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0. INTRODUCTION

Fundamental changes in the economy, technology, culture, society, demography and politics are changing the environment of towns and cities in order to become more competitive and complex. Talking about **competitive cities** refers to more or less effective networks, efficiency, equity, budgetary goals and patterns of externalities not to be competitive in production¹. **Urban competition is viewed within a wider policy context** as it relates to employment, housing, environment, quality of life, new technologies and similar issues. Fundamental changes underlie the processes of growth and decline of the cities. The cities themselves design policies and measures to meet the challenges but national and supranational urban policies influence the cities. It seems that at global level there is a fundamental change in order to consider the economies as a regional system. After the spatial concentration of the urbanisation stage, cities seem to be confronted with the deconcentration of living, working, shopping and leisure activities. The spatial scale of these activities exceeds local borders becoming an urban region. The economic-spatial scale is wider and the functional metropolitan region is the urban policy basis. The enlargement of the spatial scale from city to urban region is supported by the dynamics of urban development. But urban policy in EU and America doesn't mention metropolitan scale but functional city scale. In this situation the functional unit and administrative, financial and organisation units aren't coincident. For this reason it is important to think about co-operation and sufficient governing capacity. It is necessary that policymakers design a set of incentives to achieve this goal.

The term urban policy is interpreted as policy directed to cities but who can design policies in this way? All government levels can do it but at the local level the policy directed to the city should be named local development policy. In this sense, I think that at supranational, national or regional level it is possible to talk about urban policy but at local level it is more precise to talk about local economic policy. At the same time, at supranational, national or regional level it is possible to design policy explicitly directed to the cities or to design policies not targeted at the cities but relevant for urban development. In fact, these several kind of policies could be partial (sector) or integral. I refer to **urban policy in a broad sense, specifically, urban policy is a set of government (supranational, national and regional level) integral² measures targeted to cities and towns.**

In this context I ask myself if the **urban policy in US and in EU are converging.** For this objective I analyse the Clinton Administration's National Report (1995) and the reports about the state of the cities (1997, 1998, 1999 and 2000) and the Communications from the Commission (1997, 1998).

The starting point for urban development is the recognition of **the role of the cities as motors for economic growth.** There is empirical support³ for this idea in USA where it demonstrates that between 1992 and 1998, 14,3 million new jobs (84% of the total) were created in cities and their surrounding metropolitan areas. The Gross Metropolitan product has been calculated for the largest 317 metropolitan areas. By comparing this indicator as if metropolitan areas are ranked with nations, 46 of the world's 100 largest economies would be U.S. metropolitan areas⁴

1.1 URBAN DYNAMICS IN THE EU

In EU, national urban ranking has been replaced by a European system of urban regions. National governments serve as intermediaries between cities and the European level of government and create the conditions for the cities to cope with the challenges they face. The national government draws up the financial and policy framework (related to urban EU framework) in which the cities design their own policies, and also formulate their own policies that affect the position of the cities. The latter may be explicit -targeted to the cities- or implicit -affecting cities purposely or inadvertently-.

The European Union is one of the most urbanised areas in the world. The Union counts approximately 170 cities with more than 200.000 inhabitants and 32 cities with more than a million inhabitants. London and Paris are two metropolises that rank among the world's largest cities. The European cities function as the motors of the regional and national economy and they are the vital, cultural, economic and innovative centres of Europe. At the same time, these cities are confronted **serious problems: Unemployment rates, social and spatial segregation, insecurity and environment in highest position.**

In national urban policy perspective we find some similarities among the member states. **Urbanisation is advancing** most rapidly in those countries that were until recently hardly urbanised. More and more Europeans belong to the urbanised populations but in quite a lot of countries social and spatial segregation in the urban region is a severe problem. The highest concentrations of unemployment and problems as low residential and living quality, crime, vandalism and health concern are found in the urban regions, in the central cores, sometimes in the suburbs and sometimes in both. The differences on the intensity of these problems depend on the phase of development. National governments are more and more aware of the cities' function as motors of the national economy as well as the fact that serious social problems are most manifest and concentrated in towns. But, even though **the majority of EU countries have not proceeded to a genuine, explicit, national urban policy it seems that the development of an explicit urban policy is highly relevant.** European cities need a clear vision and strategy as a basis for their own policy, to increase their own competitive power and to deal adequately with their socio-economic problems. In terms of EU policy there is a need for an European vision of paths of urban evolution and in this way I present the EU urban policy. It will be necessary display an interactive and integrated approach that requires a great deal of organising capacity in the private enterprise too because it should be involved in the design and implementation of the policy.

In this context the main features of urban European dynamics⁵ are: **The increase in urban competition, the advancement of urban networks, the presence of several social problems, the emphasis on sustainability and the need for organising capacity.**

The Increase in urban competition

Location factors are changing their weight under the influence of processes of globalisation, European integration, economic restructuring and informationalisation. Economic activities have a global scope and firms want to reorientate strategically and become more footloose.

