Cities of Europe: Changing Contexts, Local Arrangements and the Challenge to Social Cohesion

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Introduction

European cities are back on the agenda of urban scholars and researchers in social sciences as a distinct topic. In the last few years scientific production has markedly increased, highlighting their distinctiveness in comparative terms. [1] This increased interest towards difference is the outcome of the scientific debate and empirical research emerged from the need to understand the transformation trends set in motion at the end of the 1970s, their impacts, and the resulting growing diversity at different territorial levels.

The deep process of spatial re-organisation which began in the aftermath of the crisis of Fordism brought about two apparently contradictory directions of change, running partly parallel and bringing about this distinctiveness to emerge. From the economic point of view, the extensive globalisation of production strategies and consumption behaviours, with multinational firms and financial markets playing a decisive role, has been paralleled by an increased localisation of production into regional economies and industrial districts with varying impacts at the local level. From the political point of view, the rise of supranational institutions and political configurations (e.g. EU, IMF, WTO,…), gaining strategic guidance in fostering the mobility of capital, goods, services and labour, has been paralleled by a transfer of regulatory authority downwards to sub-national territories, namely regions and cities.

These processes bring about a growing complexity which needs to be disentangled and this book is one of the few available contributions in that direction from the perspective of European cities. In fact, the way in which Converging trends characterised by the spread of market regulation mechanisms in a frame of increased and global economic competition have been played out are characterised by diverging impacts bringing about and increased heterogeneity at different territorial levels. This points to some distinctive elements that European cities have retained in this process, a distinctiveness which derives, according to an emerging body of literature with which I tie in, from the regulatory framework that structures the processes of social cohesion and integration taking place at the urban level. As will become evident changes do not occur in an institutional vacuum, but take full advantage of the regulatory heritage within which they are embedded.

Even though not all chapters explicitly address the distinctiveness of European cities as their main focus, their difference from other contexts -- in particular the US -- emerges as a recurrent trait. The varied and partly mitigated impact of resurging inequality and poverty linked to the spread of market relations, the new forms of governance linked to the emergence of new local actors and innovative policies are just a few examples of how change might produce new contexts for cities. Investigating these changes in western European urban societies, understanding the tensions they might give rise, their multiple dimensions, the potential patterns of social vulnerability that might emerge, the impacts on the built environment and the solutions provided are the aims of this book.

The authors address these issues providing the reader with a rich and diversified set of analytical tools and empirical evidence from comparative research to understand these processes. The book is even complemented by a highly innovative CD-Rom on visual paths through urban Europe to which all authors of the book refer to for any visual accounts given in the single chapters (see the specific section on the CD-Rom).

The chapters have been grouped into three main sections. The first section addresses the changing contexts and the link with the local dimension this process might have. The second section

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1 This paper is the introduction to the book Cities of Europe: Changing Contexts, Local Arrangements and the Challenge to Social Cohesion, forthcoming for Blackwell, Oxford 2004.
concentrates on the impact of these transformations on the built environment in European cities in particular investigating potential neighbourhood effects, segregation and gentrification. The third section deals with the governance and social cohesion issues arising and in particular the local policies against social exclusion and poverty.

The three sections are complemented by two opening chapters focussing on European cities at a more abstract and theoretical level. In particular, in order to understand and frame the distinctiveness of European cities I divided this introductory chapter into three parts. In the first part I will propose a specific explanatory path, starting from a relatively abstract level of analysis of how regulation frames work and the need to understand their institutional context. This implies bringing in also not specifically urban issues which are relevant to understand how the distinctive elements of European cities get structured. The second part shortly presents the institutional mixes characterising the European context. This discussion intersects with the ongoing debates on urban change and is not disjoint from the structure of the book, being fuelled with the arguments put forward by the different authors. These will be briefly presented in the third part where I connect them with my explanatory path. In synthesis, I will not sum up here the theories and the empirical evidence presented in the current literature and in the different chapters of this book. The literature on the topic has been extensively reported by Le Galès (2002) and the chapter by Häussermann and Haila herein reviews the conceptual framework and normative project within which ‘the European city’ as an analytical category is in general embedded. Moreover, the different chapters provide -- in most cases -- an introduction and discussion of the main contributions in the literature of the topic they are dealing with. I would have run the risk of being repetitive. Therefore, my strategy is more aimed at understanding what cuts across most chapters and what I, myself, consider crucial in understanding the characteristics of European cities.

<h1>1. The importance of considering the context</h1>

Let me start with an obvious and rather theoretical statement: context matters. Scholars from most disciplines of the social sciences increasingly underline its importance: it is not possible to understand social phenomena without embedding them in their context. But what does this really mean for the analysis of European cities? Is it enough to say that the context of European cities is different from other contexts and therefore European cities are different? Such a tautological answer only shifts the question to another -- more abstract -- level. We have, therefore, to define first what a context is, what are its dimensions, which are relevant and how they intermix. The next step is to consider the implications of different mixes. It is, in fact, those specific mixes that contribute to define differences.

Most theoretical approaches in social sciences refer -- implicitly or explicitly -- to the concept of "context" as a quite powerful tool at the very basis of their investigations. This is true for sociological thought since its foundation as a discipline: the classical dichotomy of Gemeinschaft (community) and Gesellschaft (society) is clearly a contrast of contexts, in which different dimensions interact in a relatively coherent way, providing two different sets of constraints and opportunities to actors. The concept of embeddedness, which characterises most of the debates on the working of the economy and its social foundations (from Polanyi 1944 onwards), has at its very analytical basis the crucial role of contexts. The same is true for the analysis of cities and urban governance. The concept of nested cities (Swyngendouw 2000; Hill and Fujita 2003; Hill 2004), besides highlighting the interconnectedness among cities and different territorial levels of regulation, makes explicit the need to consider cities as open systems, nested (or embedded) in a wider context of social, institutional and economic relations (see also DiGaetano and Strom 2003). But what is a context? Generally, it can be defined as a set of alternatives made of constraints and enablements, within which individual (or collective) actors can and/or have to choose. In this sense, a context implies a classification exercise which allows actors to define events as constraining or enabling, to posit meanings and to act strategically. This quite abstract and loose definition is
scalable in different directions: different levels of abstraction can be contexts to one another; the same is true for different territorial levels and time scales. The nation-state and regions are contexts for the city, just as the past is a context for the present.

The concept was used for the first time by Bateson (1972), who was interested in understanding how learning processes take place and work at different levels of abstraction. Actors learn, but they also learn to learn, i.e. they acquire frames through which they interpret the world, consolidating routines and structuring Weltanschauungen (world views). From this perspective actors acquire -- interacting with the context -- both the cognitive frameworks to refer to and the routines which point to a shared understanding of reality.

Sociologists usually investigate these processes in order to understand how the social bond is produced and reproduced in the tension between agency and structure. From their disciplinary point of view, contexts are usually considered the structural dimension of social life. This identification, however, is not so clear cut, because contexts entail founding relational characteristics in which agency and structure are contexts for one another. For this reason, after the 1970s sociologists increasingly focused on the process of structuration (Giddens 1984; Archer 1995, 2003). This entailed the recognition that social (cultural, economic, political, etc.) constraints have the power to impede or to facilitate different kinds of projects expressed by agents and, at the same time, that agency -- through human reflexive abilities in interacting strategically with constraints -- influences structural settings and mitigates their impact in a dialectical process that puts the two in relation with one another.[2] As we will see these two dimensions acquire specific features in Europe.

At the intersection of macro-social constraining structural contexts and the micro-social foundations of agency we find institutions, which play a crucial and mediating role. On the one hand they provide specific contexts and on the other they reflect the results of the institutionalisation process of actors’ action. They incorporate structural features reaffirmed through recursive praxis (Giddens 1984) but at the same time, they express a genuine structural constraint, external to the individual (or collective) actor, defining the space for free action (Archer 1985; 2003).

