Europe in Crisis
Which Future for Cities and Regions in Europe?
What does the Future hold for Europe?

1. Which Europe is in Crisis?
2. Implications for Cities and Regions in Europe
3. Which future for Europe?
4. Six scenarios for the future of Europe
5. Slow Europe?
Europe in Crisis: Which Future for Europe?

Which Europe is in Crisis?

- The European Union?
- The Europe of banks and financial centres?
- The Old Europe?
- The Europe of hedge funds and property speculators?
- The Europe of the affluent society, or that of the uneducated and underprivileged citizens?
- The Mediterranean Europe > Greece, Italy, Spain and Portugal?
- The Europe of tax havens?
- The centre or the periphery of Europe?
- London, Paris, Madrid and Berlin or Newcastle, Duisburg, Genoa and Salonikki?
- The Europe of small and medium sized towns?
- The industrial or the hedonistic Europe?
- The rural Europe?

All Europeans are hit by the crisis, some more, some less!
Some just suffer lesser profits, many invest and consume less,
others are just trying to survive where they have their life spaces

The European Union?

27 Member states, soon 28
Europe in Crisis: Which Future for Europe?

What are the Phenomena of the Crisis?

- Unemployment, particular youth unemployment in many regions of Europe
- Low investments and low consumption
- Lower imports (and exports)
- Lower tax income
- Frozen or even declining budgets of local, regional and national governments
- Growing Public debt
- Declining expenditures for public and private infrastructure and education
- Less willingness to share and to accommodate migrants and integrate ethnic minorities
- Decreasing solidarity in Europe between peoples and states
- More parochial, inward looking attitudes and less openness to the outside world, to innovation and explorations into the future
- Distorted media attention

Youth Unemployment in Europe

- [Map showing youth unemployment rates in different European countries]

- [Graph showing trends in youth unemployment in Germany]
Europe in Crisis: Which Future for Europe?

Who is Responsible for the Crisis?

Global financial speculation, money laundering and property speculation . . . and excessive public spending in some countries

- Greek investors buy property in London, Paris, Dubai and Berlin, and deposit their money in Switzerland, the UK, in Liechtenstein, Luxemburg or Guernsey
- US American banks aim to maintain their position in the global financial market

What Else?

The crisis of cities and regions is not just the outcome of investment strategies of banks and hedge funds, and of clear overspending of the public sector, it is as well the consequence of

- Economic growth ideology in times of globalisation and technology change
- Neo-liberal market oriented policies
- Competition ideology and privatisation strategies
- A diminishing trust in the state, followed by a declining role of the public sector
- Tax escape and money laundering of affluent segments of the society
- Structural weaknesses and limited competitiveness of single regions
- The economic growth of China and all the implications and repercussions of this growth
Europe in Crisis: Which Future for Europe?

Competitiveness of Europe’s Cities & Regions

The Future of the European Territory

The Dream of the United States of Europe Is Further Away!
Europe in Crisis: Which Future for Europe?

Impacts for Cities and Regions in Europe?

...implications for citizens?

- More public dept of local and regional governments
- Public disinvestment
- Stagnation of public welfare
- Decline of public infrastructure
- Disparities between richer and poorer regions will further grow
- Stagnation of budgets for education, higher education and research
- Unemployment and more precarious jobs
- Growing social and spatial disparities

Winners?

Which regions, which cities in Europe remain relatively untouched by the crisis or can even benefit from it?

- Metropolitan city regions, though accepting growing internal social and economic disparities
- Innovative, creative medium sized cities with a high quality of life, with well embedded diversified local economies (SMEs)
- Regions with a high degree or regional networks and intra-regional economic circuits, and an active and committed civil society
- Cities and regions which have carefully invested in cultural infrastructure and events
- Cities and regions with successful, internationally renowned and locally rooted knowledge industries
- Rural regions on the fringe of metropolitan city regions, offering a mix of high quality agricultural products for regional consumer markets and export, cultural landscapes, gastronomy, nature and health facilities
- Peripheral regions
Losers?
Which regions, which cities in Europe have come under stress? > Financial crisis and globalization processes

- Old industrial cities and regions, which did not succeed to manage structural change
- Regions with mono-functional economies
- Cities and regions which depend much on transfer payments and regional/national European solidarity
- Cities and regions which did not develop and internationalize their knowledge industries
- Cities and regions which neglected the importance of local quality of life and that of urban amenities
- Cities and regions, which lack any international orientation
- Cities and regions, where local and regional visions and forward looking leadership are missing
- The European Periphery from Ireland to Greece, from Portugal to Estonia
- Old industrial cities and regions and second rank port cities
- Metropolitan backwaters > inner and fringe

Europe 2012: the crisis is not over yet!

- The financial crisis has become a serious challenge for the European project
- The globalized world of finance dominated by American and British banks, rating agencies, hedge funds, property markets, business consultants and mainstream economists is responsible for this crisis
- Saving the Europe and the European project has high political priority and keeps the media busy
- Careful public spending leaves little space for spatial investments
- Under such conditions urban and regional planning challenges and action are being widely neglected and left to the bureaucrats in the public sector.
- The crisis, neo-liberal market led ideologies and a society, which has become complacent, idle and lazy are not really creative arenas for spatial innovations
Europe in Crisis: Which Future for Europe?

