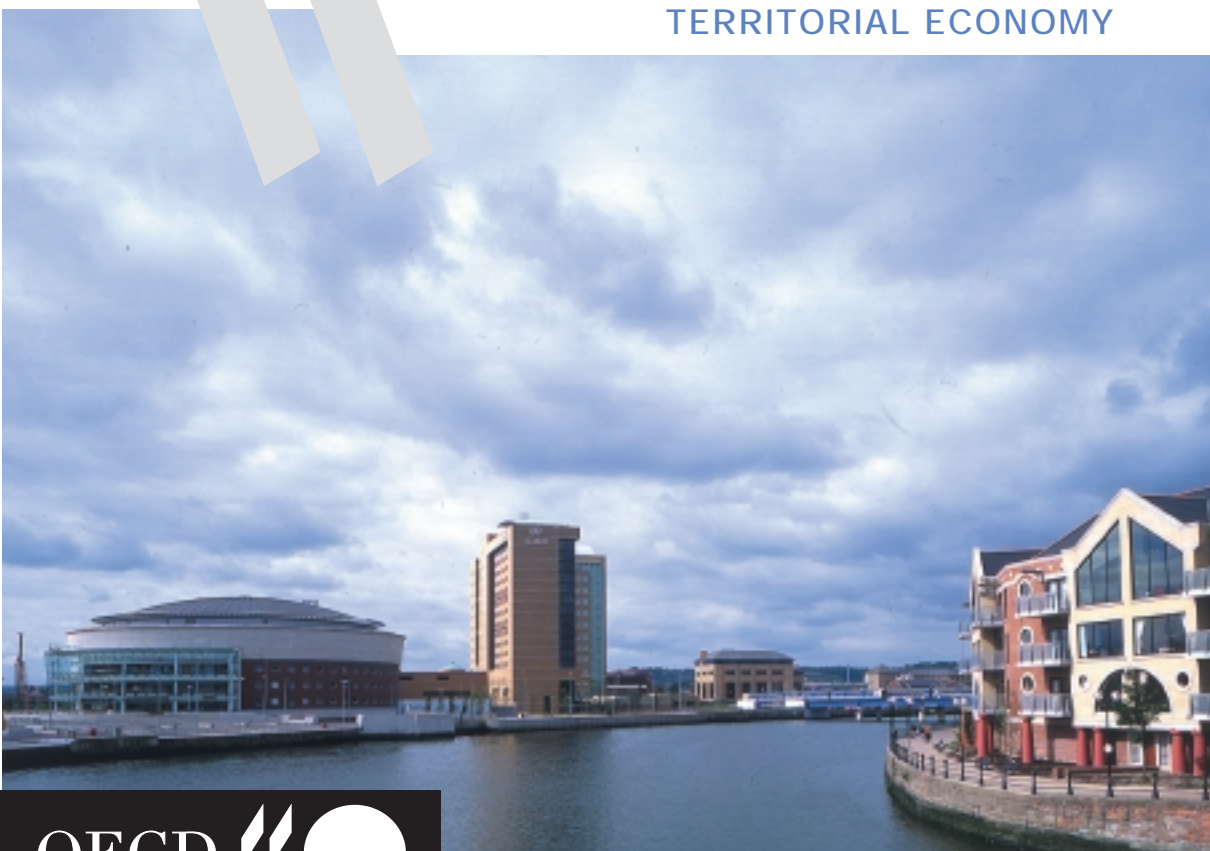




Urban Renaissance

BELFAST'S LESSONS
FOR POLICY
AND PARTNERSHIP

TERRITORIAL ECONOMY



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TERRITORIAL DEVELOPMENT

Urban Renaissance

Belfast's Lessons
for Policy and Partnership

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PREFACE
BY THE RT. HON. RICHARD CABORN MP
MINISTER OF TRADE

The challenge of urban regeneration is often balanced between stories of hope and despair. The achievements of Belfast in the past ten years should be an inspiration, but all too often the negative aspects of industrial decline as well as the costs of sectarian conflict in Northern Ireland have dominated public perception. This is a problem faced by many cities which have done much to rebuild their economic foundations, but perhaps Belfast suffers more than others from this problem of perception. And so it is very important indeed that the OECD has undertaken an evaluation of regeneration in Belfast which can inform the international community.

The OECD evaluation focuses on the activities of Laganside Corporation, which has had the responsibility to restore the riverfront lands in the city centre. It also has much to say about how regeneration can be made to work in Belfast and in other cities confronted by economic restructuring and social polarisation. By asking the international community to look closely at what has been undertaken in Belfast and to take the measure of what must still be done to give the city's residents economic opportunities, Laganside has set an example to other cities and regions.

Cities are at the core of the modern economy, but the factors that make firms successful and survive are quite different from those which make cities thrive. Economies need space for firms and for transport, and places where people can interact and socialise. They need educational and research institutions which are the foundation for the knowledge-based society. They need institutions which can speak for the public interest and take the long-term view. These factors of success are highly urban in nature. A healthy economy is one in which more firms emerge than disappear. When cities cannot renew themselves, then firms lack a context in which they can perform, and a place where they can participate in networks. Urban policy and industrial development are linked: cities that can regenerate give confidence to entrepreneurs -- that their investment in a firm will make the city itself a better place to live and work.

Some cities appear more successful than others in attracting investment, improving work skills, and fostering entrepreneurship. But there is nothing inevitable about the success of an individual city -- or lack of it, which is why urban regeneration is not a process just for cities with high unemployment, for example; all cities must regenerate, or they risk being overtaken by economic trends, technological innovation, and international competition. This is why the Government requested Lord Rodgers to chair a task force on the urban renaissance, which has made many useful recommendations. An urban renaissance based only on a handful of prosperous and dynamic cities would leave the country with an unbalanced pattern of development and in all likelihood, a lower rate of growth. An urban renaissance based only on the regeneration of the most distressed cities would equally put the rest of the country at risk. Urban regeneration is not a local matter alone, but of central concern to the national government.

The OECD report, rightly in my view, emphasises the relationship between regeneration and sustainable development. Laganside began by addressing the problem of abandoned land and polluted water in the centre of Belfast. Dealing with environmental problems first proved to be the basis for economic success, in the form of a new infrastructure to support new firms in the service sector, and new civic facilities. Although some activities relocated within Belfast to take advantage of the spaces created by Laganside, much that can be found along the river today is new to the city. Social integration -- extending the benefits of Laganside into the communities of Belfast, where long-term unemployment is often very high -- this remains a challenge. But Laganside Corporation, which like any successful firm has added competencies over time, can face this challenge. It must be emphasised that Laganside has worked quickly without compromising quality; and that Laganside has used public resources efficiently, to leverage private investment. As a result, there is an atmosphere of confidence and trust that should enable Laganside and the new governmental units in Northern Ireland to work in partnership with the private sector, the unions and the community.

I am delighted that the Trade Union Advisory Committee to the OECD shared in the organisation of this seminar. Trade unions understand the interconnectedness between social conditions and economic growth, and can contribute advice, but also concrete efforts such as job training and the targeted use of their pension funds, to promote growth.

The interest of the international community in progress in Belfast is a sign that urban development has broken through the limitations of domestic policy. Participants from eleven countries contributed to this OECD-TUAC seminar in Belfast. A comment about this would not be necessary were it not

for the fact that discussions about urban regeneration often have an excessively local character. A preoccupation with what makes each place unique is healthy, but it should not obscure a wider vision. Cities are one of the oldest social phenomena which humanity has in common, which is why a concern about the health of cities is taken seriously in discussions about the future of the nation and of Europe. Whether within the framework of the European Union or in consultation with other industrial countries throughout the OECD, urban policy in the UK must be outward looking.

INTRODUCTION

Laganside: Linking Environmental Improvement, Infrastructure for Economic Development, and Social Cohesion.

An evaluation of what has been accomplished by Laganside Corporation and the City of Belfast to redevelop the city with an infrastructure-led strategy will help OECD countries better understand the roles of the public and private sectors and of civic society in urban regeneration, which is a priority concern in the developed countries. This evaluation will also help Belfast prepare better for the future phase of development: because the nature of the problems to be tackled in the coming years will be if anything more complex, and will have to be addressed in a changing institutional structure, a future-oriented analysis of what has been accomplished can only emphasise the importance of adaptability and innovation as factors of success.

Belfast, having made significant efforts to overcome severe social, economic and environmental handicaps, is at a historic turning point. The outbreak of peace and the installation of a new regional government come at a time when the Laganside Corporation, a public agency responsible for much of the redevelopment in recent years, will shift its focus. The Corporation, which began in 1989, had its boundary extended in 1997 and has a continuing role in the regeneration of the city. In its first ten years, it created a new economic space in the city first by tackling the environmental problems of the River Lagan and then by creating residential, civic and commercial properties along the riverbank. This sequence is an important element in the overall strategy of Laganside for regeneration. There is now an opportunity to integrate this new part of the city, which is largely neutral, into the rest of the city and in particular into the communities, which remain, at least in part, isolated in different parts of the city. New areas (the Gasworks, for example) are still being developed along the river, but Laganside and Belfast need a city-wide integration strategy which is social and economic as well as spatial to continue to add jobs and housing to Laganside by drawing people to this district. Without such a strategy, people with poor economic prospects in Belfast will not benefit from this investment. Another challenge lies in trying to extend the success of Laganside inland, into

other marginal parts of the city centre (the Cathedral District), so that these areas in turn are redeveloped, creating a continuous use of space from the river's edge to the city core.

An evaluation of the first decade of Laganside is important to validate what has been accomplished as an example of infrastructure-led development to address environmental, economic and social problems. This study will also help to identify strategies that can help local agencies and actors better meet the challenges they face, including that of involving the private sector more effectively in regeneration. Because Laganside has had to work in close co-operation with other public agencies (such as the City Council, Belfast Harbour Commission, and the regional housing authority), the partnership approach and associated accountability issues are likely to be relevant elsewhere.

Although the problems of Belfast are in many ways unique, they also have elements that are fairly typical of cities facing major economic change, environmental problems and social fragmentation. In this way, just as Belfast can learn from others, they can learn from Belfast.

Issues

How to tackle urban environmental problems effectively, to restore/create confidence; how to reduce risks for the private sector, and make most effective use of incentive measures, to attract investment; how to recover the costs of regeneration through economic development;

How infrastructure can create a better base for urban economic activities, what difference good design makes to the outcome; and how regeneration efforts can limit urban sprawl;

How to arrive at a good social mix, and to create spaces that enable different groups to interact, and to become integrated into the formal economy; and

How to achieve a positive relationship between development agencies and elected local government with community participation and support; how such a relationship should evolve in the longer term.

OECD EVALUATION OF LAGANSIDE, BELFAST

PART ONE - CONTEXT

The Belfast Agreement of 10 April 1998, the creation of a Northern Ireland Assembly, the Draft Regional Strategic Framework Document and Strategy 2010 are poised to take a new Northern Ireland forward into the next millennium. A Northern Ireland benefiting from peace will be in a stronger position to carry forward and enhance the significant progress made in the region during the last decade.

Northern Ireland, as a region of the United Kingdom, covers some 148 sq. miles and lies in the north east of the island of Ireland. It is the smallest region in the United Kingdom, and is a less urbanised region than many of its European counterparts; Belfast and Derry/Londonderry are the principal cities. The population of the region is growing, at present at 1.6 million, it is expected to reach 1.7 million by 2025.¹ The population is younger than that of the EU as a whole, and this is likely to remain the case over forthcoming decades.

Belfast, as the principal regional city, dates back to the twelfth century. During the nineteenth century it became the most important base in the region for textile manufacturing, shipbuilding and engineering. The growth of the city accelerated from the second half of the century, resulting in a population of 386 000 by 1911. As the world-wide economic crisis of the 1930's took hold, the export reliant economy was deeply affected. Unemployment exacerbated existing sectarian rivalry and contributed to increased segregation between Catholic and Protestant communities, which has continued into the post-war era. The manufacturing base continued to decline throughout subsequent decades, mirrored by an outward migration from the core city into the Belfast Urban Area (BUA comprising the City of Belfast and District Council areas of Carrickfergus, Castlereagh, Lisburn, Newtownabbey and North Down) and beyond. Belfast in the 1970's was affected by three interrelated major shocks: demographic changes resulting in a net loss of 10 000 people per annum throughout the decade; changing economic conditions resulting in a doubling in unemployment; and a factor which was to exacerbate these problems, the civil disturbances which continued into the 1990's. The

1. Draft Strategic Framework Document, 1998.

sharpest decline in population, a net loss of 100 000 people occurred between 1971-1981. Today the population in Belfast stands at around 280 000.

The region shares common fiscal, monetary and exchange rate policies with Great Britain, its main external market. Considerable central government transfers subsidise the region in order to maintain UK levels of provision. Public expenditure from the UK government for 1998-9 is £8.5 billion. The public sector in Northern Ireland is strong; enormous spending powers are matched with considerable human resources. The economy is heavily dependent upon public finance, thus increasing the vulnerability of the region. The region is not dissimilar to the transition economies of eastern Europe in this context, it has, due to rather unique circumstances, required considerable financial assistance from central government, Strategy 2010 recognises the need to reduce the reliance on the public sector and stimulate endogenous economic growth, clearly prerequisites to the future prosperity of the region. The spending breakdown appears in Table 1.

Table 1. Public spending in real terms by department

	1990/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99
Northern Ireland Office									
Law, order and protective services	811	856	933	946	920	869	812	793	770
Northern Ireland Departments									
National agriculture and fisheries support	100	104	99	123	141	158	156	159	155
Northern Ireland agriculture, fisheries and forestry support	126	127	131	136	160	139	142	138	125
Industry, energy, trade and employment	443	387	375	427	432	440	449	442	427
Transport	174	179	177	178	177	169	161	155	153
Housing	285	278	273	242	226	233	235	247	244
Environmental and miscellaneous services	272	185	201	201	206	230	211	214	177
Law, order and protective services (Fire Service)	37	38	29	40	40	40	40	41	40
Education, arts and libraries	1,164	1,226	1,261	1,271	1,295	1,314	1,321	1,315	1,287
Health and personal social services	1,220	1,272	1,316	1,363	1,418	1,488	1,494	1,499	1,474
Social Security	1,696	1,809	1,984	2,142	2,253	2,369	2,415	2,439	2,482
Other public services	51	56	54	65	75	85	53	53	52
Total NI departments	5,567	5,662	5,912	6,189	6,423	6,667	6,678	6,701	6,614
Control Total	6,405	6,567	6,899	7,217	7,405	7,613	7,592	7,587	7,477
Cyclical Social Security	433	471	501	525	545	549	569	583	608

Source: Department of Finance and Personnel

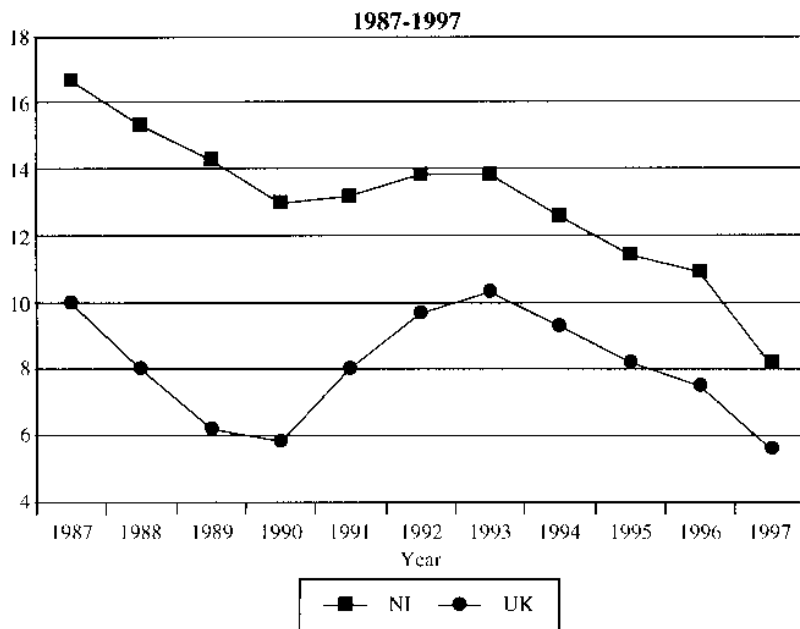
However, since 1990 the economy has strengthened, making it the fastest improving regional economy in the UK. Gross Domestic Product (GDP) has increased most dramatically, numbers employed have risen the fastest and regional growth is the strongest. In real terms this still only translates into GDP per capita levels of 81.2% (1996) of the UK average and 81% (1994) of the European Union average, placing it amongst the poorest 25% of European regions.¹

Employment

Although unemployment has fallen to 6.8 %², mirroring the downward trend seen throughout the UK, this level is higher than both the UK and EU averages. Whilst claimant unemployment fell by 37.7% between 1990-6, long-term unemployment remains a particular problem in the region. In 1998 46.9% of all unemployed had been unemployed for more than one year, exceeding the UK average of around 28.3%³.

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1. Strategy 2010, p.73
 2. Strategy 2010, p.70
 3. Strategy 2010, p.71

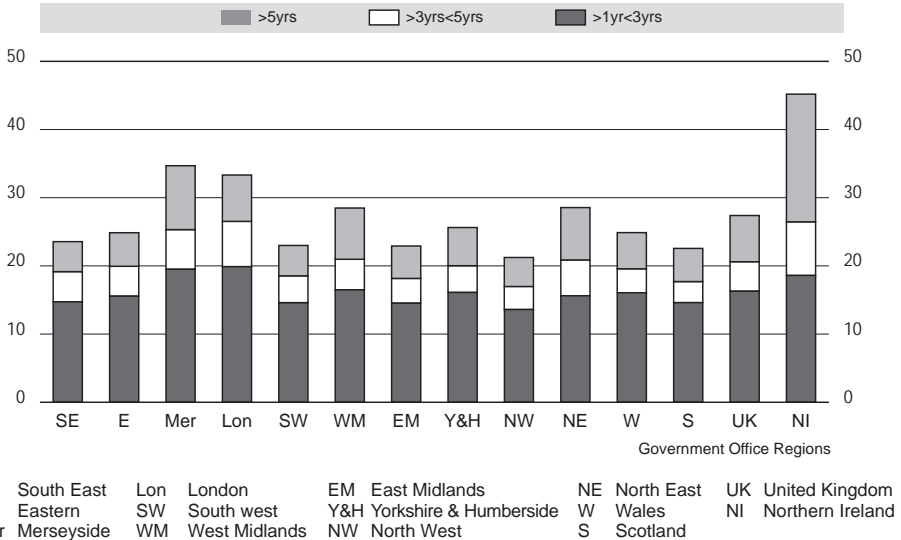
Figure 1. Unemployment (seasonally adjusted) - average annual % rate



Source: Department of the Environment for Northern Ireland

Figure 2. UK Regions Long Term Unemployment

Figure 2. UK Regions Long Term Unemployment
(% of people out of work for over 1 year)



Source: Department of the Environment for Northern Ireland.

Source: Department of the Environment for Northern Ireland

The public sector in Belfast is estimated to employ some 45% of the local population, while the private sector is under represented in Belfast; in common with other UK cities the manufacturing sector has continued to decline, losing some 13 000 jobs (34%) between 1981-9. City-wide unemployment stands at 8.2 %; however this masks pockets of unemployment of around 40%.

**Table 1. Employees in Employment in Belfast City Council Area:
September 95**

	Males	Females	All persons
Agriculture, Hunting and Forestry	*	*	*
Fishing	*	*	*
Mining and Quarrying	*	*	*
Manufacturing	14,1585	3,768	18,353
Electricity, Gas and Water Supply	1,240	265	1,505
Construction	3,450	472	3,922
Wholesale and Retail Trade; Repairs	12,073	11,506	23,579
Hotels and Restaurants	3,131	4,342	7,473
Transport, Storage and Communication	6,508	2,478	8,968
Financial Intermediation	3,109	4,230	7,339
Real Estate, Renting and Business Activities	7,744	8,862	16,606
Public Administration and Defence	14,290	11,418	25,708
Education	5,382	10,172	25,708
Health and Social Work	6,174	20,717	26,891
Other Services	5,077	4,356	9,433
Services	63,488	78,081	141,569
Total	82,887	82,626	165,513

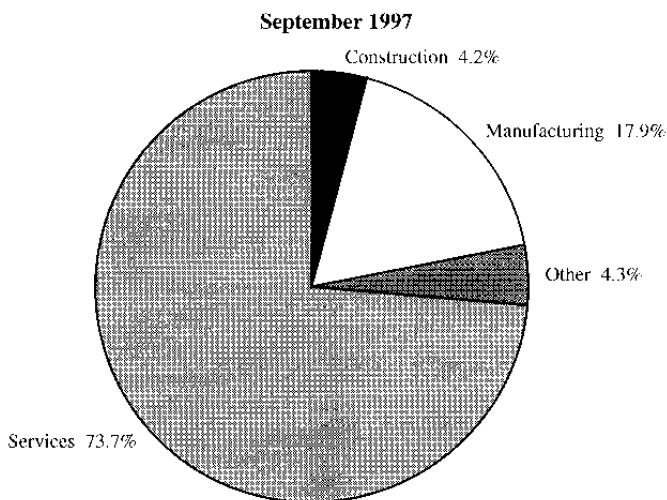
Source: Census of Employment, 1995.

Since 1990 there has been a shift to the services sector, which now accounts for 67% of all new employment. Increases in employment are almost totally accounted for by a rise in part-time jobs for females in the service sector. This scenario reflects trends throughout the European Union whereby numbers employed in services rose from 49.4% in 1975 to 65.1% in 1996. Currently in the United Kingdom the service sector accounts for 60% of non-government output. The public sector in the region represents around 30% of overall employment, compared to 20% in the rest of the UK⁴. This represents GDP expenditure of 55% and is evidently disproportionate to the rest of the United Kingdom. Addressing this imbalance is a recognised challenge for the region. The rural economy, continually declining, represents 4.5% of total GDP,

4. Strategy 2010, p.124

employing some 39 000 people.⁵ The manufacturing sector in Northern Ireland is the smallest in the United Kingdom, accounting for 19.1% of GDP in 1996. Around 40% of manufacturing employment are in the food, drink and tobacco and clothing and textile sectors, double the UK average. Small firms are an important aspect of the economy: 56% of private sector employment is provided through firms with 50 employees or fewer, accounting for just under one third of manufacturing jobs.⁶

Figure 3. Employment Structure - Northern Ireland



Source: Department of the Environment for Northern Ireland

Government financial intervention is an important aspect of economic development in the region. Table 3 reveals the importance of Selective Financial Assistance to industry compared to other UK regions.

5. Strategy 2010, p.121

6. Strategy 2010, p.72

Table 2. Regional Preferential Assistance to Industry 1996/7

	Total Assistance to Industry	Assistance as % of Manufacturing GDP 1996	Assistance per Manufacturing Employee	Assistance per Manufacturing Employee per Week	Assistance as a % of Average Weekly Earnings 1996
	£'s million	%	£'s	£'s	%
GB	371.3	0.3	94.0	1.8	0.5
England	110.7	0.1	32.4	0.6	0.2
Scotland	128.2	1.1	403.1	7.7	2.3
Wales	132.4	1.8	621.6	11.9	3.6
NI	137.1	5.0	1,331.1	25.6	9.0

Source: Strategy 2010, p. 113, Department of Trade and Industry, ONS, OND, DED Statistics Branch.

The region is a low wage economy. Average earnings per capita are approximately 66% of the UK average and have been biased towards low value added manufactured goods and a dependency upon the public sector. The incidence of low pay in the region is estimated to be 50% higher than the rest of the UK. The introduction of a National Minimum Wage will have a considerable impact in the region. A transition to a higher wage economy is needed to achieve sustainable economic prosperity.

Table 3. Annualised average rate of pay

Pay	1987/1988	88/89	89/90	90/91	91/92	92/93	92/93	94/95
Males	9,350	10,050	10,700	11,650	12,850	13,250	13,450	13,650
Females	5,500	5,900	6,300	7,100	7,900	8,000	8,250	8,400
All persons	7,550	8,100	8,600	9,500	10,500	10,750	10,900	11,050

1. Main source pay excluding statutory sick pay and statutory maternity pay. Calculated to the nearest £50

Source: Northern Ireland annual Abstract of Statistics, 1997.

Educational achievements with respect to GCSE and A Level results are amongst the highest in the United Kingdom and the level of participation in higher education stands at 40%. However, considerable disparities exist: one in five people in employment have no formal qualifications, a 10% decrease from 1992, a figure which rises to one in three among the unemployed. Job related training is also poorer than elsewhere in the United Kingdom

European Union

The European Union is particularly important for the region, which has been designated an Objective One area. Northern Ireland's Structural Fund allocation for the period 1994-1999 is approximately £1233 million with a further £105 million payable through other grants from the EU. A rise in the economic prosperity of the region will prevent access to Objective One funds from 1999, but considerable funding will still be available to the province, as a measure to promote peace following government negotiations. This will be facilitated by the Eurostat decision to consider the region separately from the Republic, whose economic growth is significantly higher than that of Northern Ireland. Peace and Reconciliation Funds, established in 1995 to cover the period 1995-1999 are targeted at employment, urban and rural regeneration, cross-border development, social inclusion and productive investment and industrial development. Since 1995, £223 million of EU funding has been matched by £77 million of central government funding. This funding is additional to other spending programmes in Northern Ireland.

The Republic of Ireland

Over recent years the economic performance of the Republic has been outstanding, making it one of the fastest growing economies in Europe, so much so that the Republic will be losing its Objective One status in the next round of the Structural Funds. The upturn in the economy is demonstrated by a 94% increase in manufacturing output between 1993-98, a 30.7% increase in GDP between 1991-6, and a 17% increase in employment between 1993-8. The economy has benefited from high investment and export levels, low inflation and significant in-migration of labour. The Republic has maximised its membership of the European Union both in terms of the support available for economic development and access into European markets. The success of the Republic is positively affecting Northern Ireland in terms of spill-over investment as soaring property markets and higher wage costs in the South encourage investors to look North. Maximising the economic potential open to the North is a widely recognised priority, outlined in Strategy 2010 and widely accepted within the region.

Governance

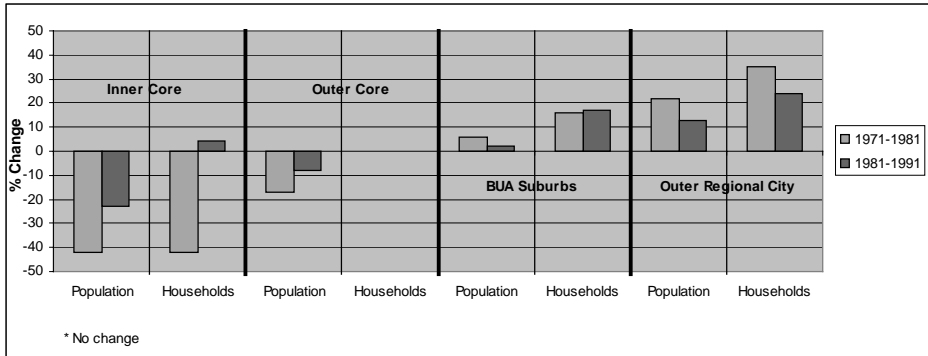
Since the 1970's Northern Ireland has been under direct rule, thus creating a very elaborate structure of government which centralised most functions. This 'centralisation' has meant that there is a distinct lack of

democratic institution building which results in a top down model, making partnerships more difficult to secure and driving a wedge through civic life. This pattern has shaped the choices made for the region in terms of regeneration, housing and economic growth. The Good Friday Agreement, however, has set the scene for a new approach to governance. It has led to the formation of an Assembly, which will restore significant levels of decision-making powers back to the region. The structure of government will be even more complicated at central government level: there are the UK Government, the UK Parliament and Select Committees; the Northern Ireland Office, Northern Ireland Departments (to be administered by the Assembly); 22 agencies within the Departments, almost 80 executive quangos and 50 advisory bodies, and at the local level some 26 District Councils, 26 District Partnerships and a considerable number of partnership and funding bodies supporting local development.

In common with the rest of the United Kingdom, local government in Northern Ireland has had only a marginal and discretionary role in urban regeneration. This partly reflects the fiscal and financial regime under which local authorities operate. A particularly exaggerated example of a weak public sector and strong central government exists largely because of the troubles. Because large-scale public sector investment has been channelled through the Northern Ireland Office, it is hardly surprising that the most potent urban regeneration is implemented by central government.

Since the change in government in May 1997 a new approach to urban regeneration has been emerging which gives local government a stronger role, further supported by the recognition of the regional dimension. This move away from central control is closer in approach to best practice which has emerged in other OECD countries. In Northern Ireland however this is evolving at a somewhat different pace, which will inevitably gather momentum as the Assembly becomes established.

Figure 4. Belfast Regional City 1971-1991: Changes in population and in numbers of households



Source: Shaping a City, F. Boal Planning, Urban Policy and Regeneration

Planning in Northern Ireland is a centralised function of the Department of the Environment. With effect from 1996 the Town and Country Planning Service was established as an executive agency of the DOE, responsible for the implementation of Government policies and strategy for town and country planning. Unlike the rest of the United Kingdom, local government does not have direct planning powers.

In the early 1960's various government reports acknowledged the difficulty in Belfast to transform the economy. The Hall (1962) and Matthew Reports (1963) resulted in a "Stopline" being introduced to limit the growth of the Belfast Urban Area and to redirect growth to other areas in the region. In 1969 the Belfast Area Plan proposed a framework for a major rebuilding and transportation programme.

The architectural tradition of Belfast is predominantly Victorian and Edwardian, reflecting its major growth cycles. Slum clearances began in the 1960's, and from the late 1970's the Northern Ireland Housing Executive took responsibility for redesigning many of Belfast's working class areas to a widely recognised high standard. The city centre however, was quite different. A paper entitled "Architectural Ambivalence: The Built Environment and Identity in Belfast", (McEldowney and Sterret, Berlin, 1999) explains this:

“While social housing projects were reshaping the built environment of the working class communities during the 1970’s and 80’s, the city centre was suffering major assaults from the IRA bombing campaign. The commercial core of the city was regarded by the IRA as a ‘legitimate economic target’ in the war against ‘the British forces of occupation’. However, the campaign was not confined to business premises but also targeted some of the key features of Belfast’s architectural heritage such as the Grand Opera House and the Royal Courts of Justice. A major effect of all of this was a decline in the economy of the city centre and its virtual closure after 6.00 p.m. Significantly too, the visual imagery of this decline including the ‘ring of steel’ (or security barriers) which surrounded the commercial core, armed military personnel on the streets, and an ever increasing number of derelict properties, was conveying a poor image to the outside world as well as inculcating a culture of pessimism among the local population. Images of the city centre environment did capture an aspect of Belfast’s ‘identity’, but it was an identity of violence, fear, division and decline”.

The 1980's were to see significant job losses in the BUA, with unemployment levels rising to 20% in 1987 compared to under 5% in 1969. Outward migration meant that a greater proportion of jobs began to be held by commuters living outside the conurbation. Between 1971-1985 the Belfast City Council Area experienced a population decline of some 25%. During that period central government began to direct urban policy in line with its more general policy orientations of government which, amongst other aims emphasised the need for public-private partnerships to reach economic objectives. Initiatives to redress the decline of the worst hit areas involved considerable sums of public sector financing to attract private investment. The complexity of the issues in Northern Ireland led central government and the European Commission to designate Belfast as one of two EU cities to be given additional financial resources to experiment with an integrated approach to public investment. The bulk of the funding was directed towards public housing supported by social, recreational and environmental programmes.

The impact of the ‘The Troubles’ on regeneration activity in Belfast cannot be overstated. Urban regeneration initiatives have been implemented against a backdrop of violence which has exacerbated structural adjustment, resulting in knock-on effects of: loss of population; lack of expansion of city centre; depressed disposable incomes; and segregated commercial and leisure districts, contributing to hollowing out of the city. The city, and the region for that matter, have been vulnerable to cyclical up-swings in the economy which in nature have been small-scale with a focus on property and inward investment for the long term rather than exogenous growth.

Urban regeneration funding required for the fiscal year 1999 is estimated at £40 million (including grants). Localised regeneration policy instruments in Belfast include Making Belfast Work, Belfast Action Teams, Urban Development Grants and Enterprise Zones. For example, in 1981 a 77 hectare site in the harbour area and a 132 hectare site in the western part of the inner city were designated as Enterprise Zones. The aim was to encourage the private sector to start up or expand in the area by offering a range of incentives including a ten-year rate exemption, tax allowances for capital expenditure and a relaxation of planning regulations. By 1986, 6000 jobs were located in these zones of which more than half were relocations from within the city. Urban Development Grants have been available since 1983 to secure private sector investment at a more rapid rate than would normally occur. Since that time, grant aid of £72 million has generated £235 million of private sector investment. Making Belfast Work has been operational since 1988 and aims to increase employment opportunities for residents in defined areas and to improve their quality of life. The formation of the Partnership Boards paves the way for a more multi-sectoral approach which will contribute to future regeneration strategies for the city.

The Belfast Urban Area Plan 2001

The Belfast Urban Area Plan 2001 (under development in the Department of the Environment since 1987) was formally adopted in 1990. The objectives of the plan are:

- to maintain and strengthen Belfast's position as the regional centre for Northern Ireland
- to create a physical environment and framework for social and economic activity which will enhance the quality of urban living
- to facilitate an efficient, economic and orderly pattern of development.

As part of the plan, Building Design Partnership was appointed in 1986 to prepare a concept plan for 300 acres of land adjacent to the River Lagan in Belfast. The land within the identified area was largely derelict, and significant amounts were contaminated. The tidal nature of the River Lagan posed particular difficulties, with the regular exposure of large mud flats, alongside extensive pollution. The severely degraded physical environment had no connection or relevance to the rest of the city. The abandoned land represented industrial and economic decline, the polluted river serving as a reminder of what Belfast once was. The land and property markets in Belfast

had failed to respond to the development potential of this area. Large-scale dereliction and contamination of land and river, multiple ‘public’ land ownership and stagnation in the development sector (brought about by the political and economic climate) were all factors leading to the market failure of the area.

The concept plan identified mixed-use redevelopment opportunities on a variety of sites alongside the river and particular proposals for new infrastructure, which would be required to increase economic viability and improve strategic access. Some 120 acres of land were identified as having development potential; some 115 being in public ownership and only five in private. The plan identified the most appropriate locations for redevelopment and sought to integrate themes of tourism, leisure and recreation, landscape and culture, water regime and infrastructure. The plan indicated appropriate uses for particular sites, maximising the existing potential of location and buildings. The purpose was not to be overly prescriptive but to establish a development strategy that was economically viable.

It was recognised that the implementation of a co-ordinated strategy “within the present organisation/administrative structure of Government Departments, statutory agencies, Belfast Harbour Commissioners and the Belfast City Council, or the spread of responsibilities, interests and property ownership across these and private sector bodies”, was not feasible. Consideration was therefore given to the type of responsible body necessary to implement the plan. During the 1980’s development corporations were the preferred option for large-scale regeneration programmes of this nature but other options were considered. The creation of a development agency as in Scotland was considered but rejected as it would have been difficult to implement in Northern Ireland, given that no single agency had the range of owners necessary for such an approach. The development company approach used in Baltimore (United States), which established a public-private corporation, was also considered. Throughout OECD member countries differing strategies were emerging to address similar issues. The Toronto Waterfront Regeneration Trust and ‘Arbeiten im Park’ initiative in Germany are alternative approaches that created quite different models and pursued somewhat different strategies to achieve similar end goals. The box below highlights an approach taken in North-Rhine Westphalia (Germany). Elsewhere in Europe, local development agencies are usually public/private partnerships where local government rather than central government was a major stakeholder. Central Government through the Local Government, Planning and Land Act 1980 had introduced the concept of urban development corporations (UDCs) in Great Britain. The aims of the UDCs were to secure the regeneration

of designated areas through infrastructure and property based measures in partnership with the private sector.

Box 1. Regeneration policy in Germany and the example of North-Rhine Westphalia.

Germany has been particularly successful in developing sustainable urban policy which effectively addresses brownfields as part of an integrated strategy. Recent developments in both remediation and redevelopment initiatives and legislation reveal a more integrated cross-governmental approach than is evident in many countries. Strengthening urban centres has been an important policy objective for which the recycling of land has made an important contribution prioritised at both national and local level. Initiatives involve problems of integrating transport and land-use planning and of greenfield versus brownfields development. The federal government has adopted the objective of modernising urban centres to strengthen the economic and social base and environmental quality of cities. Goals are set for the Länder such as achieving a ten percent increase in the presence of small and medium size firms in inner cities and increases in housing provision on reclaimed sites. The Regional Planning Act 1998 will strengthen city centre function and structures, and the Federal Building Code is being used to support these policy changes as are transport initiatives and funding mechanisms. Within the Federal Building Code provisions for sustainable urban development are made, based on a recognition that social integration, environmental improvement and economic development can be supported through the provision of a mix of uses and social diversity. DM 250 million of public funds are being provided in 1998 to construct social housing in towns and cities, DM 9.2 billion has been allocated for the period 1993-2000 to reduce town and city centre traffic. The Federal Government has secured the commitment of the Länder and Communes in favour of town and city centres required to achieve equality of opportunities compared with greenfield sites.

The Federal Government, in co-operation with the Länder and the Communes, has supported the development of experimental innovative initiatives to bring about the regeneration of declining urban areas, and some of these experiments are discussed in the following chapter. Such projects have targeted areas in economic decline and addressed imbalances evident following reunification. Considerable public funds have been allocated to support experimental projects, Emscher Park for example receiving 75% public funding, (project costs are between 4-5 million DM).

The reuse of previously developed sites and restrictions on greenfield development will become more commonplace, assisted by concerted efforts for integrated policy and legislation which emerged in 1998.

The Government of the Land North-Rhine-Westphalia has had control of the Ruhr land reserves since 1980, and from 1984 the whole of the State's land reserves, to help the towns and settlements to prepare their larger wasteland sites for reuse. Using a commercial purchase agreement, the LEG State Development Corporation of North-Rhine-Westphalia (LEG NRW), took over the management of the land reserves in total and the management of individual projects. Until 1997, the land reserve fund (Grundstückfond) bought about 2 400 hectares and disposed of 971 hectares. The land fund reactivates areas fallen into disuse which the owner had given up using for commercial, industrial, or mining purposes, and which hinder town planning and development.

Modern style trading parks, among other projects, have been established on sites from the land reserves under the LEG philosophy 'Arbeiten im Park' (Working in the Park). The successful implementation of this philosophy requires that planning, reparcelling, infrastructure provision, financing public funding and marketing be controlled through one body. Town plans indicate that 54% of the development will be for industry and commerce, 42% for public uses and recreation and 4% for housing. Some 40% of the total area have been converted to new uses. The fund has invested 858 million-DM between 1980-97 and has been matched by other public funds at a ratio of 2:1, bringing total investment levels to 2,321 million DM.

In 1988 the explanatory document for a proposal for a Draft Laganside Development (NI) Order was released, recommending that an urban development corporation be established. This was considered to be the appropriate model for securing the regeneration of the 'Laganside' area and in 1989 The Laganside Development Order established Laganside Corporation. The Corporation would be a limited life body with a finite task of regenerating the designated area. Unlike its GB counterparts Laganside Corporation would not have additional powers of planning, public housing, building control and certain public health functions normally in the domain of public authorities; these would remain centralised functions within Northern Ireland. The Corporation would be set achievement targets and would be subject to a five yearly review process in accordance with Cabinet Office and HM Treasury guidance on Non-Departmental Bodies (A Guide for Departments (1992)).

Laganside Corporation

The 1989 Order stated that the regeneration of the designated area of approximately 140 hectares running along a 4.8 kilometre stretch of the River Lagan would be achieved by:

- bringing land and buildings into effective use;
- encouraging public and private investment and the development of existing and new industry and commerce;
- creating an attractive environment; and
- ensuring that housing, social recreational and cultural facilities area available to encourage people to live and work in the area.

A multi-faceted development strategy was pursued focusing on the:

environmental → economic → social

considered concurrently but emerging as a sequence through the actual development process. This would enable the lands to be remediated, infrastructure to be developed, investors to be secured and employment and training opportunities for local communities to be realised.

