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National urban policy responses in the European Union: Towards a European urban policy?

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**National urban policy responses in the EU:
towards a European urban policy?**

Abstract: "Europe's towns and cities remain its primary source of wealth creation and the centre of its social and cultural development. However there are rising problems relating to rapid economic adjustments. It is clear that new efforts are necessary to strengthen or restore the role of Europe's cities as places of social and cultural integration, as sources of economic prosperity and sustainable development, and as bases of democracy" (European Commission, 1997). The environment of cities has become increasingly competitive and complex. Cities need to anticipate and respond quickly to opportunities and threats that influence their position structurally. Although city governments develop policies and strategies to meet the challenges, at the same time higher layers of government pursue policies that influence the position of cities. National governments draw up financial and policy frameworks and create conditions in which cities have to manoeuvre and design their own policies. Although the European Commission recognises the important role of cities for regional development, until now European urban policy initiatives have been blocked by a majority of national governments, as a consequence of the principle of subsidiarity. The objective of our contribution is to compare current developments as far as explicit urban policies in the member states of the European Union are concerned. However, the scope will not be limited to explicit policies alone. National policies with a substantial impact on urban development will be dealt with too. In this paper we compare national urban frameworks (the national urbanisation pattern and the administrative framework) and we deal with the questions like: what do national authorities consider to be main issues for, and challenges to their cities?; and how do national governments respond to these issues and challenges by policies targeted to the role and function of cities? The results of our investigation into current national urban policies are for an important part based on fifteen national case studies produced by colleagues from each of the member states, according to the framework mentioned before. This contribution summarises the main findings of the comparison. These results might produce ingredients for a future urban policy at the European level.

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PART 1 RESEARCH FRAMEWORK

1.1 Introduction

Fundamental changes in the economy, technology, demography and politics are reshaping the environment of the towns and cities in Europe. The environment of cities becomes increasingly competitive and complex and they need to anticipate and respond quickly to opportunities and threats that influence their position structurally. The cities themselves develop policy measures to meet the challenges, but at the same time higher layers of government pursue policies that influence the position of the cities. National policies in all member states play a critical role in shaping the social, economic and political conditions of cities throughout the European Union. The national government draws up the financial and policy framework in which the cities design their own policies, and also formulates its own policies that affect the position of cities.

This paper is based on the results of an international comparative study carried out to present the state of the art concerning the explicit national urban policy¹ in the member states of the European Union. However, the scope is not limited to explicit national urban policy alone and stretches to national policy, as far as it makes a substantial impact on the development of the cities. The investigation is guided by four central questions:

1. what is the urban development pattern in the member state?
2. what are the administrative and financial relations between the national authorities and the city?
3. what do national authorities consider to be main issues for, and challenges to their cities?
4. how does the national policy of the member states respond to these issues and challenges?

The research results obtained serve as input for a comparative analysis of the experiences in the member states. What are the differences, similarities, challenges and trends in the national urban policies in the European Union?

In this part 1 (research framework) some main features of urban dynamics in Europe are discussed, some clarifying words are devoted to the notion 'urban policy' and a framework for national policy responses to urban issues is presented. Part 2 is a general synthesis derived from the main findings of fifteen national reports that have been produced by 'domestic' experts who contributed to this comparative investigation by producing a national report on the topic of national urban policy². Finally, part 3 summarizes the main findings.

1.2 The changing face of urban Europe

¹ The term 'national urban policy' refers to policies that affect the cities knowingly and directly.

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The European Union, one of the world's most urbanised areas, counts approximately 170 cities with more than 200,000 inhabitants and 32 cities with more than a million inhabitants (European Commission, 1995). The majority of the European Union's citizens live and work in urban areas. Clearly the cities - or more accurately *functional urban regions*³ - are the vital cultural, economic and innovative centres of Europe. They function as the motors of the regional and the national and European economy. At the same time many of these motors are confronted with serious problems such as high unemployment rates, social and spatial segregation, insecurity, and increasing pressure on the environment. Hence, cities are facing numerous challenges that will (re)shape their future.

The shift to urban competitiveness

In the end, the inhabitants, the businesses, investors and visitors determine whether a city is attractive or not. These (potential) 'customers' of cities put high demands on the quality of the business and living environment. Businesses consider factors like the quality of the (potential) labour force, the economic structure, the local knowledge base, the fiscal climate, telecommunications, (international) accessibility of import and export markets, availability of financial resources, and local taxes rates highly relevant to their locational behaviour. In addition, the quality of the living environment has become a necessary condition for economic development as well. Attributes such as urban services, housing conditions, the availability of green areas, the social climate, the quality of public space, urban safety and leisure facilities have also become critical location factors. The weight that is attributed to these location factors has changed considerably under the influence of processes of globalisation, economic restructuring, European Integration and informationalisation. Economic activities have not just a national or international but also a global scope, with major consequences for cities and regions. It goes without saying that such developments intensify competition among cities. The European unification, facilitating access to cities and regions and their services, labour markets, and input and export markets, has increased the mobility of European citizens and is another inducement to competition among cities.

The impact of informationalisation

The development of information technology and the combination of information and telecommunications technology open the way for what some call the *informational city* (Castells, 1991). Increasingly, innovative activities rely on information, and they need to be accessible for, and have access to, information at both ends of their production process. Increasingly, cities become parts of a network of information exchanges which in turn makes high demands on the telecommunication facilities and the education and skills of the work force in cities. Hall (1995) points to the availability of information as the new logic of location.

Transition in central and eastern Europe

³

The core city and its smaller suburban municipalities make up one functional urban region because of strong economic and social ties among them.

The opening-up of eastern Europe invites new competitors to the cities of the Union. At the same time the difference in the standards of living between the west and the east have induced a lot of people from eastern Europe to come to the west in search of a better living. The majority of them have settled in the larger cities.

Changing urban economic structures

Along with globalisation, the economic structure of cities in the European Union has changed considerably in the past decades. Industrial activities no longer dominate the urban economy; a whole array of other activities (such as trade, financial services, commercial services, cultural activities, etc.) have taken their place. Technologically advanced industries are thriving on the intense networks of small and medium-sized firms found in the so-called industrial districts. Indeed, competitiveness in these sectors is still to some extent dependent on a city or region, but the initial advantages might have been developed just as well at other locations. Moreover, such highly dynamic markets are subject to rapid changes. The initial chances of cities have become somewhat more equal and it is up to them to make capital out of these opportunities.

The advancement of urban networks

Competition implies that cities will concentrate more on their core competencies, which will induce a process of further spatial specialisation in Europe. Cities are also becoming more interdependent. In effect, one can expect competition to induce the 'competitive' city but at the same time to give rise to the 'complementary' city. Growing interdependency among cities implies the advancement of urban networks. The expectation is that the scope and importance of functional urban networks linking for instance logistic nodes or urban financial centres, will increase further. Besides cities get together to apply for European funding or for exchange of experiences and 'best practices' in specific areas such as networks for sustainable cities, car free cities, tele-cities, etc.

Accumulation of unemployment, poverty and deprivation in the larger cities

Societal problems such as unemployment, poverty, crime, youth delinquency, lack of education and social deprivation accumulate in (parts of) urban areas. In many of the larger European cities a separation is defining itself between a dynamic segment of the population that shares in the new economic and social progress, and another that cannot share and as a result falls into economic and social exclusion. Such a concentration of distressed groups is especially manifest in cities that have been hit by industrial decline, but also in cities that have managed to reverse the downward economic trend. The accumulation of different but connected problems in the larger cities poses a clear threat to a balanced urban development and hampers the cities in their function as motors of the national economy.

Increasing attention for sustainable development

Closely bound up with the rise of welfare and the changing aspiration levels of European citizens is the rising importance that is attributed to the environment. The rising environmental awareness has promoted the idea of sustainable urban development, a development that provides for the needs of the present generation without jeopardising

the possibilities for future generations (World Commission on Environment and Development, 1987).

