Area-based Policies in Deprived Urban Areas

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EURICUR background

- EURopean Institute for Comparative Urban Research
- Research & Education
- Eurocities Association
- www.euricur.nl
- Economic Growth Clusters (1999)
- Social Challenges and Organising Capacity (2001)
- Safety and Urban Development (2002)
- The Knowledge Economy (2003)
Deprived areas

- Most major cities have distressed areas
- Particularly manufacturing and port cities
- Unemployment increase after structural economic change of 1970s/1980s
- Suburbanisation: wealthier people left central urban areas
- Many immigrants were attracted to the cities

Urban reurbanisation

- End of 1980s/1990s: turning point for many cities
- New investments in central urban areas
- Many neighbourhoods went through gentrification processes
- Though still concentrations of deprivation
Entrepreneurship and deprived areas

- Promoting entrepreneurship is regarded as an adequate tool to turn the tide in deprived areas
- It can raise incomes
- It can bring new jobs
- It can increase tax income for local authorities
- It can enhance the provision of local services such as retail facilities

Barriers for entrepreneurship

Social/cultural barriers
- Limited social/business networks
- Lack of role models
- Cultural obstacles
- Lack of personal motivation

Economic barriers
- Low levels of effective demand
- Low value of housing/tenure
- Limited access to finance
- High rates of crime
- Lack of work experience/skills
- Low-grade sectoral clustering

Institutional barriers
- Benefits reliance
Urban infrastructure as socio-economic catalyst

- Catalyst effect on the socio-economic development of the districts being served
- Reduction of economic barriers:
  - Low level of effective demand
  - Low value of housing / tenure
  - Low-grade sectoral clustering
- Case of Dortmund: Concert hall and Main station area
- Case of Antwerp: Redevelopment station area

Integrated area approaches

- Tackling physical degradation, social exclusion and economic decline simultaneously
- Can lead to gentrification processes
- Attraction of wealthier inhabitants and more high-grade companies
- Reducing three kind of barriers
- Case of Rotterdam-Hoogvliet
- Case of Strasbourg-Neuhof
- Case of East-Manchester
Institution of collective property rights

- Protection of specific local industries
- Strengthening clusters and contributing to economic revitalisation
- Reducing barriers of limited business networks and low-grade economic clusters
- Case of Venice-Murano

Creation of business centres to stimulate new small enterprises

- Supply of business accommodation in distresses areas is often weak
- Often cities invest in business centres together with business assistance and capital support
- Reducing socio/cultural and economic barriers
- Case of North-East Antwerp
- Case of East-Manchester
Barriers addressed in different policy options

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Conclusions

- Four types of implicit and explicit policies to stimulate entrepreneurship
- Implicit policies reduce predominantly economic barriers for entrepreneurship
- Explicit policies reduce particularly social/cultural barriers
- Often a mix of policy measures will be necessary