

## Urban Regeneration in the European Union: A Comparative Perspective

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In early 1967 the recently established United States (US) Department of Housing and Urban Development (HUD) launched Model Cities (MC), a program for city regeneration meant to respond to the urban crisis of those years. MC was a demonstration program that allocated grants competitively to finance neighborhood-based and integrated regeneration projects. The formulation and implementation of these projects rested on the ideas of citizens' participation, multi-level cooperation and public-private partnership. Initially designed for a handful of projects, MC eventually expanded to 150 cities – a significant increase in relative terms which, however, did not alter the overall nature of the program as a small and targeted one. MC was terminated in 1974 when, together with a number of other so-called categorical grant programs, it was consolidated in the new Community Development Block Grant (CDBG), a formula-based scheme for the support of urban development initiatives that exists to this day.

In 1994 the European Commission started URBAN, a new initiative for urban development administered by the Directorate General for Regional Policy (DG Regio). URBAN distributed money on a competitive basis for integrated neighborhood revitalization projects that would, among other things, serve as examples of innovative ways to promote urban development in the member states. Partnerships between different levels of government and between

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public and private actors were key ingredients of URBAN, and so was the participation of citizens in the planning of the sponsored projects. URBAN was initially designed for 50 cities, but it eventually funded projects in 118 cities between 1994 and 1999. A second round of the program, URBAN II, funded 70 new projects for the 2000–2006 period. In 2006 the Union ‘mainstreamed’ URBAN in its cohesion policy, so ending, after 12 years, its first full-fledged experiment in explicit urban policy.

These two vignettes contain three puzzles: the first is the striking similarity between the early urban development initiatives of the US and of the European Union (EU) – a similarity made even more interesting by the three decades of distance between MC and URBAN. The second is the short life of these programs, both of which were terminated roughly a decade after their start. The final puzzle is the different fate of Model Cities and URBAN: while the former was merged, with other programs, into a new policy instrument for cities, the latter was absorbed by the structures of the EU cohesion policy, leaving the Union with no autonomous urban policy initiative.

Solving these empirical puzzles was the central goal of the doctoral dissertation I wrote at the University of Oxford. I did so by formulating a two-part argument: first, I explained the similarities between MC and URBAN as resulting from three factors: a favorable political context, holistic urban policy ideas, and center-periphery mistrust. I then explained subsequent trajectories by looking at the interplay of *policy* and *politico-constitutional* institutions. While both MC and URBAN were unable to ‘stick’ because of their inherent weaknesses, the result of their demise depended on the existence of a federal ‘city welfare’ state. In the US, HUD embodied such a state, and channeled Nixon’s attacks on MC into the creation of the structurally stronger CDBG. In the EU, conversely, DG Regio could not provide a comparable anchor for urban policy: when URBAN was attacked by regions and cities, the DG just reverted to its ‘business as usual’ by mainstreaming the program.

To test the argument outlined above I conducted a two-level empirical study. The

first level was a macro-historical comparison of the two cases that traced the political and institutional process going from the emergence of the two federally funded city welfare systems to their different evolution. I then integrated this comparative historical analysis with four in-depth city case studies: Arlington, VA, and Baltimore, MD, on the US side, and Bristol, United Kingdom, and Pescara, Italy, on the EU side. The city cases were aimed at analyzing, through what I called ‘micro-level process analysis’, the micro-level institutional dynamics generated by the current or most recent city welfare systems in the two polities – i.e., inertia in the case of the CDBG and instability in the case of URBAN.

The methods adopted in my study and the nature of its subject rendered my dissertation heavily dependent on fieldwork on both its American and European side. On the latter side, in particular, fieldwork was important due to the scarcity of secondary literature on the subject of urban policy and the virtual absence of published material covering the sorts of questions I asked in the project. I therefore relied heavily on a wide range of primary or in any case unpublished sources, most notably legal and other official documents, grey literature, archival documents, and elite interviews.

I used my Council for European Studies Pre-dissertation Fellowship to gather this empirical material in Brussels, Pescara, and Bristol between June and August 2011. In terms of both length of stay and importance of material gathered, my stay in Brussels was by far the most important part of my fieldwork. There I had the chance to access documents kept in the Archives of the European Commission and those of the European Council of Ministers, which were very important in helping me to put together a complete picture of the historical process leading to the creation of a distinctive EU urban policy program. While in Brussels I also spent some time in the Library and Documentation Centre of the Directorate General for Regional Policy, where I had the chance to access a large number of published and unpublished documents on URBAN as well as its predecessors – in the first

place the Urban Pilot Projects – which I could not have found elsewhere.

Finally, and most importantly, in Brussels I had the chance to conduct interviews with a number of policymakers, stakeholders, and more generally experts in the area of EU urban policy. Elite interviews were by far the most important source of evidence in the successful testing of my argument. By interviewing individuals who were (and in many cases still are) connected to the urban policy initiatives of the EU in different capacities – e.g., European Commission officials, members of the European Parliament, lobbyists, and academic experts – I could put together a reliable and extremely detailed picture of the entire political process that led, first, to the creation of URBAN, and later to its demise via mainstreaming. In addition, and perhaps more importantly, interviews with key actors in this process allowed me to observe and directly ‘measure’ a number of key variables in my argument, most importantly the influence of the different institutional positions occupied by the main players in this process on their ideas and preferences vis-à-vis URBAN and EU urban policy in general.

