

New Spatial Patterns of European Urbanisation¹

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The new map of Europe

Recent historical developments have fundamentally transformed the map of Europe. With the growing integration of the European Union by the Single European Market and the Maastricht treaty and new generations of transport and communication networks nation states are no longer separate territories but are being moulded together into a unified spatial system of regions linked by increasing flows of people, goods and information. The forthcoming accession of EFTA countries to the European Union and the opening of eastern Europe have brought back the vision of a greater Europe long forgotten. At the same time the whole continent is becoming a part of a global system of exchanges.

These transformations have also affected cities. National urban hierarchies are being linked to form a unified urban system in Europe. Disappearing borders and new transport networks create new distributions of economic opportunities and disadvantages. Regional monopolies are jeopardised by international or global competition, but cities can also take advantage of new and distant markets. Successful cities gain from globalisation but also have to cope with the inflow of migrants from eastern and developing countries.

From a historical point of view, these changes are not spectacular. The evolution of the urban system in Europe has always been determined by political, economic and cultural transformations. Two hundred years ago the first economic transition (from agriculture to industry) made rural labour redundant and attracted industrial labour to the cities leading to rural-to-urban migration and the rapid growth of cities. Declining mortality and fertility rates (the 'demographic transition') led first to population growth and later to stagnating and ageing populations. The superposition of the economic and demographic transitions gave rise to the phases of spatial urban development urbanisation, suburbanisation and deurbanisation: the 'urban transition' (van den Berg et al., 1982; Friedrichs, 1985).

So in spatial terms the growth of the modern city is linked to the spread of industrialisation across the continent. The wave-like diffusion of the economic and demographic transitions from the north-west to the south-east explains the simultaneous existence of different phases of urban development in Europe (Hall and Hay, 1980; Cheshire and Hay, 1989; van den Berg et al., 1982). Until the late 1970s this pattern was clearly expressed by the contrast between urban decline in northwest and central Europe and urban growth in southern and eastern Europe (see Figure 1, top). Barriers between the countries were more pronounced than today and each country had its separate more or less centralised urban system.

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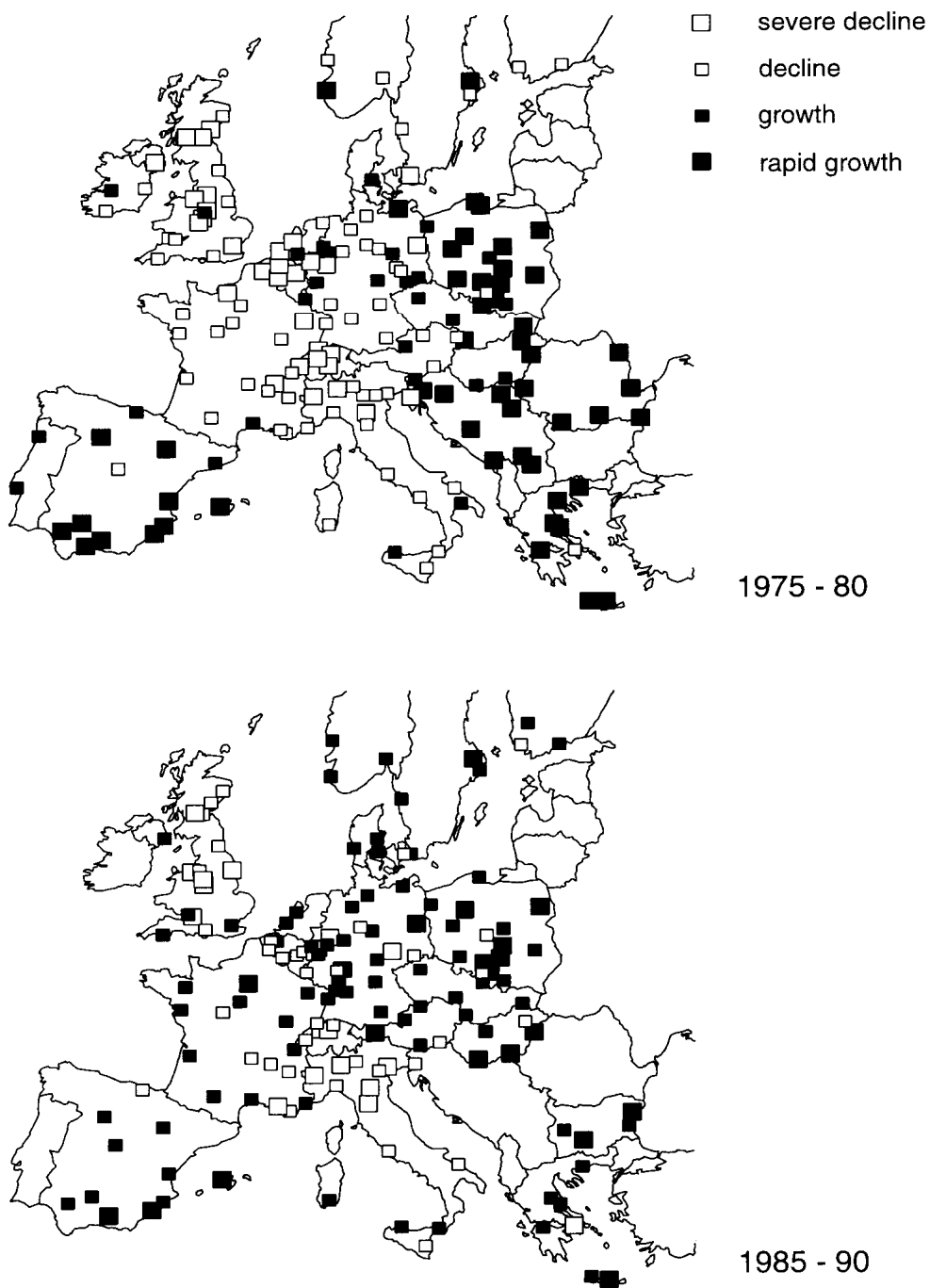