In 1995 the Department of the Environment for Northern Ireland carried out a review of the Laganside Corporation. From this review the mission statement and aims of the Corporation were broadened to contribute to the revitalisation of Belfast and Northern Ireland through the regeneration of the Laganside area, with the aims to:

- secure the regeneration of the Laganside area within an agreed strategy for the regeneration of Belfast;
- take account of the Government's policies on Policy Appraisal and Fair Treatment and Targeting Social Need;
- provide significant long-term economic, social and recreational benefits for the citizens of Northern Ireland;
- engage and secure the participation of local communities in the regeneration of the Laganside area;
- contribute to the development of a positive image of Belfast leading to increased investment and encouraging tourism.

At the outset the area was predominantly derelict land, with only 56 residential units within its original boundary. In 1997 the geographical boundary of the Corporation was broadened to include a built up area which is an interface between Laganside and the city centre, adding a further 45 residential units. The Corporation has responsibility for some 400 hectares of land. Communities abutting the area are typically inner city socially deprived. Some 12000 residents live in the adjacent communities and average unemployment is approximately 30% (four times the regional average and at 40% in 1991).

Title: The Lagside Designated Area (including Cathedral Quarter)



Source: McCadden Design

Organisational Structure

The Corporation has a Board of Directors, Chairman, Chief Executive and supporting staff. The Chief Executive and original staff were drawn from a variety of civil service positions, such as the Planning Service and the Housing Executive.

Funding

Laganside Corporation has received considerable public funds to secure private sector investment in the form of grant-in-aid from central government paid on an annual basis. Cumulative to 31 March 1998, this aid amounted to over £55 million. Other funding has come from the European Regional Development Fund (ERDF), as a result of region's Objective One status. Cumulative to 31 March 1998, this amounted to over £29 million. ERDF funding ends in 1999 as the European Programmes are reviewed and the region may well lose its priority status. Additional central government funding of over £40 million has been invested in the Millennium Project at Abercorn Basin as part of a nation-wide Millennium investment strategy. Additional grant-aid is accessed through Millennium, Heritage Lottery and EU Peace Initiative funds.

Institutional Roles

Principal landowners in the Designated Area are Belfast City Council, the Harbour Commissioners and government. Initially Laganside were not to become landowners for the whole area, but would co-ordinate the site assembly to facilitate co-operation with the private sector. Laganside were awarded the powers to vest land but this has not been used aggressively. For particular sites such as those in multiple ownership, Lanyon Place for example, this was not to prove a feasible strategy to attract private investment. Laganside, therefore became landowners only where necessary to ensure that the sites could be developed at a reasonable pace. In the case of the boundary extension into Cathedral Quarter Laganside became landowners of all land that had been in the ownership of the Department of the Environment, amounting to around 10% of the area.

The Harbour Commissioners and Belfast City Council were committed to the regeneration strategy for the area and remain involved partners. The Harbour Commissioners own significant amounts of adjoining

land – the successful regeneration of the area is therefore important for them in a long-term context. Belfast City Council, having ultimate administrative responsibility of the social and economic development of the city is aware of the importance of this area in the local and regional context. Both organisations have been important financial partners to Laganside, the latter being particularly significant in realising the important projects.

Regulatory Framework

As Laganside Corporation was not to be given the same decision-making powers as other UDCs, planning, environmental, highways and other statutory requirements have been subject to normal regulatory control. Neither fast-track nor experimental provisions were made to speed up the decision-making process. Laganside Corporation has operated within existing parameters and been accountable to central government. Frequently the role of the organisation has been as broker between developers and decision makers.

PART TWO - ACHIEVEMENTS

Redevelopment Projects within the Designated Area

From the outset ‘sites’ were identified within the Designated Area which would be released and redeveloped through a prioritised approach in order to make an early contribution to the needs of the city. Major infrastructure works, such as the Lagan Weir and the cross-harbour road and rail bridges were prioritised for early completion, as were the provision of walkways along the riverside. Addressing the physical and environmental degradation of the area was also a key priority. The sites within the area (using the most recent names) are: Lanyon Place, Mays Meadow, Gasworks, Clarendon Dock, Abercorn Basin, McCauseland Site, St George’s Harbour, Laganview, Donegal Quay, Cathedral Quarter, Pottinger Quay, Ravenhill Reach, and Greggs Quay. Laganside are only permitted to facilitate development within the boundary of the Designated Area.

In advance of the completion of major infrastructure projects, the decision was taken to market some of the sites and to commence construction. Prioritising individual sites raised the economic profile of the area enabling results to be visible; it also allowed for the flexibility of priorities and schedules. The development strategy would of course be determined by the considerable infrastructure activity, with environmental and land clearance works taking place concurrently. The early development priorities defined in the first Corporate Plan (up to 1996) were:

- Completion of the Abercorn Centre and the first housing development at Bridge End.
- The Laganbank complex (Lanyon Place).
- Ravenhill Reach between the River Lagan and Ormeau Park.
- The former Gasworks site, between the lower Ormeau Road and the river.
- Clarendon Dock and surrounding area.

The flagship site, Lanyon Place, was recognised as being particularly important to focus on at the outset. Infrastructure works in the Designated Area were tackled at the beginning and became the key to the entire project. These included major infrastructure changes needed to the area, road improvements leading into the sites, new on-site roads and services and riverside walkways. These were also to be amongst the most costly to carry out.

The Lagan Weir, completed in 1993 at a cost of £14 million, has eliminated the adverse effects of the tidal river. A programme of river dredging and aeration improved the water quality and depth of the river. The river can now be used for recreational and sporting activity. Alongside the weir viewing platforms and a pedestrian bridge have been provided together with a Lookout Visitors Centre. It is certain that unless the River Lagan had been improved to a high standard there would have been no market for any of the riverside lands.

Figure 1. The River Lagan prior to 1989



Source: McCadden Design

Cross-harbour road and rail bridges were constructed down stream from the Weir, (the Lagan and the Dargan Bridges). The Lagan Road Bridge links the M2 with the Sydenham Bypass providing relief for cross city traffic and improving access to the Clarendon Dock and Abercorn Basin. The Dargan Rail Bridge connects the Larne railway to the Central Station and through to

Dublin. Along the riverbanks continuous walkways are under construction connecting the site internally and with the rest of the city.

Box 1. The Lagan Weir

A major feature of the Laganside Development Plan was the proposed construction of a weir downstream of the Queen Elizabeth Bridge and upstream of the Victoria Channel. The purpose of the weir was to create an extensive impoundment providing an attractive riverside environment which covered the visible mud flats at low water. The 140 hectares of derelict land which edge the River Lagan demanded an attractive river frontage against which the regeneration of area could occur. Transforming the river into a useable commodity for recreational activities was a desired outcome. The weir would also be required to prevent or minimise flood risk to Belfast City Area.

It has long been recognised in Belfast that the successful redevelopment of the lands adjacent to the River Lagan was dependent upon the successful environmental management of the river. Pollution in the River Lagan dated back to the 18th and 19th centuries. Various investigations carried out by the Department of Economic Development from 1978 onwards supported both the needs for a weir and for the aeration of the riverbed.

In 1986 a feasibility study was carried out for the Department of Environment Construction (DOE Construction) and in May 1987 the Civil Engineering Department of Queens University Belfast (QUB) was commissioned by DOE Construction to carry out a further feasibility study to examine the potential flood risks which may result from a weir, along with water quality issues which would arise. In 1989 QUB recommended that the weir and its impoundment should be semi-tidal with a controlled water level. The report also considered environmental factors relating to the water quality issues, which could minimise pollution flowing into the river, and which existed on the riverbed.

Construction of the weir took place between 1991-1994. Since construction the weir has prevented the flooding of the city area on two occasions when freak conditions arose. From an environmental perspective water quality has been improved and pollution minimised, realising positive effects for residents living in proximity to the river and fish and wildlife. Salmon have been reintroduced to the river and in 1997, over 400 returning salmon were estimated to have entered the freshwater Lagan to spawn. To complement this Laganside have facilitated a new wildlife bank fronting the Gasworks site, and waterfowl and seals are observed in the impoundment.

The weir has met its main requirement of facilitating recreational and commercial activities. Resulting economic investment in the area to date is significant, as revealed elsewhere in this chapter. The river now accommodates greatly increased recreational opportunities on and off the water. Extensive walkways connect the river to local communities which had turned their backs to the river in the past due to its noxious character, and public spaces which have been created along the river combine to strengthen the integration of the River Lagan into the city centre.

In addition to the economic, environmental and social benefits facilitated by the weir Queen's University have developed a successful estuarine density research programme which further strengthens linkages between local regeneration and knowledge-based development. Sound regeneration strategies should have a positive influence upon all sectors within communities.

By 1995, the date of the first Departmental Review, because Laganside had until then concentrated on the infrastructure, land clearance and environmental works, the real economic potential of the redevelopment of the area had yet to be realised. At the time of assessment (end of 1994) approximately 15,220 sq. m of office space had been constructed, 8,460 sq. m of buildings refurbished and 75 dwellings constructed. In terms of job creation 858 full time equivalents were generated, mainly in office employment. In the period that followed, the development of other sites in the area has accelerated. The second Corporate Plan (see Table 5) produced in 1996 contained a list of objectives to be realised by the end of that year.

Table 1. Achievements December 1996

INFRASTRUCTURE	
Weir	Complete
Walkways 2,450 m	Complete
Dredging 4,850 m	Complete
MCCAUSLAND SITE	
Phase I	
6,500 sq. m office space	Complete
Bus Station	Complete
LAGANVIEW	
Phases 1,2 and 3	
53 Private Housing units	Complete
LANYON PLACE	
Waterfront Hall	Complete
Master Development Agreement	Signed
Hilton Hotel (187 room-5 star)	On Site
BT Regional Headquarters	
12,000 sq. m	On Site
Other schemes under negotiation	
Total Development Cost:	£120-£130
RAVENHILL REACH	
Phase I	
51 Private Housing units	Complete
36 Housing Association unites	Complete
465 sq. m of small scale offices	Complete
CLARENDON DOCK	
10,000 sq. m office space	Complete
4,500 sq. m office space	On Site
GREGG'S QUAY	
32 Private Housing Units	On Site
MAYS MEADOW	
£25 million development	Agreement signed
BIH Housing Scheme	On Site
MAYSFIELD	
Private Housing Scheme	Under negotiation
GASWORKS	
£35 million development	Under negotiation

Source: Laganside Corporation 1996

The vigour with which the Corporation has pressed ahead since the end of 1994 is noticeable. The table below highlights the current development status, demonstrating the considerable achievements of the past five years. Many of the sites are well on their way to completion and many of the developments look like being on target. Cumulative to 31 March 1999, some 59350 sq. m of office accommodation has been constructed, 55415 sq.m of buildings refurbished, 331 housing units built, as well as 9735 sq.m of retail and leisure facilities. To date, the office accommodation realised in the Laganside area represents some 10% of the city's stock. New developments will of course increase this figure. The table below gives an indication of the considerable

development which will be realised over the next three years. Permanent jobs secured in the area were 3866 by March 1999 and will be 10884 by 2002. When the scale of the physical works involved in redeveloping the area is considered, together with typical features of the development process, this pattern is quite normal.

Table 2. Accumulative and Projected Outputs

	Cumulative to:	31/3/99	99/00	00/01	01/02	Total
Land cleared for Commercial use	(ha)	47.30	1.70			49.00
Land serviced for commercial use	(ha)	38.50	0.50			39.00
Roads built	(km)	1.95				1.95
Areas cleared for Housing	(ha)	6.40				6.40
Completed Public Realm	(ha)	12.30	1.20			13.50
Completed Buildings:						
Office	(m sq.)	59350	5650	49950	25400	14035
Retail/Leisure	(m sq.)	9735	1265	5600	3000	19600
Housing	(units)	331	59	352	245	987
Refurbished buildings	(m sq.)	55414	12075	7340		73830
Walkways	(m)	2960	660			3620
Net Corporation Cost:						
Grant-in Aid	(£000)	62782	7074	7074	7074	84004
ERDF	(£000)	30997	641			31638
Non Corporation Investment:						
	(£000)	21900	86000	14900	76000	53000
Construction Jobs:						
Corporation	(yrs)	1569	81	98	116	1864
Non Corporation	(yrs)	6738	2262	2400	3834	15234
Total	(yrs)	8307	2343	2498	3950	17098
Permanent Jobs:						
Laganside area		3866	1034	3186	2798	10884

Source: Laganside Corporate Plan 1999.

Department of the Environment Review of Laganside Development Corporation

The quinquennial review of Laganside Corporation took place in 1994 and was published in 1995. Laganside Corporation initiated the Review process. The two stage review, which evaluated the performance of the Corporation over the first five years and considered the future needs of the organisation, found that:

"The Department's judgement in setting up the Corporation in 1989 to pursue an integrated and single minded agency approach to the regeneration of the Designated Area has proved to be correct".

The Review also recognised that to achieve the broader regeneration strategy set for Belfast the missions, aims and objectives of the Corporation needed to be more comprehensively developed. This 'recommendation' is reflective of changes in Central Government thinking towards urban policy from the original Development Corporation model of the 1980's. During the first five years Laganside Corporation focused on remediating contaminated land, clearing dereliction and installing new infrastructure. The Review determined that whilst " these represent important benefits in their own right many of the further potential benefits will not materialise until new development takes place on these sites and premises are occupied by competitive companies". Since the Review, considerable development has taken place and occupiers are now on site.

In revising the objectives for the Corporation the review strengthened the emphasis on the need to:

- "improve the links and access between the Designated Areas and the city centre;
- accelerate the final stage in the development process, particularly on the sites not owned by the Corporation, by providing developers with incentives for an element of speculative development; and
- attract overseas companies to invest in Laganside through an enhanced programme of promotion for the Designated Area and Belfast as a whole." Moreover, "these added dimensions to the objectives would contribute to securing the benefits of the whole Laganside Corporation exercise and ensuring that they are spread widely amongst the residents of local communities and Belfast as a whole."

The second Review process is to start late 1999 when the responses to the recommendations of the first review will be evaluated, presenting further opportunities for policy shifts to be transferred into the process and to determine the ultimate future of the organisation.

PART THREE -LESSONS LEARNED

Parts One and Two revealed the reasoning behind the formation of Laganside Corporation and clarified the context within which the Corporation commenced work in Belfast. This section will draw on the lessons of the Laganside experience, which will continue to influence the future of Belfast, and which have broader significance in an international perspective. The Laganside experience therefore, has relevance within comparative regional, national and international contexts.

Laganside Corporation emerged from the same urban policy ethos as the other UDCs, now wound-up in England. These bodies were intended to provide more concerted government support for enterprise development through infrastructure-led development. This was one of the most radical regeneration policy mechanisms to emerge from the election of the Conservative government in 1979, when emphasis shifted from a largely public sector implementation of social oriented urban policy to a new emphasis on private sector investment and economic objectives. The creation of twelve Urban Development Corporations (UDCs) during the 1980's financed by and directly responsible to *central* government led to considerable private sector investment into declining areas to remediate land, reinforce infrastructure and develop incentives for business occupiers. (The emphasis was very much on physical regeneration.) The UDCs also received public grants of £4 billion over their lifetime and approximately £15 billion in private investment. UDCs remediated and redeveloped some 3,540 hectares of derelict and contaminated land, and added only 232,000 jobs throughout England. Trafford Park, Manchester, is one example of the use of UDCs to try to reverse years of economic and social decline. Founded in 1987 the Trafford Park Development Corporation (TPDC) rehabilitated 152 hectares of derelict or underused land over a ten year period. Investment levels were significant, attracting £1013 million of private investment as compared to £201.6 million of public grants. The results and approaches taken by the UDCs were indeed variable, but their main thrust was the same. Criticisms have been levied at the 'exclusively economic' approach of the Urban Development Corporations which resulted quite often in an unbalanced emphasis on physical outcomes to the detriment of more holistic approaches. These 'criticisms' serve an interesting purpose in promoting a better understanding of why Laganside

Corporation has reached a high point and help to clarify why the Laganside model has been considered effective.

It is worth considering some of the relevant findings of research by Roger Tyms: “Urban Development Corporations: Performance and Good Practice” DETR 1998. The summary document points out that:

“The experience of UDCs suggests that, in areas as severely degraded as the UDAs, and given the objective of kick-starting investment and economic activity, this model has major advantages. UDCs objectives and targets were narrow: they focused almost exclusively on the designated areas, showing little or no interest in the wider economies and communities of which the UDAs are part. Consistent with their legislative remit, the UDCs considered that their objectives related to the UDA alone. If this delivered benefits to a wider area, for example by raising employment for the wider town or sub-region, so much the better; but such wider benefits were not considered to be the objectives of the Corporations, or yardsticks by which their performance should be judged should judge their performance”.

This report nonetheless promoted a broad view.

“In a wider perspective, however, we have seen that the narrow focus could be overcome if delivery agencies focusing on physical renewal are more firmly anchored in policy objectives and strategies for the wider areas of which they are part, and are more closely integrated with other agencies tackling problems related to social exclusion, so that the benefits of investment-based regeneration are channelled to deprived local communities.”

Whilst emerging from the same policy ethos as the English UDCs and being charged with similar priorities, Laganside Corporation is somewhat distinct in the way it has developed. The reasons for this relate in part to the comparative 'constraining' parameters within which they operate, outlined in Part One, namely the uniqueness of the situation in Belfast and Northern Ireland and the methodology employed by Laganside. Out of 'the Troubles' has emerged a model/strategy for regeneration, which although operating within a framework of extremities has broader relevance. Cities and regions do not have to share the political past of Northern Ireland in order to benefit from its know-how.

As detailed in Part One, the origins of the Laganside concept lie in the Belfast Urban Plan, a strategic document which plans for the growth of the city in its metropolitan and regional contexts. The decision to create a development corporation was consistent with governmental policy for the implementation of

such strategies and has proved to be a technically appropriate mechanism. Laganside Corporation was not charged with the regeneration of Belfast; it had a particular area to redevelop, which for several decades was recognised as being in need of regeneration. Laganside is a piece in the overall social and economic fabric of the city. Government Departments and the City Council have simultaneously pursued and developed strategies for the rest of the city. From the outset Laganside as the catalyst of the initiative worked in partnership with statutory agencies and the private sector to redevelop the area, with a goal to contribute to the overall regeneration of the city.

The single agency approach through the creation of 'specific bodies' charged with implementing the regeneration of particularly defined areas could be a highly successful tool in securing the redevelopment of derelict landmasses in urban areas. Numerous examples exist throughout OECD Member countries which assert the importance of this approach. The OECD 1998 study on Urban Brownfields, after surveying some 20 OECD member countries, found that.

"Strong public sector involvement is widely recognised throughout the case studies to be crucial to the realisation of redevelopment projects involving brownfield sites. This 'involvement' takes on many roles, co-ordinate, and funding and regulatory action being some of the more important. Local government agencies are frequently in a unique position to form partnerships with the private sector and develop a vision for a local area which addresses the needs of the local community."

Over the past two decades regeneration efforts throughout OECD Member countries have benefited from extensive international exchange and dialogue. The United Kingdom, in developing regeneration strategies, has drawn reference from both the United States and fellow European Union Member States. (The original inspiration for the development corporation experiment emerged from the United States). Regenerating waterfronts often blighted by industrial decline has been a key feature of many area-based regeneration projects and has developed its own international momentum (e.g. Baltimore, Boston, Genoa, Barcelona, Rotterdam, Glasgow, Newcastle-upon-Tyne, Toronto and Yokohama). The strategies pursued by Laganside Corporation and methodology to achieve results provide valuable lessons for the United Kingdom and throughout OECD member countries.

Laganside as a public body has played a pivotal role in regenerating this polluted, derelict and abandoned area of Belfast. The organisation has created a bridge between statutory authorities and the private sector. It has brought about considerable investment over the past ten years. Achievements

have emerged from the strategy pursued and the sequence followed. Some of the most noteworthy successes of the Corporation are:

- the new public spaces;
- the re-urbanisation of the city;
- attracting major corporate investment;
- creating a confident new image for the city and the region; and
- institutional innovation.

The local private sector asserts the importance of a single agency in facilitating large-scale redevelopment programmes of the type embarked upon by Laganside. This emerged as an important element to realising private sector investment in regeneration in the report “Accessing Private Financing” (Adair et al,1998).

Whilst accountable to the Department of the Environment, the Corporation has made considerable efforts to adopt a multi-agency approach. The lack of local accountability is always a contentious issue with government created bodies, where no local accountability exists. However, appropriate liaison and the belief in partnership to achieve a mutually beneficial end goal does help prevent this tension, Laganside understood this at the outset. Being ‘outside’ localised political institutions can facilitate a more focused approach, which is less vulnerable to political turbulence, which can affect timescales and outcomes. That said, an effective process of consultation and transparency is essential. Over the past decade, Laganside has developed a communication strategy, and through its Community Officer, has engaged in meaningful dialogue with local communities, an area expanding as more of the developments reach completion.

Infrastructure

The sequence pursued by Laganside Corporation has undoubtedly been the key to their success. Whilst its remit was legislatively defined, the formation and implementation of the strategy to achieve the determined objectives was the responsibility of the Corporation and its Board. The 1999-2002 Corporate Plan states that:

“The Corporation judges that the poor environmental quality infrastructure of the area discouraged private sector interest and investment. It adopted a strategy of investing in the provision of river-related infrastructure

and environmental improvements, the objective being to improve both the condition and the perception of the river and by doing so, to create a river corridor which would attract investment.”

The Corporation assessed the necessary levels of public investment in site infrastructure and environmental improvements to attract private sector investment to each of the priority sites. The strategy for the early years was based on the premise that the substantial economic, social and recreational needs of the area required substantial private sector investment. Initial investment from the public sector in the infrastructure as well as land remediation and environmental improvements was therefore needed to build confidence. Internationally, the wider benefits of early investment in infrastructure are recognised, helping to generate support in the community and to boost private sector investment.

The Designated Area is a very real part of Belfast's history, and as with many post-industrial cities the need to change the relevance of a place to meet present and future economic and social needs requires direct action. Finding a new post-industrial relevance for the area was linked to developing a forward-looking strategy for the infrastructure. The scheme would not have been viable had the infrastructure not been addressed. In order to maximise waterfront potential in economic terms the identity of the area had to be recreated, controlling the river and surrounding transport systems was an appropriate solution. The public sector was willing to accept responsibility for this task and allocated the resources to carry out the work. Private sector investment and confidence has been forthcoming as a result of this. The serious market failure of the Designated Area was accepted by both public and private sectors. The methodology of targeting resources to resolve infrastructure and environmental factors has worked. The 1998 OECD Urban Brownfields study found that:

“The importance of addressing infrastructure requirements at the early stage of a project has been widely accepted. Private investors and communities feel the benefits alike, when transport systems and services are integral, strategic elements of projects.....Getting the infrastructure right at the beginning of the development process facilitates greater opportunities for success.”

The benefits of the infrastructure changes initiated by Laganside are experienced within the local and supra-local contexts. The sites within the area will ultimately provide leisure and cultural facilities that are accessible to the region. Economically this is an important factor for a project of this type which has incorporated a significant level of ‘cultural opportunities’.

Large-scale redevelopment programmes such as the Laganside Designated Area require that infrastructure development, land remediation and service provision are planned in a comprehensive and logical order, and are tied into the broader strategy for the area. Laganside prioritised the major roadworks and river as a result of their considerable potential impact. Site by site concept plans were prepared to achieve this. The significance of each of the major elements was clear: the construction of the Weir and the dredging of the river facilitated the mixed use developments occurring along the river bank. People can live, work and spend their leisure time in a part of the city where once they had no reason to go.

Major infrastructure changes can be complex, costly and contentious. Laganside was in somewhat of a fortunate position in that the works to be carried out were widely recognised as being essential to the future life of this area. The Organisation enabled the works to be well co-ordinated and completed within a timescale that instilled confidence in investors. Co-ordinating such large-scale works with different public agencies and landowners is a process that requires focus. The remit of Laganside enabled results to be achieved quickly thus giving impetus to the normal cycle of the development process.

Liganside were of course able to accelerate the progress of the infrastructure works through the availability of European Regional Development Funds, without which it is unlikely that such an ambitious project could have been carried forward. Until 31 March 1998 grants of over £28 million have been awarded to the Corporation.

Contaminated Land

The presence of brownfield sites in urban regions is linked to the often dramatic and rapid shifts from heavy industrial processes to service and knowledge-based economies, with different technological needs and changing employment patterns. The resulting derelict land has a negative impact on communities and investors alike, thus further inhibiting the capacity of cities to cope with economic transition. Physical degradation, contamination or the perceived risk of it, and a lack of maintenance or modernisation all compromise reuse and depress demand for these sites. These have been exacerbating factors in the Laganside area. Therefore, as part of the strategic approach to preparing the Area for development, the corporation recognised the need to address contamination. Utilising public funds for site remediation is widely recognised as being an important factor in revitalising the economic potential they present.

A 1994 World Bank/OECD report, “Environmental Liability and Privatisation in Central and Eastern Europe” commented that:

“The task of cleaning up contamination requires long-term commitment of public and private resources. Achieving a balance between public sector and private sector responsibility can be difficult. Reliance on private sector liability for past pollution can lead to high transaction costs and a diversion of resources into litigation rather than clean-up.”

The remediation of contaminated land within the designated area was part of this process, the Gasworks site being the most problematic (some 9 hectares of contaminated land have been remediated at a cost of around £4 million to Laganside). The worst pollution was removed from the site using other public funds. The significance of this to securing an effective redevelopment programme is well-known: where public money is used to this effect, private sector investment is usually forthcoming. One of the sites within the Designated Area, the Gasworks, was awarded ‘The Reclamation of Contaminated Land Award’, for 1998 by the Royal Institute of Chartered Surveyors. The Institute commented that:

“Gas production on this prime piece of city centre land adjacent to the Ormeau Road in East Belfast ceased in 1987. It had been seriously contaminated for over 160 years. Belfast City Council, in conjunction with the Laganside Corporation, saw the potential which these 25 acres, straddling two divided communities, might have for business, community and leisure activities.

The initiative shown in rescuing this contaminated site is inspiring as it is located in an area of Belfast particularly sensitive to community tensions. The reclamation and decontamination of the land occupied by The Gasworks is an excellent example of the results that can be achieved with a collective will to breathe new life into a derelict site in a strategically important location. The retention of the main run of offices and laboratories on the frontage gives character and a visible connection with the area’s history. The provision of infrastructure for the future development of the site and interest shown by developers will ensure the long-term success of the project”.

Other public agencies operating in Belfast recognise and assert the importance of these works to the city and the wider region, as well as the benefits of having a specific organisation able to deliver the results. Recognition of the negative impact the area had upon the City as a whole dates back to the 1960’s, and the constraints which prevented then responsible agencies from tackling the problem are widely accepted. The unique position

of the Corporation within the city to instigate the required changes is clear and the value of their role endorsed. The Designated Area of Laganside lies strategically adjacent to the city centre, greatly increasing the potential gains. Spill over effects from Laganside should lead to further development of the inner city, intensifying the city, which can enhance the quality of urban life and has the benefit of increasing sustainability and reinforcing what is already relatively compact city.

Similarly, the private sector, whilst generally recognising the importance of the Corporation, sees the provision of infrastructure, services and the extensive site preparation as the pivotal factor in realising the potential of the Designated Area. The recent report “Accessing Private Financing” (Adair et al, The Royal Institution of Chartered Surveyors and the Joseph Rowntree Foundation) asserted the importance of such activity from the public sector in generating private sector confidence and investment.

From an environmental perspective decontaminating both land and river has made an important contribution to the city. Brownfield and derelict sites have an important role to play in redeveloping urban areas. Attempts have been made for several decades to contain Belfast; redeveloping this strategic inner area site adds support and momentum to well established policy aims.

Box 2. The Brownfields Initiative in the United States and the example of Portland, Oregon.

The Brownfields Initiative was established to address the numerous sites suffering from varying degrees of real or perceived contamination and/or environmental degradation. The program is a five-pronged effort to achieve redevelopment of these sites as a means of revitalising and regenerating the urban centres. This programme therefore provides a link from remediation which is environmental in focus, to regeneration, which is socio-economic in character.

- Site assessment pilot projects to determine the extent and complexity of site contamination.
- Revolving loan funds to capitalise cleanup of assessed properties to spur redevelopment.
- Support for State voluntary cleanup programs to address sites not currently being addressed under the national programme.

- Workforce development and Job Training initiatives to create the skilled workforce to step into newly created jobs in the pilot communities.
- Social research to provide best practices to communities nation-wide while removing policy and procedural obstacles to redevelopment and revitalisation.

The Brownfields Initiative has provided \$48 million to 228 communities in the form of assessment pilots. These moneys have leveraged over \$1 billion in public and private redevelopment and cleanup funds. Additionally, 16 Showcase Communities have been designated to demonstrate the successful, systemic use of brownfields and community empowerment concepts to revitalise urban centres. Ten Job Training grants have been provided to non-profit organisations for workforce development. To date, the Initiative has generated over 2,000 new jobs in brownfields communities.

Each project receives \$200 000 over two years to " test redevelopment models, direct special efforts toward removing regulatory barriers without sacrificing protection, and facilitate co-ordinated site assessment, environmental cleanup and redevelopment efforts at the federal, state and local levels". The Showcase Communities initiative, which supports 16 projects, has three main goals: " to promote environmental protection, economic redevelopment and community revitalisation". The Brownfields National Partnership Action Agenda is a clearinghouse for the commitments made by the over 20 Federal agencies working in the Brownfields arena. Through the National Partnership, the Brownfields Initiative has become a multi-sector, multi-faceted process for national renewal.

Portland (US) an EPA Showcase Community, is the oldest and largest industrial, shipping and commercial centre in Oregon. A 1994 survey revealed 484 contaminated sites on undetermined size, more than 600 with a suspected or threatened release, and approximately 40 sites of 10 acres or more. The City pursues a development strategy that combines business recruitment, job creation and urban revitalisation with long term smart growth management, transportation planning and environmental protection. The cleanup and redevelopment of brownfield sites is seen as an integrated aspect of the City's growth. The projects involve public private partnerships, leveraging substantial investments in private dollars through public projects. Hundreds of acres of contaminated sites have been recycled and thousands of jobs created. The Brownfields Strategy adopted connects jobs, smart growth, transportation and environmental innovation.

The population of the City is expected to grow by 500,000 over the next 20 years and as a result the reuse of brownfield sites has become a critical element in planning for this growth. Preventing urban sprawl is an identified target and developments such as the Enterprise Community, North Macadam, the River District and the Waterfront Industrial Complex are all steering growth and development into urban cores.

The River District contains more than 100 acres of contaminated, underdeveloped rail yards and other industries. The City, in partnership with the private sector is cleaning up the properties and developing a high density urban community. The development includes 5 000 new units, of which 35-55% will be dedicated to low income households. The \$8.8 million State owned Food Innovation Centre is being developed on site, as is the \$10 million privately finances Oregon Agricultural Centre and £13.1 million, publicly finances transportation and infrastructure to support the project. Central City Streetcar Project aims to create 75 000 new jobs and 15 000 housing units in the urban core.

Initiated with assistance from the US Department of Housing and Urban Development and Department of Transport the \$42 million urban rail based system has leveraged significant investment into two other brownfield projects. The North Macadam site comprises 145 acres of vacant and industrial land. The area included a former steel plant, barge construction operation, and other industrial uses. The redevelopment of these sites will provide 1,725 units of mixed use, affordable and residential housing and 1.5 million square feet of new commercial and office space to provide 8,000 jobs. The South Waterfront Redevelopment area, a 45 acre \$180 million redevelopment project proposing a commercial, residential and office mix of uses on former power station, lumber mills and scrap yards. The last 2.5 acres portion of the site, to be completed under a Showcase Community Programme, will finalise a 1,000 foot section of the Willamette Greenway Trail, linking a waterfront park esplanade with other brownfields redevelopment projects to provide community recreation and pedestrian access to employment.

Economic Outcomes

The economic benefits of Laganside are now becoming apparent. The organisation has secured considerable private sector investment to date, which will increase substantially over the next three years. At 31 March 1999 cumulative non-corporation investment in the area stood at over £219 million. Non-corporation investment is a combination of public and private investment, the actual percentage differential between the two being unknown.

Surprisingly, the level of private investment taking place throughout the city is also unknown, therefore making it possible to determine Laganside's share in and contribution to overall development in Belfast. Such information would facilitate the pursuit of city-wide economic strategies.

Belfast, with all of its economic and political difficulties, was not an easy place to commence such a dramatic large-scale redevelopment. Yet since the 1995 review the "outputs" and investment levels have increased considerably. Public sector costs remain high, particularly considering the substantial investment by Belfast City Council. Given the schedule of work and the "up-front" costs associated, this is not unusual – this investment will continue to facilitate private sector investment, which could ultimately be at a ratio of 1:4.5. If Laganside achieve this potential investment ratio such results will be remarkable given the political and economic environment in which it has been operating over the past decade

Laganside has developed the sites along mixed-use principles with projects of varying scales. Economic success from the residential components has been considerable. The properties constructed to date have been commercially viable, providing Belfast with a new type of residential unit – owner occupied apartments – for which demand has outstripped supply. The economic benefits go beyond the realisation of real estate value– encouraging people to live in inner city areas, in owner occupied accommodation, stimulates city economies. The spill over effects beyond the Laganside area soon became apparent. It is true that 331 new homes will not regenerate the city centre – but it is a sign that the city centre is changing and can stimulate more use of "downtown" areas. Investment in residential accommodation has been highly successful, the scale of which was not anticipated at the outset. Cumulatively, this can reduce greenfield development, thereby enhancing sustainability.

Investment from other uses, particularly the office and leisure facilities, is expected to be considerable. The flagship site at Lanyon Place is an important example. The decision by the City Council to invest £21 million in the Waterfront Hall partnered with a £10 million grants from Laganside and a £4 million grant from the EU was an important economic stimulus. Similarly, on this site – Laganside stressed the need for a five star hotel – the developer had to secure this to realise the development. Hilton hotels were secured as an investor – willing to actually invest in the building, again an important economic stimulus. Hilton received a grant of £6 million from Laganside. The investment in total is worth some £24 million. British Telecom, which is relocating its split site Belfast operation to the area invested over £30 million (without a grant) to develop its regional headquarters. The principal developments on the Lanyon Place site were negotiated pre-cease-fire, which is

not an insignificant fact. In the context of Belfast the site in close proximity to the Law Courts obviously carries with it certain risks. Other main commercial investments are from the financial services companies Abbey National and Prudential, each investing £5 million in two call centres without grant aid from Laganside. Abbey National, however, is receiving “per employee” grants from the Industrial Development Board as an incentive to locate in Northern Ireland (an example of the measures depressed regions have to go to in order to secure investment).

The commercial office space being provided at Laganside is high grade and can command higher rents than elsewhere in the city. As over 50% of ultimate employment creation will be a result of relocations from within the city, the subsequent effect on the city centre has to be considered. The Belfast Office Market – 1998 produced by the Valuation and Lands Agency notes that more than 40% of the vacant office space in the city is poor quality. Many occupiers have “traded up” to the Laganside area. The substantial relocations such as BT and Prudential will leave behind well located buildings which should not be too problematic to re-let. Poor quality accommodation however will need to be considered for new uses and owners are responding. The buildings being constructed by Laganside are of high specification (even the call centres follow this model). The sites within Laganside also offer surface level car parking and are close to public transport points – important factors to local and new businesses.

Recreation and leisure uses should bring substantial amounts of investment into the scheme. An important contribution to this will come from the Millennium site at Abercorn Basin. The Odyssey Project is worth over £100 million has received public sector grants of over £40 million. The nationwide Millennium Programme seeks to realise developments speedily. Again, public money is being used to attract private financing. The project, particularly the stadium will serve the entire region – improving the competitiveness of Belfast to attract national and international events.

Further spill-over effects of Laganside are becoming evident. Fringe investment by the private sector is estimated to be at £52 million (at 31 March 1999). The cyclical effects of this type of regeneration are coming to fruition. Just as Belfast has for a while experienced the “Dublin” effect, the rest of the city is benefiting from the Laganside effect.

Job Creation

Job creation is a high priority for many regeneration programmes; the emerging social and economic benefits can have significant impacts. As noted in Part One, because Belfast has severe unemployment problems, the extensive redevelopment of the area is expected to provide local jobs. However, as with the majority of regeneration initiatives, the expectations of employment opportunities frequently exceed the results. It will be difficult to ensure that the jobs created on the Laganside site touch the deprived communities bordering the area. On completion the Laganside area hopes to employ some 11,000 people of whom over 50% will be relocations/expansions from within the city. In order for residents from the most socially deprived communities to benefit, the training initiatives emerging from concentrated efforts between the City Council, Laganside and the Training and Employment Agency must go forward at a pace which can have an impact.

The Gasworks site within Laganside proposes a broader employment mix with smaller entrepreneurial opportunities. To maximise the employment potential of this site for nearby communities Laganside, in partnership with Belfast City Council, commissioned a 1998 study by PriceWaterhouseCoopers, "Gasworks Employment Initiative" to determine a strategy for the Gasworks site, and to evaluate the impact of employment opportunities upon surrounding communities upon which strategies are being developed, which will take a multi-agency approach to employment creation.

New employment opportunities in the area are expected to be concentrated in the service sector, including 'call' centres and clerical jobs. Call centres currently employ almost one million people throughout Europe. Between 1995-1997 they accounted for approximately 37% of new jobs created and by 2000 they could represent 1% of Europe's total working population. Call centres are relatively common in regeneration initiatives. However, they can only be relied upon with prudence. The very nature of their employment base means that they do not actually address some of the key problems faced by unemployed communities. Indeed, over the long term call centres may not prove to be a sustainable form of employment creation, given technological advancements and the Internet. When included in development they should be part of a balanced programme aimed at achieving a mix of employment opportunities rather than the prime source of employment generation.

Figure 2. Mays Meadow - The Abbey National Call Centre



Source: McCadden design

Service sector employment through the hospitality sector is another key source of employment in Laganside. Together with the Training and Employment Agency, training opportunities for local residents have been pursued to enable some to have the opportunity to apply for emerging jobs. Numbers involved are small-scale. However the need for these types of opportunities is widely recognised and Laganside is pro-active to achieve jobs for the unemployed where possible.

The Laganside area has reinforced the service nature of the wider economy in Belfast. Given the location of the site and the importance of maximising economic potential of the waterfront, it is now for the city to target multi-sectoral employment programmes with broad based regeneration strategies, including environmental enhancement, and education and skills development. Of equal importance is a mix of high, medium and low technology employment opportunities to ‘mop-up’ the high levels of unemployment caused by industrial restructuring. In terms of employment

creation for Belfast, Laganside should be part of a broader picture emphasising that all aspects need to function to achieve city-wide impacts. The training and employment strategies coming in to existence are important as they reflect a reinforced partnership approach that is vital.

Box 3. Greenwich, United Kingdom

The Greenwich and Woolwich Waterfront was, throughout the 19th and early 20th centuries, an important manufacturing base. The Royal Arsenal employed up to 80 000 people to supply arms for the Crimean, Boer and World Wars. At its peak the Waterfront employed some 150 000 people. Over the past thirty years the manufacturing base has collapsed. Greenwich now shows signs of severe urban decay and has high unemployment, poverty, dereliction and environmental degradation. Manufacturing jobs now stand at 6 000 in the Borough, unemployment was over 30% in some parts of the Waterfront area, rising to 50% for male unemployment in parts. The regeneration of the Waterfront is being co-ordinated by the Greenwich Waterfront Development Partnership and approached through an integrated strategy which identifies the key elements as: site development; economic development; education; training; community development and enterprise; tourism; housing; environmental improvement and community safety. The regeneration of the area is crucial to achieving the vision for London of a city with a strong economy, good quality of life, a sustainable future with opportunities for all.

As part of the regeneration strategy, the Greenwich Local Labour and Business (GLLaB) has been launched by Greenwich Council to maximise job opportunities for local people and to help secure business opportunities for local companies. Services to local residents include matching people to local job opportunities; guidance and skills assessment; and training support. Services to local businesses include matching skilled local workers to jobs; advice on contracting and tendering; business support programme and arranging and procuring training for new employees. Where possible local employment and businesses opportunities are being sought during the construction and completion programmes. GLLaB has helped place 500 people in work and secured training opportunities for another 500 to help them secure work in major development schemes.