The interactions have been reinforced by the changes in eastern European countries. Industrial activities no longer dominate the urban economy and other activities (trade, financial services, commercial services, cultural activities, information activities etc.) have taken their place. Finally, the development and combination between information technology and telecommunications technology helps the change towards the information society.

The need of Urban Networks

These processes have promoted competition among cities in the way of growing interdependency in transport flows. That situation implies urban networks at all levels (local, national or European).

Enlargement of social problems

Social problems such as unemployment, poverty, crime, youth delinquency, lack of education and social deprivation are present in our cities. It is usual to find a separation between a part of population with social progress and a part in economic and social exclusion.

Sustainable development

Sustainable development has been described as development that provides for the needs of the present generation without putting in danger the possibilities for future generations. This notion not only incorporates the environment and quality of life but also economic and social aspects.

The need for Organising Capacity

Due to the new logic of competition, cities have to organise themselves in order to confront all problems and opportunities. The ability of the cities to anticipate and respond to all changes demand a joint effort of all involved in urban development. It seems that strategic networks, leadership, spatial-economic conditions, vision and strategy, political and societal support and good marketing (why not?) are important for organising capacity.

1.2 URBAN DYNAMICS IN THE USA

It is true that America lives the longest and strongest economic expansion in his history, in June 2000 the economic boom reached its 111th month. But it seems that the

patterns of disinvestment and racial segregation, hallmarks of the urban crisis existing 30 years ago, continue in some of America's Cities and metropolitan regions. The **new urban challenge is not only driven by changing global economics but also by other factors such as race or a preference for suburban living or the new economy.** Most of America's cities are now sharing in the nation's economic expansion. But if it is true that most cities are showing clear signs of revitalisation and renewal, there are many places that have not yet to share in this expansion. The new urban challenge touches all parts of the country and the lagging cities are mostly small or mid-sized cities located throughout the Nation (State of the cities, 1999 and 2000). Several reports⁶ about these issues are based in 539 U.S. central cities (the principal cities of larger metropolitan areas) with minimum 15.000 inhabitants from 1992 to 1998.

From 1992 to 1998 many cities registered drops in unemployment rates, in central cities from 8.5% to 5.1%⁷, but **high unemployment remains** in one in thirty six central cities in 1998. Unemployment still impacts cities more than suburbs.

| Number of central cities | % of cities implied | % of all cities | Rates of unemployment | % of the national average rate |
|---------------------------------|----------------------------|------------------------|------------------------------|---------------------------------------|
| 95 | 48,47% | 17,63% | 6.75 or more | 50 % |
| 64 | 32,65% | 11,87% | 7.9 or more | 75% |
| 37 | 18,88% | 6,86% | 9 or more | 100% |
| 196 | 100% | 36,36% | | |

Many central cities suffered **significant population loss** at a time when the overall U.S. population grew rapidly. A total of 116 (21,5%) of central cities lost 5% or more of their population and 57 cities (10,5%) lost 10% or more during 1980-1996. While cities in the South and West gained in population, cities in the Midwest and Northeast have large population losses. Only four of the ten large cities in 1970 were still in the top in the 1998 and, except for New York City, all cities had moved down in ranking. The new population centres are linked to high-tech in the New Economy.

| TPO 10 Cities in 1970 | Population 1970 | Top 10 cities in 1998 | Population 1998 |
|-----------------------|-----------------|-----------------------|-----------------|
| New York, NY | 7.894.851 | New York, NY | 7.420.166 |
| Chicago, IL | 3.362.825 | Los Angeles, CA | 3.597.556 |
| Los Angeles, CA | 2.816.111 | Chicago, IL | 2.802.079 |
| Philadelphia, PA | 1.948.609 | Houston, TX | 1.786.691 |
| Detroit, MI | 1.511.336 | Philadelphia, PA | 1.436.287 |
| Houston, TX | 1.232.407 | San Diego, CA | 1.220.666 |
| Baltimore, MD | 905.759 | Phoenix, AZ | 1.198.064 |
| Dallas, TX | 844.189 | San Antonio, TX | 1.114.130 |
| Washington, DC | 756.510 | Dallas, TX | 1.075.894 |
| Cleveland, OH | 751.046 | Detroit, MI | 970.196 |

Source: The State of the Cities 2000, Fourth Annual, June 2000.

Close to 31,5% of cities had **poverty rates** of 20% or more⁸ in 1995 and the most recent estimates suggest that these poverty rates persist today. These poverty rates tend to reflect structural problems such as skills gap in the workforce and trouble attracting investment.