Figure 1. Population growth and decline of cities in Europe, 1975-1980 (top) and 1985-1990 (bottom). Adapted from Commission of the European Communities, 1991.

Today the pattern of urbanisation in Europe has become much more complex. As Figure 1 (bottom) shows, urban growth and decline appear almost everywhere. National city systems are being replaced by new European-wide polarisations. The largest cities are spreading their zone of influence over a wider and wider territory. Some cities that were dominant in their national setting, are reduced to secondary rank on a European scale. Disappearing borders make formerly central cities peripheral and put formerly peripheral cities into the heart of Europe. New or re-established trade flows and transport corridors favour cities that had been isolated for decades. Small towns in the vicinity of large growing metropolises are prospering. Small rural towns in peripheral regions are stagnating or losing population. Old industrial or port cities, even if they are in the heart of Europe and are well connected, continue to decline (Kunzmann and Wegener, 1991; 1992).

Like the first urban transition the second one is linked to a fundamental transformation of the economy described as the transition from Fordism to post-Fordism or from industrial to post-industrial society. The second economic transition is caused by availability of efficient and inexpensive information and communications technologies, new high-level transport networks and low transport costs and by the removal of barriers to international capital and trade flows through the Single European Market or the General Agreement on Tariffs and Trade (GATT). The key features of the new economy are 'flexible specialisation' of production, logistical integration of supply, production and distribution and explosive growth in long-distance travel and goods transport, employment growth in the service industries, in particular in producer services, and on the demand side growing selectivity, diversity and volatility of consumer preferences and the emergence of new pluralist-individualist value systems and life styles.

The requirements of the new economy are leading to a new logic of location. Efficient and inexpensive transport and telecommunications networks expand potential market areas and make each region a candidate for economic investment. Traditional location constraints are disappearing. New 'soft' locational factors such as availability of business services, the vicinity to R&D institutions, abundance of skilled labour, good education facilities, an attractive environment, a favourable regional image, a good business climate and charismatic local leaders are becoming more and more important. Industries operate on a European or global scale. Interregional, international and global exchanges are intensifying.

Banana, mosaic or network?

Although almost everybody agrees that these are the main forces shaping the pattern of urbanisation in Europe, there is little consensus about the direction and magnitude of their impacts. Unlike a decade ago, today there coexist a number of partly contradicting hypotheses about the genesis and future development of the urban system in Europe:

- *Concentration*. The centre-periphery paradigm holds that cities located in the *Blue Banana*, the high-accessibility corridor between south-east England and northern Italy (Brunet, 1989) grow faster than cities in the periphery. The polarisation hypothesis is in general agreement with recent evidence, but does not explain the appearance of fast growing cities outside the European core such as Barcelona, Bordeaux or Nice.

