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In the current crisis of the neo-liberal aggressive economic paradigm is seriously challenging the urban planning disciplinary field of the XXI century, by requiring new forms of shaping the territorial spatial and institutional network and new tools to overcome socio-economic inequalities. The presentation argues that a new paradigm in the urban management field should emerge, aimed to tackle all this issues and to achieve genuinely sustainable urban regeneration. New local-regional coalitions could emerge, focused on the goal of building more sustainable communities, by better managing the balance between production and consumption of goods in specific areas, paying particular attention to the food production. This process could be related to the construction (or to the preservation) of commercial niches in targeted urban areas, which could both act as drivers for urban regeneration and as spatial urban-rural linkages, by building on the well experimented Business Improvement District (BID) model and turning it from a financial tool into a more sustainability-oriented one, and re-framing it through the new concept of "Commercial Local Urban District" (CLUD).

(iii) field of reference and arguments:

This presentation draws from a current research program, undertaken by an international research team and partly financed under the 7th Framework Program. The arguments which support it are rooted in the Cluster Analysis Theory and in the Third Way economic approach.

(iv) research perspectives:

The paper aims to build on the concept of BID and to analyse its potential in facing the climate change challenge, by enriching the neo-liberal approach embedded in this tool of a more communitarian-based perspective. After demonstrating the added-value of an improved BID concept, i.e. CLUD, the paper formulates recommendations for the future setting of BIDs and more in general of public-private coalitions assimilated to this model. In order to test the model and gather more evidences on it, further researches could aim to set the conditions to experiment it through local governments pilot initiative, i.e. Local Action Plans, willing to implement it.

A new paradigm to conciliate neo-liberal economy and sustainable urban regeneration: Commercial Local Urban Districts

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Keywords: sustainable urban regeneration, Business Improvement Districts, territorial milieu

ABSTRACT

The main goal of this paper is to propose a new paradigm for sustainable urban-rural management, capable to integrate social, economic and environmental goals by capturing stakeholders' interests from the regional context, and to operationalise it through a new sustainable urban-rural management tool, called Commercial Local Urban District (CLUD). The paper aims to introduce the territorial milieu concept into current urban management tools, such as Business Improvement Districts, and to turn it into an additional asset to further increase sustainability for the competitive urban-rural platform, also building on the Cluster theory concept. The main hypothesis is that the development of a socio-economic territorial network can act as driver for sustainable urban regeneration and rural areas competitiveness, by involving producers and sellers in targeted urban-rural areas, also acting on food chains. Further researches could test the proposed tool. Potential impacts of it can be foreseen in the current regional programs.

INTRODUCTION

At European level, the two concepts of competitiveness and cohesion still tend to be considered separately in planning and policy implementation: despite of theoretical emphasis put on the advantages of integration, in practice separate approaches are suggested for urban areas, considered as motor of growth, and rural areas, mainly targeted by "softer" interventions aimed at boosting internal networks to help them not to "sink" in the global market (EC Strategic Guidelines 2007-2013). Most relevant current regional operational programs across European Community are financed through ERDFs, ESFs and EARDs (European Regional Development Funds, European Social Funds, European Agriculture and Rural Development Funds), by mainly targeting either urban areas particularly with ERDFs or rural areas particularly with EARDs.

If it is true that broad consensus exists on the major role played by cities in ensuring competitiveness for regional contexts as a whole, especially in the global arena (Sassen, 1997), on the other side this approach can result in practice in the threat of hyper exposure of urban areas to public interventions, whilst the rest of the territory laying beyond, especially in the current financial climate. Moreover, while in literature and in policy and planning practice great attention has been devoted to analyse and implement either urban competitiveness instruments and tools (URBAN, Urbact, BIDs, Free Enterprise Zones...) or rural development tools (LEADER, Local Action Groups, environmental protections policies and tools like Sites of Community Interests and Special Protection Area...) as if they were a separate matter, a few attempts have been made in order to conceptualise and put forward integrated urban-rural tools, capable of encouraging multiple regional actors to act together toward a "blended" development perspective.

This is of course also a result of a silo-approach which still tends to plague several regions in Europe, where despite of the existence of regional comprehensive plans of outstanding value and even highly considered in literature, regional officers from different sectors are often reluctant to joined up thinking. Thus, separation in policies and planning actual implementation often reflects institutional governance gaps; but on the other side, the lack of tools aimed to put sectors together also contribute in itself to reinforce this condition.

