



Diversity and social cohesion in European cities: Making sense of today's European Union–urban nexus within cohesion policy

European Urban and Regional Studies
2018, Vol. 25(3) 337–342

© The Author(s) 2017

Reprints and permissions:

sagepub.co.uk/journalsPermissions.nav

DOI: 10.1177/0969776417736099

journals.sagepub.com/home/eur



Lea Scheurer

European Urban Knowledge Network (EUKN) EGTC, The Netherlands

Annegret Haase

Helmholtz Centre for Environmental Research (UFZ), Germany

Abstract

This commentary discusses the nexus between the European Union (EU) and the local level of government in light of the contemporary challenge of maintaining social cohesion in European urban areas. Social cohesion is understood as a key element of societal stability, which is increasingly constrained in many urban contexts. Against the backdrop of decision-makers being challenged to find effective governance modes and policies addressing ever more diverse urban populations, the commentary presents evidence on how urban authorities use European funds in addressing social cohesion challenges. Cities' use of the European Structural and Investment (ESI) Funds in diversity governance has been found to hinge on various factors that are often inter-institutionally determined and that may restrict cities' possibilities to make most efficient use of the funding. The commentary concludes that more effective and participative forms of multi-level cooperation within frameworks like cohesion policy and the newly established Urban Agenda for the EU are necessary in supporting social cohesion and successful diversity governance in European cities. It further suggests that a reform of EU cohesion policy should entail both conceptual and institutional innovations, allowing for an integration of the intersections of urban diversity and cohesion in policy and fund design and a reinforcement of the partnership principle.

Keywords

Cohesion policy, diversity, European Regional Development Fund, European Social Fund, European Structural and Investment Funds, social cohesion, structural funds, Urban Agenda for the EU

Diversity and social cohesion: A contemporary European urban challenge

Constitutive elements of social cohesion concepts have been found to comprise individuals' social relations, their feeling of (geographical) belonging and their orientation towards the common good (Schiefer

Corresponding author:

Lea Scheurer, European Urban Knowledge Network (EUKN)
EGTC, Schenkkade 50, 2595 AR The Hague, The Netherlands.
Email: lea.scheurer@eukn.eu

and van der Noll, 2017). Applied to urban contexts, social cohesion can also be understood as a social calibration allowing for respectful communal conduct between heterogeneous groups. This should be based on an acknowledgement of “their diverse and sometimes contradictory interests as well as the capacity for these groups to organise themselves and for the city to create institutions in which these groups can confront each other and decide about the city’s future” (Cassiers and Kesteloot, 2012: 1910). Thus, social cohesion is a key element of societal stability and highly relevant in urban communities.

With increased international migration, growing diversification of lifestyles and enhanced heterogeneity in urban neighbourhoods, urban diversity is rising in socio-economic, demographic, lifestyle-related and ethnic terms. This may result in conflicts and ultimately in social exclusion, polarisation and socio-spatial segregation. Thus, decision-makers in urban areas and at other levels of government are challenged to find effective governance approaches addressing ever more diverse urban populations with different needs, perspectives and opportunities. The complex and contested concept of diversity comprises horizontal properties (such as age, gender, ethnicity, lifestyle) that have been found to overlap with vertical (social status, income, education) differences (Faist, 2010). Diversity governance can, in the broadest sense, be defined as any set of policy measures and institutional arrangements targeted at increased social cohesion, social upward mobility and local economic performance (Tasan-Kok et al., 2013). As a broad and multidimensional concept, it includes social, cultural, economic and political/participation aspects.

Social, economic and territorial cohesion form explicit and long-standing goals of European Union (EU) policy (Medeiros, 2016). The European Commission’s sixth Cohesion Report (European Commission, 2014) highlights that the achievements central to inclusive growth, one of the Europe 2020 targets, have been wiped out by the economic crisis, making poverty reduction and the fight against social exclusion a Europe-wide pressing issue. This commentary argues that the concepts of diversity and cohesion, in all their complexity and ambiguity, are relevant for addressing contemporary urban challenges, and that they should be

sensibly combined in policy and fund design. It makes a link with EU policy by arguing that participative forms of cooperation between the local and the European level within policy frameworks like cohesion policy can support effective urban diversity governance. The newly established Urban Agenda for the EU is presented as a promising experimental approach to creating a better acknowledgement of urban specificities and challenges in EU policy. The commentary first describes European structural fund usage for urban (diversity) governance, goes on with a discussion of trade-offs and challenges in cohesion policy concerning fund usability and concludes with some recommendations.