- *Decentralisation*. Equalisation theories postulate that, with growing agglomeration diseconomies in the core, investment moves to regions with lower production costs and less congestion. These theories explain why some peripheral regions such as Granada or Murcia have grown fast, but fail to explain why in general core regions have grown faster.
- *Mosaic*. The 'mosaic' hypothesis (Illeris, 1993) correctly describes the fact that prospering and declining cities appear to be irregularly distributed over the territory and even exist in close vicinity to each other. However, proponents of this hypothesis have to rely on 'historical' methods (case studies) to explain why in each individual case a city has grown or declined.
- *Urban hierarchies*. Theories based on Christallerian or Löschian urban hierarchies explain why national urban hierarchies are superseded by a new transnational configuration of cities, but cannot explain why this configuration does not resemble a hierarchy.
- *Urban networks*. Theories relating urban economic success to functional, physical or personal networks between cities take account of the increasing importance of specialised synergies between complementary cities, but do not explain the growth of small and medium-sized towns.

Most likely only a combination of these paradigms can cope with the complexity of concurrent and interacting spatial processes. Whatever the metaphor, the pattern of urbanisation emerging is far from random. It is the consistent expression of spatial division of labour dictated by a powerful principle: *competition* (cf. Lever, 1993; Pumain and Saint-Julien, 1993; Cheshire and Gordon, 1994). A social system built on competition rewards the more able at the expense of the less efficient. The underlying idea is that if everybody tries to compete, all will be better off. The success of competitive market economies compared with the failure of planned economies is a strong demonstration of the efficiency of the competition principle. However, one result of unbridled competition will also be polarisation.

There has always been competition between cities, but today, under the growth-oriented neoliberal economic doctrine currently followed by most European countries and the European Commission, competition between cities in Europe has become more intense than ever. All of the tendencies listed above combine to create a situation in which only cities that fight do succeed. The locational footlooseness of firms, the ubiquity of cheap transport and the loss of importance of traditional locational factors in favour of intangible factors makes many newcomer cities potential challengers to the established centres, and renders each of these a potential loser. However, more than by anything else has competition between cities been intensified by the European integration. The Single European Market has destroyed regional monopolies and exposed even provincial cities to the cold wind of international competition. On an even wider scale, low-wage competitors from overseas or from eastern Europe threaten the very existence of whole industries and of cities depending on them. Internationally operating firms have a hitherto unknown freedom of choosing locations of production and distribution for optimising labour supply, wage costs, accessibility and economies of scale. Cities, on the other hand, have lost their spatial monopolies and have to compete against each other for investment, employment and subsidies. Successful cities behave like enterprises and develop economic promotion and marketing strategies in order to attract employment and tax income. Cities that do not compete fall back.

Inequality in the European urban system

One consequence of the current economic policy-making entirely based on competition is the widening gap between successful and unsuccessful cities in Europe. While there was some convergence of per-capita income in the regions of the European Community in the 1960s and 1970s, during the 1980s regional disparities in the Community again started to increase (Suarez-Villa and Cuadrado Roura, 1993). Today the ratio between the GDP of the richest and poorest region in the Community is more than 5:1, about three times as high as in the United States. Figure 2 compares GDP per capita (adjusted to purchasing power standards) of NUTS-2 (Nomenclature des Unités Territoriales Statistiques) regions in the Community between 1985 and 1990. It is apparent that the major winners were large urban regions such as Brussels, Frankfurt and Munich, whereas with few exceptions the poorest regions (with the poorest cities) continued to become relatively poorer.

These numbers refer to a period *before* the Single European Market and Maastricht. It is reasonable to expect that polarisation in the urban system will accelerate during the rest of the century. In particular the risk is that the urban system may economically fall apart along three dimensions (Kunzmann and Wegener, 1991; 1992).

- *Core v. Periphery*. The cities in the core regions of Europe with good access to the new transport and telecommunications networks are likely to continue to become more prosperous than those at the periphery without access to the networks.
- *North v. South*. The gap in income between cities in north-western Europe and the cities in the south is likely to grow despite equalisation policies of the Mediterranean countries and the Community.
- *West v. East*. The new east-west divide between the affluent cities in western Europe and the underdeveloped cities in eastern Europe may supersede the north-south divide and become the dominant political issue of the next decades.