This situation we face is that 74 central cities (13,7%) have continued high unemployment relative to the Nation, significant long run population loss and/or persistently high poverty rates. In sum, **twenty-three of 50 states (46%) have at least one central city affected by two or three distress indicators.**

On the other hand, for the first time, the majority of central city households are homeowners. In 1999, broke the 50% barrier for the first time and in the first quarter of 2000 is 67,1%. But the gap still remains because suburban rate is 73,6%. Additionally, the problem of predatory lending⁹ has appeared. Over the 1997-1999 period, rent increases by 9,9% and houses prices by 16% meanwhile inflation rose 6,1%.

The New economy's advances continue to drive residential and business development to the fringe, accelerating land consumption. The negative effects on the environment, transportation and infrastructure of both cities and suburbs are present.

Some **older suburbs** are beginning to experience **the problems of job loss, population decline, crime, and disinvestment** previously associated only with the central

cities. Many suburbs, including **newer suburbs**, are showing the problems linked to **development patterns**¹⁰ that create problems such as traffic congestion, overcrowded schools, lower open space and environmental resources and a lack of affordable housing. Now, most cities are experiencing a **strong fiscal and economic recovery** but still it remains that too many other cities that are left out and continue having problems with the population decline, loss of middle-class families, slow job growth, income inequality and poverty. Added to this kind of distress a new element has appeared: **a new digital divide in high tech jobs is emerging between cities and suburbs**. High-tech jobs in suburbs are, on average, 30% growing faster than that of the cities.

To face this situation, the **solution that proposed by the federal urban policy is to create liveable communities at the core and the edge**. The central points to reach are improving public safety and education, compact and mixed-use development¹¹ with amenities and open spaces with an appropriate transportation infrastructure smart growth in the suburbs¹² and in the core¹³, and regional co-operation. There is a strong consensus on the need for **joint city and suburbs strategies** to address issues that are externalities – transportation, environmental protection, housing affordability, education, concentrated poverty and economic development-. The role of the region as the building block of the new economy is making the old distinctions between cities and suburbs more and more irrelevant. Federal government insists on the historic moment of the convergence of interest of suburban and central city leaders about the need to promote a region's quality of life as a critical issue to the future of cities and suburbs in the 21st century and to prosper in the new Economy. Implementing regional solutions -at the local level- to address regional problems are the actions needed to create competitive metropolitan¹⁴ economies and liveable communities.

2.1 URBAN POLICY IN THE EU

The basis for urban policy at EU level relies on **Sustainable Urban Development in the European Union: A Framework for Action**. The central idea is increasing the effectiveness of EU policies by making them more "urban sensitive" and ensuring that they facilitate integrated urban development. Cities are seen as places of social and cultural integration, as sources of economic prosperity and sustainable development and as the basis of democracy.

The European Commission wants to work towards a **strategic, integrated and more sustainable approach to urban issues**. Now, several instruments exist but it is necessary to adjust them and to design new instruments to supplement existing ones.

Urban European policy is designed under several principles:

1. **Subsidiarity.** The EU should take action only in the case when it cannot be taken at a lower level with the same effectiveness and cost. The conditions to make subsidiarity effective must be supported by participation, accountability and local capacity.
2. **Integration.** The problem lies in multi-dimensional problems of urban areas that drives policy to integration vertically¹⁵ and horizontally¹⁶.
3. **Partnership.** Urban problems are highly complex and cannot be solved by single government bodies or agencies by themselves. At the local level it is important to involve citizens as well as private and community sectors.
4. **Environmental sustainability.** In order not to compromise future generations a precautionary approach link to an Eco-system thinking is necessary.
5. **Market efficiency.** The basis is using the market mechanism as far as possible in developing the economic potential of urban areas and systems. Intervention is required because of market failures (including the adverse distribution consequences or inefficient pricing).

The different **forms** that action at EU level can have are: **Policy development¹⁷, actions to influence the market, provision of funding, development of know-how on urban policy and urban policy tools and exchange of experience for the improvement of urban policy making and management**. The actions are grouped in four interdependent policy aims:

A) STRENGTHENING ECONOMIC PROSPERITY AND EMPLOYMENT IN TOWN AND CITIES

Target: To improve the role of cities as centres of regional economic growth, productivity and employment, to promote a diverse, flexible and competitive urban economy, development of knowledge and experience

Basis: Explicit integrated urban programming, support a polycentric, balanced urban system and inter-urban cooperation, human capital, innovation, entrepreneurship and SME development, transport, communications and planning systems.

1. Explicit urban programming for structural Fund support
2. A stronger urban dimension in employment policies
3. Support for *European knowledge centres*
4. Promotion of inter-urban co-operation
5. Promotion of attractive urban transport
6. Development of know-how and exchange of experience on urban economic performance

B) PROMOTING EQUALITY, SOCIAL INCLUSION AND REGENERATION IN URBAN AREAS

Target: promotion of equal opportunities and social and economic integration for excluded groups and the regeneration of urban areas in difficulties

Basis: Area-based approach to urban regeneration and innovative actions

7. Co-operation against discrimination and social exclusion
8. Structural Fund Support to area-based action for urban regeneration
9. Second Chance schools
10. Development of know-how and exchange of experience on discrimination, exclusion and urban regeneration

C) PROTECTING AND IMPROVING THE URBAN ENVIRONMENT: towards local and global sustainability

Target: reduce the total environmental impact (ecological footprint) of urban activities

Basis: integrated environmental management approach using market-based measures.