European urban governance and European Union funding instruments

European funds provide one of the most straightforward governance links between the EU and the local level. As of 1989, EU instruments directly co-financed urban development. Several urban areas received support within the Urban Pilot Projects for urban regeneration and the URBAN I and II Community Initiatives. URBAN, which introduced procedural and institutional innovations by demanding an integrated approach to urban development, was mainstreamed into the European Structural and Investment (ESI) Funds framework in the 2007–2013 funding period.

Today, three of the five ESI Funds establish the financial arm of cohesion policy: the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF). Since a revision of the legal basis in 2013, the ESI Funds follow a uniform framework, codified in the Common Provisions Regulation No 1303/2013. This Regulation streamlined investment priorities and thematic objectives along the Europe 2020 goals, introduced stronger ex-ante conditionalities and fostered results orientation (European Commission, 2013). This Regulation also demands the application of the so-called partnership principle in order to involve public authorities, economic, social and civil society representatives in programme preparation, implementation and monitoring committees.

In the current 2014–2020 programming period, the ESI Funds entail specific provisions on sustainable urban development, for instance via the earmarking of five per cent of ERDF resources to urban development, as stipulated by Article 7 of the ERDF Regulation No 1301/2013. The regulatory framework encourages the use of territorial instruments such as Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD). In ITI, local authorities can act as intermediate bodies responsible for programming and implementation of relevant projects, taking up tasks usually performed by the regional- or national-level managing authorities. An outstanding feature of the ITI tool is that it allows for a combination of different funds for specific areas. The CLLD approach focuses on sub-regional areas and makes integrated funding available to deliver local development strategies. ERDF-financed Urban Innovative Actions represent a new funding scheme allocating grants directly to innovative projects in cities, based on a competitive procedure.

With the ESF mainly designed for investment in people and the ERDF and the Cohesion Fund rather targeting areas and infrastructures, the ESI Funds entail both a place-based and a people-based logic – whose integration is specifically pursued in multi-fund projects. Cities and so-called deprived neighbourhoods are an explicit intervention target within cohesion policy. Outside of the ESI Funds framework, additional funding instruments can be put to use in urban areas for various policy fields related to diversity governance and social cohesion. Exemplary for these are the Fund for European Aid to the Most Deprived or the Asylum, Migration and Integration Fund.

Local actors' use of European Structural and Investment Funds for local diversity governance

Many European cities use ESI Funds within various policies, also related to urban diversity governance. Hereby, the determinants of local actors' take-up of the funds are manifold and highly context-specific. A recent study of the use of structural funds by the cities Leipzig in Germany and Rotterdam in the Netherlands (Scheurer, 2016), undertaken within the research framework of the EU FP7-funded

Divercities project, finds factors on various governance levels to inform urban ESI Funds usage.

Leipzig and Rotterdam, both sample cities in the Divercities project (Budnik et al., 2017; Tersteeg et al., 2017), represent interesting case studies for investigating the EU–urban nexus in cohesion policy. Both cities target pre-defined areas that exhibit above-average deprivation figures using ERDF and ESF resources, alongside other EU, national, regional, municipal and private funding (Scheurer, 2016). While displaying similar characteristics in terms of size and a rather deficit-oriented understanding of the dimensions of urban diversity, the two cities differ in their position within the ESI funding governance structure (Scheurer, 2016). The explorative analysis suggests determinants of local actors' use of ESI Funds to be (1) political commitment, (2) the economic need to draw on external funding, (3) the institutional set-up concerning the funding governance architecture and (4) the fund design and complementarity with existing instruments. The latter two are understood as crucial determinants of the quality of urban actors' opportunity structure.