The polarisation of the European urban system is harmful for both losers and winners: Loser cities suffer from unemployment, urban poverty, selective outmigration, loss of tax income, decaying infrastructure, reduced services and resignation. But even winner cities are paying a high price for their success. The radical reconstruction of their economies has devalued the skills of their traditional workforce and created high levels of structural unemployment. Where there is employment growth, it consists mostly of low-skill 'flexible' jobs in manufacturing or services and few high-skill jobs for people frequently attracted from outside. Many of the new jobs are highly insecure. A notorious example is the decline in high-level service jobs in London during the recent recession underlining the largely parasitical character of the acclaimed financial services. Employment decline is spreading even in prospering cities. The result is a second, informal labour market with poor working conditions and sub-minimum wages. There is a new and growing urban underclass of welfare recipients, homeless people and immigrants.

In terms of spatial development, the winner cities show all signs of over-agglomeration such as congestion, high levels of pollution and urban sprawl at their periphery. Skyrocketing land prices make large parts of them unaffordable for the majority of the population. The mechan-

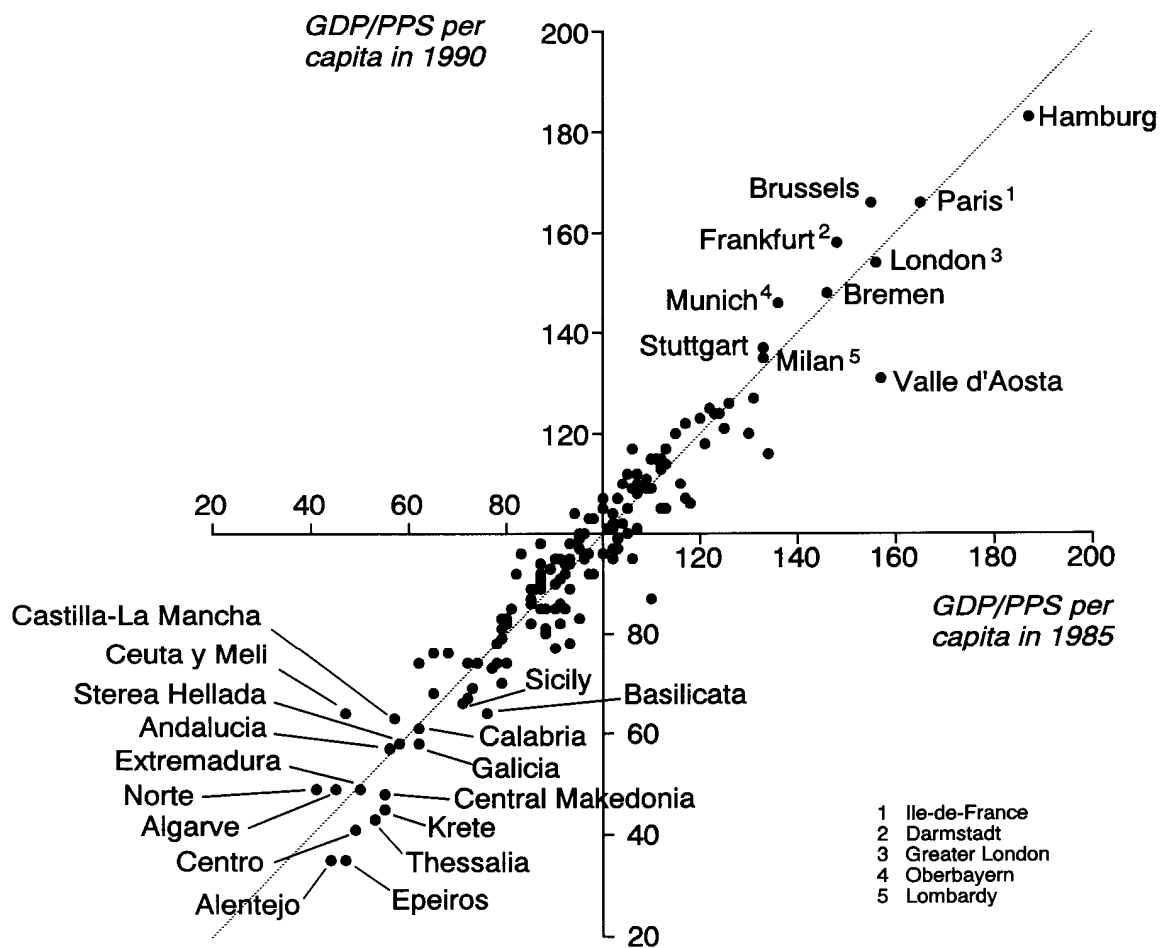


Figure 2. GDP per capita (adjusted to purchasing power standards) of NUTS-2 regions in the European Community, 1985 and 1990. Source: Eurostat (1989; 1993).