<h2>1.1 Institutions as contexts</h2>

The crucial and mediating role of institutions has been underlined in most of the chapters included in this book as a strategic starting point for understanding cities and their emergent role. It is, in fact, at this level that we should begin asking about the distinctiveness of different urban settings, including the question of why European cities are different from other cities. The answer is again banal: European cities are different, because they are embedded in different institutional arrangements, providing specific contexts to actors, characterised by a specific mix of constraints and enablements, and structuring specific Weltanschauungen. But, how and which institutions are structuring specific contextual mixes? In what ways do they differ in Europe? These are difficult questions, which need some preliminary definition of what an institution is. [3]

In the sociological tradition some founding differences can be traced back to Durkheim and Weber. In his classical work De la Division du Travail Social, Durkheim used the legal system as a proxy for the existing forms of solidarity, assuming that it institutionalises the social bond holding society together (1893: 24-5). In doing so, he addressed the underlying collective normative framework institutionalised in the legal system, highlighting its constraints on human action. This concern also characterised Weber’s analysis, even though he was more interested in understanding the ways in which cultural rules define social structures and govern social behaviour, influencing the meaning actors give to their actions. His more actor-centred perspective aimed at developing an interpretative understanding of social action in order to arrive at a causal explanation of its course and effects (1922/1972: 1). Here, he pioneered a context-bound rationality approach, maintaining
that rationality and choice must be understood within the context of the institutional framework of a
given society and historical epoch (Nee 1998: 6).

The divide between the two classics[4] is reflected in the shifting focus of new
institutionalism.[5] Despite the fact that there is no consensus on all characteristics of new-
institutionalism, it is possible to synthesise the difference between the old and the new in the higher
degree of autonomy credited to the individual actor and to the role of culture. Actors are supposed
not only to interiorise social norms during their primary socialisation process, but they are also
considered more proactive in the construction of their cognitive framework of reference and their
institutions.

Considering the different existing theoretical positions, Scott provided an omnibus definition
of institutions as “cognitive, normative and regulative structures and activities that provide stability
and meaning to social behaviour” (1995: 33). The implications of these characteristics -- which are
strictly interwoven with one another and are separated only analytically -- are that institutions
provide a structured context for action. On the one hand, their constraints (normative, cognitive and
regulative) limit and modify the free play of interactions; on the other they provide resources for
actions to take place. In other words, they define through complex social interactions borders, i.e. in-out
relations. From the normative, cognitive and regulative points of view, defining borders
implies defining identities and differences, as well as the related processes of social inclusion and
exclusion, i.e. processes of social closure (Weber 1972). In this sense, institutions are the result of
power relations which got institutionalised, i.e. they reflect the outcome of conflicts and struggles
which are resulting from agency taking place within a frame of specific power asymmetries. These
are translated into regulations and define the roles of actors, who is in and who is out and -- more
particularly -- also who gets what, when, for how long in the redistributive process (Korpi 2001).

<h2>1.2 The path dependent character of institutions</h2>

The above-outlined characteristics last over time because institutions are considered by most
scholars to be path dependent, i.e. they constrain choice to a limited range of possible alternatives,
reducing the probability of path changes and presenting an evolutionary tendency, given the
acquired routines. Agency takes place within a given context and path dependency is one of the
most likely (but not the only) results of the interaction between the two, which brings about relative
stability. There are many reasons why this is the case. For example, the reproduction of the
institutional context occurs through recursive reflexive action. This implies, from the cognitive
point of view, inevitable learning effects. Routines, taken-for-granted and practices tend to
consolidate the existing institutional settings. Moreover, the regulative nature of institutions, by
establishing more (through the state) or fewer (through communitarian arrangements) formal rules,
contributes to the formation of mutual expectations -- “a system of nested rules, which are
increasingly costly to change” (Goodin 1996: 23) -- and produces a self-reinforcing effect over
time. Both examples show that the stabilisation process works through the crucial mechanism of
“increasing returns”, i.e. positive feedbacks, which encourage actors to focus on a single alternative
and to continue on a particular path once initial steps are taken (Pierson 2000b). At the very basis of
all this lies the law of parsimony, which consists precisely in not re-examining the premises of
habits, routines and rules every time they are used (Bateson 1972: 276). This tendency should not
bring us to conceive of institutions as uniquely targeted to maintain stability. The other side of the
coin is, in fact, that institutions are not only constraining but also enabling contexts. Being at the
intersection between path dependent structural inertia (North 1990) and path-shaping activities,
institutions provide a theoretical and empirical bridge between macro-social trends and micro-social
foundations. As Jessop and Nielsen put it, “institutions always need to be re-interpreted and re-
negotiated, they can never fully determine action; but nor do they permit any action whatsoever so
that life is no more than the product of purely wilful contingency” (2003: 4; see also Berger and
This implies that the path-dependent character of institutions has to do with the interplay of agency and structure, their different temporal frame of reference and the evident *long durée* of the latter. This interpretation implies that paths might be changed, but connects this possibility to the given contextual opportunities.

<h2>1.3 Institutional mixes and regulation</h2>

All the chapters in this book implicitly or explicitly underline the importance of contexts and institutions: living in a European city is quite different from living in a North American city, just considering the western industrialised world. And even in Europe, living in a Scandinavian city is different from living in a South European city (see the chapter by Garcia). Where do the differences lie? Most chapters here agree in saying that they lie in the peculiar mix of institutions regulating social interaction in the different European states and cities (e.g. see both Mingione and Kesteloot herein) and in the differences between them and the other industrialised countries. But how does the issue of difference become concrete and empirically investigable? A favourite starting point has been the analysis of the regulative framework that institutions provide (Lange and Regini 1989: 13). In particular, the fact that they are (a) coordinating the relationship between different actors; (b) regulating the allocation of resources; and (c) structuring conflicts. These intrinsic structural qualities of institutions in mediating agency and structures have influenced the building typologies exercise, which most social scientists use for reducing social complexities and explaining differences in comparative work. The advantage of this perspective is to consider laws as a crucial starting point, but to go beyond the formal settings and to include also the practices different actors put forward, and the struggles implicit in the political process.

At least since Polanyi (1968, 1977), it has become quite popular in scientific debate to identify the *family* (*community*), the *state* and the *market* as the relevant institutions to be considered in analysing the different types and mixes. The literature on the issue is constantly growing in a quite articulated way. Some scholars added also *associations* or organised social interests (Streeck and Schmitter 1985) as a further relevant institution working through specific mechanisms of regulation. Others stick to the dualism between *Gemeinschaft* and *Gesellschaft* outlined by classical thinkers like Weber and Durkheim (e.g. Mingione 1991). We will shortly discuss some of the typologies and the *classification exercise* later on. Here it is enough to say that these institutions regulate social interaction through their specific cognitive frameworks, the norms they put forward and the rules and resources they mobilise. In short, these institutions define -- through their own specific principles of reference -- specific modes of coordination and regulation, addressing what Polanyi defined as *mechanisms of socio-economic integration*. The *integrative effect* emerges -- according to Polanyi’s holistic view of society -- out of the economic process which consolidates, through specific movements of goods, the interdependence of individuals within institutionalised social relations. Within this frame, economic relations are considered to be both a means of fostering and consolidating social integration and the expression of wider social relations (Polanyi 1977). This implies not only defining specific contexts of constraints and enablements, but also the patterns through which social order is produced, and the crucial mediating role institutions play in putting agencies and structures in relation to one another.

Family, state and market and the underlying principles of regulation have been widely used to construct typologies aimed at simplifying the complexity of society and explaining, at least descriptively, differences. The prominence of one regulating institution produces an idealtypical configuration which -- according to the different disciplines and models -- helps to analytically investigate specific social systems of production (e.g. Hollingsworth and Boyer 1997; Crouch et al. 2001), particular welfare regimes (e.g. Esping-Andersen 1990, 1999; Mingione 1991; Gallie and Paugam 2000) and certain modes of governance (e.g. Jessop 2002; Le Galès 2002; DiGaetano and Strom 2003). Unfortunately, the complementarities between these approaches have been rarely investigated (for some exceptions see Ebbinghaus and Manow 2001; Huber and Stephens 2001;
Hall and Soskice 2001). What all approaches share is the relevance of the systematic interconnectedness and complementarity among the different institutions and their organisational characteristics, which mutually adjusted over long periods of time. Referring to Gramsci’s (1949) concept of hegemony and to the Regulation School (Aglietta 1979; Boyer 1986), the terms “regime” and “system” have often been used to underline precisely this aspect. How the interconnectedness is achieved and the way it gave rise to varieties of capitalism is, nevertheless, a matter of how agency and structure interacted, i.e. how they structured one another over time -- through conflicts and struggle -- bringing about specific historical paths of change.