11. Better implementation of existing environmental legislation on urban level
12. Further legislation concerning waste, air quality, water and noise
13. Strengthening pollution control and clean-up in towns and cities
14. Contributing to a reduction of the environmental impact of urban transport
15. Sustainable urban energy management
16. Climate protection
17. Extending Eco-Labeling and the Eco-Management and Audit Scheme (EMAS)
18. EU Structural Fund Support for protecting and improving the urban environment
19. Development of know-how and exchange of experience on the urban environment

D) CONTRIBUTING TO GOOD URBAN GOVERNANCE AND LOCAL EMPOWERMENT

Target: Institutions and structures must develop strategic goals and meet new demands for collective action.

Basis: Research and exchange of experience

20. Awareness-raising, exchange of experience and capacity building for sustainable urban development
21. Innovative urban development strategies
22. Increasing safety by promoting prevention in the field of urban crime
23. Improving comparative information on urban conditions
24. Contribution to the Member States' *Urban Exchange Initiative*

2.2 URBAN POLICY IN THE USA

The Clinton Urban Policy recognises that urban problems are not the result of periodic recessions or business cycle. The global transformations imply recovery of competitiveness through **increasing private investment and strategic investments in human and physical capital (encouraging greater education and training is a focus)**. In 1993 a new Urban Empowerment Agenda was created that represented a change in policy and in philosophy: **Community Empowerment Agenda** encompasses policies that link families to work, leverage private investment in cities, locally driven and affirming traditional American values¹⁸. The federal role in the cities has been changed because it has been recognised that: 1) if the Federal Government was to play a constructive role, the **solutions are from the bottom-up and built on creative partnership**¹⁹, 2) it had to do **stronger efforts to work with private markets to create jobs and opportunities**, 3) it **must reinventing its programs to be more linked to local needs** and 4) it is needed **people and place based solutions** in order to share economic growth. The 2001 American urban policy is presented under **MEGAFORCES. Shaping the future of the Nation's Cities**. The fundamental principles of urban policy agenda are:

A) HELPING ALL COMMUNITIES IN THE TRANSITION TO THE NEW ECONOMY

Target: To increase access by underserved communities to the capital and credit and technical expertise they need to take advantage of untapped markets for labour, retail and land. Several initiatives aimed at bridging the digital divide will enable cities and workers to tap the benefits of new high technology

Basis: Credits for investment in low income communities (include Community Development Banks, Community Development Financial Institutions (CDFIs), Venture Funds and Private Investment Companies. Tax Credit, Loans, Venture Capital Companies, Funds, Microenterprise Loan Funds, Grants, Tax incentive ,Create Infrastructures, Loans and grants to finance broadband access in rural areas, Innovative transportation solutions such as Van services, Training.

BRINGING PRIVATE ENTERPRISE AND CAPITAL TO DISTRESSED AREAS.

The obstacles to be removed are the lack of access to capital and the lack of technical information-knowledge and expertise- needed to stimulate economic activity in these communities

BRIDGING THE DIGITAL DIVIDE To broaden access to technologies, skilled teachers and promote online contents and applications that will help all people to use new technologies to their fullest potential

EXPANDING ECONOMIC OPPORTUNITY FOR INDIVIDUALS AND FAMILIES.

Addressing the needs of the lowest income people and also bring the strong resources of local educational institutions to bear on community development issues.

B) ADDRESSING THE AFFORDABLE HOUSING CRISIS IN THE CITIES

Target: Providing increased assistance for rental housing is critical to reversing the growth of worst case housing needs and homelessness -particularly in fast growing high-tech communities where economic growth is driving up rents faster than income. Closing the homeownership gap for underserved markets and cities is another important element of the affordable housing crisis. Continuing the transformation of public housing will integrate it in surrounding communities.

IMPROVING THE AFFORDABILITY AND QUALITY OF RENTAL HOUSING

Making rental housing affordable

PRODUCING NEW HOUSING to assist needy families in areas where rental units are in short supply

EXPANDING AFFORDABLE HOMEOWNERSHIP: To resolve the lack of information and the relative limited availability of affordable housing options

CONTINUUM OF CARE AND MEETING SPECIAL NEEDS

C) ADDRESS THE CHALLENGES OF AN AGING AND INCREASINGLY DIVERSE POPULATION

Target: The elderly are growing both in number and as a share of population. This new demography requires particular attention to programs for the ageing and for attacking discrimination.