isms of deregulated housing markets reduce the number of affordable dwellings, whereas the number of poor households is growing. In inner cities building rents increase much faster than incomes so that only luxury shops, restaurants and hotels survive. Outside the gleaming shopping arcades homeless people, beggars and junkies have become a common sight and public safety a serious problem. So the middle class and the wealthy continue to move out of the cities, while the poor and the marginalised live in run-down inner-city housing areas or the high-rise public housing estates of the 1960s. Since work places have largely remained in the centre, the result is continuing growth in car ownership, distance travelled, energy consumption and pollution.

The recent recession has exacerbated the problems of all cities. Because of their dwindling tax base and growing welfare commitments, many of them are closing down swimming pools, gymnasiums and social facilities. Libraries, theatres and orchestras, once the pride of civic culture, face severe budget cuts or even closure. Basic services that used to be free are required to recover their costs or be cancelled. Other services are privatised and more often than not become more expensive. Public transport, with reduced subsidies, has to curtail its services despite exorbitant fare increases.

The corollary of the commodification of urban services is the transformation from urban planning to urban management. Public planning as allocation of public goods and mediation between conflicting private interests has given way to promotion of the city as a firm offering land, labour and subsidies to potential employers in exchange for jobs and tax income. Public-private partnerships and charismatic leaders have superseded elected bodies as the real agents of change, and industry-sponsored cultural events provide the symbolic transfiguration of the demise of local democracy.

The European Community, captive in its growth-oriented neoliberal economic doctrine, faces the dilemma that its two major objectives, to stimulate growth in the competition for global markets, and to promote an equitable and sustainable Europe, are in conflict. Despite different claims, European economic, transport and telecommunications policies are in fact predominantly targeted at the promotion of the competitiveness of Europe against the United States and Japan. The Community Structural Funds together comprise only .2 per cent of the GDP of the twelve member states. Many of the urban programmes funded under the Structural Funds go to successful cities (e.g. Montpellier, Birmingham, Sevilla). The city networks funded under the Community RECITE programme are mainly lobbying clubs; they do not lead to true solidarity between cities. All efforts to assist disadvantaged cities must be in vain if European economic, transport and telecommunications policies mainly benefit cities that are already successful.

Efficiency and equity

It is no wonder that policy makers react to the dilemma between growth and equity as they do. Scientific advisers, if they are economists, tend to recommend policies stimulating growth hoping that in a growing economy eventually *everybody* will be better off. Social scientists, however, tend to recommend policies to improve the situation of the least advantaged ignoring that this is likely to reduce overall competitiveness. In more general terms, market economies have yet to find a rational compromise between efficiency and equity.

However, there is a *theoretical* answer to this dilemma by the philosopher Rawls (1971). Rawls developed his theory of justice from a hypothetical contract situation: In a community of rational, free and equal persons, of which none is informed about his or her social status, personal quality or generation, people would determine the division of social benefits such that the benefit of the most disadvantaged group is maximised (*maximin* rule). In other words, Rawlsian equity does not insist on strict equality but accepts inequity necessary as incentive for achievement and so mediates between efficiency and equity.

In practical policy-making contexts, the maximin rule contrasts with other distributional principles (Beatley, 1984):

- *Utilitarian*: Select the alternative which maximises the benefit to the community as a whole (strong incentives for efficiency, social disparities reinforced)
- *Equal shares*: Select the alternative in which benefits are equally distributed over all groups (no incentives for efficiency, social disparities constant).
- *Egalitarian*: Select the alternative in which existing disparities are reduced (disincentives for efficiency, social disparities disappearing).
- *Rawlsian*: Select the alternative in which the benefit of the most disadvantaged group is maximised (incentives for efficiency where they reduce disparities)

Figure 3 illustrates the Rawlsian principle of fair distribution of benefits in a situation where the benefits of a policy are to be allocated to four income groups. However, the principle can be applied equally well to distributions between cities in Europe, between regions of the world, or between generations.

Conclusions

Rawls' principle of equity may guide the way to a European urban policy which reduces disparities between cities and regions without constraining their competitiveness. However, in the long run policies working only with incentives will not be sufficient to bridge the gap between winner and loser cities. To make less competitive cities more competitive will not be enough. It will be necessary to reconsider European economic, transport and telecommunications policies that foster the growth of large agglomerations.

