrated the principles and strategies of the Leipzig Charter (regarding sustainable European Cities) in the politics of national, regional and local development. They also engaged themselves to use the instruments of integrated urban development and the pertinent *governance* to carry it into effect, to create the best structures (at a national level) and to promote the foundation of a well-balance territorial organization which is based on a European polycentric urban structure.

In particular, the main underlined points are:

I A greater resort to the strategies belonging to the politics of integrated urban development.

Integrated urban development means the consideration in a global way, of all the potentialities and needs which are important for urban development. The politics of integrated urban development is a process in which the spatial, sector and temporal aspects regarding the most important areas of urban politics are co-ordinate. The most important strategies of action for a politics of integrated urban development are the following:

→ Creation and maintenance of high-quality public spaces

- Modernization of infrastructural nets and improvement of energetic efficiency
- Proactive innovation and didactic politics

II Special attention to the degraded quarters within the urban context.

Cities must face very hard challenges above all because of changes in the economic and social structures and globalization. Great unemployment and social exclusion are specific problems, among the others. In order to face such challenges it's necessary:

- To follow strategies which can improve the physical environment
- To reinforce local economy and local labor market
- Proactive education and training politics for children and young people
- To promote urban means of conveyance which are efficient and approachable

Finally, Leipzig Charter underlines “Politics of urban development should be planned at a national level and the spurs for innovative solutions should involve either a national level or all the other levels”.

About 21,1 billions of Euros have been appropriated for the period 2007-2013 for cohesion politics that is to say 6,1% of the total budget. More precisely, 3,4 billions are assigned to the recovery of industrial sites and to the reclamation of contaminated areas, 9,8 billions are assigned to the projects for rural and urban redevelopment, 7 billions to ecological urban means of conveyance and 917 millions to housing. Even the other infrastructural investments for research and innovation means of conveyance, environment, education, health and culture have a very important impact on the cities. In the actual programming period 2007-2013, European cities are benefiting in several ways by the initiative and instruments of the cohesion politics: the issues regarding urban development have been integrated almost all the regional and national programs which are financed with the structural and cohesion funds.

- The program **URBAN II** helps the exchange of the best practices and the creation of a net between planners and other local experts;
- **JESSICA** (*Joint European Support for Sustainable Investment in City Areas*) is a new initiative of the European Commission started in co-operation with the European Bank for Investments and the Council of Europe development Bank (CEB). It promotes financial engineering for sustainable investments, economical increase and employment in the urban areas of EU;
- *Urban Audit* data base gives information and statistical data about life conditions in 357 European cities belonging to the member States of EU more Switzerland, Norway and Turkey. More than 330 indicators regarding European urban life show results

about demography, lodging, health, criminality, labor market, economical activity, difference of incomes, local managements, civil society, education, cultural infrastructure and tourism.

2. Territorial capital

“Each region has its own territorial capital which can be distinguished from that of the other areas; it breeds a higher feedback for precise kinds of investment which are more suitable for this area and which can use its assets and its potentialities more powerfully”[European Commission, 2005]

As I've already said, I really think the cooperation and change process aiming at creating local collective goods, has necessarily to pass through the valorization of territorial capital.

Since a development process can't be considered as acquired, it can more easily persist if it becomes a “method” and in order to assure competitiveness, activeness and welfare to the territory itself, it progressively becomes citizens' estate. Therefore, politics of local development must intervene to increase cities territorial capital; this could seem to be obvious but it is less evident than quantifying territorial capital, in particular the cities one (because of the persisting lack of data). The concept of territorial capital was proposed for the first time during a process of territorial politics formulation by OECD (Territorial Outlook 2001); recently it has been drawn out again by the DG REGIO of European Commission. “Territorial Capital” is a set of (material and immaterial) elements which are available for territorial needs; these elements can be strong points or real ties according to the aspects which are taken into consideration. Territorial capital involves all the elements which are part of a territory wealth (activities, landscape, estate, know-how, etc.) in order to find out specific elements which can be put to their best use.

In some territories, for instance, it can imply the recovery of specific neglected unities whose disappearance could emphasize the impersonality of the area. Each territory looks for its own “specific characters” addressing its attention to entering the market, to its own image, to its cleverness at attracting creative minds and firms (see also the sixth intermediate relation of social and economic cohesion EC 2009 which proposes the “creativity index”), to its capability to renew the *governance* etc. OECD drafted a long list of factors which determine territorial capital, they go from the traditional material assets to the immaterial ones which have been developed more recently: these new kinds of goods include the geographical localization of the area, its dimension and availability of productive factors, climate, tradition, natural resources, quality of life or agglomeration economies, produced by cities.

However, they can also include the incubators of an area, its industrial districts or other business nets which allow the reduction of the transaction costs.

Other factors can be: interdependences which don't regard the market just as convention, traditions, informal rules which allow the local actors to work together, or solidarity, collaboration and associationism nets for development and support of new ideas which can change into *cluster* of small and medium firms which work in the same sector.