Consider, for instance, the following two passages taken from interviews with, respectively, a member of the European Parliament and a DG Regio official, both of whom were involved in the mainstreaming of the URBAN Community Initiative:

You can hear from the defenders of the mainstreaming that when you look at the money that went to cities, this is high. But it is not about money, it is about the methods, the learning, the creation of an integrated approach. This is why mainstreaming was not efficient, not in terms of money, but in terms of transferring ways of thinking. ...When [the Commission] had the Community Initiatives, by definitions these were ... sort of pilots. There were not many of them. They were designed to create new methodologies. They did this but then [the Commission] resigned from having a role in urban matters. With mainstreaming they destroyed something

they had [previously] built.<sup>1</sup>

Within the Directorate General there was a spectrum of opinions, [but] there was always one very important aspect which was taken care of. This was that we cannot [sic] suggest anything that would create a conflict between the regional and the city level. This was a precarious balance. We wanted the cities to come in our policy as a partner. We wanted the direct link with them but this could not go in the direction of weakening the regional level. ... [R]egions are our clients.<sup>2</sup>

Taken together, they are quite indicative of the different ideas that different institutional actors held (and still hold) about the experience of mainstreaming. In addition, the second quote also expresses quite well DG Regio’s inability (and unwillingness, for that matter) to act as a top institutional anchor for urban policy in that specific historical juncture – a crucial difference with the American experience three decades earlier, when HUD had performed such a role successfully with respect to the transition from MC to the CDBG.

As explained above, while centered primarily on federal-level institutional dynamics, my argument also contained an important city-level component, namely the stability, or lack thereof, of different city welfare systems resulting from their structural characteristics (which can be summarized in their degree of centralization). During the remainder of my European fieldwork I concentrated on this city-level side and collected evidence about what could be called the ‘microfoundations’ of URBAN’s instability. Through primary sources and interviews with experts and practitioners in the two very different local contexts of Pescara and Bristol, I was able to put together a reliable picture of the interests, incentives, and ideas engendered at the level of the recipient cities by the implementation of URBAN. These interests, incentives, and ideas were in turn important factors

<sup>1</sup> Member of the European Parliament. Personal interview. Brussels, June 28, 2011.

<sup>2</sup> DG Regional Policy official. Personal interview. Brussels, July 11, 2011.

in the eventual demise of the Community Initiative.

The most immediate contribution of the fieldwork and study described in the foregoing is empirical. The evidence I gathered in Brussels, Pescara, and Bristol, and the theoretical narrative I built based on that evidence, constitute in themselves a contribution to European studies, as they integrate what is still a very small literature on the EU's urban policy initiatives. In addition to its academic value, my study also has policy value, given the increasing importance of urban, and more generally territorial, issues in the Union's policies (in the first place cohesion policy),<sup>3</sup> and hence the need of studies exploring and clarifying the political and institutional dynamics governing this area.

The most important contributions of my study, however, cannot be appreciated without considering its comparative dimension. By juxtaposing, in the light of an original institutionalist argument, the urban regeneration experiences of the EU and the US, the dissertation – and its related projects<sup>4</sup> – contributes at least to

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3 See for instance EU Informal Council of Ministers, "Territorial Agenda of the European Union 2020" (May 19, 2011) and European Commission, "Green Paper on Territorial Cohesion: Turning Territorial Diversity into Strength" (October 6, 2008).

4 Some of the main findings of my doctoral research have been published in Tortola, Pier Domenico. "Federalism, the State, and the City: Explaining 'City Welfare' in the United States and the European Union," *Publius: The Journal of Federalism* 43, no. 4 (2013): 648–75. In addition, I am currently working on a number of spin-offs building on the city-level side of my project.

two literatures in political science. The first is that exploring the role of institutional development in intergovernmental relations. This research agenda has recently become quite prominent in the broader context of comparative federalism, and is also playing an important role in the ongoing historical institutionalist research on institutional change.<sup>5</sup>

The second contribution of my dissertation is to the literature comparing the EU and the US. Mainly a product of the Maastricht Treaty and of the increasing 'federalization' of the EU, this vibrant research program transcends the paradigms of exceptionalism that have long dominated both American and European studies to promote, as a result, a fuller understanding of politics in both the US and the EU. In my dissertation I have pushed the frontier of this already original research agenda even further by showing that comparability between these two systems can be found even in such an unusual field as urban policy, and that much can be learned by analyzing the different experiences of the two polities in this area.

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5 See for example Daniel Ziblatt, *Structuring the State: The Formation of Italy and Germany and the Puzzle of Federalism*, (Princeton, NJ: Princeton University Press, 2006), and Jörg Broschek, "Historical Institutionalism and the Varieties of Federalism in Germany and Canada," *Publius: The Journal of Federalism* 42, no. 4 (2012): 662–87.