2. The prominence of the political and the European context

Within the picture outlined above the state has a particular position. The command over resources and the capacity to enforce its regulation frame puts the state at a different level of abstraction compared to the other institutions. The state, in fact, is not just one of the sources of regulation, but the regulative institution, which defines the role of the other institutions through its ability to impose decisions which concern the whole society or parts of it. As Hollingsworth and Boyer maintain: “it is the state that sanctions and regulates the various non-state coordinating mechanisms, that defines and enforces property rights, and that manipulates fiscal and monetary policy” (1997: 13). In so doing, the state establishes the prominence of the political by linking the different institutions through its policies, which explicitly (through rights and duties, resources redistribution, and so on) or implicitly (without intervening in or regulating specific issues, e.g.) define the social responsibilities of the other institutions, their obligations and constraints on one side and the rewards and opportunities on the other. From this point of view, political power has an intrinsic paramountcy (Poggi 1991). This does not mean that the other institutions are irrelevant; on the contrary, but their “jurisdiction” has to be defined in relation to that of the state which regulates their functioning.

This was not always the case. The state emerged as a regulatory institution in Europe in the sixteenth century (Tilly 1975; Rokkan 1999), but its effectiveness increased only after the French and the industrial revolutions, when it extended its supremacy in regulatory terms over most other institutions through the rule of law. This increased role of the legal dimension of political processes defined rights and duties as the outcome of the institutionalisation of political choices and struggle (Poggi 1991). Underlying this crucial historical shift was the fact that the state became the means through which political rights were defined and the participation of the population regulated (Tilly 1975). This situation further consolidated after the two World Wars, when the development of national compulsory insurance schemes and the removal of rigid guild systems and corporatist protections, most often organised at the local level, established new spaces for social membership (Marshall 1950; Alber 1982). Economic growth fuelled the nation-state with resources to be redistributed through welfare provisions and services.

Underlining the importance of the state and the political already defines the frame I will mainly refer to for understanding the context of European Cities. But the political is not separated from social reality. Despite important intra-European differences, to which we will came back, we can identify, along with Kaelble (1987), Therborn (1995) and Crouch (1999), some broader commonalities characterising (West-)European countries at the eve of the nineteenth century. Here I will just mention some, which distinguish them from other industrializing countries at that time, most prominently the US.

European countries had a relatively low degree of religious diversity with just one (catholic) or two (catholic and protestant) dominant institutionalised Christian churches. Other religious diversities were limited to small and marginal groups (Crouch 1999). The religious cleavages have been linked for a long time with parties, influencing the policy-making process in specific directions (Alber 1982; Rokkan 1999; Huber and Stephens 2001). These cleavages were not
given in the US, where the existing complexities, also in terms of ethnicity, brought about a bipartitism which was completely detached from religious values.

In European countries some family structures, like single young adults and nuclear families, were overrepresented and, comparatively, later marriages characterised their reproductive strategies. These characteristics were present elsewhere, but not altogether and at the same time. According to Kaelble (1987: 14-23), this had three major implications. Firstly, the development of social policies, which were needed to backup the nuclear families’ weak sheltering capacities in the industrialisation phase. Only South European countries followed a different path: stronger primary social networks have been accompanied on the whole by weaker states and other redistributive means. Secondly, late marriages contributed to the availability of a considerable and potentially mobile workforce. Thirdly, the presence of single young adults might have had political consequences in the participation in mass political movements during the extension of voting rights. Even though it is not possible to speak about a unique European family model for the time being, it is nonetheless possible to differentiate it from the US in which the transformation processes have not been accompanied by the development of social policies.

European societies were characterised by widespread industrialisation and a significant share of industrial employment, which favoured class consciousness, cleavage and conflict. Nowhere else did industrial employment become as large a part of the economically active population as in Europe (Therborn 1995). This brought about a high level of class stratification with relatively low inter-class social mobility but, at the same time, also created greater political mobilisation opportunities for the lower socio-economic classes which brought about a more equal redistribution of resources and the development of the welfare state.

European societies since the Middle Ages developed a dense network of medium-sized cities (Hohenberg and Lees 1996), which had some important common traits, summarised by Bagnasco and Le Galès (2000) and Le Galès (2002). First, their morphology and history. European cities developed in most cases between the tenth and the fourteenth century, predominantly around a central place where political power and citizenry had their symbols. This picture contrasts quite sharply with the grid structure of North American cities, their central business districts and the tendency towards suburbanisation. Second, European cities have political and social structures which are embedded in relatively generous and still structuring nation-states. This implies, given the higher public expenditures, a relatively high share of employees in the public sector, who make the city’s economy -- in contrast to US cities -- less dependent on market forces. Also, the low geographical mobility helps to stabilise urban contexts, favouring the development of collective actors. Third, European cities present public services and infrastructures which are strongly related to the regulative capacity and planning traditions of the respective nation-states. There are, of course, important differences among countries and cities (and this book reports some of them); nevertheless, they mitigate tendencies to segregation and poverty, which are quite widespread in the US.

These characteristics are historically interconnected. European cities, for instance, played an important role in the development of the nation-state itself (Tilly 1975; Rokkan 1999; Le Galès 2002). Cities were political and cultural laboratories of participation and government. The specific administrative tools and techniques developed at the urban level -- from town planning to differentiated functional roles and tax collection -- were crucial to the rising nation-states, which extended their remit to the whole of society, promoting new mechanisms for regulating associative life.

In his analysis of power carried out within Wirtschaft und Gesellschaft, Weber devoted one chapter to the city (1972: 727-814), underlining precisely the importance of this aspect. He considered the way in which the political deliberative processes were organised to be a crucial analytical dimension for understanding differences. Comparatively, he highlighted the peculiarity of the medieval European city, where the Bürger’s membership was based on his individual
Involvement in the regulation of social matters as a citizen and bearer of rights and duties, subject to common legislation (see also Häussermann and Haila herein). This was considered by Weber to be quite revolutionary for that time, because it contributed in the long run to free the individual from communitarian and ascribed bonds and to set in motion a deep process of change, giving rise to the building of the nation-state on the one hand and to the development of capitalism on the other. Once these processes were completed -- in Europe it was with the unification of Italy (1860) and Germany (1871) -- state domination became the strongest organising principle of the European urban system. Cities lost their autonomy and became agents of the state as local and regional bases for putting national policies into practice and for legitimizing the forms of territorial management defined by the State (Le Galès 2002: 76).