Finally, there's an intangible factor which can recall the *milieu* of industrial districts which is given by the context and environment and is the result of a combination of institutions, rules, practices, producers, researchers and public deciders and which makes innovation and creativity possible. The analysis proposed by Camagni and Dotti (in the second chapter of the book "Italian crisis in the global world, Northern economy and society" 2010) finds out seven essential components of territorial capital: productive, cognitive, social, relational, environmental, settlement, infrastructural components. On the basis of this approach, I've selected one or more variables for each one of these components (with the exception of the relational one which we can't quantify); I really think they can represent the territorial capital for European cities. The used variables are taken from Eurostat *Urban Audit* database about European cities, they refer to 2006/2007 biennium (the last one available) and they regard 118 cities of Belgium, Denmark, Germany, Spain, France, Estonia, Italy, Latvia, Lithuania, Hungary, Holland, Slovakia, Slovenia, Finland and United Kingdom. Productive territorial capital is divided in three subcategories: business density, industrial activities, advanced tertiary sector; for each one of these categories we have many variables such as the number of workers in the cities, the proportion of total workers in one sector as well as the number of companies on the territory (Tab. 2.1). As regards cognitive capital, unfortunately only the number of public libraries is available while for what concerns the environmental capital our data refer to the presence of atmospheric pollution. Finally, as regards the forms of infrastructural and settlement territorial capital, we have multimodal accessibility and population density, respectively. Synthesizing the information given by the chosen variables (through the statistical analysis of the Principal Components) we wanted to specify some groups of cities which are as homogeneous as possible for presence of territorial capital.

Tab. 2.1. Considered variables for territorial capital analysis of a panel of European cities.

Variables	Territorial capital:
All companies	Productive1 (Entrepreneurship density)
Number of persons employed in provision of ICT services	
Employment (jobs) in mining, manufacturing, energy (NACE Rev. 1: C-E)	Productive2 (Industrial activity)
Employment (jobs) in construction (NACE Rev. 1: F)	
Employment (jobs) in Nace Rev. 1 C-F (ESA95 A3)	
Proportion of employment in mining manufacturing energy	
Proportion of employment in industries G-P (NACE Rev. 1)	
Proportion of employment in industries C-E (NACE Rev. 1)	
Proportion of employment in construction	
Employment (jobs) financial intermediation, business activities (NACE Rev. 1: J-K)	Productive3 (Advanced tertiary sector)
Proportion of employment in financial intermediation business activities	
Percentage of employed in providing ICT services	
The number of public libraries	Cognitive
Summer Smog: Number of days ozone (O3) concentrations exceed 120 microgram/m3	Environmental
Annual average concentration of NO2	
Accumulated ozone concentration in excess 70 microgram/m3	
Multimodal accessibility (EU27=100)	Infrastructural
Net residential density - pop. per land area in housing	Settlement

The analysis which has synthesized the information of the specified variables has underlined three distinctive features which differentiate European cities. The first one regards the dimension of cities: the big European capitals, above all London, Paris and Rome, are different from the most part of the other smaller cities. The second important aspect concerns economical development, in particular the services sector. Spanish cities show a percentage of workers in the tertiary sector which is below the average among the analyzed cities while many English cities together with Amsterdam and Copenhagen seem to have a strong tertiary sector. In general, this analysis shows that in the North central European cities there' s a increasing number of services industries while in the Southern European ones we can find a better specialization in the industrial sector. The last characteristic which comes out from the

analysis of the main components regards the environment: in fact, it's possible and interesting to classify cities on the basis of their level of environmental quality. So, this process can underline the problem of Italian cities which seem to be the most polluted in Europe. Another interesting datum regards the analyzed Eastern European cities which show very different features: some of them are bound to the industrial sector and so they have higher pollution rates while other Eastern cities are less polluted. This analysis has determined six groups of cities: These groups differentiate owing to their dimension, their specialization in the secondary sector and greater or smaller presence of pollution. In fact, there's a group of medium-large cities in which we find a large number of workers in the manufacturing sector: at the same time these cities show pollution rates which are really above the average of the analyzed cities. On the other side, in some peripherical areas of Europe there is a group of small cities in which the industrial sector is not so important and also for this reason they have lower pollution rates. In particular, Eastern European cities belong to this group. Finally, the analysis of territorial capital has confirmed the important potentialities of the big European cities which on the basis of their own resources (regarding physical and human capital) can develop following innovative directions and new sectors which are out of tradition. Then, looking at the quality of life, we can see that big cities will have to face the environmental problem which has always been ignored and / or never solved, together with the cities which are mainly tied to the manufacturing sector. Besides, the analysis shows that some medium-small cities, above all in North-central Europe, are particularly specialized in the services sector. Moreover, environment can offer a good development alternative to a large number of cities which are in some peripherical areas of Europe, which haven't the same economic potentialities as the big European urban centre but which show a high environmental quality. In fact, they can plan a kind of development which is based properly on such peculiarity and which, in addition to supporting and stimulating high levels of quality of life, could also be very interesting for what regards the creation of new firms and development of research.

Group 1 (black) – Big-sized cities (5)

Cities belonging to this group are big ones but not so big as capitals such as London or Paris. However, they have some similar peculiarities: a number of workers in the economic activity sector which is three times above the average, a percentage of workers in the secondary sector which is lightly below the average and a number of workers in the tertiary sector which is above the average, multimodal accessibility and density are above the average of the analyzed cities while for what concerns atmospheric pollution they're on the average. So, the group 1

represents big cities which aim at a high level of services companies. Germany is the country which has the larger number of cities belonging to this group.

Group 2 (red) - Medium-sized cities (35)

Cities which belong to medium and big size group are 35 and they are centres of very important activities. Tertiary activity is the most considerable and the number of workers in the financial intermediation sector is above the average. Besides, this group is the second most important one for what regards the proportion of total workers, only the big European capitals can surpass it. The percentage of workers in the secondary sector is slightly below the average but it is slightly above the average for the proportion of workers in the tertiary sector. Even in this case, medium multimodal accessibility of this group is absolutely above the total average so as the population density. A very interesting datum is that regarding the level of atmospheric pollution: among the three variables used to measure it only one is on the average while the other two ones are clearly below the average and so they've a low pollution level. Even in this case, Germany is the most represented country in this group (18 cities out of 35 which belong to this group).

