

RegGov Fast Track Network

Regional Governance of Sustainable
Integrated Neighbourhood Development



"Regions, Cities, Neighbourhoods - strong Partners"

January 2010



Thematic Cluster 2

The Involvement of Private Sector and Community
Representatives in Efficient Governance Models for
the Regeneration of Deprived Urban Areas

Seminar I | Köbánya | 22 & 23 June 2009 | Seminar Report



Connecting cities
Building successes



urban
agent
david r. froessler

Thematic Cluster 2

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in Efficient Governance Models for the Regeneration of
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Seminar Report

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I. Introduction

The RegGov Network and the Topic of 'Private Sector Involvement in Integrated Urban Policy'

The Overall Objective of the RegGov-Network

Successful and sustainable development of urban areas requires strong local and regional partnerships. There are many reasons to form such partnerships in order to achieve good results that take account of many policy priorities. Public resources are limited, so there is an urgent need to secure work with the private sector to access sufficient finance and to bring in new expertise.

Partnerships also allow more know-how to be brought into the operation. This is especially valuable when public political, administrative and strategic know-how is combined with entrepreneurial know-how from the private sector and local know-how from residents. At the same time, the involvement of local communities in designing and implementing projects can help create a stronger sense of ownership and responsibility. This is important when public funding comes to an end and local structures take on the role of maintaining the improvements, promoting their areas and attracting business investment.

In early examples of partnership schemes, there was a strong focus on 'Public Private Partnerships', generally due to a pressing need to raise additional financial resources. There have been many successful examples of this. With more and more experiences of this kind being available for assessment and evaluation, it became clear that residents and non-profit making organisations representing certain target groups need to be brought into the picture as well. Therefore, the focus today is not only on Public Private Partnerships, but also on comprehensive Local Partnerships, where everybody who can contribute to the success of regeneration is actively involved.

The very nature of partnerships is to strengthen the horizontal dimension of policies. There are new moves in urban governance though to improve vertical cooperation as well, whereby local, regional and national bodies work more effectively together.

It is the core objective of the 9 partners joint together in the RegGov-Network, financed by the URBACT II-programme, to establish innovative and sustainable horizontal and vertical co-operation structures in the participating cities and regions to improve the efficiency and impact of integrated neighbourhood development and to contribute to a more efficient use of scarce public resources.



Solid and lasting partnerships in urban policy are needed more than ever

Over the years, the focus shifted from Public-Private Partnerships to comprehensive Local Partnerships

Introduction

In its first operational phase,
this Thematic Cluster focuses
on the private sector

Many questions concerning
forms, organisational models
and good examples

Analysing the local situations
and needs in a first step of
this cluster's work...

...then providing a Good
Practice Reader to stimulate
innovation and progress

Thematic Cluster No. 2: The involvement of private sector representatives in Integrated Urban Policy

During the development of the Baseline Study for the RegGov-Network it has become obvious that, especially in the participating cities from the new Member States, there is a tremendous need for investment – in technical and social infrastructure as well as housing, leisure time facilities and other aspects of comprehensive urban development. Even though the European Structural Funds are of essential and crucial importance to help these cities coping with the tremendous challenges they are facing, public activities and resources alone will not solve the problems, even in a medium-term perspective.

Therefore, a strong wish was expressed by those partners, to learn more about the potentials and added value of Public-Private Partnership – not only to open up additional sources for funding, but also to make private sector know-how and skills available for integrated urban policy and the public sector. After a long period where any private investment was welcome, as long as something happened and employment opportunities were created, many of the cities in the new Member States now realise that they need to take a more critical, controlling and guiding approach in their relation with the private sector. Make sure that investment is done in the framework of an overall urban planning and land-use system. And also realising, that giving away planning permission – and the chance for the private sector to make profit – for free might be something that needs to be overcome, in order to “deal” with planning permissions and get something in return.

The objective and use of this Seminar Report

During the first seminar of this Thematic Cluster in June 2009 it has become obvious, that most of the participating partners have many questions and interests related to the topic, but no practical experiences. While the interest of these local authorities in Public-Private Partnerships is evident and clearly defined, there is a significant lack of knowledge and experience when it comes to setting them up. For which purposes and activities are such PPP-models useful, what needs to be considered when setting them up, what are their limitations, what are recommendable forms and element?

Therefore it was decided, that this Thematic Cluster would limit its first seminar to a detailed description of the different planning cases and the definition of some precise lead questions for further work. This will enable the network's Lead Expert to develop for the participating cities a Good Practice Reader that will allow all participants to get a better overview over options they might have - as a basis for a follow-up seminar where a more detailed agenda for this Thematic Cluster can be designed and backed-up with a Work Programme.

2. Köbánya | Hungary

Neighbourhood Regeneration in the Shadow of the Private Sector

Some general figures...

Köbánya, the 10th district of Budapest, is located on the Pest side of the capital in central Hungary. It has a surface of 3,2.54 sqkm, which makes it one of the largest districts in town. The Capital's geometrical centre is positioned in Köbánya.

The name 'Köbánya' [stone-pit] refers to quarrying dating back to the Middle Ages. The cavities and water emerging in the place of the excavated stone created the conditions here for brewing beer and exploiting clay which was then used for brick and tile manufacturing. The hills of the area provided grapes and vine-growing, while its pastures allowed lice-stock breeding. In the course of history, the district has then become a very important industrial area.

The district of Köbánya has suffered a lot after the collapse of Socialism in 1989-1990 – especially with its industrial basis being at risk and partially demolished in the course of these developments. Currently, the district is rebuilding itself into a living area for the middle classes. Due to its large size, there are several diverse areas within Köbánya, each with different architecture.

Dramatic changes in the private sector...

In general, the district has undergone significant changes. The industrial activities previously characterising the area have gradually been pushed to the background and their use has been considerably restructured. The areas of earlier industrial production have gradually been converted into new commercial, service related, institutional and residential areas.

A number of new residential houses and housing estate have been built in Köbánya in the recent past. If the present favourable tendency of changes, that have taken place in the utilisation of areas, would continue, the population of the district would start to grow and the composition of the population may change in a favourable direction.

With the gradual disappearance of the production plants and operations threatening the environment and the quality of life in the district,



the image of Köbánya may now change positively. If companies with more service-oriented profile continue to move into the area, the jobs which were lost over the last 20 years may gradually be replaced.

New large factories strengthening the economic basis of the district

In the course of the city's history, a number of large factories have operated in Köbánya. Food production, pharmaceuticals and machine manufacturing have been significant in the district. There are still three large factories operating in the district at present:

- DREHER Sörgyárak Zrt.,
- Richter Gedeon NyRt. and
- EGIS Gyógyszergyár NyRt.

Another important economic asset of Köbánya, HUNGEXPO City Fair Hall, plays a significant role not only on the domestic, but also on the international level.

Out of the companies registered in Köbánya [2006], the highest number was active in

- the economic sector of real estate and economic services [4,779 companies], while
- commercial enterprises also represented a significant part [3,528 companies].
- Companies with an industrial [941 companies], and
- construction [973 companies] profile

play a minor role.

An ageing, but now again growing population...

It seems that the times of shrinking have been overcome for Köbánya

The population number of Budapest's 10th district decreased from 97,000 thousand to 77,000 between 1990 and 2005. The decrease of the resident population in the 10th district was mainly caused by the fact that the number of emigrants was higher than the number of people moving in. Since 2005, continuous growth can be observed again.

The age composition within the resident population is spread in

- 14 % between the age of 0 and 14 years
- 66 % between the age of 15 and 59
- 20 % older than 60 years of age.

Köbánya | Hungary

This age structure of the population of the district shows the signs of demographic ageing, and in the upcoming years a higher number of the population [the currently 50 – 59 years old people] will retire. This will result in the fact that several thousands of people will appear in social care.

The age structure of the population shows growing challenges for the social system

The change in the number of job seekers registered in the district between 2001 and 2006 moved parallel to the average of Budapest. With regards to the whole 10th district, the proportion of employed people within the population in the age between 15 and 64 years is 60 %, and the rate of households living without employment is 34,6 %. The rate of people without regular income from work in the district is 36.1 % within the active age group.

The ethnic composition of the district is quite heterogeneous. There is a significant Roma presence in the district and a number of small, but visible immigrant communities, notably the Chinese community that is still growing. Close to 10 % of the population of Köbánya is of ROMA origin. A high number of ROMA population lives in tiny flats without comfort, several generations together. The rate of the ROMA population in the socially disadvantaged neighbourhoods of the district [P1 and P2] is higher than the average of the district.