<h2>2.1 Institutional configurations and welfare regimes as structuring contexts</h2>

All the distinctive elements briefly outlined above are related to the specific role institutional configurations have in addressing and structuring social life. How do scholars deal with these differences? We mentioned previously the use of typologies as a heuristic device. A first distinction is provided by comparative political economy approaches which, addressing social systems of production, consider European countries -- with the partial exception now of the UK and Ireland -- as coordinated market economies and contrast them with uncoordinated ones, like the US. This approach provides a systemic view of how institutions and economic systems interact and considers institutions not only as a constraint on actor’s (firms) behaviour, but also as an opportunity to increase competitive advantages through the provision of collective public goods (Fligstein 1996; Hall and Soskice 2001: 31; Le Galès and Voelzkow 2001). This implies, for instance, that educational policies are important to attain a skilled labour force, and that social policies are important in managing social risks. They stabilise consumption and deter social tensions from degenerating. But where do the differences lie? They do not lie in the economic performance of the two models, as neoliberal rhetoric would suggest. In fact, as Hall and Soskice (2001) maintained, both liberal and coordinated market economies were able to provide satisfactory levels of economic performance and competitiveness. The World Economic Forum (2004), by ranking Finland, Denmark and Sweden among the top five most competitive countries in the world, contradicts neoliberal assumptions about the negative role of the state on competitiveness. These countries are, in fact, also the highest welfare spenders. Differences lie more in the explicit and important role of institutional arrangements in shaping -- through their complementarities -- the two social systems of production. These arrangements bring about relatively coherent outcomes (e.g. in terms of social protection, labour market structure, financial markets, etc.) and reinforce the differences between the two kinds of political economy. However, despite the revitalisation of the convergence hypothesis (for the debate see Berger and Dore 1996; Crouch and Streeck 1997) coordinated market economies show that a considerable diversity in national responses to exogenous (e.g. global competitiveness and trade liberalisation) and endogenous (e.g. demographic structure, institutional inertia) pressures still prevails. The debate on welfare regimes provides insightful elements to understand these differences. The term coordinated market societies is, in fact, too vague. What becomes crucial is how they are coordinated, besides the institutions targeted directly at regulating market forces.

The important work by Esping-Andersen (1990, 1999) takes us a step further. Esping-Andersen uses the prominence of one regulative dimension as the main criteria to identify specific welfare regimes. The market, the family and the state intermix in a peculiar way, giving rise to the three worlds of welfare capitalism: the liberal, the conservative and the social-democratic regime. The three regimes are characterised by different relations of dependence/independence from the market[8] in relation to meeting one’s own needs, and by specific outcomes in terms of social stratification and inequality. In the liberal regime market-dependency is the greatest and inequality the highest (Fürster 2000). In the conservative regime we have an intermediate level of market-
dependency, related to position in the labour market, with a tendency to maintain the status quo. Finally, in the social democratic regime market-dependency is the lowest and redistribution the highest.

Esping-Andersens’ model is well known and much debated,[9] so we don’t need to go deeper into it here. Its advantages lie in the plausible simplification it operates, which can be considered a good starting point to systematically address the intra-European differences among coordinated market economies. In order to give an adequate picture of these differences, however, several scholars criticised Esping-Andersen’s typology and made a plea for grouping the specificities of South European countries into a specific regime (e.g. Mingione 1991; Leibfried 1992; Ferrera 1996 and 1998; Gallie and Paugam 2000). The importance of clientelism, segmented labour markets, locally fragmented social assistance schemes and unsupported family responsibilities, in fact, underline the important differences between these countries and those of the conservative regime. For more details see Mingione’s and Morlicchio’s chapters herein, which address the specificities, opportunities and threats of this particular regime, under particular stress due to the ongoing changes.

Table 1 provides a series of important indicators to understand the main characteristics of the four welfare regimes of social Europe resulting from this typological readjustment. We clearly see that data confirm to a large extent the clustering of the four models, their relative internal coherence and the different role played by the peculiar mixes of institutional arrangements[10]. Just a few examples will make this more concrete.

Within the conservative regime the family is considered to play a major role (Esping-Andersen 1999). This role is socially recognised and supported by the state through active subsidiarity (Garcia and Kazepov 2002), which implies family allowances and services only slightly less generous than in the social-democratic regime. Women balance caring activities with an EU average activity rate and there are slightly fewer children born out of wedlock than in the EU average. In general, reciprocity relations are backed-up by state intervention, and even though market dependence is higher than in the social-democratic regime, it is definitely lower than in the liberal and the familistic regimes. If a person becomes unemployed there is an unemployment benefit which replaces wages by about 60% for a minimum of six months up to two and a half years, according to age and length of paid contributions. After this period of time people can claim unemployment assistance or, most probably, social assistance as long as the condition of need persists. Replacement income rates are lower, but benefits allow individuals and families to be just above the poverty line (Kazepov and Sabatinelli 2001). Labour activation policies (training, requalification, job insertion) accompany passive policies.

All these indicators point to an institutional context in which the state and the family provide, through a specific mix of redistributive and reciprocity relations, a set of resources aimed at protecting families from social risks. Poverty is kept at relatively low levels and the relation to the market is mediated through the provision of public goods that bring about relatively competitive coordinated market economies.

South European countries of the familistic regime, despite some commonalities with the conservative regime, present quite a different picture. Passive subsidiarity characterises the way in which the state supports the family. Family allowances are very low, in-kind services rare and locally fragmented. Women’s activity rates are much lower than the EU average (Schmid and Gazier 2002), as are divorce rates and children born out of wedlock. Protection is (was, if we consider the recent reform trends) provided more than anywhere else through the male breadwinner. Relatively low unemployment rates for male adults, but high ones for youth and women point in this direction. The same is true for the high share of public expenditure absorbed by pensions vis-à-vis other social protection policies, which are left aside. Unemployment benefits are much lower
than in other regimes (40% of the last net income for six to a maximum of nine months) and other income-maintenance schemes aimed at the unemployed provide a fragmented landscape of access criteria and benefits which protect only selected categories. Social assistance schemes are in most cases local and intervene only residually. As we will see in Mingione’s and Morlicchio’s chapters, within this frame families get overloaded with social and caring responsibilities and are not able to redistribute resources except within the family itself. This brings about an unequal distribution of income (i.e. a relatively high value of the Gini index) and also a drop in fertility rates. Having children becomes extremely costly (De Sandre et al. 1999). There are, of course, exceptions, which are located in economically and institutionally more dynamic regions of Southern Europe (e.g. the Basque Country in Spain, some north-eastern regions in Italy), but they confirm the overall problematic situation.

The typology briefly outlined in this section considers the nation-state as the main organising territorial unit in the type-building exercise of welfare regimes. The same is also true of the coordinated market economies, which operate mainly through institutional settings defined at the national level. This prominent position of the nation-state has been widely challenged in the last thirty years, bringing about processes of rescaling and redesign. Does this mean that we are looking through the wrong lenses, if we focus on nation states to understand European cities? In the following sections I will try to show how the national frame of reference is still important and that the growing importance of cities (and regions) has to be considered through this perspective. In particular, I will proceed on two parallel tracks. On one side I will pursue my main argument about the distinctiveness of European cities rooted in the political dimension and the role of the welfare state; on the other side I will present some of the main arguments put forward by the authors of the chapters collected in the three sections of this book as examples of this line of thought.

Undoubtedly, nation-states are changing. The issue is much debated in the literature on welfare capitalism and globalisation[11] as well as among urban scholars.[12] Changes are emerging out of specific endogenous and exogenous pressures that the nation-state has to face. These pressures have had various sources since the virtuous synergies of the post-war welfare capitalist economies, which fed the expansion of public expenditure, were interrupted in the 1970s. Economic restructuring, technical innovation and shifts between sectors brought about deep changes in employment and working conditions: relatively stable jobs in the manufacturing sector declined and flexible forms of employment in the service sector increased together with an increase in women’s activity rates. Demographic changes, like the aging of the population or the weakening of families’ sheltering capacities, brought about increasing welfare demands for pensions and care services (Gullenstad and Segalen 1997). As Mingione notes in his chapter, the instability emerging from these changes in the market and the family, spilled over into the protection capacities of the welfare state, giving rise to its fiscal crisis and that of its crisis management mechanisms (Offe 1984). This brought about a deep process of institutional redesign and rescaling, which Mingione sketches in relation to its diversified spatial impact in the different welfare regimes. In particular, he focuses on the consequences for the familistic regime, providing a picture within which the emerging patterns are, together with the liberal regime, the most fragmented and diversified. On one hand, local institutions and family networks foster flexible and innovative competitiveness in self-employment or in small and medium-sized enterprises like in the Third Italy or Cataluña (Bagnasco 1977; Piore and Sabel 1984). On the other hand, cities and regions with chronically high rates of unemployment and poverty remain locked in their situation, like in the Italian Mezzogiorno. The reasons for these differences are complex and both historically and institutionally rooted. The problems lie in the fact that the changing socio-economic and demographic contexts seem to exacerbate pre-existing differences. Cities and regions tend to polarize according to their ability to lessen the burden of caring responsibilities and to make strategic use of local social capital in addressing flexible and
economically innovative arrangements. Within this picture, the nation-state plays an important role. It provides only selectively the local economies with competitive public goods and it has difficulty keeping the divergent trends under control, because it is no longer able to guarantee its redistributive functions. Institutionally, the reliance on the family bears the risk of reproducing inequalities if the family’s role is not backed up by state intervention. Resources are pooled just within the smaller *Gemeinschaft*. In other welfare regimes -- including the liberal one, even though at a lower level -- these protective functions, despite the increasing diversity, are still provided by the nation-state. There, the tensions generated by the changing contexts are kept under control through new forms of governance based on innovative mixes between passive national and active local policies.

