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## Solving local problems through local involvement? Experiences from Danish Urban Regeneration

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**NSBB conference 2014, Tallinn, 8-10 October 2014.**

## **"Solving local problems through local involvement? Experiences from Danish Urban Regeneration"**

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### **Abstract**

Over the last decades, the Danish Urban Regeneration Program has – in line with public well-fare politics in general - increasingly turned towards efforts to generate more local involvement in solving local urban problems. Whereas former periods of urban regeneration have been mainly based on top-down approaches or massive public subsidies, the public regeneration schemes from the last decade have increasingly emphasized the need for involving local actors in the urban regeneration e.g. through partnerships, network building, involvement and participation of local actors and institutions, and financially based of voluntary work, local co-financing etc. Based on a number of evaluations and studies of the Danish Urban Regeneration scheme carried out over the last decade, the paper will discuss to which degree the Danish urban regeneration scheme has been successful in this transformation towards a new agenda, and what can be learned from the development so far. Although 'local involvement' is a commonly used term in various urban regeneration programs, it can have many different meanings and implications. Therefore, the paper will discuss local involvement in the urban regeneration based on four different studies, that have different approaches to local involvement: Private co-investments in urban regeneration (Jensen and Storgaard, 2008), local embedding of the urban regeneration (Jensen et al, 2010), collaboration with private enterprises (Larsen et al, 2011), and the use of voluntarism in urban regeneration (Larsen, Jensen & Agger, 2014). Through the lens of these studies, the paper will outline the experiences from generating local ownership and local co-investment in urban areas supported by the Danish Urban Regeneration Program, and discuss the background for the achievements as well as the challenges for establishing local involvement in the urban regeneration.

The aim of this paper is to take a "helicopter-look" at the Danish ABIs that have existed since the late 1990ies, and discuss strengths and weaknesses in relation to the expected outcomes from the ABIs. The paper will start with a short historic background from the emergence of the ABIs in Europe, and move on to a presentation of how the ABIs have been set up in Denmark. From this, the research questions are formulated, and in relation to this the methodology used in the research that this paper is based on. In the findings section, outcomes from research and evaluations in central parts of the Danish ABIs are presented. In the final sections, the implications of the findings are discussed, including the future of the ABIs.

## Introduction

Over the last decades, a number of area-based initiatives and policies to meet challenges in distressed areas such as social exclusion and economic deprivation have been established across Europe (Atkinson, 2008; Wouter *et al*, 2009)<sup>1</sup>. The emergence of new types of urban politics and tools can be seen as a result of urban politics in European countries in general over the last decades, which is caused by changes in labor-markets, production, trade, globalization, demographic changes etc. (Andersen, 2001). This “new economy” creates a call for new and more efficient urban policies and instruments, as well as new steering institutions, often under the umbrella of “governance”. The new politics and tools include a more targeted effort towards e.g. specific urban areas, replacing a universal and sector-based approach, as well as being increasingly based on collaboration between public institutions, markets actors and the civil society. The deprived urban areas emerging as a result of increasing segregation in European cities, and the widening gap between social groups, is a main target for these new policies. One characteristic by the new policies is that they are increasingly focusing of economic issues, whereas former policies were primarily focusing of social issues. The rise of welfare costs due to a new economy, as well as changes in norms and demography, had led to a stronger focus and control of public spending, where targeted policies are easier to control and evaluate; and in the targeted policies, a focus on entrepreneurialism, local business development, private investments, property development etc. (ibid; p. 239-240), as well as increasing use of partnerships and public-private collaboration arrangements, e.g. PFI's. Concerning the civil society, local policies have increasingly focused on creating empowerment, i.e. helping the civil society to help itself, instead of being passive receivers of well-fare goods. Social networks are regarded to be the main difference between well-functioning neighborhoods and deprived neighborhoods (ibid, p. 242). So, the Area-based Initiatives (ABIs) include principally a number of benefits, as it possibly enables a (re)invention of social networks, a better coordinated and cross-sector approach, closer collaboration between the local business market, the public authorities, and the civil society in the neighborhood. From a political point of view, the strategies are visible, requires more political commitment, and are easier to evaluate, compared to traditional sector-based and non-space bound policies.

The core idea behind ABIs is that simultaneous and coordinated investment in different sectors e.g. employment, physical improvements and social initiatives in a neighbourhood will provide extra benefits leading to increased social cohesion. Typically, the ABIs are organized as temporary partnerships in which central government agrees to support and fund local government projects that often also include various private and non-governmental local partners representing sponsors as well as users and citizens (Burgers & Vranken, 2004; Tasan-Kok & Vranken, 2011). Many of the ABIs emphasize the role of the local community in devising and implementing neighbourhood regeneration in order to ensure better implementation and legitimacy of the decisions being made (Lawless, 2006). According to Barns *et al* (2007), the ABIs are influenced by a ‘*empowered public*’ discourse coupled with a ‘*responsible public*’ discourse. Here, the role of the state is to help communities to help themselves but at the same time there is an expectation that the communities acknowledge their responsibility to help themselves.