The need for organising capacity

Cities find themselves challenged. They have to adapt themselves to the new logic of competition (Bramazza, 1996) and at the same time find their place in various urban networks. They compete on a widening international scale in search of mobile investment and trade but at the same time are threatened by the cumulating societal and environmental problems. Cities have to organise themselves to deal with the complex of potential opportunities and problems. The ability of the cities to develop and implement strategies to anticipate, respond to and cope with internal and external changes and to create conditions for sustainable development depends on the organising capacity in the urban region (Van den Berg, Braun, Van der Meer, 1997). The city government cannot cope by itself: challenges demand a joint effort of different layers of government as well as other public institutions and private actors.

1.3 Urban policy

It is clear that the challenges presented above make high demands on urban policy. In general terms, urban policy can be described as the whole set of government measures at different administrative levels - European, national, regional or local - that is directed to cities.

Explicit and integral urban policies

In theory, all layers of government could pursue urban policy. However, the higher layers of government also formulate policy that is not specifically designed for cities but that may still have a major impact on them. This policy is not targeted to cities, but it is to some extent 'urban' in its impact on cities. Concerning national policy responses, it is important to make a distinction between policy that is explicitly directed to cities and policy that is not, but that is 'urban' in the sense that it makes impact on cities, such as housing policy, transportation policy, spatial planning policy etc. Another, equally important distinction is that between partial (sector-specific) and integral (sector-exceeding) policy. Such urban problems as accessibility, quality of living and economic revitalisation are so strongly connected that a more integrate approach can be far more effective. The nature of the policy responses in the member states -whether or not explicitly addressed to cities, partial or integral- is supposed to be bound up with the national pattern of spatial development, the administrative and financial framework, and the political priority a member state gives to the perceived urban problems and challenges. A systematic investigation of all these aspects in the member states permits an up-to-date and accurate presentation of the 'state of the art' of explicit national urban policy in the member states of the European Union.

1.4 A framework for national policy response to urban issues

Naturally, there is no Europe-wide blueprint for the 'urban' policy of the national government and the relation between the cities and the national government. Specific circumstances in each member state have led to quite different policy approaches. What factors can explain the differences and similarities between the national urban policies in the European Union? This investigation defines three broad categories that could explain the characteristics of national urban policy in the European Union. National urban policy ((4) in figure 1.2) is closely tied up with the national pattern of spatial development (1), the administrative and financial framework in which the cities operate (2) and both the national perception of urban issues and challenges and the political priority that is attributed to these issues and challenges (3) (see figure 1.2).

1 National Spatial and Economic Development Pattern

Different national approaches to urban issues can emerge from different spatial-development patterns in the member states. The majority of European citizens live in urban areas, but there are still major differences in the use and availability of space and in the degree of urbanisation. Clearly, the cities in Europe find themselves at different stages of urban development. This should be reflected in the kind of urban policy pursued.

2 Administrative and financial framework.

The challenges present themselves in the cities and that makes the local government level the appropriate one on which to deal with the city challenges. The administrative and financial framework in which the cities pursue their own policy is therefore another important factor. It makes a difference whether a federal or unitary state is concerned. The same can be said about the level of decentralisation, in other words, the local autonomy. The degree of local autonomy is based on both administrative competencies of cities and their financial means. Apart from the financial aspect, the relation between the national authorities and the (larger) cities in the administrative framework is significant., as is the spatial scope of the public administration at the urban level. In the more advanced stages of urban development, larger cities become the centres of functional urban regions. Almost everywhere in Europe these functional urban regions cross administrative borders, which in turn raises the matter of competent metropolitan authorities.

3. Urban issues and challenges from the national perspective.

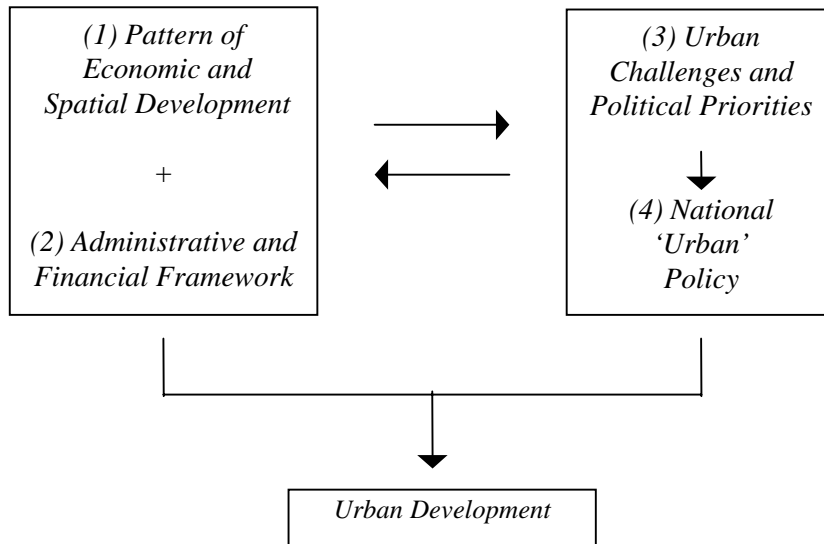
What is the national authorities' opinion on the development and the role of larger cities within the national framework? Most societal developments - good or bad - manifest themselves earlier and more profoundly in urban areas, which might be an incentive for priority to urban problems and challenges. Does the national government attribute priority to urban issues and what exactly are the main urban issues in the national perspective?

4 National policy responses to urban issues, challenges and development.

Finally, the investigation concentrates on explicit urban policy in the member states of the European Union. Where have experiences been made with explicit urban policy and what is the long-term vision behind such policy? In some countries the urban issues and challenges might have been translated into direct, explicit urban policy but there are quite a few countries where indirect, implicit policy is common practice in urban affairs. To

some extent the investigation pays attention to this policy, as far as it is perceived to have a major impact on cities.

Figure 1.2 A framework for national 'urban' policy



For an overview of national urban policy, all aspects are important. The national policy should be examined in its unique context. In the national reports, that form the source of information for this paper, the context and background for this policy is described. All aspects together influence the state of the art concerning the challenges and priorities and the national policy responses. In part 2 we will summarise, compare and integrate – as far as possible - the main results of the fifteen national case studies.

PART 2 SYNTHESIS OF NATIONAL URBAN POLICIES

2.1 Introduction

This second part synthesises the main features of the comparative investigation into national urban policy in the European Union. In the fifteen national reports that contain the ingredients for this synthesis the national urban policies have been discussed in the context of the national spatial development pattern, the administrative and financial framework and the urban issues and challenges perceived at the national level. A high degree of urbanisation in the national spatial development can be an inducement to city- or town-related policies from the national government. The administrative and financial framework explains the ability of the local, regional and national government to respond to urban problems. Another factor that plays a role is the national government's perception of urban issues and challenges. To some degree, these factors influence the national urban policy as conducted in the member states. Next, this synthesis is concerned with the national spatial development pattern in the member states, to follow it up by a

comparison of the administrative and financial circumstances. After that the attention shifts to similarities in what the national governments consider to be urban issues and challenges, followed by a discussion of the main features of national urban policy in the European Union.

2.2 National spatial development patterns

A complexity of social, cultural, economic, technological and political changes underlies the processes of growth and decline of the European cities. When we compare the urban dynamics and spatial patterns internationally, we find wide differences as well as striking similarities among the regions of one country and among the regions of different countries. The first conclusion, supported by international literature on the subject, is that the evolving urban systems and patterns are largely nationally determined and that national frontiers still form the dividing line between sometimes far divergent spatial patterns. Some significant differences among the member states have to do with their degree of urbanisation, the balance in their urban system, the phase of urbanisation in which their cities find themselves, and of course the social-economic position and performance of the various towns and the way that position has found spatial expression. We shall now briefly discuss differences as well as similarities in the spatial structures, with special attention to the situation of, and within, towns.