Numerous ethnic groups in the district, with the Roma being the most deprived

Due to the intensive public activity of the ethnic minorities, there are 9 minority administrations operating at present: Roma, Greek, German, Romanian, Polish, Croatian, Bulgarian, Ruthenian, Armenian.

The situation of those families whose members are on regular welfare deserves special attention. Their number is currently changing between 240–250 persons.

Many of these families struggle with arrears in payable fees, and the accumulation of debts related to several public utility fees – water, electricity, gas, rental – is not rare. In a number of cases, due to the high amount of accumulated debt toward rentals, social welfare cannot be granted to the residents.

Integrated Development and Regeneration in Köbánya...

Köbánya has commissioned an Integrated Development Plan for its entire city that is co-financed by European resources. On the basis of this overall plan, there is an urgent need now to develop Local Action Plans, which use the overall Development Plan as a framework – but achieve more detailed and concrete planning of objectives and activities for individual neighbourhoods.

Overall Integrated Development Plans need Local Action Plans now



Köbánya | Hungary

The Reg Gov Local Action
Plan as pilot exercise

The target area of the RegGov-Project is meant to act as a pilot for this new level of integrated urban planning in Köbánya.

The major challenges the city is facing in the development of its neighbourhoods are

- a high degree of poverty and social exclusion in several areas;
- the high proportion of “poor house owners” who have acquired their houses from the local authorities at a very low price, but now aren't even able to pay the running costs for their homes – especially heating and electricity;
- growing tendencies of exclusion and poverty amongst the many members of the local ROMA community as an additional element of social and spatial segregation and polarisation in this city.

The history of the housing
area explains its poor quality
and standards

With regard to the target area of the RegGov-project, the history of this housing area needs to be explained initially: In order to relieve the catastrophic housing situation following the first world war, the government at that time built 17 emergency housing estates, of which the Pongrácz estate was one. These housing estates were characterised by low-rent small flats that have been made up of an assembly of three-storey blocks of flats, public buildings [school, public bath, doctor's surgery, kindergarden, cinema], designed by renowned architects of the era.

At the time, such estates met the relevant requirements for a housing estate. The Pongrácz-estate was then surrounded by a fence and the entry into the area was only possible through a limited number of gates. The big gate at the Pongrácz-Street still gives an impression of that situation. The fence was dismantled after the World War II.

The flats included a small entry space, two small rooms, a toilet and a kitchen [including a „bath room“] – so, at the time of construction this was regarded as sufficient or even good housing quality.

Nowadays, these flats, in many cases occupied by Roma families, are over-crowded, as several generations use to live in these places. At the same time, these very small and basic flats do not have the expected modern equipment.

With regard to our attempts to achieve an improvement of the housing situation, the District of Köbánya runs a Social Urban Rehabilitation Programme that focuses on the most run down buildings and flats. In such estates, the following activities are carried out:

- Installation of modern utilities, decreasing the number of flats by increasing their sizes [typically forming 2-room flats].

Köbánya | Hungary

- Decrease the high number of families in arrears through an active family support programme [office located on-site].
- Support law and order through a crime prevention programme.
- Turn courtyards into playing grounds.
- Inclusion of an employment programme in the physical measures.

Involvement of the private sector...

In general, it needs to be said the urban development and regeneration in Köbánya has not been able to make significant experiences with the involvement of private sector resources in the past.

For the target area of the RegGov Network and in the framework of developing an Integrated Local Action Plan for that area, one element of private sector participation is certainly foreseen: That is the active involvement of local owners of apartment. But, with respect to this element of public-private partnership it needs to be said that these individual owners do not constitute a powerful group that could add many resources to the implementation of the plan. They are, in most cases, not even able to pay their housing related costs and still expect the district administration to take responsibility and pay for everything.

Bigger key players of the private sector are surrounding the target area, so they have at least a geographically very close link to the neighbourhood.

But, in the current situation, it is unclear how any of these big private companies could be actively involved in the regeneration process for our target area and in order to achieve this, we would need practical know-how and examples of good practice from this Thematic Cluster to enable us to achieve such involvement and co-operation..

No relevant or helpful
previous experiences with
PPP-models or projects

3. Ruda Śląska | Poland

Undiscovered Investment Potentials for the Private Sector

General Information

Ruda Śląska is part of Upper Silesia, lying on the watershed of rivers Odra and Wisla in south Poland. The city is divided into 11 districts, spread over 7,736 sqkm.

The number of residents has been showing a decreasing tendency throughout recent years. This fact has been caused by a negative birth rate in the last years, as well as an increased emigration.



Ruda Śląska | Poland



Ruda Śląska belongs to a large metropolitan agglomeration that is inhabited by 2.5 million people. It is located in the middle of this metropolis, therefore it is privileged in terms of its transport and accessibility. The A4 highway crosses the city. Three universities operate in Ruda Śląska. One of them is a department of AGH University of Science and Technology in Krakow – one of the most famous universities in Poland.

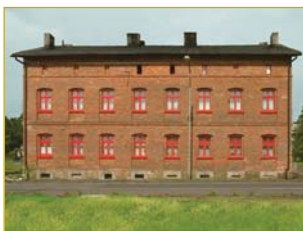


Demographic characteristics of the city

Ruda Śląska a city with 146,455 inhabitants, out of which 6.6 % are without employment.



After an increasing tendency after World War II, the population is decreasing in recent years. This tendency is caused by negative birth rate in the last years as well as an increased emigration, especially to Great Britain. A significant percentage of people, however, come into the production age, which is a positive aspect.



The average age of the population is 34 years. In the period from 2005 to 2010, due to a decrease in professional activity of people from 50 and above, an increase of the number of people in retirement age will be noticed, which signals the need for intensified activities of the local authorities in the fields of health and social care.



Historic and economic overview

Ruda Śląska exists since the year 1243. From the beginning, the city area was connected with the exploitation of metal ores. It has brought to discovery more precious material – hard coal in the middle of the 17th century. The formal efforts to create coalmines in the area of Ruda have begun since 1740. In these times, the Silesian Region was a German province. The rich coal resources attracted a lot of contractors. They invested in this land, built the mines, steelworks, cooking-plants and brickfields. A fast increase of population and a change of the face of Ruda countryside were results of these activities. By that time, the first workers settlements appeared in the surroundings of the mining areas. The local potentates started to create the conditions for housing a very specific social class like the miners. They created their own unique culture.

Types of community involvement

As a result of the Silesian Insurrections during the years 1919-1921, Ruda Śląska rejoined Poland. Immediately after the Second World War, the residents began to rescue their industrial plants and mines so that the coal output has never stopped. In 1951, as a result of the liquidation of the district of Katowice [the capital of Silesia region], two sep-

Ruda Śląska | Poland

arated cities were created: Nowy Bytom and Ruda. In 1959 these two cities were connected into one municipality. This was the genesis of City Ruda Śląska in the present form.

Nowadays, modern housing estates exist next to the settlements of old “workers houses” in Ruda Śląska. The old coalmines, which were founded by the German industrialists like Ballestrem, Schaffgotsch, Donnersmarck or Polish industrialist Karol Godula [the king of zinc], have operated until this day. There are the modern industrial plants and coalmines like “Halemba”, too.

The country of Ruda has absorbed a lot of newcomers from the Silesian region, who were encouraged to move here by the jobs in the coalmines. The restructuring of the mining industry began in 1989 with the political and economic transformation in Poland and lasts until now. As a result of these changes, many people lost their jobs in the coalmines.

Nevertheless, coal mining is still a key business in Ruda Śląska. Four coalmines and one steel work still operate in the city, which makes it the most active “mining city” in Europe.

Economic Situation and expectations towards private sector involvement

Some figures from December 2008 might illustrate the economic and employment-related situation of Ruda Śląska in these days:

- at the time, 9,536 companies were registered in Ruda Śląska;
- 7,499 persons were conducting economic activities as one person companies;
- 3494 companies were active in the trade and repair sector [36,6%];
- in average, the was one company on 15,72 of inhabitants.