Group 3 (green) - Smaller cities (56)

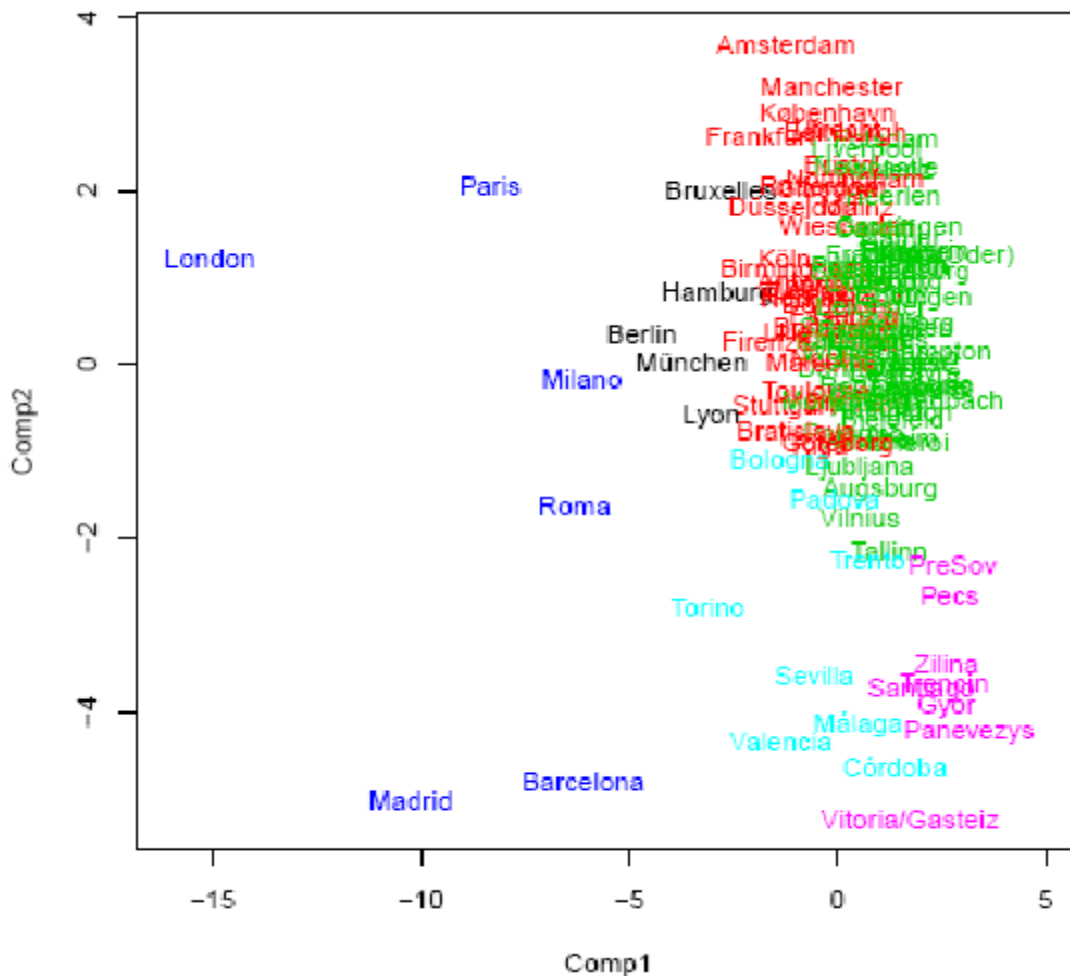
This group encloses about 50% (56) of the examined cities. In this case they are small cities which aren't so specialized in the services and industrial sector. The average of the group which regards the percentages of workers in the tertiary and secondary sectors are, indeed, aligned with the general averages. The average multimodal accessibility of the group is below the general average so as the average population density of the group is lower than that of other European cities. A very positive feature of these cities is the fact that pollution is lower than European average. Cities belonging to many countries are parts of this group: Germany and United Kingdom first of all, but there are also France, Belgium and Italy.

Group 4 (blue) - Capitals (6)

The largest European capitals (with the exception of Berlin) belong to only one group: Madrid, Paris, Rome, London, as well as Barcelona and Milan. These cities are distinguished by their bigger size but another important characteristic is the number of employed people in financial and intermediation telecommunications sectors: besides being obviously very high in their absolute value, they are above the average also for their percentage of total workers (on the average in this group 27,8% of people work in the financial sector while the general average is

a little bit over the 20%. As regards telecommunication, the group has a percentage of 9% while the general average is about 4%). For what regards multimodal accessibility the average of the group is clearly over the total one as well as the density (more than 9000 inhabitants per KM) which is three times above the average.

However, the data regarding atmospheric pollution are very high and this peculiarity can be found in every city belonging to this group.



Graph. 2.1 Groups of cities by their territorial capital Legend:

- | | | |
|---------------|-------------------|----------------|
| Group 1 Black | Group 2 Red | Group 3 Green |
| Group 4 Blue | Group 5 Turquoise | Group 6 Violet |

Group 5 (turquoise) – Most polluted industrial cities (8)

Medium-sized cities with a strong presence of air pollution belong to this group (for instance a triple number of days in which the ozone levels are over 120µg/m3 in comparison with the average of other cities). Cities belonging to this group suffer this problem so much mainly because they're still strongly tied to the secondary sector: the average proportion of workers in

the industrial sector is 25% (while the average of the examined cities is 19,7%). In particular, Valencia, Cordoba and Turin have a number of workers in the industrial sector which is clearly high.