Private Sector/Commercial Context

"A sustainable economic base can be created in the inner city, but only as it has been created elsewhere, through private, for profit initiatives and investment based on economic self-interest and genuine competitive advantage". (Porter)

The market failure of the Laganside district until the 1990's is well documented, and has been touched upon in Part One. The private sector needed a catalyst to initiate the full-scale redevelopment of this area. Planning the strategy for the sites to be developed required that attention be paid to achieving economically viable investment. Consideration has to be given both to the role of the Development Corporation and the respective role of the private sector. The Corporation uses its position to speed up the development process through site assembly, preparing development briefs, providing infrastructure, funding/incentives and being the interlocutor between local-national government agencies and private sector developers/investors. Each of these tasks (and this list is incomplete) are crucial parts of the process and recently studies have highlighted the importance of these functions being carried out by a public body in regeneration projects.

Laganside, in assembling the land in the original Designated Area, were fortunate enough to be one of three principal landowners (in the new Cathedral Quarter their role is more complex due to having only a small stake in the land ownership). Thus, the overall strategy could be developed identifying principal development sites. Infrastructure and remediation were addressed as priorities, thus providing the private sector with economically viable sites with the potential to be regionally, nationally and internationally competitive. The mixed use of sites would provide Belfast with the commercial, residential and recreational facilities that it lacked.

For the private sector Laganside provides a valuable service. Developers and investors both recognise the crucial role that the Corporation has played. From a position outside the formal governmental bureaucracy, the Corporation is able to maintain a wider perspective on the end goal, and ensure that all actors are able to work together. This has overcome many of the entrenched hurdles frequently in place between public and private sectors. From a Belfast perspective the private sector has stated that it would welcome the continued existence of the organisation. Continued peace, spill over economic benefits from the South, visible evidence of what has been achieved to date and tacit knowledge that much remains to be done throughout the city are encouraging factors, which for the private sector reiterate the importance of a

focused body to achieve regeneration. But there is only so much that Laganside should or can do to promote economic development – there is a need for the private sector to take some risks as well.

Political /Statutory Context

For local authorities, development corporations can be problematic. Those operational in England and Wales took land out of local authority jurisdiction were armed with the same planning powers and took land and authority away from local government. The lack of local democratic accountability of the UDCs was continually a cause of contention and concern. Laganside recognised from the outset that Belfast City Council as an important partner in achieving the regeneration of the area. This grew not simply out of the fact that the City Council was a significant landowner but also that it would become an important investor and, as the democratic body which represented residents of Belfast, a key stakeholder. Given the limited powers of local government in Northern Ireland it was accepted that the City Council would not be in a position to perform the same function as Laganside Corporation. Laganside have striven to maintain a balanced relationship between local government and the private sector.

The Waterfront Hall investment, for example, was perhaps the most significant boost that the City Council has given to the area. It too shared the vision in making the waterfront a viable and attractive area of Belfast. Politically contentious until the project was finally approved, the final outcome has had a significant impact. The Employment Initiative for the Gasworks site, produced in 1998, will similarly provide for greater partnership between relevant bodies vis-à-vis employment creation and training and also has implications for future city-wide strategies.

The Department of the Environment, Northern Ireland, is the responsible governmental department for Laganside Corporation. It is they who vested the land in their ownership with the Corporation and who essentially oversee the running of the organisation. The 1995 Review processes brought about some changes to the organisation, but by and large endorsed their work and recognised their value.

As Laganside does not have planning powers developing a strong relationship with the Planning Service has been important. Given the centralised nature of the decision making process in the province, this has at time led to a slowing down of the development process. This raises issues for all focused bodies such as Laganside and for the development process in

general. However, the changing political situation does offer the opportunity for a reappraisal of the system.

Partnerships

Throughout OECD countries the effectiveness of partnerships in the context of urban regeneration and economic development has been evident for some time. Increasingly seen as a necessity to achieving sustainable economic and social regeneration, partnerships are now embodied in urban policy.

As stated in Part One, Laganside Corporation emerged from a policy ethos embedded in the culture of enterprise and decentralisation, from which the public-private partnership approach was seen as the most effective approach to regeneration. Government policy prior to 1997 focused heavily on public-private partnerships. A recent Joint Statement from the Irish Congress of Trade Unions and the IBEC-CBI Joint Business Council noted that:

“Social partnership is less well developed in Northern Ireland and until 1997 was not actively promoted by government.”

The new government in the United Kingdom supports social partnership as understood in the European context, recognising the importance of both business and trade unions in achieving self-sustaining growth. Against this backdrop, Laganside has developed a multi-actor strategy, which has grown in strength over the past decade. The fragile and turbulent political context of the province demands sensitivity and neutrality from public agencies. Laganside, a non-sectarian organisation, understood this from the outset and have maintained a neutral ‘political’ position and perhaps more importantly developed a neutral area accessible to all communities in Belfast.

Key social partnership bodies in Northern Ireland are the Northern Ireland Economic Council (composed of an equal number of business and trade union representatives, the G7 (business organisations, employers and employees), G4 (business, trade unions and community groups), the Partnership Boards (established under the EU Special Support Programme for Peace and Reconciliation), and the Northern Ireland Growth Challenge (private sector initiative involving business organisations and the Northern Ireland Committee of the Irish Congress of Trade Unions. The Strategy 2010 document (page 147) states that:

“The existing arrangements for social partnership in Northern Ireland should be reconsidered and ways to address the issue of social cohesion through a new

social partnership initiative with an exclusively economic focus should be explored. The new initiative should provide the social partners with a strong, effective voice and a meaningful role in influencing the formulation and implementation of economic development policy in the region. It will also deliver a more inclusive approach to the achievement of sustained economic growth.”

In Belfast it has been essential to effectively communicate the purpose and achievements of Laganside to the public. But perhaps more important it has been vital to ensure that regeneration of the area is of relevance to the city as a whole. Early concentration in the Designated Area focused on the major infrastructure changes and kick-started the development of sites. Following on from the 1995 review Laganside developed the post of Community Officer, whose role it would be to liaise with “social” partners and community groups. At the outset Laganside was weaker in this area than in its ability to develop effective partnership with the private sector. However, Laganside's Community Officer works with a variety of organisations, including the Partnership Boards, to ensure that this revitalised part of the city achieves its goals. For example, recent work with the South Belfast Partnership Board includes an employment initiative for a hospitality programme (June 1999) and overall employment and training strategies for South and East Belfast together with a ‘Business in the Community’ scheme. Laganside has worked closely with East Belfast Partnership Board on a number of projects, and formed strong links concerning the Ravenhill Reach scheme and with the Lower Ravenhill community. What has been an important aspect of Laganside is its ability to respond to developing a more effective and inclusive approach to partnership.

Employment opportunities and training initiatives are developed with Training Services, for example, hospitality training programmes for “Hilton Hotel” and “The Edge” have been joint ventures. Belfast Employed Resource Centre, supported by the Irish Congress of Trade Unions work with Laganside and are based in Cathedral Quarter. Both the North Belfast Partnership Board and the Community Arts Forum are also involved with Laganside in the Quarter. Laganside liaise with Making Belfast Work on strategies to realise opportunities for local communities. The next few years will be an important period for Laganside as the sites reach completion. Continuing efforts to ensure that opportunities have a real impact and do not exclude local communities will be of paramount importance.

Built Environment

Laganside has largely created a new built environment along the riverside. Intermixed with new buildings and newly defined public realm the historic legacy of the area has been maintained. Buildings of merit and significance in and bordering the area have been restored, converted and preserved. Creating a new identity for the area has not been driven by a desire to remove traces of the past. The historic legacy in and around the area is noticeable. Laganside has sought to develop an integrated strategy to maximise the benefits these buildings present for the area. In and around the former dock area, worthwhile buildings have been maintained and Laganside has used grant aid to enable the restoration of buildings such as McHugh's, now a bar restaurant recognised as the oldest building in Belfast and The McCauseland hotel, renovated with grant aid from Laganside. Laganside renovated an important building on the Clarendon Dock site for its own occupation, recognised as a catalyst for other development on that site. In a city where many quality buildings and landmarks have been subject to attack and where building preservation and conservation is considerably weaker than in the rest of the United Kingdom, these efforts are important. The current renovation of St George's Market by the City Council and the retention of the Gasworks buildings are important. Places need to mean something to citizens in order for them to work, maintaining positive connections are as important for Belfast as any city in transition.

The built form within the area has been considered carefully. The flagship site Lanyon Place accommodates the Waterfront Hall which sets a bold image across the river and into the city. In line with much current architecture, the rest of the environment uses quality materials in what is fairly neutral design. The new architecture of the city in general does not burst forth in creating a strong image for the city; rather it reflects themes common to many places but perhaps heightened here as a result of experience. Nevertheless, the sites have created new environments which inspire a new confidence in the City centre as a place to live and socialise not just to work. The commercial buildings within the area offer quality up to date working environments for new and local companies. The fact that office buildings are now being constructed without pre-agreed tenants is important, as demand for the area is real. The residential components of the sites have been successful, not only economically but also in some locations mixed social and private sector accommodation co-exist and due to careful design, connect with surrounding communities. In some areas this has resulted in the consequential upgrading of other environments, thereby reducing some of the physical signs of sectarian differences.

Figure 3. The New Riverside Living in Belfast



Source: McCadden Design

The area based approach taken has been important on all levels, but in the context of the built environment it plays a particularly important task of developing a unified vision for the area, vital given the pace of the overall development. The area-based approach has the potential to enable business, communities and governments to address multiple problems. The focused approach pursued by the Corporation, whereby a small team working in partnership with all relevant agencies to achieve well-defined objectives, has influenced other strategies for the city. Belfast City Council, for example has recently created its own Development Department. Investment Belfast and the proposed Town Centre Manager also respond to a new consciousness in the city.

Public Realm

On each of the sites, accessible areas of public realm have been created. Again, a strong emphasis on quality materials that relate to their urban setting has been applied. The investment in river walkways provides links into the areas and keeps the river open to all. The provision of hard landscaped open space has enabled the river frontage to become a new place in Belfast where people can gather, not just to use the facilities in the area but also to participate in the broader community event which have become an important aspect of the Laganside site. Annual city celebrations and festivals are now taking place by the river and Laganside Corporation places considerable emphasis on these events. The open spaces are to be inclusive spaces, which offer new opportunities no longer based on conflict and sectarianism. Public art has become an important aspect of the built environment in Laganside but it also has an important role to play in community development. The organisation supports community based projects such as murals as well as larger more strategically placed pieces. The proposed Thanksgiving Square is an important example of public art in a new public square.

Reclaiming the river as an attribute to the city and as an area accessible to local communities is an important aspect of Laganside's approach. Since creation (to March 1998) some 2450 metres of walkways have been created, a further 1250 are scheduled for 1999. Accessing the area beyond the obvious physical economic links of the city has been beneficial – particularly for communities who by and large live within their territories. For Belfast residents, because so many areas have been and remain out of bounds, accessing a neutral zone can only be positive.

1999: A Turning Point?

History may prove that the re-development of the Lagan riverside in the 1990s produced much of Belfast's renewed capacity for new economic and social opportunity that was subsequently fulfilled in the 2000s and 2010s. It may show that the regeneration which began around the river spread throughout the city in a second phase of regeneration including the Cathedral Quarter and Gasworks. Large corporations and fast growing medium sized firms, based on newly re-developed blue chip sites, build a dynamic economy which are supported by a diversified service and entertainment sector. However, the completion of the regeneration of the city of Belfast will include not just filling the Laganside developments with sustainable activity but will also need to include the permeation of the whole of the regeneration process through the rest of Belfast in the support of the city's aspiration to succeed as a new European

provincial capital city. A coherent, comprehensive economic, social, democratic and physical agenda needs to be established.

The character of the redevelopment to date emphasises high-spec office space, mixed income housing, leisure/entertainment and inward investment locations. It is driven by a fuelling of the property market. All of these are suggestive of an enhanced central business district within the city, with the ability to develop as a modern regional/provincial capital (and as a second Irish City to Dublin, and regional partner for Glasgow and Liverpool). However, there is questionable value in pursuing an infrastructure and site based strategy, without some balancing of efforts on endogenous growth, producer services, local entrepreneurship, supply chains, labour markets, etc. The result otherwise may be gentrification, speculation, and exclusion rather than regeneration. The point has been reached when it is time to get the rest of the framework in place, to make clear what role further major site redevelopment will need to play.

PART FOUR– THE WAY FORWARD

The development carried out to date within the Laganside area highlights several issues, which have implications for the way forward:

- Cathedral Quarter;
- Linkages to the city centre;
- Jobs and investment;
- Community integration;
- Governance; and
- Funding.

Cathedral Quarter

The boundary extension of the Designated Area to incorporate Cathedral Quarter changes the nature of regeneration as undertaken by the Corporation so far. The area is crucial in that it lies between the rest of the Laganside area and the city centre and already has a strong identity as an arts/ cultural area. Laganside aims to regenerate the area into a commercially viable thriving cultural quarter in the vein of Temple Bar in Dublin, developing the potential of the city in terms of the arts and tourism.

The difficulties the area presents are widely recognised. Laganside does not have large landbanks in this instance; instead it must work more closely with the private sector and the local communities to ensure that emerging development is inclusive and that the aims of the regeneration strategy are realised. The experience of the organisation to date will be a crucial factor in realising success here. Over the past decade Laganside has developed an effective relationship with the private sector. Much of the development in the area has been carried out by companies with an existing local base and as such a commitment to the economic growth of the city has been evident in the approaches taken. Similarly, considerable emphasis on

developing strong relationships with local communities has meant that their interests will be respected.

The regeneration strategy for the area has identified the need to focus on access to employment for local communities. As a result of the urban fabric being by and large in place, Cathedral Quarter presents an opportunity for ‘holistic’ regeneration to be pursued and for integrated strategies to be put in place at the beginning of the process of change. More targeted and focused partnership proposals between the city council, Laganside, Training and Employment Agency and Area Partnership Boards which are emerging for other sites will inevitably have beneficial spin-offs for Cathedral Quarter too.

Box 4. Ladder of Provision Support Scheme, Cathedral Quarter

In Cathedral Quarter there is an existing art community voluntary sector comprising 16 art groups and 10 community organisation. Cheap rents in the area have enabled their growth and recent surveys indicate that more groups would favour relocating in the area. The regeneration of the area to the standard of other Laganside sites raises fears of increased rental and property values which would force out existing occupiers and thus change the very character of the area upon which its future is planned. To minimise the threat to local groups the Ladder of Provision Support Scheme proposes to:

- To achieve a ladder of provision, to provide a range of rental accommodation.
- To refurbish existing buildings to permit positive use of upper floors.
- To secure affordable rents to benefit the art and community organisations.
- Landowner benefits from physical improvements of the property.
- Achieve partnerships between the art/community sector, development trust and the private sector.
- Encourage progression to sustainability.

Through joint funding ventures Laganside will support the acquisition and refurbishment of premises to provide low-cost managed workspace accommodation for arts and community businesses. Laganside may purchase buildings to lease to such organisations. The feasibility of a major arts/culture venue is being explored with the city Council and the Arts Council. Grants will be available to property owners for improvements to buildings which are prepared to lease a proportion of the floorspace for arts/community businesses rental support payable for a period of three years will also be considered. To implement these measures Laganside will allocate a budget of £600,000 over two years, 1999/2000.

Linkages to the city centre

Laganside are particularly focused on this important issue and are currently developing an urban design strategy to facilitate physical connections between the city centre and the Laganside area. Physical barriers exist largely for two reasons. First, given its industrial heritage Belfast turned its back on the river relying on the city hall as the focal point for the city in what is a very compact area. Secondly, the Troubles led to high security measures in the city which physically restricted movement. The Law Courts and a police station lie between the city centre and Laganside. The Law Courts now permit pedestrian movement between the areas and future redevelopment offers potential. However the impact of the police station is still quite dramatic. Laganside are concentrating, therefore, on existing openings and it is likely that the negative impact of the road between the two areas will be reduced.

Achieving improved linkages with the city centre is unlikely to be problematic but it does raise redevelopment issues outside the existing area boundary. Spill-over regenerative effects are emerging; developing a longer term vision as to how this physically affects the shape of the city will be an important factor for the City Council and responsible agencies in the future.

Laganside have considered the physical implications of the redeveloped area for the city as a whole. Effective links are vital for the future of the site; people need to be able to access by other means other than the car. Car use is high in Belfast for reasons of personal safety and an inadequate public transport system. Laganside has provided surface car parking to meet user requirements on all sites but has also enhanced public transport connections to sites. Future policy demands may restrict car use in the city – the appropriateness of this in the Belfast context is an issue but if pursued seriously as a policy strategy the Laganside sites could adapt. Cycle tracks and walkways along the river promote the accessibility of the area and no doubt once the sites are complete interaction with the city centre will be stronger.

Community integration

Community integration is an imperative in Belfast. Governmental and non-governmental organisations have sought to bridge the gaps between the divided communities. Aided by the peace process, the city is now facing a new era in which it will have to adapt to function effectively. The Partnership Boards and the City Vision exercise will play an increasingly important role in realising closer integration, in that they present opportunities for cross community dialogue to determine the future of localities and the city as a whole.

Considerable efforts are made in the city to give local communities a meaningful voice. Citizens are active and will, as the current political process develops play a stronger role in determining their own future.

Laganside's most recent Corporate Plan (1998-2002) places considerable emphasis on the importance of local communities and the need for the developments realised to impact upon the lives of all in Belfast. The Corporation will "wherever appropriate endeavour, by working in partnership with the department and others, to skew resources to contribute to the reduction of unemployment and the promotion of social inclusion and is committed to the principles of co-ordination, prevention and evidence-based decision making". As the majority of jobs in the area come into existence over the next three years this focus is important. The key issue for the future is achieving these aims within a rapid timescale. Expectations will be high amongst communities – Laganside has taken action to respond and will continue to prioritise and develop community strategies.

New places like those within the Laganside area offer new opportunities for community integration which eschew sectarian implications. Territorially the area is neutral and occupants, whether residential or commercial, are there by choice, which is determined outside of political parameters. It is true that those with economic stability are freer to make such choices but it is important to see that Laganside is part of a larger process, which is ultimately charged with the responsibility to realise the changes needed to fully integrate communities.

Box 5. A Civic Conservation to Regenerate Brownfields: The Case of Bilbao

The context: severe manufacturing decline

With a population of 1 million, Bilbao is the largest metropolitan area of the Basque Country and Northern Spain. After having led the industrialisation of Spain, the manufacturing base of Bilbao suffered a serious downturn in the late 1970's and in the 1980's. Major steel-making and shipbuilding plants shut down, 80,000 jobs disappeared, and unemployment soared. As a result of this economic crisis and its severe urban and environmental degradation, Bilbao epitomised the trouble of declining manufacturing cities.

The industrialisation process endowed Bilbao with an undesirable legacy of brownfield lands. According to a recent assessment carried out by the Environmental Management Agency of the Basque Government (IHOBE), 2,079 hectares (5,137 acres) of land are potentially polluted in Metropolitan Bilbao. This area covers about 5 % of the metropolitan area.

It previously hosted manufacturing activities with a great risk of contaminating soil, such as steelworks and pesticide plants. Brownfields were not only a threat to citizens' health and safety but also a major roadblock to attract new economic activities.

Public-private partnership in regenerating brownfields

Facing these economic and environmental challenges, in 1989 the main public institutions and business firms of the metropolitan area launched the Strategic Plan for the Revitalisation of Metropolitan Bilbao. In order to favour the implementation, update, and assessment of this plan, in 1991 they set up Bilbao Metropoli-30, a public-private partnership devoted to policy entrepreneurship and expansion of social capital and trust.

A key priority of the revitalisation process was to reclaim brownfields. The redevelopment of brownfields included the building of the Guggenheim Museum and a new conference and concert hall, the expansion of the port, the improvement of the public transportation system with the new metro and tram systems, the new airport terminal, as well as the water treatment plan for the Nervión river. These projects amounted to a total investment of \$3 billion.

Prior to this redevelopment, the Environmental Agency of the Basque Government (IHOBE) designed and implemented a Director Plan for Soil Protection. The aim of this Plan was not only to regenerate existing brownfields but to prevent future pollution of soil as well. This Plan favoured public-private partnership and a systematic approach to clean up brownfields. This approach was based on an inventory of potential and actual brownfields and technical guidelines to reclaim them.

In order to co-ordinate the implementation of the complex urban regeneration and transportation projects in brownfield lands, Bilbao Ría 2000, a public-public partnership was set up in 1992, involving the four concerned layers of government: the central, regional, provincial, and municipal administrations.

Community participation

With the purpose of securing community participation in this process, Bilbao Metropoli-30 engaged the main players of the area in a continuous strategic conversation. Effective citizens' participation in urban governance requires clear, accurate, timely, and reliable information about the present situation and the future trends of their community. To this end, in 1992 Bilbao Metropoli-30, with the technical advice of Deusto University, defined a Revitalisation Indicators System.

This Indicators System comprises 85 key metrics which assess the main environmental, economic and social issues directly linked to the revitalisation of Bilbao. The most relevant data provided by this Indicators System are included in the Annual Progress Report of Bilbao. This Report is mailed to the citizens and widely echoed by the local media.

In fact, the presentation of the Report has become a major event in the social life of the community.

A complementary civic information and training initiative is a series of public workshops on the main challenges faced by Bilbao. Citizens are encouraged to take part in these workshops led by international experts, who provide an outsider's perspective to the analysis of the local community's issues.

Scenario planning furnishes an adequate methodology to encourage the civic conversation in Bilbao. Scenarios are devices for ordering one's perceptions about alternative environments in which one's decisions might be played out. They provide stories that grab the community's attention and trigger its imagination. With the support of drama and multimedia technologies, all citizens are able to understand the critical uncertainties they face, regardless their background or educational level.

Javier Font, Director of Strategy and Research, Bilbao Metropoli-30, 1999.

Governance

Governance for the entire province is about to change; the new Assembly will mark a new era in Northern Ireland politics with the launch of a new departmental structure with ten departments: Agriculture; Environment; Regional Development; Social Development; Education; Higher and Further Education, Training and Employment; Enterprise, Trade and Investment;

Culture, Arts and Leisure; Health, Social Services and Public Safety and Finance. Laganside will be within the Social Development Department (as will Urban Renewal). This transfer from Environment is an indication of the change in emphasis already taking place to the work of the Corporation. The governance structure will evidently take time to become established and determine a clear direction. Laganside is sufficiently clear of its priorities into the new millennium that in the short term this should not pose a problem. Obviously, as a limited life organisation, the ultimate decision of the future of Laganside will lie with the Assembly.

Local government is also likely to experience a renaissance in the region. No indication has been given as yet as to whether additional powers will be allocated to the City Council, but evidently it is gearing up to take a more strategic perspective of the city. It recently created a Development Department to complement the existing Economic Development Department.

Jobs and Investment

In places such as Belfast where serious problems of high regional and local unemployment, low skill bases and resulting deprivation are common, regeneration programmes have frequently sought to create new sources of employment. Regeneration strategies often take place in the most extreme of circumstances. Strategies have to be comprehensive with city-wide, regional and national reference. Ensuring that inward investment contributes to strengthening local economies and communities is important. As stated earlier, Laganside is part of a process and as such its strategy for economic growth is developed within a broader context.

Delivering the projections for the redevelopment of each site will be important, and if trends continue and the track record of the organisation carries forward, this will be likely. Like many areas based regeneration initiatives the resulting economic pattern is diverse. The Laganside communities experience significant economic and social problems; extreme poverty can be found adjacent to new affluent areas. This is neither a new phenomenon nor unique to Belfast. For Laganside the issue will be bridging the gap between diverse communities. This is not achievable independently; Laganside will need to employ the multi-agency partnership approach which has been nurtured over the past decade.

Training and employment initiatives are moving forward, and stronger multi-agency partnerships are emerging. Consciousness within local communities has risen considerably with over recent years and expectations are

high – this presents pressures to deliver. Responsibility for the delivery of increased employment opportunities does not only lie with Laganside, but with all actors in the process. Pursuing the recommendations of the Gasworks Employment Initiative will be important; ensuring that the process includes all social partners presents a challenge. How this is pursued with equal vigour to realising the physical results achieved over the past decade is an issue. If Laganside can achieve results its future significance in the city will be strengthened.

Funding

The Corporate Plan indicates a shortfall of £6.8 million to complete all desired objectives by 2002. Opportunities for additional funding are being explored at present and the Corporation has highlighted schemes which will be affected should the monies not be realised. Projects affected would be: completion of the continuous walkways from the Docks to Stranmills weir; the full river access programme; all identified linkages and the full Cathedral Quarter programme. These are not insignificant aspects of the overall concept. Securing additional funding will be important for Laganside and for Belfast.

To date European funding has been considerable in the Laganside area. The region will soon lose Objective One status and the impact of this has to be considered given the two year gap between the EDRF funding ending. Potential new funding areas have to be identified as a priority. Compensatory funding has been secured for the region in negotiations by the UK government, but what this actually means for Laganside is unclear.

The Corporate Plan indicates potential sources of additional aid to make up the funding shortfall; the potential role of the private sector is important. Laganside has demonstrated the economic potential of the area, and the city and the region are experiencing a period of economic growth. As Porter suggested in his paper “The Competitive Advantages of The Inner City” (Harvard Business Review May-June 1995), the private sector should assume the leading role in the economic regeneration of inner city areas. In order to achieve this it must adopt new attitudes towards the inner city and help create economically viable businesses built on true competitive advantage. Porter also suggests that public sector resources be directed towards site assembly, remediation and infrastructure rather than subsidising business.

The past decade has realised considerable results, and the next five years will see many of the projects reach completion. Laganside Corporation has made a significant contribution to the regeneration of the city of Belfast.

The infrastructure-led regeneration strategy has facilitated the environmental, economic and social revival of an important area within the city. The historic significance of the river Lagan relates to a time in history when the city was prosperous, the port and the sea touched many lives in Belfast. Laganside now has a new identity, one which is relevant to the future but respectful of the past. The river lands are once more relevant to the economic future of the city. That is not to say that Laganside is the only body contributing to the economic growth of the city, indeed as this report has demonstrated Laganside is one factor in a complex web of strategies and organisations. However, Laganside is a particularly important factor in that it has established a new area in the city; creating a quality built environment which maximises inner city land potential providing significant numbers of jobs, homes and recreational facilities.

Recommendations

Much has been realised within the Laganside area, which can influence the shape of future regeneration strategies at both local and national levels. The beneficial impact of the Corporation upon the city is unquestionable; what this leads to in the future is an important issue for Belfast. The results of the past decade need to be considered within the context of Laganside Corporation, Belfast and Northern Ireland in general. Whilst the region has many unique characteristics, many of the emerging recommendations also have broader relevance throughout OECD Member countries.

The following themes emerge from which recommendations for the future can be articulated:

- Building on success
- Broadening the vision.
- Linking with international best practice.
- Monitoring and tracking the impact.
- Developing a holistic approach.
- Creating local stakeholders.
- Putting Partnership at the Centre.
- Marshalling the fullest range of resources and opportunities.
- Creating integrated institutions.
- Developing local leadership.

- Shaping the market.

Building on success.

The regeneration of the river was recognised as a difficult task which would require focus and determination to realise. It has now largely been achieved. Building on success should be seen as the central role for both Laganside Corporation and for other relevant organisations in metropolitan Belfast. Assuming an ongoing role for Laganside within a changed context, and probably with a different kind of constitution, aspects which have realised successes are:

High quality infrastructure, built environment and public realm

Infrastructure and environmental improvements are integral parts of large-scale redevelopment projects. The importance of these elements from the perspective of the private sector investor cannot be overstated. The public sector has an important role here in ensuring that effective strategies are implemented to facilitate development. In an area such as Laganside addressing environmental degradation and providing high quality infrastructure were important factors to realising results. Without these elements the development strategy could not have implemented. Cities benefit from strategies to overcome the negative impacts of inadequate infrastructure and environmental damage within the context of how these may facilitate economic regeneration. The high quality built environment realised in the area and the new public spaces reinforce the new found confidence of the city and establish a standard against which future priorities can be determined. The confident new image for Belfast is reinforced by the physical and economic success of the area.

Adopting an area based strategy

The area-based strategy implemented to achieve the Laganside redevelopment has been an important factor. Whilst area-based strategies are much debated as a solution to achieving economic and social regeneration, within the context of Laganside the strategy has been effective. At the outset many of the sites were derelict, the landscape, including the river was abandoned, and as such a piecemeal approach would not have achieved the same level of results. The merits of an area-based strategy within the context of ‘brownfield’ redevelopment lie in the fact that frequently these sites form quite large land masses in cities as a result of previous industrial activity. Being able

to revitalise them in a comprehensive and strategic way can have a direct and important on the economic vitality of the city.

Re-urbanisation of the city

Laganside Corporation has made an important contribution in this area. The accumulative effects of the residential accommodation, recreation and leisure uses and public open space in a neutral location contribute to re-establishing the urban identity of the city centre. Once the linkages are developed into the city centre and the potential of Cathedral Quarter realised, a vibrant city will begin to take shape. Also important from both a city wide perspective and in a regional context, Laganside Corporation has redeveloped significant amounts of inner city brownfield land, thus reducing pressure for greenfield sites. Clearly this is the policy direction of the future, as is being pursued throughout many OECD countries. This has been particularly important in the context of Northern Ireland, which in the absence of a strategic greenfield-brownfield policy strategy, may be handicapped in efforts to reduce greenfield development by strengthening existing urban centres. Shaping the Future establishes the principle to reduce greenfield development but fails to establish appropriate policy mechanisms to realise results.

Broadening the vision

For Belfast this means establishing a wholly unique vision and identity for the regeneration efforts. It should not be a case of competing with the Republic for the Dublin spill-over, or mirroring the regeneration in Glasgow or Liverpool but deciding to be better and different. The task is not to define the city by 'the troubles', but to reach for something more positive. The City Vision takes positive steps towards this point. However, all institutions involved in the future of the city have a role, as developing a strategic regeneration vision is important. The role the Laganside area was to play in the regeneration of Belfast was clearly defined at the outset; the area was recognised for its potential in a local and regional sense. Having jurisdiction over a designated area of land and the means to assemble sites into marketable development opportunities enabled the concept for the area to be implemented. Laganside does make a difference to Belfast and it does prioritise, contributing to the overall growth and economic well-being of the city. Shaping the future will require consideration to be given to the following points:

- For regeneration to be sustainable it has to be comprehensive focusing on specific areas can only be a starting point which must lead to a wider and more long term approach.
- New ‘linking infrastructures’ as well as ‘bolted down infrastructures’ need to be established (e.g. the need for more nimble public transport, more diffuse leisure and culture, use of the river, etc)
- The spatial scale is important, it needs to be the whole metropolitan area, including widened and improved city centre, all major development sites, residential neighbourhoods, and ultimately the province.
- A balance needs to be struck between various aspects of growth endogenous growth, inward investment, public sector. An economy, which achieves diverse growth from each of these, is able to withstand shocks to the system.
- Bottom up strategies need to correspond with top down approaches.
- Quality of life issues and employment are linked objectives; this needs to be established as an objective, the Greater Philadelphia First Strategy is an interesting case study for consideration.
- Areas of growth potential need to be better linked. Connecting education facilities, Cultural Quarter, high-spec small business space, entertainment facilities, major sports stadia.
- Understanding the spatial aspects of European economic development are crucial for Belfast in understanding scope for Trans-European Networks and strategic corridors.
- A long term approach needs to be taken to understand and achieve competitiveness of local, firms, and other people outside of the cost discounting approaches.
- Where there are high-tech and growth oriented companies around Universities and in Software industry they need to become central to regeneration programmes not peripheral in terms of location and thinking.
- Getting people to jobs and getting jobs to people. Balancing ‘non-profit’ endeavour with ‘for profit’ enterprise is more sustainable in the real world of smaller government and fewer fiscal transfers.

Laganside as a single focused agency has operated within the city context along side other regeneration strategies. For the future a more holistic approach will realise better results. Breaking down barriers between various tiers and departments of government is essential; creating positive synergies between aspects of regeneration, and initiating sustainable financing, will build a partnership approach. Encouraging enterprise seems to be central to regeneration, cultivating a culture of entrepreneurship is crucial, at present the public sector seems to offer the best opportunities, frequently attracting the best educated.

Monitoring and tracking the impact and change in the metropolitan economy

A set of benchmarks are recommended for change in the metropolitan economy which could be used to set and review agreed shared targets and measures (for example, the Portland, Glasgow, or Philadelphia models, relevant here would be the European Union Urban Audit). Establishing agreed benchmarks to which all efforts are working will be important for Belfast. Learn how to track:

- private sector economy
- endogenous growth
- supply chains
- land uses
- health of city centre
- quality of jobs created/growing
- sustainability
- equity
- civic life.

Creating local stakeholders.

The danger of the top down model is that it can lead to gentrification and a property bonanza, without touching the majority of people. Focusing on new uses and new investors rather than addressing what is already in place and working in the city can lead to people being locked out of the opportunities, with no stake in the progress made. The local population must have an

opportunity to develop a stake in the economy as it grows. This could be facilitated through an audit of what is actually working and successful in the city rather than the usual emphasis on failings.

In the near future it will be important to generate revenues outside of central government and EU grant regimes, to make the regeneration sustainable and somewhat autonomous. Laganside Corporation could take a lead here, by for example:

- Owning and working assets, rather than simply developing or facilitating development; and
- Endowing some assets into the community in the context of property speculation. Cathedral Quarter and the Gasworks offer some opportunities here, successful examples are to be found in the United Kingdom (Development Trusts) and United States (Community Development Corporations).
- Creating financing to support growth-oriented local firms, and to help them own their own premises.
- All stakeholders need to work together, a new city centre company, for example, which draws together existing institutions. It is very important that local entrepreneurs in the entertainment and cultural sector have a stake in the newly developed areas.

Putting partnership at the centre

Effective and meaningful partnerships, which include all actors, are essential. Partnerships, which work vertically as well horizontally, are important. Laganside Corporation has worked in partnership with central and local government agencies from the beginning; existing frameworks and land ownership were important background reasons for this. From the outset all public agencies were committed to the project, and as such partnerships therefore was a starting principal. The nature of the strategy for Laganside meant that partnerships with the private sector would develop fairly quickly. For the private sector a body such as Laganside offers an opportunity to maximise investment potential whilst reducing risk. Partnerships with local communities and other ‘social partners’ have developed over time and are an area where Laganside will have to devote more attention. Over the medium term this will increase in importance as many of the developments reach completion and significant numbers of jobs begin to emerge in the area. Endorsing the principles of partnership when projects commence ensures that economic and social benefits are maximised.

The complex 'over-governance' of Belfast will require Government to take the lead and make all aspects of public sector work in partnership (including the Harbour Commission). Creating a more rational basis for partnership with community, trades unions, entrepreneurs, and corporate sector will be essential.

Partnership with the European Union needs to be broadened to include:

- Partnership programmes with other metropolitan areas pursuing endogenous growth around the revitalised port area.
- Financial engineering for endogenous growth (European Investment Bank, European Investment Fund, European Technology Facility, etc) and for Urban Regeneration (EIB).

Marshalling the fullest range of resources and opportunities

Adaptability is an important quality. Changes in policy emphasis must be easily absorbed into long-term regeneration strategies. Laganside managed to evolve its priorities and shift emphasis in tune with central government policy and a changing Belfast. The initial focus was very much on the physical: emphasis has shifted to fulfilling the socio-economic dimension of the overall strategy. Organisations of this type have to be able to do this in order to bring about change.

The single agency approach pursued by Laganside was effective in realising the considerable investment leveraged into the area. The Corporation, having a fairly narrow remit, was adequately resourced to focus on what was to be achieved. Issues of site assembly, contamination, highways, rivers and comprehensive economic redevelopment, when under the authority of one responsible agency can be effectively managed to reduce the risk of the private sector. Laganside managed land assembly, implemented infrastructural and environmental improvements and planned for the economic regeneration of the area. Bridging the gap between Statutory Agencies and the private sector is an important function of the Corporation. Such a role is important when planning to bring about strategic changes to a city. The approach is advantageous when dealing with regeneration on this scale, or indeed when having to address city-wide/ regional decline. Single agencies must operate in a transparent and democratic context. Laganside have, largely as a result of wider political constraints, the benefits of which go beyond the Laganside area. The experience of Laganside over the past decade will enable it to adapt to partner other regeneration initiatives in a co-ordinated and logical manner.

Creating integrated institutions.

Clarifying institutional responsibility for large-scale regeneration projects is important. At the outset achieving the redevelopment of the Laganside area demanded that statutory bodies worked in harmony and shared commitment to the strategy. Whilst Laganside Corporation were the implementers, without the support and commitment of Belfast City Council and the Harbour Commissioners, the project would not have evolved with the same momentum. Shared ownership of results has been a key attribute, facilitated with each body understanding its role and taking it on with vigour. This will be essential if the regeneration of the city is to be considered as a whole. It will be important to avoid creating lots of additional organisations with separate mandates, accountability lines, and political missions. Rationalising many organisations into one could be a way forward. The top-down model of urban regeneration, with a friendly local agency in the management role, seems to be good at some things that the bottom up models find difficult (e.g. land assembly, site clearance, infrastructure, master planning sites, engaging the developers and large corporates etc.). This is worth noting, especially in the context of the ‘troubles’(developing neutral spaces, re-theming the riverside, creating new institutions which can attract civic pride, etc.). Central government has already asserted that shared objectives need to be pursued in order to realise Targeting Social Need programmes, Departments and Non-Departmental Public Bodies will be encouraged to work together in a more holistic way. This needs to permeate all aspects of regeneration and city management.

Experience shows that a fuller and better co-ordinated programme for cities can reap far greater results. Options for changing this situation could include:

Creating a Belfast Regeneration Agency by amalgamating Making Belfast Work, The DoE Belfast Regeneration Office, Laganside Corporation, Investment Belfast, a City Centre Company, the regional LEDU Office, etc. An organisation of this kind could be a stake-holder company where Central and Local Government, Private Sector, Trade Union’s, and others to come together to work for Belfast. It would have more power and be able to integrate many different strands of regeneration.

Responsible organisations could develop a shared set of measurable objectives against which all regeneration efforts have to define their contribution. These might be called the Belfast Regeneration Benchmarks. It would then be possible for each to play an appropriate role, but they would all

be accountable perhaps to a Belfast Forum to include representatives from communities, government, trade union's and the private sector.

Belfast City Council and relevant Assembly leaders should be encouraged to work together on an integrated Belfast Metropolitan Strategy to which all public resources will be focused. They should jointly form some kind of partnership forum (with social partners) to which all the agencies could be accountable.

Shaping the market

Endogenous Growth.

Perhaps the most significant challenge with the most unpredictable outcome would be developing some kind of business birth-and-growth strategy which could pull together the various players to make a contribution (existing local growth-oriented firms, banks, lawyers, accountants, other producer services, universities, property owners/providers, etc).

The employment needs of a city need to be considered at the outset of projects to avoid over-reliance on particular types of investors. This should be considered within the framework of appropriate uses for sites relating to their economic viability. A city-wide regeneration strategy would reinforce this approach by ensuring a balance of employment opportunities throughout the city. Interlinked with this is the need for effective well-resourced training strategies to ensure that local communities enjoy access to new employment opportunities. The Corporation will be judged by such and their cross-community benefits. Local economic development has an important social base, a base which is about innovation, risk-taking, nurturing trust and developing confidence. Understanding this at the outset is crucial to achieving and realising regeneration.

Box 6. Recommendations for realising endogenous growth

Implementing a bottom up approach to local development through:

- Favouring local community participation to decision making processes;
- Providing social protection and educational services; and
- Trusting and favouring the potential of the endogenous economy.

Enlarging and strengthening the 'basis' of the economic development engine through:

- Favouring entrepreneurship and supporting a risk culture;
- Designing specific schemes and services for enterprise creation;
- Fostering greater local linkages between inward investors and the city's business community;
- Creating facilities (e.g.incubators) and real services for SME's and new enterprises;
- Supporting the implementation and visibility of the local supply chain;
- Supporting sector networking;
- Favouring the implementation of the third sector, particularly in the community services, environment and culture activities;
- Fostering cross fertilisation of ideas and experiences among private, public and voluntary sectors

Establish a business strategy development through:

- Targeting investors
- Setting up a specific Belfast location package
- Customising business services;
- Diversifying investments;
- Sustaining the business partnership of external and local investors;
- Favouring venture capital;

Transforming a low wage economy into a knowledge and skills based economy through:

- Increasing the innovative sectors companies settlement (information and communication technology, environmental technology, health technology and cultural industries).
- Fostering innovative service companies for manufacturing;
- Strengthening the tourist sector and entertainment activities;
- Supporting higher education and investing in knowledge assets;
- Improving labour, professional, managerial and entrepreneurial skills;
- Spreading know-how and best practice; and
- Supporting total quality improvement and benchmarking methodologies.