Where should Europe Go?

The future of the European territory
Six scenarios of spatial development in Europe

. . . just song lines of possible spatial development strategies agendas

A: The creative economy slump
B: The knowledge space promise
C: Europe: China's special economic zone
D: Heritage theme park and second home refuge of the world
E: Slow Europe: A pastoral continent
F: Europe: backwater of the North African industrial, Mega-belt
The creative economy slump... A warning!

The much appraised and promoted creative economy will not meet high expectations; The hopes were unrealistic. The creative bubble will burst. The further erosion of traditional industries and the limited absorptive capacity of consumers for creative products and services will hit the emerging creative economy;

- The capability of the public sector to subsidize facilities and events for creating a favorable environment for creative industries is coming to an end;
- Large groups of the creative class have to search for other jobs, in low paid service industries, agriculture and traditional crafts and trades;
- The export potential of creative industries in Europe is limited as India and China and Brazil have developed competitive industries, and flood the European market. Only English speaking countries with powerful cultural industries (film, books, music) can compete;

The knowledge city promise

... the mainstream scenario

Knowledge has been identified as the new resource and survival strategy of Europe in the Asian century. By profiling their local knowledge-scapes and creating urban environments for learning and living, sports and entertainment. European cities promote the evolution of a complex system of knowledge industries;

- Public budgets for public higher education and research however may stagnate. Public higher education in Europe cannot be substituted by private institutions;
- Europe seems to neglect that China and India are getting more and more competitive.
- New translation technologies (I-trans) may end the hegemony of English as academic lingua franca with new hopes for non-English higher education.
Europe: China’s special economic zone.

Chinese corporations invest heavily in European high tech enterprises. Mechanical engineering, environmental technology, logistics, textiles. All over Europe. Italy: Prato, Naples, Sicily; Romania, France. Chinese low cost production zones emerge. Chinese tourism to Europe flourishes. Chinese investors enter the European property market.

- Special (free) zones for Chinese investment are developed in areas with high unemployment and easy access to China, to provide jobs for qualified labor.
- Chinese/European automobiles are assembled in Europe’s former independent car factories.
- Chinese-German, Chinese-French, Chinese-Italian technology and science parks are developed in partnership with European city governments and universities.
- China expands its stakes in European agriculture and food industries.
- Chinese architects are invited to design flagship projects in European cities.

Europe: heritage theme park of the world.

The urban and cultural heritage of Europe’s cities and regions is the territorial capital for urban and regional economic development. Conservation of the urban and heritage is a key concern of city development. Local and regional economies are linked to culture and heritage.

- Humanities, cultural sciences, the preservation of the heritage and tourism receive high priority in higher education and research, vocational training and in specialized craft development.
- Restoration, music instruments.
- From Venice to Tuscany, from Skane to Brandenburg, from Scotland to Sardinia, from Aix-en-Provence to the Massive Central, from Salamanca to Canary Islands, Europe becomes a second and third home continent for the creative class, as well as for the affluent middle and upper class of Asia and Russia.
- Cultural learning, creative involvement, relaxation, silence and nature observation are the assets of European holiday regions.
Slow Europe: a pastoral continent

Ecological objectives, low carbon principles and resource conservation in Europe determine regional policies; given the power of economies in Asia and soon in Latin America Europe has only a future as a pastoral continent.

- Agriculture in all forms regains economic importance. Quality food is exported to all over the world. Europe becomes the food basket of the Middle East, North Africa and China;
- Forests and nature parks are extended across Europe;
- Traditional medicine and the cultivation of medical herbs conquer the continent;
- Integrated policies promote rural-urban economies and intra-regional economic circuits;
- Principles of agro-tourismo prevail in tourism policies;
- Endogenous development and slow city concepts guide strategic urban and regional policies; individual mobility and interregional flows of goods gradually decline.

Europe in Crisis: Which Future for Europe?

Europe: Backwater of the North African industrial belt

Large solar energy projects are under development in the Sahara. Due to low economic development in Africa South of the Sahara migration to Europe does not stop. The Arab spring has triggered a rethinking of European development and migration policies. The Mediterranean Union is searching for a long term strategy.

- In cooperation with China a Mediterranean Marshall plan will be initiated by Turkey, Israel, France and Spain to develop North Africa as a European-African integration zone to provide jobs, education and training for young Arabs and Africans;
- Following the model of China, free economic zones are established in the region, with good accessibility to port facilities. Modern infrastructure is built, technical universities, schools and technology parks are established in co-operation with European, Indian and Chinese universities;
- Energy produced in the Sahara is used for building up industries and technology parks dedicated to the development of solar energy and the provision of drinking water; instead of bringing the solar energy to Europe.
Lessons songlines to be Learnt?

The scenarios do certainly not give easy solutions to overcome the crisis, though they may point to directions where to go.

- strengthen local and regional tiers of the public sector, and not rely on the market only;
- make use of the territorial potential of cities and regions
- value professional education as much as university education in local economic development strategies
- reduce the dependency on export and global trade and promote regional economic circuits
- Acknowledge the strength of diversity and be cautious in promoting clusters and mainstream strategies, they may the victims of the next crisis:
- accept the gradual reduction of wealth in Europe

...and living with a new Bescheidenheit >modesty.