This issue has an impact also on the actual implementation of sustainability in urban development. As a matter of facts, urban regeneration and transformation instruments rarely emphasise the rebalance

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inside the region, being this latter goal commonly delegated to the regional cohesion policies. Literature in planning and economic on Business Improvement Districts, for example, usually highlights benefits of targeting specific urban areas, where cooperative mechanisms aimed to enhance competitiveness are put into practice; or, research on Cluster theory generally tends to focus more on the role of urban or industrial networks in ensuring regional competitiveness, this being maybe a result of a possible genesis of cluster concept from the Marshall agglomeration theory, which focused on industrial areas.

This paper aims to fill the above discussed gap in research and practice, by proposing a new paradigm for sustainable urban-rural management, capable to integrate social, economic and environmental goals by capturing stakeholders' interests from the wider context. Drawing from existing literature, the paper aims to introduce the territorial milieu concept into the current urban management tools, such as BIDs (Business Improvement Districts), and to turn it into an additional asset to further increase sustainability for the competitive urban-rural platform, also building on the cluster concept. The main hypothesis is that the development of a socio-economic territorial network can be a possible driver for sustainable urban regeneration, by involving producers and sellers in a targeted urban-rural area, also acting on food chains.

As a takeaway for practice, a new sustainable urban-rural management tool will be finally proposed, called CLUD, Commercial Local Urban District, suitable to integrate social, economic and environmental urban and territorial sustainability, by including interests from private and public stakeholders in the wider region.

The paper is structured as follows. First, the cohesion policy and the new rural development perspective will be described in order to contextualize the innovative urban management tool. Second, cluster theory will be examined in order to explore its possible translation into an urban-rural perspective. Third, one important tool for city competitiveness, the Business Improvement District, will be discussed as an example of possible adaptation of an already existing tool to a new demand. Fourth, a new paradigm for sustainable development, aimed to integrate competitiveness and cohesion, will be proposed and operationalised through the concept of the newly introduced "Commercial Local Urban District" (CLUD). At this latter aim, a model will be proposed, to be applied through further research. Forthcoming research will allow the researchers to test the tool in selected European-American case-studies.

SPATIAL PLANNING, URBAN COMPETITIVENESS AND RURAL DEVELOPMENT: A NEW VISION OF THE EUROPEAN SPACE PERSPECTIVE

Cities acquired an important role within the reform process of cohesion policy that took place in order to build up Operational Programmes for the 2007-2013 period (Hubner, 2000). By introducing a strong urban component within EU regional programmes, particularly in those contexts which still struggle to integrate spatial planning and economic policy, the spatial dimension of planning should be reinforced, thanks to the introduction of the urban dimension as resource for regional development (Bevilacqua and Moraci, 2007). The rationale of this important shift is based on the choice to reinforce the competitiveness role within the new Agenda for the development policy of the Less Development Countries, following the passionate debate on the reform of the cohesion policy from the 2000-2006 programming period to the 2007-2013 one. Apart from the technicalities caused by the current normative organisation of structural funds, as under the present regulations each of them refers to its own Operational Program while in the previous programming period a cross-cutting Regional Operational Program was financed through four different funds, since the European Commission soundly requested the "spatial dimension" to be introduced in the programmes, the need for a better relationship between urban/ territorial planning and economic programming challenges EU public administrations. As matter of fact, the reform of cohesion policy is about a more strategic vision of the development with stronger impact on spatial development (Barca, 2009).

Therefore, the urban dimension becomes fundamental in order to give to the cohesion policy a competitive feature, besides its specific redistributive character. The spatial control of the programming process acquires a logical and functional role. Moreover competitiveness, as reinforcing factor of development policies, has become a very important aspect in programming European funds in order to enhance the public expenditure effectiveness. The renewed emphasis on the "urban dimension" into the regional development policy represents a significant element of the strategic

reform of cohesion policy, as pushing competitiveness requires a stronger network of cities. Thus, the “urban dimension” is the concept area on which to build the strategic frame for the future programming documents. The reform of cohesion policy starts from cities, recognizing the urban dimension as the driver to shift from “convergence” conditions to “competitiveness” ones. The spatial dimension should orient the public action, define the public choices and inform the interventions. While the TEN-T network and the transnational corridors determine new scenarios for the EU territory as a whole, the EU cities as nodes of the urban pan-European network underpin the new development potential to concentrate and distribute information, people and goods’ flows.