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<sup>1</sup> Examples of urban policies inspired by these approaches are e.g. *City Challenge*; *Single Regeneration Budget* and *New Deal for Communities* initiated in England in the early 1990s and; *Urban Partnerships* and *Priority Partnership Areas* in Scotland; the German *Soziale Stadt*; the Dutch *Grote-Stedenbeleid*; the *Sociaal Impulsfond* in Belgium; *Politique de la Ville* in France; the Swedish *Storstadssattningen*, and the Danish *Kvarterloft* (De Decker, 2003).

To make ABIs work on a larger scale requires a stronger coordination between the different policies in the different neighborhoods, and coordination between policies on different levels (local, municipal and regional). The ABIs also need to be linked to overall strategies for the municipal development. A large thread is the lack of integration of ABI-projects into the general urban policy, turning ABIs into projects on isolated islands (Andersson & Musterd, 2005).

Some criticism has been raised towards the concept of the ABIs; for instance, one can ask whether area-based initiatives are the right way to solve urban problems, such as unemployment, poverty and lack of local participation in the urban society (Andersson & Musterd, 2005). A main question regarding the ABIs, according to Andersson & Musterd (2005), is the possible existence of “neighborhood effects”, giving social problems a geographical dimension, and therefore also suggesting geographically oriented solutions, which is highly contested. This criticism of the area-based approach has been supported by various evaluations of ABIs, especially from the UK, stating that the success of fighting issues of social exclusion, poverty, unemployment, health, education, crime etc. with ABIs (New Deal for Communities) has had limited success, if any (Rhodes *et al*, 2005; Lawless *et al*, 2010; Lawless & Beatty, 2013). Also, the ABIs tend to ignore structural effects on the urban scale, which are not possible to affect the neighborhoods. Scholars have therefore emphasised the need to integrate the ABIs in the general urban policy, in order to avoid the ABI’s to become isolated islands of urban policies.

From the empirical evaluations that have been made, it is clear that there are differences in the assessment of outcomes depending on the specific context and detailed design of the ABI programmes (se e.g. Andersson & Musterd, 2005; Atkinson, 2008; Goodlad *et al* 2005; Lawless, 2006; Musterd & Ostendorf, 2008). A common feature of the different studies is, however, that an actual impact assessment is very difficult to both implement as well as to evaluate. The reason is that it can be complicated to assess the actual causal relation between potential impacts from the influence of specific contextual factors and the effect of mainstream policies. Whereas, some initiatives are relatively easy to measure, e.g. quantitative indicators of employment, composition of residents’ etc., it is more difficult to assess some of the ‘softer outcomes’ of what it means to work in close cooperation with citizens and local stakeholders (Skelcher & Torfing, 2010). As a consequence, the focus on community engagement has only been discussed in general terms despite the fact that citizen involvement is stressed as an important factor in most of the ABIs (Sullivan *et al* 2006; Atkinson, 2008; Zheng *et al*, 2014; 277).

In the next section we will take this discussion to a national level, using experiences from the Danish ABI’s to explore local characteristics of the Danish ABI’s, and to present some findings on how ABI’s work in practice.

### **ABI in a Danish context**

ABI’s have been a part of Danish Urban Regeneration Act since 1998. Until the end of the 1990s urban renewal policy in Denmark primarily concentrated on housing refurbishment of single buildings or groups of buildings in larger cities. The effort was focused on installation of toilets and bathrooms in the oldest part of the cities, repair and improvement of windows, roofing and other elements relating to the building shell as well as conversion of small outdated apartments into bigger family dwellings (Andersen and Leather, 1999). However, mainly as a result of inspiration from the UK, the Netherlands and other European countries, a series of large-scale experimental programmes of area-based, integrated urban

regeneration were initiated in the last part of the decade and this paved the way for a substantial reform of the Urban Renewal Act, from the hitherto hierarchical regulation towards a governance-based regulation. In 1998 the area-based approach was established as a part of the Urban Renewal Act. It gave the municipalities options to operate 'between the buildings', also with non-physical elements (for instance cultural and youth activities, crime prevention and social policy elements), and requested collaboration between the municipality and with local actors. From 1998 to 2004 the ABI-programme was named 'holistic regeneration' (Helhedsorienteret byfornyelse), but it was in 2004 replaced by the scheme 'Areabased Regeneration' ('Områdefornyelse'). This change implied limited changes in the program. One change is that from 2004 an area-based regeneration programmes can be granted up to DKK 10 mill. (1.3 mill. €), provided the municipality itself invests the double amount. Also, more emphasis was put on establishing local partnerships and attracting private investments with the new scheme.

Whereas many European ABI's have a focus on fighting social exclusion, poverty and unemployment, these elements have been less emphasised in the Danish ABIs, which instead has focused on the mix of physical, social and competitive degradation in urban areas and villages. Social problems, e.g. better integration and counter-segregation, are mainly to be solved by creating better physical urban environments (squares, streets, meeting places etc.), and thereby to improve the attractiveness of the town or the village, and attracting private investments to the area. Compared to other European ABIs the Danish ABI-scheme has a strong focus on building related challenges and activities, on improving the attractiveness of the built environment, in terms of the physical and economic conditions in the area as well as the quality of the shared spaces in the neighborhoods. As such, the Danish ABI is to a smaller extent a socially based initiative, as initiatives to solve social exclusion, unemployment etc. is rarely an explicit part of the ABIs, except as through social projects or physical improvement projects.