Firstly, the institutional funding governance architecture establishes the leeway of cities to channel funding to specific areas, target groups and measures. Urban authorities can most effectively shape this process by co-drafting the fund-specific operational programmes. However, this task usually rests with the managing authorities at regional and national levels. Rotterdam stands out by having the fund managing authority for the Western Netherlands operational programme located within its own city administration. Leipzig, on the other hand, depends on decisions taken at the regional level of government, where the respective managing authority is located. Secondly, fund design concerning on-the-ground complementarity with other funding instruments shapes usability. This assumes particular importance in Leipzig, where public resources are rather scarce and external funding is needed to finance diversity-related measures in the inner-city regeneration areas. Funding managers at the Leipzig city level deplore the incompatibility of different funding schemes and the absence of funding for the integration of immigrants and refugees, among other things.

Beyond this, the findings from Leipzig and Rotterdam illustrate a general development of reorienting funding schemes within cohesion policy away from grants to loans and revolving funds. While Rotterdam uses an ERDF-fed urban development fund, Leipzig representatives see this instrument more ambiguously. In addition, Rotterdam employs the possibility to combine the ERDF and the ESF in an area-based intervention in Rotterdam South within an ITI programme – unlike Leipzig.

Trade-offs and gaps in cohesion policy targeting urban areas

European cities represent focal points for contemporary societal challenges. Both cohesion and diversity policies and the respective funding instruments seem only insufficiently concerted with these complex challenges, including social exclusion occurring along several axes and dimensions. While cohesion policy focuses more on vertical inequalities, diversity policies often target horizontal differences. In identifying concrete trade-offs related to the current cohesion policy governance, one must investigate the conditions for effective structural fund use in tackling specific social cohesion challenges in cities.

The so-called urban dimension in cohesion policy has been found to yield a mixed picture that still awaits practical implementation evidence (Atkinson, 2015; Hamza et al., 2014). A recent analysis dedicated to the post-2020 cohesion policy design states “that real simplification and proportionality are still far from being achieved” (Bachtler et al., 2016: 2) and formulates some distinct points of critique: (1) inflexibility, a lack of bottom-up elements and disregard of territorial specifics in the thematic concentration of resources, (2) an insufficient differentiation of responsibilities between different entities in cohesion policy governance and (3) the general inflexibility of the performance framework. The two-case analysis on local take-up of structural funds in urban diversity governance (Scheurer, 2016) also points to bottlenecks regarding cities’ full participation in the programming process and on-the-ground fund complementarity.

Policy recommendations in light of recent developments

It is in cities that the liveability of the European idea will be decided upon, and they are acknowledged as increasingly important actors and nuclei of what economic and social change in Europe means today. At the same time, cities’ financial powers shrink while their challenges have become larger in size and complexity due to repercussions of international developments, such as wars, crises and increasing migration. Massive urban disparities in Europe – with some cities operating in constant crisis mode, while others can afford to have a clear European agenda – also call for a holistic and critical re-assessment of the manifold effects of European macroeconomic policies.

The intersections of urban diversity and cohesion should be addressed via policies that allow for solutions shaped and owned predominantly by political and societal actors at the local level. As this commentary discusses the nexus between EU cohesion policy and urban diversity governance, a critical aspect is making ESI Funds better usable for addressing urban diversity challenges, including social cohesion. A reform should therefore entail both conceptual and institutional innovations. Its concrete delivery will hinge upon the outcomes of the reviews of the Europe 2020 strategy and the Multi-annual Financial Framework, including insecurities like Brexit scenarios.

Conceptually, a critical interrogation of the understanding of social, economic and territorial cohesion and the relation to the properties of diversity is indispensable to sharpen the orientation of cohesion policy in the wake of urban diversity challenges. The public debate on cohesion policy has been and continues to be divided along the competitiveness/convergence cleavage and on questions of eligibility and territorial focus. Decision-makers should clarify the position of cities and urban areas within the cohesion concepts, and should discuss appropriate and contemporary cohesion indicators. This re-assessment would profit from an inclusion of diversity aspects in cohesion policy, paying specific attention to the intersections of horizontal and vertical differences.

Institutionally, better implementation of the partnership principle can ensure a more targeted and effective delivery of policies strengthening social cohesion in heterogeneous societies. Hereby, a distinct focus on integrated measures and fund deployment should continue to form the ideational core, allowing for clear local ownership of interventions.

In summary, the often called-for strengthened urban dimension in cohesion policy can best materialise in a comprehensive framework that takes into account realities of heterogeneous societies that crystallise in urban contexts and that draws on a broader conceptual base than in the past. Structural funding should better reflect contemporary (urban) challenges and should give rise to integrated policy and funding solutions. However, the orientation of post-2020 cohesion policy, let alone its urban dimension, is highly uncertain – despite the indispensability of EU funding for many cities and regions.