The following figures of companies per type of enterprise give a picture of the size structure of all private companies operating in Ruda Śląska:

- Micro-Enterprises [0-9 employees]: 8948
- Small Enterprises [10-49 employees]: 495
- Medium Enterprises [50-249 employees]: 81
- Large Enterprises [250-999 employees]: 11
- Extra large Enterprises [more than 1000 employees]: 1

Old industrial structures in
close combination with
modern developments

A very high proportion of
self-employed people with
micro-enterprises

Ruda Śląska | Poland

Coal mining and steel factories are still part of the city's life

As it has been mentioned already, the traditional sectors of the economy in Ruda Śląska are the coal mining industry with three coal mines still in work and the steel industry with one large steel factory still operational in Ruda Śląska.

Recently, there is some moderate growth in new sectors of the local economy, referring to the following sectors:

- IT services [DST, Stanusch Technologies]
- Food industry [Madej & Wróbel]
- Logistics and transport [Delta Trans]

Experience of private sector involvement

National legislation for PPP-projects is now available and can be applied for first experiences

So far, the city of Ruda Śląska has not been able to make a lot of practical experiences in co-operating with the private sector in urban development. The main reason for that deficit is that the Polish law that allows and at the same time regulates Public-Private Partnerships was only passed in December 2008, so that there has not been much time to gain practical experiences with the use and application of that law.

One first investment that has the form of a public-private partnership had been started in Ruda Śląska in 2008. It refers to the creation of the sports and recreational centre, called „Water Park”. In this project – and for us: new model – a private investor pays for the creation of this leisure centre and will manage it, once the construction is finished and the centre is opened. The city of Ruda Śląska guarantees for the bank loan of the investor and will take the centre over in its own property once the bank loan has been paid back with the fees that are achieved by the private investor when he runs and manages the Water Park.

Expectations towards private sector involvement

Expectation towards the private sector are well-defined and pretty realistic

Of course, after this initial test case, the city of Ruda Śląska would like to create more projects which are developed and implemented together with the private sector. In the framework of such project development and implementation we would have the following expectations towards the private sector representatives involved:

- to be interested in the development of the target area as an elementary pre-condition for good co-operation with us;
- to take the leading role in the development process, especially referring to those companies that are located or closely connected with the target area and

Ruda Śląska | Poland

- to create in the course of the project realisation and the later operation of newly created facilities new and additional employment opportunities for the residents in the target neighbourhood [40% of Kaufhaus population is unemployed].

Of course, we have not yet developed a detailed strategy to motivate the private sector to start such partnerships with us – for this step we would count on the support from our partner cities in this Thematic Cluster – but, so far, we have been thinking about the following ways and tools to get the private sector interested and have already started to apply and use them:

- by informing the private sectors on the existing and operations and progress within the URBACT project;
- by inviting the representatives of private sectors to the local support group meetings;
- by othe implementation of surveys [questionnaires] amongst the companies which could be interested to get involved –of course, especially targeted at companies, which are located in the target area;
- by the creation of possibilities for promotion for the private sector in the framework of such initiatives.

First activities to attract the private sector's interest have been implemented

With regard to this Thematic Cluster, we do have the following needs for innovation, input and information:

- Knowledge about methods of drawing the attention of the private sector to our particular target area as a historic and deprived neighbourhood, but still close to the city centre and the cross regional highway.
 - Knowledge and examples about possible forms of co-operation with private sector representatives in the framework of integrated urban and neighbourhood development and regeneration – especially with regard to the question what kind of steps we need to undertake to the make such co-operation efficient, successful and sustainable.
- Examples of projects from other countries, especially projects related to similar old and deprived neighbourhoods located in industrial and postindustrial areas.

Nijmegen | The Netherlands



4. Nijmegen | The Netherlands

Housing and Property Development in Partnership with the Private Sector

General Information



Nijmegen is a middle-sized city [160.000 inhabitants] in the middle east of the Netherlands, near the German border, and is situated along the river "Waal" [a splitting of the Rhine]. Nijmegen is the oldest city of the Netherlands [about the year 50 a.c.].



Nijmegen has - together with the nearby city of Arnhem [141.000 inhabitants] - an important role in the region Arnhem/Nijmegen, which aims for regional cooperation in the areas of housing, transport and economic development. Moreover, Nijmegen is an academic city with about 33.000 students [this is 20 % of the whole population].



The City of Nijmegen is also a visiting-goal for many Dutch and foreign tourists, because of its green environment, a lot of history and because of the world-wide known summer festivity in July, during the 4-days walk in and around Nijmegen.



Demographic characteristics of the city

The population of Nijmegen counts approximately 162.000 inhabitants [2008] within an area of approximately 58 km².

Statistics state the unemployment rate in Nijmegen at 8,9 % [2007] and the per-capita income at 26.400 Euro [2005].

The division of ethnic groups is represented by 12 % non-western, 12 % western and 76 % domestic citizens.



The housing sector is represented by 44 % private housing estate and 56 % rental housing, of which 43 % are corporation and 12 % private rental.

Historic and economic overview

Nijmegen is a growing city since the mid of the 20th century. Several new residential areas were built between 1950 and 2000, particularly to the south and west. The housing problem is still unsolved, making further expansion necessary. In 1999, it was decided to expand across

Nijmegen | The Netherlands

the river Waal where more than 11,000 houses for 30,000 inhabitants are to be built. The project, known as the Waalsprong, is ranked among the top five of sustainable building locations in the Netherlands.

Large development projects
and investments are
on the way

The main employers of Nijmegen are in particular the University and the university hospital with all in all 20,000 employees. Furthermore has NXP [formerly Philips], a producer of semiconductors, around 5,000 workers.

An important fact is that the amount of jobs for well-educated people is increasing, but the number of low-educated jobs is simultaneously decreasing. The unemployment rate of less educated inhabitants is consequently rising.

Current Challenges

The main need for action is to be seen in avoiding the social segregation of ethnic and low-income-groups. This means, amongst other elements of corresponding strategies, to create a sufficient amount of jobs in the low-educated sector. In parallel, the city administration makes efforts to achieve a better training of the target group and support them with their search for employment.

Social segregation and exclusion from the labour market
need to be overcome

In terms of physical planning, the industrial estates in western parts of the city and the heavy traffic within the city represent the most urgent problems in maintaining a good air quality. Related to this and in relation with the enormous housing developments in the north of Nijmegen, an improvement of the accessibility by road is needed.

With regard to housing policy, the municipality considers the need for a higher diversity and differentiation in the housing stock as necessary in order to meet the requirements of different income-groups.

Experiences with the private sector in housing maintenance and development

In the process of urban renewal, the City of Nijmegen has to deal with the following key players:

- housing corporations [43%]
- individual housing-owners [42%]
- private landlords [15 %]
- individual owners of monuments [500 estates]
- [private] developers.

Key partners of the local
authorities in housing and
property development

Nijmegen | The Netherlands

Clear division of tasks between local authorities and housing corporations

Housing corporations, in general, invest in the houses take care of their tenants, while the municipality takes the responsibility for the public space and the necessary infrastructural facilities. In the recent past there have been good examples where the municipality bought old and run-down houses, renovated them and in the end this modernised housing stock was then taken over by the Housing Corporation at a modest price.

With regard to individual house owners, co-operation is more complicated

Individual housing-owners are often more difficult to deal with. In the period from 1980 until 2000, subsidies were offered to them that covered up to 30% of their investment in modernisation of their property. Now the approach is more controlling: If the municipality observes lacks of maintenance in private housing property, it can apply penalties to force house owner to deal with the problems in a given time.

This system also refers to private landlords who own houses and let them out to other households. And, again the same system, but nowadays with more intense inspections, refers to the owners of listed monuments who have a special responsibility to take care of these properties that are part of the physical heritage of the city.

Experiences with private developers in project development and implementation

Good experiences of partnerships with private developers

The City of Nijmegen has made good experience in the co-operation with private developers with regard to the development and implementation of projects. In each case, an exploitation contract was the starting point of such co-operation, defining in detail the conditions for co-operation and the distribution of duties, tasks and costs. For large development projects, we often use the model of a formal Public Private Partnership, which means that we share costs as well as potential profits and risks on the 50% / 50% basis for both sides – private and public.

In our RegGov target area – “Het Waterkwartier” – we will have to deal with the following representatives of the private sector:

- the Developer Waalfront, responsible for the physical and the social connection of the new area with the “old” Waterkwartier;
- the housing corporation with a responsibility for the renovation, or demolition of bad houses and the construction of new houses in the target area;
- private shop-owners who are, together with the developer, responsible for creating a new shopping-centre in the area;
 - and, finally, tenants as investors in their gardens.