Unifying efforts for the future through:

- Developing the role of the Partnership Boards;
- Facilitating greater community participation;
- Setting up a strategic partnership between Belfast initiatives;
- Defining a mission, objectives and expected results;
- Giving visibility to the results.

Land and site availability.

A co-ordinated approach to land use and spatial development requires a city-wide mechanism for monitoring available sites, developing a co-ordinated approach to them, and specifying priority end-uses to which public assistance will be applied. The current approach is focused but piecemeal; for example, there is little point in being disciplined about releasing Cathedral Quarter land into the market on a planned basis if much larger parcels of land in the city are being released by other parts of public sector with no planning at all. The competing objectives of achieving regeneration and maximising capital receipts should be resolved. The laissez-faire approach can have many dangers, especially if a boom period erupts as peace solidifies. A strategic approach to publicly owned land and consideration of end uses would be highly desirable in the context of a metropolitan economic strategy rather than simply attempting to maximise short term capital receipts.

Major landowners (e.g. include utilities, transport, local government, government departments, and port/harbour) should be brought together to create an audit of developable land. A large number of sites throughout the city are owned by the public sector, this may become a major impediment to development. The port area is particularly important as it has the potential to alleviate further pressure for greenfield development, enabling a brownfield strategy for the city to be pursued. The comprehensive consideration of these lands could reinforce the economic importance of the Laganside area and make an important contribution to the growth of the regional economy.

Financial instruments.

Laganside has had at its disposal a considerable amount of public sector resources. This is not unusual in the context of the United Kingdom, or indeed throughout many OECD countries. Intervention to revive depressed economies is costly; however consideration has to be given to the end results. The type of regeneration being carried out in Belfast is costly, for reasons which go beyond economic regeneration it is necessary. So far much has been achieved with public money but, this is unsustainable in the longer term. It is certainly unsustainable for any city to retain the level of public sector investment that Belfast is currently receiving for more than one generation. Many other OECD cities have recognised the need to create sustainable sources of regeneration financed outside of public sector grant aid and have cities have developed property investment funds, venture capital initiatives etc., whereby the majority of capital is secured through private institutions. Financial engineering approaches have been developed which bring more commercial finance to the table. The European Investment Bank might be helpful in the formation of a property investment fund. Using existing public sector funds to trigger private sector investment could be undertaken on a fund management basis which would be more effective than pursuing a site by site approach. Improving the efficiency of public funds is an important issue for all concerned in implementing regeneration strategies. The solutions will be found through successful project implementation which generates confidence, which in turn generates more investment.

Regulatory reform task force.

A task force should be established to review the existing framework of regulation across the city, to determine what is still necessary and desirable, and whether there could be fast-track to de-regulation of certain areas (e.g. no of Public Licenses for Alcohol available, Land Use Plans, Retail, etc.)

Relevant recommendations emerging from OECD Studies and Publications and importance of international exchange

Over recent years the Urban Affairs Division the LEED Programme at the OECD have carried out several studies relevant to Lagan Corporation and Belfast (Integrating Distressed Urban Areas, 1998, Urban Brownfields, 1998, Industrial Restructuring and Local Development: The Case of Sesto San Giovanni, 1997 Ireland: Local Partnerships and Social Innovation, 1996.). This work draws on a broad range of international initiatives, yielding policy recommendations which are relevant across OECD member countries. The international exchange of information and experience is crucial to develop a more coherent policy approach to resolving common problems. It is true that the political situation in Belfast is unique, and it is likely that this has exacerbated its economic decline. However, the issues facing Lagan were broadly similar to those evident in many post-industrial cities, and policy must respond accordingly. The findings and recommendations of these publications have relevance to the Lagan experience as they do for other OECD cities. This report has touched upon social deprivation, industrial decline and environmental damage, all issues of which Belfast has experience. The study Integrating Distressed Urban Areas highlights a number of area-based, integrative strategies that national governments have tried and adopted to tackle the concentration of multiple problems in these districts which exist in thousands of cities and suburbs, and establishes guiding policy principles to address the problems of these areas in the future. In the context of Lagan some of these recommendations have been implemented, whilst others have relevance for the future.

- Make urban regeneration policies more comprehensible to the range of local actors and to the population;
- Reinforce horizontal and vertical co-ordination;
- Adapt the strategy to the diversity and complexity of the local context;
- Avoid stigmatising particular areas;
- Act early enough and take preventive measures;
- Develop a transparent system for identifying areas of need;
- Actively monitor and evaluate policies.

The growing number of brownfield sites in urban regions marks the dramatic and rapid shift from heavy industrial processes to services and knowledge based economies, with changing needs and employment patterns.

The resulting physical and social degradation has significant consequences for the economic viability of the affected area. The Urban Brownfields report highlights this problem and demonstrates through the numerous case studies that these areas can be regenerated to realise positive economic outcomes. Policy themes were identified stressing the importance of:

- Well developed regional and city level strategies;
- Innovation and flexibility;
- Establishing appropriate funding mechanisms;
- Developing pro-active partnerships between public, private and non-profit sectors;
- Communicating the benefits of redevelopment;
- Assertive action and strong leadership at all levels of government.

These key themes, drawn from project examples from numerous OECD countries, are sound guiding principle. Their relevance, which has been demonstrated through numerous successful regeneration projects, goes beyond brownfields.

The report Ireland: Local Partnerships and Social Innovation through the use of a survey conducted on local partnerships in Ireland helped to characterise the role of partnerships in the country. It showed that:

- Partnerships have provided models for widening participation in processes of change within the economy and society;
- Partnerships act as a conduit for local involvement not only in the development of their areas, but also in the orientation of national policies, as lessons learned at local level are fed back, and concerns communicated to national authorities; and that
- Irish partnerships have an important role to play in stimulating reforms of the public administration, and in adapting national objectives to better meet local needs.

However, the weaknesses of local partnerships identified in the report were attributed to the lack institutional and democratic legitimacy, and problems of co-ordination, both horizontal (between partnerships) and vertical (between partnerships and central governments). The need for a more stable framework was asserted in order to help partnerships define their role, strengthen their institutional place, and retain their freedom to innovate. It was

recommended to increase substantially the public accountability of partnerships without restricting their freedom of manoeuvre.

In 1996 the LEED Programme carried out an important study for Sesto San Giovanni, an old industrial district in Milan. The area was dramatically affected by industrial restructuring and had to define a new identity for itself. Key recommendations to the district included:

- Define a long-term strategic development plan;
- Widen the powers of development agency to buy, sell or lease land; encourage more private investment and oversee the development of the town's land and physical resources.
- Develop effective training strategies which could take urgent action;
- Embark upon environmental clean-up;
- Adapt planning guidelines to facilitate change;
- Establish a broad approach to economic development which emphasises the SME sector.
- The project was important as it applied the skills and knowledge of a variety of international experts at the local level to assist in developing an effective strategy for the future.

Broadening the discussion to consider other places for their specific achievements is also an important aspect of developing strategies for the future. It is important to focus on building links and bridges between different pieces of the territorial development process, including:

- Between regional development, social partnership, and property led urban regeneration in regional capitals.
- Between wider social partnership and single purpose development corporations (e.g. Laganside Corporation).
- Between central government and local government efforts to regenerate urban economies and build wider partnerships for metropolitan areas.
- Between Belfast and other relevant OECD/TUAC cities and metropolitan regions.

- Between the peace process, governmental reform, the new institutional context, and the wider economic and social opportunities.

Other metropolitan areas have done well with endogenous growth, community development agencies, city centre regeneration, and software/cultural/medical/educational clusters. Not all are necessary models of ‘best practice’ but they can still provide some helpful insights, for example:

Coventry	city-centre management company.
Edinburgh	integrating real estate, culture and seat of government.
Glasgow	docks based regeneration benchmarks, encouraging stakeholder approaches.
Cleveland	linking river-based redevelopments with an expanded metropolitan economy and metropolitan employment strategy.
Philadelphia	city-centre expansions/benchmarks.
Baltimore	linking university developments with waterfront regeneration.
Milan	how to create a sustainable development agency.
Montpellier	Linking software/science park development with wider metropolitan structure.
Lille	Maximising office and retail development in the context of new infrastructure.
Cologne	Encouraging software/multi-media companies throughout the whole of the metropolitan area.

Conclusion

In the final analysis, the logic of the Laganside regeneration effort – to proceed from the environmental to the economic to the social - appears to have been valid. If Laganside may have more to teach others about the first and second linkages, others may have more to instruct by example concerning the second and third linkages, where the challenges for Laganside in the future are greater. As regeneration touches upon already developed parts of the city, a

holistic approach which treats social, economic and environmental issues more or less simultaneously will become important. In the pursuit of short-term objectives, it is often tempting to put emphasis on what can be done most easily. Unfortunately, social cohesion is an objective which takes a lot of time and effort. An integrated approach therefore is often best pursued through collaboration and in partnership on the part of different organisations working on separate but interrelated aspects of a larger set of problems.

The future for Belfast is exciting. Like other small and medium sized cities it is in a position to carve out a new role, taken in the context of wider economic change and local regeneration. Belfast can become a successful city on its own terms, learning from the experience of others whilst establishing a strong individual identity. A major issue for the city is how to take urban regeneration forward. Much has been realised and many lessons have been learned along the way but the next phase will be required to compliment a new political era and as such should the focus should be metropolitan, holistic, comprehensive, co-ordinated and managed through far reaching partnerships whilst retaining the individuality of the different components that deliver regeneration. One way to achieve this would be through the creation of a powerful city-wide Development Agency based on partnership and innovation which pursues a flexible approach. Laganside Corporation should be at the core to any new strategy for regeneration, in the next phase the achievements of the past decade can be elaborated to complete the project that the Laganside process has set in train.

Laganside has redefined a sense of what is possible in Belfast. This is the very essence of what sustainable development involves because the status quo is not a viable option. Sustainable development, as a concept and as a process, captures this vision. The economic, social and environmental aspects of development are widely recognised as components of sustainability; the reduction of territorial disparities, or the pursuit of regional cohesion, is emerging as a fourth dimension. Because each dimension involves a different time frame, only a broadly shared vision can hold the actors and institutions together and inspire public trust and commitment. The achievements of the past decade can become the basis for future efforts to ensure that Belfast has a sustainable future.

APPENDICE –EXAMPLES OF LAGANSIDE SITES

LANYON PLACE																	
<p>Description: Lanyon Place is Laganside's flagship waterfront development. Proposals for a conference/concert centre were first put forward in the 1960's but the site continued in low key market/car parking/bus station uses until, with the formation of Laganside, site assembly and promotion of development opportunities through a site masterplan supported by river enhancement works and completion of the Weir triggered development. The commitment of Belfast City Council to the £32 Million Waterfront Hall was essential. This opened in early 1997 and was followed by completion of the 5-star Hilton Hotel and a regional headquarters for BT in 1998. Further development will comprise substantial prestige office accommodation, restaurants and multi-storey car park.</p>																	
<p>Agencies and Partners Landowner: Laganside Partners: Laganside Belfast City Council Private sector(Dunloe Ewart</p>																	
<p>Outputs (real and/or anticipated Cumulative to 2002 – 29900 sq. m - Office 1999/2000 – 5500 sq.m - retail Cumulative to 1999 – 5000 sq. m - leisure Cumulative to 2002 – 2699 permanent jobs</p>																	
<p>Costing- Total</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 30%; text-align: center;">March 1998</th> <th style="width: 30%; text-align: center;">March 2002</th> </tr> </thead> <tbody> <tr> <td>Laganside (net of ERDF)</td> <td style="text-align: center;">£3147k</td> <td style="text-align: center;">£5225k</td> </tr> <tr> <td style="padding-left: 20px;">Grants</td> <td style="text-align: center;">£12500k</td> <td style="text-align: center;">£12500k</td> </tr> <tr> <td>EU -</td> <td style="text-align: center;">£4264k</td> <td style="text-align: center;">£5665k</td> </tr> <tr> <td>Non-Corporation-</td> <td style="text-align: center;">£68000k</td> <td style="text-align: center;">£ 170000k</td> </tr> </tbody> </table>				March 1998	March 2002	Laganside (net of ERDF)	£3147k	£5225k	Grants	£12500k	£12500k	EU -	£4264k	£5665k	Non-Corporation-	£68000k	£ 170000k
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CLARENDON DOCKS**Description:**

The 12-hectare site located in the oldest port area of Belfast The former port area is now the focus of a mixed use development comprising offices, apartments and restaurants in an attractive landscaped setting. Laganside undertook infrastructure works in partnership with BHC, with ERDF support. The historic Harbour Office and Clarendon Buildings have been restored and acted as a catalyst for new development. The retention of the dockside bars, the creation of Barrow Square as the setting for outdoor music events and the provision of public art, help make this an area of character and vitality. The impact is such that private sector development of adjacent industrial sites is now underway.

Agencies and Partners

LANDOWNER: BELFAST HARBOUR COMMISSION

Partners:

Laganside

Harbour Commissioners

Private Sector

Outputs (real and/or anticipated

Cumulative to 1998 – 16365 sq.m- office

Cumulative to 2002 – 32715 sq. m office

Cumulative to 1998 560 sq.m refurbishments

1999/00 – 700 sq.m leisure

1998/9 – 60 housing units

2000/1 – 100 housing units

2001/2 – 125 housing units

Permanent jobs to March 1998 - 626

Cumulative to 2002 – 2 057 permanent jobs

Costing -

	March 1998	March 2002
Laganside (Misc.)	£643	£702k
Grants	£700k	£700
EU	£4 864k	£5390k
Non-Corporation investment	£24350k	£64250k

RAVENHILL REACH

Description:

The riverfront residential scheme is mixed tenure with private apartments and town houses alongside a housing association scheme for mature singles. Enterprise Ulster occupies a small office. A further development opportunity comprises a two hectare site overlooking Ormeau Park. Plans being developed in partnership with the private sector and local community are likely to include private residential units, housing association dwellings for the elderly, a new community hall and community enterprise units. Site assembly by Laganside as vacant maintenance depots and warehouses came on the open market enabled this industrial 'backland' to be transformed into a significant waterfront development opportunity. The local lower Ravenhill communities continue to be involved in the planning for development. An interesting innovation has been the interim use of vacant land by Garden Reach, a horticultural vocational rehabilitation centre, for several years pending development.

Adjacent to the Ormeau Park the site is being developed in two phases.

Agencies and Partners

Landowner Laganside Corporation

Partners

Liganside Corporation

The Bridge Community Association

Private Sector

Housing Association

Outputs (real and/or anticipated

Cumulative to 1998 – 450 sq.m office
87 housing units

1999/00 – 50 housing units

2000/01 - 50 housing units

2002 4360 sq.m office

Cumulative to 1998 115 permanent jobs

2002 259 permanent jobs

Costing

	March 1998	March 2002
Liganside Corporation Misc.	£1030k	£2430k
Non-Corporation Investment	£9885k	£24085k

MAYS MEADOW**Description:**

2 hectare site adjoining Lanyon Place. Site assembly by Laganside has enabled a mixed-use private sector development adjoining Lanyon Place. Previous uses included an electricity power station. Development is now well advanced and includes private apartments, housing association rental accommodation, restaurants and an Abbey National call-centre offering some 400 jobs. Further office development is proposed. Pedestrian, and cycle routes, walkways and access onto Bridge Street,

Agencies and Partners

Landowner: Laganside

Partners:

Laganside

Private Sector (Finbrook Investment Ltd)

Outputs (real and/or anticipated)

1998/9 – 5550 sq. m - office

2002– 650 sq. m - leisure

1998 – 48 housing units

1999/00 – 68 housing units

1998 30 permanent jobs

2002 680 permanent jobs

Costing

Land purchase £756 000

Disposals of £1 428 000 resulted in a net Laganside cost of -£672 000

Non-Corporation investment to 2002- £18 900 000

GASWORKS

Description:

This 9.3 hectare site, strategically located between the city centre, the river and three inner city communities was the location of town gas manufacture and storage for 150 years until closure in 1987. An infrastructure-led approach to development was undertaken by the City Council in partnership with Laganside with Laganside the vehicle for substantial ERDF grant support. Reclamation involved remediation of organically contaminated soils on site. Provision of service roads, and high quality public realm created serviced development sites.

Agencies and Partners

Landowner: Belfast City Council

Partners:

Laganside

Belfast City Council

Private Sector

Outputs (real and/or anticipated)

To date the site has been remediated at a cost of £4 million to Laganside. Infrastructure has been provided on site. The river Blackstaff has been culverted.

During the period 1999-2002 16200 sq.m of office space and 8 600 sq.m of refurbishment.

Business enterprise units are being provided.

1885 permanent jobs will be provided.

Costing

	March 1998	March 2002
Laganside Misc	£450k	£610k
Grants	£619k	£618k
Belfast City Council	£2220k	£2850k
EU	£6641k	£6750k
Non Corporation investment	£350k	£32780k

ABERCORN BASIN/THE ODYSSEY PROJECT**Description:**

This 12 hectare dockland site was formerly the handling area for coal and scrap metal. It is now the setting for the £105 Million Odyssey, Northern Ireland's Millennium landmark project. Opening in 2000 it will comprise a 10,000 seat indoor arena, a science centre, IMAX theatre, multiplex cinema and commercial leisure pavilion. Riverside walkways will enhance the setting and link the site via the Lagan weir to the city centre.

Agencies and Partners

Landowner: Belfast Harbour Commission

Developer: The Odyssey Trust

Outputs (real and/or anticipated)

Long term employment:	600
Employment during construction:	1200
Total building areas:	55,000m ²

Costing	Funding: £M		
	Millennium Commission		45.55
	NIO/Dept of Education		16.90
	Laganside		9.25
	Sports Council NI		2.50
	Private Sector (Sheridan Group)		16.90
	Private Sector (Tenant fit out)		<u>16.00</u>
	Total Investment		<u>107.10</u>

McCAUSLAND SITE**Description:**

This was the first development opportunity to be released within Laganside at a significant location in what was 'no man's land' between the city centre and the river. Overlooking the new weir, development has comprised an exciting mix of uses including First Trust Bank headquarters, Laganside Bus Station, apartments and the McCausland Hotel, a restored seed warehouse. Restoration of the oldest building in Belfast as McHugh's Bar and of a former ships chandlers as a seafood restaurant complements new development.

Agencies and Partners

Landowner: Dept of Environment

Developer: Private Sector
NI Transport Holding Company

Outputs (real and/or anticipated)**Costing**

N/A

OECD/TUAC JOINT SEMINAR

PARTNERSHIPS AND LOCAL DEVELOPMENT

Opening Comments

Tony Hopkins CBE, Chairman, Laganside Corporation.

On behalf of Laganside Corporation I am delighted to have this opportunity to welcome each of you to this significant event.

WELCOME TO THE SEMINAR

- to our guests from OECD and TUAC. Over the last few months we have enjoyed a positive and constructive dialogue with the OECD team undertaking the evaluation of the Laganside regeneration initiative. We look forward to sharing our experiences with you and in turn learn from your experiences elsewhere.
- to our local delegates representing the public sector, elected representatives, private sector and local communities. This signifies the partnership approach to regeneration in Belfast, a key theme for discussion in the next two days.

WELCOME TO LANYON PLACE

We are delighted that we are meeting today in the BT conference room in Lanyon Place, located in the heart of Laganside's flagship site.

Ten years ago this was an under-utilised site on a neglected waterfront in a city centre suffering from twenty years of conflict. Today Lanyon Place is

the focus of civic, leisure and commercial activity reflecting the growing confidence of and in Belfast. The magnificent Waterfront Hall built by our partners, Belfast City Council, now forms the backdrop for much international media coverage of Belfast.

The recently completed Hilton Hotel and BT regional headquarters represent significant private sector investment. The cranes and construction activity adjacent to the seminar venue represent a recent commitment by developers Dunloe Ewart to a £21 Million speculative office development.

Beyond this is the recently refurbished Victoria St. George's market bringing vitality and interest and creating a 'people place'.

Across the road is the inner city Markets community, an example of the high standard of inner city housing redevelopment undertaken in Belfast in the 1990's. It also highlights the priority that should be given in regeneration initiatives to ensuring that local residents are involved in and benefit from adjacent development – another important theme to be explored in this seminar.

WELCOME TO LAGANSIDE

As we look back on our achievements to date, we welcome this independent evaluation by OECD.

As we reach our tenth anniversary, investment in and around the designated area totals over £350 Million. As each year unfolds new ideas emerge, new buildings are completed and more parts of the inner city benefit from regeneration and environmental improvement. There is now a vibrancy and social dynamic affecting the daily lives of thousands of people.

I have referred to landmarks on Lanyon Place. At Clarendon Dock, former port-land has been transformed with an exciting mix of commercial, residential and leisure activities. As Belfast prepares for the new millennium, work moves forward urgently on the £110 Million Odyssey leisure project. The former Gasworks is now the setting for substantial development as a result of a partnership with landowners Belfast City Council.

As investment and development proceeds, we give priority to new employment opportunities and encouraging accessibility for all to these opportunities. By 2002, some 10,000 people will work in the Laganside area. Laganside is working with the Training and Employment Agency, employers and local communities to offer training related to employment opportunities.

Our most recent challenge is an historic city centre area now known as Cathedral Quarter, where there will be a particular emphasis on arts and cultural activities.

For a decade Lagside has drawn on the experience of other cities. Our developing relationship with OECD reflects our recognition that we have much to learn from others. We also hope to contribute to an international debate about sustainable urban development.

A Place for People

Ten years ago the neglected waterfront close to where we are today was typical of inner city areas in many of the cities represented at this seminar. This weekend our annual river festival will attract thousands of people to enjoy fireworks and festivals along a river once again regarded as an asset for Belfast. Regeneration is not only about infrastructure and investment, it is about creating vibrant people places, a place for all communities in Belfast and for visitors to our city. It is my pleasure to welcome you today.

The Role of Partnership in Local Development

John Monks, General Secretary, Trade Union Congress, UK

Before introducing the distinguished speakers on the panel I would like to offer a few reflections on the role of partnerships in local development based on the TUC's experience in this area.

The TUC has been a long-standing advocate of stronger regional and local governance concerning economic and employment policy. As I recall we were calling for regional development agencies and more powers for local authorities 20 years ago, but with a different ethos than that which developed in the 1980's. We therefore strongly welcomed devolution in Scotland and Wales and the setting up of RDAs in England.

Trade unions see the devolution and delegation of economic powers as more than a passing political fashion. It's a recognition that many of the more intractable problems of inner cities, rural areas and old industrial areas require problem solving at the local and regional level, along side national level responses. For example, today unemployment in the UK shows much stronger regional and above all sub-regional differences: contrast the 'apparent' full employment south east and high unemployment north east. I use the word 'apparent' advisedly, as wide disparities also exist within regions. Pockets of unemployment and poverty of the same magnitude as in the north east also exist in the south east.

As to the future, if the government is to achieve its wider economic and social policy objectives, on growth, productivity, unemployment, and social exclusion it will require a much stronger regional dimension than in the past 20 years. The TUC has formulated the following principles to guide devolved policy making and implementation.

A strategic framework is required to encompass both national and regional level initiatives, with clear policy objectives for tackling key problems of industrial restructuring, job generation, and social exclusion. In turn that requires policy co-ordination and integration across all the different government agencies, and at all levels.

Within that framework as much flexibility as possible should be given to local agencies and partnerships to fit the programmes to local circumstances.

The New Deal is a good example. While operating to national standards through a national agency (the Employment Service) it provides for local delivery.

Experience from continental Europe and elsewhere demonstrates that social partnerships work best, both in the design and delivery of locally based initiatives. The RDA Boards are a good example where social partner involvement has produced workmanlike institutions, not talking shops.

All relevant authorities should therefore recognise the positive role that trade unions have played in the workplace and the wider community in promoting investment in people. Further encouragement is required so that trade unions and employers come together in workplace partnerships to develop their contribution to the economic and social well being of the communities of which they are.

In conclusion, I would like to say that wider and deeper links should be built between all actors so as to root programmes in the local communities that policy is trying to help. The TUC hopes this will be a strong element in the government's very welcome initiatives to tackle social exclusion by focusing on local areas of greatest deprivation. Furthermore, this joint OECD-TUAC Seminar is a welcome initiative to further develop the partnership approach to local economic and social regeneration. I would hope that policy makers everywhere take on board the lessons from this Seminar and adapt partnership principles to their own evolving circumstances.

Partnership in Local Development - an ILO Perspective

*Werner Sengenberger,
Director of the Employment and Training Department, ILO Geneva*

1. The ILO's Concern for "decent work"

Throughout its 80-year history the ILO has promoted the case of social justice. At the end of the 20th century, when according to ILO estimates about one billion workers are either unemployed or underemployed (1), the fight against joblessness and its collateral effects on incomes and social cohesion has moved to the top of the economic and social agenda in virtually all corners of the world.

The goal of full employment has been reconfirmed by the Copenhagen Declaration and Programme of Action adopted by the World Summit for Social Development in 1995, and more recently by the International Labour Conference in 1999. In the perspective of the ILO, full employment means more than the absence of unemployment. It also means jobs that pay a living wage, employment and income security, safety at work, and opportunities for personal advancement. In his report to the International Labour Conference 1996, the new Director-general of the ILO, Juan Somavia, has used the term "decent work" to give expression to the ILO's determination to simultaneously promote more jobs and better jobs (2). Job creation and job quality are not seen as a trade-off, but rather as complimentary elements of a comprehensive employment strategy. Based on this general trust of ILO's mission, the Organisation has set, in addition to the promotion of employment and incomes, the promotion of fundamental principles and rights at work, the strengthening of social protection and social security, and the strengthening of social dialogue as programme priorities for the years ahead.

2. Strategic choice in local development

Next to the international and national level, the local level constitutes an important arena for policies in pursuit of quality standards in employment and development. Whether or not pay is used as a competitive advantage, or workers have equal access to jobs, or gender equality is promoted, or disabled workers are integrated into the labour market, all depends to a great extent on

the policies and actors at the local level. While earlier it was believed that economic growth and higher aggregate demand will directly translate into economic improvement of all regions and areas, more recently a more sobering view has been taken. It holds that for successful local development, economic restructuring and urban renewal, proactive approaches of development at the local level are indispensable.

In the context of economic globalisation, sub-national regions and local areas have become subject to intensified competition in the same manner as enterprises and national economies have. Two principal strategic approaches can be identified as responses to this competition. The first strategy may be termed the *low road approach*. It has been much inspired by the neo-liberal dogma, influencing the thinking of economic researchers and policy makers alike. Following the prescription of the economic orthodoxy, a competitive edge is sought primarily through lower taxes and labour costs and through deregulating the labour market, often with the effect of a serious entrenchment into labour standards. It is believed that cost cutting and tax alleviation or tax holidays will attract more inward investment into the region or locality, and at the same time, boost productivity and profits, and in the final analysis stimulate economic growth and job creation. It is held, moreover, that institutions and rules aimed at regulating competition are mere straightjackets, and should be kept to a minimum.

While it cannot be denied that competitive advantages have been gained this way, it is also true that often these gains turned out to be short-lived. Sub-standard wages or benefits in an area make it more difficult for firms to recruit or keep qualified labour. Moreover, if labour is made cheaper, the incentive on the part of the employer to invest into the knowledge, skills and employability of its work force tends to decline. The same effect can be observed with regard to labour market deregulation, especially if it entails a surge of casual employment relations and temporary work contracts. Which employer is willing to invest in a worker whose attachment to the firm is short lived and lose? In fact, increased personnel turnover has proved to become one of the primary impediments to raising the skills and competence of the work force on a broad scale. It explains the discrepancy persisting between the rhetoric of the need for human resource development, and the reality of insufficient and highly uneven levels of skill formation in the labour force.

Seeking competitive advantages by way of lower tax levels may also backfire as far as the competitiveness and sustainable development of an area is concerned. While at first glance low taxes may appeal to investors, they also mean lower public revenues which then pose an obstacle for the area to improve its physical and social infrastructure. Given the choice between low charges and

an attractive local business environment, firms have often come to prefer the second.

While foreign direct investment may of course help regional development, too much reliance on inward investors tends to increase dependency on foreign technology, supplies, management and so on. This has clearly been demonstrated in the maquiladoras in Northern Mexico. Moreover, we could learn from the recent financial crisis in the Asian tiger economies, capital flows can be detrimental if they are highly speculative, and not associated with commitments of the investor to contribute to local development. Frequently, foreign direct investment flows into the most developed regions and areas of a country resulting in an exacerbation, rather than a decline of spatial economic disparities.

Another typical problem associated with the low road strategy is that it creates winners and losers among a country's regions and local areas, because it is endemic to this approach that one locality gains at the expense of another. This win-lose outcome may turn out to be detrimental to the economy as a whole. It may aggravate regional imbalances, and once such disparities are in place they are difficult to overcome. Major public investment over extended periods of time are required to pull backward areas out of their demise.

In contrast to the low road strategy, the *high road approach* to local development seeks to avoid destructive local competition. It attempts to create an institutional environment that encourages firms to seek competitiveness in more constructive ways avoiding beggar-my-neighbour effects. The main economic mechanisms for high road development are improved productivity, product and process innovation, product quality, improved human resource endowments and spatially balanced development. The institutional environment conducive to this approach can be created in two mutually reinforcing ways: First by making sure that through minimum labour standards within and across regions, an effective social floor is established and actually observed so that no competitor can attain advantages through sub-standard wages and conditions of employment. This way, downward directed destructive competition is blocked. Secondly, a positive competitive regime may be promoted by public and private investment into the labour force, and support for the creation of collective efficiencies and local co-operation among firms and between business, labour and other local actors. Co-operation is needed for exchanging information, and thereby reaching common efficiency. It cannot be sustained without trusting relationships between firms, and between employers and workforces.

Lately, the term *social capital*, originally coined in the 1930s, has been revived to characterise a social fabric of trust, intensive social exchange

and social cohesion, and the resolution of conflict and disputes, with benign effects on the economic performance of local economies, and national economies as a whole. It has been recognised that the social environment may be valuable, if not even more important than purely economic assets, for the competitiveness and long-term growth prospects of a locality.

3. Lessons on local co-operation and partnership from case studies

The ILO has accumulated a wealth of knowledge through numerous case studies all over the world that demonstrate the significance of social standards and social institutions for economic adjustment and sustainable local development. In particular, these studies provide evidence of the impact of bipartite and tripartite co-operation and partnership for economic performance, such as growth and competitiveness.

Beginning in the mid-1980s when the re-emergence of the small firm and small production units became apparent, the ILO looked closely into the prerequisites of both good economic and good social performance of small enterprises. It studied carefully the so-called industrial districts in Northern Italy, one of the most renowned example of small firm success in domestic and international markets that generated one of the highest wage levels in Europe and brought impressive prosperity to regions like the Emilia Romagna, Tuscany and Veneto (3). The competitive strength of the districts were only to a minor degree derived from labour cost advantages in some of the subcontracting firms. In the main, the strength rests on the ability to offer quality products, design flair, flexibility, speed, and continuous product innovation. How did this become possible? Two factors in the business environment of the districts were important: economies of agglomeration resulting from the clustering of co-operating firms in a small geographical area; collective efficiencies generated through a system of publicly or privately organised, common producer and commercial services for the small firms in areas like research and product development, product testing, marketing and advertising, export promotion, and labour force training; and finally a social environment of co-operation between the small firm community, trade unions and local government.

The benefits of partnership and more broadly, of social capital, have been witnessed in studies of the ILO in countries of varying degrees of development. In an ILO Action Programme on Globalisation, Area-based Enterprise Development and Employment, cases of local co-operation have been documented (4). For example, in South Africa a need arose after the end of the country's economic isolation to bring producers up to global competitive standards and WTO requirements. As there was hardly any tradition of co-

operation in that country, co-operative relations, e.g. in the automobile parts industry, were infused from outside the industry, with the assistance of a local university institute. The goal has been to improve product quality through mutual learning and the sharing of experience among the producers which have been organised in a so-called benchmarking club. In another case of a shoe-industry cluster of Rio Grande del Sul in Brazil, the issue was not the initiation of local co-operation, but rather the continuation of co-operative relations in the face of intense cost competition from low wage countries such as China. There, the need was for improved product quality to meet quality standards of buyers in Europe and the United States. As it happened this strategy of moving up-market was undermined by the opportunistic behaviour of some producers who chose a go-it-alone strategy of survival, to the detriment of the local industry as a whole. In this situation, an intermediary institution, such as a public authority, would have been instrumental to restore the earlier inter-firm co-operation and successfully implement the new competitive strategy.

While frequently labour standards are considered an output of competitive strength the ILO has documented that labour standards are as much an input to economic development. One recent case in point concerns the export-oriented cut flower industry in Zimbabwe. As an incentive to bring producers up to international product and labour standards, an international product and social labelling campaign was launched in the import countries of Europe and North America. Through such incentives as price premium and preferential market access, the flower farmers were able not only to raise product quality standards, but also meet the labelling requirements to pay better wages to the workers and protect them against environmental hazards stemming from the use of pesticides and fertilisers. While some producers resented the international demands, others adjusted their production to these demands, and found that the improvement of wages and working conditions increased productivity, product quality and market share. This experience brought the resisting farmers to re-think their strategy (5).

In conclusion: The role of governance in local development

In the OECD document on the Laganside Urban Renewal Project (6), a sequential strategy is proposed that views social standards as the outcome of environmental and economic policies. This paper emphasises that the causation also runs in the reverse, i.e. social conditions impact on economic and environmental performance. Social conditions include co-operation and partnership which form a kind of social capital that can be of vital importance for the development of regions and local areas. It is in the local realm where it is

perhaps easier than at the national and international level to break down the firewalls between social and economic policy.

The co-operative model of local development presents an alternative to the governance scheme under which the state is the sole actor, and also the “market model” in which local development, restructuring and urban renewal is left to the private sector. In practice, the state model whose intelligence relies very much on bureaucracy tends to suffer from economic inefficiencies while the market model frequently produced inequality of opportunities and income and also led to social exclusion.

- The co-operative approach promises to overcome these failures. Instead of a single actor or a single group dominating economic decision-making, several stakeholders participate in the process of local development, both at the stage of design and implementation. The government’s role is not merely one of a regulator but more and more one of a facilitator, motivator and catalyst, and also an orchestrator of conflicting interests. The government provides an overall policy framework for the region, encouraging investments in human and physical resources, and ensuring quality and standards for services and equity of access to public and private resources. But it is equally important that those who are affected by local policies are effectively involved in the developmental process. From such participation a number of clear advantages can accrue that make it possible for the process to generate superior results. Among the advantages are:
 - if the stakeholders agree on and are committed to local policies, then implementing these policies tends to be much facilitated; a sense of shared goals and a share in a common future is promoted;
 - the involvement of various stakeholders can lead to more intelligent solutions of local problems, simply because the groups enter a contest for good ideas. Competition and co-operation stimulate the generation of collective wisdom;
 - the involvement of the key groups in local development constitutes a platform for local democracy. It provides the chance for young people to participate in public affairs, provides a kind of apprenticeship for competent future politicians, entrepreneurs and public officials;
 - the involvement of trade unions and employers’ organisations in local development is apt to enlarge and upgrade the functions of

these organisations, thus enhancing their public status and credibility;

- local level policy provides opportunities for women to participate in public affairs and can thus contribute to greater gender equality.

Undoubtedly, the local level can be instrumental in furthering endogenous development. It can create a regional identity, economically, politically and culturally; it can integrate and commit key actors to this development - firms, business associations, trade unions, other non-governmental organisations, local and regional government, employment exchanges, and others. It would, however, require some reorientation of existing structures and policies. Take the trade unions, for example. The principle of a territorial organisation was predominant in the early, formative phase of trade unionism in many European countries. Later, it gave way or was superseded by trade union organisation and worker representation linked to employment in large enterprises. Today, as jobs in large firms have diminished, standard full-time employment has declined, and as there are more footloose workers employed on a temporary and casual basis, strengthening territorial worker organisation at the local level may again make sense for trade unions and employers alike.

Of course, one must not overlook certain dangers involved in emphasising local and regional development. One was already mentioned above: the risk of increased regional economic disparity and regional inequalities in wages and conditions of work. For avoiding it, local policies should be embedded in a national policy framework setting minimum standards in the labour and product markets. New localism also should not mean egoism and parochialism. The successful Italian industrial districts benefited enormously from their cosmopolitan outlook and their old trade links with economies distant from Italy. At the same time, a parochial political regionalism, exemplified in the Lega di Norte, emerged in Northern Italy which was fuelled by the idea that the revenues from economic strength of the Northern regions should no longer be shared with the much poorer South of the country. While decentralisation, politically and economically, clearly leads to gains as characterised above, it should not be delinked from policies at national and international levels in order to contain the potentially detrimental effects of localism.

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Trade Union Involvement in Local Development

*Patricia O'Donovan,
Deputy General Secretary, Irish Congress of Trade Unions*

In my presentation, I will confine my remarks to the following:

- *Background to trade union involvement in Local Development in the Republic of Ireland*
- *Reasons why trade unions should be involved in Local Development*
- *The success factors*
- *Unresolved issues*

Background

Trade union involvement in formal local development structures is a relatively recent phenomenon in Ireland dating back only to the end of the 1980s. Prior to that, formal trade union involvement in local development structures consisted mainly of representation on the Vocational Education Committees, the Regional Technical Colleges and the Port Authorities. But these arrangements were limited and the level of involvement depended largely on the commitment and interest of local trade union people and the level of activity of the local trades councils.

Towards the end of the 1980s, a number of factors came together which substantially changed the situation. With the reform of the EU Structural Funds, the European Commission introduced the concept of partnership to the arrangements associated with monitoring the Structural Funds. Most important from the trade union point of view, the Commission stated that this partnership should include the social partners. Arising from this, the various monitoring mechanisms established by the government (the Operational Programme Monitoring Committees and the Structural Funds Review Committees) provided for direct social partner representation.

Parallel with this development, the *Programme for Economic and Social Progress* (PESP) provided for an area-based approach to tackling long-

term unemployment. This resulted in the establishment of 12 Area-Based Partnerships in 1990/91 which were to focus on the development of an integrated strategy to combat long-term unemployment at local level. Local trade union representatives were involved in the establishment and development of these structures and worked with community groups, employers and the relevant state actors to develop a plan for their areas.

At the same time, the growth and expansion of the Congress *Network of Unemployed Centres* was providing an important resource to unemployed people in their communities. The experience and expertise of the centres were critical factors in anchoring many of the area-based companies as the centres were often the only functioning community-based group with the capacity to respond locally to the area-based initiative. The initial 12 area-based partnerships established under PESP were gradually expanded to 38 partnerships country-wide. This was followed in 1994 with the establishment of 35 County Enterprise Boards and 36 LEADER companies which also included social partner representation. The Congress *Network of Unemployed Centres* has also continued to expand to its current level of 35 centres around the country.

In summary, over the last 10 years, a complex set of representative structures for local development has emerged in Ireland through a combination of European Union, government, trade union and local community initiatives. Trade unions have come from a position of relatively little involvement in local development to a situation where this has become an important dimension of trade union activity at local level. Currently, there are approximately 200 trade union representatives country-wide nominated by Congress to these various local development structures. In addition to the formal involvement of trade union representatives in these structures, there is evidence that many trade unionists are active on a voluntary basis in other local activities including housing groups, credit unions, sports and youth organisations etc.

In the establishment phase of these new structures, the main trade union concern was to secure representation. Through its contributions over many years to national economic and social development, it was logical that the trade union movement should seek representation on the variety of bodies and structures set up to support local development in Ireland. Social partner involvement in local development and in monitoring the EU Structural Funds appears now to be well established and accepted as an invaluable contribution to these processes.

Why Involve Trade Unions?

