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Integrated Urban Governance: A New Paradigm of Urban Economy

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Abstract

Along with the emergence of globalisation, cities, in particular, have been confronted with two vital problems that can be approached only in interdependence: How to reduce, even prevent, social and spatial disparities as well as the related societal and spatial fragmentation? How to stabilize or to ensure local economic growth, international and interregional competitiveness as well as the labour market insertion?

Confronted with these challenges, the traditional sectoral approaches prove to be onerous and ineffective and, consequently, new forms of governance acquire importance. Among them, integrated urban governance – a new concept – implies a change in the administrative situation and the way of thinking of decision-makers in formulating and implementing territorial development policies.

Integrated urban governance, having both a vertical dimension and a horizontal dimension beyond the administrative borders of the cities, requires that the identification of the actors should be based on these dimensions. And the solution is not to plan and to implement projects involving possible stakeholders. It requires selecting and analysing the actors who could provide a real support. As integrated urban governance is, in fact, a managerial approach to interdisciplinary problems during the formulation of policies beyond the limits of the established political areas.

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1. Introduction

A recent EC Report on *Cities of Tomorrow*. Challenges, vision and prospects[†] (EC, 2011 b, p. 91) reaffirmed the importance of principles, priorities and fundamental objectives of urban and territorial development formulated in *The Leipzig Charta on the Sustainable European City* (EU, 2007), *The Toledo Declaration on Urban Development* (EU, 2010) and *The EU Territorial Agenda 2020* (EU, 2011 a), as well as the significance of a greater territorial dimension in the future policy of cohesion.

Pointing out that Europe is one of the most urbanized continents (over two-thirds of Europe's population live in urban areas and the figure is rising), that cities are the key of the EU's sustainable development, the EC Report (2011 b) present the major challenges and the directions of action to meet these challenges.

Actually, the European model of sustainable urban development is very threatened by tendencies with a negative impact (EC, 2011 b, p. VI):

- Demographic evolution, different from city to city, causes several problems such as: population ageing, urban decrease or intensification of the expansion of administrative-territorial areas.
- Slowing down or even diminishing economic growth affecting Europe periodically is a major threat to many cities, especially Central and Eastern European cities, as well as old industrial cities of Western Europe, the economy of which is stagnant or on the decline.
- Labour market is strongly influenced by the discrepancy between economic growth, on one hand, and diminishing number of jobs and social progress, on the other hand. More and more people are excluded from the labour market or oriented to less skilled and remunerated jobs in the tertiary sector.
- Under the impact of the above threats, the population is poorer and wage disparities worsen. We see the result in some quarters of the cities where people face a concentration of inequalities in terms of dwellings, education, unemployment access to certain services (health, transport, ITC).
- Increasing polarisation and social segregation, intensified by the recent economic crisis which worsened the
 effects related to market and gradual diminution of the Welfare State in most of the EU countries, caused
 spatial segregation consisting in marginalisation of low income groups, unable to find decent dwellings at
 bearable prices.
- This situation could result in the expansion of the segment of marginal people in many cities, living in closed sub-cultures, characterized by antisocial fundamental behaviour.
- Urban expansion and the emergence of low-density dwelling areas is a major threat to sustainable development of the territories, because public services are more costly and hardly providable.

Considering the above threat/challenges, the EC Report (2011 b, p. VII) points out that it is essential to promote new forms of urban governance seeking to change today's threats into strengths of tomorrow's cities. Therefore, we have to meet these challenges by:

- Adoption of a global model of sustainable urban development which implies the following:
 - Identification of challenges on an integral and global basis;
 - Correlation of approaches focused on territories with those focused on people or specific groups;
 - Combination of formal governmental structures with more flexible and informal governance structures adapted to the size of the existing challenges;
 - Cooperation in order to ensure coherent spatial development and effective use of resources.
- Adaptation of governance systems to situation evolution and the consideration of different time horizons and territorial structures (e.g., over-urban and infra-urban).
- Consideration to all activity sectors and avoiding a "monosectoral" vision of cities, the argument being what urban life should become.
- Horizontal and vertical coordination, as cities have to work together with other levels of governance and strengthen their cooperation, including the creation of networks with other cities to share on a larger

[†] The Report is the outcome of debates involving urban experts (from research units, universities, agents working in this field) and representatives of large European cities within three workshops organized in May, June, October and December 2010. The Report was prepared by Corinne Hermant de Callatay and Christian Svanfeldt and supervised by Wladyslaw Piskorz and Santiago Garcia-Patron Rivas, the European Commission, General Direction of Regional Policies, Urban Development and Territorial Cohesion Unit.

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