Södertälje | Sweden

In any of these large public-private partnerships, the local authorities are organising the entire process related to the development that is to be realised in partnership with the private sector.

5. Södertälje | Sweden

Private Sector Involvement between Large International Companies and Small-Scale Ethnic Economy

General Information

Södertälje is situated by the Baltic Sea in the southern part of the Stockholm region, about 30 km from the capital Stockholm. In Södertälje major highways meet, the southbound and westbound railway pass and the Södertälje channel link the Baltic Sea to lake Mälaren. Due to the labour market the city is a centre for the southern part of Stockholm region but also to regions south of it

The Stockholm region has the highest rate of development in Sweden and the whole lake Mälaren region is the fastest growing in Sweden. The city is well known in Sweden for its population, where about 35 % has a foreign background.

During the 1960's and 1970's, Södertälje expanded and a lot of persons immigrated from Finland and former Yugoslavia. Later another group came to dominate, the Assyrian/Syrians, and today they are the largest population group next to native Swedes. During the last couple of years Södertälje have faced a quite large immigration from Iraq.

Demographic characteristics of the city

Södertälje has a population of 83.642 inhabitants [2007]. 3,7 % of the citizens are unemployed, from which 1,5 % take part in programmes and similar.

As mentioned above, the population of Södertälje is very miscellaneous. 35 % of the citizens have a foreign background. The largest group next to the native Swedes are the Assyrian/Syrians. Södertälje has the largest group of Assyrian/Syrians than any other city in the world, with around 22.000 Assyrian/Syrians living in the city.

Besides, Södertälje has faced a large influx of Iraqi refugees in the last couple of years.



Södertälje | Sweden

Historic and economic overview

The history of Södertälje goes back to the 9th century, though the importance of the city has changed during the time. The development of today's Södertälje starts during the 16th century. During the 19th century the industry expanded immensely. Scania was founded in the city in 1891. During the 1970's the municipality grew and three small municipalities were incorporated into Södertälje. The population increased mostly due to immigration and the city expanded with new housing areas. Most of them were blocks of flats for rental. The municipality has a quite hard economic situation and the following years will be hard. The cost for social welfare and integration of newly arrived inhabitants is high today and seems to be growing. The municipality will face lot of challenges in the near future.

Important science-related institutions as development potentials

Today the Royal Institute of Technology in Stockholm has a campus in Södertälje, which will be further developed in the following years. One of the most famous science parks in Sweden, 'Tom Tit experiments', is located in an old factory building in the city centre. Södertälje is also one of the most eminent sport cities in Sweden. The city has teams in the highest or second highest league in several sports. Södertälje has one of the largest container ports in Sweden.

Furthermore Södertälje attracts lot of commuters. Every day more than 17,300 persons commute to the city, mostly to Scania or AstraZeneca, two of the largest companies in Sweden that have their main offices in the city. Scania is world known for their trucks and buses. AstraZeneca, the second largest employer in the city, is one of the world leading medicine companies. The company has research centres and manufacturing in the city.

A healthy mixture of large as well as many small- and medium-sized companies

Apart from those two multinational companies, Södertälje has a wide range of small and medium sized companies. Compared to other cities in Sweden there are quite a lot of service companies, restaurants and cafés. As a contrast to the high tech industry and urban environment in Södertälje the southern part of the municipality has one of the largest Anthroposophy centre in the world, Ytterjärna, where a hospital, schools in different education levels, a culture centre and housing areas, built according to the ideas of the movement, are located.

Social Key Features

The last year's immigration to Södertälje has put the social sector in the municipality under pressure. The majority of the immigrants do not have a proper education or language skills to facilitate the integration process. Furthermore is the financial support from the government limited, which means that the municipality will face an extensive cost for education, social welfare, healthcare and so on.

Södertälje | Sweden

Ronna, the focused deprived neighbourhood, is an area of great cultural diversity, 82 % of the population is of foreign background. That makes Ronna the one city district in Södertälje with the highest level of immigrant density. Ronna suffers from a negative image and is in national media often compared with other problematic city districts in Sweden like e.g. Rinkeby [Stockholm] or Rosengård [Malmö].

The target area has a very
specia ethnic composition,
but also potential

Ronna has been facing a steady increase of the population. It has grown with 1103 residents in 10 years. The highest number of residents was recorded in 2007 when 7094 inhabitants lived in the area. The lowest number was recorded in 1998 when the area had 5991 residents. In 2007, 87% of the population in Ronna was of Assyrian/Syrian descent.

Economic Key Features

Södertälje has two large employers: Scania and AstraZeneca. Together with the city itself, the three organizations employ approx. 21.000 persons. This makes Södertälje a regional labour market for the Stockholm region as well as for municipalities south of Södertälje. Furthermore Södertälje has a lot of small and middle large companies, restaurants and service businesses. The rate of unemployment in Södertälje is higher than the Stockholm average. Many of the inhabitants are excluded from the labour market since they do not speak Swedish, have an education that can't be transformed to the Swedish standard or do not have an education at all. These features have a wide impact on the city's economy.

Large keyplayers of the
worldwide economy are
based in Södertälje

The RegGov Target Area: Ronna

Ronna is located in the eastern part of Södertälje. The communication by public transportation, to and from Ronna, is good. There are five bus lines that go to different parts of the city. The city district of Ronna is divided in to three areas:

- Ronna,
- Ronna Park and
- Västra Ronna.

In 1962 it was decided that 650 apartments would be built in apartment blocks with a maximum of eight storeys. In the spring of 1966 the plans for additionally 340 apartments were established. Three years later in 1969 the construction of 32 row houses began.

The area of Ronna consists of only large apartment blocks build between 1965 and 1967 as part of the national million homes pro-

Södertälje | Sweden

Large housing estates without the ingredients for a healthy development

gramme. This program aimed to build one million flats during a period of ten years in the 1970's. The industrialized building resulted in similar neighbourhoods all over the country where blocks of flats came to dominate. From the beginning this area has suffered from different sorts of social problems. Västra Ronna and Ronna Park consist of self-contained houses and a few blocks of row houses.

The city district of Ronna holds two primary schools and five day care centres, one that is a day care centre for asylum seeking children. Ronna centre provides the area with a relatively broad range of facilities. In 2003, Ronna centre was sold to a private company by the municipality of Södertälje.

The employment rate of Ronna was 37,4% and 18% of the inhabitants received economic support in 2006.

A lot of money has been spent, but no sustainable development achieved so far

Since the 1990's, the municipality as well as the state have spent significant amounts of money on Metropolitan issues. Södertälje has [among with four other cities] been chosen in a particular project where the city has gained aid money to develop Ronna and other deprived neighbourhoods. In recent years there have been several initiatives to secure participation in the development process. Local parliaments, local neighbourhood councils and further more have been tried but there have been little focus on the physical structure. Today the city has formed a specific company to maintain and administrate the housing estates. The tenants have the majority of the board of the company. The company works towards the inhabitants in local court councils. In Fornhojden there is still a working local council, which was implemented during the 1990's according to the national metropolitan programme.

Experiences with the private sector

Gaining the private sector's interest and input for deprived urban areas is difficult

Södertälje is, as it has been mentioned, characterised by a small number of very large and powerful companies who have their headquarters in the city. In the past, it has of course been possible to undertake some joint ventures with these companies – or to achieve various forms of sponsorship and similar commitment from them.

But, on this background, it needs to be said that, so far, it has not been possible, or rather: no targeted attempts have been made, to get these big companies involved in the integrated regeneration of Södertälje's four large most deprived areas.

Even though these areas have been object of many funding schemes and urban policies, those interventions were always led and imple-

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mented completely by the public sector. In most cases, they did not place an emphasis on the development of sustainable economic structures in the target areas or on an active involvement of the private sector in the development and implementation of integrated regeneration programmes. Therefore, Ronna as well as the other deprived areas in Södertälje, still is mainly a housing estate with only a few shopping opportunities as commercial activities and offering employment opportunities in the area.

At the same time, it is well-known that the specific group of Assyrian Syrians that is dominating the local communities of these areas, is famous for its entrepreneurial spirit – being very active in opening restaurants, ethnic shops etc. But, so far, these entrepreneurial spirit of the majority of residents in the target areas – potentially in important economic asset not only for a sustainable development of these areas, but most likely a significant development potential for the overall City of Södertälje, has not yet been picked up and used for lasting regeneration strategies.