In the Ministry's guideline about the ABI, the idea about the ABI is formulated as:

*“Urban areas might loose their attractivity as a consequence of deterioration of buildings and public areas, traffic- and noise problems, concentration of social housing problems, lack of facilities for activities etc. The negative development might become self-supportive as there are no more sufficient investments in areas with decreasing attractivity. In these cases there is a need for the municipality to initiate a urban regeneration effort, which might improve the area and strengthen the basis for private investments, and thereby make the area sustainable in the future”. (Ministry of Housing, Urban and Rural Affairs, 2014)*

And about the citizens' participation:

*“The citizens participation ensures that the project is targeted the local wishes and needs. It also contributes to create a shared ownership to the project. If the citizens are part of defining the frames for the development of the neighborhood, there is a large probability that they will look better after the area”*

On a national level, the annual subsidies for the ABI's are 60 mill DKK (8 mill €). Moreover, the Ministry of Housing, Urban and Rural Affairs reserves an annual pool of subsidies on 5 mill € for building renovation activities to be used in relation to the ABI-areas. On average, the public investments in ABI-areas over the last decade have been app. 10 mill DKK. Per area (1.3 mill. €).

Municipalities can apply the Ministry of Housing, Urban and Rural Affairs for support to the ABI's program once a year. The Ministry's granting of resources to ABI depends on 1) the physical decay of the buildings, the roads and the public areas, the traffic problems, the lack of public and private service, including culture and leisure activities, 2) the amount and character of houses with need for physical improvements, 3) social problems and employment and 4) the regional and local development of inhabitants, investments and employment<sup>2</sup>.

The programmes must be completed over a period of 5 years. According to the act, municipalities have to engage with local actors in the areas in order to define the challenges, problems and possible futures for the area, identify possible solutions, implement them, and take care of the future 'embedment' of the initiatives, i.e. the financing, maintenance and operation of the solutions. The local actors typically include residents, industries, institutions, housing organisations, clubs, networks etc. Initiatives in the urban regeneration might include establishing 'culture-houses', i.e. buildings for local activities and culture, sometimes offering room also for local clubs and organisations, improving recreational spaces (e.g. green areas), improving traffic solutions (e.g. reducing traffic flows in residential areas, changing parking facilities etc.) and establishing social initiatives to meet problems of marginalised groups on the area.

In total, 128 ABI's have been completed since 2004; 78 have taken place in smaller towns, 27 in larger cities, 7 in areas with social housing problems, and 6 in areas with harbours and old industries. (Byfornyelsesdatabasen, <http://byfornyelsesdatabasen.dk/omraadefornyelsesdatabasen>). There is a large variation in the type of areas, geographical distribution, types of problems (physical decay, lack of service, social problems etc.), scale of the areas, as well as there is a large differences in the way the programmes are structured organisationally.

## Experiences with ABI's

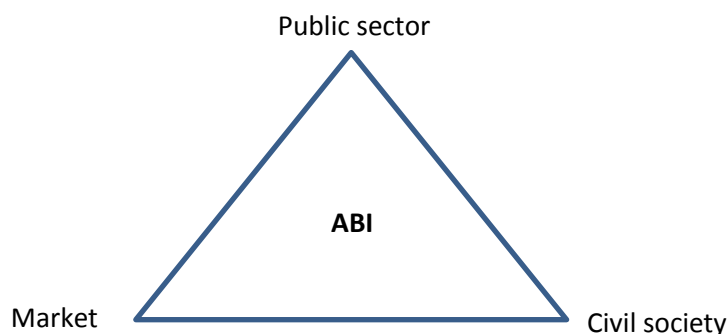
The aim is to assess whether the ABI's have contributed to improve the areas' ability to help themselves and to discuss what can be learnt from the experiences so far. The ability for self-helping is difficult to operationalize, but it seems fair to interpret it partly in terms of better collaboration between the public sector, the civil society and the market, and as an outcome, an increased trust in and attractiveness of the area, which we use the degree of private investments to indicate.

The paper will discuss local involvement in the urban regeneration based on different studies, that have different approaches to local involvement: Private co-investments in urban regeneration (Jensen and Storgaard, 2008), local embedding of the urban regeneration (Jensen et al, 2010), collaboration with private enterprises (Larsen et al, 2011), and the use of voluntarism in urban regeneration (Larsen, Jensen & Agger, 2014). Moreover, will refer to two major evaluations of the Act of Urban Regeneration from 2002 (Andersen et al, 2002) and 2008 (Ærø et al, 2008), which the ABI-scheme was a part of.

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<sup>2</sup> Order on selection criteria for reservation of support for area-based regeneration and fixation of application date, according to The Act on Urban Renewal and Development of Cities, February 2010. [Bekendtgørelse om udvælgelseskriterier for reservation af støtte til områdefornyelse og fastsættelse af ansøgningsfrist, lov om byfornyelse og udvikling af byer, jf. lovbekendtgørelse nr. 132 af 5. februar 2010]

The core of the analysis is the ABIs interaction with the public sector (with the municipalities as the primary representative), the civil society and the market (see figure below).