Group 6 (violet) – Least developed cities (8)

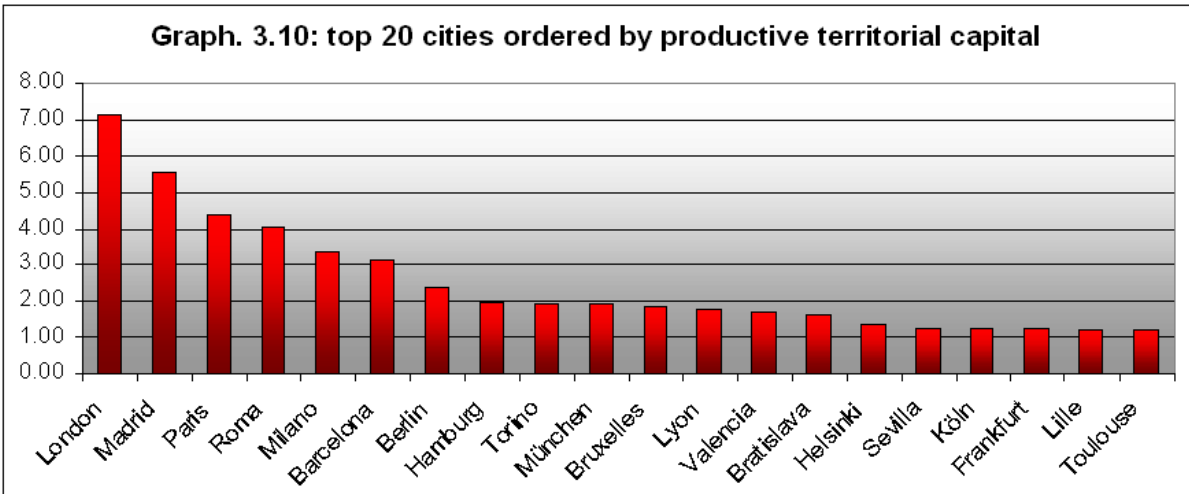
Cities which are part of this group haven't very developed industrial and tertiary sectors. Pollution is aligned with the average of European cities. In this group population density and average multimodal accessibility are the lowest among all the examined groups. This group encloses mainly cities of Eastern European Countries, Slovakia, Hungary, Lithuania, together with two Spanish cities: Santiago de Compostela and Vitoria-Gasteiz.

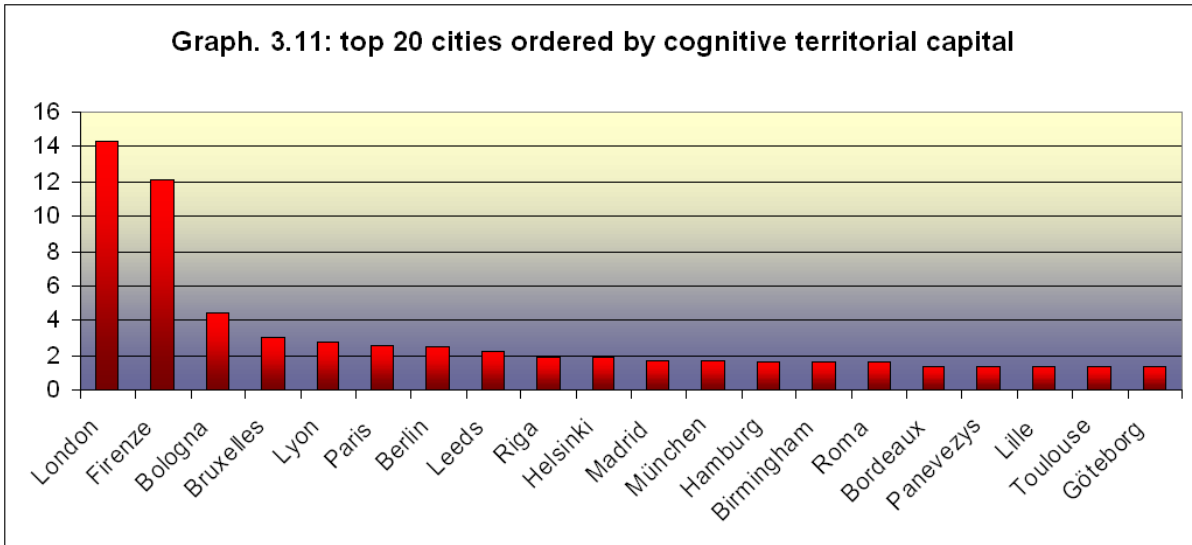
3. Analysis of groups and territorial capital

The results show that cities having higher values of *productive territorial capital*¹ belong to the groups of capitals and big-sized cities. Especially, London has a territorial capital which is more than seven times above the average (Graph. 3.10). Even Turin and Valencia, which belong to the group of industrial cities with a high level of pollution, have a substantial productive territorial capital. Rome and Milan are placed fourth and fifth for what regards their own productive capital.