HOUSING FOR THE ELDERLY. To meet housing needs of this rapidly expanding population of elders

BUILDING ONE AMERICA. National efforts to promote racial reconciliation

PROMOTING AND ENFORCING FAIR HOUSING. To attack housing discrimination

FAIRNESS FOR IMMIGRANTS. To combat illegal immigration and to improve naturalization process

D) BUILDING SAFE, HEALTHY AND LIVEABLE COMMUNITY

Target: Increased economic growth and development could undermine the liveability and quality of life in communities at the fringe of metropolitan areas. The objective is give cities the tools and resources they need to build safe and liveable communities

ENCOURAGING SMART GROWTH. Preserving green spaces that promote clear air and clean water, sustain wildlife, places to walk, play and relax, easing traffic congestion, strengthening existing transportation systems and expanding the use of alternatives modes of transportation

MAKING COMMUNITIES SAFER. To improve the safety because the lack of safety is detrimental for economic development

INVESTING IN EDUCATION. To improve the educational and training opportunities needed with the idea: we must invest more in our schools and demand more from them.

SUPPORTING PARTNERSHIPS FOR QUALITY OF LIFE. To help community and faith-based organisations in the effort to supply affordable housing, create economic opportunity, promote the goal of fair housing

One of the more important Programs is **Empowerment Zones (EZ) and Enterprise Communities (EC) Program**. It provides the tools that communities need to bring private capital back to the central city, create jobs in distressed neighbourhoods, invest in education and training and link residents to economic opportunities throughout the metropolitan region²⁰. In order to be designated as EZ or EC it is necessary to develop strategic plans for revitalisation including several partners: community residents, state and local agencies and the private and non-profit sectors. The program combines federal tax incentives with direct funds and requires a level of private sector investment as well as participation. In fact it represents collaboration between strategic planning and co-investment.

To implement the agenda there are two building blocks. The Community Empowerment Board (CEB)²¹ created in 1993 and a renewed Department of Housing and Urban Development (HUD)²². In 1997 HUD developed a plan in order to become a hard organisation with new ideas in public management.

3. CONCLUSIONS

Urban policy hasn't the same possibilities in both cases. Federal government is seen as a part of solution to overcome the challenges that cities face. The European government²³ can only play a supplementary role.

Urban problems are basically the same in urban areas in Europe and USA: unemployment, disparities in job creation, loss of population in central cities, social exclusion, poverty, urban environment, fragmentation of power and economic restructuring and differences between cities and suburbs. The last problem is not so hard in Europe where there isn't such a wide gap between central cities and suburbs. It could be due to the size of the European cities but the cycle is similar in central and suburbs. The different degree in revitalisation and renewal is more a regional trend. The sprawling growth pattern is the same in both cases but the extension doesn't. To fight against this situation it is necessary to work under the **goal of the cohesion -social and territorial- and sustainability-transport, environment and quality of life.**²⁴ The EU can use the American experience against hard problems that need to be prevented.

The USA has worked in urban direction since 1995 with the Community Empowerment Agenda as a framework for national urban policy. In the **UE, the framework for action in sustainable urban development was appeared later, in 1998.** In spite of this lag, the trend in action is similar. As we have noted, the problems are quite similar too, but in the EU there isn't such intensity in the differences between central cities and suburbs. The European areas are smaller and it seems the size makes it easier to manage policy and problems.

There is a significant difference between urban perspective in both countries. USA urban target is **central city and the suburbs** seen in a metropolitan way. The common (cities and suburbs) agenda for the 21st century refers to a convergence of interest not diverging as before. Europe urban target is **the cities and towns** but there is not such a metropolitan basis. **National differences in tradition, culture, economic performance, legal and social arrangements are one of the elements that make a difference between both cases and plays an important role in the comparison of urban policies.**

USA housing is an explicit objective, as a component of stable and liveable communities, in EU urban policy is not mentioned as an objective²⁵. At the same time

issues linked to urban governance and local empowerment are seen, as policy aims in the EU but in the USA they are the core of urban agenda.

Institutional arrangements in urban policy are not at the same level. We know that Federal government is not the same as the EU Commission but HUD doesn't have a correspondence in European terms. The EU urban policy is a sum of actions that don't depend on the one organisation but on several responsibilities. Perhaps this is the time to discuss the need of new institutional arrangements for urban government.

The **approach of urban policy** is converging because the features are very similar: **bottom-up, local and comprehensive approach, public-private partnerships, integral and coherent approach, flexibility in implement policy, co-operation at all levels, best practices.** American strategy lies in making federal strategic investments that generate sustainable long-term economic change. European strategy search policies are more effective by making them more "urban sensitive" in order to improve policy integration at urban level. It is clear that there is an important difference in **the possibilities to act** and it makes a lack of vision of the role of the cities and of an urban strategy.

Urban policy instruments are very similar too. Private sector is seen as the key to long-term growth but public sector must leverage private sector resources wherever possible in USA. The idea of **leverage and competition for resources makes a visible difference.** The use of market mechanism as far as possible is explicit in Europe but the instruments don't incorporate this point of view. In the same sense, use of instruments, as vouchers are not incorporated in the EU.