#### Strengths

- ABI's spurring private investment
- ABI's creating local networks and collaboration
- ABI's becoming central parts of urban development policies

#### Challenges

- Relevance of ABI, definition of aims, initiative to start ABI
- Participation and collaboration in ABI's between public sector and market / civil society
- Collaboration across municipal departments
- Embedding of ABI's: Local ownership to ABI's, continuous development of local initiatives

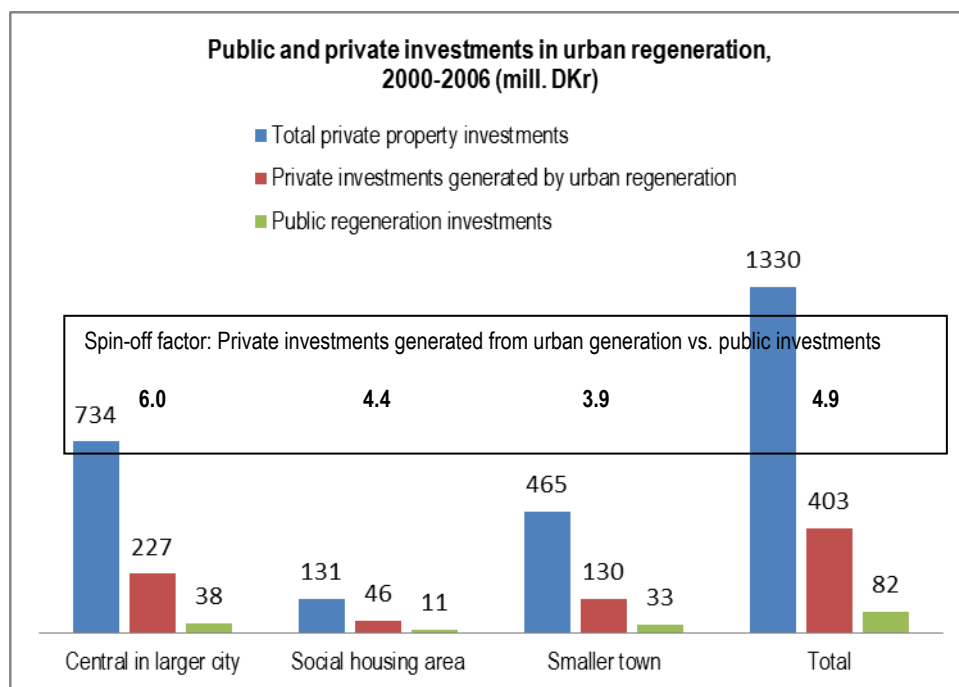
### The strengths of ABI's: Private investments and developing local collaboration

#### Private co-investments in urban regeneration

As stated by Andersen (2001), the economic issue of local neighborhood regeneration has been a focus point over the last two decades in European countries. In Denmark, the economic perspective was explicitly underlined with the introduction of the ABI from 2004, Area-based Renewal (Områdefornyelse). Here it was stated that private co-investments should be a central aim of the ABI. As a tool for this, the Ministry of Housing, Urban and Rural Affairs has demanded that the municipalities should develop an "Investment Statement" as a part of the ABI, to be *"..directing private investors' attention to unexplored potentials of the neighborhood. ...The investment statement should contain an overview of untapped building sites, potentials for densification..., building institutions and establishing business....The investment statement could be a document that reflects the expected public and private investments, and a time schedule for this"*.

Research however indicates that the investment analysis has had little effect, but has instead been received as another bureaucratic burden imposed upon them from the state (Engberg, Larsen and Rohr, 2008). In spite of this, research shows that Danish ABI's have generated immense private investments, primarily from local property owners, but also from external developers (Jensen, 2009; Jensen & Storgaard, 2008). A survey amongst property-owners in urban areas with urban regeneration programmes asked about the investment they have made to their property during the period 2000-2006, and how much of these investments, they believe stem from the regeneration programme. On average, owners said that 15% of the funds which they in the period 2000-2006 had invested in their property were made due to the on-going urban regeneration programme. From this, average generated private property investments generated by the ABI's were found to be a factor 4.9. Spin-off from the public investments varies according

to the type of area where the programme took place; in larger cities the spin-off accounts for a factor six, whereas in smaller towns the private spin-off is a factor four (Figure 1).



Figur 1 Public and private investments in urban regeneration, 2000-2006, distributed in different types of urban regeneration areas (Jensen, Larsen and Storgaard (2011)).

A recent follow-up on the private investments generated by the ABI's in the period 2006-2010 shows a slightly lower spin-off (a factor 3.5 on the public investments, as compared to a factor 4.9 in the period 2000-2006) (Jensen et al, in press).

A study of selected ABI-cases with prominent private generated investments, including interviews with private developers on their motivation for investing and their view on the ABIs suggest that there were very different types of developers and investors operating in the urban areas where the ABIs were taking place. In general the developers in the areas had limited knowledge about the ABIs, the public investments, the plans for the area etc. Typical attitudes amongst some developers was that *"...if a project is not good enough without urban regeneration you should not enter it"* (developer), or if the ABIs should make a difference for the investors, the public investments should be larger. However, we also found developers who, by chance, had been involved in the ABI, and therefore had some knowledge about it. The developers had typically become aware of a promising investment opportunity (a building site) through information from local actors, including real estate dealers, surveyors, architects or others with a specific knowledge about the area. These findings indicate that, on the one hand, there is much inter-organisational collaboration, communication and exchange of information and knowledge taking place between developers and their traditional business partners.