From a trade union perspective, involvement in local development has opened a door which allows the trade union movement at local level to contribute to and participate actively in local development initiatives. It has provided many local trade union representatives with an opportunity to develop new skills and expertise in relation to their local economy and to acquire knowledge and information which allows them to contribute to strategic economic planning at local level. Economic and social commentators and relevant government and international agencies have pointed to the important role played by trade unions within the local development framework and to the associated skills and knowledge brought to the activity by trade union representatives. The main arguments for involving trade unions can be summarised as follows:

- Trade unions bring a *specific focus on countering economic and social disadvantage* to the local development structures in which they have an involvement.
- Because of the nature of their work, trade union representatives usually have a very *good knowledge of the local economy*. They will be aware of the companies which are expanding and investing for the future as well as being aware of those which may be at risk and where there might be a need for remedial or other preventative measures to be put in place.
- Trade union representatives also normally bring with them a capacity to *navigate the system* and are less likely to be deterred by red-tape and official bureaucratic barriers. This arises from the nature of their work which inevitably brings them into regular contact with the 'system'.
- Trade union representatives also bring with them a set of *specific skills* which are extremely useful in the partnership model of local development. These include negotiation, problem-solving and consensus-building skills.
- Finally, trade union representatives have institutional as well as individual *credibility* in relation to their participation in these situations. There is no self-interest and no conflict of interest as they seek to genuinely promote the collective effort of the community to improve local economic, social and environmental conditions.

Factors in Success

After a decade of trade union involvement in local development in Ireland, the following can be identified as key factors in the success achieved so far:

- the structured, institutional involvement of the trade union movement was essential to mobilising the resources and commitment necessary. Ad-hoc arrangements or voluntary participation would not have provided the necessary stimulus to make this happen,
- *partnership* was at the core of the arrangements which ensured that the State, the local community, business and trade unions came to the table on an equal footing,
- as has been documented in the OECD Report (Ireland: Local Partnerships and Social Innovation, 1996) the local partnerships were characterised by flexibility, innovation and experimentation,
- the focus on economic and social disadvantage was essential to harnessing the commitment and resources of all the partners.

Unresolved Issues

As economic success has created the potential for much greater resources to be committed to tackling economic and social disadvantage, the following key unresolved issues need to be addressed if the local development experiment is to be mainstreamed into successful economic strategies for the future:

- a more complementary relationship between local government structures and local development structures must be put in place,
- a substantial commitment of 'own resources' is required as EU funding is scaled back over the next round of Structural Funds,
- investment in training with a particular focus on strategic planning and evaluation,
- greater co-ordination and co-operation is required between the multiplicity of local development structures to avoid wasteful duplication and competition.

The Role of Partnership in Local Development

*Paul Cullen,
Chairman, LEED Directing Committee*

In a fast-changing, globalised world, strong job-creating local economies are one of the most powerful means of balancing the negative effects of globalised markets. They can play an important role in shifting the accent from “assistance” to “activity” precisely because new partnerships between public provision and private action can be more readily achieved at the local level. Moreover, we know that an important part of the new employment growth potential is to be found in services which can only be effectively provided at the local level, and which provide a platform for new forms of entrepreneurship.

The work of the LEED Programme is primarily focused on entrepreneurship and job creation. It views enterprise generation and job creation as going hand-in-hand. It has promoted approaches which differed markedly from “classical” public job creation programmes in that its aim has been to create activities rather than assist individuals. It also differs from the classical approach to the support of SMEs since it never limited its attention to the innovative and fast growth forms of small business development. Indeed, the LEED Programme emphasises that “entrepreneurial culture” can exist in a much wider part of the population than was historically the case, and involves a much broader view of what an enterprise is. It is alert to how the growing role of the service sector favours new forms of economic initiative which facilitate the access of non-traditional groups to entrepreneurial activity.

Concerns for equity and social cohesion, particularly in Europe, have led to attempts to combine liberalising the economy with social negotiations and partnerships with the civic society, and notably the social partners. John Evans referred in his introductory remarks to the "triangular paradigm" put forward by the Secretary-General of the OECD as a framework within which a balance can be sought between economic growth, social stability and good governance (see "A New Global Age", OECD Observer, August/September 1997). Against that background, a central question for the OECD is surely -

‘How do we relate these concerns to the situation of the socially deprived, “hollowed out” inner cities, saddled with a legacy of defunct industrial sites, civil strife and a culture of pessimism and fear’.

Local development approaches to urban regeneration

Governments have been trying to tackle urban regeneration problems in OECD countries for many years, focusing on policies to encourage property and business investment and improvements in housing and welfare. While in many countries policies for distressed urban areas are non-existent or under-developed, in others they have been primarily property-led, focusing on dereliction as the problem, with property development and “flag ship” development projects seen as the solution.

It is generally accepted, however, that these policies have had only limited success. On their own, they cannot provide a comprehensive solution. The lessons from the LEED Programme's work are, pace Graham Gudgin's questioning of the merits of partnership approaches, that previous policies have contributed indirectly to social costs in precisely because of the absence of an integrated strategy that sought to address the multiple problems of urban dereliction and the causes of deprivation at one and the same time. The limited focus of such policies can also lead, as this OECD says, to gentrification and a property bonanza, without touching the majority of the people.

It is against that background that the evolution of the Laganside model is of particular interest. Criticisms have been levied at the “infrastructure-led” and “exclusively economic” approach of urban policy ethos of the UDCs in the UK, from which the Laganside Corporation originally emerged. It has been argued that the approach pursued by the UDCs resulted in an unbalanced emphasis on physical outcomes to the detriment of more holistic approaches. They showed little or no interest in the wider economies and communities of which the designated areas were a part.

Laganside's original strategy envisaged a process working through successive stages:

- 1. Environmental**
- 2. Economic**
- 3. Social**

While this sequence of stages may have its rationale in the case of a single-agency approach to regeneration of derelict areas, Werner Sengenberger (ILO) has observed that there may be no less valid alternatives to such a linear progression. A very different sequence has typified the multi-dimensional approach of the Area Partnership Companies in the Republic of Ireland, which have already been described by Patricia O'Donovan (ICTU)

The sequence of activity followed by the Area Partnership Companies tended to run as follows:

- 1. Community Development**
- 2. Education & Training**
- 3. Economic and Employment Development.**

It is ultimately a case of "horses for courses"! My recollection is that the trade union nominees on the Area Partnerships Companies sometimes balked at the possibility that real engagement with job creation initiatives was being relegated to a deferred objective. This has obvious significance for our theme regarding the role of trade unions in local development. Trade unions have always argued that job creation is the key to the reconciliation between the economy and society, if only because we live in democracies in which civic existence is based on work.

The 1995 Review of Laganside, and subsequently its revised mission statement, have broadened its remit and deepened its focus. The Corporation's response to this wider mandate is considered to have shown how it is flexible, adaptable and innovative. Those are accolades for any institution.

A "multi-agency" partnership approach, which achieved some success in winning the confidence of the private sector, is now apparently being complemented by a multi-actor strategy, whereby the Corporation seeks to become pro-actively engaged with social partnership bodies, Partnership Boards and community organisations. It is clear that the single agency approach - especially one so well endowed as Laganside- will have obvious appeal to the private sector- offering a chance to maximise investment while minimising risk. The "top-down" model of urban regeneration is good at assembling the sites and delivering the bricks and mortar. The challenge of promoting a partnership process which offers genuine opportunities for community involvement and reaches out to embrace the contributions of a mix of different actors is more complex. It is a dimension which would not appear to have been given great weight heretofore although there are clear signs in Belfast of a firm endeavour for the future.

What role do Trade Unions play in this process?

In response to the question posed to us by John Monks I would acknowledge right away that trade unions are concerned about building secure local economies and translating national economic and social policies into local

action. It is clear across OECD countries that they are also concerned to play their role as “agents of change”. There is an image which they are seeking to shed - that is the stereotype of trade unions concentrating their efforts on trying to protect yesterday's jobs and losing out by failing to identify the strategies that will develop skills for the new sources of employment.

I would add to the catalogue listed by Patricia O'Donovan highlighting the real strengths of trade union involvement in local development strategies which derive from:

- how trade unions are embedded in civil society
- their keen awareness of the need to reconcile forms of participatory democracy with movement to reform the traditional structures of representative
- democracy, particularly local government;
- the non-sectarian values they have demonstrated throughout the conflict in Northern Ireland (e.g. the Counteract initiative)
- their solidarity with the socially excluded
- their involvement in economic education for their members and in promoting life-long learning, again a proud tradition in Northern Ireland.

I hope we can learn more here about what partnership approaches can contribute to both the processes and the outcomes of better urban regeneration policies. What are the key objectives that the trade unions and other community interests should be looking for in a good urban renewal programme? The conclusions to the OECD study posit some pointers in this regard:

I would expect to find trade unions pressing for a sound **balance** between on the one hand - *the inward investment and business development aspects of the strategy, as well as the associated education, training and job targeting activities*, and on other hand, *the programmes which aim to improve the quality of life through better residential accommodation, recreation and leisure uses and public space*;

The appropriate "balance" will depend on local circumstances.

A second key objective for the trade unions might be *to enter into a debate with the other partners about local needs and appropriate projects to meet these needs* [trade unions have not always enjoyed good working relations with the community sector and have sometimes found it easier to forge alliances with the private sector around conventional economic issues. The affinity

which public service trade unions have with local authorities has meant that they rarely share the sense of alienation from such structures encountered among some voluntary sector representatives].

The aim here should be *to provide an opportunity for trade union and community interests to give a weighting to different objectives and project ideas* and perhaps try to avoid the tendency, decried in critical assessments of how the EU Structural funds are used, to be led by the availability of funding rather than relevance to local need.

Finally a further challenge for trade union involvement in urban regeneration programmes is to try to *ensure that local entrepreneurs are encouraged to have a stake in the newly developed areas and that activities are identified within the programme to be delivered by community and voluntary sector organisations.*

Issues

Reviews of partnership initiatives undertaken to date by the OECD LEED Programme offer some kind of template for assessing the achievements and the challenges ahead for Laganside They suggest that in order to support effective urban regeneration, the partnership efforts needs to concentrate on the following areas:

- Developing high quality economic development strategies that genuinely recognise the distinctive facets of the local area and build a shared vision between partners.
- Producing clear strategic objectives and planned actions that clearly meet these objectives.
- Developing processes for networking and co-operation between agencies, whether these are based on loose or tight partnerships, that allows delivery of programmes and projects in a co-ordinated and integrated way.
- Widening of partnerships to ensure participation from all those bodies that can genuinely contribute [the process should be recognised to be about more than just getting a seat at the table!].

There has been a tendency, however, in Ireland for those engaged in partnership experiments to remain overly concerned about issues of Structure and of Resources; to the detriment of the, to my mind, more fundamental issues of Strategy and Goal-Setting.

In conclusion, I should like to highlight some of the lessons from our recent experience in the Republic of the area-based partnership initiative that strike me as relevant to this discussion:

- (i) Efforts aimed at building partnership from among public, private and community sector players at local level are still a relative novelty. We should not underestimate the **time-scale required if this type of vision-building process is to be successfully reflected in a guiding plan** which goes further than simply channelling a fixed amount of public funds in to a range of local actions.
- (ii) **There is still a stratum of resistance to clarity about the objectives and policies** which should inform integrated local development. It is important to ensure that an over-concentration on structures and resources does not eclipse the attention which needs to be given to the common purpose and agreed strategy which should underlie a local development plan.
- (iii) There is a need to improve the information on and understanding of the diverse character of the local economy. The cornerstone of an audit of the local economy involving all the principal partners lies in assessing **how their area relates to regional, national and international trends.**

The most encouraging thing about what this OECD review offers is its testimony that what we see here in Belfast offers a demonstration that lost ground can be won back! Belfast's story will be of interest to other cities and urban areas. I hope that the collaboration behind the organising of this conference does demonstrate that there is a resilience and capacity for reconciling economy, society and politics where civil society and local economies and communities can strive to bring the excluded back into activity through creative ways of combining public action and private initiative so that local energies and entrepreneurial potential can be developed, encouraged, and related to the mainstream economy.

Review of the Experience of Laganside since 1989

*Mike Smith,
Chief Executive, Laganside Corporation*

This illustrated presentation of Laganside's role and achievements provided an introduction to the presentation of the OECD evaluation.

The presentation illustrated and highlighted the following:

- Belfast's neglected waterfront in 1980's following closure or relocation of industry, town gasworks and markets and movement of port activity downstream.
- Tidal range of river created unsightly mudflats at low tide and limited recreational use.
- Laganside regeneration initiative arose from:
 - Belfast Urban Area Plan context
 - Urban development corporation model
 - Laganside Concept Plan created a vision
- Laganside's role:
 - strategy/vision
 - infrastructure-led approach
 - addressing physical, social, economic aspects
 - site assembly
 - enabling, 'making things happen'
 - marketing promotion
- Infrastructure led approach:
 - new Lagan Weir
 - Cross Harbour Road and Rail Bridges
 - riverside walkways

- river dredging, aeration
 - Made possible by ERDF funding
- Infrastructure created the setting for private sector investment on a range of riverside development sites:
 - preparation of masterplan
 - infrastructure provision
 - creation of high quality public realm
 - selection of developer through development brief
 - site promotion
- Partnership a key theme. Unlike other UDC's, Laganside does not have planning powers nor owns all land. Some site assembly undertaken (by agreement)
 - Partnerships with
 - landowners
 - City Council
 - private sector
 - local communities
 - other agencies
- Lanyon Place
 - £170 million flagship site
 - Waterfront Hall (City Council) the catalyst
 - Hilton Hotel, BT Tower complete
 - recent commitment by developer to £21 million speculative office
 - now a destination place, focus for events
 - new international image for Belfast
- Mays Meadow, mixed use scheme
 - call centre provides substantial job creation
 - integration of social and private housing
- Restoration of historic buildings

- St George's Market (City Council). Vibrant people place
 - McCausland Hotel: former seed warehouse
 - McHugh's bar: oldest building in Belfast
- Gasworks
 - large city centre site
 - links city to river
 - adjacent to three inner city communities
 - located on sectarian interface
- Gasworks, 1:
 - partnership with landowners, City Council
 - involvement of local community in planning and in training/employment initiatives
 - infrastructure led approach to site reclamation and public realm
 - mixed use commercial/community enterprise
- Clarendon Dock:
 - former port lands owned by Belfast Harbour Commission
 - high quality setting
 - commercial, residential, leisure activities
- Residential Development:
 - transformation in return by private residential units to city centre/waterfront
- Abercorn Basin:
 - former coalquays/scrap quay
 - Millennium scheme, The Odyssey, £110 million

- Indoor arena, science centre, IMAX theatre, commercial leisure pavilion
 - Laganside grant support for riverside quay wall, walkway and sit infrastructure
- Cathedral Quarter:
 - new challenge away from river
 - historic area on fringe of city centre
 - creating a dynamic, distinctive historical, cultural, mixed use quarter
 - emphasis on arts/cultural sector
- Laganside benefits for Belfast:
 - job creation
 - private sector investment
 - social facilities
 - destination/meeting place for all
 - environmental gain
 - sustainability
 - enhanced international image
 - focus for inward investment
 - partnership arrangements
 - targeting social need

Remarks on Design and Urbanism

*Peter Hunter, RIBA
Architect and Development Consultant, London*

This talk is solely about infrastructure but having had the advantage of listening to Paul Cullen this morning, I should like to change the title to “Top down framework for bottom up development”.

Venice must be the ultimate aspiration for all waterside development and the best example of a wonderful top down water framework inspiring marvellous buildings and public spaces. It is surely responsible to try and emulate the example of Venice in all Waterside developments.

The city of Salford set out to do this at Salford Quays, the former Port of Manchester, the derelict land left when Port operations ceased in the 1970’s. By the 1980’s not only had the site a blighting effect on its neighbourhood but also on ant prospective developer.

The City Council believed that from the “bottom up” employment was the top priority and investment must be attracted.

This was done with the encouragement and financial assistance of the Department of the Environment through various grant programmes. The public money was used to establish very high quality, publicly accessible infrastructure in the form of new canals, new roads, new walkways and structural landscape.

In addition the ground was cleared of obstructions and new services provided.

The visual impact of this work attracted the first investors to build a Hotel, Cinema and some housing. This was followed by offices and more housing which gathered enough momentum to secure the completion of the whole development and to produce the following statistics:

Overall area:	60 hectares (150 acres)
Public finance:	£40m
Private Investment:	£400m
New Jobs:	7000
Total jobs:	13000

At the time the Manchester Ship Canal was opened in 1887, Belfast was already a thriving Victorian Manufacturing City. In the next few years the impetus of the Victorians completed the main services and practical framework for the City.

Following the example of Salford Quays the Authorities in Belfast initiated a study to determine whether the presence of a rather polluted River Lagan in the centre of the City could be turned into an asset to attract investment and build confidence.

Once again the high quality infrastructure led approach was adopted and a unitary body – the Laganside Corporation – was set up to implement the proposals.

Mike Smith has admirably described the work of the Corporation and I should like to reinforce some of the points he made:

- The Corporation was single minded and determined to providing high quality infrastructure.
- The new weir changed both the quality and perception of the water and made the River Lagan desirable as a Waterside location for investment
- The intentions of the development framework were always made known to investors and developers creating confidence in their surroundings.
- The quality of design and materials used in the infrastructure has not been compromised and standards are maintained by financial assistance from the Department of the Environment and the European Union.

The success of both these infrastructure led projects illustrates the way a “top down framework” can contribute to “bottom up” aspirations providing public financial support is available in advance of private investment and that exceptional standards of design and quality of materials are maintained.

Review of the Experience of Berlin since 1989

*Irina Orssich,
Investitions Bank, Berlin*

INTRODUCTION

Berlin is a city with about 3.4 million inhabitants. The city is 891 km² in size and consists of 23 districts, 11 of which are in the east and 12 in the west. Berlin (East) is 409 km² and has 1.3 million inhabitants. This represents 37.5 % of the population of the State of Berlin. The population density of 3,869 inhabitants per square kilometre is that of a high-density metropolitan area.

13 % of Berlin's inhabitants are foreigners from 188 countries¹. They are concentrated in the inner city areas of western Berlin (34.1 % in Kreuzberg for instance) In the western part of the city the percentage of foreigners is 17.4%, whereas in the Eastern part it only amounts to 5.7%. The largest ethnic minority is the Turks, followed by people from former Yugoslavia and the CIS countries.

Before the Second World War Berlin was considered a booming, stimulating metropolis. This was primarily the result of the fact that Berlin gained in importance with the rise of the industrial age and provided all of Germany with an economic "excess importance".

An indication of how important Berlin was economically in the pre-war period is the percentage of jobs in the city as compared to the total number of employed persons in Germany (based on the present-day borders). In 1939, more than 10 % of all persons employed in Germany were working in Berlin, a city with a population of 4.3 million at the time. Along with its industrial importance, the city was a centre for banking, insurance, publishing and culture.

After the war the banks moved to Frankfurt, the insurance companies to Munich, industrial companies headed south and the government to Cologne-Bonn.

¹ 31 December 1998. Source: Landespressedienst LPD 163/99, 24.08.1999
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Berlin's share of employment therefore decreased to 5.6 % by the time the Wall was built - or about 50 % compared to 1939. By 1989, the fall of the Wall, this percentage had decreased to 5 %.

With the exception of the cultural sector, before the fall of the Wall, West Berlin had almost no importance for the rest of the country².

Directly following the reunification the city's developmental potential was estimated to be extraordinarily positive, and the period of time necessary for the adjustment was completely underestimated.

Economic Development

The economic development since 1989 has not fulfilled these positive predictions.

Since the fall of the Wall both halves of the city find themselves in a process of restructuring. Following the initial boom phase, which was limited to the western part of the city, both parts have been suffering under structural problems. Berlin has lost more than 250,000 jobs since 1990. The increase in the number of welfare recipients is high. Economic growth in Berlin for the

² Berlin's Percentage of Germany Employees

	1939	1961	1989	1992	1997
Manufacturing	8.7	4.7	3.8	3.2	2.8
Retail and Transport	10.6	5.5	5.3	4.8	4.0
Services	15.9	8.3	5.0	5.6	5.5
Government and Organizations	16.5	7.7	7.1	5.9	5.7
Total	10.3	5.6	5.0	4.6	4.3

Source: Berlin: offene Stadt, by Nicolaische Verlagsbuchhandlung, Berlin 1999.

period of 1991 to 1998 was very much below average compared with Germany overall. While the German GDP grew by 11.7 %, Berlin grew only by 6.4 % and therefore ranked 13th of the 16 German states. In contrast to the overall German situation, the negative Berlin result has been primarily affected by the deteriorating economic situation in the western part of the city.

The East

After the fall of the Wall the manufacturing facilities in East Berlin proved to be obsolete and only very few companies were able to survive on the national and international markets.

The East Berlin industrial sector had to be completely rebuilt, from the ground up. The competitive weaknesses of the GDR industries (outdated technology, low productivity and bloated staffs), which became obvious after the currency union in 1990, resulted in an almost complete collapse of industrial production, which was reinforced by the loss of the eastern European markets. It was not possible to compensate for these losses by getting a foot in the door in western German markets. This was reflected in a reduction of employment from previously 200,000 to 65,000 (30 April 1997).

18 major industries were headquartered in East Berlin in 1989. Not a single one of these has succeeded in establishing itself as an independent company on the market. Of particular consequence is the fact that the research departments in these companies, which prior to 1989 were well-developed, were disbanded and human capital was therefore lost for research and development.

The West

In the first few years after the fall of the Wall the Berlin industry witnessed a growth in sales and positive development in industrial employment as a result of unification-related factors. West Berlin industry has been in a recession since 1992.

The facilities in West Berlin were state of the art, but the high percentage of supplier and processing industries, the low percentage of skilled labour and the lack of interaction with the surrounding region proved to be a major burden.

In the manufacturing industry in West Berlin particularly capital-intensive, low added-value production (e.g. tobacco industry and coffee

companies) were favoured, so-called "extended work-benches" of west German industries which were specialised in standardised mass production. For political-economic reasons raw materials and semi-finished goods were transported to Berlin from West Germany. At the time of the fall of the Wall, West Berlin industry was already in a weak condition.

West Berlin industry and mentality is still marked by the 40 years of subsidisation. Until reunification 60 % of the West Berlin budget was financed by the national government. This subsidisation ended by 1994 and Berlin was included in the State Tax System (Länderausgleich).

(Re-)Orientation of the Berlin Economy

The industrial structure described above is testimony to the fact that the manufacturing sector in both halves of the city is not competitive. The percentage of those employed in this sector is only 12.7 % (national average 24.8 %).

The restructuring in the remaining companies, however, seems to be successful, because the level of productivity consistently increases. In view of the high rate of unemployment, every attempt is made to maintain jobs, i.e. financially support for the last remaining large companies from the pre-Wall period.

This should also be viewed with respect to the failure of Berlin and the State of Brandenburg to merge in 1996. A shift of industrial operations may appear to be recommendable for reasons of infrastructure and ecology, but as a result of the German federal system, there is competition between the regions of Berlin and Brandenburg and each tries to attract companies to locate there.

Industry was very important to Berlin, but in the meantime the price of property, labour, etc. are too high. Only in the relatively small field of high-tech production are urban locations still attractive. Berlin's future competencies are expected to be biotechnology and medical technology, the information technology telecommunications and telematics. These are based on traditional industrial strengths and profit from the proximity of science and business in the region.

Berlin has become one of the leaders in Germany for patent applications and the intensity of research and development.

Despite the construction boom in Berlin - in 1998 there was a construction volume of DM 26 billion in Berlin - the Berlin construction industry is depressed. This is partially due to the increased number of low cost competitors from other European countries.

Berlin is by far the largest commercial office space market in Germany, with a high volume of vacancies. It is expected that the situation will normalise somewhat after 2000 when the government move will stimulate the market, bringing with it new tenants.

Another indication of the weakness of the Berlin economic structure is the relatively low importance of corporate services. The city could make strides in the area of corporate services, especially in the fields of financial services and consulting. In the fields of media and culture (for instance the closing down of the GDR television with ca. 8,000 employees) the reduction continues. On the other hand side about 125,000 more persons were employed in private services in 1996 than in 1989, an increase of 40 %.

In Berlin a lot of hope is being placed in the service sector when economic growth and employment are considered. Some of this hope is based on the movement of the government and the associated lobbies this year³.

Considerable hope is placed on the field of tourism. The position of Berlin with about 8 million overnight stays and 52 000 beds is already strong. Tourism has considerable impacts on employment. Attractive are on the one hand conferences and trade fairs, on the other culture is one of Berlin's main magnets:

The cultural offer has doubled since reunification and can be considered to be one of Berlin's core competencies. Berlin's operas and concert halls, theatres and cinemas provide 55,000 persons (1996) with culture every night. The city has three opera houses and more than 50 theatres, 170 museums and art collections and 260 exhibitions as well as a growing number of galleries. Along with the current cultural ones, the film, media and communications fields are further developed.

³ Berlin has already been a capital and seat of government on 5 occasions: Prussia, the German Reich, the Weimar Republic, under the National Socialists in the "Third Reich" and the GDR.

Berlin also is a “city of knowledge”. It has three universities, 14 vocational colleges as well as 70 non-university research institutes.

In view of the expansion towards the East, Berlin is considered to be a centre of competency for Central and Eastern Europe.

Employment

As a result of the division of Germany and the construction of the Wall, Berlin was host to a capitalist and a socialist employment market. East Berlin, as the capital of the GDR was subject to the centralised decision-making, control and representation structures, so that in the end almost one-third of the employed persons were working for the government or the party. In West Berlin, the island-like situation led to a completely isolated employment market. The public service sector had been expanded, for employment-policy reasons, so that in 1989 about 25 % of West Berlin's employed persons were working in the public sector. It is precisely here that the budgetary constraints of the State of Berlin dictate considerable reductions in the number of employees.

From 1989 to 1992 almost 40 % of the jobs in East Berlin were lost; in other parts of the former GDR the figure is 30 %. In the western half of the city there was first of all an economic boom as a result of the increased demand from the former GDR. In only three years employment increased by nearly 15 %, in the states of western Germany only 7%. Between 1993 and 1997 the employment numbers have been negative in both halves of the city; in East Berlin another 15 % of the jobs were lost, in West Berlin about 8.5 %.

While the increase in unemployment slowed between 1993 and 1995 in the period from 1996 to 1998 it increased again. In 1998 Berlin's unemployment increased by 2.0 %, the largest increase of any state in Germany. The unemployment rate reached 17.9 % and was therefore about five percent above the national average of 12.2 %.

Berlin's employment-market policy has always been innovative, for instance the employment subsidies for small- and middle-sized enterprises, seed money for start-ups, service companies, pilot projects for job rotation.

Projects

With all its economic and social problems nowadays the city is, even 10 years after "Day X", still very much the product of its recent history, i.e. the division of the city at the end of the Second World War and its function as the

front in the Cold War. To date, apparently irreconcilable identities and cultures are in the "life" throes of their history. There is still talk of "walls in heads."

In the following it is not possible to give an extended overview on all Berlin programmes, projects, activities aiming at the improvement of Berlin economy and "unification". Billions of Marks are invested in order to support the development of economy and there is an immense support by European Structural Funds Programmes. There are plenty of initiatives on sustainability, Agenda 21, Development of the city and Infrastructure. In the following only some projects will be described giving an example of the "Berlin approaches".

"Employment Pact for Neukölln"

With 325.000 inhabitants the district of Neukölln (in the former western part of the city) is the most populated of Berlin's districts. The unemployment rate amounts to 23 %, in the northern part of the district it even amounts to 30%.

Foreigners are especially hard hit (25.7 %) and of this group especially the youths without any vocational training. Neukölln demonstrated, in this connection, a general tendency in extreme form; almost 60 % of the unemployed have not completed vocational training. Amongst those working, there are many unskilled or poorly skilled labourers, which contrasts with the requirements for future-oriented jobs. The long-term unemployment rate in 1996 was 36.1 %.

From 1992 to 1995 every fifth worker in manufacturing in Neukölln lost his or her job. This occurred especially in large companies with more than 500 employees, while small companies with up to 49 employees increased their staffs and middle-sized companies were able to maintain their payrolls. The percentage of self-employed in Neukölln is much lower than Berlin in general, while the number of blue-collar workers is 50 % above the Berlin average.

The district has the greatest social assistance office of Germany and the biggest Youth office.

In the district about 19.000 traders are registered and another 5500 enterprises are located, Neukölln entails relatively large industrial areas. This potential of the district is mainly concentrated in sectors which are particularly struck by the ongoing structural change, whilst growth sectors such as services, are underrepresented.

In 1996 the project "Active Region Neukölln" was launched. It aimed to identify, develop and implement job-generating measures in Neukölln.

Hereafter in the years 1996 to 1998 a pact was put in place by the European Commission.⁴

The primary and general objective of the Berlin-Neukölln employment pact is to find small- and middle-sized enterprises for the establishment of additional and future-oriented jobs and vocational training programs. Assuming that jobs will primarily be created in smaller companies, these companies are the primary target of the package. In addition, large corporations are sought as sponsors and partners.

The action plan for the employment pact is a "bottom-up approach" with meetings and workshops with the participants. The primary player is an association, the "Verein für Wirtschaft und Arbeit in Neukölln e.V." The association's executive board consists of the local mayor, a member of the city assembly and a member of a business association.

The Berlin Department for Labour, Vocational Training and Women participates in the funding of specific activities and guarantees that the contacts to the regional employment policy programs at the state level are maintained.

The Employment Office Berlin Süd is also a very important partner in the association.

Primarily, however, it is small and middle-sized companies that belong to the association. The fact that a number of these companies are providing a financial commitment to the association is an indication that membership is not just formal in character. In addition, all the companies are active participants in the association's "discussion groups" and events. Furthermore, there is very good contact to some of the SMEs and major corporations in the district.

Beyond that the social partners (e.g. the chemical, mining and energy unions), economic associations (Industrietreffen Neukölln with 200 member companies) and local organisations for employment-policy projects are all involved in the association's work.

⁴ Territorial Employment Pacts originate from an initiative of the EU Commission President Jacques Santer and were decided in 1996. There are 89 pacts in Europe, thereof 9 in Germany

The gsub - Gesellschaft für soziale Unternehmensberatung mbH, which works for the Berlin Department for Labour, Vocational Training and Women, supports and co-ordinates the pact, in close co-operation with the association, the Berlin Senate, Zenit and the DG V of the European Commission.

The gsub project "Active Region" established the most important prerequisites for the employment pact in 1997 in that many companies were approached and made aware of the economic and employment policy matters. On that basis and on the basis of the guidelines of a European Employment Policy, an action plan was developed which entails 6 actions.

The action plan aims at:

- lowering unemployment through direct intervention in selected areas (social development) in co-operation with housing management companies etc.;
- encouraging young people to start up their own business and to provide them with training and guidance on their way to self-employment;
- increasing the supply of training places by gaining the co-operation of non German businesses, in particular Turkish, and to initiate a vocational training network with these firms;
- promoting the structural changes within concrete businesses (Adaptability) - restructuring of model companies and preventive transfer of elder employees and unskilled and semi-skilled employees to new jobs;
- ameliorating ecological awareness of businesses with the means of ecological auditing;
- organising the “Neukölln Business Awareness Days” including a presentation in the Internet and other publicity events- with the view of improving the districts image and presenting it as an attractive economical location.

The model will be expanded to other Berlin districts.

URBAN - A Promotional Program for a District in East Berlin

URBAN is a European Union regional initiative whose goal it is to improve the quality of life in cities by means of investment and qualification

activities. The Berlin Department for Economics and Companies is responsible for conducting the programme.

A part of Berlin was chosen which is characterised by particularly high unemployment, poor living conditions, and a lack of social facilities and considerable environmental problems. It contains parts of the East Berlin districts of Prenzlauer Berg, Friedrichshain and Weißensee. As a result of a number of projects in the framework of URBAN the above mentioned circumstances should be reduced or resolved. Life in this area should be improved with respect to the infrastructure, economics, social and environmental conditions.

The primary emphasis is the social and economic integration of the disadvantaged groups. For instance, youths with criminal records or those in danger of such are to be given opportunities in sporting clubs or recreational activities; Immigrants are integrated through support in starting businesses.

Another emphasis is placed on the improvement- renovation of educational facilities. These should be renovated in an environmentally sound manner, for instance using solar energy to warm water, windows and facades or landscaping of the schoolyards.

The "Model Shop Eco-Social Infrastructure" is the third leg. To create an improved social and cultural infrastructure for the residential and commercial climate the following facilities are to be promoted:

Youth centres, senior citizen centres, handicapped centres and training facilities.

The technical infrastructure is to be improved by ecologically innovative projects such as the use of photo-voltaic. Workshops are used to actively involve the various interest groups and those affected in the process.

In all of the activities it is important to pursue the principle of the integrated approach, i.e. connect ecology, economy and employment with one another. The creation and safeguarding of local jobs and the promotion of sustainable development at the local level are secondary objectives of the programme, which are to be implemented within the framework of the points mentioned above. In an initial project aimed at mediation, an intensive involvement of the citizens and groups from the district were motivated to make proposals for the structure of the programme.

The URBAN regional programme will, in modified form, be applied in all the Berlin districts.

Berlin-Adlershof

Adlershof (WISTA, Wissenschafts Standort Adlershof) became known as the cradle of German air industry and later as the home of the GDR's Academy of Sciences. Here, in the south-east corner of Berlin, one of the most modern research and technology parks in Europe is developing. 236 innovative companies and 13 scientific research institutions with about 3,715 employees are doing research and developing various technologies from laser to photovoltaic, environmental technology, information and communication technologies and multimedia, on 78 hectares of land.

The WISTA counts on the co-operation of the scientific research facilities, the university and the corresponding technology-oriented companies with the objective of developing the synergies for accelerating innovation cycles in business. New models for rapid implementation of research results into marketable products are developed and tested here. With the relocation of the natural sciences from the Humboldt University to Adlershof (successively as of September 1998) the importance of the R&D potential is further reinforced.

The pride of WISTA is BESSY II a third-generation -synchrotron radiation source for the vacuum ultraviolet and soft X-ray range, which went into operation in 1998. It is the most modern facility of its kind in the world.

Along with innovation centres there are a number of other special offers for companies in WISTA, as for young entrepreneurs and start-ups, for eastern-western co-operation or for services.

The attractiveness of the site is increased by the restaurants, sports and recreational facilities and hotels.

Innovative High-rise Renovation in Berlin Marzahn

58,000 apartments were built between 1977 and 1987 in the East Berlin district of Marzahn, using the industrial pre-fab "plate construction" method. In Marzahn, for instance, there are 800 to 900 inhabitants in 300 apartments in an 18-story high-rise. Innovative concepts for renovation have been developed, and implemented, with the involvement of the residents so as

to deal with the problems of costs and acceptance on the part of the residents and to avoid vacancies.

- Innovative engineering solutions to reduce operating costs were initiated. Photo-voltaic systems have, for instance been employed
- The cut of the apartments has been altered to make them more attractive
- A concierge service was set up. Beside a 24-hour reception they provide a number of services.
- Commercial and retail space has been integrated in the buildings
- The Berlin know-how in renovating such buildings is in demand throughout eastern Europe.

District Management

The social commitment of the population in the districts with high levels of unemployment and welfare recipients is the centre of the urban development strategy which is currently being developed. The target is to reduce the lethargy and passiveness within these neighbourhoods. On the one hand social resources within these neighbourhoods should be identified and made available. The methods for accomplishing this are to support citizen groups and projects, initiate local economic networks and mobilise socio-cultural potentials.

Along with several districts from the end of last century in the eastern half of the city, the district management is concentrated in inner city districts in the western half of the city. Here a district manager is named to co-ordinate the various players (housing management companies, district offices, local associations, schools, etc.). The position is financed by the Berlin government. It is planned to combine the district management with the expansion of the employment pacts to the other districts.

Planwerk Innenstadt

Urban planning and architectural approaches for uniting the two halves of the city are the central theme of the project "Planwerk Innenstadt," which has been developed by the Berlin Department of Urban Development, Environmental Protection and Technology and the City Assembly. The principle objective is to re-establish the historical lines of the city where they

were destroyed, either by war and the subsequent destruction for urban renewal projects or as a result of the division of streets or places due to the division of the city. This is a sensitive subject that has been heatedly discussed by the city since the end of 1996. Streets are to be narrowed down and new squares created. This means that the Berliners have to come to terms with changes in their surroundings and adapt to the changes in the transportation infrastructure. The decisive debates have, for the most part, only been held by experts, urban planners, city politicians, architects and directly effected institutions and citizens groups.

Unity?

All these projects are connected by their local character which allows the players to have a high potential for identification with the projects. For Greater Berlin there is only the beginning of such an identification; there is still the talk of walls in heads, West-Berliners who will not go to the East and East-Berliners who have difficulties in the West.

Beside the distance factor, this can certainly be attributed to the economic difficulties in both halves of the city, which both parties tend to blame on the other side.

Only slowly are common public spaces beginning to develop. The opening of the Reichstag in April 99 with its dome brought thousands out to stand in line, about 70,000 persons visit Berlin's new Potsdamer Platz on any given day.

This plaza, in the former centre of Berlin, destroyed in the war, an empty fallow field during the Wall period and fertile field for expectations during the construction period, is described as uninteresting from the architectural perspective and it could be a part of any city in the world, but it has been accepted by the Berlin population. For the first time since the fall of the Wall, a space has been created where the residents of both East and West can meet on neutral ground in a shopping mall, in the cinema a musical or casino. Perhaps it is this neutral public space which the city needs, along with the economic growth, to find its identity.

Many images have been developed in Berlin over the last few years, but many ideas remained abstract and were only followed half-heartedly. They were picked up as buzz-words in the political arena and then dropped again; Berlin - The Gateway to the East, The Service Metropolis, Founder City, Future Workshop, Culture City, not to mention all the hopes combined with the future

as the capital. It is possible that Berlin as a whole is all these facets; that this is the uniqueness of the future Berlin.

Local Partnerships and Regional Developments - Thames Gateway

*John McWilliam,
Deputy Vice Chancellor University of Greenwich*

This paper describes the University of Greenwich and some of its local partnership roles in reviving, renewing and regenerating the local economies which the University is a part of. It also attempts to identify some of the difficulties faced by Higher Education Institutions in playing such roles.

The OECD evaluation of Laganside Corporation's work in Belfast has a short commentary about Greenwich in the UK and observes that "the Royal Arsenal employed up to 80,000 people to supply arms for the Crimean, Boar and World Wars". An eminent Victorian politician and philanthropist, Quentin Hogg, was persuaded to establish the second Polytechnic in the UK in Woolwich in 1890 and in September of that year some 600 students registered at Woolwich Polytechnic Young Mens' Christian Institute, the direct antecedent of the University of Greenwich. Students still work in what was formerly the rooms of the house that we were given to start our educational programmes although, ironically perhaps the Arsenal has long since closed and awaits regeneration. Our job in the closing years of the last Century was to support the moral and educational needs of the people of Woolwich, most of whom had a connection with the Arsenal in one way or another. It is not surprising perhaps therefore that we "invented" what became known as Day Release when we persuaded the Ministry of Defence that the Apprentices or the "Arsenal Trade Lads" should be allowed out of work for half a day a week to come across the road to study in the Poly. The War Office agreed only if the Apprentice Boys made up the hours lost by working at the weekend. It only took a very limited period of time for the War Office to realise the benefits to everyone and, thus, very soon the Apprentices were allowed to attend for the whole day without having to make up the time lost.

These days the University of Greenwich and its 17,000 students are based on five major campuses along the south bank of the River Thames with half the students being taught at three campuses in Greater London within the Borough of Greenwich and two in the County of Kent. Not surprisingly therefore, the University over the past 10 to 12 years has been drawn into almost all the regional policies for the regeneration of those parts of London and Kent that line the south bank of the River Thames.

The dominant macro policy context for regeneration initiatives at the regional and local level has been the Thames Gateway. Following a vision by a former Deputy Prime Minister of a new economic corridor on the eastern side of London to match the one that, undoubtedly, exists to the west of the City, the Gateway area was identified in regional planning guidance as a major potential focus for growth and development forming part of an overall shift of development emphasis from the west of the south east region to the east. Key strengths were identified as the availability of development land; a planning framework based on strategic sites and the strong public/private sector partnership potential. The objective set for the area emphasised economic community developments and environmental initiatives.

Thames Gateway is not an urban development corporation and other than the existence of a strategic planning framework there are no natural national advocates for it. Like many things in Britain it is a compromise — some central steer and a future left to local authorities and others to implement, bit by bit. Kent Thameside forms a part of Thames Gateway.