USA urban policy has a longer tradition than European urban policy; this situation could be of use for European authorities in order to prevent future problems due to a sprawl model of growth. At the same time, authorities should favour discussions about new instruments and the use of competition as a mechanism of resources allocation. The use of best practices and the circulation of information at urban global level could be a source of improvements and a sign of real time.

In fact, urban policy must face two kinds of problems. One, more linked to **economic bases** and the other, linked **to social bases.** The first appears in the design of urban policy in both cases referring to give economic response to globalisation and

economic restructuring. The action is linked to ensure a good framework to facilitate competition and to make strategic investments in order to strengthen economic prosperity and employment and to respond to new economy. The second one appears also in the design of urban policies in both cases and goes to minimise inequalities provoked by globalisation. The action is addressed to the lower level of communities to extend the gains of globalisation and to break the links between economic restructuring, spatial segregation and social exclusion. Urban policy is designed under the urban environment challenge and responding to fiscal stress and under the need to have local capacity to manage change. In institutional aspect changes and restructuring are needed in order to improve urban governance.

I conclude that that urban landscapes have supported deconcentration from the central cities that derive to a widely disparities and problems in the model of development. But government policies must have the potential to influence on these patterns

URBAN POLICY IN THE EU (Sustainable Urban Development in the European Union: A Framework for Action)

| POLICY AIMS | POLICY OBJECTIVES | INSTRUMENTS | ACTIONS |
|--|---|---|---|
| STRENGTHENING ECONOMIC PROSPERITY AND EMPLOYMENT IN TOWN AND CITIES | <ul style="list-style-type: none"> ▪ Strengthen the role of towns and cities as centres of regional economic growth, productivity and employment ▪ Promote a flexible and competitive economy ▪ Underpin the development of knowledge and experience | Structural funds Integrated urban development actions | <ol style="list-style-type: none"> 1. Explicit urban programming for structural Fund support 2. A stronger urban dimension in employment policies 3. Support for <i>European knowledge centres</i> 4. Promotion of inter-urban co-operation 5. Promotion of attractive urban transport 6. Development of know-how and exchange of experience on urban economic performance |
| PROMOTING EQUALITY, SOCIAL INCLUSION AND REGENERATION IN URBAN AREAS | <ul style="list-style-type: none"> ▪ Extend pathways to employability and integration ▪ Provide adequate, accessible and reasonably priced basic services ▪ Enhance economic development and employment ▪ Improve the physical environment, reduce pollution and develop natural landscapes ▪ Prevent urban crime ▪ Strengthen local capacities in an integrated ways | Targeted approach to urban areas in difficulty | <ol style="list-style-type: none"> 7. Cooperation against discrimination and social exclusion 8. Structural Fund Support to area-based action for urban regeneration 9. Second Chance schools 10. Development of know-how and exchange of experience on discrimination, exclusion and urban regeneration |
| PROTECTING AND IMPROVING THE URBAN ENVIRONMENT: towards local and global sustainability | <ul style="list-style-type: none"> ▪ Improve ambient air quality ▪ Protect and improve the built environment and cultural heritage ▪ Promote resource efficient settlement patterns ▪ Minimise the environmental impacts of transport ▪ Improve environmental performance of enterprises ▪ Achieve measurable and significant reduction of greenhouse gas emissions in urban areas ▪ Minimise and manage environmental risks in urban areas ▪ Promote more holistic, integrated and environmentally sustainable approaches to the management of urban areas | Legislation is the main instrument for environmental policy (funding, fiscal instruments, financial incentives, awareness-raising and reporting instruments such as Eco-labelling and co-operative actions) | <ol style="list-style-type: none"> 11. Better implementation of existing environmental legislation on urban level 12. Further legislation concerning waste, air quality, water and noise 13. Strengthening pollution control and clean-up in towns and cities 14. Contributing to a reduction of the environmental impact of urban transport 15. Sustainable urban energy management 16. Climate protection 17. Extending Eco-Labelling and the Eco-Management and Audit Scheme (EMAS) 18. EU Structural Fund Support for protecting and improving the urban environment 19. Development of know-how and exchange of experience on the urban environment |
| CONTRIBUTING TO GOOD URBAN GOVERNANCE AND LOCAL EMPOWERMENT | <ul style="list-style-type: none"> ▪ Increase information for local authorities and other urban actors ▪ Involve towns and cities more fully in the implementation of EU policies ▪ Promote policy integration and synergy between and within all levels of government ▪ Support local capacity-building in urban governance ▪ Promote innovative approaches to the extension of local democracy ▪ Improve collection and use of comparative information on urban conditions across Europe | Research and exchange of experience | <ol style="list-style-type: none"> 20. Awareness-raising, exchange of experience and capacity building for sustainable urban development 21. Innovative urban development strategies 22. Increasing safety by promoting prevention in the field of urban crime 23. Improving comparative information on urban conditions 24. Contribution to the Member States' <i>Urban Exchange Initiative</i> |