It is within this frame that we should view the scenario presented and the trends highlighted by Martinotti, Sennett and Kesteloot in their respective chapters of the first section of the book on changing contexts. The existing regulative settings, in fact, also influence the way in which the changing morphology of cities and the resulting urbanisation patterns are filtered into concrete socio-spatial configurations.

The outlined changes make cities more complex, and to understand this complexity we have to refine our analytical tools. Martinotti proposes to focus on how different populations, with different interests, cut across traditional class cleavages and make regulation much more complicated. Most of the social problems contemporary metropolitan societies experience are related to the way in which potential conflicts among inhabitants, commuters, city users and metropolitan businesspeople are played out and get structured historically. Despite certain degrees of convergence with US cities, however, less market-oriented local governance arrangements, embedded in more binding regulation systems and urban planning, provide European cities with a higher degree of control over the tensions these different interests might bring about. These tensions are related to the ways in which the consequences of economic globalisation and neoliberal adjustment are dealt with and, in particular, with the underlying spread of flexibility and vulnerability (Castel 2000). Sennett, in his chapter, addresses the implications of this trend on the social virtues of urban life: sociability and subjectivity. In particular, he maintains that just as flexible production brings about more short-term relations at work, it creates a regime of superficial and disengaged relations in the city, weakening the social bond. This is true, in general, but it should not be forgotten that it is also crucial how flexibility is dealt with in institutional terms. Sennett does not develop on that, but he warns us of the intrinsic risks institutions have to face. Flexibility, in fact, undermines citizenship practices which have to recompose increasingly fragmented interests. In this sense, we can surely affirm that the way in which flexibilisation impacts on individuals’ interaction patterns and feelings of insecurity depends also on the ways in which it has been institutionalised in different welfare regimes. Being a protected *flexiworker* in a system which bridges conditions of work instability through extensive and generous coverage, rather than a precarious worker left alone within unstable market relations, makes an important difference (see Table 1 for some relevant data supporting this argument).

Kesteloot, in his chapter, takes up Sennett’s warning and deploys it in relation to the socio-spatial configurations of European cities. Using a geological metaphor combined with an adapted regulationist approach, he shows how different types of residential environments are associated with the organisation of the economy, the conditions of class struggle, the types of housing and the material and institutional modes of organisation for collective consumption existing at the time they were built. These spatial patterns overlay and combine with the patterns produced in previous periods in a complex and historically-rooted mosaic, which varies across cities, regions and countries. This results -- according to Kesteloot -- from the specific balance of power between employers and workers existing in the different accumulation regimes. As we have seen, however, this relation is strongly mediated by state policies, which influence levels, security and replacement rates in case of market failure. Consequently, production, consumption and housing patterns are moulded according to the ways in which taxation and social security contributions are redistributed
through services and provisions. Our claim is that this produces different socio-spatial configurations in different welfare regimes. The neoliberal turn and the emergence of a flexible accumulation regime after the 1970s challenges the forms of mediation and negotiation which were institutionalised in the post-war period, and tends to polarise the possible directions of change (see also Jessop 2002). Kesteloot suggests two options. The first points towards a *repressive city*, where fear and insecurity develop into spatial displacement and concentrations of less privileged social groups. The second points towards a *negotiated city*, in which new forms of governance institutionalise the legitimacy of different populations to participate in the co-definition of socially relevant goals and how to attain them.

<h2>3.1 Rescaling and redesigning welfare</h2>

One of the consequences of the above-mentioned changes is that the local dimension is becoming more important in regulatory terms. This can occur in different ways. On the one hand, the state can decentralise some of its functions to lower levels of government, reforming the existing system. On the other hand there might be an *implicit* decentralisation resulting from a shift in the relevance of different policies, operating one at the national and the other at the local level. The two ways usually co-evolve and feed reciprocally. Let me give an example that shows how the two relate to one another. I will mainly refer to social assistance schemes and how they have changed in the last 15-20 years.[13]

The causal sequence of events is well known: the rise in unemployment in the late 1970s, triggered by deindustrialisation and economic restructuring, brought about the spread of long-term unemployment by the mid-1980s. Unemployment benefits are based on contributions and regulated at the national level in most European countries. They aim at providing benefits up to a certain period of time. After that period, unemployed people who are unable to re-enter the labour market shift to unemployment assistance or, most probably, to social assistance schemes. The latter are regulated mainly at the local level (e.g. in terms of funding and accompanying measures) and operate on the basis of the means test (see Figure 0.1. on the CD-Rom). The increased number of unemployed claiming social assistance exerted growing financial pressure on cities, which stirred the debate on welfare *dependency* and how to hinder it, highlighting mainly the potential poverty and unemployment traps (Dean and Taylor-Gooby 1992) that passive social assistance measures bear.

This paved the way for deep reforms of most of the social assistance schemes in Europe. *Not being passive anymore* become the new slogan from Scandinavian cities to the Southern European ones, heading towards what Jessop called the ‘Schumpeterian Workfare Postnational Regime’ (2002). Activation has become the magic word for finding a solution to dependency and attaining, at the same time, two goals:

1. **Getting people off-the-payrolls**, thereby cutting public expenditure on social assistance and unemployment measures and reducing the social costs of poverty and unemployment;
2. **Empowering the people** out of work by improving their life conditions and increasing their opportunities through wide social support provided by *ad hoc* designed accompanying measures.

Despite the fact that the tools developed for the attainment of these goals are relatively similar (providing subsidized jobs, training, re-qualification, etc.), European welfare regimes differ in relation to conditionality, compulsion, generosity and to the local fragmentation these policies give rise to.[14] The emerging differences cluster relatively coherently around the four welfare regimes which characterise Europe’s social model. The stronger accent on compulsory activation and conditionality is to be found in the *liberal regime*, even though all other also regimes introduced it. The *social-democratic regime* fosters more empowering policies, while the *conservative (corporative) regime* balances obligation and empowerment. The *familistic regime* is the most problematic one because, despite the path breaking reforms of the second half of the 1990s
introducing RMI-like schemes (e.g. in Spain, Portugal and partly Italy), their implementation still
reproduces in most cases past arrangements. The latter regime is also the one in which spatial
differentiation is the highest in Europe (see also Mingione et al. 2002).

These trends are not just occurring within social assistance schemes. They reflect a more
general shift towards local regulation, which took place in social policies throughout the 1990s
(OECD 2003). In general, this regulatory shift addresses mainly in-kind services, public
employment services, local partnerships, activation and accompanying measures rather than the
definition of thresholds and the level of benefits. These are still defined at the national level. And
even where they are defined at the local/regional level, as in Germany for instance, the variation is
negligible. This holds true in all European welfare regimes, with some limitations in the familistic
one where, on the contrary, the differences existing in access criteria and welfare provisions are not
able to compensate existing differences in the other spheres of regulation, ending up institutionally
reproducing and reinforcing the existing conditions of inclusion and exclusion.