Degree of urbanisation

To make a straightforward comparison of the degree of urbanisation in which countries find themselves seems hardly possible, for almost all countries define 'urbanised' in their own special way. The definitions vary from more than 200 inhabitants in Sweden to over 10,000 in such countries as Germany, Greece and the Netherlands. If the degree of urbanisation is judged by the proportion of population living in (large) towns, the -hardly surprising- conclusion is that Europe counts strongly urbanised countries (such as Germany, United Kingdom, Belgium, the Netherlands, Denmark) and slightly urbanised ones (Sweden, Finland, Austria, Portugal and Ireland), as well as a number of countries occupying a position between the two extremes (Italy, France, Spain, Greece and Luxembourg). In spite of wide differences a common trend can be observed, namely, a continuous concentration of people (and economic activities) in the major urban regions, which therefore go on expanding their sphere of influence. Especially in the last decade, even the least urbanised countries have registered a strong expansion of both the largest cities and the regional centres. Ever more Europeans have come to live in an urban environment and the process seems to be intensifying. In some still hardly urbanised countries (Spain, Portugal, Austria, Greece, etc.) the ongoing concentration is confining some rural areas to the periphery.

National urban systems

Urban systems in Europe show very different forms as well. Most countries have not reached a balanced urban system in which the various levels of the urban hierarchy are adequately filled. In most of the countries a primate city (always the capital) dominates the urban system. London, Paris, Dublin, Lisbon, Copenhagen, Vienna, Stockholm, Helsinki, Athens and Luxembourg are such distinctly primate cities. In Spain, the towns

of Madrid and Barcelona are almost on an equal level, while Germany (after Berlin), Belgium (after Brussels), Italy (after Rome), and the Netherlands have some quite equivalent cities and/or a well-balanced urban system. In several countries, the level between the primate city and the rest of the towns is not, or incompletely, filled. That is notably true of France, Austria, Denmark, Ireland and Finland. Sometimes the intermediate level counts only one or a few towns (such as Oporto in Portugal, Gothenburg and Malmö in Sweden, and Saloniki in Greece). Belgium, Italy, Spain and United Kingdom do enjoy a relatively balanced hierarchy in which the various urban size classes are reasonably represented. In many countries a relatively large proportion of the national populations is spatially concentrated in but a few urban regions. That can be said of Spain (34 per cent in seven urban regions), Belgium (55 per cent in five), Sweden (35 per cent in three), Finland (22 per cent in one), Denmark (34 per cent in one), Portugal (39 per cent in two), Luxembourg (55 per cent in one), England (36 per cent in seven), The Netherlands (40 per cent in the Randstad), Greece (37 per cent in two), and France (16 per cent in one). The urban concentration seems to proceed fastest in those countries that have come relatively late to urbanisation, mostly countries that are peripheral to the European core area, such as Finland, Sweden, Ireland, Portugal, Spain, Italy (south part), Greece and Austria. Dominance in size coincides often, but not always, with economic dominance. In most countries the primate city is also economically dominant. Italy is an exception: cities like Bologna, Milan and Turin vie with Rome for economic supremacy.

Stages of urbanisation

The phase of urbanisation in which a country, or more accurately, the towns in a country, find themselves, determines what kind of problems confronts these towns, and also what is the best policy to cope with them. The problems of old industrial towns at the stage of decline are hardly comparable with those of fast-growing cities in countries that until recently were largely agrarian. Europe encompasses the full range of urban-development phases. The Finnish towns are at the stage of urbanisation; Helsinki is the fastest growing major city in the EU. Urbanisation also marks many (but not the largest) cities in Southern Europe. Suburbanisation, the stage at which the urban region is still growing, mostly thanks to the ring towns, is at the moment the commonest trend, though not everywhere equally advanced. Some countries have been suburbanising for a long time (especially such industrial countries as United Kingdom, Belgium, Germany, the Netherlands, and Luxembourg), and some have only recently joined in. Suburbanisation is a relatively new phenomenon (since the 1970s) in the towns in Italy (north part), France, Austria, Spain, and even newer (since the 1980s) in Portugal, Ireland, Italy (south part), Greece (Athens) and Sweden. From that enumeration, clearly the part of Europe that was in the vanguard of industrialisation and the first to attain prosperity, is at a more advanced phase of urbanisation than the part that industrialised later. A number of European cities suffer from disurbanisation, that is, decline of the entire urban region, a development often attended by problems of economic structure. The affected cities are mostly old industrial and harbour cities, characterized by one or a few dominating traditional industrial sectors; examples can be found in United Kingdom (most large urban regions), the Walloon region, the Ruhr Area, the new German states, Italy (the North), Spain (among others, the region of Bilbao), and France (Marseilles). With the exception of the new German states, these cities had often achieved considerable

industrial growth in the past, but found it hard to compensate the decline in the basic industrial sectors or other dominating (port) activities by attracting new economic activity. Various large European towns suffer from the phenomenon of disurbanisation and the related social-economic problems (notably unemployment and its social aftermath). Finally, some places have entered the stage of reurbanisation, in which large towns begin to pick up (after a period of decline) thanks to new economic growth or urban renewal or regeneration policy. Reurbanisation has been recorded among other places in Vienna (town renewal), Stockholm (economic growth), Milan, the major Dutch cities (urban renewal), and several German towns.

Intra-urban patterns; core versus ring

Growth and decline are, as said before, the resultant of a complexity of mutually reinforcing or opposing forces. From theories on the subject, which seem to be largely confirmed by the national reports, economic growth and the resulting prosperity are inseparable from urban development. However, to some areas that hypothesis does not seem to apply, such as the south of Italy and some old industrial zones in the European core land and in former East Germany. In those areas, the cities cannot, or only with supreme effort, develop under their own steam and the private sector is very cautious with investment. Another observation is that a period of urban prosperity is often followed by a period in which negative aspects disturb or jeopardise urban development and economic growth. The negative aspects can take various forms, dependent among other things on the phase of urbanisation, excess supply of workers, qualitatively trailing supply of labour, disintegration of the economic basis, congestion, unpleasant living environment, etc. The situations can widen social discrepancies among the demographic categories in an urban region. Such discrepancies often find expression in the spatial pattern. A feature of most urban regions is that the problem categories are left in the least attractive parts of the town (or settle there for lack of alternatives), while the intermediate groups move to the suburban municipalities. That situation is typical of, among other countries, the Netherlands, United Kingdom, Germany, Belgium, Denmark, and, to a lesser extent Austria and Sweden (the 'second cities'). In other urban regions, the socially weak are on the contrary found mostly in the suburbs (France, Finland, Stockholm). Finally, there are countries where the social discrepancies manifest themselves in the core cities as well as in the suburbs (Spain, Italy, Portugal, Ireland and Greece, among others). In most national reports it is stated that social segregation puts the economic function of the towns in jeopardy. The tenor is that urban regions in particular are increasingly beset with serious social problems, mostly through extensive unemployment. That tendency was recently (the early 1990s) observed even in such 'young' urbanised countries as Ireland, Finland, Sweden and Austria.

2.3 Administrative and financial frameworks

The member states differ widely in administrative structure. Two main types can be distinguished: unitary states (twelve) and federal states (three), but these main types show great diversity, for instance in the number of administrative levels. Moreover, the roles, functions, competencies, services, budgets, income sources, expenditures, etc. tend to be differently divided between the administrative levels of a country and the divisions also

vary from one country to another. To go into detailed administrative and financial aspects would stretch beyond the framework of this inventory of national urban policy. Instead, we will confine ourselves to a bird's eye view of aspects that may help us compare and interpret national urban policy. To that end, we propose to look successively at the administrative structures, the degree of (de)centralisation of public responsibilities, urban finance, and the emergence of metropolitan authorities.