URBAN POLICY IN THE USA (Megaforges Shaping the future of the Nation's Cities)

| PARTS | OBJECTIVES | COMPONENTS | PROGRAMS | INSTRUMENTS |
|--|---|--|--|---|
| <p>ADDRESSING THE CHALLENGES OF THE NEW ECONOMY</p> | <p>To increase access by undeserved communities to the capital and credit and technical expertise they need to take advantage of untapped markets for labor, retail and land.. Several initiatives aimed at bridging the digital divide will enable cities and workers to tap the benefits of new high-technology jobs.</p> | <p>BRINGING PRIVATE ENTERPRISE AND CAPITAL TO DISTRESSED AREAS</p> <p>The obstacles to be removed are the lack of access to capital and the lack of technical information-knowledge and expertise- needed to stimulate economic activity in these communities</p> <p>BRIDGING THE DIGITAL DIVIDE</p> <p>To broaden access to technologies, skilled teachers and promote online contents and applications that will help all people to use new technologies to their fullest potential</p> <p>EXPANDING ECONOMIC OPPORTUNITY FOR INDIVISUALS AND FAMILIES</p> <p>Addressing the needs of the lowest income people and also bring the strong resources of local educational institutions to bear on community development issues.</p> | <p>New Markets Initiative New Markets Tax Credit America's Private Investment Companies (APIC) New Markets Venture Capital (NMVC) Firms Empowerment Zones and Enterprise Communities (Ezs/Ecs) Community Development Financial Institutions (CDFIs) Economic Development Initiative/section 108 Economic Development Loan Guarantee</p> <p>Teacher Training Initiative Community technology Centres Public-Private Partnerships for Home Access Neighbourhood networks</p> <p>Acces to Jobs Initiative Welfare-to-Work and Work Oportunity Tax Credits Fathers WORK/Families Win Initiatives Youthbuild Individual Development Accounts (IDAs) Child Care and Development programs Head Start Children's Health Insurance program (CHIP)</p> | <ul style="list-style-type: none"> ◆ Credits for investment in low income communities (include Community Development Banks,Community Development Financial Institutions (CDFIs),Venture Funds and Private Investment Companies ◆ Tax Credit ◆ Loans ◆ Venture Capital Companies ◆ Funds ◆ Microenterprise Loan Funds ◆ Grants ◆ Tax incentive • Create Infrastructures • Tax Incentives • Loans and grants to finance broadband access in rural areas ❖ Innovative transportation solutions such as Van services ❖ Tax Incentives ❖ Competitive grants ❖ Funds ❖ Training |
| <p>ADDRESSING THE AFFORDABLE HOUSING CRISIS IN OUR CITIES</p> | <p>Providing increased assistance for rental housing is critical to reversing the growth of worst case housing needs and homelessness -particularly in fast growing high-tech communities where economic growth is driving up rents faster than income. Closing the homeownership gap for underserved markets and cities is another important element of the affordable housing crisis. Continuing the transformation of public housing will integrate it in surrounding communities.</p> | <p>IMPROVING THE AFFORDABILITY AND QUALITY OF RENTAL HOUSING Making rental housing affordable</p> <p>PRODUCING NEW HOUSING To assist needy families in areas where rental units are in short supply</p> <p>EXPANDING AFFORDABLE : HOMEOWNERSHIP: To resolve the lack of information and the relative limited availability of affordable housing options</p> <p>CONTINUUM OF CARE AND MEETING SPECIAL NEEDS</p> | <p>New Incremental Housing Vouchers Revitalizing distressed public housing</p> <p>Housing Production Vouchers Low-Income Housing Tax Credit (LIHTC) Housing for the Disabled Expanding Multifamily insurance</p> <p>Increasing the availability of single-family home insurance New Hybrid ARM mortagage product Advancing Housing technology</p> | <ul style="list-style-type: none"> • Vouchers • Construction • Vouchers • Funds • Insurance • Individual loans • Adjustable-rate mortgague • Research • Grants |