Before saying more about the Thames Gateway and strategic planning, I would like to recount a tale of an attempt by the University on its own to bring about “regeneration”. About 10 years ago, following the acquisition of a College and parts of another Polytechnic the University found itself with two inappropriate facilities to the north of the River Thames. There will be many amongst the audience here today who will not need me to tell them about the difficulties caused by the River Thames in terms of north/south communications; there are two tunnels and only one bridge to the east of the Pool of London and everything travelling north and south has to use them. For a University based in the south of the River having sites to the north seemed madness. The London Docklands Development Corporation was getting underway with the redevelopment of London’s docks and I persuaded my colleagues in the University that we should find better premises and relocate the work to Docklands. I argued that there were no universities in Docklands, and that there must be a need for higher education particularly with the large corporate organisations who were beginning to turn their attention to Docklands for office needs. We took a lease on a former soap works and converted it into teaching space, then we advertised for students and staff. In the end, our support staff ended up coming up from the Medway towns 30 miles away and our students came into Docklands not from Docklands. The reasons were simple although they took some discovering: there were many local people who wanted jobs but virtually none of them were prepared to be paid through a payroll system. It turned out that most of them had jobs in the black economy and they were not prepared to move into the regulated economy that most of us are a part of! Secondly, there were many people working in Docklands with training

needs (that became clear from surveys we undertook). Unfortunately they were mostly back office staff and training decisions were taken elsewhere and it simply did not occur to people in other parts of the UK at Head Office that their staff in Docklands might actually want to go to a local provider. All in all, a salutary lesson. Despite the fact that students and staff came from elsewhere the facility was a great success and I can say that with some authority because I moved my office there so that I was on site and able to give whatever support was needed.

A second University initiated agenda that occurred about 10 years ago too, was to link up with 8 Further Education Colleges based in the region that had become newly independent. There are now about 2,000 students on University of Greenwich courses at our Associate Colleges generating an annual gross income of £6m of the local economies. The arrangement is a monogamous one and unlike a franchise arrangement, the University is entirely responsible for the quality of the provision being offered by our colleagues in the Associate FE Institutions and it is the University that is answerable to the funding agencies and the Quality Assurance Agency. In some cases the programmes are duplicates of ones we run ourselves but where there was no local provision, in a few cases the Colleges run programmes under the University's authority when they are able to offer something that the University cannot. It would be silly to pretend there have not been difficulties, but undoubtedly some of the students who have attended their local FE College to do higher education would not have entered higher education if the relationship had not been in place. I served as Chairman of the Board of Governors for a number of years at one of the Colleges and that College has just been awarded Beacon College Status from the Government because of its performance. It now receives additional funding to encourage it to disseminate good practice among less well performing Colleges.

Although the University of Greenwich is located in the Thames Gateway we are also a London HE Institution and therefore part of the 21% of the amount spent on general Higher Education in England which goes to London, a total figure which is well in excess of half a billion pounds. Greater London has 14% of England's population and not surprisingly therefore students are also concentrated in London forming 18% of the total member of England's higher education students. Fortunately, Londoners are also more likely than residents of other parts of England, to become HE students although, of course, many of them move out of London to study.

The former Polytechnics became Universities less than a decade ago and are frequently talked about as "new" Universities (ironic really given that at Greenwich at least, students were reading for degrees in the 1920s long before

many so called “old” universities had even been thought about). Some 62% of Londoners who go to University remain in London and they make up 47% of the student population in London Institutions. Despite the fact that many Londoners go away to study there is a net in-flow of students to London. The London HE Institutions that receive the highest proportion of London students are the former Polytechnics. So, for example, the University of Greenwich has the same proportion of London domiciled students as Kings College, London and only slightly less than the London School of Economics (LSE). This is despite the fact that Greenwich has large campuses outside Greater London in Kent and Kings and LSE are in the centre of town. The figures show that the University of Greenwich is an important provider of HE for London even though half the University is based in Kent.

In fact, London HE can be divided into three main types of Institutions:

- Institutions which pull students into London. These are the highly renowned specialist Institutions in Central London. This kind of provision is concentrated in London for historical reasons but it does not take in high proportions of Londoners. These Institutions have few black students except that Asian students are quite numerous in the Medical Schools. These Institutions may be described as HEIs in the London Region.
- Universities attended by Londoners. These include the new Universities (the former Polytechnics). These are London’s regional Universities.
- London’s larger old Universities — LSE; Kings College, London; University College, London etc — occupy an intermediate position. They attract students from all over the UK and overseas but many of those students originate from London.
- Some of these Universities have yet to decide whether they also want to be part of the infrastructure that delivers skills for London and Londoners, although the introduction of tuition fees may resolve matters for them.

All three types of Institutions are obviously important for London’s economy, but they are not equally accessible to Londoners. If the widening participation issue is not dealt with, it will be difficult for higher education in London to defend its disproportionate share of funding.

To summarise so far: We have a University at Greenwich, a former Polytechnic, which is a London regional University with half of its activity located not in Greater London but in Kent. A University recruiting half its students from London yet a University whose campuses are firmly embedded in one of the Government's regional strategies, Thames Gateway. Unlike other part of the UK however, there is no statutory body to defend, promote and maintain the strategic policies of Thames Gateway, there are many players, much politicking and two of London's regional Universities one to the north of the River, the University of East London and the other to the south of the River, the University of Greenwich. How then is a University to decide to play its part in regional regeneration? At this point I must acknowledge two things. Whilst I can speak with some authority on the role that my University plays in the region the University has two levels of interest at least. The first is the general one that a University like Greenwich, which has always been involved in renewal and regeneration since its very birth in 1890, has a role to play and responsibilities to carry and that I as the Deputy Chief Executive play a part in that perspective. The other role of a University is, of course, cerebral activity and as you might expect I have academic colleagues within the University very interested in some of the issues being considered by this Conference. Inevitably, I have borrowed heavily from the academic writings of a number of my colleagues in the University, principal amongst them being the Centre for Public Policy Studies residing within the School of Law and colleagues in the Schools of Humanities and Post Compulsory Education and Training. Without the background material so kindly provided by my academic colleagues this paper would be significantly poorer in content. Particularly I would want to mention Noel Campbell from the School of Humanities who has done much valuable work in geographical information systems analysis and Judith Watson in the School of Post Compulsory Education and Training who is the author of a number of important reports on conditions in the Thames Gateway area.

Great emphasis is often placed on the role of the University in the regional or local economy. However, it is not entirely clear why Universities should be so uniquely equipped to support a region's learning. Arguably the most prestigious knowledge is held in a "Research University" not a Regional University, the knowledge is high status because it is new; the knowledge filters down eventually to the School and the College curriculum and when it is vocationally relevant it is used to train staff in the workplace. This happens when graduates of the "Research University" go into school teaching or write text books. That is not to say that knowledge and skill always do come from the top downwards, people learn naturally, they cannot help having good ideas even when it is not their place to do so. So people on a training course are very likely to come up with ideas for improving production. The trouble is that the structures are not designed to allow these good ideas to be disseminated. In the

attached diagram, the typical firm is shown as consisting of the “organisation” and a “collection of individuals”.

On the “production of new knowledge” side, this model has been used by geographers to describe innovation in regional cities like Toulouse, Grenoble or industrial region such as South Wales. However the model does not appear to be as applicable to a “megalopolis” like London or the South East because of the movement of people.

I have already alluded to more than one kind of University in London and pointed out that London’s regional Universities (frequently former Polytechnics) take students from London to give them skills to help them in the London labour market. By and large these Institutions are not “Research Universities” who claim to be research led, a statement often supported by the high scores that they get in the periodic Research Assessment Exercise. It would be fair to describe the only two Universities located in Thames Gateway (other HE providers in the Gateway are specialist Art and Design Colleges or constituent parts of the University of London) as regional Universities that are not research led. Each of the two Universities have significant numbers of students following vocational programmes and both seem themselves as “Thames Gateway Universities”.

Access to high skilled training and high quality research has always been difficult in the eastern Thames area and becomes more difficult the further east one travels. The 1981 and 1991 censuses showed low participation in post school education all the way along the banks of the Thames. Total educational participation is still low today, as far as can be ascertained from badly flawed official statistics. My University is involved in a continuing OUED study on learning cities and regions and a UK location that is presently being evaluated by colleagues in the University and elsewhere is Kent Thameside, based around Dartford and Gravesend immediately outside the M25. This area has been dominated by extractive industries for decades and is now the home to what I understand is Europe’s largest shopping centre, Bluewater. There will also be an international station within Kent Thameside as soon as the high speed rail link opens through to London from the Channel Tunnel. The University has had a campus in Kent Thameside for the best part of 100 years and it is therefore for us relatively familiar territory. Kent Thameside developed from the Thames Gateway strategy as a local sub-set and is a loose confederation of local authorities, the County Council, landowners and the University. As with Laganside, we are scheduled to have a similar conference in London next year to draw together some of the lessons that have been learnt. Instead of using Kent Thameside as an exemplar of University involvement or indeed Greenwich where we are a member of the Waterfront Development Partnership,

I would like to say something about the Medway towns a little further eastwards along the south bank of the Thames and adjacent to Kent Thameside.

The Medway towns were one of the most industrialised stretches of the Thames outside London until the closure of Chatham Docks in the early 1980s which badly shook the local economy. Chatham had been home to the Royal Navy for centuries and it is also home to the Royal School of Military Engineering. The closure of the naval dockyards was a catastrophic blow to a rather grimy industrial region of several small towns that in some respects were never part of the affluent south east region. Unemployment and other social problems soared despite attempts to turn the more historic parts of the naval dockyard into a theme park. It is interesting then that Medway is now developing a learning infrastructure much more adapted to changed economic conditions than the traditional research led model outlined before.

Our involvement in the Medway towns started with a search of Kent for a new campus for the University. In my search I realised that the Medway towns were where many of our students came from and that many of the industries that formerly lined the banks of the Thames closer to London had migrated eastwards over the years. The Medway towns effectively contained a population of a quarter of a million people with no general HE provision at all. Participation rates not surprisingly were low. I did notice in my search that the Government was busy refurbishing a series of former naval barracks into a new home for a public sector research establishment called the Natural Resources Institute which itself had an illustrious history of providing scientific support for peoples in the development countries. The barracks looked attractive but I was too late, the Government was refitting them and so I ended up identifying a campus elsewhere at Dartford but a year or two later I had an opportunity to meet the Chief Executive of the NRI and learned that he had significant spare space and was looking for a suitable tenant to take up the surplus scientific capacity that had just been so expensively created in the barracks. It was at this stage that we took the decision to close our Docklands campus and to relocate staff and students some 30 miles from London Docklands down to the Medway towns alongside the NRI. In due course the Government decided that some of its public sector research establishments would be better in the private sector and in due course the NRI was advertised for sale. We bid along with many others and although a rather wearying and worrisome process ensued, the University of Greenwich was finally selected by the Government to be the new owner of the NRI. Suddenly, the quarter of a million people who had previously had no general HE provision, found themselves with a major University campus — however, not exactly in their midst but rather cut off on the small peninsular jutting out into the Thames.

Fortunately the remainder of the dockyards, other than the historic core and the part we occupy, were being redeveloped by English Partnerships for housing and offices and a new tunnel was to be built under the River Medway giving for the first time ever good access to the peninsula from the national motorway system. We have had to wait several years but the final stage in the road network has just opened thus now, putting our campus adjacent to a major road network.

In parallel the University of Kent based in Canterbury established a small HE facility in the historic dockyard and the Medway towns that had previously been several individual local authorities under the umbrella of Kent County Council became a Unitary Authority and responsible for their own destiny for the first time ever.

Higher education can now be intimately involved with economic development in the Medway area but there is no top down flow of knowledge as in the traditional model, instead there is a network of partnerships. One of the first things the various agencies did was establish the Medway Campus Partnership which brings together:

- The University of Greenwich
- Medway Council
- Medway Chamber of Commerce
- The Royal School of Military Engineering
- Bridge Wardens College (the University of Kent at Canterbury)
- North Kent Success, itself a partnership between the local authority, the voluntary sector and Kent TEC.

There is thus participation of not one but several education institutions and a new atmosphere of trust and collaboration. The development of partnerships in the UK has been spurred by the process of bidding for public funding. The partnerships in Medway, however, developed spontaneously and not just in order to lever out funds. This actually makes them more credible bidders in the eyes of agencies that are wising up to the fact that some partnerships are ad hoc and superficial. A series of successful bids now brings a new seriousness to skills based development in the Medway. They include:

- An ADAPT 4 Project led by Medway Council
- An IT Centre of Excellence
- A University for Industry Development

- A Government Office for the South East HE Regional Development Fund Project enabling the development of the Thames Gateway Regional Technopole.

The Thames Gateway Regional Technopole now has a presence on the world wide web as well as a physical presence on the Medway Campus of the University of Greenwich. Whilst still under development it will bring together capacity for teaching (reproduction of existing knowledge) and innovation (production of new knowledge).

London's regional Universities such as Greenwich arguably have a role to play that cannot easily be delivered by other partners. Being a multi-campused University we frequently straddle boundaries that inhibit or prohibit others. That is not always good news for us but what advantages there are should be exploited to the full. Secondly, we have quite proper academic interests in regeneration and have the resources, skills and interest in using diagnostic techniques not readily available elsewhere. Geographic information systems for example enable the mapping of all sorts of characteristics to be undertaken, arguably only a national Government would be in a position to do the same as Universities can in this respect. Some examples of GIS work done by my colleagues is attached to my paper (not in colour, unfortunately). Thirdly and at last, Universities have an opportunity to bid for funds -to undertake such work. The Department for Trade and Industry (DTI) and the Higher Education Funding Council for England (HEFCE) have recently announced the creation of a Reach Out Fund and Community Fund with a combined anticipated spend of some £80m over the next 5 years. This is expected to become the third stream of funding (after teaching and research) for Universities to reward and encourage HEIs to enhance interaction with business.

The good news is that there is an opportunity to get some new income to undertake partnership activities! Up to now in my University the Regional Regeneration Unit funding has had to be taken from income earned from teaching and research. The bad news however is that the maximum for any one HEI is going to be around over the next four years. £80m over 5 years is good news but, of course, it pales into insignificance against the half a billion pounds every year of research funding that British Universities compete for.

The University of Greenwich attempts to play its full role within the community and in regional regeneration. This has involved the University in considerable expenditure in time and money to support a number of organisations in London and Kent. The University hopes that the advent of Regional Development Agencies (RDAs) will simplify both the funding streams

for community involvement but more importantly the plethora of organisations involved.

It is still early days but inevitably perhaps for a University like Greenwich struggling across several Government initiatives and regions, we are going to find ourselves either ignored by all or exhausted by being invited to join in so many new initiatives. Certainly we continue to see evidence that London thinks we are in Kent and the South East RDA thinks we are in London. I have to echo concerns of my colleagues in saying too that when we do win a project and are funded to carry out work with the community, we frequently have to spend more time and money on evaluating and monitoring the bid than producing outputs.

Bid fatigue is becoming a real problem for both HE and FE although my University has put together a Bid Development Group to monitor opportunities and work with others in the Institution so that the bid fatigue syndrome is reduced. When the University for Industry recently put out its proposal for learning hubs, my University was invited to join 4 different consortia on the first day alone.


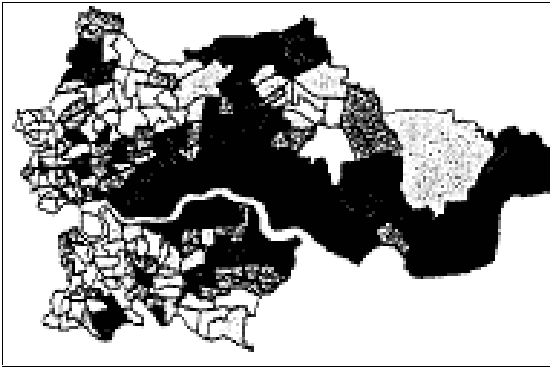
Finally, referring the Laganside paper once again and the second case study on Greenwich. Mention is made of the Waterfront Development Partnership established to bring together all interested parties in the redevelopment of the southern waterfront towards the western end of Thames Gateway including, of course, the infamous Millennium Dome. I have been involved in the Partnership and it has been at times a salutary experience. Set up by the local authority in anticipating that funding would not be available unless a partnership existed, I have to say that many members do not see it as a true partnership. Perhaps inevitably the Local Authority want to remain in charge and does so by arguing that it in the end is accountable to Government and the rest of us are not. I am afraid politicians have great difficulty in delegating authority — although they, of course, like delegating responsibility! Secondly there remains a strong “not invented here” syndrome. Unless the Local Authority had the idea it is not a good idea! Partnerships can work and certainly the University has been involved in several successful ventures such as the London Science Park initiative at Dartford and Kent Thameside but I am afraid too often we see examples where our presence is needed for respectability and responsibility but where in the event the Authority is unwilling to hand over much decision making power.

I am delighted there are exceptions and certainly in the Kent Thameside work the University has played a major part with my academic colleagues undertaking several major studies for the Partnership providing

background advice and information upon which proper judgements can be based. A major study by colleagues at the Centre for Public Sector Studies is close to completion on “Social Exclusion in the Thames Gateway” for Kent Thameside members. They have also done work for the Diocese of Rochester on the “Role of the Church in Regeneration”.

Atlas and Statistical Digest of Thames Gateway London

Employment, Social groups, Distances and means of transport to work

<p>Social class: III(M). Skilled occupations - annual, %, 1991</p> 	<p>The production of an atlas and statistical digest was commissioned by SOLOTEC in 1995 to form a common information base for the Thames Gateway London area and to assist the separate members of the newly formed Consortium to develop Gateway-wide knowledge of the main economic and social themes and issues.</p>
<p>Social class: III(M). Skilled occupations - manual (for place or residence), %, 1991</p> 	<p>The TGL Consortium is the western focus of the Thames Gateway composed of eleven local Authorities - Barking & Dagenham, Bexley, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge, Tower Hamlets, Waltham Forest and Thurrock. Two TECs - LETEC and SOLOTEC - serve this area and are also Consortium members. The atlas and statistical digest seeks to provide new information on major economic development themes and issues. In relation to the Consortium the purpose of the atlas and statistical digest is.</p>
	<ul style="list-style-type: none"> - to support the debate and discussion between Consortium members and partners about appropriate, co-

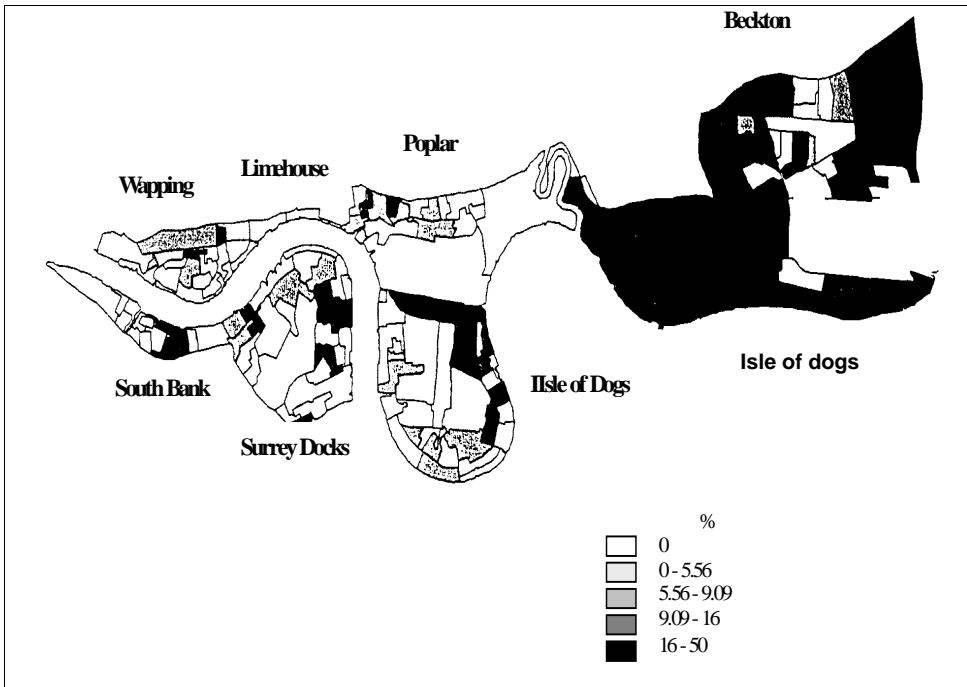
	<p>ordinated regeneration measures, goals and strategies;</p> <ul style="list-style-type: none"> - to support reflection on, and reaction to, the strategic vision for the whole' of the Thames Gateway and its' translation into more detailed proposals for TGL.
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The immediate purpose of the atlas and statistical digest was:

- to identify appropriate themes and information sources for the study of the economic development of the Consortium area, informed by a review of recent publications on development and regeneration;
- to create an integrated, flexible, Geographical Information System (data base, statistical analysis and mapping' facility), which:
- addresses the themes and issues appropriate to the economic development of the whole of the Consortium area;
- allows interactive and progressive interrogation and inquiry;
- provides new information and knowledge about the Consortium area;
- can develop further to combine and add value to the separate interests and expertise of the Local Authorities, the TECs and other participating groups.

Sustainability, capacity building; the ‘career’ of mixed localities

Gentrification in LDDC area; social and ethnic polarisation



This work was initiated by LDDC to analyse and assess the changes (positive and/or negative) linked with its policy. An initial statistical analysis acts as a base for the surveys and interviews which help to investigate the research theme: ‘From ‘mixed’ to ‘sustainable’: the challenge of the socio-economic development of localities in Docklands’. The aim of the investigation was to assess the impact of LDDC policies on localities and to identify the way workplaces, residential areas and the lives of people were changing. It involved an analysis of ‘social mixing’ resulting from new building and the degree to which different life styles were being sustained.

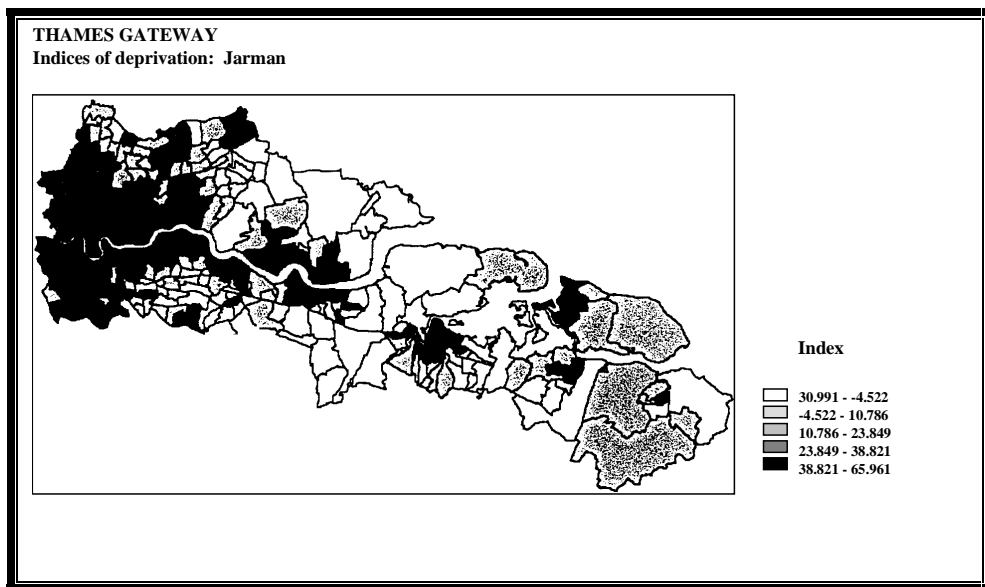
Docklands has experienced a major structural change during the LDDC period involving large scale inward investment resulting in the introduction into the area of new infrastructure, new businesses, new housing and new people. The original residents were mainly organised into working class communities, predominantly lived in council housing, often in small village-like clusters surrounded by docks and industry. In a changing situation they had to face the effects of rapid globalisation at the local level by meeting

newcomers associated with new 'world city' jobs and a new middle class cosmopolitan lifestyle at private new and gentrified housing.

This rapid and traumatic mixing process resulted in unpalatable consequences such as the election of the British National Party councillor from the Isle of Dogs in 1993. This conflict was related to unemployment, housing problems and alienation from the 'sustainable rich' but was intra tenure in its manifestation.

Under the LDDC a notable change in the pattern and spread of housing and in the social profile of Docklands has taken place. Some of the LDDC's actions were directed toward reducing the sharp polarisation and encouraging more balanced communities, but the results have not matched the needs of the original residents nor laid the foundation for their sustainable future. 'Meanwhile the term 'social mix' is being used elsewhere in the Thames Gateway and in South East Region policy documents.

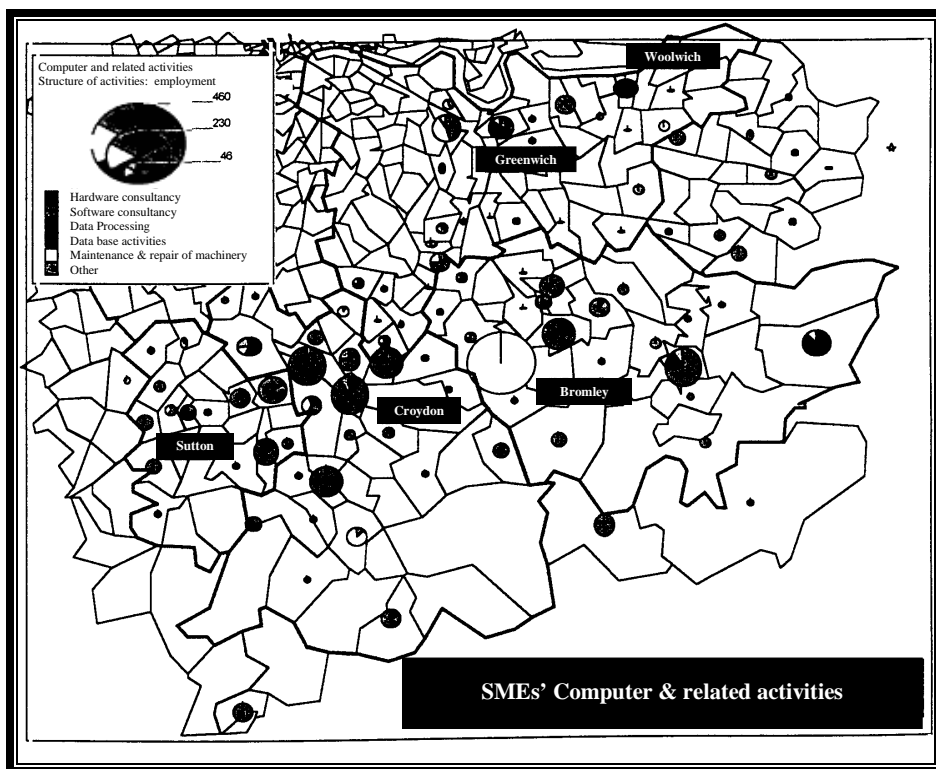
Deprivation in the Thames Gateway



The maps produced for Dartford and Gravesham Local Authorities are part of an investigation of deprivation and social exclusion and contribute to the development of the boroughs' policy. The study involved a simultaneous investigation of the measurement and geographical expression of deprivation. Two indices are reproduced - Jarman and DoE. Variables contributing to these

indices are also represented. Two geographical scales are used - wards for the Thames Gateway context and enumeration districts for the local borough context. The wards based information allows levels of deprivation in Dartford and Gravesham to be compared with levels in the other boroughs forming Thames Gateway. The work indicates the way the University can work flexibly with local government on complex social issues, involving local knowledge, complex definitions, different data collection agencies and a changing central government policy making context.

Development of London - South-East



Experience in the investigating of SMiEs in South and South East London has allowed us to move from area based profiling of the local economy to one based on individual firms and organisations. This means we can be informed about the actual product or service provider, the owner and decision maker. Based on our insights into economic growth and development, our knowledge of growing and declining sectors it allows us to extend our research into more directed considerations of employment, education and training needs,

business support etc. It allows us to identify a role for the University acting as broker to help create and develop public and private sector partnerships for the exchange of information, services, advice and expertise. The brokering and exchange can happen at a number of levels. In some cases the emphasis is on encouraging transactions between private organisations, in others it is on opening access to training and advice, at other levels it is on engaging with strategic and longer term trends, projections and plans.

Partnerships and Regional Development

*Dale Medearis,
International Office,
United States Environmental Protection Agency*

Introduction.

Thank you Mr. Caborn. It is an honour and a pleasure to be here in Belfast. Today I would like to briefly share with you a few stories from the U.S. about urban environmental revitalisation and partnerships that will hopefully be inspiring for the important work taking place here under the auspices of the Laganside Corporation. I would also like to share with you how these same communities have benefited from international collaboration in ways that might also serve as models for the work taking place here in Belfast.

Let me start by saying that never before have urban environmental issues commanded so much attention in the U.S. It is hard to see a day pass without a major newspaper or television station reporting on the challenges of cleaning up contaminated industrial areas, the loss of greenspace, or air and water pollution caused by auto-dependent transportation systems and urban sprawl. The President and Vice President have recognised these problems and have both declared urban environmental issues to be top domestic priorities for the country. This is reflected in the administration's 'Community Liveability Initiative', a \$10 billion Presidential Initiative to combat urban sprawl, revitalise contaminated industrial areas, promote sustainable transportation, and safe schools.

There is a good explanation that accounts for this increased awareness about the value of urban areas - in the U.S. and throughout the OECD - and I believe that the same stories about sustainable urban environments that are unfolding in Buffalo, New York, Portland, Oregon, or Cape Charles, Virginia, are ready to be told here in Belfast.

At the core of the U.S. Community Liveability initiative is a recognition that healthy cities and revitalising urban environments depend on linkages between all of an urban area's social, economic, and environmental attributes. Past urban planning strategies which brought us the sterile and lifeless cities of concrete, steel, glass - not to mention unemployment and social

unrest - were the products of overly sectoral or mono-dimensional philosophies. In the cities of the U.S., and throughout the OECD, these policies have exhausted themselves. I call your attention to the American urban landscape as grim testimony to some of the horrible examples of these failures.

For example, at EPA we have learned painfully that it is not useful to look at cleanup of contaminated industrial areas in isolation of the other urban phenomena such as labour re-training, transportation, or harmonised regional land-use and economic planning. This was the bitter lesson of the Superfund programme - a multi-billion dollar effort to cleanup contaminated lands in the U.S. - which was steadily bedevilled by obsessive focus on the technical elements of cleanup and liability.

It has only been within the last five years that we in the U.S. have recognised that successful reintegration of environmentally, socially, and economically wounded industrial lands - we refer to them as brownfields - depends on the awareness of the interconnectedness and interdependence of all urban phenomena. I would argue that this is true not only in the U.S., but also here in Belfast.

I would now like to narrow the focus of my talk and focus on one prominent element of the Community Liveability initiative - the challenges of revitalising contaminated industrial lands - we call them brownfields - and to share with you the efforts of the U.S., as well as the experiences of two particular cities in the U.S. whose experiences are particularly worth highlighting - Cape Charles, Virginia, and Portland, Oregon.

The U.S. Government estimates that there presently more than 500,000 contaminated or suspected contaminated lands in the United States. While there are no precise figures for the spatial dimension of this challenge - that is how many hectares these sites cumulatively cover - current estimates for the total cleanup range between \$500 and \$650 billion dollars. That is just the initial cleanup tab. Brownfields also represent millions of unrealised tax dollars and lost wages. According to the US Conference of Mayors, 33 cities with brownfields sites conservatively estimated their cumulative annual loss of tax revenues at \$121 million.

The U.S. Environmental Protection Agency is a domestic environmental regulatory body with no legal authority for housing, urban development, transportation, labour re-training, regional planning - or any of the other important activities necessary to holistically build cities. In order for us to address the economic as well as the social issues related to the reintegration of brownfields properties back into communities, we must rely on partnerships

with other federal, state, and local and non-governmental practitioners to leverage the necessary funds and technical expertise. This led to the creation of the National Brownfields Economic Initiative in 1995, and a top-down and bottom-up series of activities.

The bottom-up track is the over 260 grants EPA has given to communities and cities in the U.S. to create re-development strategies for brownfields. I have to stress that these grants are not for cleanup, these grants are for the support of plans that include activities such as: 1) site assessment; 2) gathering of spatial and attribute data for GIS systems; 3) public meetings between stakeholders; 4) negotiations with developers, financiers, citizen activists to discuss remediation and development.

The top-down is manifest in the EPA-led Federal Brownfields Task Force - a senior working group of over 17 departments and agencies involved with urban development, transportation, labour, health, and other urban development phenomena. The purpose of this Task Force is to leverage technical and financial resources to help the work of the 260 pilot projects.

A unique, but important variable in the multidimensional brownfields revitalisation equation has been attention to labour retaining partnerships and workforce development in brownfields communities. In addition to the close collaboration between EPA and the Department of Labour's Employment and Training Administration, EPA is also working closely with over 60 community colleges located near brownfields pilots to develop environmental job training programs. For example, colleges will conduct community outreach activities to recruit students from socio-economically disadvantaged communities to provide environmental information to their neighbourhoods. In Richmond, California, the City has trained more than 45 students with its EPA grant, through a 13-week curriculum in the use of innovative assessment and cleanup technologies. Specific activities planned as part of this pilot include: 1) Developing a curriculum for brownfields assessment and cleanup; 2) Conducting brownfields assessment and cleanup training, including courses in the use of innovative assessment and cleanup technologies; and 3) Conducting outreach to recruit welfare-to-work and other disadvantaged residents of neighbourhoods surrounding the North Richmond Shoreline.

What has this accomplished nationally? Since 1995, over \$58 million in EPA investment has leveraged over \$1 billion in public and private investment, creating over 2,500 new jobs. But enough of the bureaucratic babble and techno-speak. What is really behind the successful reintegration of these wounded properties back into communities?

A wise friend of mine from Amsterdam, who coincidentally is working on the revitalisation of an old Gasworks, once characterised brownfields as a struggle to put brownfields back on to the mental maps of communities. To my friend in Amsterdam, brownfields are reattached to mental maps of a community when redevelopment is accompanied not by erasure of communities? Unique cultural, commercial, or ecological properties found, but through careful preservation of all these qualities. This was the case of the Westergasfabriek in the Netherlands; an old derelict gas factory is now being converted into park for the community. The gasholder itself and its old administrative buildings are being preserved and have found new uses as homes for dance troupes, restaurants, theatres, concerts, fashion shows - which in turn have produced jobs for the local community as well as greenspace and a cultural core. We see similar efforts at an old gasholder in Seattle - in the Duwamish corridor - and in Germany's Ruhr in the International Building Exhibition Emscher Park's Gasometer.

Portland, Oregon

I was asked to discuss briefly two U.S. success stories with respect to sustainable brownfields revitalisation, partnerships and regional development. Portland, Oregon, is really one of the remarkable environmental success stories of the U.S. - not only in brownfields, but also from the overall approach that they have taken to managing so many other environmental and social issues.

The state of Oregon is famous for being one of the first states to legislate state-wide land-use plans in the U.S. The consequence was one of the earliest modern 'urban growth' zones - here in Europe you would call it a form of greenbelt. The urban growth zone was effectively a line in the sand that halted the spread of suburban sprawl. Another unique feature of Portland is the regionally elected Metropolitan government that actually has authority for harmonising land-use and transportation planning.

Portland is also famous because of its success in reorienting the transportation system of the region. There are very few cities in the U.S. that have totally closed down a highway and converted it into a park on the waterfront, as was done in the case of McCall Park. It is also one of the few major U.S. metropolitan regions with a large-scale pedestrian core, as well as system of street cars and trolleys that link that downtown central business district with the outlying suburbs.

According to the International Council for Local Environmental Initiatives (ICLEI), today Portland has one of the highest non-automobile

dependent transportation systems. It also has one of the highest standards of living and healthiest economies in the U.S. Last week, the New York Times reported that the economic growth of Portland and its environs was so strong, they actually had to insist that Intel, the world's largest producer of computer microchips, restrict the number of jobs they would bring to a new plant the company was building in the region.

I would argue that the success of their brownfields program has been a result of a level playing field. Restrictions against greenfields development, far-sighted urban planning, and a holistic approach to environmental protection have helped create strong incentives for brownfields redevelopment in Portland.

Portland's success is also the result of inspired leadership from the top down and bottom up. From the top, leadership in the 1970's and 1980's came from former Governor Tom McCall and Portland's mayor, Neil Goldschmidt. From the bottom came the support from organisations such as 1,000 Friends of Oregon, who mobilised the electorate to place these leaders into office. I found it interesting to hear in the speeches of these leaders, references to their experiences about the healthy urban form found in many German and European cities.

Cape Charles, Virginia

Cape Charles, Virginia stands as another crown jewel in the Agenda 21, sustainable development and the brownfields program, although for different reasons than Portland's. While Portland has always been a relatively large, cosmopolitan-oriented and environmentally conscious population, Cape Charles reflects a more rural, rustic and unrefined section of the U.S. The city is small, approximately 13,000 inhabitants - 47 percent African American - and located on a narrow strip of land between the Chesapeake Bay and the Atlantic Ocean. Approximately 1/3 of the population lives below the poverty line.

The president's Council on Sustainable Development recently selected Cape Charles as one of four sites for a national Eco-Industrial Park demonstration project, the Cape Charles Sustainable Technologies Industrial Park, which will demonstrate advanced facilities in resource efficiency and pollution prevention. A 155-acre portion of this eco-industrial park is a redevelopment area surrounding Cape Charles Harbour. The site includes a former municipal dump, dockside, railyard, and the remains of abandoned industrial operations.

What is fascinating about Cape Charles, is that this small town, relatively isolated from the worldly affairs of larger urban areas, has succeeded in redeveloping its main business district into a more pedestrian friendly environment, created a ecological industrial park (eco-industrial parks are industrial parks with shared waste streams, energy efficient structures, easy access by public transportation) on an old contaminated rail yard, and succeeded in luring a foreign investor - a Swiss solar technology company - onto the park. What is remarkable about the worldliness of this small city is the fact that they had the foresight and savvy to borrow a fairly sophisticated international urban development concept - ecological industrial parks, which emanated from Denmark. Another unique element of Cape Charles, is the attention to landscaping of the ecological industrial park. The park itself has been developed on restored wetlands.

Another unique story to the Cape Charles plant is that the current employees at the solar lab are former displaced crab pickers who were selected by the Swiss solar company for their dextrous hand co-ordination to install the delicate solar panel components. I would like to add that by many accounts, Cape Charles is often characterised as a city with a generally high-level of racial harmony.

Green Infrastructure

Because brownfields themselves conjure images of threatening and lifeless areas, past efforts at revitalisation have been hard-pressed to go beyond cookie-cutter? Approaches and the humdrum of parking lots and strip malls. These monotonous efforts are frequently doomed to fail because they do not look deeply into the diversity of communities? Connections to its ecology, culture or history.

Green infrastructure is one approach that has been overcoming, for relatively low cost, the lifelessness of brownfields to re-establish a unique sense of place. To me, green infrastructure is the main fabric woven into the success of projects such as Emscher Park, Portland, Virginia, Amsterdam's Westergasfabriek, or Cape Charles. Green infrastructure, like cities, is a living body of extraordinary complexity. The uniqueness of natural diversity and green infrastructure, such as streams day-lighted from concrete culverts or well-maintained parks, enhance a communities? sense of uncommonness.

Here are few examples that demonstrate the power of green infrastructure. In the wake of the Los Angeles riots of 1992, it was revealed that none of the over 100 community gardens of South Central Los Angeles were

damaged. Everybody involved or affected by the rioting had some involvement or connection to somebody with a stake in the development of the gardens. This is in the heart of the most riot-torn and violent urban region of the US! Likewise, a University of Chicago study recently demonstrated that the public housing projects of Chicago's South Side - a region with its share of brownfields - which had the highest level of green landscaping for any public housing in the city, also had the most stable social environments and the lowest crime levels. We hope to build on the strength of green infrastructure demonstrated in Germany's Ruhr, Amsterdam, Chicago and other cities by turning parts of the brownfields in South Buffalo, New York, into parks.

The South Buffalo redevelopment effort focuses on how to protect the old industrial core of the city's south-eastern Waterfront. What appears to be a wasteland of industrial decay is actually a diamond in the rough. The planners of the city see the oldest grain elevators in the world (the grain elevator was invented in Buffalo) and a Frederick Law Olmstead Park (Frederick Law Olmstead is the most famous and celebrated American landscape architect, who build, among other parks, Central Park in New York, the Mall in Washington DC, and the Niagara Falls Park). We hope that, alongside the hydroponic tomato farm that was built on an old truck factory, to preserve the grain elevators through the creation of a series of parks and gardens linked by bike trails.