Administrative structures

Of the twelve unitary states, France, Italy and Spain have four levels of administration. Quite recently (in the 1970s), these countries considerably strengthened the regional level, primarily because they wanted to decentralise certain competencies. In 1978, Spain reinforced the intermediate level (17 autonomous communities) to such an extent that a “quasi-federal constitutional setting” can be said to have ensued [Pola, 1996]. Three-tier structures are found in the three northern countries, the Netherlands, and very recently in Ireland and Greece. In most of these countries the intermediate level count for less than the local level in task load, budget, and influence. That is specifically true of the three northern countries, where local autonomy is strong. Ireland introduced an intermediate level (regions) in 1994, likewise inspired by the need for more decentralisation. As a matter of fact, until 1996 Greece had known only one level, the central one. Local authorities acted primarily as executors of the state policy. By now, decentralisation is on the wax here too, formal responsibilities having been bestowed on 54 provinces, and equal competencies given to some municipalities. Finally, as far as the unitary states are concerned, there are the two-tier states: the United Kingdom, Portugal and Luxembourg. The United Kingdom is not fully two-tier, however. Above the diversity of local administrative units (London boroughs, metropolitan districts, unitary councils and districts), there is in parts of England an intermediate level (counties). Remarkably enough, about ten years ago, the intermediate level was present throughout the United Kingdom (in the shape of metropolitan counties and regional councils). The United Kingdom is the only member state where the central authority has retrieved responsibilities from the local administrative levels. In Portugal, the creation of regions has been in discussion since the 1970s, but so far without concrete results. In the three federal states, Germany, Austria and Belgium, the intermediate level (Länder in the German-speaking countries) has in fact responsibilities that compare to those of the national governments in the unitary states. Austria has three administrative levels. Germany counts two levels in the Länder of Hamburg and Bremen, three levels in the larger cities in the remainig Länder, and a second local level in the non-urban areas to coordinate the municipalities. The Belgian administrative structure is beyond doubt the most complicated within Europe, with not only three regional units (Flanders, Wallonia and the Brussels region) but also three cultural units (communities based on linguistic differences), which do not fully coincide. Belgium has four administrative levels, of which the provinces carry the least weight.

Centralisation versus decentralisation: urban autonomy

In the preceding text, the increasing decentralisation of responsibilities has already been referred to. The decentralisation works out differently, however, on the position of the towns. The opportunities for local authorities to develop an autonomous policy are still

relatively limited in France and Italy (although increasing in both countries), and very constrained in the United Kingdom, Ireland, Portugal and Greece. The other extreme is represented by the northern countries and Luxembourg, where the local autonomy is in fact the basis of the administrative system, although in Denmark the national government is increasingly assuming control. Relatively much autonomy for the local authorities is also a characteristic of the three federal states and Spain. In case municipalities enjoy a high degree of autonomy the adjustment among municipalities in the same urban region tends to be more difficult, especially in matters of spatial economics or transport. Fragmentation of policy (reported for Spain, for instance), and intra-regional competition (in Austria for one) work counter-productive on the development of functional urban regions. In the United Kingdom, local autonomy has been seriously curtailed, and in Portugal and Greece the local level has hardly any competency at all. In the Netherlands, finally, the policy freedom of municipalities has also increased, but that finds no direct expression in the financial relations between state and local government, although some national grants have gradually been combined into generic payments, which gives municipalities more freedom to decide how to spend the money.

Urban finance

The degree of local autonomy is largely tied up with the financial relations. This topic appears to be extremely complex, and to deal with it in detail would be beyond the scope of this exercise. Therefore, we will content ourselves with presenting some indicative results, based among other sources on the summary of a recently published comparative analysis of local public finance in the EU member states (Pola, 1996). There seems to be an infinite variety of ways to acquire local revenue. Taxation is an important source, but not always the most important, as is evident from the situation in six member states. In Swedish and Spanish cities, tax returns account for over six tenths of the municipal budget. Austria, Denmark, Finland and France follow close (about five tenth). Income from taxation is relatively low (about one tenth) in the Netherlands, Greece, Ireland, Italy and the United Kingdom (Committee of the Regions, 1996). However, high tax returns do not always mean more autonomy, for often the levy of taxes is merely the execution of an imposed task. Other important sources of income are the grants and subsidies allotted by higher administrative levels. Their share in municipal income varies from very low in Sweden, Austria, Spain and Germany (about one fifth) to very high in the United Kingdom, Ireland, Italy, Greece, and the Netherlands (between six and eight tenths). In many countries, block grants have gradually been replaced by specific grants. In Germany, the United Kingdom and the Netherlands a considerable portion of the grants is still paid in the shape of specific grants. The third, 'non-tax-non-grant', source of income consists of charges for services and commercial transactions. Especially in Luxembourg, Germany and Austria, that category contributes quite a lot to municipal income (over three tenths). In several countries (the Netherlands among them) such revenues are needed to compensate for the loss of income from the state which attends the decentralisation of tasks. Furthermore, the private sector is increasingly involved in the implementation of policy, for instance through public-private partnerships (in many countries) and the privatisation of public services (in particular in the United Kingdom). Finally, borrowing is an accepted way to find funds for investment in most (but not all) member states.

Among the purely local taxes, property tax is the most common, albeit in very divergent shapes. Income taxes exclusively for local use occur in the Scandinavian countries and Belgium. Business tax is usual in the French, German, Italian, Portuguese, Spanish and - until recently- Austrian cities, and its application is very diverse (for instance on value added, jobs, 'fiscal potential', profits, etc.). Finally, local authorities levy taxes on specific items of consumption as well as on specific transactions. "The Netherlands deserve to be singled out for its environmental taxes" (Pola, 1996), a kind of tax hardly yet considered in the rest of Europe. From various national reports, the existing financial framework can lead to biased relations, because insufficient account is taken of the measure in which the spending of 'impoverished' local units is covered by revenue. Especially the large central cities in Germany, Italy, United Kingdom, Spain, Belgium and the Netherlands, appear to encounter difficulties of that kind, which can frustrate their policy actions. In the Netherlands (recently), France, Austria, Finland, Belgium (recently), Sweden and Luxembourg methods of equalisation or compensation have been developed to relieve or solve such problems.

EU-funding

About 80 cities appear to profit from EU-URBAN community initiative. This programme is considered useful for its integral approach, but makes little spatial or financial impact to contribute significantly to the solution of urban problems. A greater impact is evidently due to the funds set aside for the Objective 1 and Objective 2 regions. That impact is highly appreciated notably in the Objective-1 areas (in Portugal, Ireland and Spain, for example). Some national reports do point out that EU funds are project-oriented rather than strategic (United Kingdom and Portugal), and focus too much on situations of crisis and too little on cities needing support for their innovative potential (Portugal). In Italy (the south), it appeared that only between 16 and 20 per cent of the structural funds end up in cities; the deficient sectorial weigh-off on the national level results in lack of support on the local level. The financial influence of the EU on the towns is judged to be 'modest' in other than Objective-1 countries. The status evidently attached to the designation as an European project does seem highly appreciated in some instances (United Kingdom). The three recently (1995) joined member states have not yet formed an opinion about the financial impact of the EU on their towns. Only Sweden mentions the INTERREG II programme, which gives financial support to the border crossing Oeresund project.

The emergence of metropolitan authorities

In various countries (notably Spain, Austria and the Netherlands) the existing administrative framework is considered as a complicating factor for the adjustment of supra-local tasks on the metropolitan level. The counterproductive effects of intra-regional competition (for companies and people, or by means of tax facilities) are also pointed out. Research has disclosed the eminent importance of the efficient and effective integration of organising capacity in metropolitan administration (van den Berg, Braun, van der Meer, 1997). Some form of administration and management on the level of the functional urban region seems an attractive proposition in that context. While such a model is applauded by many, the European practice displays very few successful

examples of it. Admittedly, in some countries efforts have recently been made to stimulate the creation of metropolitan administrative bodies. The legal foundations for it have already been provided in Italy (for the ten largest metropolises) and Portugal (for Lisbon and Oporto). In Italy the discussions are for the moment confined to three cities, nor has much concrete progress been made in Portugal. In the Netherlands plans are in the making to form 'city provinces' (with regional as well as local tasks) for the largest urban regions, but the process has been delayed by the lack of societal support in the cities of Amsterdam and Rotterdam. In Spain (Barcelona and Valencia) and Germany (Ruhr area, Frankfurt, Hanover, Mittlerer Neckar and Berlin/Brandenburg) voluntary public-public partnerships have been concluded, but with rather narrow task loads and responsibilities.