So, co-operation experiences with large private sector companies do exist – but not with regard to the integrated regeneration of deprived urban areas, and experiences with the integration of small-scale private sector forces have not yet been made in a targeted way in Södertälje and Ronna.

So, for the further development of our area-based approaches, and on the short-term for a sustainable and comprehensive regeneration of the Ronna area, we would need to get answers to the following questions with the help of this Thematic Cluster:

- How can a functional integration of Ronna into the City of Södertälje be achieved – integrating new economic functions in the area and making it an integrate part of Södertälje's economic life with close involvement of the private sector?
- Which reasons for „outsiders“ can be created to develop an interest in Ronna, to spend money here and to invest in a sustainable future of this area?
- How can the high degree of entrepreneurial skills in the local community be used for a sustainable development of Ronna by converting it into a small-scale but healthy new element of Södertälje's private sector community?

Most previous initiatives neglected the element of economic development

Significant potential in the ethnic economy still unused



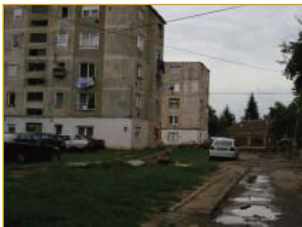
6. Satu Mare | Romania

Integrated Urban Development under the Eyes of the Private Sector



General Information

The City of Satu Mare is situated in the north western part of Romania, on the banks of the river Someș. It is located very close to the border with Hungary [10 km] and the border with Ukraine [46 km]. The city is situated more than 600 km away from the capital of Romania, Bucharest. Satu Mare is the cultural, economical and administrative centre of the Satu Mare County.



From an economic point of view, the city is very important: While only 31.3 % of the county's total population lives in the Satu Mare city, 58 % of the firms are registered in this administrative centre, most notably the important and big ones. Satu Mare benefits from the nearby borders with Hungary and the Ukraine, so that it has established itself as a prime location for logistical and industrial parks.



From a transport point of view, the city is important because it is situated at the cross-road of European roads E 81 [Hungary], E 81/IC [Ukraine] and E 671 [Oradea, Arad, Timisoara].



The City of Satu Mare is also important for tourism. The city is accessible by Satu Mare International Airport, which is located only 5 km south of the city. Its strategic tourist objectives are mainly situated in the historical centre of the city, which has maintained its features from the beginning of the 20th century. The main cultural institutions of the county are sited in Satu Mare, such as North Theatre, Philharmonic Hall, cultural houses, libraries and museums.

Demographic characteristics of the city

The City of Satu Mare has a total surface of 150,23 sqkm with a population of 113,668 citizens, of which

- 57,9 % are Romanians,
- 39,3 % Hungarians,
- 1 % Germans and
- 1,8 % of other nationalities.

Satu Mare | Romania

74% of these citizens belong to the active population in terms of the labour market and employment. The workforce of the city included approximately 46,000 employees, the majority of them working in the industrial and the service-related sector. 3% of these citizens have been registered as unemployed in 2007. This figure has recently gone up due to the effects of the economic crisis.

Higher unemployment rates
due to the worldwide
economic crisis

The total number of housing units in Satu Mare is 44,457, out of which 1,073 are in public ownership while the rest is privately owned.

According to the existing statistics from 2006, there were 172 emigrating persons, but it is very important to notice that large parts of the young population has emigrated to Western European countries and are not registered in the statistics. This tendency is mainly due to the fact that the city is situated very close to the border with Hungary. Also the young generation undertaking studies in the well-known academic centres of Romania, such as Cluj Napoca and Timisoara, has many incentives to start their careers in the cities where they studied due to the many opportunities these developed cities have to offer them.

Again, due to the crisis,
some of the emigrated
people now come back

The total number of population is decreasing with each year that passes, the average decrease in the last five years being of 0.78 %. This decrease is also a consequence of the fact that the number of births is lower than the number of deceases. For example in 2005, the number of deceased persons was 1,240 while the number of births was at 1,215. It is equally important to mention that the number of women in the city is with approximately 11 % higher than that of men. Life expectancy in the City of Satu Mare is with some 3 years lower than the national average.

Economic Structures

The City of Satu Mare has a balanced economic profile. In the socialist period, the city was affected less by the decisions of forced industrialisation than other urban centres. As such, the industrial legacy is less significant, especially after the partial closure of some big units such as Union and some companies from the south western industrial platform.

Fortunately, a much healthier
economic structure than
many ex-communist cities

The loss of jobs and the economic deficit caused by these closures was partially compensated by new successful investments in some branches of production. At the same time, numerous factories of medium and small size [furniture, textile, logistic, storage, technical services] took the vacant industrial over, diversifying the economic activities and structure of the city.

Satu Mare | Romania

The service sector suffers from low income levels and spending power

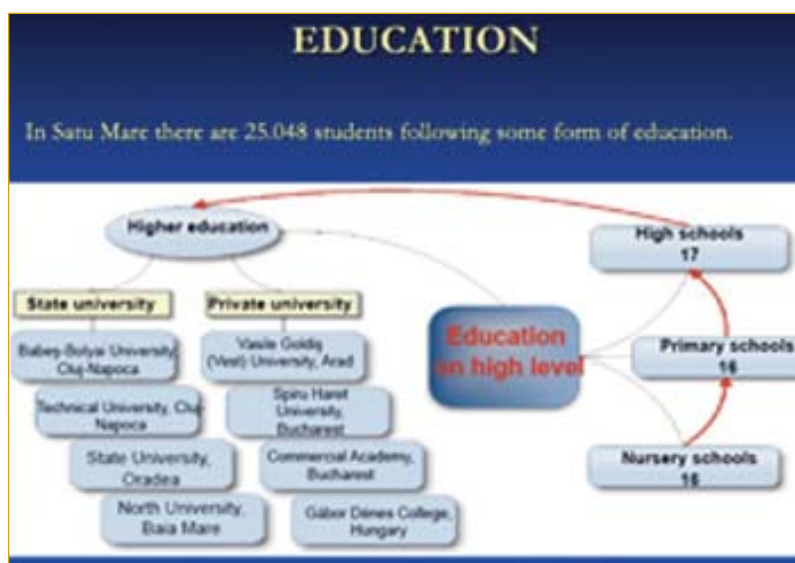
Nevertheless, the service sector still is poorly developed due to the low incomes of the population that cannot sustain the development of the city.

It can be said that the City of Satu Mare has recovered to a large extent from the marks left by the communist period and is in a period of slow but steady growth. The available statistics indicate that the GDP per capita has been growing in the City of Satu Mare at a rate higher than the national one, a sign that could indicate the healthiness of the economy. Also the gross investments and the social subscribed capital for the enterprises registered in Satu Mare have been rising continuously over the last years. The salaries and the work productivity have reached higher level in the last years, but these statistics depend on the sector that is taken into account.

Under-developed infrastructure is the main obstacle towards investment

Even though the city benefits from important foreign investment, more strategic investment would be needed. But, due to the fact that the infrastructure of the city is not very well developed, investors are reluctant to establish new businesses in the city. When investors are interested in the area, this is mainly due to the location of the city near the border with Hungary and Ukraine. It should also be mentioned that there aren't many places in the city where investors could set up new businesses.

An important assets for the economic development of Satu Mare are certainly the good education opportunities in high schools and higher education with more than 25,000 students. The city has - as for its high school - an important role in the educational sector. Although there are few high schools in the other towns of the county, most of the children in the county come and study in Satu Mare. Also private and public universities [8 universities: 4 private and 4 state funded] are situated in the city. The following picture shows the structure of this system:



Satu Mare | Romania

A further strength of the City of Satu Mare with regard to its future development are the cultural and tourism related assets of the city:

- the North-Theatre, performing in Romanian as well as Hungarian language;
- the Dinu Lipatti Philharmonic Hall;
- several cultural houses [Zamfirescu and the Cultural Hall of the Trade Unions];
- 41 libraries – in the Country Library there are 350,000 volumes available in various sections;
- various museums such as the County Museum and the National Art Museum.

In terms of tourism, the near forest areas, the thermal water with medical benefits and the city historic centre with many monuments are regarded as important assets for future development.

Major challenges

There are many challenges that the city has to face and to solve in the social area. The most important one would be the migration of the young population not only into Western Europe, but also in bigger economic centres, usually where they have previously undertaken their university studies.