A recent promising development of multi-level and multi-stakeholder European cooperation is the establishment of the Urban Agenda for the EU with the Pact of Amsterdam in May 2016 (The Netherlands EU Presidency, 2016). It provides an experimental and rather informal opportunity structure for cities to play a more active role in EU policy-making. The main delivery mechanisms are thematic partnerships, bringing together urban authorities, member states, EU institutions, umbrella organisations, knowledge organisations and other stakeholders. During their three-year duration, they are to table and implement action plans on topics like urban poverty, housing or jobs and skills in the local economy, focusing on better funding, better knowledge base and exchange and better regulation.

The full assessment of the Urban Agenda's spin-off effects – beyond the general goal of placing urban issues higher on the agenda and giving cities better access to EU policy debates – awaits more evidence on the implementation progress. Still, it can already be held that the Urban Agenda's impact will to a large extent depend on the comprehensiveness of post-2020 cohesion policy reform. Feeding the partnerships' output into the EU decision-making process will require strong political commitment of key institutions, such as the European Commission, the European Parliament and the Council. A

negotiation process between these actors on the future of the Urban Agenda and its institutional and regulatory implications will have to be started rather promptly and should include links to important strategic decisions on the future of cohesion policy.

Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

References

- Atkinson R (2015) The urban dimension in cohesion policy: past developments and future prospects. *European Structural and Investment Funds Journal* 3(1): 21–31.
- Bachtler J, Mendez C and Polverari L (2016) Ideas and options for cohesion policy post-2020. Report, University of Strathclyde, Glasgow, May.
- Budnik M, Grossmann K, Haase A, Haid C, Hedtke C, Kullmann K and Wolff M (2017) *DIVERCITIES: Dealing with Urban Diversity: The Case of Leipzig, Germany*. Utrecht: Faculty of Geosciences, Utrecht University.
- Cassiers T and Kesteloot C (2012) Socio-spatial inequalities and social cohesion in European cities. *Urban Studies* 49(9): 1909–1924.
- European Commission (2013) Memo: refocusing EU cohesion policy for maximum impact on growth and jobs: the reform in 10 points. Available at: http://europa.eu/rapid/press-release_MEMO-13-1011_en.htm (accessed 18 June 2017).
- European Commission (2014) Investment for jobs and growth: promoting development and good governance in EU regions and cities. Sixth report on economic, territorial and social cohesion. Report, European Commission, Brussels, July.
- Faist T (2010) Cultural diversity and social inequalities. *Social Research* 77(1): 297–324.
- Hamza C, Frangenheim A, Charles D and Miller S (2014) The role of cities in cohesion policy 2014–2020. Report, European Parliament Directorate-General for Internal Policies: Policy Department B Structural and Cohesion Policy, Brussels, September.
- Medeiros E (2016) Territorial cohesion: an EU concept. *European Journal of Spatial Development* 60.

- Available at: http://www.nordregio.se/Global/EJSD/Refereed_articles/refereed60.pdf (accessed 18 June 2017).
- Scheurer L (2016) *Local actors' use of European structural funds in urban diversity governance*. Master Thesis, University of Utrecht, Utrecht.
- Schiefer D and van der Noll J (2017) The essentials of social cohesion: a literature review. *Social Indicators Research* 132(2): 579–603.
- Tasan-Kok T, van Kempen R, Raco M and Bolt G (2013) *Towards hyper-diversified European cities: a critical literature review*. Report, Utrecht University, Utrecht.
- Tersteeg AK, Bolt G and van Kempen R (2017) *DIVERCITIES: Dealing with Urban Diversity: The Case of Rotterdam*. Utrecht: Faculty of Geosciences, Utrecht University.
- The Netherlands EU Presidency (2016) Establishing the Urban Agenda for the EU: 'Pact of Amsterdam', agreed at the informal meeting of EU ministers responsible for urban matters on 30 May 2016 in Amsterdam, The Netherlands. Available at: <https://english.eu2016.nl/documents/publications/2016/05/30/pact-of-amsterdam> (accessed 18 June 2017).