The findings correspond well with practitioners experience with ABI, as they often refers to private investments being generated from various project under the ABI, e.g. private co-investments in building activities, refurbishments etc.



## ABI's as provider of social capital

Several studies have pointed to the main strength of the ABIs as being able to establish new types of collaboration between the municipality, the civil society and the market actors, and through this establish networks, local empowerment and local social capital (Andersen et al (2002); Ærø et al (2008); Agger & Jensen (forthcoming); Engberg & Larsen (2010); Engberg et al (2008); Larsen et al (2009)).

Agger & Jensen (forthcoming) finds from detailed studies of three Danish ABI's that they are facilitating the neighborhoods with social capital through the activities carried out as a part of the ABI – but in various degree, depending on the type of area, the existing level of social capital, e.g. the amount of local organisations and networks. Delegating decisions and power to the local civil society, involving citizens in activities and projects, establishing meeting places between citizens, market actor and the public sector, and building competences amongst citizens are activities often included in ABI's. Whereas most municipal strategies for ABI's are aware of establishing *bridging* and *bonding* social capital as way to empower the neighborhood and to principally make it able to become self-sustained, less attention has been paid to the value of creating *linking* social capital. Linking social capital describes ties connecting individuals or groups to people in position of political or financial power. That could for example be relations among citizens, their networks and associations in civil society, and the institutions of 'the state' and other agencies 'external' to civil society. Such types of networks can provide crucial access for leveraging resources, ideas and information that go beyond the normal community linkages and thereby can play a vital role for communities to attract external resources (Szreter, 2002). Mobilization of linking social capital can be exhibited by government officials, NGO's, voluntary organizations or business actors. Agger & Jensen (forthcoming) argue that ABIs can play a vital role in facilitating contact between networks in the locality as well as paving the way for contacts to external power, but finds that the possibilities for mobilizing linking social capital depend on the presence stock of bonding and bridging social capitals in the localities.

## Challenges for the ABI's

The challenges related to the ABIs, and their ability to empower the communities, in order to improve long-term social and economic conditions, can be divided in two parts: 1) The local participation amongst the civil society and the local businesses, and 2) the challenge of coordination internally in the municipal administration, as well as the coordination between municipal plans and the ABI-initiatives. In the following we will shortly outline these challenges.

### *Participation*

As well as participation can be seen as a main success of the ABIs, it also represents a main challenge. The challenges relates to issues of mobilisation, creating ownership, embedding the ABI, and potential exclusion of certain groups from the ABI. There are many pit-falls in the local participation e.g. the framing of the ABI, including the organization of the participating stakeholder (how to identify relevant actors, how to inform, how to collaborate etc.), how to make realistic expectations about wishes for the neighborhood in relation to the actual budget, and how to design decision-making procedures. The main challenges relating to participation include the following issues:

**Mobilisation:** A large challenge for the ABIs is how to mobilize the local civil society (and market actors) in the ABI. Often, the ABIs take place in distressed neighbourhoods and villages, where the municipality have

little existing networks, and limited knowledge about the physical and social settings (Jensen et al, 2010). Therefore, a first challenge is to establish the ABI as an institution in the area, spread their visions, learn about with existing networks and institutions in the area, learn about their agendas, projects and ambitions, establish relations and collaboration with them about the ABI etc. Establishing the ABI as a partner in existing networks takes time, and in this respect 5 years is not a very long time. The risks of not being able to mobilize the “right” stakeholders are plenty and serious, and lead to failure of central projects in the ABI.

**Exclusion:** The risk of exclusion from the urban regeneration process has been highlighted in different studies (Agger & Larsen, 2009; Jensen et al, 2010), and identified in practice. Representative democracy is substituted by activist democracy, raising dilemmas on who have time and resources to participate, and whether decisions are legitimate. The activist democracy is based on consensus-making amongst the local participants, which can be a very long and tiresome process. Not all citizens have the time or the patience to participate in long discussions, or even to participate in working groups at all, meaning that the voluntary participatory inputs comes from citizens who have the time and willingness to do so, often the +60 years segment (Agger & Larsen, 2009). In general, it has proved difficult to involve the most marginalized groups in the areas in the ABI (Andersen, 2001; p. 247). Often it is the more resource-rich parts of the civil society that participate discussions and implementation of the ABIs, and thereby defining the vision and future of the neighborhood. The success of participation in the ABIs as generally reported therefore does not reflect a massive mobilization of marginalized groups – and probably this would be naïve to expect. However, there are several successful examples on an individual level, or on the level of a smaller group of marginalized actors (e.g. immigrants, pensioners, or unemployed) on how participation in a local ABI can lead to establish competences and becoming a part of networks, which eventually might lead to a job, a new role in the community, a better network etc. Studies have also indicated that there are certain groups that the ABIs have not been good to include, on a general level. A study of voluntary organisations in the urban regeneration (Norvig, Jensen and Agger, 20XX) showed that the municipalities typically have little attention towards voluntary organisations, although including this type of organisations could lead to a better embedding of the urban regeneration. The municipalities mainly draws a parallel between “voluntarism” and “participation”; the rationale is that when local stakeholders, including citizens, local organisations, SME’s etc., participate in the urban regeneration e.g. through meetings, working groups, steering groups etc., they are performing voluntary work.