The problem is that, even if policy makers responsible for urban and regional policy at the European, national and regional levels accepted the Rawlsian principle of equity, they would not know which policies to select because nobody could presently tell them which would satisfy the maximin principle. It would be a great challenge for the spatial sciences to develop models capable of forecasting the distributional impacts of economic or transport policies on the pattern of urbanisation in Europe. The lack of agreement even on the basic causal mechanisms of the evolution of the urban system in Europe described above indicates that this is a sizable task requiring a major interdisciplinary effort and a significant improvement of data availability at the urban level.

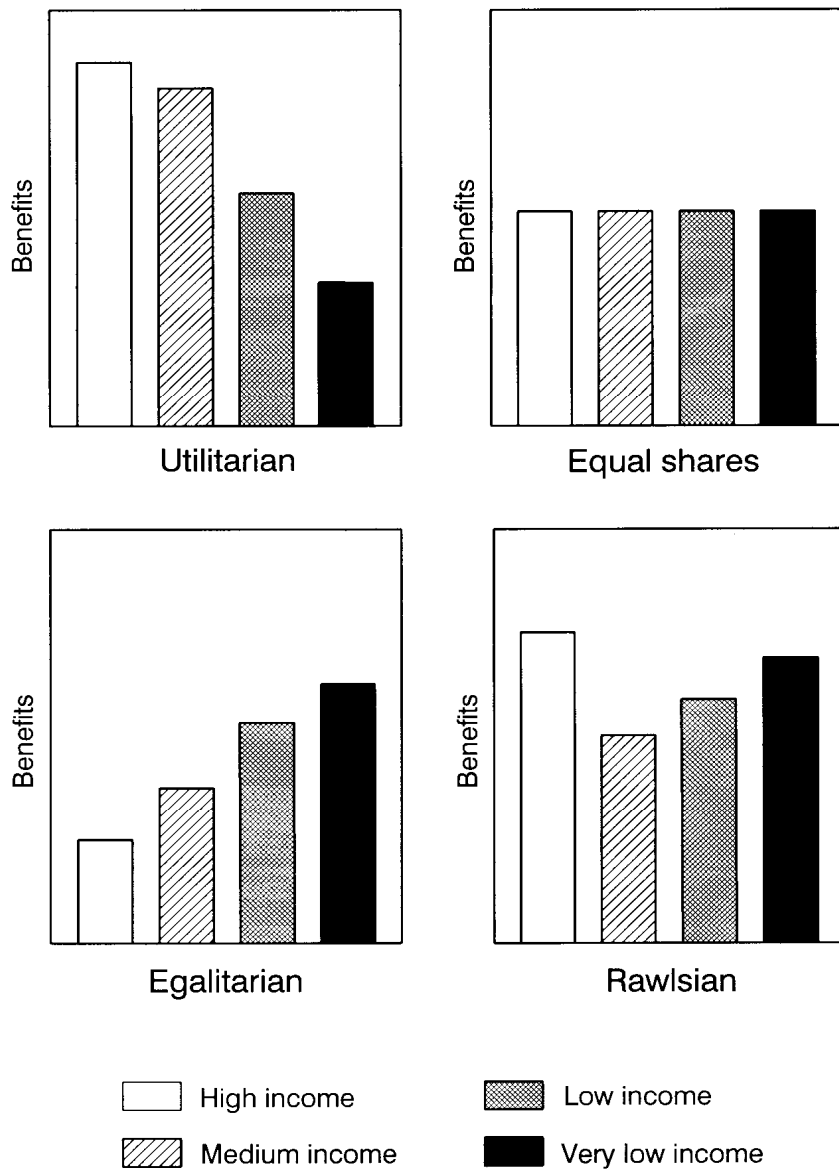


Figure 3. Four principles of distribution of benefits. Source: Beatley, 1984.

That task gets even more complex if issues of global and inter-generational equity are to be taken into account. If the commitment of national and European policy makers to a *sustainable* world are to be more than lip service, these issues cannot be neglected. For instance, a European urban policy that claims to be equitable and sustainable cannot tolerate a pattern of urbanisation in Europe depending on a level of mobility, goods transport and resource consumption that, for environmental reasons, developing countries in the rest of the world can *never* be permitted to adopt (cf. Meadows et al., 1992). The spatial sciences are called upon to develop the expertise necessary to clearly point out to policy makers the environmental risks of a continuation of the present half-hearted laissez-faire and compensatory urban policy making.

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