The elderly population is slowly but constantly rising and the city does not have the material means to sustain this population, namely well-equipped centres for elderly people. The City of Satu Mare has, at the current moment, only one residential centre for the elderly and even that one is in an advanced state of degradation. In Satu Mare, social services for elderly people are provided by NGOs that collaborate with the Local Council and usually receive funds for their activities from the budget of the local authorities.

There are some local NGOs doing their best in the area, but the local administration also needs to take some action in this field. From the experiences with their twin cities from Western Europe, the local authorities of Satu Mare have noticed that private social services are also a solution to this problem, but unfortunately such models cannot be transferred to Satu Mare without problems, especially as the legislation with regard to private sponsorship in social services delivery is not available.

There are ROMA people who are not well integrated in the social life of the city, although many actions have been undertaken in order to

Many cultural and tourism-related potentials are not fully used and exploited

Many serious challenges in the field of social cohesion and quality of life

Satu Mare | Romania

Social problems are taken care of with good NGO's as partners but without the interest of the private sector

make them feel equal. The local public administration has not been much open until now to the problems of this ethnic group but has given its help and support to NGOs and the Public Service for Social Assistance in their programmes related to the integration of this ethnic group. In the future, it would be welcomed to see more local action in this sector – also due to the fact that more and more ROMA people become beggars and in the time even delinquents, representing a public danger for the community.

Children who have been abandoned by their parents and have benefited until the age of 18 from the social assistance system by living in special centres established for them, have no chances of being re-integrated in the society after leaving the system. The life conditions of most of them are usually getting worse after being abandoned by the system as well: it is very hard for them to find a job, a house to live as the rent is high and the society is in general reluctant to help and support them. This situation is also a consequence of the fact that the city does not have much social housing where these young people could be accommodated.

Major investment in roads, infrastructure and housing is key to all future development

And, next to these challenges in the social sector, it is very obvious that there are numerous challenges in the physical sector - with regard to the lack of investment in the housing stock, the public road system, the infrastructure and the overall design of the city. These are all severe challenges that need huge amount of money, but are necessary if Satu Mare wants to keep and improve its position as an attractive city with a sustainable future.

Positive experiences with the private sector

The City of Satu Mare has over the last years developed two industrial parks in order to attract private investment, modernise the economic structure and profile of the city and to make sure that new employment opportunities with good future perspectives are created in Satu Mare:

- The first development of this kind was the South Industrial Park with 69,54 ha and 18 units being economically active there. More than 15 investors have occupied the South Industrial Park, which benefits from good infrastructural facilities, and therefore currently there are no more free sites in this industrial park. The South Industrial Park is considered to be one of the biggest existing in the north western part of Romania. The Satu Mare City benefits from the existence of the South Industrial Park due to the taxes and duties paid by the enterprises established there, which help a lot the local budget.

Satu Mare | Romania

- The second development of this kind was the West Industrial Park with 22 ha and around 1,000 workplaces. The West Industrial Park is not as developed as the one situated in the South of the city as its infrastructure has some flaws, but still it ensures a high number of jobs for the local labour market.

The following picture shows the high amount of multinational corporations being active on the Satu Mare labour market and their links to the worldwide economy:



Obstacles towards private investment

The city needs new investment and the development in the service sector and exploitation of the tourist potential of the city. There are several reasons why investors hesitate to invest in the city:

- the lack of technological, innovation and business centres in the city that would ensure the logistic support;
- the construction entrepreneurs do not concentrate on assuring business locations in order to help the development of this sector; instead they focus only on construction of blocks for residential purposes;
- a lack of spaces to rent for the development of a business;
- a shortage of qualified personnel in some production and activity sectors, for example engineers, architects, technical personnel etc.

Many barriers for private investment to be overcome for a healthy development

Satu Mare | Romania

- the service sector is poorly developed and offers no incentives for the investors to set up in Satu Mare;
- transport infrastructure is in a bad condition, many roads being in an advanced state of degradation and in need of capital reparation. Moreover, the City of Satu Mare does not have a belt highway, which could help with a more efficient traffic;
- low level of competition of some enterprises due to the high level of degradation of production factors and old technology used in the production process.

Low numbers of visitors and tourist clearly show where action is needed

The City of Satu Mare has important potentials for tourism, but the low number of visitors registered in the city indicates that the city is not able to fully use and activate this natural offer of the region, to develop the specific infrastructure, or to formulate cultural or sports programmes in order to become a visiting target. The natural resources of thermal waters, although used inside the relaxation base of the city, do not constitute an offer appreciated outside the borders of the city.

There is no coherent marketing strategy in the tourism sector which could lead to improvements, neither is there a masterplan to promote tourism in the entire area in which the city is situated. In the same area, there are no tourist maps at the level of city or tourism guides for the potential visitors of the city, from where one can notice the lack of promotion of this economic sector.

Physical heritage needs investments to act as attraction for the city

The historic buildings situated in the old centre of the city are in a state of degradation and would need to be renovated in order for tourists to be attracted by this aspect of the city. Also, the city could benefit a lot from its location on the banks of the river Someş, which could be modernised and equipped properly for the tourists to be able to have walks along it and to navigate on it.

New challenges with regard to the private sector

The impact of the worldwide crisis on the business community in Satu Mare has been very big: Many companies have closed their doors or have reduced the activity up to a very low level. Because the consumption of the population has decreased, many companies have suffered major damages in selling their products leading to lower revenue.

Because the income of the companies is lower also they have to face problems in paying the taxes for their employees. For example, there have been 380 complaints forwarded by employees only in the first 5 months of this year in which they were complaining that their companies did not pay the taxes to the state for them.

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Some worldwide famous companies in Satu Mare have been affected by the crisis, for example Textila Ardeleana has closed and Electolux, part of a major company, has reduced very much their activity out of 1 600 employees being sent to unemployment around 330 employees only this year.

The economic crisis has hit
many of the local employers
very hard

For the topic of this Thematic Cluster, this means that the difficulties to gain support from private sector partners have become even more urgent, while those private sector stakeholders at the moment struggle a lot with their own problems and are not really open to start new commitment and involvement.

The municipality's scope for action has become even more limited, as it has been affected by the crisis in two ways: Some investors have dropped their projects in the city because they could not get the necessary bank finance anymore or because the projects do not seem profitable in the current situation.

Examples of projects financed by investors that have been stopped are the construction of a parking place under the central park which would have been crucial for the development of the city centre and the improvement of its attractiveness, the rehabilitation of the Dacia Hotel at the central square as a monument of high architectural value and relevant for the image of the city and the works for the construction of a Carrefour mall.

Several private projects, im-
portant for the city's deve-
lopment, have been stopped

The budget of the municipality has decreased due to the fact that inhabitants pay less taxes, which are an important contribution to the budget of the local authorities.. Because of a decreased budget the municipality will probably only implement projects, which receive a financing from the European funds. The municipalities also have less chances of getting a loan from the banks because the government has decided on stricter rules related to the loans taken by the municipalities. Moreover, the government has decided to stop the employment of civil servants and also has projects to decrease their salary. These measures have affected the motivation of the personnel in public institutions.

Expectations towards the work of the Thematic Cluster

The City of Satu Mare has already developed a Strategic Plan for the Development of the municipality. It mentions the strengths and weaknesses of the city, the opportunities as well as the threats, but also the urgent actions that the city has to take and the direction in which the city is moving for the near future. This strategic development plan of the city also includes a local action plan in which the defined projects to be

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implemented in the medium and long term will be mentioned. The document mentions several times the area of the old city centre and the adjacent areas as one of the parts of the city in which local action for regeneration is urgently needed. If in the area of culture and tourism, the rehabilitation of the old buildings and historical monuments as well as the rehabilitation of the cultural institutions situated in the old city centre is mentioned as a priority for the city, in the area of infrastructure the rehabilitation of the Cubic, 14th May and Solidaritatii areas are seen as being of crucial importance.

A new culture of
co-operation and partner-
ship is slowly developing

In order to put these necessary strategies on a broader basis, the City of Satu Mare has, with the support of the RegGov Lead Expert, in various sessions started to build up a [Local Support Group](#) and to gradually establish a culture of co-operation, partnership and shared responsibility in the city's planning culture.

So far, not much progress has been made to [get representatives from the private sector involved](#) in such co-operation processes. The explanations of the current situation have shown, that the situation of the private sector in Satu Mare does not make that task easier.