The strength of the ABI is that it focuses on mobilisation of local resources, but this also requires local resources and networks to be present. Especially in marginalised communities there is a lack of social resources and networks, and therefore such communities (villages, neighbourhoods etc.) might be excluded from being part of an ABI. Whereas, in contrast, stronger communities might use their social resources and networks, e.g. relations to the municipality, to formulate applications for ABI, in partnership with the municipality. We have seen examples where municipalities might have ambitions to start up an ABI in a village, but have given up, as there were too few active persons, associations, networks etc. to collaborate with.

**Local embedding and ownership:** It is a recognized challenge how the projects will continue after the end of the 5-years program. The danger of the ABIs is that they will be seen as singular projects that does only have an impact in the project period, and after the projects and the finances ends there are no-one to

continue or operate the projects. Creating ownership to the projects is therefore essential, as it might cause local stakeholders to continue the projects. Our experiences (by looking at a number of ABIs) show that after the project has stopped, it is very difficult to find such activities carried out voluntarily (Jensen et al, 2010). The networks established under the ABI were still there, but were not active, as there were no projects to gather around. The lesson is that networks rarely continues to exist actively if there is no project or activities to meet around; and networks in distressed areas have not been able to generate finances to continue the efforts from the ABIs. Again, this is a general picture, but there are also examples where local networks formed during the ABI, have been able to continue their existence after the ABI has finished.

### *Municipal Coordination and Collaboration*

The new governance arrangements of the ABIs present the municipalities with new instruments having a large potential for innovative approaches to planning (Larsen & Agger, 2011) but also a number of challenges in terms of coordination and collaboration. A number of these challenges have direct relation to the bottom-up processes and activist-planning carried out in neighbourhoods by the civil society and the market actors. Main challenges include:

**Internal municipal collaboration:** Lack of collaboration and coordination across municipal departments is an often reported barrier and almost inevitable challenge for the planners to manage. The main problem is when the leading organisational unit of the ABI (secretariat, department, planner etc.) fails to engage the relevant municipal departments in the process. The urban regeneration process often includes cultural and social projects and initiatives that needs, as a minimum, acceptance from the social or cultural department, and in the best case active support and co-financing. Other departments might not be used to work with 'governance'-processes, and being used to enter a dialogue with laymen, and take 'bottom-up' projects serious. And moreover, they might see the urban regeneration project as the belonging to the technical department alone, and therefore ask why they should spend their budget on projects defined by another department? Such risks are even more problematic when the projects and suggestions are initiated by citizens, and might be based on long debates, negotiations and prioritisations, which finally ends up with a 'no' because the relevant department will not support or accept the project, and the whole project falls to the ground. The lack of cooperation with other administrations might slow the internal decision-making process, and lead citizens to have difficulty understanding why the municipality is not able to make decisions, or in worst case make residents feel betrayed by the municipality.

**Coordination between the bottom-up initiatives at a local level, and the municipal plans for the area:** As mentioned by several critics of the area-based-approach, the ABIs might become isolated initiatives with no relations or continuity to the overall municipal planning. Obviously, there is a challenge on how to make the local bottom-up development processes relate to the overall municipal development plans for the areas, and for the whole municipality. Obviously, the activist strategy enabling the bottom-up process needs some kind of coordination with the municipal plans and efforts for the area. The ABIs might lead to innovation in the municipal administrations, for instance by establishing new types of meta-governance in relation to ABIs, as illustrated by the municipality of Copenhagen (Engberg & Larsen, 2010). The ABIs might function as living labs' to overcome silo-thinking, and to discover new types of public-private and public-public collaboration models (Larsen & Agger, 2011).

**Political commitment:** It is crucial for the ABIs to get the necessary political commitment to use ABIs as instrument for urban policies and urban development. Experiences from several cities shows that political engagement and support is crucial for promoting ABIs; high political support pushes the municipal planners use ABIs in the municipal strategies, and might also encourage local communities to call for ABIs to start up in their neighbourhood. If however the ABIs becomes a purely administrative task, operated by municipal planners, the political ownership to the ABIs might degrade, and in worst cases lead to abolishing of the ABIs. This has been the case in some municipalities, who no more uses the ABIs. Another thread for the political support to ABIs is the expectations for the ABIs to be able to reduce poverty, unemployment, social exclusion etc. in deprived areas. As stated in evaluations especially from UK, using ABIs in this task is a tremendous challenge, and there is a high risk that this will not be successful, if the ABIs are only assessed this way. If however the ABIs are seen as tools for fighting social exclusion, it is likely that the political support for the ABIs eventually will fade. Therefore, it is important for the political support to highlight the potential and possible benefits from the ABIs.

