Gathering momentum at EU level

The new Commission has launched a ‘new start’ for Europe, setting out a number of high level priorities with a clear urban dimension, including: jobs and growth, entrepreneurship, migration, and energy. This ‘new start’ comes as the Commission begins its review of the Europe 2020 strategy, and as the European Structural and Investment Funds are ready for implementation.

The broader EU agenda must fully recognise the potential and capacity of Europe’s cities to deliver on the EU’s strategic objectives and on effective investment programmes in its regions. Cities are Europe’s drivers of sustainable economic development, where jobs and innovation are concentrated. At the same time, they are frontline managers of climate action and social inclusion.

With 75% of the EU population living in cities, they are where EU initiatives promoting a sustainable, smart and inclusive society come together, and are likely to have the biggest impact.

We want to be clear about the challenges and opportunities in our cities that are closely linked to developments at EU level. We have identified five focus areas that to a large extent align with the EU’s strategic priorities and provide a strong strategic operational framework for EUROCITIES:

- Cities as drivers of quality jobs and sustainable growth
- Inclusive, diverse and creative cities
- Green, free-flowing and healthy cities
- Smarter cities
- Urban innovation and governance in cities

Europe’s future lies in its cities. Well-performing cities and metropolitan areas are crucial not just for the local, regional and national level, but for Europe as a whole. Their performance is critical to Europe’s global competitiveness, and to a new start for the EU.
Challenges and opportunities in Europe’s cities

Cities as drivers of quality jobs and sustainable growth

Europe’s large cities are its drivers of growth, innovation and jobs. The attractiveness of European cities to investors, creative talent and skilled migrants remains central to the competitiveness of Europe as a whole. For cities to offer a good quality of life and allow all citizens to benefit from the opportunities available to them, economic growth must be both sustainable and inclusive.

To create sustainable, quality jobs, cities must support innovation at all levels: creating a favourable entrepreneurial environment, putting culture at the heart of urban development, addressing (youth and long term) unemployment, and stimulating education and skills, while continuing to attract a highly-skilled workforce.

Reduced public budgets have forced cities to diversify their economies, building new partnerships and identifying alternative means of ensuring access to finance and investment. They also have to increasingly support an inclusive economy, for example through the social economy and the activation of vulnerable groups, making labour markets more accessible.

Inclusive, diverse and creative cities

For many cities, their diverse populations are a source of strength and creativity, generating economic opportunities locally and abroad, and enhancing cultural attractiveness. Culture contributes directly to the quality of life in cities and is an important mechanism for social inclusion.

Cities foster social and digital inclusion, fight urban and child poverty, put in place housing and homelessness policies, encourage social innovation, and fight discrimination and racism. They do so while strengthening inclusion by improving access to culture, public transport and social services. Dealing with growing immigration flows, diversity, ageing populations, urban poverty and disparities, makes cities frontline managers of social cohesion in the EU.

Cities design and deliver services for their most vulnerable citizens, so European policies relating to the free movement of people and the Europe 2020 objective of lifting 20 million people out of poverty directly impact on them. Working in partnership across all levels of government to promote a more inclusive economy will make policies more effective at tackling the challenges on the ground.

Green, free-flowing and healthy cities

EU legislation on transport and the environment impacts directly on cities’ ability to design and deliver policies locally. Emissions are highest in cities, but their dense populations also mean policies for reducing them can have the greatest impact. Many cities are leading the transition to a low carbon, green and resilient economy, with local sourcing and a more circular economy. This makes cities central to achieving the Europe 20/20/20 objectives.

As the level of government closest to the citizens, cities can drive the shift towards more sustainable behaviour, cleaner air, and zero or low carbon mobility solutions (including walking and cycling, public transport, and alternative fuels). These
help cities adapt to the impacts of climate change and make a real difference to citizens’ health. Some cities also use ‘greening’ the economy as an opportunity to create quality jobs, and to support and promote social inclusion, road safety, healthy lifestyles and decent housing. Nevertheless, stimulating economic growth while reducing emissions remains a challenge for many cities.

National governments are due to reach a new international climate agreement at COP21 in Paris in December 2015. The run up will provide opportunities to profile city actions and ambitions at EU and international level.

**Smarter cities**

How are cities improving urban life through sustainable integrated solutions? And how are they developing good quality services for citizens and businesses? These are some of the challenges for cities when becoming ‘smarter’. This involves joining up policies across a wide range of areas, such as energy and energy efficiency, urban mobility, waste, ICT and open data. Becoming ‘smarter’ is also about identifying and testing new business and financing models to be able to deploy and scale up new technologies in cities. And there are no ‘smart cities’ without ‘smart citizens’, adding challenges around engaging and empowering citizens to help make their cities ‘smarter’. Becoming a ‘smart’ city is not an end goal for urban development, but a continuous process for cities to become more resource efficient while also improving quality of life.

**Urban innovation and governance in cities**

Urban innovation is about identifying and testing new approaches to tackle challenges in cities. The role of city government is changing in terms of its relationship with citizens and other sectors. Challenges for cities include the modernisation of government and public services, strengthening the direct participation and engagement of citizens in urban development, innovative use of urban spaces and community development through co-creation, and social innovation (future-fit cities, urban living labs, and the sharing economy).

At the same time, cities’ relationships with their surrounding areas are also changing. Policy fields such as transport, economic development and housing increasingly require solutions that extend beyond a city’s administrative borders. This calls for partnerships across metropolitan areas to find effective policy and governance solutions. The hub city can often take a leading role in these partnerships, while national and EU frameworks can help support them.

Urban innovation involves trying out new cross-sectoral partnerships, developing new business solutions, attracting finance, and finding ways to do more with less. Urban innovation is often closely linked to the Europe 2020 objectives, like fighting climate change or reducing poverty. The new approaches being tried and tested in cities are therefore likely to have benefits for the EU as a whole.

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EUROCITIES is the political platform for major European cities towards the EU institutions. We network the local governments of over 130 of Europe’s largest cities and 40 partner cities that between them govern some 130 million citizens across 35 countries.

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