At the same time, the reform of cohesion policy draws from the concept of polycentrism introduced through the ESPD also by emphasising the fundamental role of diversity as a main asset in the global arena. It is necessary to compete within the new globalised markets through a diversified supply of innovative services and this supply has to be concentrated. This concentration of innovative services embeds the new geography of urban systems. (Bevilacqua and Moraci, 2007)

At the same time, an evolution of rural development approach within European policies occurs as well. The globalization affects the rural condition from backwardness to source of economic growth. The new frontiers of biotechnologies, applied genetics, mechanic and information management of economic-rural resources have changed the rural territorial context into a fruitful space of innovation. This change has played an important and structural role to modify the concept of rural space and social rural conditions. (Trillo, 2007)

Despite in practice it has been already mentioned that the European Commission has often promoted tools aimed at managing regional funds that kept urban separated from rural, on the other hand European research programmes investigated the relationship between urban and rural in a much more integrated way. For instance, the research programme ESPON 2000-2006 produced a study on “ESPON 1.1.2, Urban-rural relations in Europe”. The main result of the above mentioned study is the overcome of a dichotomy vision between urban and rural space, stemmed from the shift of the traditional concept of rural spaces towards a hybrid one called *rurbanisation* (Bengs, 2006).

The integration between urban competitiveness and rural balance provides the European space with the conceptual background to develop a sustainable economic growth. The rationale of the CLUDs embeds the aspiration to develop the potentialities from the urban-rural combination, by proposing a new paradigm for sustainable urban-rural regeneration. Furthermore, the rationale of CLUD as new urban integrated management tool draws from the Cluster Analysis, in order to reinforce the potential of the urban-rural network by referring to the cluster theory.

The following section suggests that this latter could provide the urban-rural polycentric network with an innovative interpretation, which investigates the economic potential of the territorial milieu by considering it as an integrated urban-rural cluster.

CLUSTERS AND TERRITORIAL NETWORKS: SETTING THE CONTEXT FOR A NEW SUSTAINABLE URBAN MANAGEMENT PARADIGM

Urban clustering, Cluster development (or cluster initiative or economic clustering) is the economic development of business clusters. Clusters in themselves are not a new concept. As early as 1890, Alfred Marshall introduced the notion of industrial districts, highlighting the benefits of economic activities being concentrated in a small area. In the late 1970s, the Italian economist Giacomo Becattini picked up on the idea, applying it to the industrial organization of Northern Italy.

Since it has been explored in depth by Michael Porter, the cluster concept rapidly captured attention of governments, consultants, and academics. In recent years, many governments and industry organizations across the globe have turned to this concept as means to stimulate urban and regional economic growth. In particular, Porter (1990) defined clusters as spatial concentrations of interconnected companies, service suppliers, and related institutions in a specific field, which can be localised in a given area. The reason for Clusters to arise, is in the Porter’s view, essentially to contribute to the private companies competitiveness.

In more recent time, at European level a new perspective on urban clusters is emerging. According to Pique (2009), urban cluster (are) critical mass of private companies, public institutions and research bodies which share common projects and work together in the same field. In terms of spatial implementation of the city cluster development and its potential impact on the territorial network, this theory supported a knowledge-led new approach in city competitiveness, by re-considering the city as

place for innovation and by experimenting through urban clusters the creation of productive systems specialized in a network of goods and services. Consequently, urban form can be regarded as resulting from the interaction between demand and supply of people, information and goods mobility.

The classification and identification of adequate localizations become central inside urban regeneration process. Social, economic technological and cultural transformation produce different effects with respect different urban systems. The spatial structure of a particular urban system can be defined by the distribution pattern of cities, towns and villages. The regional settlement structure is the result of the interactions among different phenomena - historical, political, social, morphological, economical - that characterize localization, dimension and function of urban and rural systems. From the central places theory (Christaller, 1933) to the current evolution of it according with globalisation effects (Sassen, 1997 and 2003), the right identification of urban hierarchy, of urban poles and urban centralities, has been subjected to deep changes by defining new geographical taxonomies both through dimensional factors (population, territorial size, etc.) and power distribution (economical, social and public). The new economic geography - based on the new localisation theories of Kunzmann in the '90 and on the centre-periphery model - assumes that spatial concentration of companies results from interactions among powers acting on opposite directions. Globalisation processes together with informationalisation (Hall 2001) produced a deep change in localisation choices of productive activities: the advanced economies acquired more power because of their capacity of producing information and manipulating it rather than supplying material goods (Castells, 1989 and 1996). Thus, urban boundaries are becoming fuzzier and cities generate new markets, i.e. the knowledge markets where knowledge workers operate through agreements, negotiations, deals according to a new image of city: more attractive as a whole, more fragmented inside it. At the same time, identity and urban quality are considered parameters to measure the potential competitive level, as each city can be evidence for attraction. As far as globalisation processes exploit the factors of urban competitiveness for economic growth and dissemination, nevertheless negative effects that globalisation produces are related to a weakening process of urban identity and quality by standardizing the urban references (Augè, 1999), by producing urban fragmentations, social polarities (a sort of new gentrification) and unsustainable development.