Conclusion

Longfellow once wrote that "The country is a lyric, the town dramatic, and when mingled they make the most perfect musical drama." Tragically, too many contemporary planning approaches are emphasising mono-sectoral strategies that are turning the musical drama into a global urban requiem. As cities around the globe experience the painful frailties of modernism's sectoral planning approaches, careful study is being given to the successes of cities that are adopting long-term systemic redevelopment philosophies. What is being revealed is that cities are rediscovering their unique environmental, cultural, and economic qualities and how to connect them. Public space and public life on brownfields is being restored because attention is devoted to the diversity of green infrastructure, pedestrianised urban cores, multi-modal transportation systems, and architectural preservation. Short-term commercial activities are not seen in isolation of other equally important efforts. Brownfields redevelopment and urban revitalisation here in Belfast, as well as the U.S. can be sustainable, so long as there is a general appreciation for cities as living systems requiring long-term care. Thank you!

Trade Union Economic Development efforts in the United States

John T. Joyce, President

Emeritus International Union of Bricklayers and Allied Craft Workers

Over the past two decades trade union organisations have played a leading role in the United States in a number of highly innovative initiatives to promote local and regional economic development and to support the creation and retention of good union jobs.

My task today is to briefly suggest the nature and extent of those programs. I would be very surprised if the characteristics of those plans do not sound familiar to you. To an important degree, programs in your countries served as a direct or indirect inspiration for many of the program features I will outline. We've learned from the German trade union experiences with *mitbestimmung* and with trade union banks and development companies. We've learned from the way that Swedes institutionalised forms of participatory democracy, as well as their brand of trade union entrepreneurship. We've learned from Italian co-operative programs and, indeed, we've learned from experiences here in Northern Ireland. John Hume's pioneering efforts in housing in Derry inspired some of the features of our housing programs.

As you might expect, most of these trade union initiatives in the United States have been formed in partnership with employers, with local and state and federal government agencies, with community groups and with academic institutions.

Their funding has usually derived from various sources, including collective bargaining, state, local and federal government agencies, private foundations, businesses, union treasuries, and fees-for service.

Generally, the initiatives fall under one or more categories of services.

- *Workforce Development*- training and skills development and other job-related services.
- *Modernisation Assistance* – helping unionised employers modernises their operations and become more competitive. This may also include marketing and export assistance. The purpose is to support job retention and foster job creation, especially among unionised businesses threatened by global competition.

- *Economically Targeted Investments* – labour-oriented private capital funds (primarily multi-employer pension funds) which target investments to unionised businesses and real estate projects, promoting job retention and creation and community economic development.

Literally hundreds of these programs have developed across the United States covering all sections of the economy. But whether the programs are in construction, manufacturing, services or retail sales, they all have one characteristic in common. They bring a worker centred, trade union agenda to the table. With these programs workers in the United States are gaining a voice in the strategic level of economic decision making, the level that determines how many, and how good the jobs of the future will be.

Most of the plans are multi-dimensional in that they concurrently address several objectives, so efforts to categorise them, say between “job retention” and “job creation”, are somewhat arbitrary. But most plans have a particular emphasis, and the following three plans are among those which illustrate a variety of responses to regional economic slumps.

Wisconsin Regional Training Partnership (WRTP) is a joint labour-management workforce development and training consortium launched by the Wisconsin State AFL-CIO in 1991 involving 46 manufacturing firms, 42 locals and 14 international unions representing 60,000 workers in the Milwaukee, Wisconsin, area. It grew out of the federation's operation of workplace literacy and displaced worker retraining programs over the previous decade. Now WRTP's experience is being replicated into several other sectors, beginning with hospitality and automotive maintenance.

King County Labour Council Worker Centre, in the State of Washington, created in 1985 by labour, religious and community members in the Seattle area to counter plant closings and mass layoffs in the region.

Steel Valley Authority (SVA) was created in 1986 in the Pittsburgh, Pennsylvania, by workers, community, and religious leaders in response to sweeping industry shutdowns and massive layoffs. SVA is chartered by the state of Pennsylvania as a municipal authority. It includes 12 cities and is affiliated with the United Steelworkers. Its mission is

to revitalise the manufacturing base of the region and create new models for labour participation in the economy and capital markets.

To cite one interesting plan which illustrates a clear focus on job creation, there is the:

Boilermakers' Co-Generation and Infrastructure Fund -- one of the most sophisticated and successful alternative investment programs initiated by a pension plan. It co-invests in power generation plants which are then leased or sold to independent power producers, industrial companies or the government. Over its nearly 12-year history, the Fund has invested \$450 million in 30 projects, achieving a 15% annual rate of return over the life of the Fund, while generating an estimated 1.4 million hours of work for plan participants.

Some of the plans are just as clearly aimed at organising workers:

Plumbers and Pipe Fitters Sprinkler Retrofit Fund Loans money to owners of older buildings to fit them with sprinklers (necessary to bring them into compliance with regulations) using union labour.

United Food and Commercial Worker's Shopping Centre Mortgage Loan Program. Through this plan UFCW locals in Southern California have allocated \$100 million to finance construction loans and first mortgages for developers (or unionised employers) who agree to include a unionised supermarket as the anchor tenant in new shopping centres or strip malls. To date approximately \$65 million has been loaned out.

Other plans which place the focus on making their employers more competitive include:

Labour-Management Council for Economic Renewal (LMCER) was launched in 1990, by the United AutoWorker's south-east Michigan Region in response to plummeting membership at small and mid-sized auto suppliers and rapidly growing non-union competition. Through the program, 17 local unions work to improve the competitiveness of 39 unionised suppliers, in order to

preserve jobs and provide employees a meaningful voice in decisions affecting their lives.

Garment Industry Development Corporation (GIDC) was launched in 1984, by the International Ladies Garment Workers Union (now merged with the Amalgamated Clothing and Textile Workers to form UNITE) to strengthen New York's apparel industry, in partnership with trade associations and city government. Its goal is to improve the competitiveness of import-battered New York manufacturers, and boost garment workers' job security, prospects and conditions.

GIDC offers on-site productivity improvement programs, including management and engineering assistance, worker training and statistical quality control. It provides management, engineering and technology transfer assistance to dozens of firms yearly.

It also operates dislocated worker and vocational training programs --the latter trains more than 400 workers and managers each year in the classroom, and hundreds more on-site --and a centralised job referral service

In 1994, GIDC launched a technology transfer and export promotion program, which generated more than \$20 million in sales in the last three years.

San Francisco Hotels Partnership Project is a joint undertaking between the Hotel Employees and Restaurant Employees and 11 of the 23 union-organised hotels in San Francisco.

The Partnership has two principal activities:

1. Building and operating facilitated labour-management problem-solving teams at each participating hotel
2. Training rank and file workers, management personnel, and union officials in team-building, problem-solving, grievance resolution, hotel operations, and basic vocational skills.

The International Masonry Institute – a labour/management co-operation program between the International Union of Bricklayers and Allied Craft Workers and our employers covering Canada as well as the United States. It

serves as the “virtual corporation” for some 15,000 relatively small brick, stone, tile and plastering contractors in both countries. Through IMI, these contractors – which typically employ only five or so craft workers – can call upon the same capacities in advertising, technical services and education, job training and research and development otherwise available only to very large corporations. IMI is funded through collective bargaining agreements with contractors calling for three percent of the hourly wage rate.

Then there are the “big ticket” Economically Targeted Investments. The three leading programs now have assets approaching \$6 billion.

Foremost among these programs is the AFL-CIO Housing Investment Trust (HIT) and the Building Investment Trust (BIT).

- HIT focuses on housing, while BIT invests in non--residential real estate projects.
- BIT now has assets totalling \$1 billion, while HIT, the older of the two trusts, has assets of \$2 billion. The trust’s \$400 million in new commitments last year will generate at least 5 million work hours for union members.
- HIT’s “Urban Investment 2000” program – a partnership with the US Department of Housing, Fannie Mae, foundations, cities and state housing agencies – will target \$1 billion in HIT and BIT investment over five years to promote home ownership, low-cost rental housing production, economic development and neighbourhood stabilisation in least 14 targeted cities across the country.

Another major player in this area is the Union Labour Life Insurance Company, solely owned by US unions. ULLICO has two key programs:

1. The “J for Jobs” program, with \$1 billion in assets, invests in union construction projects. One project getting underway now is the largest urban development in US history, and will provide, just in the case of our union alone, man-hours equal to three full years of work for every member in that city.
2. The “Separate Account Program P” (“P” for private direct investing) is the most important private equity product intended specifically for union pension plans. Its investments in transportation, nursing homes, facilities maintenance firms, and

shipbuilding among others have delivered an annualised 39% return since it was established in 1995. But those investments were also targeted to create union jobs. The investment in shipbuilding, for example, helped finance the construction of five double-hulled oil tankers, which provided jobs for union shipbuilders, *and*, through provisions in the financial agreements, guaranteed jobs for US union seafarers.

A third initiative, the Multi-Employer Property Trust (MEPT) is one of the largest top-performing open-end real estate equity funds in the nation. It acquires, owns and holds income-producing properties including office buildings, warehouses, shopping centres and multi-family housing. All its projects represent 100% union-built new construction. The trust ended 1998 with 135 participating pension plans and \$1.75 billion in net assets.

It's very important to note that these targeted investment programs often work in synergy with other programs. For example, the one billion dollar pension fund for members of the International Union of Bricklayers and Allied Craft Workers invests 15 percent of its assets (roughly \$150 million) in union masonry construction through the three programs I just outlined. These investments and the promotional, training, and research and development programs of the International Masonry Institute reinforce one another to provide jobs for union bricklayers, stone masons, tile setters, plasterers, cement finishers and tuckpointers.

The focusing of investment resources also makes it possible to bring collateral leverage to bear on other financial institutions. One example is the Bricklayers Non-Profit Development Corporation in Boston. Although no pension funds were directly invested in its operations, banks and insurance companies interested in those funds did provide financing for its projects. With that underwriting, and working with co-operative state and city agencies, our Local's non profit development company became at one point the largest home developer in New England, providing housing to working people and the poor at one third the cost of market developments.

And the focusing of resources also makes it possible for workers to begin to address, from a different perspective, international solidarity and the problems created for workers by the "global economy".

As one illustration, the name of the fellow who heads up the Multi Employer Property Trust I referred to a moment ago is Landon Butler. Landon, who served in the Carter White House, accompanied me on my first trip to Poland in 1990, immediately following the victory of *Solidarnosc*. During the

course of that visit we linked up with Madeline Albright, now US Secretary of State, and introduced her to Lech Walesa. It occurred to us that the concepts involved in the AFL-CO's Housing and Building Investment Trusts as well as the Multi-Employer Property Trust were applicable on a world-wide scale to help strengthen free trade unions in the emerging democracies in developing countries and Central and Eastern Europe.

So with investment guarantees from a quasi-governmental organisation, the Overseas Private Insurance Corporation (OPIC), we created Poland Partners, a venture capital fund which has invested \$65 million dollars in a variety of ventures in Poland, after consultation with *Solidarnosc*. Now \$65 million is not a lot of money as these things go, but in an economy the size of Poland's, it means that we are the second largest venture capital fund in the country -- and the International Labour Organisation's core labour standards are written into every deal we make.

This fund included investments from many US union pension funds as well as major US corporations and has been particularly successful. It can be used as a model for subsequent overseas investments for economic development.

Indeed we are already using it as a model. I'm serving as Chair of a new joint project between the United Nations Centre for Human Settlements (UN Habitat) and the Hassan Fathy Institute, a Rome based trade union NGO.

The purpose of the project is to develop a plan of action in support of the Istanbul Habitat Conference for presentation to a special session on housing to be held by the UN General Assembly in June 2001. A major objective of the project is to explore the creation of mechanisms that would make it possible for pension funds to invest in housing in developing countries. Anyone associated with pension funds knows that will require some very "heavy lifting".

But our experience with Poland Partners, and with some almost forgotten historical antecedents, tells us that it is at least *possible* to make it happen. And we also know that making the effort is worthwhile. Workers pension funds are the largest single source of investible assets on the planet. So even a small proportion of those assets would have a significant impact on meeting the desperate need of the 1.5 billion men, women and children on earth who are homeless or live in tragically inadequate shelter.

I've ticked off some of the tangible, quantifiable, characteristics of many trade union programs in the United States. I want to leave you thinking about some of the less tangible, qualitative, characteristics of those programs.

The first would be imagination, not resulting from a visit from the Holy Ghost, but borne out of adversity, for trade unions and their members live in difficult times. And the prospect is that things will get worse before they get better if we can't find some non-traditional ways of coping with economies that are "globalising" at a dizzying rate.

The second is that, even with imagination, we need money, a lot of money to do what needs to be done, so we need to aggressively focus our financial resources, which are greater than we sometimes realise.

Third, to make these programs work requires "know how", so we need to assemble first rate professional, technical and legal teams.

And finally, success requires patience and perseverance. Many of these programs required 5, 10 or even 20 years to fully implement.

All of this tells us that trade unions can, and do, play an important role in community development and job creation in new and exciting ways at the local, regional, national and global levels. Thus far, these programs have been made possible by the pooling of resources at the local, regional and national levels. The next step is to pool resources at the global level.

A Local Authority Perspective

Marie-Thérèse McGivern, Belfast City Council

The City of Belfast

Belfast is a city that has potentially a great future. The current population stands around 300,000 and while the figure has been in decline for over twenty years we have in recent years begun to see a reverse in those figures. The rebirth of the city around the river has helped in that process. In reality the greater Belfast area contains nearly half of the total Northern Ireland population and the city is clearly the economic driver for the whole region.

Employment rates are still however below the Northern Ireland average but again we have seen a steady fall in the unemployment rates and our inward investment drive is finally paying off with another 900 jobs announced this week and more in the pipeline.

These all represent opportunities for the city - but there are also threats.

Belfast is a city of contrasts and division. While the issue of political difference has taken most of the headlines the city is also one that suffers high levels of deprivation and represents the highest concentration of poverty in Northern Ireland. I would contend that a city with a rotten heart does not stand a real chance of being successful in the next century.

I say this because in considering the processes that take us forward we must be fully aware of the obstacles we face in creating change and sustainable development.

Who owns the City?

If we are to shape the city then perhaps a starting point having assessed the threats is to ask who owns the city?

Current figures reveal that the Belfast City Council is one of the largest land owners at about 11%, the Belfast harbour Commissioners own 8% with the Department of the Environment with 9.5%. Other public authorities own about 12% between them with the Queens University owning 1%. Of the

total housing stock in the city the Northern Ireland Housing Executive own about 30%. This therefore is a city where the public sector controls considerable land.

An overlaying question though revolves around whether this ownership gives access to the decisions that actually shape the future of the city and there are many who may argue that it does not.

Who influences the City?

There are many influences in this city and there by hangs a problem. The Belfast City Council, local communities, the private sector, the Belfast regeneration office, the Laganside corporation, the harbour Commissioners, the various Government departments. What this adds up to is a city with a severe fragmentation problem and these will have a very negative influence on the development of this city. We have a governance vacuum soon to be exacerbated by the breaking up of the existing Department of the Environment into three each of which has a say in development issues. As a result we lack coherence and consistency in how we drive the city forward in away that ensures a maximisation of potential outputs.

Yesterday Greg Clark spoke about City Development Corporations and one of the key issues he underlined in the successful stories was that they all had a relationship to a single voice for the city - in most cases that voice was embedded in local government. Obviously many may argue that I would have a vested interest in stating this given that I work for local government. In the end though I would argue that local government is the only honest broker the only broker able to look at the interests of the city as a whole and make judgements backed by political accountability on the matter.

Why partnership?

The benefits of partnership have been cited often. In moving the city forward partnership offers considerable advantages. Partnerships create common ownership of problems. This common ownership provides for unity in the face of challenge and we know unity to give us strength. In addition we manage to bring the various elements of difference in this city together.

Partnership also builds social capital a now recognised important investment in building sustainable development. Building effective skills bases across all communities is crucial. Also crucial is the ability of a city to deliver

networks and linkages as a selling point - the city with good networks is an attractive one to the potential investor. Linkages are a hot currency.

The problem of disadvantage and regeneration is that they are complex problems and such problems demand complex solutions. The more collaboratively we approach these problems the more likely to find real solutions.

Belfast has had a good start in the area of partnerships and we need to build on these.

Partnerships in Belfast

The development of the Riverside has been an extremely important partnership between the public and the private sectors. The Belfast City Council in agreeing to site the Waterfront Hall by the river providing an anchor and magnet took a controversial and high risk decision. In doing so they persuaded other private sector investors that they could also develop there. Today we see the benefits.

The regeneration of the old Gasworks site takes this process further forward and this time the community figure in a much stronger way. Again with an input from the Council to clear and decontaminate the site opened the door to private development. This time however the Council worked to ensure that community needs particularly jobs would be given a very high profile as was fitting in the changed times of peace.

Over the last number of years Belfast has also witnessed a number of community planning processes where the public, private and community sectors have come together to develop joint plans for the regeneration of decayed arterial routes in the most deprived parts of the city. These have broken down stereotypes and barriers.

Partnership Boards across the city now number five and again have built up access mechanisms and channels of communication which previously do not exist.

Finally the growth of a number of city companies - Investment Belfast Limited, the Belfast Visitor and Convention Bureau, City Centre Management are all examples of public private partnerships.

So with this level of partnership what are the outcomes, have these assisted the rebirth of the city?

The lessons

We have a number of lessons from this process that has gained momentum over the last period.

Firstly they are of many different varieties and structures. There is no common blueprint for success. This is a very important point that should not be underestimated. Partnerships are formed to address different issues and tasks it is common sense to realise that different structures and shapes are likely to emerge.

What they do have in common is that they were all difficult to get started - there was a huge amount of suspicion from all the partners few came willingly to the table and when they did there was a lot of positioning. However what brought unity was the fact that there was a task and in the end it overtook the former and concentrated the minds on that issue. In all the cases there were also resources and this is crucial. Finally there were outcomes especially early and quick wins as well as long-term goals achieved.

Given all that it is a truism to say that they also took time.

Realising partnerships

Lying within all of this is a return to a seminal question which I believe must be asked every time we contemplate a partnership and that is - why partnership?

I say this because partnership has become very popular. Everybody is doing it and I believe often whether it is the most effective way to get something done or not. There is a seduction in partnership, and sometimes that seduction gets us trapped in being more concerned with the process than the outcomes. In the end we may succeed in making everyone feel involved and wanted but we may achieve nothing sustainable or impacting in the long-term.

Increasingly partnership is the only way to get money. I recently heard partnership described as 'mutual loathing suppressed for cash'. There may be something in this. I believe it to be both dangerous and a cynical approach. Recent research in Britain indicated that the cost of the preparation

of bids for the Single regeneration Budget cost more than the amounts received in grant aid. A large part of these costs were the maintenance of pseudo partnerships for the purpose of getting money. This can be in no ones interest except perhaps consultants.

As an ex-teacher I remember teaching that ability does not automatically equal achievement. Rather achievement equals ability plus motivation. The issue of motivation is absolutely crucial in this regard. The motivation of both the participants in partnerships and the potential funders. The European Union from the best of intentions has had a major influence in this regard. The push to provide bottom up approaches can end up supporting a feely-touchy concept about relationships - however there are probably cheaper ways to provide relationship counselling. In these situations all too often there is too much emphasis on structures and resources and not enough on priorities and outcomes/strategies. More time spent on how are we going to work together than what is it we are working for. This is because what we want to achieve and how to get there are the much harder questions to answer.

Partnership we must recognise not as a religious mantra but as merely a process to getting to another point. Too often the process itself becomes the point.

The measure of a successful partnership is threefold:

- a defined task
- agreed outputs and
- delivery.

I believe that in constructing partnerships we need to think in terms of three Ps: partnership plus purpose equals prosperity. Starting with the purpose and keeping that central is perhaps the best indicator for long-term success in partnerships.

Participation in Planning in These New Times

Frank Gaffikin and Mike Morrissey, University of Ulster

Introduction

This chapter addresses the role and scope of public participation in regenerating city-regions in these new times of globalisation and fundamental economic change. To set the context, it opens with a review of the main theories that have dominated the debate about the new era, and proceeds to examine how a development model, which embodies both competitiveness and inclusion demands imaginative partnership approaches.

Context

The demand for greater civic participation in planning and development seems to confront a central dilemma. Just at the time when citizens are seeking greater involvement in how their world is shaped, there appears to be an increasingly de-localisation of control over that world. As the 21st century beckons, forms of representative democracy prevail that evolved from the 19th century, an age still awaiting mass education. Frustration abounds among many people about the limited scope they have to effect decisions that impinge on their lives, and a related cynicism about the relevance of traditional means of government. The challenge is to find channels for participative democracy to complement orthodox electoral politics.

To contextualise this further, our 'economic lives' are becoming ever more disassociated from our 'political lives'. At the level of the economic, institutional arrangements, whether at the level of the transnational corporation or trading blocs like the European Community, are tending to get larger and more remote. At the level of the political, the search is for subsidiarity and getting government closer to the citizen. The goals of accountability and transparency suggest that there is a need to obtain a better alignment of public decision-making and the predominantly private decision-making in the corporate boardroom and finance house.

This changing relationship between the global and the region/state is not only about the de-localisation of control. It is about the changing role of

government itself. Thus, when we are looking at the scope for new forms of participation and partnership in reshaping city-regions, some understanding of the changing nature of the mature economies is necessary.

One view detects a seismic shift in which ‘...markets for standardised mass-produced goods have given way -- in part at least-- before a growing profusion of shifting niche markets’.⁵ These new fragmented consumption patterns have coincided with changing production technologies,⁶ prompting in the view of Piore and Sabel and Lipietz⁷ a distinctive regime of flexible specialisation. It represents a change so profound that some like Aglietta and Scott have designated it as neo-Fordism, a radical attempt by Fordism at self-adjustment, and some like Murray speak of post-Fordism, as a qualitatively new era beyond Fordism.⁸

Post-Fordism, as a new production model, is seen to involve a switch from being operations-led to being market-led. In its new customer-driven guise, the premium is on innovation, quality and design. A finer integration of research, development and production demands decentralisation into less hierarchical control teams, which combine responsibilities for engineering, production, customer services, and marketing. Quality with cost control, to be

⁵ Cooke, P. (1988), Guest Editorial, *Environment and Planning D, Society and Space*, Vol 6, p. 242.

⁶ Saunders, P. (1984), ‘Beyond Housing Classes: the sociological significance of private property rights in means of consumption’, *International Journal of Urban and Regional Research*, Vol 8, No 2, pp. 202-27.

⁷ Piore, N J, and Sabel, CF (1984), *The Second Industrial Divide : prospects for prosperity*, Basic Books, NY, and Lipietz, A. (1987), *Mirages and Miracles: the crises of global Fordism*, Verso, London.

⁸ Aglietta, M. (1979), *A Theory of Capitalist Regulation: the US experience*, New Left Books, London; and Scott, A.J. (1988), ‘Flexible Production Systems and Regulated Development : the rise of new industrial spaces in North America and W Europe’, *International Journal of Urban and Regional Research*, 12, pp. 171-186; and Murray, R. (1989), ‘Fordism and Post-Fordism’, in Hall, S. and Jacques, M. (eds.), *New Times: the changing face of politics in the 1990s*, Lawrence and Wishart, in assoc. with Marxism Today, London.

achieved by zero-defect objectives, encourages networking, franchising and joint ventures with other producers. But, it also demands a more long-term relationship with selected sub-contractors, rather than reliance on competitive advantages from multiple sourcing.⁹ Post-Fordist production is more alert to segmented markets, whether divided horizontally around such factors as age or gender, or vertically around income and status. It applies various technological antennae to correlate commodities with lifestyle niches, and in that respect production targeting is about scope as much as scale.

However, in the assessment of the extent to which we have moved to new production forms, there are sceptical voices. Amin and Robins refer to the 'mythical geography of flexible accumulation'.¹⁰ Sayer questions the incapacity of mass production to respond to diverse markets.¹¹ Gordon¹² sees the arguments about the increased spatial mobility of capital being a feature of its enhanced flexibility, as fatalistically and prematurely demoting the capacity of nation states to regulate capital. In a similar vein, Pollert characterises claims for a flexible regime of accumulation as complicit with an ideological onslaught against working class resistance to industrial change, an 'offensive which celebrates pliability and casualisation, and makes them seem inevitable.'¹³

A third approach, and the one in which Harvey positions himself, contends that post-Fordism has a social and spatial reality, but that 'flexible technologies and organisational forms have not become hegemonic

⁹ Boyer, R. (1989), *New Directions in Management Practices and Work Organisation: general principles and national trajectories*, OECD, Paris.

¹⁰ Amin, A. and Robins, K. (1990), 'The Re-emergence of Regional Economies? The mythical geography of flexible accumulation', *Environment and Planning D : Society and Space*, Vol 8, pp.7-34.

¹¹ Sayer, A. (1989), 'Post-Fordism in question', *the International Journal of Urban and Regional Research*, Vol. 13, No. 4, pp. 667-695.

¹² Gordon, D. (1988), 'The Global Economy: new edifice or crumbling foundations?', *New Left Review*, 168, pp.24-65.

¹³ Pollert, A. (1988), 'Dismantling Flexibility', *Capital and Class*, 34, pp. 42-75.

everywhere....'¹⁴ This is a view which we think accords most closely with the confused reality. The experience of Fordism itself for many depressed conurbations and regions has been partial and transitory, even allowing for the de-centralisation of production to undeveloped areas under regional policy in the 1950s and 1960s. Instead, therefore, of conceptualising in terms of 'neo' or 'post' Fordism, it is our assessment that a more differentiated system is in operation, which, as Hudson remarks, reproduces in modified form, pre-Fordist and Fordist production methods.¹⁵ This more circumspect approach to restructuring and its local 'reproductions' is found in Warde,¹⁶ while more fundamental doubts as to whether the most important changes in the 1980s have come from consumption rather than production have been floated by Thrift.¹⁷

While writers like Murray and Lipietz¹⁸ concentrate on changing patterns of consumption and production, a distinctive emphasis of Harvey's work, in this regard, concerns the way innovative techniques and deregulation in financial systems, have contributed to the new volatilities and 'flexibilities'. The pace, scale and global reach of financial flows have unsteadied national strategies for capital accumulation, while appearing to offer governments, corporations and consumers strategies to unblock Fordism, none more evident in the 1980s than what Harvey calls the production of debt, speculative and fictitious 'junk bond' capital:¹⁹

¹⁴ Harvey, D. (1990), *op. cit.* p.191.

¹⁵ Hudson, R. (1988), 'Labour Market Changes and New Forms of Work in 'Old' Industrial Regions' in Massey, D. and Allen, J. (eds.), *op. cit.*

¹⁶ Warde, A. (March 1988), 'Industrial Restructuring, Local Politics and the Reproduction of Labour Power: some theoretical considerations', *Society and Space*, 6.

¹⁷ Thrift, N. (June 1989), 'New Times and Spaces? the perils of transition models', *Society and Space*, 7.

¹⁸ Lipietz, A. (1987), *Mirages and Miracles: the crises of global Fordism*, Verso, London.

¹⁹ Harvey, D. (1989), *The Condition of Postmodernity: an enquiry into the origins of cultural change*, Blackwell, Oxford, p.332.

Casino capitalism had come to town, and many large cities suddenly found they had command of a new and powerful business. On the back of this boom in business and financial services, a whole new Yuppie culture formed, with its accoutrements of gentrification, close attention to symbolic capital, fashion, design, and quality of urban life.

Castells prefers to assign the term informationalism to the new era. For him, the key social and spatial dynamic derives from 'the interaction and the articulation between the informational mode of development and the restructuring of capitalism....'²⁰ In the competitive scramble to secure state-of-the-art technology markets, the state will be pressured to fund expensive requisite infrastructure, thereby demoting its redistributive functions. These government fundings are likely to be legitimated in the form of public-private partnerships, as part of a general interpenetration of state and capital. But, it is a transformed capital from its oligopolistic concentration in industrialism.²¹

....in the informational era large corporations set up specific alliances for given products, processes and markets: these alliances vary according to time and space, and result in a variable geometry of corporate strategies that follow the logic of the multiple networks where they are engaged rather than the monolithic hierarchy of empire conglomerates.

Similarly, it could be said that the decades after 1945 saw the emergence of a 'Fordist' public sector in the form of large public bureaucracies, designed to deliver a standardised welfare system of housing, health, education and the like to what was thought of as a largely homogeneous and grateful population. Just as the world of work has changed radically, the welfare state also has been experiencing transformation.

Not only is the fiscal feasibility of large-scale state intervention in the social and economic realms more subject to scepticism. The efficacy of such intervention also is questioned as a disincentive to enterprise and saving. As a first stage, the reforms of public welfare have been in the form of a colonisation by the ethos of private business. Yet, the attendant agentisation has contributed to greater fragmentation of government. In its mission to become smaller, government has become wider.

²⁰ Castells, M. (1989), *The Informational City : information technology, economic restructuring and the urban-regional process*, Blackwell, Oxford, p.28.

²¹ *Ibid*, p.32.

It is this very proliferation and complexity of public agencies, each with distinct competencies, that has made government somewhat inscrutable for the average citizen in the past. A more active citizenship is contingent on a demystification of all these separate departmental 'silos'.

Disorganised Capitalism

Lash and Urry²² frame these transitions within a more general paradigm, which posits a shift from 'organised' to 'disorganised' capitalism. In summary, they denote the latter as representing the current period in which: industrial, financial and commercial capital are becoming increasingly globalised; the coalition of state and big capital is overtaken because of the growing autonomy of large private monopolies; and the core economies are suffering the dislocations of deindustrialisation as they sectorally realign towards services, paralleled by competitive industrial development in the periphery.

In turn, these restructurings are exhibiting discernible social, political and cultural ramifications. Social relations of production are being reconstituted. On the one hand, managerial hierarchies are assuming more complicated forms as the trend towards the separation of ownership and control becomes accentuated. On the other, organised labour is losing its national collectivity as plant size contracts, 'smoke stacks' collapse and the blue collar working class is deskilled as part of a general recomposition of employment. In a later work²³, Lash and Urry propose that since post-industrialism is denoted by knowledge-intensive production requiring innovatory process, it is naturally aligned with post-Fordism, in which flexibility is inherently not only knowledge intensive, but also reflexive. Reflexive accumulation involves the greater unification of conceptualisation and execution, evident in the increased role for R&D and design²⁴, and greater expectation of initiative and hermeneutic sensibility at shopfloor level.

²² Lash, S. and Urry, J. (1987), *The End of Organised Capitalism*, Polity Press, Cambridge.

²³ Lash, S. and Urry, J. (1994), *Economies of Signs and Space*, Sage Publications, London.

²⁴ Garnham, N., (1990), *Capitalism and Communication*, Sage Publications, London.

Politically, these changes are manifested in a diminution of class-based electoral appeals. Corporatist decision-making, designed to promote consensual negotiation amongst relatively monolithic blocks of labour and capital, is deemed to be redundant. Indeed, the old 'consensus' between capital and labour, seen as the basis for the construction of the post-war welfarism, has become fractured, with a more globally mobile capital liberated from its dependence on large-scale Fordist labour that came from the old industrial city-regions.

Cooke cautions against these universalist claims. First, the organisation of both industrial and finance capital, the social relations around them, and the role of the state, have all differed over time and space. Second, while mass production became the main 'technological paradigm', it was not always and everywhere the main form of production. Third, while capitalism has experienced a series of crises since the 1970s, its resilience hardly suggests disorganisation. Rather, 'the picture....is of increasing world economic integration and the reorganisation of spatial production relations, at a rapid pace, without undue signs of disorganisation....'²⁵

The Urban and Post-modernity

Reference to concepts such as disorganised capitalism, post-Fordism and post-industrialism suggests, for some, competing explanations. For instance, post-Fordism seems to address changed forms of manufacturing production as a new industrialism, while post-industrialism shifts the gaze to a radical redirection from manufacturing to services. Yet, these terms all infer some periodisation of polity and economy; they acknowledge to varying degrees new pluralisms and flexibilities, and the current pivotal force of information; most of their variants identify structural tendencies to more acute socio-spatial polarisation; and they view these changes in the context of greater globalisation, and networking amongst 'wired' organisations on information highways. Amongst the issues they do contest is the extent to which such upheavals have been transformative or whether they constitute intensified continuities with the past.²⁶ Those who locate the pronounced changes of our

²⁵ Cooke, P. (1988), 'Spatial Development Processes: organised or disorganised?', in Massey, D. and Allen, J. (eds.), *Uneven Re-development: cities and regions in transition*, Hodder and Stoughton, in assoc. with Open University, London, p.237.

²⁶ Allen, J. (1992), *op. cit.*

time in a post-modern paradigm unequivocally opt for the latter. The debate about the existence and form of post-modernism is extensive and beyond the scope of this review. What follows is a summative version, relevant to the contours of contemporary urban change.

Post-modernism derides the pretension underpinning the modernist project that the enigma of social reality is subject to order and pattern, discernible by science. Enlightenment concepts of rationality and objectivity belie the problematic of excavating universal truths. Diverse linguistic and cultural prisms beget different worlds and not merely mediate different insights into the same world. Thus, postmodernism travels beyond the standard phenomenological concerns with penetrating meaning or the sociological concern with the action frame of reference.²⁷ The new self-referentiality²⁸ disowns settled orthodoxy, exactitude, and predictability, even if such concession subverts 'an independent reality',²⁹ and exposes as illusion, human control of the environment. Forsaking the historicist meta-narratives,³⁰ it queries not merely the inevitability of 'an emancipatory politics',³¹ but its very validation.

This forfeited certitude is intrinsic to the postmodernist discourse itself, since it is a concept resistant to specific usage. Thus, the 'New Times' can be characterised simultaneously as a barely comprehensible fragmented hyper-reality³² of signs and images, by which style is elevated over content, and

²⁷ Lambert, J., Paris, C. and Blackaby, B. (1978), *Housing Policy and the State*, Macmillan, London.

²⁸ Poster, M. (1990), *The Mode of Information: poststructuralism and social context*, Polity Press, Cambridge.

²⁹ Callinicos, A. (1990), 'Reactionary Postmodernism?' in Boyne, R and Rattansi, A (eds.), *Postmodernism and Society*, Macmillan, London.

³⁰ Lyotard, J. F. (1986), *The Postmodern Condition: a report on knowledge*, Manchester University Press, Manchester.

³¹ Sayer, D. (1991), *Capitalism and Modernity: an excursus on Marx and Weber*, Routledge, London.

as auguring a dynamic pluralism rooted in cultural diversity. In the case of the former, the pervasive pastiche, montage and whimsy in many recently built environments, reflect not only the eclectic in contemporary design and planning, but also the penchant for creating the new in recycled nostalgic motifs.³³ Adopting the latter emphasis, the rupture with the past coincides with the 'end of the American century'. The new mapping of political economy, in which the creative drive associated with modernity has relocated from the West to the Far East, nullifies the conventional equation of globalisation with Americanisation:³⁴

...if an increase in global flows has contributed to the 'deterritorialisation' of populations, commodities, money, images and ideas, the consequence has not so much been in the direction of cultural homogenisation as the reconstitution or regeneration of differences in and through displacement.

Cooke grasps this straw as a chance to resolve tensions between an increasingly centralised and bureaucratised capitalist state and an atomised population, ever more individuated under market relations. The new flexible specialisation underscoring Japanese inventiveness places a premium on cohesive, globally networked industrial localities as 'the most dynamic, fast-growing centres of production in the postmodern space economy',³⁵ and thus offers a model for replenishing citizenship as the basis for a recuperative modernity project. However, not all scholars corroborate this affinity between the spatial clustering of frontier 'propulsive' industries and the formation of vibrant industrial 'ensembles', favourable to the improved adhesiveness of civil society.³⁶

³² Baudrillard, J. (1988), *America*, Verso, London.

³³ Sudjic, D. (1992), *The 100 Mile City*, Andre Deutsch, London.

³⁴ Smart, B., (1993), *Postmodernity*, Routledge, London, p.149.

³⁵ Cooke, P.,(1990), *Back to the Future: postmodernity and locality*, Unwin Hyman, London, p. 164.

³⁶ Storper, M. and Walker, R., (1989), *The Capitalist Imperative: territory, technology and industrial growth*, Basil Blackwell, Oxford.

Another reading of postmodernism stresses its misgivings about ideologies which privilege one totalising schema over another, and concludes that its pluralist posture is a ruse for de-politicisation.³⁷ Since arbitration between theoretical abstractions is inconclusive, concerted action for social progress is misconceived utopianism. In such a fashion, handwringing becomes handwashing. The collapse of command planning is taken to invalidate planning per se—a view consonant with Chaos Theory, which refutes the Newtonian model of a physical universe governed by discoverable laws. Behind the apparent regulation of complex systems, lies An unpredictability ready to upset the best laid plans.³⁸

But, for Harvey, one of the key features of the postmodern condition is an intensified compression of time and space. Not only have production and distribution speeded up and spatially extended under flexible accumulation, so also has exchange and consumption. Electronic banking and trading accelerates transfers of currencies and stocks in the global markets. Similarly, consumerist lifestyles, involving a relative shift to the purchase of services over goods, experience great volatility in frenetic search for the novel.

Amongst the consequences he notes, are the increasing commodification not only of culture and leisure, but also of images as simulacra; the ‘instantaneity’ and ‘disposability’ of both commodities and values; a ‘sensory overload’; and a lack of permanence and solidity, (reflected right down to the temporary labour contract) which generates its own ironies such as the vogue heritage projects keen to impart a sense of ‘mooring’ and roots.³⁹ Rapid turnover in fads, and agnostic tastes, lend the age an ephemerality, referred to by Berman⁴⁰ in his echo of ‘all that is solid melts

³⁷ Jameson, F. (1991), *Postmodernism or the Cultural Logic of Late Capitalism*, Verso, London

³⁸ Parker, D. and Stacey, R. (1994), *Chaos Management and Economics*, Institute of Economic Affairs, London.

³⁹ Harvey, D., (1989), *The Condition of Postmodernity: an enquiry into the origins of cultural change*, Blackwell, Oxford.

⁴⁰ Berman, M. (1985), *All That is Solid Melts Into Air: the experience of modernity*, Verso, London.

into air'. It seems to mock any endeavour at long-term planning, particular by public authority immune to market sensitivities.

Implications for the Social Production of Space

The spatial reconfigurations associated with these shifts are acute. Micro-electronics simultaneously allows for the decomposition of the production process and its spatial disaggregation, while integrating management control across distance via on-line information systems and telecommunications. The new territorial dispersal of industry displaces traditional regional specialisation. Alongside this, the urban-rural shift of jobs and population persists, as manufacturing in city cores virtually disappears. Population density in cities declines along with their tax base, leading to neglect of fixed investment in the urban fabric.

Back in the 1960s, the erosion of the manufacturing base in the 'smoke stack' urban zones was characterised in terms of 'an inner city crisis'.⁴¹ By the 1980s, this malaise had, in the view of some,⁴² deteriorated into an 'urban crisis', as an accentuated de-industrialisation process extended city economic decline beyond the inner core. There was a changing geography of production associated with this, including the re-location of investment to suburban\ rural sites, a certain measure of internationalisation of production, and later for a period in the 1980s a more polarised regional divide in places like the UK, between the 'core' command South, a semi-peripheral Midlands, and a Northern periphery.

This re-shaping of the space-economy was theorised in various ways. From neo-classical perspectives,⁴³ unfavourable cost factors operated in

⁴¹ CDP (1977), *Gilding the Ghetto*, CDP Interproject Editorial Team: and Lawless, P. (1986), *The Evolution of Spatial Policy*, Pion, London.

⁴² Byrne, D. (1989), *Beyond the Inner City*, Open University Press, Milton Keynes; and Hasluck, C. (1987), *Urban Unemployment: local labour markets and employment initiatives*, Longman, Harlow.

⁴³ For a review of these arguments see Scott, A. (1982), 'Locational patterns and dynamics of industrial activity in the urban metropolis', *Urban Studies*, Vol. 19, pp. 111-142.

traditional urban areas whereby, for instance, the tradition of organised labour, the scarce supply of appropriate land and the costs of congestion promoted the de-centralisation of investment. In this respect, it might be inferred that new firm formation in such mature spaces demanded not just re-ordering of economic and environmental structure, but also of the social relations of production.⁴⁴ For others, it was more the acute repercussion in urban areas of macro-changes in the industrial labour market.⁴⁵

A different view emphasised the interplay of the urban and national. The city was seen to suffer from three features of deindustrialisation. First, there was a national recomposition of employment involving a manufacturing jobs drain and an expansion of service employment. Second, this structural shift was accompanied by poor national economic growth, leading to overall sustained high unemployment. The third aspect, unlike the previous two, has had a specific spatial dimension. The city has been losing manufacturing jobs at a relatively faster rate:⁴⁶ 'In every region small towns and rural areas have fared better than larger settlements by a sizeable margin....Highly urban regions have declined; more rural regions have grown.' Fothergill et al have attributed this distinct under- performance to industrial land constraints in cities, which thereby are disadvantaged on two accounts: they endure job loss associated with increasingly capital intensive production forms and they fail to attract compensating job gains drawn to greenfield sites in small towns and rural areas.