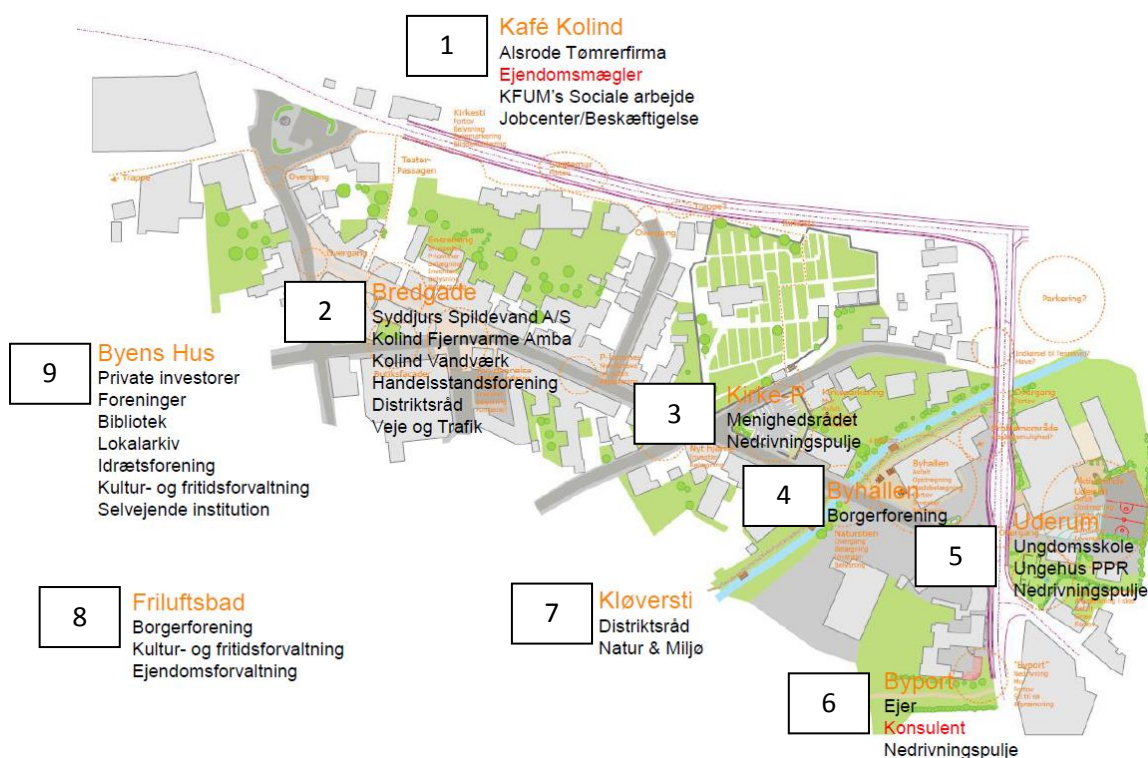
### **An example from practice: ABI in the town of Kolind (Municipality of Syddjurs)**

To illustrate some of the benefits and challenges related to the ABIs as outlined in this paper, we present a short example from the Kolind, a small town (1.800 inhabitants), located in the municipality of Syddjurs, just 80 km east of Aarhus, the second-largest city in Denmark. The reason for starting up an ABI in Kolind is, according to the ABI-programme, “*..starting problems of vandalism, drug abuse and an increasing number of citizens with social problems, badly maintained or derelict buildings, and generally a poor urban space. The physical frames for culture and the social life are poor and the town is loaded with heavy trespassing traffic*”. In spite of these threads, the municipality selected Kolind for an ABI-program as the town due to a favorable location and a historical position as a local center for trade and business, has potential for regeneration. The municipality had good experiences from carrying out an ABI in another town a couple of years ago, and therefore was keen to initiate another ABI. The overall aim of the ABI is described in terms of *“...to strengthen the town and it’s position as former center of the municipality by improving the urban environment and the traffical conditions so that Kolind can improve its position as the center for market and trade in Djursland (the region)”* and to *“...improving the value of the town as an attractive and well-functioning settlement, which is able to attract new residents and maintain its hinterland, in terms of trade and culture”* as well as to *“...spur a development with new residents, new business and new investments”* (from the ABI-program).

The ABI started in 2010 and is supposed to run until 2015, with a budget of 9 mill DKR (1.5 mill €), of which 1/3 comes from the state and 2/3 from the municipality. The practical implementation of the ABI consists of a number of projects in the town, partly developed by the municipality, and partly by local actors (see map below). What is characteristic by the various projects in the town is that they involve a number of different actors who participate in defining the projects. Implementing them, co-financing them and possibly operating them after the implementation. The projects are illustrated on the map:

1. Establishing a café with the help from local enterprises (real estate dealer and carpenter), being operated as a social enterprise in collaboration with the municipal job center and the local YMCA.
2. Improving street coating and furniture on a central square, a collaboration between local energy suppliers and water works, the local trade association, the districts council and the municipal department for roads and traffic.
3. Establishing a new square close to the church in collaboration with the local church council, demolishing an empty building financed from the national program for demolition of empty buildings in rural municipalities.

4. Improving the town's sport- and meeting facility in collaboration with the citizens association.
5. Establishing a new outdoor space in collaboration with local youth institutions, and by demolishing an empty building financed from the national program for demolition of empty buildings in rural municipalities.
6. Establishing a "town gate" in collaboration with a local building owner, and by demolishing an empty building financed from the national program for demolition of empty buildings in rural municipalities.
7. Establishing a new path through the city, "The Clover Path", a collaboration with the district council and the municipal department for Nature and environment
8. Improving the public Outdoor Bath, a collaboration between the local citizens' council and the municipal department of real estate management and the department for culture and leisure.
9. Developing a "Town's House", a meeting place for the town, a collaboration project between private investors, local associations, the local library, local sports associations, and the municipal department for culture for leisure.



Figur 2. Map of Kolind showing the different projects taking place as a part of the ABI, as well as the actors involved in the projects. Source: Municipality of Syddjurs.