According to Dematteis (1994), the milieu represents a sort of evolution of the environmental and physical concept of territory, capable to capture the institutional thickness and the complex social networks, thus allowing us to better apply the concept of sustainability as interaction among environmental, social and economic factors. As a matter of facts, Governa (1998: 89) further specifies that milieu "represents at the same time the local and territorial foundation of a specific collective identity, but also the whole of development endogenous potentials". In this context, the paper seeks to conceptualise a new urban management tool able to produce "sustainable" competitiveness, by acting on the territory as a whole, in order to build also on the sense of identity underpinned in the territorial milieu, also drawing from a recasting of the cluster concept in more comprehensive territorial terms.

In so doing, the paper aspires also to fill the gap in Clusters literature, which highlights a lack of studies in the field of applicability of the cluster theory "to the experience of peripheral regions" (Cumbers and MacKinnon 2006: xiv). As a matter of facts, Cluster analysis in our hypothesis should incorporate the territorial milieu concept, by activating a network of local stakeholders from both the urban and the rural context and building on the identity of the territory, also taking advantage from a place-branding approach (Ashworth 2008), rather than focusing either on peripheral or on central regions. In order to operationalise this theoretical assumption, we suggest to experiment a new urban management tool, that we call CLUD in order to emphasise the role of targeted and concentrated areas inside urban contexts (thus, UD as Urban Districts) as potential catalyst of competitive mechanisms, which should be locally bound (thus, L as Local) also by acting on the short retail nets (thus, C as Commercial).

CLUDs aspire to have a higher resilience to the globalisation displacement effects, which often affect urban commercial areas looking similar all around the world, featured by the same globalised brands. Gentrification processes affect not only residents, but also retailers, with the same devastating effects on local identity: small traditional retailers, often better linked to the local producers' short chain, are often expelled by emerging competitive corporation brands, which homogenise tastes and habits, thus contributing to reduce the stock of cultural (bio-)diversity across Europe.

The new urban management tool should be able to implement stakeholders efforts from the wider context, by putting in practice Cluster theory in a territorial perspective, therefore building on the network of relationships and knowledge in order to support locally- related products and services. In order to trigger competitiveness inside the territorial milieu, CLUDs link this network to a competitive urban platform, capable to act as “window” for the territorial asset in the global market, in terms not only of goods but also of specific cultural expertise.

The next section seeks to widen the current urban regeneration “competitive” approach, to incorporate the values of the territorial milieu as a whole.

BUILDING THE NEW SUSTAINABLE REGENERATION TOOL: INCORPORATING TERRITORIAL MILIEU INTO CURRENT URBAN REGENERATION TOOLS

Urban regeneration is a key topic in urban planning, since the great urban renewal and urban regeneration US projects (Wagner et al. 2005) came to fore. In the ‘90s it massively interested both the Italian planning culture, with the integrated programs experience (Avarello and Ricci, 2000), and the UK context, culminating in the experience of the Social Exclusion Unit (Tiesdell and Allmendinger, 2001). Despite of this continuity, great changes happened in the theoretical background of planning practice in regeneration and its conceptual paradigms evolved by the time. A milestone in turning the deterministic approach mirrored by the models from the ‘60 into a new one, is represented by key-ideas on identity and participation from Jacobs (1961) and Davidoff (1965).

In the following years, regeneration models based on Public-Private Partnership mechanisms flourished, by emphasising not only the financial opportunities of private investors, but also the further opportunities achievable thanks to a private-led approach. Business Improvement Districts (BIDs) are a very well known and investigated model, which demonstrated potential to cope with declining urban centres. First BIDs date back to the ‘60 in the US: they are private institutions aimed to provide supplemental services in underserved urban areas (Lloyd *et al.*, 2003; Billings and Leland, 2009). In the ‘90 BIDs were transferred to the UK, in order to support Town Centre Management strategies (Cook, 2008), and furthermore adopted internationally. Today 1.000 BIDs circa exist in the world (Dawkins, 2007: 79).

Literature review shows inconsistency in BIDs evaluation: on one side they are considered important tools to improve innovative urban governance (Wolf, 2006) and potential drivers for enhanced democracy and participation (Justice and Skelcher, 2009); on the other hand, doubts are arisen on the excess of privatisation of public spaces (Steel and Symes, 2005) and on the ambiguity generated by devolution of crucial public functions, such as urban safety, to private actors (Vindevoel, 2005).

Despite of some criticisms, no doubts exist on BIDs ability of contributing to the Local Economic Development (LED), as defined by the World Bank (2006) as a “process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation”. Local Economic Development emphasises features from the territorial milieu, which are assets both in financial and in cultural terms, by contributing to implement the sustainability concept as a whole, i.e. according to its three essential components: economic, environmental and social (Beatley and Manning, 1997).