<h2>3.2 The spatial impact of ongoing transformation processes</h2>

The implications of the increasing differentiation in local welfare state services and practices are
highlighted by Alan Murie in his chapter. Their role in addressing the social consequences of the
changes described above is becoming more and more important, because they are structuring the
ways in which vulnerability and poverty are becoming concrete in cities and neighbourhoods. The
processes of social exclusion are, in fact, increasingly triggered by differential access to
participation, redistribution and rights, which are also shaped by local practices (see also Mingione
1996). Where you live makes a difference, and the rescaling process that welfare regimes are
undergoing increasingly constrains and enables individual and families’ agency according to the
qualities of decommodified services they can have access to at the local level.

This implies, as all the chapters in the second part of this book highlight, that the patterns of
social stratification emerging in European cities increasingly incorporate space as an important
dimension in the structuring process of social exclusion and inclusion.

Musterd and Ostendorf, for instance, investigate in their chapter the role of space in relation
to segregation in cities. In particular, they address the possible neighbourhood effects of spatial
concentration of social disadvantage. The assumption in the literature is that the changing socio-
economic and demographic contexts tend to increase inequality. Increasing socio-economic
inequality is assumed to activate processes of spatial segregation, which negatively influence
opportunities for social mobility, particularly in socially and economically weak neighbourhoods
(Wilson 1987; for a review, see also Burgers and Musterd 2002). Inhabitants of these
neighbourhoods end up trapped in their condition of disadvantage. This question has been much
debated in the North-American literature. The evidence from comparative research shows that in
European cities the impact of ongoing transformation processes does not automatically translate
into high levels of segregation (Musterd and Ostendorf 1998). European cities have only moderate
levels of segregation compared to US cities. Even in neighbourhoods, which concentrate social and
economic conditions of disadvantage, people can easily “get in touch with the other” and
experience socially mixed environments. The role of social policies in this process -- in particular
welfare transfers coupled with targeted area-based projects -- is considered to be particularly
relevant in reducing segregation and neutralising the neighbourhood effect for the poor and socially
excluded. Institutions (including the family and reciprocity networks) mediate the consequences of
the changing contexts and mitigate their impact on people’s living conditions. The authors report
empirical evidence for Dutch cities. Similar outcomes characterise European cities in general, even
though differences can be found in relation to the characteristics of the welfare regimes within
which cities are embedded. These differences are also confirmed when we consider the housing
conditions of immigrants, who are in general one of the most vulnerable part of the population with
higher levels of segregation than nationals. In order to understand these differences, Van Kempen
makes a plea for a comprehensive approach in which the state plays an important role and interacts in a specific way with other dimensions (income, demographic structure, choice, and so on). Concrete housing conditions result from the interrelation between all these dimensions. Van Kempen shows that, despite the migrants-nationals divide in segregation levels, social housing supply and local welfare practices provide European cities with resources to reduce the levels of segregation, much more so than is the case in US cities. Marcuse follows the same line of reasoning, maintaining that social divisions within cities depend upon state action which “can ameliorate the extremes of inequality in income, in the first instance, and it can directly control the spatial patterns produced by [economic changes], in the second. State action in fact makes the critical difference between European cities and cities in the United States today” (in Marcuse and Van Kempen 2002: 29). The situation, however, is not homogeneous in Europe, and the ongoing rescaling processes can bring about an increased differentiation at the local level with liberal and familialistic regimes being the most diversified.

The different role of the state in regulating access to housing influences the way in which gentrification processes take place and social mix is encouraged. Simon, in his chapter, shows how the pace and intensity of gentrification depend upon the flexibility of the housing market. European cities are, from this point of view, particularly resilient compared to US cities. The prominent role of home ownership, of public investors and relatively low residential mobility limit de facto the negative effects of gentrification processes and sharp divisions. Public intervention in the renovation process and public urban planning in general tend to minimise the effects of the rent-gap and to promote social mixing. Another limitation comes from local communities. In order to understand the processes at stake, Simon analyses the case of Belleville in Paris. In particular, he addresses the implications of gentrification for the structuring of social integration and social mixing as part of a wider process of urban renewal in which different actors with different interests participate. In this sense, he is interested in showing how the encounter of different populations within the neighbourhood changes the patterns of social integration. From this point of view, gentrifiers are not a homogenous group and the resulting interactions with the local inhabitants point to complex forms of mediation and interclass collaboration. Among gentrifying groups, new middle-class multiculturals -- as Simon calls those who enjoy social and ethnic mixes, look for an atmosphere and are willing a priori to respect the neighbourhood -- might mediate between business and politics, bringing about new forms of social cohesion from below, which are increasingly gaining ground in European cities.

<h2>3.3 Local governments, new forms of governance and social cohesion</h2>

Within the trends of decentralisation and devolution emerging at the end of the 1970s, cities gained autonomy and became actively involved in the policy design exercise. The basic assumption underlying these trends is that local policies should facilitate more targeted and flexible solutions that are able to adapt to increasingly varying social needs in differentiated local contexts. The degrees of freedom localities have, however, vary across countries and regions and depend very much on the institutional frames of reference, which constrain and enable context-specific options at the different territorial levels. The relationship these policies retain with national regulatory contexts remains crucial in understanding the impact devolution has in fragmenting and differentiating access to resources and establishing and institutionalising new territorial inequalities. The four regimes characterising the European social model present, from this point of view, distinct even though partly converging path dependent patterns. This implies that similar policies embedded in different institutional contexts produce different impacts.[15]

To understand the complexity of this process and the fragmenting effect it might bear, we have to consider preliminarily that decentralisation is often accompanied by a broader process of privatisation and diffusion of neoliberal principles of regulation within public social services (Ascoli and Ranci 2002). Besides introducing new public management criteria inspired by the
the rhetoric of efficiency and the adoption of cost-benefit relations and performance indicators within public services and administrative bodies, this has brought about an increasing separation between funding and delivering services. In this context, public bodies are funding and regulating contracted-out services, which are supplied by third parties, mainly non-profit actors.

According to Ascoli and Ranci (2002), these changes are transversal to any welfare regime and should no longer be seen as a mere devolution of management responsibilities from public to private actors driven only by neoliberal ideology. Rather, they reflect increasingly also processes of systemic realignment of the spheres of regulation, implemented to meet the new emerging needs. These processes of realignment do not necessarily neglect the role of the state, but involve a reorganisation of the institutional forms through which services are being delivered, financed and coordinated. Social expenditure did not decline radically as heralded and the state did not disappear. The territorial impact of these changes, however, depends on how they intersect with the existing institutional settings. As the chapters of the last part of the book clearly show, this situation is characterised by highly ambiguous synergies. On the one hand they open up new opportunities for developing local partnerships and democratic participation in the co-definition of goals, on the other hand they might have negative and unequal effects in terms of redistribution of both economic resources and opportunities (Geddes 2000; Geddes and Le Galès 2001).

One of the consequences of the above-mentioned changes from the mid-1980s onwards has been the development of new forms of governance through which different actors have become increasingly involved in policy design and delivery. Le Galès, in his chapter, addresses these issues, disentangling the elusive nature of urban policies and underlining the increasingly constructivist frame within which they are produced. Urban policies are, in fact, becoming more fluid as a result of a complex process of structuration, during which a widening range of actors, from different sectors of society, with different interests and acting at different levels, interact and produce policies. This brings about “an immense field of experimentation undertaken by local actors”, who are no longer merely implementing decisions taken at other levels of government, but are taking an active part in the redesign of public policies through conflicts and negotiations. In this frame, urban government has not disappeared; on the contrary, cities become a privileged site of aggregation and representation of interests. The crucial issue is, then, as Le Galès clearly underlines, “bringing them together to organise a mode of city governance”. In this exercise European cities present important differences compared to US cities. They still have strong capacities for initiatives and control, and - most importantly -- they can rely on a welfare state with powerful mechanisms of redistribution.