In some cities the functional metropolitan region coincides more or less with a regional administrative unit, which presumably should favour internal adjustment (among others in Madrid, Bilbao, Stockholm, Vienna, Brussels, Hamburg and Bremen). For the Brussels region that is no more than theory since the competency for cultural policies is lacking. With the exception of France and Finland, nowhere in Europe are there (as yet) metropolitan authorities. Nevertheless the Netherlands, Denmark, Spain and the United Kingdom have experimented with such forms of administration. These metropolitan authorities were all abolished, however, in the 1980s for various reasons (political arguments, lack of success). The Labour government has recently decided to reintroduce an authority on the level of the former Greater London Region. This Greater London Authority will have considerably more power than its predecessor. France is an exception with its ten Urban Communities. These regional administrative bodies exist in fact alongside the communities and have assumed a significant portion of the metropolitan tasks without encroaching upon the formal autonomy of the communes. Founded in the 1960s -and not abolished as elsewhere- that formula now seems to be successful (in Lille and Lyon, for instance). However, not every city can take advantage of this situation (like f.i. Marseilles). In Finland the Helsinki Metropolitan Area Council (a legal organ) is in operation, with in fact a rather narrow task load. In most other countries the gap in supra-municipal administration is filled by (obligatory or voluntary) co-operation, for instance for the purpose of joint exploitation of public services, or under the stimulation of the policy of the European Union, which is primarily addressed to the regions.

2.4 Urban issues and challenges in national perspectives

The general conclusion of the present investigation may be that in more and more member states attention is given to the position and the role of the towns in regional and national development. Of course, the measure of attention is bound up with the degree of urbanisation and the administrative structure. In federal Germany and in Belgium many competencies with respect to urban development are vested in the Länder (Germany) or the regions (Belgium), so that the national government looks at the towns from a distance. In the other countries of advancing and advanced urbanisation, the importance of a growing number of urban concerns and challenges has been recognised for some time on the national level. And in some of the less urbanised countries the debate about the position of towns in the national development has recently got underway. At first, the

attention tends to focus on the growing social-economic problems, but increasingly some member states also stress the potential of towns for stimulating the economy.

Cumulation of widespread social problems in the medium-size and larger cities

Nevertheless, the social-economic problems of the towns are still an important national concern. The investigation has confirmed that a growing number of cities are confronted with such fundamental social problems as unemployment, poverty, (youth) crime, arrears in education, drugs consumption, and the integration of minorities and persons claiming asylum. The fight against unemployment in particular has a high priority in almost all countries, and persistent unemployment is one of the very problems that are increasingly concentrated in urban areas. In the early industrialised North-European countries and in the metropolitan regions in Italy and Spain, urban concentration of unemployment is a well known phenomenon, but in the other member states, too, it is increasingly an urban concern. In Greece, for instance, unemployment and poverty used to occur mainly in rural parts, but progressive urbanisation has clearly caused a shift to the urban regions. In Finland and Ireland as well, the unemployment problem is shifting from the periphery to the towns. In short, whatever the degree of urbanisation which the member states of the European Union have reached, unemployment notably scourges the cities in the whole of Europe.

Besides unemployment, the integration of minorities and asylum-seekers in the urban society claims much attention from national and local governors. These groups in society appear to live mostly in the cities, and their massive throng to the towns and spatial concentration within the towns obstructs the integration. The traditional inflow from other parts of the world has in many member states greatly swollen under the influence of the war in former Yugoslavia, especially so in the towns of South-Germany, North-Italy and Austria, which already used to exert great attraction on former eastbloc countries.

In a growing number of member states, urban safety is increasingly important, and so are, in its wake, the problems of drugs consumption and (youth) crime. Evidently, citizens in the larger towns are more and more (feeling) insecure. The nature and intensity of other social problems besetting the towns, such as the concentration of educational arrears, is consistent with the degree of urbanisation.

That all these social worries are to be found notably in the towns is an interesting finding, but what causes the typically metropolitan problems, explicitly recognised by national governments of the member states, is their mutual reinforcement and their cumulation in certain quarters or neighbourhoods of the central cities or suburbs. The danger of social-economic and spatial segregation, a situation in which exclusion from the labour market, educational level, ethnic descent and social origin raise barriers to a certain group within the urban community, is recognised in all to some degree urbanised member states.

Balance in the national urban system

The interest of the national governments for the typically metropolitan problems and for a balanced social development of the towns, has greatly increased in the past few years. In some countries the national authorities attach much worth also to a balanced development

of the national urban system. Their interest springs on the one hand from the desire to limit regional discrepancies in economic and social development, and on the other from the growing recognition of urban centres as potential motors of (peripheral) backward areas. France also looks upon the biased relation between Paris and the other major cities as an obstacle to the latter's development and as a threat to the national competitive position. The Fins regard the balanced spread of urbanisation as a comparative advantage. Germany, the Netherlands, United Kingdom and since recently also Belgium are all to some extent striving for a balanced national urban development.

Infrastructure and national housing

In such countries as Spain, Portugal and Greece urbanisation has only in the last few decades gained momentum. Their governments have had little grip on the urbanisation process, and there has been no question of coordinated spatial development. Through the lack of coordination and the speed of the urbanisation process, the pressure on the existing urban infrastructure (road network, public transport) has risen to unprecedented heights, despite significant investments in the past ten years. With the access to urban centres and hence their economic potential in danger, even more because most of the population moves by motorcar, the national governments in those countries naturally want very much to raise the level of the infrastructural provisions. In Spain, despite a long standing planning tradition in f.i. Barcelona, the fast urbanisation has also caused a tight housing market, the metropolitan areas having a great shortage of adequate and reasonably priced housing. In Portugal, too, housing is high on the government's list of priorities. However, other countries stress the developments on the housing market as well. For instance, the federal government of Germany also mentions the availability of affordable housing as a priority.

Urbanisation, accessibility and the environment: attention to sustainable development

The advanced urbanisation in the Union makes sustainable development highly important, especially in the urban regions. In such regions, accessibility, quality of the environment and economic development are closely interwoven. In all member states these aspect are perceived as important urban issues and at the same give direction to some of the policy responses. In countries like Spain, Portugal and Greece the accent is mainly on infrastructure and accessibility, which does not detract from the growing importance of the environment. In the more urbanised countries like Denmark, the Netherlands and Germany, and also in Luxembourg, Finland and Sweden, the value attached to the environment rises all the time, which does not make accessibility less important, however. It does mean that high standards are set for new infrastructure and that much attention is also due to excellent access by public transport, especially in urban centres.

Cultural heritage

In many of the member states, towns are increasingly regarded as elements of the national cultural heritage. Some cities represent a unique and increasingly valued combination of history, tradition and characteristic buildings. To conserve historical and cultural values is the first concern. But the conservation and maintenance of such carriers of cultural heritage can also contribute to the attractiveness of towns and the appeal of the residential

and living environment. In short, cultural heritage has acquired economic value as well, as a locational condition and in the shape of urban tourism.

How to cope with metropolitan problems?

Even in countries that already have gained experience with typical metropolitan problems, such as United Kingdom, the Netherlands and France, the question how to cope with them remains on the agenda. On the one hand, there is a continuing search for new policy instruments which enable the various tiers of government to deal better with the problems. On the other hand, some countries try to come nearer to a solution by reforming the administrative structure. Some other member states (Italy, Portugal, Finland, Belgium) have recently shown an increasing interest in ways and means to deal with metropolitan problems, or are drawing up inventories of the possibilities. What is the role of the national government? How can a coherent integral policy be conducted on the local and national levels?