By incorporating participation and identity, widely explored in the Italian literature by Lorenzo (1998) and Magnaghi (2000), in the production of values for the territory, urban regeneration better address sustainability. In this way, territorial development gains additional value, provided that local identity does not fade or get banalised under the market pressure (Trillo, 2003).

CLUDs might be built by combining the private-led approach still underpinned in the majority of current urban regeneration tools, such as BIDs, with sustainability. In terms of urban management, the new suggested tools, named CLUDs, are designated areas, reflecting the rationale of Economic Opportunity Zones, in which local authorities deliver integrated packages of services, aimed to foster investments and entrepreneurship, ranging from subsidies for investors to public investments for upgrading premises, and from training schemes for specific groups to consulting/ coaching for local entrepreneurs. The rationale of the CLUDs is to provide critical mass to targeted urban areas through the connection with a broader network of local producers, thus fostering the concentration of services (urban competitiveness) by connecting them to the production of goods in the wider territorial milieu (urban-rural balance).

Some authors (Ache and Andersen, 2008) suggest that re-crafting public-private interaction mechanisms could lead to better balance urban competitiveness and cohesion. The conceptual hypothesis of the proposed model is based on a different assumption. The innovation of the proposed new tool seeks to moderate the neo-liberal approach still dominating current urban regeneration tools, such as BIDs, through the idea of territorial balance. By re-engineering urban management current tools in terms of governance and by shifting from an urban-centred to a regional-focused perspective, capable to incorporate also the rural network through a cluster approach, the concept of territorial milieu comes to fore as an asset for the sustainable urban platform in order to implement the three essential components of sustainability as follows:

- environmental component: particularly by reducing transportation costs and by linking the urban logistic to the regeneration process
- economic component: particularly by acting on optimisation of costs through a shared management, as already happens in BIDs, but also by applying locally-led place branding and place marketing concepts, i.e. by maximising the potential of the place in terms of image and identity
- social component: particularly by emphasising the identity and participatory features, also by enlarging the involved stakeholders, in order to contrast cultural banalisation threats.

In so doing, the urban- rural relationship can play an important role (Bengs and Schmidt-Thome, 2005). As highlighted by the same authors, “the added value of the urban-rural relations and partnerships in relation to promotion of regional development and regional co-operation in general remains an open question (p. 37)”.

This can have huge impacts in particular on food chains, as “the agricultural industrialisation and modernisation have also contributed to an increasing detachment of the agriculture from the traditional urban-rural axis, where the city was the marketplace of the food produced in the countryside. The challenge is thus to reconnect agriculture with the urban and rural, that is, to bring food back to localities and urban-rural settings. This reconnection is certainly likely to be partial and selective. It is dependent on the markets – mainly in the urban areas – and the ability/will of the actors along the food supply chain both in the urban and rural areas to provide the supply. The motivation behind the reconnection can be manifold, for instance the urge for a higher quality of food or the attention to and the respect for the origins of the various products. Also the food security has become an issue induced by the various food scandals in Europe. More attention is paid to the origins of different food products and to the production methods employed, which calls for enhanced transparency of the process. The possibilities and interest of the rural actors to answer the call of the urban population certainly vary, as well as the will of the urban population to pay more for the transparency or the “regional touch”. The added value for both urban and rural stakeholders depends on the functioning of the whole chain.” (pp. 79-80).

The potential for a place-based urban management tool such as the proposed one could be exploited both by acting on the local producers chains, which can have many interesting impact in environmental terms especially in the mentioned food chains (it is worth noting that a very high percentage in the final fresh food price is up to transportation costs, which could be reduced by using locally-produced food with benefits for consumers’ pockets as well as for the carbon footprint reduction), in addition to the broader locally-produced (and provided) goods and services.

Commercial areas better linked to the place would be also less vulnerable in terms of turn-over of workers, as big retail chains can be more easily re-located, thus impacting the neighbourhood social turnover.

Finally, local commercial retails tend to be more adaptable in dimensional terms, thus allowing to achieve urban patterns, which are closer to the traditional city, i.e. based on a fine grain which support mixed-use, walkable streets, pedestrian vivid environment, because they are less influenced by standardised features required by the corporations policies on average surfaces and other functional and aesthetical rules.

TESTING THE HYPOTESIS: BUILDING THE CLUDs MODEL

The attempt to determine a relationship between urban competitiveness and rural development derives from our hypothesis concerning the increasing value return of urban-rural economic structure, instead

of their traditional divergence in defining public development policy. More precisely, we argue that the extension of the urban regeneration “competitive” approach towards a more sustainable perspective, by making worth of the values of the territorial milieu as a whole, may embody the new challenge of the Cohesion policy in the European Space.