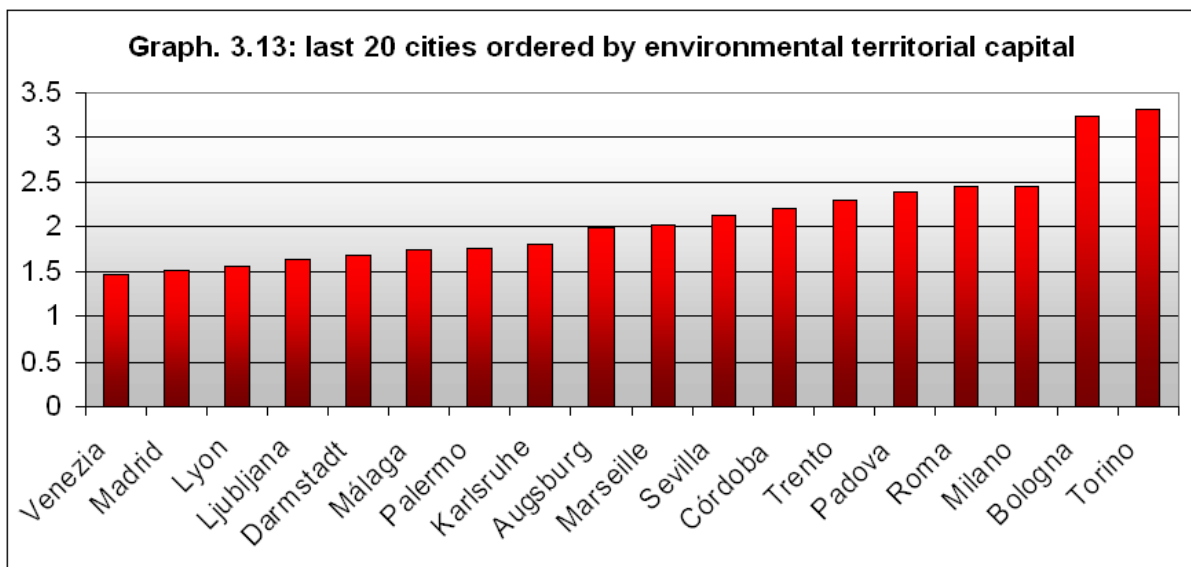
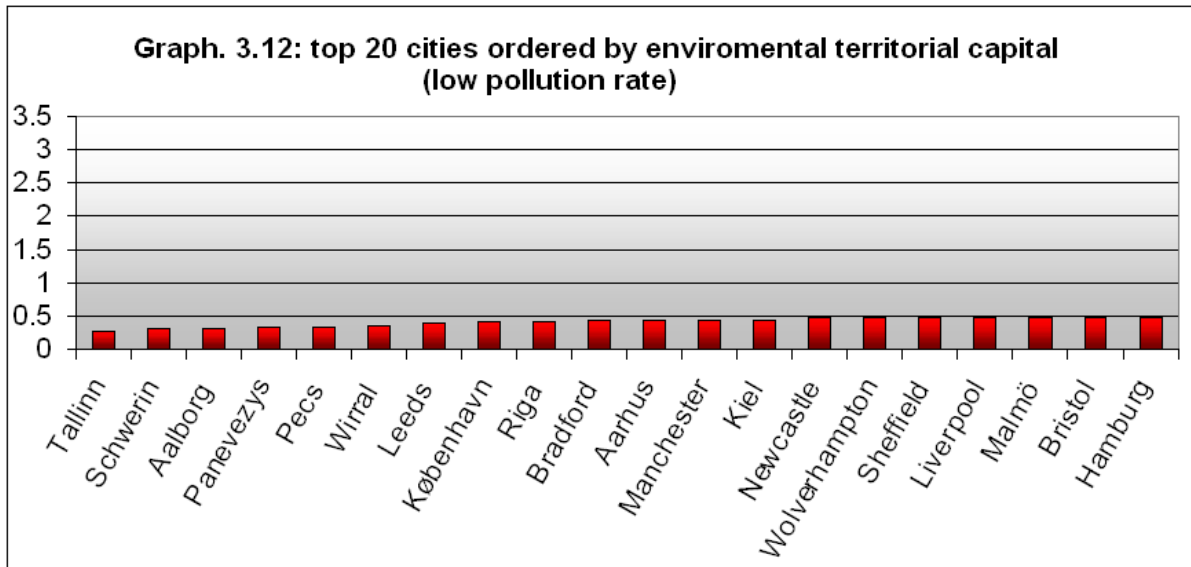
Even cognitive territorial capital is well represented by big-sized cities. In fact, after London the following 13 cities belong to the groups of capitals, big-sized cities and medium-sized cities.