2.5 National policy responses to urban issues and challenges

In the first part we explained the need to make a distinction between explicitly town-oriented policy and policy measures that, while having a great impact on towns, are not explicitly tailored to them. These policies are themes of sectorial policy or groups in society. Which countries do pursue an explicit urban policy? What is the vision underlying that policy and what instruments are put in for its implementation? Is the national urban policy of an integral nature or is it not? In what follows we shall try to answer these questions.

Examples of explicit national urban policy

For the present, the countries whose national governments have advanced furthest in substantiating the (heightened) interest for cities into explicitly city-oriented policy, are United Kingdom, France and the Netherlands. In the United Kingdom such a policy has been conducted since the late 1960s, but the approach, the priorities and the financing have altered in the course of the years. The policy lately in force - during the Conservative government - is the '*City Challenge*', initiated in 1992, and since combined with the *Single Regeneration Budget* (1994). These explicit urban policy initiatives emphasise the economic revitalisation of the urban regions. As in United Kingdom, in France the foundation for explicit national urban policy was laid in the 1960s with the policy of *Métropoles d'équilibre*, continued since 1990 in the form of the *Chartes d'objectifs* (large-cities charters), which come under the Ministry of Public Works and the national planning office (DATAR). The latter body is also responsible for the policy of *réseaux de villes* (urban networks). Besides, the socially oriented measures of national urban policy have been combined in the *Contrats de Villes* (Urban Contracts policy), often jointly with the *Programmes de Aménagement Concerté du Territoire*. In the Netherlands, policy makers have for some time now shown explicit interest in urban development in particular in the context of spatial planning. In the late 1980s the explicit attention to urban affairs has been broadened to other policy areas as well, mainly because of the social-economic problems of the cities. The increased attention resulted in 1994, on the initiative of the four major cities, in the so-called Major-City Policy. That policy is coordinated by a

project state secretary for the major cities, coming under the Ministry of the Interior, and can be considered the first integral explicit national urban policy in the Netherlands.

Visions and objectives underlying the explicit national urban policy

In the United Kingdom, in the 1980s the focus of national urban policy was on the economic performance of the cities, economic and physical regeneration being key concepts of policy. The adjustment to the City-Challenge policy has not shaken the foundations of that vision, but served to give investment in, and preservation of, social and human capital its proper place. The Dutch government has issued an explicit statement about the role of the cities in national development. The Major-City Policy is concerned not only with the problems of the major cities but also with their economic potential. The Dutch government regards cities as the motors of the national economic, cultural and social development, and has woken up to the fact this motor function is impeded by certain social problems. The Major-City Policy is supposed to change that situation. In France, most efforts and resources are directed to the fight against social discrepancies among and within towns. The *Contrats de Villes* focuses on fighting the concentration of arrears and spatial and social segregation, whereas the policy pursued to reinforce the position of towns of medium-size (Large City Charter), is of an economic nature; its main objective is to restore balance to the national urban system.

National Urban policy: top-down and bottom-up?

The relation between the national government and the local authorities determines to a high degree the principles and implementation of policy. The choice of a policy directly addressing the cities is inspired (among other considerations) by the persuasion that an area-oriented policy can better than others deal with the specific problems of towns, and thus increase its effectiveness. On the whole, the position of the national government in the United Kingdom towards the towns was reinforced in the 1980s, giving it more control over local policy. Nevertheless the government's explicit intention is to have its explicit national urban policy given substance on the local or regional level, the initiative being not by definition with the local government but with local partners, often a coalition of public, semi-public, public-private and private parties. These urban development authorities are required to define a wider vision for their area and to link programmes, projects, resources and mechanisms to that vision in a strategic way. On that basis, the cities have to vie with others for payments from the available funds. In France, the local authorities were in the 1980s given more elbow room. However, the influence of the national government is still very large which can be explained among other things from the traditional centralist structure of French public administration. Representatives of the national government exert substantial influence on local development, among others through the allocation of resources, specifically in the *Chartres d'objectifs* but also in the *Contrats de Villes*. The Dutch national government hopes that the Major-City Policy will create the conditions enabling local authorities to get themselves a grip on the problems. The national government has reserved to itself a coordinating, and in some areas a controlling part, but the cities have to give substance to the Major-City Policy.

The integrality of explicit national urban policy

In the United Kingdom the principle is that integrality has to be encouraged on the national and local levels. The four Ministries (Environment, Employment, Training and Industry) most involved in the national urban policy are working together in the newly created "Government Offices in the Regions". To stimulate cooperation on the local level, only qualitatively good and integral plans are accepted for financing. The philosophy underlying that strategy is that competition of local plans will push up their quality. In France, integrality is an aspect of the Contrats de Villes, which are put up for discussion among the parties involved, who will then try to reach agreement on a joint approach. However, the integration refers only to social questions, for integration with economic policy is not guaranteed. The *Chartes d'objectifs* do not aim at integral policy on the local level, but great store is set by an integral development of the national urban system. The medium-size towns involved are committed to choose a functional economic specialisation for the sake of proper national spread. One spearhead of the Dutch Major-City Policy is to make policy more comprehensive, not only on the national level in terms of input from the (eleven!) ministries involved, but also on the local level, where bottlenecks in the approach to metropolitan problems are just as likely to develop when sectorial initiatives are not properly adjusted. An integral approach implies on the national as well as on the local level a restyling of administrative culture. That is a necessary condition for a successful Major-City Policy.

Explicit national urban policy and the channelling of financial flows

The explicit policy in the United Kingdom and in the Netherlands is supported in the two countries by different methods of financing. In United Kingdom, the City Challenge programme has been completed with the Single Regeneration Budget, in which all urban-regeneration funds of the above mentioned ministries have been combined. Moreover, the funding of local initiatives is not a matter of course. Several local plans compete for the available resources (31 out of 57 proposals have been accepted). In the Netherlands too, the idea of a fund coupled to the Major-City Policy was considered, but in the end the decision was to channel the financial flows within each department concerned, and give the municipalities more freedom of expenditure, thus widening their scope for independent policy making. Actually, in the Netherlands as well the quality of the local plans is tested by the national government. In France, local authorities are less free to dispose of their means. The State furnishes the money needed and also keeps an eye on its spending.

Area-oriented approach: neighbourhood level, town, or urban region?

The present spatial scale of the Dutch Major-City Policy is in certain respects an impediment. The policy focuses on towns rather than metropolitan regions, which is due, for one thing, to the delayed creation of town provinces. Within the town borders there is room for some spatial flexibility. In the United Kingdom, the explicit national urban policy is not tied to administrative borders; the national government concludes deals with 'urban areas'. In France, too, the spatial scope is wider, because the state bargains with the regional bodies and allocates its resources through the regions. That spatial flexibility is indeed necessary, since certain problems cannot always be solved within the borders of an administrative spatial unit, but the solution may be found in a neighbouring commune.

A clear example of the focus on area-oriented policy measures can be found in the so-called 'entrepreneurial zones'. Last year, the French government has pointed out 37 *zones franches* to promote economic development in urban areas that suffer from high unemployment and other social problems, by means of fiscal exemptions. The Dutch government has also launched the notion of entrepreneurial zones in the Major-Cities Policy aiming to promote economic regeneration in deprived urban areas. In the United Kingdom similar policy measures have already been introduced in the 1980s.

Ireland: the explicit urban-renewal act

The policy of the national government in Ireland is not comparable to the explicit policies conducted in United Kingdom, the Netherlands and France. Most of Irish national policy affecting cities is sectorial policy, but Ireland also pursues explicit urban policy of a kind in the shape of the Urban Renewal programme ensuing from the Urban Renewal Acts of 1986 and 1987. These Acts focused first and foremost on the redevelopment of urban areas, in particular the Irish inner cities. The first emphasis is on physical regeneration, but schooling opportunities and the quality of the living environment also figure in the programme, although the financial structure of the policy has stimulated mostly commercial development (offices). At first, the policy addressed only a few zones in five cities, but by now a hundred programmes are operative in 35 urban centres. In contrast to, for instance, Dutch town renewal, which addressed not only the cities but all local units, Irish renovation is mainly directed to the innercity areas. At present, the policy is co-funded from the European Union. Moreover, in Dublin a separate independent organisation has been formed to attend to the process of urban renewal.