Exploring feasible options in terms of public policies in urban-rural contexts allows us to figure out the future scenarios that might arise by increasing the investments in the Public-Private partnership sector towards integrated urban-rural management tools.

In the following section we propose an operational tool, which can be applied in order to assess the potential for a successful CLUD in a given area, to be tested through further research programs. Being the CLUDs model an integrated urban-rural management tool to be structured according with a rural/urban approach to regeneration process, we then suggest that this purpose can be practically achieved both by applying a set of indicators for testing urban-rural areas and by using identification criteria to classify urban-rural areas according to the national and European statistic systems.

The methodological approach used to set up the model stems from urban marketing techniques and is based on the evaluation of business local initiative through the connection between entrepreneurial return of scale and local welfare empowerment (Bradley, Hall, Harrison, 2002).

The background relates to the new urban growth geography determined by the globalization process. Small and intermediate urban centers play an important role in facilitating exchanges between rural and urban areas, as rural population depend on the complex set of facilities and services made available by the presence of urban centers, including access to markets and to retail services (Tracey-White, 2005).

The proposed model is based on a structure of indicators and criteria that might guide the local decision makers and planners to attain the best result, by combining urban features with rural products in a territorial milieu. The potential of the model stems from the way in which the structure of indicators is built and from the role of each group of indicators with respect policy makers and stakeholders, as it will be better explained below. The following figure shows how the urban-rural taxonomy will be built by considering economic logistics, urban variables and business-enterprises variables. Each of these three can be market related to, respectively: the demand and supply of local products, the urban liveability/ governance/ competitiveness and the public service supply.

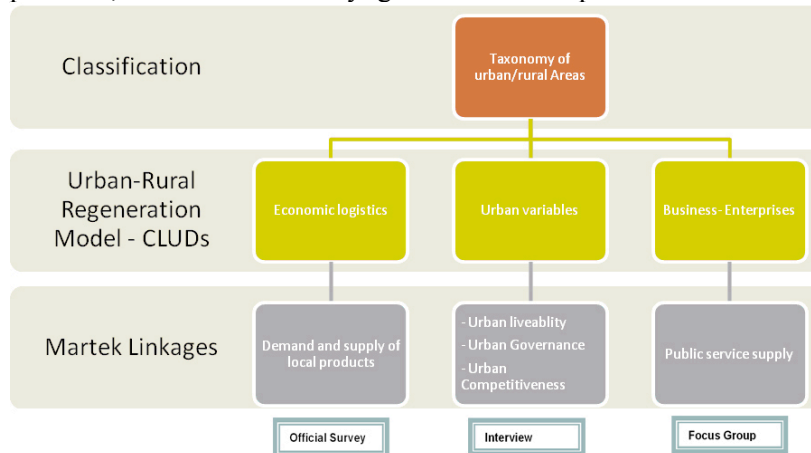


Figure 1 Indicators’ structures

In order to achieve this objective, we collected information from two national statistical offices that focused on the urban-rural linkages: the Office for National Statistics (UK) and The Unioncamere - National Commercial Chamber - (IT).

The Office for National Statistics (UK) offers a rural/urban definition supported by a Local Authority classification to introduce “ a rural/urban view from Government statistics” according to the following objectives (<http://www.statistics.gov.uk>, accessed December 2010):

The Rural/Urban Definition was introduced in 2004 and defines the rurality of very small 2001 Census based geographies. Four settlement types are identified and assigned to either a 'sparse' or 'less sparse' regional setting to give eight classes of Output Areas. The Definition also applies to Super Output Areas and wards, but with a reduced number of settlement types.

The LA Classification was introduced in 2005 in order to differentiate between rural and urban for those statistics that are only available at LA level. It provides six classifications. Significant local government reorganisation in April 2009 meant that a change to the LA classification methodology was required. Additional classifications using the revised methodology have been created for a range of higher level geographies.

The Unioncamera of Italy offers statistics on case studies on urban districts organized in historical and cultural centers of Italian cities with the objective to stimulate integrated activities related to the retail sector.

The early Italian experience on commercial centers in urban areas is close to the CLUDs rationale, as well the British experience in Business Improvement District.

The model set up is articulated in three steps:

1. Step: Urban-rural regeneration model: the explanatory variables
2. Step: Urban-rural regeneration model: the integrated indicators
3. Step: Urban-rural regeneration model: the project area sample

The first step aims at defining the integration by selecting explanatory variables from three main block of dataset: Urban, Rural and Market linkage. We argue that two principal criteria, urban livability and economic logistics, allow at transforming the explanatory variables sorted by each sector/block in integrated indicators. The latter becomes the exogenous variables of the model CLUDs.