The relevant role of the welfare state in European cities provides a specific political domain and makes European urban elites less dependent upon business interests. Not only do large groups within cities mobilize against radical cuts, but the vast majority of the population in Europe defends the welfare state (Gallie and Paugam 2002). It is true that state restructuring has partly weakened the protection from market forces and there is general agreement that competition is growing (Jensen-Butler et al. 1997). However, according to Le Galès, “the reality of competition translates into public policies presented in the language of competition” to make cities more attractive to investors, also through the production of local collective competition goods (see also Le Galès and Voelzkow 2001). This tendency is supported by new forms of European-wide urban coalitions which emerged with the support of the European Commission and its funding policies, promoting the new forms of urban governance with the aim of balancing competitiveness and cohesion (Geddes 2000; Le Galès 2002).
promotion of social cohesion and economic dynamism at the city level. Vranken’s analysis focuses on the implications of these programmes for the changing patterns of solidarity and cohesion in the city. Do they impact on the life chances of the inhabitants? Are they just displacing a problem from the neighbourhood in which they intervene to the neighbourhood where they do not intervene? Does the intrinsic integrated approach foster solidarity and cohesion? Vranken’s answer is yes to all three questions, but under certain conditions. We have to consider, in fact, how the context of action gets structured, who are the actors involved, who is excluded, and whose interests are represented.

Vranken shows that the most recent urban development programmes tend to be rather comprehensive, foreseeing also the participation of inhabitants (or claimants) in the planning and implementation processes. This participatory-turn dramatically improves the life chances of the poor and the excluded, and effectively fosters solidarity and cohesion. However, targeting some neighbourhoods or areas might bring about varying degrees of territorial displacement, increasing inequalities within the city by isolating neighbourhoods from their wider urban context. Here Vranken ties in with Le Galès and underlines another important aspect: the complementary nature of these programmes to social policies, which cannot be substituted, because it “would imply an important breach of basic principles of solidarity”. This also has important implications in relation to fragmentation and to the ability of these programmes to recompose the “pieces of the puzzle”. Their success depends, in fact, not only on their ability to pull together actors, interests and available resources, but also on the quality of the resources social policies can provide.

This latter aspect implies that the characteristics of social policies influence the types of urban development programmes that can be promoted in different welfare regimes and their degrees of freedom. In short, they help to structure the emerging modes of governance, coordination and regulation, without determining them.

In the last few years, several scholars have tried to systematise the debate, developing typologies to understand the different underlying principles making the different modes of governance work (e.g. Pierre 1999; Geddes and Le Galès 2001; Jessop 2002; DiGaetano and Strom 2003). The aim of these scholars has been to understand how the public-private resource mobilisation takes place, how partnerships are built and how actors interact, with a major focus on economic activities. Despite some divergence in the construction of the typologies in terms of criteria adopted and resulting types, there seems to be wide consensus on the driving forces fuelling the spread of new governance arrangements (economic restructuring, devolution of state authority, etc.). There also seems to be consensus on the crucial importance of the nation state and the institutional embeddedness of these new forms of governance. Institutions reflect values, norms and practices, providing, at the same time, the context for actors’ bounded rationality. What clearly emerges from the analysis that the different scholars provide is, again, the tendency to develop forms of governance which seem to be in keeping with the existing institutional settings. According to DiGaetano and Strom (2003), different institutional milieus, with their structural contexts and political cultures, seem, in fact, to furnish environments which are more receptive to some modes of governance than others. This depends on the fact that urban governance is related to the role of local governments (Pierre 1999: 375), which implies different institutional settings -- also defined at the national level -- and underlying values, norms, beliefs and practices. Geddes and Le Galès (2001) refer to the four welfare regimes prevalent in Europe, as does, in an adapted form, Jessop (2002).

Taking up the example of increasingly localised activation and social assistance policies mentioned earlier, we can recognise -- using Jessop’s classification (2002: 247-75) -- some degrees of coherence between welfare regimes and the emerging new forms of partnership and governance (Lehto 2000). The prefix neo underlines the path-dependent character of the four regimes.

In the neoliberal welfare regime, typical of Anglo-Saxon countries (e.g. the UK), we find broad, multi-actor partnerships, with a strong presence of private actors. Delivery through partnership characterises employer coalitions, which provide a wide array of training and job insertion opportunities in a privatised market context in which variety is high and the claimant cannot necessarily choose. Efficiency, accountability, competitiveness and contractual forms of
relations regulate claimant’s activation in a trend towards increased use of compulsory work activity and conditionality in defining access to means-tested benefits (Trickey and Walker 2000, Evans 2001).

In the neostatist welfare regime, typical of North European countries (e.g. Denmark), we find partnerships in which the main partners are state agencies and, to a much lesser but increasing extent, the social partners. The former tend to foster collaboration between employment services and social assistance agencies. The latter operate under strict guidance of the local authority, which keeps the degrees of freedom for non-state actors quite low (Lødemel and Trickey 2000; Kauto et al. 2001). Compulsion exists, but is less relevant than in other regimes and accompanying measures aim at including a wide range of empowering services, which are often also designed to improve the participation of claimants in the definition and design of the policies’ implementation.

In the neocorporative welfare regime, typical of continental European countries (e.g. Germany), we find partnerships in which the main actors are social partners, third-sector voluntary agencies and state agencies. They all increasingly negotiate with the local authority on the design of the active policies to be consensually implemented. Most of them follow a carrot and stick strategy (i.e. compulsion and empowerment), providing chances to escape the conditions of need within a framework of diffuse conditionality and increasingly fragmented provision of accompanying measures, also at the territorial level.

In the neofamilistic regime, typical of South European countries, we find an extensive and highly heterogeneous presence of third-sector voluntary and non-profit agencies. Possible relations can range from particularistic and clientelistic forms of partnerships to highly advanced empowering and participatory arrangements. The reforms undertaken at the end of the 1990s in most South European countries tried to overcome the first aspect by supporting the latter. Their implementation, however, did not succeed in the majority of cases. Weak state initiative, the legacy of clientelism and reciprocity relations gave rise to a highly fragmented landscape in the context of an overall tightening of resources.

These modes of governance have to find ways of integrating structural constraints and opportunities for action for people in a condition of need. The final two chapters provide a glimpse of the influences that different modes of governance, embedded in different welfare regimes, have on individual agency. They reflect specific regulating and coordinating frames, and structure (but do not determine) specific coping strategies that individuals and families develop in the different contexts. Enrica Morlicchio describes in her chapter some illustrative cases of how these processes take place in South European cities. These provide an interesting extreme case for the European social cohesion model: the lack of either support from the state or local welfare arrangements, coupled with high unemployment, place a considerable amount of pressure for protection on the family. This does not imply automatically that the family is able to cope adequately with the problems it may have, but that poverty and social integration may coexist. Poor people in South European cities are, in fact, not necessarily socially excluded, they are often just poor and integrated in a frame of precarious living conditions, which allow them to “merely maintain a level of daily subsistence” in a context of neo-communitarian governance arrangements.

Similar accounts are given by Garcia in her chapter. In contrast to Morlicchio, however, she embeds her analysis in the wider debate on the conceptions of social justice underlying social policies in general and minimum income policies in particular. Her focus is on how the latter provide individuals and families with adequate or inadequate resources to cope with conditions of economic hardship. The empirical evidence presented ties in with the analyses put forward here and in the other chapters of the book, providing a coherent picture of similarities and differences existing in the European social model(s). Regulation principles and conceptions of social justice are, in fact, not merely abstract terms of an academic debate, but become concrete through policies which define how needs are met, which actors will or should be involved, what resources will be mobilised, their generosity, coverage, etc. Garcia shows that these differences have to be understood in a framework of multi-level governance in which both the local level and the
European Commission are gaining regulative capacities. In particular, within the frame of increased fragmentation in the social policy landscape, the European Commission is fostering coordination processes aimed at advancing common European objectives while respecting national diversities. To attain this goal in 2000 the Lisbon Council adopted the Open Method of Coordination, i.e. a soft instrument working through recommendations, benchmarking, monitoring, exchange of good practices and the joint elaboration of performance indicators (Ferrera et al. 2002).