To summarise to this point: increasing demands for public participation in renewing city-regions raises the issue of scope for local citizen involvement in a new global economy shaped by major transnational forces such as technology, new production processes, re-location of investments, and such like. But, perhaps more fundamentally, faith in such local democratic action has been compromised by the social breakdown of old collectivities such as unions and tenant organisations and the fragmentation of large Fordist

⁴⁴ Abernathy, W., Clark, K. and Kantrow, A. (1983), *Industrial Renaissance: producing a competitive future for America*, Basic Books, New York.

⁴⁵ Massey, D. and Meegan, R. (1978), 'Industrial restructuring versus the cities', *Urban Studies*, Vol. 15, pp.273-288.

⁴⁶ Fothergill, S., Gudgin, G., Kitson, M. and Monk, S. (1988), 'The deindustrialisation of the city', in Massey, D. and Allen, J. (eds.), *Uneven Redevelopment: cities and regions in transition*, Open University, Hodder and Stoughton, London, p.70.

organisation in both the private and public sectors. Moreover, it is difficult to activate an effective civic society in a more individuated if not atomised social world, in which belief in linear social progress has been nullified by the pre-eminence of postmodern perspectives. But, how does such a prognosis square with the challenges of urban and regional development in the new era?

Local Development in Europe

The key challenge facing the European Union as it moves into the next Century is to find a development model that will enable it to compete economically on a global scale while retaining a commitment to social cohesion and social inclusion. This will be no easy task. Even large economic units, like the EU with about 30 per cent of global GDP, are not immune from the forces acting on the world economy. As world trade has become progressively liberalised, European producers are increasingly subject to international competition. Large corporations have internationalised their production centres and plan investment where long-term return is greatest. This has meant the relocation of production from traditional sites and, indeed, the volatility of investment in new sites. Global production is changing faster than ever before, driven by a more deregulated world order, new systems of production and the pace of technological advance.

Moreover, the world financial system has become substantially integrated so that large shocks in one part of the world affect all others. The financial crisis in Asia has spread to Latin America and poses problems for the United States. German banks are dangerously exposed because of their loans to Russia whose banking system has virtually collapsed. Thus, even local areas will feel the effects. Specifically, the new competitive imperatives will generate new social costs and these will probably be concentrated in certain areas, such as the older industrial city-regions.

However, in the European Union, a new consensus is emerging. This defines the European mission as competitiveness, sustainable development and social cohesion and sees the mechanisms to accomplish these as:

- full economic and monetary union;
- investment in new technologies and new production systems including achieving maximum gains from collaborative advantage;
- investment in people, and;

- active solidarity between the affluent and the excluded, the young and old, and those in the developed core and those in the underdeveloped periphery.

One implication of this new approach is that people can no longer be the passive beneficiaries of jobs provided by business or services provided by government. Development has become everyone's responsibility. People, as stakeholders, are expected to participate in the design and implementation of new strategies as well as benefit from their outcomes. This not only liberates new energies for development but taps into under-utilised fonts of creativity.

Another implication is that the barriers between government, business and civil society have to break down. New institutions involving intersectoral relationships through the mechanism of partnership are more capable of flexibly adapting to a rapidly changing world. Moreover, the development process cannot succeed if exclusively directed from the 'top-down'. Only a combination of top-down and bottom-up processes can generate the synergies necessary to increase the development gradient. Finally, there is a need for social capital, a preparedness to trust and co-operate amongst and within the sectors.

Such changes also require a shift in the cultures of all sectors. Government has to reinvent itself as an 'enabling' state in which the pursuit of equality of opportunity and social justice is no longer counterposed to an environment favouring competition and excellence. The new paradigm is characterised by slimmed down bureaucracy, with devolution of power to regions and revitalised local government and much 'governance' taking place through networks that include civil society.⁴⁷ Business has to rethink its relationships within the market sector, including the valuing of employees as the most single significant production asset in economies that are increasingly knowledge rather than resource driven. The community has to see itself as being responsible not just for the care of its weaker members but for its own development.

These shifts will not be achieved easily. Inertia, vested interests and the fear of risk taking are all significant barriers to change. However, traditional systems of thinking and traditional ways of doing things can no longer produce the desired results. The pressure of global competition will enforce adaptation and change. The trick will be to respond to this pressure in ways that permit the

⁴⁷ Democratic Dialogue (1998), *Hard Choices: policy autonomy and priority-setting in public expenditure*, Belfast, p.5.

accomplishment of the goals Europe as a whole wishes to achieve rather than the goals of a particular sector or member state.

Active Citizenship and Development

Development is more than just economic growth, it is also about the conditions that enable growth and the ways in which the benefits of growth are equitably distributed. Sustainable development refers to a process that, on one hand, is not dependent on permanent subsidy and, on the other, works with, rather than against, its local environment. Social cohesion is a necessary goal not merely because a society that ignores the plight of those on its periphery is morally deficient, but also because inequality and social exclusion are barriers to sustained development.

The basic conditions for successful local development seem to be twofold: first, developing a culture of active rather than passive citizenship so that large numbers of local people actually become engaged in the development process thus increasing the energy, local knowledge and creativity available; second, mobilising all the economic, social and human assets around an agreed development agenda so that every available resource is committed. In turn, such relationships enable the construction of holistic, integrated strategies that recognise the interdependence of economic, social and environmental issues. These complement and add-value to mainstream actions.

Both of these are necessary to maximise the impact of a given (and therefore limited) set of resources. Equally, the framework for getting both in place has to be an agreed territory, usually spatial. Otherwise the process has no focus. In general, the territory has to be large enough to have impact but small enough to permit local ownership and identity – hence the generic term ‘territorial approaches’.

Territorial Approaches

The term territory refers to an aspect of space. However, its exact meaning varies amongst the different members of the European Union. The term ‘territorial approach’ is thus subject to different interpretations but, in general, refers to activities and relationships, bounded by specific spaces, which depend on some common sense of identity and which are directed at development and social inclusion. In territorial approaches, the most general basis for networking and partnership is the principle of a common local basis of the activities. Actors know each other, have common environments, do

understand local peculiarities, are living face to face with their co-producing partners and are confronted daily with their common solutions. Locality seems to be a rather weak tie for diverging interests but because of its neutral character provides a broad basis for co-operation and networking within and between different references.

A territorial approach may be regarded an important in responding to these challenges and as providing the required framework to co-ordinate local responses. It has been defined as:

How a sense of belonging to an area motivates people, from helping neighbours to improving the quality of life in their neighbourhood, area or region;

How tackling issues from the perspective of a given area is generally more useful than tackling political, social and economic issues separately;

How a territorial approach gathers everybody together, whether they work on specific matters (vertical) or general matters (horizontal), around the place they are based;

How all of this has the value of being more responsive to people's needs, more effective in finding solutions, more flexible in adapting to changing situations and of providing a useful balance to developments at the macro level from the control of the individual or local groups.

A territorial approach may develop either as the starting point or as the outcome of tackling practical problems at the local level. The first can be seen in area partnerships constructed to develop an integrated approach to the problems of a particular territory, the second by the learning-region structures that have emerged out of the activities and relationships developed to assist the competitiveness of SMEs. Territoriality concerns both horizontal and vertical governance mechanisms, i.e. the institutional frameworks to achieve collaboration across sectors (public and private), and between these sectors and civil society (the community). The overall goal is to develop flexible, but integrated, planning systems with significant stakeholder participation that can operate at many levels and are effective in benefiting target groups and programme development.

Partnership and Networking

Whatever practical problems are tackled and solutions derived from territorial approach-projects, they typically are implemented by a partnership of

members of directly-involved groups. There can be local authorities, private sector, academic institutions, training providers, trade and labour unions or other local organisations.

Amongst and between these the co-production of common solutions is organised by way of partnership relationships, transcending narrowly competitive and bureaucratic control mechanisms. Multilateral trust and solidarity directing personal involvement and control are the main mechanisms of network-organisation. If contractual solutions are involved, regulations are simple, fair and easy to change by common agreement. Open partnerships and networking are highly efficient to create new solutions, to stay flexible over time and to integrate quite different reference-systems, reducing social segmentation at local level.

- What types of institutionalised partnerships or networks of actors do we find in territorial approach projects? (contractual? situational?)
- What intermediate institutions have a capacity to stimulate, moderate and organise networks and partnerships under territorial approaches?
- Are there typical “anchor-institutions” that could manage a territorial development network? (chambers of commerce? public authorities?)
- How can networks and partnerships create internal trust, solidarity and identification and still stay transparent and inviting for each local actor to join?

In which ways can local identity become the source of common solutions, bridging the gaps of different interests, competition and social segmentation? Local identity and “in-group-feeling” may be a fertile ground for hostility against people or institutions outside the region. How can territorial approaches avoid this negative side effect of local mobilisation? For instance, since common identity also implies identifying ‘others’ – as outsiders, where do ethnic minorities fit within territoriality? What about groups whose respectively different sense of identity leads to conflict – as in Northern Ireland? Perhaps the appreciation of equity (*a consensus about what is ‘fair’ in the distribution of resources*), diversity (*the acceptance that difference can contribute as much to social relationships as commonality*) and interdependence (*the recognition that although people are different, they still rely on one another to deal with common problems*) are more important than a common identity. Arguably these

three characteristics are crucial conditions for constructing development alliances amongst partners with divergent interests and agendas.

Territorial approaches are starting in an environment already characterised by formal and informal networks and relations at local level. How can development projects complement existing networks and avoid a situation of competition? Finally, how can local solutions be transferred to a broader field of policy-development? In what ways do projects see their experiences as contributing to new policy development at regional, national or European levels?

The Role of Partnerships

The instrument of partnership could be in the vanguard of creating more 'joined up' governance. In bringing together different sectors, it not only empowers the more disenfranchised in society to ensure more inclusive decision-making. It also offers the prospect of inter-disciplinary approaches to development by a multi-agency response to multi-faceted social reality. And, instead of one sector being 'colonised' by another, the goal is a creative cross-fertilisation that captures the best practice of all sectors.

It is interesting that when local interests are around the 'development table', many feel comfortable with discussion about matters such as housing, transport and education. They can relate these to practical personal experience. After all, they say: 'we've been to school ourselves, our kids are at school now. We live in a house and we have to cope with traffic and mobility'. They feel less at ease addressing the economic agenda. Somehow, they consider it the preserve of business people or professional economists. Although they are workers and consumers, they regard the economy as some abstraction beyond their knowledge and influence. Partnerships for local development can play a vital role in appropriating this terrain for universal discourse.

Partnership as process recognises that while anyone with the resources can put up a building, it is much more difficult to build consensual coalitions for development tied to both wealth creation and social cohesiveness. It is not about clientelism for quick fix deals. It requires patient programmes of capacity building. It elevates civic leadership for a common purpose over a more narrow ethnic leadership tied to partisan benefit. And, it recognises that democracy is untidy and in need of constant renewal.

Partnership in Northern Ireland has been one of the rare 'dialogic spaces' where cross-community collaboration can be nurtured and the

challenges of reconciliation and regeneration linked. Partnership in the Republic of Ireland started off offering the chance to test more democratic forms of 'corporatism'. It has grown into something much more. At its best, it can connect the macro-social and economic concerns with those at local levels, and as such it has introduced a useful experimental element to the challenge of democratic development:⁴⁸

The challenge is to find our way to a new pattern of organisation in which central action and central co-ordination are linked, in ways which feed experiments into the wider system, and in which national policies are reshaped in the light of local or sectoral experiments.

In short, the evidence from both parts of Ireland confirms that with the right remit, authority and resources, partnership can help open up the whole development debate. It can ensure that development is thought of as more than growth, embracing concepts of competitiveness, solidarity and new democracy, and encouraging a move from the culture of *dependency* to the culture of *inter-dependency*.

The dualities of public and private and of market and state no longer capture the complexity of social and economic relationships. Partnership offers a site for negotiating a new charter for the networking.

Partnerships and the Third Way

While Europe is committed to market integration, it also holds to the idea of a social compact as a means of moderating the extreme social costs of unrestricted competition. If this means no more than increasing tax burdens to pay for social compensation, it is unlikely to succeed. Governments are under pressure to contain the tax burden. Rather, there has to be a real synthesis between competitiveness and social cohesion whereby the latter contributes to the achievement of the former, an approach that is being increasingly called the 'Third Way'.

While Third Way strategies are rarely spelled out in detail, there is some consensus about their outline:

⁴⁸ O'Donnell, R. and Thomas, D. (1998), *Partnership and Policy Making* in Healy, S and Reynolds, B (eds), *Social Policy in Ireland: principles, practice and problems*, Oak Tree Press, Dublin, p. 141.

Competitiveness is more dependent on ‘created’ rather than ‘endowed’ assets. This refers primarily to the quality of the labour force – investment in education and training and in improving the way people work contributes to economic development. Therefore, a need has emerged to upgrade manpower skills, to enhance the diversification of employment selections, to benchmark training qualifications, to support the provision of complementary services and finally, to exploit new and innovative economic sectors for the creation of new jobs.

Simultaneously, social exclusion occurs primarily through marginalisation within the labour market. Enabling those at the fringes of the labour market to compete for jobs or to aspire to better jobs, is an effective approach to inclusion;

Enterprises have to ‘raise their game’ so that they are capable of competing in the global marketplace. This means being committed to quality, innovation, product development, marketing and systems of industrial relations that are constructively harmonious rather than conflict ridden;

The need to find solutions to locally concentrated problems can be best served by the actors most immediately involved. They are motivated by the urgency to respond, they are the most able to assess the situation, to identify gaps in service provision, to propose upon, as well as to promote methods protecting social cohesion;

All these require new governance systems at local and national level. This implies partnerships amongst the main social actors and the participation of the proposed beneficiaries in all programmes.

In this approach, economic competitiveness and social cohesion are not mutually exclusive. Moreover, there is an emerging consensus around the kind of development model that is required even for disadvantaged city-regions:

First, there is no future in long-term subsidy. Small, open regions have to be competitive - that means exploiting competitive advantage and finding the right competitive niche. Even in the most developed European states, there is greater fiscal tightening than ever before. Thus, underdeveloped regions cannot rely on central subsidy to solve their problems. Moreover, there is emerging evidence that long-term subsidy creates a ‘soft budget’ culture that inhibits rather than reinforces a capacity for competitiveness. This does not deny the necessity for redistribution towards the most needy but suggests that social rights have to be balanced with social responsibility;

Second, a central issue is the quality of human resources. Although the situation is complicated by population movement, a key goal for disadvantaged regions is to ensure that the quality of their human resources is better than the national average – i.e. looking critically at the form and content of existing education/training provision and finding the means to make it better and linked to the development process;

Third, that key gains can be made through co-ordinating existing effort and enabling the development of integrated strategies. In that respect, no sector has exclusive responsibility. It is not the role of government to ‘solve’ the problems of weak regions – statutory agencies, the private sector, local politicians and the entire community have all to take on the responsibility for the area’s development. Evidence from Europe suggests that regeneration is dependent on getting three things right – hardware (the appropriate physical infrastructure), software (education/training, business formation/attraction and social inclusion) and ‘heartware’ (a regional culture characterised by energy, co-operation and the desire to get things done). All three have to come together at the right time to combine development with sustainability;

Fourth, that partnership is the most important mechanism for making things happen. Top-down approaches are insensitive to local conditions and do not encourage self-responsibility. Bottom-up approaches frequently lack the scale, professional resources and critical mass to achieve impact. Partnership involves the relevant sectors, operates on the ‘meso’ scale so as to have greater impact and yet retains a human face in terms of accountability and participation;

Fifth that area networks create the best conditions for flexible and rapid adaptation to economic change. For example, in the Gnosjö region of Sweden, internationally known for its entrepreneurial spirit, internal networks have shaped the creative territorial energy that continuously supports renewal. Put simply, competitiveness is crucially dependent on innovation. Innovativeness is enhanced through networking with other SMEs, establishing proactive relationships with education & training institutions and developing the kind of local institutional structures that will facilitate these processes. The central point is that competitiveness requires a production logic requiring collaboration between both economic and non-economic actors. This can be best developed at the local/regional level and is thus assisted by (and, in turn, reinforces) a sense of identity with place.

Brownfields Programmes

*Karl Alvarez,
United States Environmental Protection Agency*

Introduction:

Good afternoon. I am Karl Alvarez of the United States Environmental Protection Agency's Brownfields programme. I am responsible for policy development and implementation for the financing mechanisms in the domestic Brownfields program. Additionally, I seek to build partnerships with international brownfields practitioners in the hopes of finding innovative redevelopment ideas for our brownfields projects.

I have learned a great deal during the past days in Belfast. I've been asked to provide some information on our successes in the U.S. in developing the public-private partnerships necessary to support local redevelopment efforts. My comments are offered in the spirit of engendering continuing discussion.

To lay the groundwork for further discussion, I'd like to provide some background information on the genesis of our focus on local partnerships and the innovations underway to strengthen this focus.

Brownfields Background:

In the late 1970's the Cuyahoga River in Cleveland, OH caught fire, bringing the spotlight to the far-reaching impacts of our industrial development. This event and other unsettling discoveries pushed the Federal government to action. The result: a multi-billion dollar Superfund programme unwaveringly dedicated to achieving the cleanup of the worst hazardous waste sites. However, as with any program managed by central government, the Superfund programme lacked a community or locally-based focus.

By 1993, we at EPA had come to the recognition that the impacts of hazardous wastes and hazardous waste facilities were unfairly hurting the most vulnerable segments of our society. Our commitment to environmental justice was hinged upon substantive, meaningful, and constant community involvement in government decision making.

Based on this commitment, I am here today to speak to you of what we consider to be a “new way of governing.” The Brownfields programme represents a new frontier in empowering neighbourhoods and communities in developing their environmental, economic, cultural, and community vision. We are very proud of the fact that the program has been implemented without any new legislation or regulation on the part of the government. My role is to aid in the removal of barriers, both real and perceived, in revitalising our urban cores, enabling locals to proceed with their own rejuvenation.

The results of this programme innovation: \$1.4 billion (£875m) in public and private investment, leveraged by \$58m (£37m) in EPA investment, and the creation of over 3,000 jobs. We are currently working on 250 pilot projects that depend and survive based on the quality and flexibility of public/private partnerships. We have, in addition, made significant changes to our tax codes to provide incentives to developers to invest in regeneration projects and have, under President Clinton’s Liveability Agenda, committed in excess of \$10 billion (£6.25 b) to help communities revitalise through the use of our Better America Bonds.

Key to the Brownfields success is the Brownfields National Partnership Action Agenda which brought the expertise of 21 Federal Government Departments and Agency’s to bear on the Brownfields challenge. Focusing this expertise on removing barriers created by government laws and policies has created a remarkable groundswell in redevelopment.

The Substance of Local Involvement:

We are very proud of the direct link, of both funding and policy, between the Federal government and the cities, towns, and communities nationwide. These partnerships are flexible and focused on local needs and goals. I would recommend to any redevelopment stakeholder that consider our model which has shown superb results and, again, are based on no new legislation or regulation.

The substance of Brownfields Redevelopment and Cleanup within the U.S. is based upon five important tenets:

3. assessment of real or perceived contamination to create motivations to redevelop abandoned, underused, or idle properties which plague our inner cities.
4. use of revolving loan funds to allow for cleanup of properties.

5. capacity building for states in implementing processes which benefit redevelopment and cleanup.
6. job training and workforce development to ensure the benefits of redevelopment are enjoyed by long-term residents of the community instead of importing a workforce into the new jobs. [gentrification avoidance]
7. research into the socio-economic imperatives of brownfields redevelopment in the hopes of expanding the informational tools available to communities as they participate in decision-making processes around brownfields.

No government programme can be expected to directly create community pride, sense of place, or reconnection of communities with their built and natural environments. The Brownfields programme has learned, however, that one requirement floats to the top in all redevelopment decisions: the sustainable creation of jobs provides the foundation upon which all other improvements can be built.

By way of example, the City of Emeryville, CA found itself in a position where outside entities were willing to define its future. A city of some 8,000 people close to San Francisco, Emeryville was being courted by WalMart, K-Mart, and Home Depot who were interested in developing large box retail space within the city. Emeryville stepped back, using a \$200,000 EPA assessment grant, determined what their environmental liabilities were and marketed their sites based on their local definition of the future of the city. This self-definition and self-determination will net them over 10,000 new jobs and in excess of \$644 million (£400m) in new tax revenues. The city was actually able to negotiate with developers using forgiveness of future taxes to serve as an incentive to Emeryville-defined redevelopment.

The story of Buffalo, NY is less well-developed, but equally important in discussing local involvement. Buffalo, like Belfast, views itself as past its industrial prime. However, unlike Belfast, Buffalo has been rendered somewhat apathetic due to an almost palpable loss of hope. Buffalo is in dire need of one demonstrated success to begin to attain its potential. Dependence on a small group of visionaries within the city's redevelopment authority and at the community level gives those of us involved in the Buffalo renaissance not only hope, but security in that Buffalo will redefine itself, with the help of both domestic and international partnerships, creating a healthy vibrant city centre which demonstrates pride in their industrial past.

One final example is the creative use of a resident workforce at our pilot project in Cape Charles, VA. A small crab producing community in a remote area of the Chesapeake Bay, Cape Charles recognised that they had much to make them marketable. They quickly implemented their concept of an eco-industrial park, capitalising on their deep-sea channel, access to highways and railways, and relatively low property values. However, Siemens corporation saw a commodity that Cape Charles had missed. Siemens needed workers with strong manual dexterity to build solar panels. Unemployed crabmeat pickers were a “built in” workforce which Siemens found marketable. The new Siemens plant is the foundation of the growing eco-industrial park. This kind of win-win partnership is the most exciting aspect of our brownfields efforts.

Summary/Recommendations:

To summarise: We have learned a great deal in our experiment in “new governance.” The following are the tenets which have worked for us in forging local partnerships:

Don't weigh down local vision with significant government legislation or regulation. View your redevelopment efforts as opportunities to remove barriers so that local vision can flourish.

Forge a Marketplace for Ideas which provides to communities the tools needed to implement their redevelopment ideas. There is no need to recreate these tools from whole cloth. Belfast is part of a world-wide community dedicated to urban renewal and economic revitalisation. In the U.S., we have an annual conference that brings together stakeholders from across the country and the world to discuss their common goals at redevelopment and argue about their disparate mechanisms to accomplish a revitalisation.

Build partnerships which are flexible and which recognise that economic vitality and environmental protection can, and should, coexist. Demand from your partnerships that they creatively support your community goals and vision.

Belfast has demonstrated a resilience that should be envied by many cities world-wide. The old American adage of “if it ain't broke, don't fix it” may well apply to my comments. As I said earlier, Belfast is part of a world community. If we can be assistance as you continue your renaissance, let us

know. Either way, we will be watching your efforts and cheering your many future successes.

The Review of Laganside Corporation: A Peer Perspective.

*Greg Clark,
Managing Director
Economic Development, Greater London Enterprise Ltd*

The author was one of the team of 3 international experts brought into the Laganside Evaluation by the OECD. He is a Board Director of the European Association of Development Agencies (EURADA) and is chairman of their Urban Development Agencies Forum. He is also a Board Director of the British Urban Regeneration Association (BURA) and was a Harkness Fellow in Urban Economic Development in the USA and Canada in 1995 and 1996.

Introduction: team and approach.

It is a great pleasure to be here speaking to you today and I would like to thank the OECD, TUAC, and Laganside Corporation for the invitation. My aim is to present some of the findings from the review of Laganside Corporation and to stimulate you to read the full report which contains much greater detail than I can cover in this short paper. I also hope to address some of the issues concerning 'Realising Participation' which will be a major theme of another session.

Firstly, the Laganside Review methodology had a strong focus on peer learning. The OECD Team, led by Dr Josef Konvitz and drawing upon diligent and illuminating research by Debra Mountford, included Dr Kurt Walter of the Federal Department of Urban Development from Germany, Prof Loredana Ligabue from Emilia Romagna, Italy, and myself. The latter three of us were participating as peers who are also engaged in major initiatives and questions concerning urban regeneration and metropolitan development in our own countries.

In this context we sought to answer two basic questions; what can other OECD countries learn from the situation in Belfast concerning urban regeneration? and what can other OECD countries offer to Belfast in terms of experience and insights about how to take things forward? For us, as visitors to Belfast, these two questions carried equal weight because we were as

determined to help tell Belfast's story to a wider international urban public as we were to offer our comments and suggestions on what we found here.

In this task we wanted to draw upon the existing OECD literature on urban affairs which provided a helpful backdrop upon which to reflect. Recent analyses of Brownfield redevelopment efforts, of the situation in North Milan, and of the impact of local partnerships in the Republic of Ireland were used alongside the much wider review of the tools and techniques to tackle the problems of Distressed Urban Areas across the OECD Member States.

Although it was our view throughout that the Belfast story was unique within the global family of urban contexts, it was also our contention that Belfast was not alone. By this we meant, firstly, that there is an international network of urban leaders and practitioners who care about and, are interested in, Belfast and are a potential resource for the city. Secondly we meant that whilst the overall situation in Belfast is unique there are many elements here in the city that are common to other cities throughout the OECD. These include the various forms of economic change that have occurred, the drive for a new kind of governance that better reflects the shape of metropolitan areas, and the particular problems of social exclusion and environmental degradation that have been tackled as part of the regeneration process, amongst others.

Our review was necessarily both quantitative and qualitative. The full report provides a vast range of econometric and programmatic data that backs up the broad assertion that some very good and worthwhile things have been achieved here. It quantifies those in terms of jobs created and attracted, leverage on private investment achieved, hectares of land recycled, dwellings created, and numbers of people assisted to find new skills and meaningful employment to name a few. It is a compelling read, and provides the sort of ten year perspective in which it is so important to measure and visualise what a regeneration programme can achieve. I commend it to you as a solid and inspiring account of the achievements of Laganside Corporation in numeric terms.

Qualitatively we have also been concerned to get below the surface of the numbers and ask other questions like what has worked? why has it worked or not worked? what more might be done? are we now in a new phase? and how can we characterise what more might be required next to help keep the regeneration going?

I'd like again to stress that we came to the process as peers. Our role has been to provide a peer validation of the Laganside experience based on our own professional knowledge and awareness of what has worked, or could work,

in other places where we have been trying to achieve something similar. It is an equal objective for us to try to identify what other cities can learn from Belfast and to articulate this clearly. It is not our role to sit in judgement as some kind of international jury, but to reflect more practically on the tools and approaches that have been available or might be required. It has also been a particular priority for us to look forwards. We have been very aware that the unique political situation in Belfast offers the potential for more than one scenario to unfold here, and with very different timetables. To be more precise, we know that progress with the peace process is a very big aspect of the changing context here. We know that it might be more significant than some other processes like the changing business cycle, the reform of EU funding streams, and the emergence of a new UK approach to urban policy, significant though these are. We have had to look forward and imagine both faster and slower forms of change, and ask whether they suggest different options and approaches in taking the regeneration of Belfast forward at this time.

The Achievements of Laganside Corporation to date.

I must begin with a broad statement about the achievements of Laganside Corporation and try to set the tone for our view of what might be needed next. Let me indicate at the outset that we have been extremely impressed with the many aspects of what the dedicated group of professionals at Laganside Corporation have achieved. It has been a pleasure to see so many things working well, and for so much to have done by a relatively small but certainly agile staff team. We want to congratulate Mike Smith and his team on their many successes. So what are these?

A major achievement has been the re-orientation of the city of Belfast towards the river Lagan. It is somewhat obvious to say that a river like the Lagan has provided the rationale for the development of the city of Belfast through its various phases over the past 500 years. It is not uncommon for the most recent period of Industrial decline to have a city cut off from its major life source because so many previously thriving industrial activities were based along the river and are now derelict, contaminated, expensive to remediate, or difficult to assemble. This was clearly the case in Belfast and the Lagan had become a major eyesore, which the city and its people had turned their back on. Laganside Corporation has enabled the city of Belfast to reintegrate the Lagan back into the heart of the Metropolitan whole area, providing it with a new post-industrial rationale as a location for leisure, cultural activities , and entertainment, as a key location for business and wealth creation, and a front (or back) garden for many new dwellings, and as a large and diverse public space. The Lagan is the new quarter of the city that was needed to provide the potential

for large scale regeneration and it has been successfully tackled with both feats of engineering, a massive clean-up operation, and the careful nurturing of many new facilities and functions. Giving the river back to the city and the city back to the river has been a major and outstanding achievement that marks out the success of Laganside.

A second major success has the re-development of particular large sites along the river itself. You have already seen and heard today about Lanyon Place, Clarendon Docks, the Gasworks, the Cathedral Quarter, and others. Our impression is that each of these locations has been treated with special attention and great care. High quality principles of design have been matched with a drive for the careful organisations of functions so as to optimise the potential for linkages and integration with existing commercial and residential areas. The design and management of the public space around the major sites has also received a high level of treatment and the result is a new string of key locations within the city.

This leads onto some comments about the overall impact of the re-developments. Belfast now has a new civic district which has both greatly expanded the centre city zone and enhanced its capacity for big city activity, and it has also created a fresh identity for a part of the city which is not seen as belonging exclusively to one part of the community or another. Everyone who has spoken to us during the review has commented upon how important it has been for Belfast to have a new district in which people from all parts of the community can work, rest, and play together, and learn to feel at home.

I have already mentioned that the private sector leverage in numeric terms on the public funds to deployed has been a great success. Ratios of 1:4 public to private investment are good by any measure, but to have achieved this with the high quality design, excellent infrastructure, and enhanced public realm is a notable lesson for us all. We have also been impressed with the many ways that the major new Corporates are getting very involved in trying to keep the regeneration process and contributing to its expansion.

We note also that there is a growing range of new partnerships now emerging in this city, covering business and the community, technology and innovation, the city centre, and the metropolitan area as a whole. There are new organisations emerging to express the aspiration of Belfast people and businesses to work together to create the right future. The very newness of many of these efforts suggest to us they are very substantially building upon the achievements of Laganside Corporation.

A new form of re-urbanisation is now in train in Belfast. The drive towards suburbanisation and sprawl is being reversed. People want to live in and use their city and it is becoming a more dense and vibrant central city once more. The sheer numbers of people now buying houses in the centre and wanting to be near to the river and its many new amenities has reversed problematic processes that many elsewhere are still struggling with.

Regeneration organisations are not always popular. Change can be threatening, and there is often a perception that some are losing out at the expense of others. Laganside Corporation itself has brought a professionalism and sincerity to its task which has engendered enormous popularity within the city of Belfast. We have met with community, business, academic, and governmental leaders who all attest to the high esteem in which the Corporation and its staff held. This is a rare feat by all international standards.

This brief statement by no means covers all of the achievements of Laganside Corporation in Belfast, but it does suggest a picture of consistent high quality regeneration activity equal to the 'best in class' that we are familiar with. Considering how much has been achieved, and in a local context which has its unique challenges, we want to congratulate the Laganside Corporation for their leadership of the Belfast Renaissance.

The Future.

Looking to the future we want to suggest a number of dimensions that might contribute to taking the regeneration process even further forward. I am going to address these under 4 heads: Europe, Linkages, Expanding the Process, and Realising Participation.

Europe

One aspect of Belfast's and Laganside's future will be to place it more firmly within the European context and the European Urban System. Many people who spoke to us of the impending dangers of the reform EU Structural Funds and the likelihood that Belfast would eventually lose out when Objective 1 status was withdrawn despite the interim funding arrangements. It is not my job to comment on the EU's Objective 1 map but it must surely be true that we need the EU dimension to this as being about much more than the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

The new regional and city-wide strategies here make much more the emerging European Urban System and the Spatial development Perspective which we all agree are so important. Having done a good portion of the task of putting several major development sites back into the market it is now important to more precisely shape the character of Belfast's offer as a European City. There are lessons to be learned from some other cities like Bilbao, Lille, Glasgow and Stockholm, in terms of how to define a new identity in this broader European context. There is also now a very much range of opportunities for accessing EU funds to complement regeneration across a broad range of priorities and scope for support with financial engineering for urban regeneration investments. For example, the European Investment Bank is now making long term loans available to support urban regeneration investments and many European Urban Development Agencies are looking at ways to bring these kinds of fund forward in partnership with institutional investors. We think this may be a significant opportunity to expand the resource base for regeneration in Belfast.

Linkages.

We also identified a number of opportunities for further linkages to be made between various aspects of the regeneration process in Belfast. The first of these concerned the importance now of identifying the links between the Laganside area and the rest of the Belfast. We have heard a good deal about other regeneration initiatives which include innovation centres, technology parks and more, but not yet a clear picture of these will link with the Laganside regeneration programme. An important dimension of all of this is the how to integrate the Laganside area with the wider city centre to create a vastly improved capacity for central city functions that has some coherence. The new city centre company is greatly to be welcomed but we feel there may be an opportunity to go further in linking the two initiatives. It was our view that the urban regeneration of the Lagan area creates the opportunity for much more powerful central Belfast which is itself a key to regional development of the whole of Northern Ireland.

In this context it is obviously important to keep making the links between social, economic, and environmental dimensions of the process and to continuously address the constituencies of social partners, government, and community. This is already well understood here in Belfast. We are particularly keen to see an orchestrated approach to the release of land for redevelopment within the city as a whole and for major new development sites to be linked into the very successful high quality approach that Laganside Corporation has

developed. There is a danger that a piecemeal approach to land use now may deflate some of the impact of the quality achieved so far.

Expanding the Process.

We obviously hope to see Laganside Corporation building on its success and broadening the vision. One way to do this is to link in with international best practice. We have made reference to many other OECD cities in the main report and we hope that these might offer some points of interest and comparison. A further opportunity exists to track and monitor the performance of the city and metropolitan area. There has quite rightly been a focus on getting a good job so far, but there is going to be a need to much precisely observe how the shape of city economically and socially and physically is emerging and what the links are. We have recommended Portland Oregon as a good model to learn from.

Further themes for the future might focus on shaping the market for redevelopment, marshalling all the resources and creating integrated institutions. Belfast is at an exciting point in the development of new governance system and there are new initiatives emerging to help shape the regeneration process. However, one danger is that too many stand-alone bodies may be created with different sponsors and responsibilities. This could result in a fragmented infrastructure for delivering regeneration, a lack of critical mass in the resource base, and in its worst manifestations there could even be turf wars and implicit competition between the agencies involved. It is hard to avoid this altogether, but the lessons from almost all of the 100 or so cities with the international team were familiar is that impact of this kind of institutional fragmentation is uniformly negative. There are opportunities for a wide variety of leadership roles from all sections of the Belfast community, but this does not mean that each leader needs a separate organisation to lead.

Realising Participation.

Much has already said by others here on the theme of how to widen participation for workers and communities in the regeneration process. I want to support all of those comments and not repeat them here. I think we all agree that 'partnership' is the central ingredient and that a city belongs to everyone and needs an inclusive regeneration process. But my main interest is in the precise tools and mechanisms that can be crafted to reflect that mutuality of interests, and enable resources to mobilised and a momentum created to build up the joint working. This requires the mechanisms of partnership to be really able to

provide returns to individual participants at least as good as those they would get acting alone. I don't believe in a situation where the partnership activity is the 'good deeds' stuff but the priorities remain firmly locked onto the individual pursuit of bottom line as a solo effort. Either partnership delivers the bottom line or it doesn't work.

Let me offer some examples:

Institutional Investors, are one important group that we all want to engage more in urban regeneration. However you will all be aware that are difficult constraints including the perception of low profitability, high risks, and high transactions brought about the relatively small size on investment opportunities. It is also true that there is not yet a consistent supply of easily appraisal investment propositions coming forwards from the regeneration sector. However, with support form the public sector much be done to prime the pump for institutional investors. A portfolio approach combined with specialist fund management activity and public support to share the risk and additional costs associated with building up an investment track record would create a better incentive structure. There may also be scope for interest discounting and for progressive regulation, but the fundamental tools are about creating the right incentive structure to enable a market to develop in urban regeneration investment. This is now happening successfully in several cities.

Community Organisations have a crucial role to play in regeneration but their participation cannot be guaranteed simply by asking them to come to meetings. The regeneration process often unfolds in ways which are uneven with some benefiting before others do and some being squeezed out of the property and labour markets by higher value activities and jobs that come along. It is therefore important to have mechanisms that create a stakeholding in the community. An asset base is a good way to do this but it is not the only way to do it. The development of revenue stream that ensures that as the economy of an area rises so does the value of the stake of communities and individuals is essential for long term participation and to avoid the excesses of gentrification.

Employees in local firm are another important group to involve in regeneration and clear mechanisms are again required. Pensions fund obviously provides one vehicle and described earlier but there are other examples of linking rising profits and values of land. Brought about by regeneration into human resource investment programmes and other form remuneration. In some cases it is possible to develop dedicated funding streams that draw from the profits of regeneration to reinvest in staff.

The best to involve **small firms** in regeneration is to involve large firms in bring them into the process. Supply chain initiatives, executive to entrepreneur programmes, and mentoring are all good tools. The Plato programme whereby the executives of large firm coach teams of small business people is a good way to create links between the inward investors and the indigenous small firms in regeneration programmes.

Town and City Centres often find that many retailers, banks, and developers are willing to get involved in management and development programmes but they need an investment vehicle which tackles free-loaders and creates the right momentum escalating phases of co-investment and re-investment. There is an inherent logic to this but there are few mechanism that fit the bill. The nearest are the Business Improvement Districts and Business Improvement Areas of North America. A new model in needed for the UK and it is clear that Belfast would be an excellent location in which to develop and pilot one.

Developers need to know that the risks they take to bring off the returns of regeneration projects are not going to simply taxed away. They need a mechanism that allows them to calibrate and ratchet up their investment in regeneration in ways that are matched and reinforced by the public sector. Tax increment financing provides one example of this where the additional rateable revenues of the properties improved is placed in a dedicated envelope solely to reinvest in the regeneration process. This then provides a revenue stream against which borrowing can be made for infrastructure improvements. It is not the only mechanisms but it does exemplify the need for a mutual process.

Local Government also needs an incentive structure that enables it to participate in regeneration rather simply to manage it. As a major employer, landowner, purchaser and provider of services, it needs to be able to have stake in the process too. It is no good being rewarded with extra cash being the poorest district if the Local Authority cannot also benefit through capital receipts, and revenues raised from improvements. In the UK context this is especially constrained. New approaches which liberate the local government role are now coming forward and should be championed. Joint Venture partnerships, arms length property companies, town centre companies are all part of this process. Institutional innovation is critical to giving shape to the participation of local government.

Metropolitan Areas are often made of a fragmented network of municipalities and other kinds of jurisdictions. It is common for those who live in the outer parts of the metropolitan area to think that regeneration is only about the inner city. We know this is not true. There are no examples of

successful suburbs that do not depend upon the success of the central city. It is important to make these linkages explicit and find mechanisms that describe how the whole metropolitan area is involved in the process. Good benchmarking can help here as can metro-wide initiatives and campaigns.

All in all the regeneration tool box needs to become much more precise and carefully crafted if participation is to be realised.

A City Development Agency?

One example of how participation has been realised elsewhere is through the creation of a comprehensive city-wide development agency that brings together the regeneration functions and tools under a single partnership board, often amalgamating several entities into it. This has happened to large extent in Atlanta and Philadelphia, and to a certain extent in Rotterdam and Barcelona. Many cities are now moving towards this goal, each taking a different route. A city –wide development agency may be a good option for Belfast at this time and could be considered. It will not do the whole job, but it will do an important part of it.

Conclusions.

On behalf of Dr Kurt Walter, Professor Loredana Ligabue and myself, and I would like to thank all those who spent time with us talking about the Laganside experience, and helping us to understand what these achievements mean for the city of Belfast, and all of us who are engaged with urban regeneration internationally.

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OECD PUBLICATIONS, 2, rue André-Pascal, 75775 PARIS CEDEX 16
PRINTED IN FRANCE
(04 2000 01 1 P) ISBN 92-64-17165-7 – No. 50969 2000