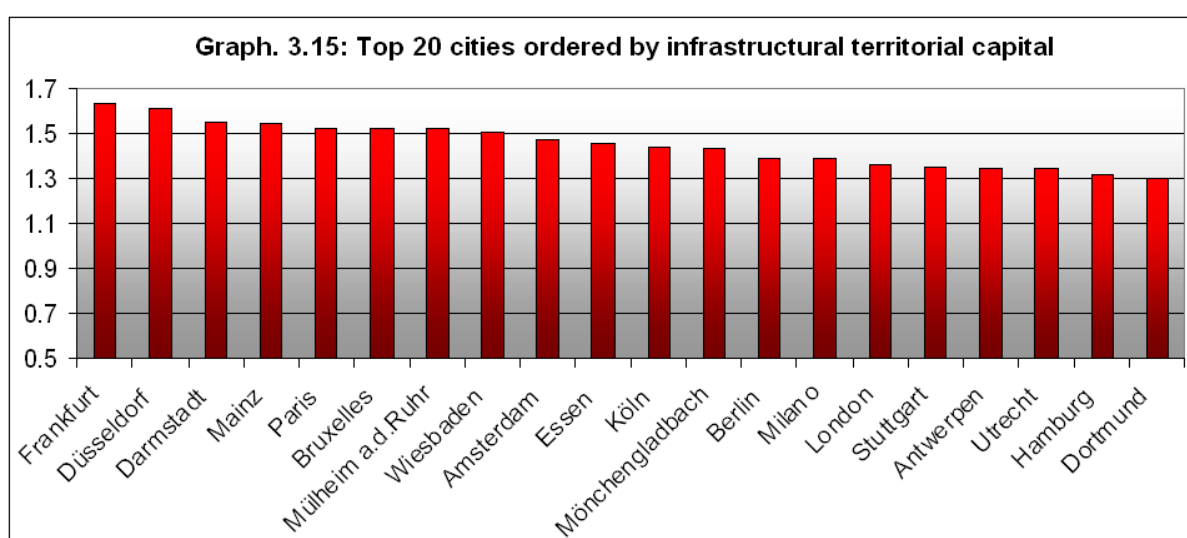
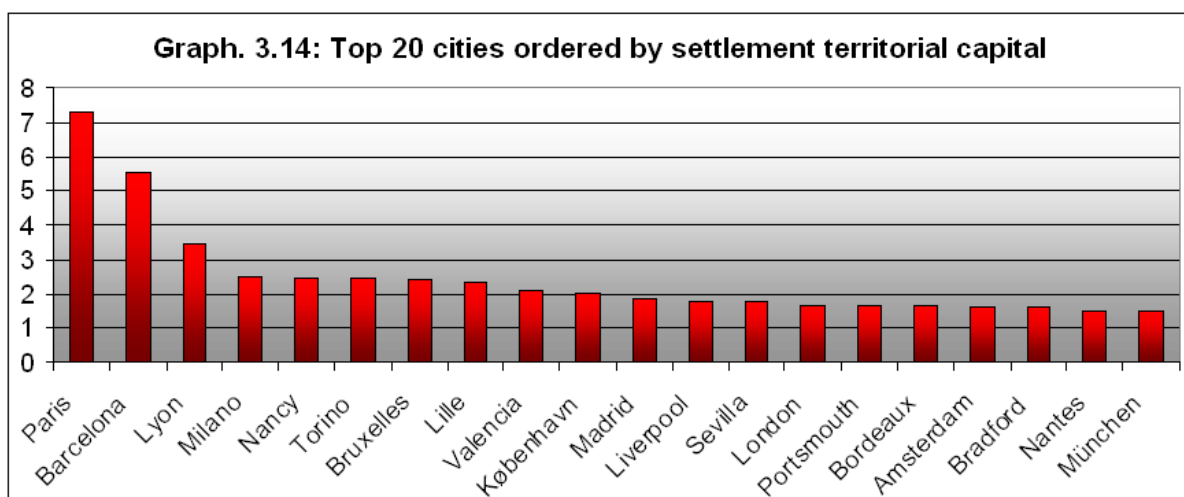
The dimensional aspect is important also for what regards environmental quality: according to this aspect the best cities are the smaller ones and those belonging to the group of least developed cities which have the best environmental quality (Graph 3.12). The classification is closed by cities which have the higher atmospheric pollution, they're all Italian centre: Rome, Milan, Turin, Trento, Padua, Bologna (Graph 3.13). The distribution of cities for what regards the presence of infrastructural territorial capital (calculated by an index of multimodal accessibility where average EU 27=100) is not so tied to their dimension. Cities which have enlarger quantity of infrastructural territorial capital are German, French, Belgian and Dutch





(Graph. 3.15).





Tab. 3.1 Analysis of dimensions of territorial capital in the groups of cities

Country	City	Group	Productive capital	Cognitive capital	Environmental capital	Infrastructural capital	Settlement capital	Territorial capital
UK	London	4	7.13	14.28	0.67	1.36	1.67	23.78
ES	Madrid	4	5.55	1.68	1.51	0.99	1.88	14.81
FR	Paris	4	4.38	2.61	1.02	1.52	7.31	14.33
IT	Roma	4	4.01	1.60	2.45	1.06	0.75	10.03
IT	Milano	4	3.37	1.04	2.45	1.39	2.50	8.58
ES	Barcelona	4	3.10	1.08	0.82	1.09	5.57	7.74
DE	Berlin	1	2.39	2.46	0.70	1.39	1.35	7.49
DE	Hamburg	1	1.94	1.64	0.47	1.32	0.82	6.88
IT	Torino	5	1.92	0.93	3.31	1.05	2.44	5.85
DE	München	1	1.90	1.68	1.37	1.21	1.50	5.25
BE	Brussel	1	1.85	3.02	1.04	1.52	2.38	4.97
FR	Lyon	1	1.74	2.76	1.55	1.09	3.45	4.95
ES	Valencia	5	1.69	0.97	0.65	0.81	2.10	4.92
SK	Bratislava	2	1.61	0.67	1.44	1.07	0.41	4.92
FI	Helsinki	2	1.35	1.86	0.63	0.84	1.07	4.70