The impact of this method has still to be assessed. However, steering capacities are low and the instruments used -- like the adoption of National Action Plans for labour market policies and for policies on social inclusion -- have no real binding character. Awareness of these shortcomings prompted the Commission to foresee a substantive streamlining, making objectives more targeted. A road map has been already set up for reviewing the impact of this method in 2006, but it is still unclear how much flexibility the path dependent character of the national institutional setting will allow.

<h1>4. Conclusions: challenging European cities</h1>

In this introductory chapter I have tried to show that in order to understand the specificities of European cities we have to understand their contexts and how they changed from the end of the 1970s onwards. In particular, I highlighted the importance of considering institutions as relevant contexts, and how different regulatory frameworks produce different forms of social integration. I also underlined the important role of the nation-state and the rule of law as a privileged perspective to frame the meaning of different institutional settings in filtering the impact that changing contexts have on cities. Economic restructuring and the relatively high levels of unemployment have, in the last twenty years, challenged the forms of social integration and cohesion which developed in Europe, particularly after the Second World War, within different national welfare states. These differences influenced the ways in which nation states faced these challenges, and the way in which they redesigned and rescaled their policies.

In this frame, cities become increasingly important. The strong accent on devolution, decentralisation and active welfare policies has provided them with new regulatory autonomies which, in a framework of overall fragmentation, brought about the need for coordination of an increased number of different actors. New forms of governance emerged almost everywhere as an attempt to keep this complexity under control and to find ad hoc solutions to contextual and differentiated problems. The degrees of autonomy cities have and the resources at their disposal, however, still very much depend on the overall regulation at the national level. In fact, even though the processes of social exclusion and social fragmentation that the changing context produced at the local level have been increasingly counteracted by local policies, the latter retain a double territorial nature. They are both local and national (urban or regional). Passive policies (like unemployment or social assistance benefits) are still defined mainly at the national level, while activation policies are defined more at the local level. It is for this very reason that the nation state’s influence on local policies is still pervasive, in particular in relation to redistribution, which still plays an important role in Europe. In this sense, the new forms of governance may well be highly differentiated and fragmented, but as long as unemployment benefits, family allowances and minimum income support policies are regulated at the national level -- and they are regulated at the national level in most European countries -- the degrees of fragmentation and polarization are lower than in other countries, such as the US. There, the low level of policy intervention exposes people in need to the increased speed of change of the market. The market changes faster than political redistributive institutions, which are more resilient. The conservativeness of resilience, however, should be seen in the light of cities being actors of institutional innovation. In fact, as we have seen, institutions define not only constraints but also enablements. This implies that changes are metabolised by the institutional system through claims, negotiations and conflicts among actors, and the outcome of the
structuration process is a new institutional setting connected to past institutions but not entirely dependent upon them.

Being bold we could say that -- as in the Middle Ages -- cities are once again laboratories of how citizenship, in terms of membership, social inclusion and participation, is going to be constructed in the future; that is Weber’s claim for Europe’s specificity. The real challenge, in fact, plays out in the definition of who is included and who is excluded. The increasing complexities cities have to face -- new populations, migrants, more unstable labour markets, individualisation of needs, segmented segregation -- all point to rising struggles over citizenship. Less than ever can social rights be taken for granted. Fragmentation, flexibilisation and heterogeneity are indeed factors which foster social vulnerability and the spread of social risks. But these risks are not distributed evenly. European cities took up this challenge and provided diversified capacities of adaptation. They do that drawing on the full institutional heritage nation states provide them with, a heritage that we have to consider in order to understand the paths undertaken in the different contexts, which the authors of this book describe in their chapters, highlighting the strengths, weaknesses, threats and opportunities European cities have.

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References


Footnotes

1. The distinctiveness of European cities has been investigated by important contributions of Bagnasco and Le Galès (2000) and Le Galès (2002). Also other scholars highlighted important distinctive characteristics. Just to mention some of the most recent ones: Andersen & van Kempen (2001); Marcuse & Van Kempen (2002); Moulaert et al. (2003).

2. There is no consensus among scholars on the topic. For an overview see Alexander et al. (1987), for the main contributions see Giddens (1984) and for recent developments see Archer (1995, 2003).

3. The concept of institution gave rise to a vast literature in the social sciences. Durkheim defined sociology as the science of institutions, but also other disciplines are closely associated with the study of institutions. For an overview of different disciplinary perspectives see, among anthropologists, Douglas (1986). Among economists, see Williamson (1975) and North (1990). For sociologists and their different positions, see Durkheim (1893), Berger and Luckmann (1967), Goffman (1974), DiMaggio and Powell (1991), Nee (1998) and Jessop (2002). For political scientists, see Hall and Taylor (1996), Nielsen (2001), Pierson (2000a).

4. For the sake of simplicity, we will consider these categories as undisputed, even though we recognize that the identification “Durkheim/structure” and “Weber/agency” is too crude. In the last decade, Durkheims’ work has been reconsidered in the light of agency-based theories and social facts are no longer considered an external and coercive factor, but concrete elements of social construction produced by the actors through their practices (Hilbert 1992; Rawls 1996; Poggi 2000; Garfinkel 2001).


6. By hegemony, Gramsci meant the permeation throughout society of an entire system of values, attitudes and beliefs that support the status quo in power relations. From this point of view, hegemony can be defined as an ‘organising principle’, like institutions in the sense given above, that is, diffused by the process of socialisation into every area of daily life. To the extent that this prevailing consciousness is internalised by the population, it becomes part of the ‘common sense’, so that the values of the ruling elite come to appear as the natural order of things.

7. Even though the term regime has been used in quite a different way in North American urban studies (e.g. Stone 1989), the relational focus played an important role in those debates as well. Urban regimes are, in fact, considered as collaborative arrangements through which local governments and private actors assemble the capacity to govern. By privileging the government-business link, however, these models are inadequate to analyse the context of European cities (Harding 1997; Mossberger and Stoker 2001). The different policy environment of European cities - despite the increasing role of city entrepreneurialism (Harvey 1990; Mayer 1994) -- makes these approaches biased towards the economic point of view. Partnership is not only business related; it also involves quite differentiated policy fields and actors, such as welfare provisions, for example (Kazepov 2002). In addition, the national influence, also in terms of resources transfer, is still predominant and European cities do not have to rely heavily on business investments as US cities are forced to do. For these reasons we will use the term regime in a wider sense, including other actors besides business.
8. Esping-Andersen uses the terms commodification and de-commodification, referring to Marx and Polanyi. Social policies are seen as instruments to free individuals and families from market dependency and to protect them from the inherent risks this dependency might bear in case they are unable to work any more.

9. For an overview of the debate on Esping-Andersen’s seminal contribution, see Art and Gelissen (2002).

10. Despite the fact that some scholars put the UK in the same welfare regime as the US, it is evident that the UK also presents substantial differences. In the UK claimants have well-established rights to moderately generous benefits. The contributory, non-contributory and means-tested forms of state assistance are integrated and highly centralised, providing an overall coverage of risks. We cannot ignore the fact that the British welfare state was founded on the universalistic principles of the Beveridge report and has, for instance, a National Health Service which has provided since 1948 a tax-financed universalistic service, and a significant proportion of publicly-owned council housing that accommodated -- at its peak in the 1970s -- nearly one third of the population. It is also true, however, that entitlements have been progressively eroded since the 1980s, poverty and income inequality has increased more than in other European countries, and a path change towards neoliberalism has taken place (Kleinman 2002: 52-7).


14. The literature on activation policies is also growing. For an overview, see Lødemel and Trickey (2000), Hanesch et al. (2001), Barbier (2001) and van Berkel and Møller (2002).

15. This hypothesis is supported by the analysis of Tito Boeri (2002). Considering two periods (1980-1990 and 1990-1999), Boeri regressed the average yearly growth rate in social expenditure in four social policy fields (unemployment benefits, pensions, family and social assistance) as a per cent of GDP and against its initial level in all four welfare regimes. The resulting beta coefficient showed convergence rates which are barely significant from the statistical point of view. The existing low level of convergence, however, does not occur across regimes, but within them.