So, for the City of Satu Mare it would be of crucial importance to get support with their attempts to activate and involve the private sector:

This relates especially to the following questions and inputs:

- in which policy field private sector commitment and support can be expected;
- which forms such support from and partnership with the private sector could take;
- how such public-private partnerships are best organised and managed and
- as many examples of good practice as possible to help the stakeholders active in Satu Mare develop a better understanding of the potentials of such public-private partnerships and show them the way how to create, establish and manage them.

7. Nyíregyháza | Hungary

Integrated Urban Development for a Target Group that is Discriminated by the Private Sector

General Information

Nyíregyháza is located in the Eastern part of Hungary and it is the capital city of the Szabolcs-Szartmár-Bereg County. In Hungary there are all together 19 counties and the most Eastern one is the Szabolcs-Szartmár-Bereg County. Within this county, there are 11 sub-regions, so the role of Nyíregyháza is not only the role of a county centre, but also the role of a sub-regional centre. It is the centre of the Nyíregyháza sub-region. With the following slides and explanations I would like to highlight and explain to you the key-problems of the city, the problems that we are currently working on and that we need to overcome during the next years in order to achieve a balanced and sustainable development of our city.

Nyíregyháza has become, especially in its city centre, an attractive city where museums, libraries and all kinds of attractive sites are available. Nyíregyháza is not only a city with large housing estates, but also surrounded by residential areas with gardens and small houses and some very traditional estates of small houses in groups like little old village estates.

The total number of inhabitants is nearly 120,000 and a look at the demographic figures shows that the proportion of the elderly people is almost one fifth of the total number of inhabitants. This proportion of the elderly people increased by 6% in the past 20 years in our city, while this figures was only 3% on the level of the county.

As a result of this high proportion of elderly people, one of the key tasks for the local authorities is to provide a range of services to this growing group, not only in the area of Nyíregyháza city, but also in the area of the settlements that belong to the micro region. Together with these settlements the municipality provides services and runs institutions.

The next major problem with regard to the social situation Nyíregyháza as well as region, which is characteristic everywhere, is the relatively high rate of unemployment. According to the current statistics, the unemployment rate in the city is 7%. And there is a steady increase in this figure, which is mostly the result of the economic crisis. The increase in this figure is also the result of the closure of some factories in the city, like Flextronics.



Nyíregyháza | Hungary

But, the unemployment rate is only one part of the problem and threat for the city. The other part is that the number of job opportunities is decreasing, which means that Nyíregyháza is facing a growing tendency of longer-term unemployment.

And, as one of the consequences, in addition to the problems resulting from the lack of income, this growing group of long-term unemployed citizens will also face a lot of mental and health-related problems.

Maintaining and improving social cohesion is one of the most important tasks

The next challenge with respect to the local social policy and the task to create and maintain social cohesion in Nyíregyháza is related to the Roma communities in the city. The proportion of the Roma people is 8% of the entire city's residents. Most of the members of these communities live in two segregated areas, the "Huszár Estate" and the "Kéleti Estate".

The RegGov Target Area

In the Huszár Estate, 2,000 persons are living of which 95% declare themselves as Roma. A look at the demographic figures shows that almost 50% of these people are under 14 years. And, at the same time, the proportion of the elderly people is much lower than the city average.

The main objective of all programmes and projects related to the Roma-communities is the social integration of these people, because what is obvious in both areas is that the level of integration is by far not appropriate. All experience shows that the local everyday-presence in these areas is very important.

The conversion of a neighbourhood-based school into a community centre is a new chance

In the Huszár Estate, there was primary school, but it was closed at the end of 2007, because in Hungary it is not allowed anymore to run segregated schools. The building has now been converted into a community centre and certainly plays a predominant role in all future efforts to create a better future for this area and its local community.

In the Huszár Estate there are almost 300 flats, with 94% of the apartments having a bathroom or running water. Amongst the people living here, there is a lack of education and there are severe lacks of skills and professional training, so that most of them do not have a regular income from work.

At the same time, the level of criminal acts seems to increase as well as illegal work, provided from local people to local people.

Nyíregyháza | Hungary

Integrated neighbourhood development in Nyíregyháza

A new Integrated Urban Development Strategy has been approved by the municipality in 2008, designing a new approach to regenerate the deprived areas in Nyíregyháza. The main objective with regard to the Huszár Estate is the integrated development of this area. There is a need to stop further segregation.

At the same time, the increase in numbers of flats with bad conditions needs to be stopped. There is a need to improve the range of services available in the area. Local people need to be supported to become motivated and actively participate in this regeneration process while at the same time they receive help to improve their housing and living conditions.

In order to design a successful approach, it was first of all necessary to analyse the previous experiences in the area – what had been done already and what was achieved with these activities. It was equally necessary to analyse the needs in the area which was done with various analytical methods. And, of course it was important to look at the funding opportunities and the main characteristics of the human resources.

In the Huszár Estate, various redecorations and redevelopments of housing facilities of several locations have taken place. The municipality runs most of the housing facilities in this area. One of the key problems during this process was that Roma people were not involved in the process of redecorating and redeveloping the housing facilities and that the houses are not owned by them. Basically, this leads to a situation where they are not really interested and motivated in maintaining the quality. They started to deteriorate their flats.

A successful example is the step-by-step-project, which was introduced in the middle of the 1990s in the Kindergarten and later in the primary schools. The project has been supported by the Soros Foundation and was basically trying to provide targeted support for the social integration of children. Other initiatives worth mentioning are various training and employment projects. The most successful of these projects and initiatives were those where the training concentrated on skills, which could afterwards be used to provide municipal communal services, so the city could employ people and use them for providing these services. In addition, there were different social and public projects as well.

It is a positive thing that in terms of human resources a high number of services are operational and available in the area – either organised locally or available in the area but organised from the city. The services

Integrated neighbourhood development is well on the way, but needs more support

Most important progress has been made in the field of social policy

Nyíregyháza | Hungary

Many NGO's co-operate,
but so far not the private
sector

available include home-based assistance and services related to child welfare. The [Child Welfare Centre](#) provides social work in the schools, which Roma children are attending. Those are the schools to which Roma children were transferred when their school was closing in the Huszár Estate.

There are also different clubs and training courses which equally help providing support to Roma families.

The other important service provider is [Periphery Association](#) that runs different types of programmes. With regard to Huszár Estate, they offer a child programme. They provide help for the integration of the children, tackling the integration problems, uncovering their hidden skills and teaching them in terms of attitude and behaviour.

Limitations of previous approaches

The existing conditions forced to implement a stop-and-go-policy rather than structural improvements

The problem with the previous approaches was that after the termination of the programme or the project there was no more funding available for that purpose. So the projects lasted only for a short period and the local authorities were forced to run a [stop-and-go policy](#) and without being able to stabilise some essential elements of their strategy and make them structural and regular elements of local policy and service provision. There are well-developed long-term plans prepared, but at the same time the projects are mostly short-term activities.

Another problem is the absence of a strong community spirit in the Huszár Estate. There is no charismatic leader in the area who is respected and listened to by the local community. Although a lot of services are already available in the area, there are still some services, which would need to be established or offered there.

One example for such a current deficit is the need for a district nurse service operated locally, which could help families and children in the socialisation and social integration process.

The British examples are seen as a good example by the local authorities of Nyíregyháza in this area, there such services show very good results when the service provider is based in the area.

Another major weakness is that the residents of the area are [not properly motivated to get involved](#) in the improvement of their housing and living situation and to take over responsibility.

Nyíregyháza | Hungary

Expectations towards the work of this Thematic Cluster

The presentation of Nyíregyháza has shown that the city is very ambitious when it comes to a sustainable regeneration of their deprived areas and that they have made significant progress. At the same time, it has become obvious, that many obstacles remain.

The most important challenge, when it comes to the creation and maintenance of successful public-private partnerships is certainly the target group of the local RegGov-area. It is mainly Roma people who live here – and they suffer not only from severe exclusion and disadvantage, but also from a clear stigmatisation on the labour market – by the private sector.

Therefore, attracting the private sector's interest to join the efforts to improve the housing and living conditions of that target group together with the local authorities and the very professional and committed NGO's in Nyíregyháza will not be easy.

And, obviously, the very negative impact of the current economic crisis on the private sector in Nyíregyháza has not made that task easier.