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|--|--|---|--|---|
| <p>ADDRESSING THE NEEDS OF A CHANGING POPULATION</p> | <p>The elderly are growing both in number and as a share of population. This new demography requires particular attention to programs for the ageing and for attacking discrimination.</p> | <p>HOUSING FOR THE ELDERLY To meet housing needs of this rapidly expanding population of elders</p> <p>BUILDING ONE AMERICA National efforts to promote racial reconciliation</p> <p>PROMOTING AND ENFORCING FAIR HOUSING To attack housing discrimination</p> <p>FAIRNESS FOR IMMIGRANTS To combat illegal immigration and to improve naturalization process</p> | <p>Supportive Housing for the elderly Assisted Living Production Conversion to Assisted Living Service Coordinator The Fair Housing Initiatives Program</p> | <ul style="list-style-type: none"> • Funds |
| <p>BUILDING SAFE, HEALTHY AND LIVABLE COMMUNITIES</p> | <p>Increased economic growth and development could undermine the liveability and quality of life in communities at the fringe of metropolitan areas. The objective is give cities the tools and resources they need to build safe and liveable communities</p> | <p>ENCOURAGING SMART GROWTH Preserving green spaces that promote clear air and clean water, sustain wildlife, places to walk, play and relax, easing traffic congestion, strengthening existing transportation systems and expanding the use of alternatives modes of transportation</p> <p>MAKING COMMUNITIES SAFER Improve the safety because the lack of safety is detrimental for economic development</p> <p>INVESTING IN EDUCATION To improve the educational and training opportunities needed with the idea: we must invest more in our schools and demand more from them.</p> <p>SUPPORTING PARTNERSHIPS FOR QUALITY OF LIFE To help community and faith-based organizations in the effort to supply affordable housing, create economic opportunity, promote the goal of fair housing</p> | <p>Lands Legacy initiative (Protecting open spaces and natural resources) Brownfield Program (Accelerating brownfields cleanup and redevelopment) Expanding Transportation Choices Regional Connections Program (Encouraging regional connections and smart growth) Providing new information tools Better America Bonds Initiative (Providing new financial tools)</p> <p>Community Oriented Policing Service: Putting more police on the streets Byrne Formula Grants program: Reducing drug-related crime Helping crime victims Gun Buy-Back and Violence Reduction Initiative Officer Next Door program</p> <p>Turning Around failing schools School renovation program Qualified Zone Academy Bonds</p> <p>Community and Interfaith Partnerships Initiative</p> | <ul style="list-style-type: none"> ▪ Funds ▪ Loans ▪ Competitive funding ▪ Compact development rules ▪ Incentives ▪ Coordinated investment ▪ Grants ▪ Cooperative agreements to use and create geospatial information and technologies ▪ America Bonds (new financing tools) ▪ Department of Justice Funds ▪ Drug Elimination Grants ▪ Purchasing guns ▪ Department of Education Grants ▪ Tax Credit ▪ Funds |

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¹ As Krugman points out: industries are competitive not countries

² Including economic, social, cultural, and environmental. transport and security aspects.

³ Standard and Poors (1999) *U.S. Metropolitan Economies: The Engines of America's Growth*. On behalf of the U.S. Conference of Mayors and the National Association of Counties. Cited in HUD (1999) *Now is the time: places left behind in the new economy*

⁴ The metropolitan regions of New York City, Boston, Philadelphia, Long Island Newark, New Haven and Hartford rank within the world's 100 largest economies when the Gross Metropolitan Product is compared with GDP of the world's nations.

⁵ See Berg, van den L, Braun, e and J. Van der Meer (1998) *National Urban Policies in the European Union*, Ashgate.

⁶ HUD (1998) *Places left Behind in the new Economy* <http://www.hud.gov/presrel>

⁷ Central city unemployment rates are one-third higher than the jobless rates of suburbs.

⁸ 50% higher than the national rate.

⁹ Occurs when lenders, often operating outside the regulatory structure, are able to engage in lending abuses.

¹⁰ A sprawling growth pattern

¹¹ The extensive development pattern has no future. Local land use and local transportation management and planning play an important role in development patterns.

¹² Smart growth in the suburbs is to make the most of existing infrastructure and take advantage of the qualities of the different parts of metro areas.

¹³ Includes revitalising the urban core through brownfields redevelopment, infill housing investments and new business growth to take advantage of the untapped markets.

¹⁴ The core idea is that in an era of high mobility, low transportation and information costs, and fierce global competition a metropolitan region without a healthy urban core has a competitive disadvantage. In the current economic American expansion, central cities have the resources and untapped markets to extend the growth.

¹⁵ Between different levels of administration.

¹⁶ Between various policy sectors.

¹⁷ Including legislation in fields of EU competence.

¹⁸ Traditional values of work, family, responsibility and community.

¹⁹ Partnerships with State and local governments and community-based organisations.

²⁰ See HUD (1995) *The Clinton Administration's National Urban Report*.

²¹ The Board includes the heads of every major domestic Federal Cabinet agency and is chaired by Al Gore, focuses on co-ordinating interagency community policy.

²² HUD was created in 1965 and if the traditional goals remain, it is necessary moving to an information economy, with welfare reforms and empowering people. It must be not bureaucratic but a creator and ally to communities.

²³ The present text of the Treaty does not authorise the European Commission to develop an integral European urban policy.

²⁴ See GLAESER, E. (2000) *Demand for Density? The functions of the city in the 21st century*, *Brooking Review*, vol 18 n°3, summer 2000, pages 10-13.

²⁵ Housing policy is designed and implemented by European countries.