Spatial planning and sectorial policies

Next to the explicit urban policy responses, the United Kingdom, France and the Netherlands pursue a broad range of other national policies that have a major impact on cities. These policy responses still take up a great part of the policies that influence urban development. For instance, since the 1980s urban centres have been made the core of Dutch spatial planning policy. In the other member states (with the exemption of Ireland mentioned above) the national responses to urban issues and challenges have not been shaped into explicit national urban policy. In these countries the national policy responses are to be found in the spatial planning policy and other sectorial policy measures.

Italy and Portugal: cities in discussion

In Italy, there had hardly been any interest for the problems of towns until the 1990s. Since 1990 a different course has been sailed; a law has been passed to open the way for administration on the level of the metropolitan region, though no final decision has yet been made in any of the selected urban areas. Besides, the Minister for Public Works has had 'urban areas' added to his portfolio. The remaining sectorial policy now also takes the cities into account. The government aims at more integration in land management, urban planning and environmental policies, to achieve the sustainable development of urban areas.

Explicit national urban policy has only recently become a Portuguese concern, and the first cautious steps forward have just been taken. The possibilities of a more explicit national urban policy are being considered, in particular the coordination of such a policy on the national level, among the ministries most involved. The Ministry of Equipment Planning and Territorial Administration (MEPAT) coordinates the PROSIURB programme initiated in 1994, a programme explicitly oriented to the development of urban centres outside the metropolitan regions of Lisbon and Porto. PROSIURB has a very small budget and is mainly regarded as an additional financing programme along with the resources from the European Commission.

In a sense, the EXPO '98 project is also an exponent of national urban policy, because it is an initiative of the national government, which is also the leading partner in the firm EXPO '98 that carries out the project. The present government considers national urban policy a matter of importance, because it perceives a distinct role for the larger towns in the internationalisation of the Portuguese economy. Such a policy can be implemented only if, in the eyes of the government, certain conditions are fulfilled.

The special position of the federal member states and Spain

The administrative organisation in the federal states of Germany, Belgium and Austria, as well the administrative organisation in Spain result in the fact that the national governments in these member states are not in the position to pursue explicit urban policy to the same extent as the United Kingdom, France or the Netherlands. The intermediary level of government comprises most of the competences for urban policy. In fact, some of these 'regional' authorities are urban regions: Hamburg and Bremen are *Bundes Länder*, Brussels is one of the three Belgian regions, Madrid is an autonomous community in Spain and the urban region of Vienna is one of the Austrian states.

In federal Germany, most competencies are on the level of the 16 states and on the local level. On the national level, the Ministry for Regional Planning, Building and Urban Development and the Ministry of Transport and the Environment have influence on urban development. The Regional-Planning ministry formulates the guidelines and principles for spatial development in Germany, and recently refined them in the *Raumordnungspolitische Orientierungsrahmen* (framework of orientation for spatial planning policy) in view of the German Reunion and the spatial integration of the new federal states. The most important task of the federal government is to create the marginal conditions for the lower authorities, and notably to put certain matters of urban interest on the agenda, such as the importance of sustainable urban development. The German government tries to give more and more substance to that task in view of the intensifying international competition among cities and the necessary spatial integration of the 'new German towns'.

Belgium, like Germany, is a federal state, where many of the responsibilities concerned with urban development are vested in the regional authorities. Under the infrastructural policy of the Belgian state, relatively much is invested in the infrastructure needed for towns (among other things, the connection to the High Speed Rail network). Before Belgium became a federal state, there was not really a national vision of urban

development, nor has federalisation changed that, which is logical. This is changing on the regional level, especially in Brussels and Flanders, concern for the situation of towns has increased, and a vision of urban development is being developed as a first step to a more integral approach. The measures carried through in the past few years have been mostly sectorial, and hardly an effort has been made to harmonise policy initiatives. In the fight against urban poverty the Flemish government has recently integrated a number of individual measures in the Social Impulse Fund (SIF). The government allocates funding to the cities with the largest problems on the basis of locally formulated integral plans.

In Austria, urban development has only recently become a concern, now that suburbanisation more and more encroaches upon the scarce space, and increases the need for infrastructure. The national government draws up the framework for spatial development, and gathers and distributes information, but the cities are highly autonomous in their policy making. Given the progressive urbanisation and the fact that houses tend to be built on generous plots of land, the expectation is that the national government will move coordinated spatial development higher on the political agenda.

In Spain, where the responsibilities are highly decentralised to the autonomous communities, there is no explicit national urban policy either. But sectorial policy in Spain -more than in Germany, for example- is relevant to urban development. In the National Infrastructure Plan, the connections among towns and also internal urban transport are important aspects, on the consideration that external and internal accessibility is a necessary condition for economic development. Besides, national housing policy, intended to relieve the tension on the housing market, expressly addresses the cities. The national environmental policy, too, is clearly concerned with the position of the larger cities. All policy measures spring from sectorial policy, and as in other countries, the (seven) major cities have pointed out the drawbacks for the quality of urban development. They plead an approach in which the major cities themselves can take decisions and thus stimulate a more integral urban development.

Nordic countries: explicit regional policies with increasing attention to cities

In Denmark, Sweden and Finland, urban development in the past few decades has given less rise to an explicit urban policy. In these countries the main focus is on explicit regional policies. Increasingly, the functioning of cities becomes an important part in these policies. Cities are seen more and more as a stimulator of regional development.

In Sweden, a high degree of local autonomy is laid down in the Constitution, and moreover, Sweden is not much urbanised yet, so that the national government feels no urge to conduct an explicit urban policy. Nevertheless, in the context of regional policy, a study has been made of the problems of the metropolitan regions of Sweden, the conclusion of which is that 'a favourable development of the towns can also benefit the development of the national economy'. That study has induced the Swedish government to enter into agreements with the three regions with the highest investment in road infrastructure and public transport.

In Finland the role of cities is placed in the context of regional policy as well, however, some informal research has already been carried out into the aspects of a more explicit urban policy. One point made in that research is that the cities are in potential the engines of the future economic growth of Finland. The government has appointed a workgroup, consisting of representatives of the ministries and the towns, which will continue to study urban questions. One important task of the workgroup is to exchange experiences and best practices, and another is to draw up a document in preparation of a more explicit urban policy.

In Denmark, Copenhagen is by far the largest city: with one-third of the population living in the Greater Copenhagen area, a policy explicitly addressing cities is a delicate matter. In Denmark, internationalisation and increasing awareness of the environment are important aspects of spatial planning and regional policy. Against that background, the Danish government encourages the creation of strategic networks among cities (exchange of knowledge, check on unhealthy competition) and the planning of urban and regional development from a national point of view.

The impulse of the European programmes: the example of Greece

In Greece, an explicit national urban policy does not yet figure on the national agenda, although Athens has benefited from some national decisions. The recent reorganisation of the administrative system implies for Greece that they are now able to make the first steps towards the development of explicit national urban policies. The Greek cities have been given more attention within sectorial policies too. In transport policy, for instance, to improve the deficient infrastructure in urban areas is now a spearhead. Moreover, the extensive support from the European Union has put the national urban development higher on the national political agenda, and policy measures with a clear urban dimension have been initiated in the framework of European programmes.

Bilateral consultation in Luxembourg

It is comprehensible that Luxembourg does not pursue explicit national urban policy. Policies with regard to the city of Luxembourg are mainly formulated at the local level. The national sectorial policies, in particular housing and spatial planning, are co-ordinated through bilateral consultation between the national and local level.