ES	Sevilla	5	1.25	0.45	2.14	0.66	1.75	4.50
DE	Köln	2	1.25	0.48	0.81	1.44	0.86	4.49
DE	Frankfurt am Main	2	1.24	0.86	1.30	1.64	0.95	4.47
FR	Lille	2	1.22	1.30	0.98	1.03	2.37	4.40
FR	Toulouse	2	1.21	1.30	1.06	0.90	1.15	4.39
DE	Stuttgart	2	1.20	0.89	1.44	1.35	1.01	4.30
SW	Göteborg	2	1.19	1.30	1.08	0.87	0.38	4.28
LET	Riga	2	1.17	1.90	0.41	0.81	0.81	3.83
UK	Leeds	2	1.16	2.20	0.40	0.96	0.48	3.75
UK	Birmingham	2	1.14	1.64	0.60	1.21	1.31	3.71
IT	Bologna	5	1.13	4.47	3.23	1.09	0.94	3.66
NZ	Amsterdam	2	1.12	0.93	0.67	1.47	1.62	3.53
DE	Düsseldorf	2	1.08	0.60	0.99	1.61	0.94	3.52
IT	Padova	5	1.07	0.48	2.38	0.04	0.81	3.40
ES	Málaga	5	1.06	0.82	1.75	0.75	0.49	3.38
IT	Firenze	2	1.04	12.04	1.06	1.04	1.26	3.33
FR	Marseille	2	1.03	0.75	2.03	0.92	1.16	3.31
FR	Bordeaux	2	1.03	1.38	0.66	0.91	1.63	3.24
FR	Nantes	2	1.02	1.19	0.99	0.93	1.51	3.23
DE	Hannover	2	0.97	0.93	0.90	1.27	0.89	3.22
LIT	Vilnius	3	0.96	1.12	0.61	0.83	0.49	3.18
DE	Nürnberg	2	0.96	0.63	0.62	1.21	0.94	3.16
BE	Antwerpen	2	0.95	1.27	0.97	1.34	0.81	3.14
IT	Palermo	3	0.94	0.56	1.77	0.79	1.44	3.13
DE	Essen	2	0.89	0.63	0.99	1.46	0.96	3.10
UK	Glasgow	2	0.88	0.48	0.52	0.85	1.16	3.09
DK	København	2	0.86	0.78	0.40	1.24	2.03	3.03
ES	Córdoba	5	0.86	0.45	2.20	0.37	0.09	3.02
ES	Vitoria/Gasteiz	6	0.86	0.37	1.23	0.59	0.29	2.97
NZ	Rotterdam	2	0.86	0.89	0.67	1.23	1.00	2.95
ES	Santiago de Compostela	6	0.85	0.15	0.57	0.71	0.15	2.85
EE	Tallinn	3	0.85	0.89	0.28	0.73	0.89	2.83
SL	Ljubljana	3	0.84	1.27	1.64	0.88	0.35	2.82
DE	Bremen	2	0.84	0.75	0.78	1.22	0.59	2.79
SW	Malmö	3	0.83	0.52	0.46	1.09	1.35	2.75
UK	Edinburgh	2	0.82	1.12	0.53	0.80	0.61	2.66
DE	Dortmund	2	0.81	0.41	1.00	1.30	0.72	2.62
DE	Leipzig	2	0.80	0.67	1.03	1.07	0.60	2.62
HU	Gyor	6	0.79	0.22	0.58	0.76	0.26	2.55
IT	Venezia	3	0.78	0.75	1.47	1.16	0.23	2.55
HU	Pecs	6	0.77	0.15	0.34	0.40	0.34	2.55
UK	Manchester	2	0.77	0.86	0.44	1.20	1.33	2.49
DE	Dresden	2	0.76	0.86	1.08	1.04	0.54	2.46
DE	Karlsruhe	3	0.75	0.34	1.79	1.10	0.59	2.40
IT	Cağliari	3	0.75	0.26	1.39	0.71	0.64	2.34
UK	Bristol	2	0.74	1.04	0.46	0.95	1.27	2.31
DK	Aarhus	3	0.72	0.78	0.44	0.71	0.22	2.31
IT	Trento	5	0.71	0.60	2.29	0.72	0.26	2.24
UK	Sheffield	3	0.70	1.27	0.46	0.96	0.49	2.17
DE	Darmstadt	3	0.66	0.19	1.68	1.55	0.41	2.12
FR	Orléans	3	0.66	0.86	1.24	0.74	1.44	2.10
BE	Gent	3	0.65	0.56	0.98	1.18	0.53	2.09
UK	Nottingham	2	0.65	0.78	0.48	0.98	1.31	2.06