Therefore, the city is in clear need of ideas and strategic support in order to achieve good public-private partnership, with a serious commitment from both sides and also with a visible gain and profit for both sides – the elementary pre-condition for lasting partnerships.

How to motivate the private sector to support activities for this stigmatised group?

Therefore, the City of Nyíregyháza would like to receive with the following questions and topics from this Thematic Cluster:

- With what kind of approaches can stigmatisation of the target group amongst private sector representatives be overcome to motivate them to join our efforts for this target group?
- Which forms can support from and partnership with the private sector could take in this task of upgrading a severely disadvantaged and excluded housing estate?
- Which contributions can the private sector play in physical regeneration as well a provision of social services and what would be the benefit for the private sector?
- How can such public-private partnerships are best organised and managed?

Conclusions & Lead Questions



8. Conclusions & Lead Questions

Conclusions from the City Presentations and Lead Questions for Next Activities

General Conclusions

The presentations from the participating cities have shown that there is a very strong interest in and need for the creation of public-private partnerships to help them cope with the pressing and difficult challenges and responsibilities they are facing every day – in a situation where their resources are very limited..

It has become clear, that such contributions from the private sector are needed in many policy fields and in the framework of numerous tasks – ranging from physical improvement and upgrading of cities and housing across social tasks and services to the economic development of cities and neighbourhoods.

It has become equally clear that the participating cities do not want private money only. They are often in desperate need of financial resources, but they expect more from a good co-operation with the private sector – also in terms of know-how and skills that could be contributed.

At the same time, it has become very clear that the worldwide economic crisis has made the task to create up a new culture of public-private partnership and co-operation in the member cities a lot more difficult. Key players from the private sector have disappeared, other are themselves in a financial crisis and are not open to take new responsibilities on board – and also the ability and potentials of cities to such public-private partnerships have been dramatically reduced.

In this situation, it will be more important than ever to make very clear right from the start the cities do not mainly want money from the private sector or put the burden of additional responsibilities on the private sector. It must be very clear that the motivation for these efforts is to create win-win-situations. To use the instrument of public-private partnerships in very difficult times to create benefits and added value for both sides – joining forces to enlarge each sector's potential for development.

So, the need and interest is very clear; but the debate has also shown, that there is a very severe lack of experiences and knowledge. As long as no practical examples are known, no variety of good practices can be used to design a city's own tailor-made approach, any efforts to create new public-private partnerships must remain very limited.

Conclusions & Lead Questions

Therefore, it has been decided that the next step in this Thematic Cluster's work must be the development of a Good Practice Reader – as a basis for local debate in each member city, trying to identify those forms and examples which look suitable for the own tasks and challenges – so that then this Thematic Cluster will be able – on an informed basis – to design its future Work Plan with regard to this topic.



Lead Questions for the next activities

The next activities to support the work of this Thematic Cluster and policy making and delivery in the participating cities need to focus on the following Lead Questions:

- How can the attention of the private sector be drawn to the particular target areas of the RegGov partners, which often suffer from stigmatisation and do not look interesting or valuable to private sector representatives in many cases?
- How can possible forms of co-operation with private sector representatives in the framework of integrated urban and neighbourhood development and regeneration be organised, especially with regard to the question what kind of steps need to be undertaken to the make such co-operation efficient, successful and sustainable?
- In which policy fields and with which tasks can private sector commitment and support be expected?
- Which methods have been developed and successfully implemented to help the relevant stakeholders in the participating cities develop a better understanding of the potentials of such public-private partnerships to motivate them to participate?
- With what kind of approaches can stigmatisation of certain target groups and areas amongst private sector representatives be overcome to motivate them to join partnerships for such target groups and areas?
- Which forms can support from and partnership with the private sector could take in this task of upgrading a severely disadvantaged and excluded housing estate?
- Which contributions can the private sector play in physical regeneration as well a provision of social services and what would be the benefit for the private sector?
- How can such public-private partnerships be best organised and managed in order to become sustainable and create a long-term platform for co-operation and joint action?

Conclusions & Lead Questions

- How can big, often: multi-national, companies be motivated to get involved in integrated strategies for urban and neighbourhood development in the cities where they operate?
- What can private sector representative contribute to efforts to activate hidden and unused potentials in ethnic economy and how can benefits for the main stream private sector be created with such approaches?
- How can public-private partnerships contribute to the efforts of cities to re-integrate excluded neighbourhoods and local communities also into the economic life of their surrounding cities and regions?

Next Step | A Good Practice Reader as basis for further work

As a next step to allow progress in this Thematic Cluster and in the participating cities with regard to their efforts to create successful and sustainable public-private partnerships, it will now need a strategic document to be provided for the members, that will take the form of a Good Practice Reader and will need to achieve the following functions:

- Suggest a general framework for such public-private partnerships for the member cities.
- Explain what key conditions for success of public-private partnerships have been identified over the past decades that member cities should try to establish.
- Explain and illustrate in what policy field and with regard to which topics public-private partnerships have been successful.
- Explain and illustrate what contributions from the private sector can be – beyond only providing financial resources.
- Explain what the added value and the benefit for the private sector can be and how that is made clear to the private sector representatives.
- Identify and explain good models to establish public-private partnerships and to manage them in a way that they become sustainable and go beyond the basis of a single project.
- And most important of all, illustrate all of this with examples of Good Practice because such examples offer the best and easiest learning potential and the transfer of elements of such good practice to each individual city and situation in the RegGov Network.

Annex

Seminar Programme

List of Participants

Imprint



Seminar Programme

Monday | 22 June 2009

9.00h: Meeting at hotel reception and departure to Kőbánya town hall

9.30h: **Working Session 1:**

Official welcome to Kőbánya

Representative of Kőbánya City Council

Introduction to the Cluster and the work programme of the seminar

David R. Froessler | RegGov Lead Expert

City Presentation 1: Södertälje

Anders Bäcklander | Community Planning Department | Deputy Director

City Presentation 2: Nijmegen

Jan Hendrik ter Scheggett | City of Nijmegen | Manager Urban Renewal

11.30h: Sightseeing Tour through Kőbánya

12.30h: Lunch in local restaurant

13.30h: Visit to the RegGov Target Area in Kőbánya

15.00h: **Working Session 2:**

City Presentation 3: Satu Mare

Andrea Angel | City of Satu Mare

City Presentation 4: Nyíregyháza

Tóthné Ildikó Csatlós | City of Nyíregyháza | Project Coordinator

17.00h: Transfer back to hotel

Seminar Programme

Tuesday | 23 June 2009

9.00h: Meeting at hotel reception and departure to Kőbánya town hall

9.30h: **Working Session 3:**

City Presentation 5: Kőbánya

Laszlo Magyar | Consultant for the district of Kőbánya

City Presentation 6: Ruda Śląska

Tomasz Rzezucha | City of Ruda Śląska

11.30h: Coffee Break

12.00h: **Working Session 4: Synthesis**

- What has worked in cooperation with the private sector?
- What has failed in cooperation with the private sector?
- What kind of contribution and input do we need from the private sector for the integrated regeneration of our deprived areas?

13.00h: Lunch Break

14.00h: **Working Session 5: Work Plan**

- Which questions do we exactly want to answer with the work of this Cluster?
- Which outputs do we want to achieve by the end of the cluster work to make it worth the time and resources invested?
- Which contribution can each partner give to the achievements of these objectives?
- Which external inputs do we need?

16.00h: End of Seminar and Departure to hotel or airport

List of Participants

List of Participants

- Andrea Angel | Satu Mare
- Anders Bäcklander | Södertälje
- Tóthné Ildikó Csatlós | Nyíregyháza
- Dóra Deme | Nyíregyháza
- Dénes Györi | Köbánya
- Robert Leiwólf | Köbánya
- Adriana Lengel | Satu Mare
- Ágnes Mozsár | Köbánya
- Peter Nagy | Nyíregyháza
- Tomasz Rzezucha | Ruda Śląska
- Csaba Szasz | Köbánya
- Hendrik Jan ter Schegget | Nijmegen

Moderation:

- David R. Froessler | urbano | Urban Research & Consultancy



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RegGov Fast Track Network

Regional Governance of Sustainable
Integrated Neighbourhood Development

Thematic Cluster 2

The involvement of private sector and community
representatives in efficient governance models for
the regeneration of deprived urban areas.

Seminar I | Köbánya | 22 & 23 June 2009

Seminar Report

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