Increasing attention to intercity links: urban networks

In a growing number of member states the physical and 'material' connections among the cities in the national urban system get high priority. A number of examples suggest themselves. A large part of the national infrastructure investments in Spain go to the external and internal accessibility of cities. In Germany, the links among cities play an important role in the integration process of the cities in the former 'German Democratic Republic'. Moreover, in most of the countries the focus is not only on national links among cities, but increasingly on the links to other cities in Europe as well. The European policies that promote the Trans European Networks have been integrated in the national policy framework of many countries. In France, the national government pays special attention to the cities that are situated on European corridors and to cities with an important logistic function as well. The Dutch spatial planning policy and national

transport and infrastructure policy attribute a lot of weight to the accessibility and the national and international connections of the major Dutch cities. The Danish Government and also the German government promote the starting-up of strategic networks between cities. In Denmark, the new bridge to Sweden is another example of a new physical link. Also in Italy, the government has started to promote strategic network among cities.

PART 3 NATIONAL URBAN POLICY IN PERSPECTIVE

In spite of wide differences in the degree of urbanisation, the structure of the national urban systems and the development phase at which the various urban regions find themselves, there are some similarities among the member states (see also table 1). For one thing, urbanisation is advancing most rapidly in those countries that were until recently hardly urbanised. Urban growth manifests itself more in the ring zones around the major cities rather than in those cities themselves. Everywhere the ring zones of the largest cities are the fastest growers. The result is progressive concentration of activity in the largest urban regions. That process is especially striking in the countries of relatively late urbanisation. More and more Europeans belong to the urbanised population.

A problem is that in quite a lot of countries there is social and spatial segregation in the urban regions. The highest concentrations of unemployment and problems as low residential and living quality, crime, vandalism, health concern are found in the urban regions, often in the central cores, sometimes in the suburbs, and sometimes in both. There are sizable differences in the degree in which major cities are threatened by social, living-climate and safety problems. The typically urban problems seem to develop fast in those countries that until recently had remained unaffected.

Differences in administrative and financial structure within Europe are exceptionally wide. These differences appear to have an effect on the urban development and the nature and form of the national policy with respect to the towns. On the other hand, the administrative and financial structures are highly dynamic. The last two decades have shown drastic administrative changes in at least seven of the fifteen member states. With the exception of the federalisation of Belgium, almost all changes have given shape to the wish for more decentralisation of competencies in those countries which in the past had a strictly centralist government system. A second exception is the United Kingdom, where the central authority has rather assumed more power at the expense of the competencies of local authorities.

There are wide discrepancies in the degree of autonomy among the cities of Europe. Autonomy ranges from all but nil in Greece to all but complete in Sweden. Although the tendency towards decentralisation is manifest, that does not invariably mean that the formal responsibilities and opportunities to conduct an autonomous and integral policy on the municipal or metropolitan level have been much extended. Concerning municipal finance no clear trends are perceivable, although the observation is warranted that as decentralisation proceeds, the grants allocated by the state are reduced. On the other hand, specific grants have gradually supplanted by generic grants. The towns have been forced

to compensate the reduction by raising charges or introducing new ones, by levying local taxes or by involving the private sector (public-private partnership and the privatisation of public services). Although in some countries the national government tries by financial equalisation to adjust the means given to towns in proportion to their real needs, in many countries the largest central cities find themselves in the worst financial straits, and thus seriously hampered in the pursuit of their policy.

Metropolitan authorities, finally, are few and far between in the EU. We have counted 25 of them, of which 10 in France (Urban Communities). Of the others, some coincide with a higher administrative level, and the remainder have been created on a voluntary basis and have hardly any authority at all. In Italy and Portugal the law provides for the formation of metropolitan administrations, but no great progress has been made with the implementation. In the Netherlands, plans for 'city provinces' have been delayed. In the other countries, 'urban management on the proper level' does not seem to have any political priority as yet.

It is difficult to separate the national perception of and priority to urban issues and challenges from the similarities and differences in the national spatial-development pattern and the administrative and financial framework. In countries where much authority is vested in the local government, the national government will intervene less explicitly in the debate and give less attention to details. But in all countries where urbanisation started early, the typical metropolitan problems have been high on the agenda for quite some time. Increasingly, the same problems confront countries that were late urbanisers. In the strongly urbanised Netherlands, for instance, the predicaments of cities are getting full attention, but also in countries where the urbanisation degree is still below the European average (such as Portugal and Finland) the way things are developing is seen as a threat. Sustainable urban development has become a primary concern wherever a balance has to be struck between the economy, transport and the environment. The accents vary among the member states: while Portugal and Greece and to a lesser degree Spain and Italy give priority to the adjustment and expansion of urban infrastructure in response to their poorly coordinated urbanisation, Germany, Denmark, the Netherlands and the other Scandinavian countries are more inclined to relate accessibility to the environment. Dependent on the spatial development but also, and especially so, on the administrative and financial organisation, the approach to urban problems is increasingly a matter of government concern.

In the United Kingdom, the Netherlands and France, urbanisation and the related social problems have given rise to an area-oriented, more or less integral policy, targeted explicitly to the towns and cities. In Ireland as well, an explicit national urban renewal policy has been adopted. In some countries where the urbanisation pattern might also have given rise to such an explicit national urban policy, the lack of it can be explained by the specific administrative situation (Germany, Belgium, Austria and less so, Spain) or the spatial conditions (the relation between Copenhagen and the rest of Denmark, and the city of Luxembourg within the Grand-Duchy). In some less-urbanised, non-federal states (Portugal, Italy, Sweden, Greece and Finland), policy attention for urban development is on the wax. The observation is in order, however, that in all member states, even those

practising an explicit national urban policy, most of the national policy that affects the towns, is spatial-planning policy and sectorial policy. Within those policies, the relevancy of the towns and cities is increasingly acknowledged. But the adjustment of the policy efforts deserves more attention in the future, for urbanisation is progressing in the countries of the European Union. The logical consequence is that more and more states include the results of urbanisation in their policy. Indeed, national urban development appears more and more on the political agendas of the national governments of member states. Nevertheless, the majority of EU-countries have not yet proceeded to a genuine, explicit, national urban policy.

To the future prosperity of the member states, the development of an explicit national urban policy is highly relevant. That is pleaded not only by the arguments offered above, but also by the fact that cities are more and more functionally related. To achieve a balanced development of the national urban system, the national government needs a clear vision of the preferable evolution of the towns within the national system. Naturally, that vision should do justice to the development potentialities of the several towns and their important role for stimulating wider regional development. To that end, the towns themselves will have to draw a clear picture of their development potential.

The voice of the towns should be heard in the development of a national urban policy. 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 social-economic problems. An indispensable element of such a strategy is good cooperation with the higher authorities, based on a jointly evolved vision of the urban development that is advisable on the local, regional and national levels. Such an atmosphere of cooperativeness is conducive to the most efficient use of all resources available for urban development. A fact to keep in mind in that context is that the strategic cooperation between towns and the higher authorities cannot remain confined to one country, since united Europe is diligently striving to strengthen its own competitive power. From the European point of view as well, and with the cities' function of economic motor in mind, to make the most of their economic potential is of the essence. Moreover, the tendency of cities to combine into urban systems appears increasingly to ignore national frontiers. On the European level as well, cities on both sides of a national border tend to join the same functional urban network. All in all there is every reason for the EU to try for a European vision of preferable paths of urban evolution. Again, such a vision should be reached in close cooperation with the European cities themselves.

No need to argue that the above expectations refer to a remote future. Nevertheless, now is the time to design, on the basis of a clear vision, a policy for cities that does justice to their potentials as well as to the need to support the European cities fast and efficiently in their efforts to prevent and solve the grave social problems which are, or will be, confronting them. Contrary to some national governments, the European Commission has shown its concern with urban development. Although the member states have primary responsibility in developing urban policies, the European Commission suggests to improve the contribution of European policies to urban areas by stressing the need for an

urban perspective in European sectorial policies. It is up to the member states to support this initiative.

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