DE	Saarbrücken	3	0.63	0.15	1.40	1.03	0.37	2.01
DE	Bielefeld	3	0.62	0.34	0.82	1.00	0.44	1.98
UK	Aberdeen	3	0.62	0.71	0.74	0.66	0.39	1.97
NZ	Utrecht	2	0.62	0.52	1.21	1.34	1.13	1.96
IT	Ancona	3	0.61	0.19	1.07	0.83	0.29	1.93
DE	Wiesbaden	2	0.61	0.45	1.43	1.51	0.48	1.93
DE	Erfurt	3	0.61	0.37	0.61	1.00	0.26	1.92
UK	Bradford	3	0.60	1.08	0.43	0.98	1.59	1.84
DE	Augsburg	3	0.59	0.19	2.00	0.99	0.63	1.76
UK	Cardiff	3	0.58	0.71	0.53	0.82	0.76	1.76
UK	Coventry	3	0.58	0.71	0.71	1.17	1.08	1.71
SK	Zilina	6	0.57	0.04	0.83	0.54	0.37	1.70
DE	Mülheim a.d.Ruhr	3	0.56	0.26	1.07	1.52	0.64	1.70
UK	Leicester	3	0.55	0.86	0.64	1.00	1.37	1.64
UK	Portsmouth	3	0.55	0.34	0.68	0.90	1.65	1.63
DK	Aalborg	3	0.55	0.63	0.31	0.75	0.31	1.61
BE	Charleroi	3	0.54	0.78	1.10	1.17	0.69	1.57
FR	Nancy	3	0.54	0.45	1.10	0.84	2.46	1.53
UK	Liverpool	3	0.54	0.97	0.46	0.96	1.75	1.46
DE	Mönchengladbach	3	0.53	0.22	0.95	1.43	0.53	1.45
UK	Newcastle upon Tyne	3	0.53	0.71	0.46	0.91	0.80	1.44
UK	Kingston-upon-Hull	3	0.53	0.56	0.57	0.81	1.22	1.41
DE	Mainz	2	0.52	0.26	1.31	1.54	0.70	1.39
DE	Magdeburg	3	0.52	0.19	0.57	0.82	0.40	1.37
DE	Regensburg	3	0.51	0.19	0.53	0.96	0.58	1.35
FR	Reims	3	0.51	0.30	0.91	0.87	1.40	1.33
DE	Kiel	3	0.51	0.41	0.44	0.89	0.70	1.32
DE	Halle an der Saale	3	0.49	0.30	0.91	1.05	0.60	1.29
DK	Odense	3	0.49	0.45	0.98	0.80	0.22	1.26
SK	Trencín	6	0.49	0.19	1.41	0.61	0.29	1.24
LIT	Panevezys	6	0.47	1.34	0.33	0.33	0.81	1.22
UK	Stoke-on-trent	3	0.47	0.41	0.49	1.03	0.89	1.13
UK	Wolverhampton	3	0.46	0.82	0.46	1.07	1.21	1.09
DE	Freiburg im Breisgau	3	0.46	0.19	1.36	1.07	0.50	1.02
FR	Le Havre	3	0.46	0.48	0.62	0.80	1.42	0.98
NZ	Groningen	3	0.45	0.30	0.90	0.69	0.84	0.98
FR	Besançon	3	0.45	0.48	1.09	0.78	0.63	0.97
FR	Limoges	3	0.44	0.52	0.71	0.58	0.63	0.87
SK	Prešov	6	0.44	0.22	0.66	0.57	0.45	0.85
DE	Schwerin	3	0.41	0.11	0.30	0.77	0.26	0.85
DE	Koblenz	3	0.41	0.30	0.47	1.16	0.36	0.83
DE	Potsdam	3	0.40	0.19	0.91	1.25	0.29	0.77
DE	Göttingen	3	0.40	0.15	0.98	0.90	0.37	0.70
NZ	Nijmegen	3	0.40	0.37	0.95	1.10	1.06	0.55
UK	Wirral	3	0.40	0.89	0.36	0.92	0.70	0.40
BE	Brugge	3	0.39	0.45	0.74	0.94	0.30	0.17
BE	Namur	3	0.38	0.30	1.00	1.20	0.21	0.02
NZ	Heerlen	3	0.35	0.15	0.95	1.17	0.69	0.00
FR	Ajaccio	3	0.34	0.07	1.36	0.63	0.27	-0.05
DE	Frankfurt (Oder)	3	0.33	0.04	0.80	0.83	0.14	-0.44

Conclusions

Starting from the definition of local development as a process of cooperation and change managed by local actors whose main goal is producing collective goods for the local community I have considered the factors which favour the possibility of making the process start. One of the main component to start the process of Local Development is improve and increasing the “territorial capital” (so as it is defined in the OECD document “Territorial Outlook” , 2001). Thus I try to find out seven essential components of territorial capital: productive, cognitive, social, relational, environmental, settlement, infrastructural components for the European cities selecting one or more variables for each one of these components (with the exception of the relational one which we can't quantify). The used variables are taken from Eurostat *Urban Audit* database about European cities, they refer to 2006/2007 biennium (the last one available) and they regard 118 cities of Belgium, Denmark, Germany, Spain, France, Esthonia, Italy, Latvia, Lithuania, Hungary, Holland, Slovakia, Slovenia, Finland and United Kingdom. Synthesizing the information given by the chosen variables (through the statistical analysis of the Principal Components) I have specify six groups of cities which are as homogeneous as possible for presence of territorial capital. The results show that cities having higher values of *productive territorial capital* belong to the groups of capitals and big-sized cities. Especially, London but also Turin and Valencia, which belong to the group of industrial cities with a high level of pollution, have a substantial productive territorial capital. Rome and Milan are placed fourth and fifth for what regards their own productive capital. Even cognitive territorial capital is well represented by big-sized cities. In fact, after London the following 13 cities belong to the groups of capitals, big-sized cities and medium-sized cities. While the dimensional aspect is important also for what regards environmental quality: according to this aspect the best cities are the smaller ones and those belonging to the group of least developed cities which have the best environmental quality. The classification is closed by cities which have the higher atmospheric pollution, they're all Italian cities and the distribution of cities for what regards the presence of infrastructural territorial capital (calculated by an index of multimodal accessibility where average EU 27=100) is not so tied to their dimension.

The analysis of territorial capital for the cities, that is to say that group of characteristics such as the geographical localization and the productive systems, the climate, the social and cultural traditions, the quality of life is very useful to arrange effective policies to improve the local and urban development. Therefore, politics of local development must intervene to increase

cities territorial capital.

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