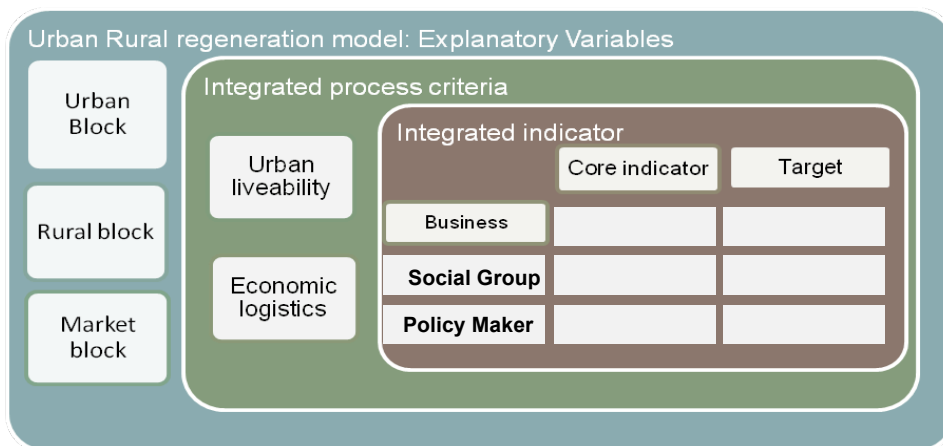


Figure 2 Explanatory variables

The project area sample takes place from the combination of integrated indicator and spatial indicators. Spatial indicators deal with the taxonomy of urban/rural areas, the accessibility level, the attractive index and the export zone. Moreover the combination of integrated and spatial indicators sets the rationale for the territorial milieu. We argue that the implementation of the CLUDs model defines a new urban/rural hierarchy based on the territorial milieu rationale and characterized as following:

- CLUDs area historical center, peripheral areas, marginal areas
- Rural HUB cluster
- Urban Cluster.

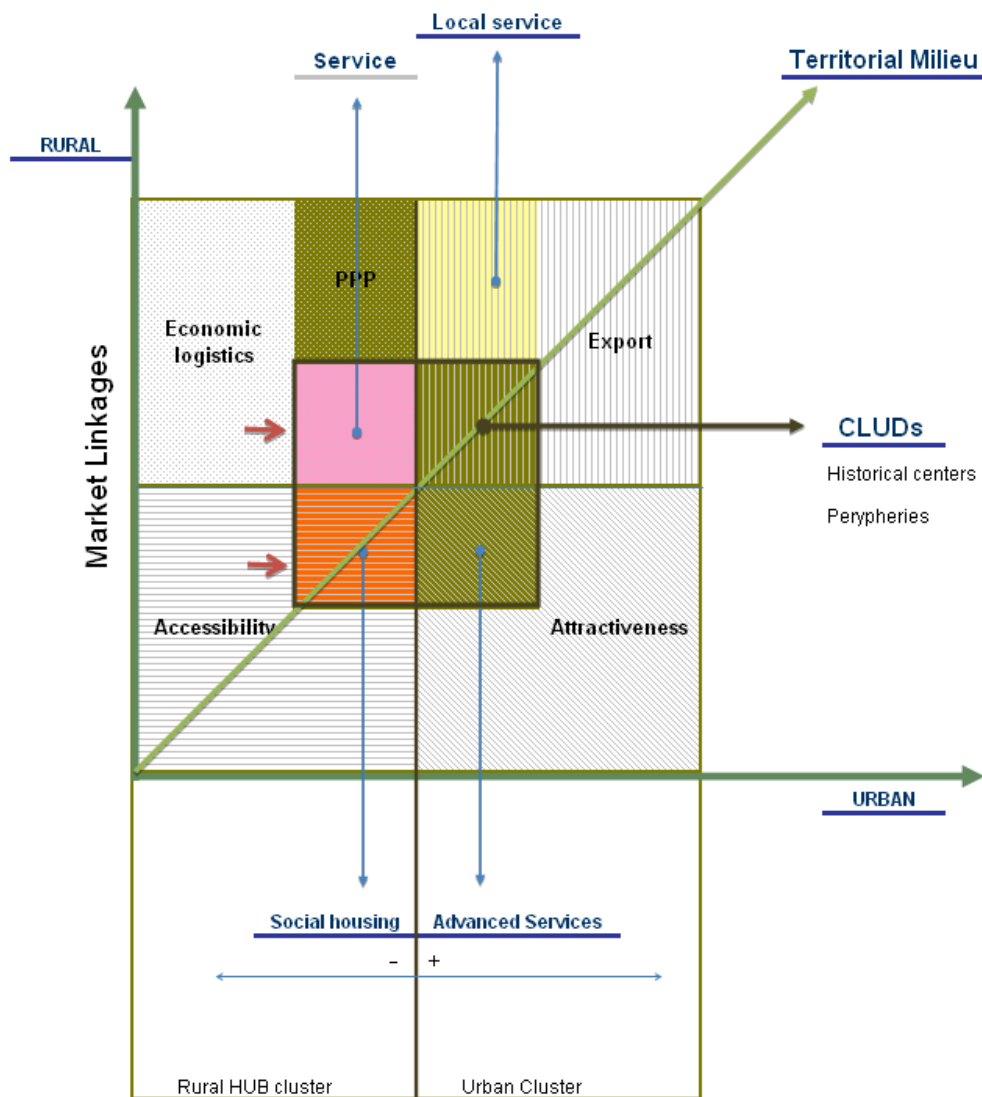


Figure 3 The CLUDs model rationale: the project area sample

The CLUDs model can be considered a new paradigm capable to build urban rural territorial networks by putting together urban competitive platforms and rural regions. The testing process of the model CLUDs implementation is the object of further research work, which will be developed by an international network of research units from Europe and the US. The linkage with American case studies helps to build up the model by drawing lessons from actual ongoing initiatives.

The target areas in which the model will be tested, will be selected according to the following criteria:

- city centre areas with a high potential of regeneration, with blighted enclaves or empty underdeveloped sites;
- urban peripheral areas with a high potential in terms of urban-rural linkage.

The hypothesis to be tested is twofold: the former is to build a common structure based on the general approach coming out from the rationale of the model (fig.3), the latter is to define local constrains that can produce different responses to the common structure. The project area sample help to better comprehend in which direction the constrains work (economic logistics, accessability, export and attractiveness), also in order to better specify public policy with respect the specific context.

CONCLUSIONS

Assuming that the *European Research Area* will deeply root knowledge in society and free Europe's knowledge potential in all its dimensions: people, infrastructures, organizations, funding, knowledge circulation and global cooperation (ERA 2010), the relevance of the proposal is based on the

innovation of urban management tools through the urban-rural linkages, by defining a new model of urban management achieving the following goals:

(a) The rationale of the CLUDs - Commercial Local Urban Districts - is to provide critical mass to weak urban area through the connection with a broader network of local producers, thus fostering the concentration of services (urban competitiveness) by connecting them to the production of goods in a wider territorial milieu (urban-rural balance).

(b) CLUDs could represent an alternative model to the current de-structured organization of small retails both in urban areas, whose commercial role is declining thus causing a loss of quality in public spaces, and in urban areas, whose mono-functional use need to be retrofitted to allow a more integrated and balanced use.

(c) Locally grounded networks of small retails and producers, joined together in order to maximize the cost-effectiveness of added services, can improve the capacity of offering innovative services to the customers, thus reinforcing the role of the small retails in urban areas.

(d) Public expenditure shall support a re-organization of urban areas capable to support this process with a cross-cutting and multi-level approach, i.e. to enhance the level of functional and social integration with specific attention to the small retail.

To sum up, the advantages from the implementation of the proposed new paradigm can be very high. CLUDs could probably become also good vehicles for promoting local consumption of locally produced goods, which is in a core question. In terms of global/local relations, the local consumption of locally produced products can be promoted by political decisions made on the local level, also by implementing specific incentive-based programs. This concerns building and planning, energy supply, transport as well as food. All these land-bound economic sectors are in most European countries subjected to oligopolistic organization, but by local initiatives oligopolies can be deprived of their markets.

The CLUDs implementation might lead to:

- the construction of a flexible intervention model, applicable to other urban contexts;
- the formulation of innovative process in the planning process;
- the stimulation of new organization job processes apt to sustain growth of new companies;
- the support to new initiatives in urban context based on strong relation between supply and demand.

Further research on this topic may include experimental pilot action-plans in targeted cities to test the proposed tool, as well as in-depth study on existing BIDs aimed to verify, through interviews to stakeholders and predictions based on quantitative models, the potential for a more integrated urban-rural platform.

Possible implementation of this research could be the launch of pilot initiatives inside the current European Union programs 2007-2013, built with a cross-cutting approach through ERDFs, ESFs and EARDs programs. Particularly at this time of the policy cycle, it could be necessary in some cases to re-address current programs, after reviewing current efforts through mid-term evaluation processes. This paper finally suggests that by drawing from the proposed model an operational tool, conceptualized in a robust theoretical framework, this could be considered by local and regional authority in urban and rural policies.

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