Not all the projects have been realized in the way they were planned, for various reasons; the projects are visions and ideas, but their implementation depends of a number of circumstances, especially the ability to raise finances for the projects, to make the partners agree, to adjust the timing between different co-investments etc.

The investment statement, developed as a part of the ABI, outlines a possibility of 8 mill DKr in private co-financing (1.1 mill €), coming from private funds, local enterprises, public-private partnerships etc. By applying the national fund for demolition of empty buildings in rural districts, another 1.3 mill DKr (0.2 mill €) are fed into the financing of the ABI-context and development of the town. Along with other private and public investments, the total investments sums up to 22 mill DKr (3 mill €) which is more than a double-up of the official budget for the ABI. The large amount of actors and sources of finance involved in a relatively

small program illustrates to complexity in management for the municipality, and points towards some of the strengths as well as challenges of the ABIs. A central issue for the involved planners has been to forward demands to the involved parties, be it municipal departments, local institutions or private enterprises, on taking ownership and delivering co-financing to the projects. However, the ABI in Kolind is seen as a success by the municipality, who is already planning a new ABI in another town in the municipality.

Overall, the ABI in Kolind illustrates a number of the themes discussed in the paper, and in relation to the question whether the ABIs provides a form of self-help to distressed communities: Firstly, it illustrates that an engaged participation goes hand in hand with private co-investments. Secondly, that the ABIs in spite of limited budgets can function as a leverage of further public and private investments, and as a way of developing the town towards a desirable role in the overall municipal planning. Thirdly, it illustrates the complexity of the new governance arrangement, and some of the new types of challenges it implies for the municipality. What is left unanswered so far are a number of questions, e.g. whether this ABI might spur a more permanent development of the town, if the local actors involved in the ABI will continue their activities after the end of the ABI-program, and what the municipality will do to support the development started by the ABI. The town and the municipality are up against a structural development with job losses, increasing immigration to the larger cities, radical changes in demography, resulting in empty buildings and buildings as well as cities with needs for change of functions and general upgrading. It's an open question how much a temporary effort as a 5-year ABI program will change this situation.

## Discussion and perspectives

It seems clear that the Danish ABI since its birth in 1998 has found its place in the urban policy toolbox, and today represents one of the main tools for urban development and regeneration in Danish municipalities. The popularity of the tool is reflected in the large number of applications for ABI send each year from the municipalities to the Ministry of Housing, Urban and Rural Affairs. In turn this popularity is reflected a present proposal for changes of the Urban Regeneration Act. According to this proposal, national finances for ABIs will be raised from 60 mill DKr to 80 mill DKr. (11 mill €) per year. Half of these state finances for ABIs (40 mill DKr or 5.3 mill€ per year) will now be directed to smaller towns (< 10.000 inhabitants). The applications in this category, from the municipalities, have been between 28 and 59 mill. DKr per year (3.7 and 7.9 mill € per year), which is the background for the proposal to allocate 5.3 mill € per year for group of villages and neighborhoods in smaller cities.

Whereas the ABI in the beginning was mainly seen as an instrument for the larger cities, and was regarded with some skepticism amongst the municipalities with smaller towns in rural settings (Andersen et al, 2002), the development over the last 16 years has clearly changed this picture, as the ABIs have become a popular tool amongst municipalities outside the larger cities, as the example from Kolind also illustrates.

Compared to other European countries, especially the UK (Lawless et al, 2010; 2013), social problems (social exclusion, unemployment etc.) has a much smaller focus in the Danish ABIs, which instead has a much larger emphasis on physical improvements of the built environment and improving the urban attractiveness. Initiatives for fighting social exclusion are rarely addressed in specific activities under the ABIs, but are typically seen as indirect achievements in efforts aiming at improving the physical environment. Another contrast is that the evaluations of the Danish ABIs take place infrequently and in a "soft" manner,

meaning e.g. that no quantitative measures are identified, and no baseline is defined. After finishing the 5-year program, the municipalities are asked by the Ministry of Housing, Urban and Rural Affairs to carry out a self-evaluation concerning the goals for the ABI, which however has limited practical implications. And on a national level, the ABI-scheme has been only evaluated twice in the 16 years lifetime, as part of overall evaluations of the Act of Urban Regeneration.

Moreover, the evaluation of the ABI scheme on a national level have found limited changes in social indicators for those urban areas having completed an ABI (Andersen et al, 2002; Ærø et al, 2008). Therefore, for municipalities aiming to permanently solve social problems in distressed urban areas, the ABIs might be seen as less useful tool. In these cases, the ABIs “soft outcomes” such as improving social integration, creating social networks, improving public-private collaboration etc., might be overlooked if the areas continuously are having problems with vandalism, violence, crime, high unemployment rates etc.

To sum up, the new types of area-based initiatives have been based on ideologies seeing the public subsidies as a way to make the local communities help itself, e.g. to increase the local social capital and strengthen networks, as well as use the public subsidies to spur private investments in the area. This approach, however, has met some criticism from a theoretical perspective, as well as evaluations have had problems identifying positive outcomes of ABIs in terms of solving core social problems, e.g. on unemployment, education, health etc.

Looking across evaluations and experiences from various studies on the Danish ABIs over the last decade, the strengths of the ABIs is the new governance arrangement it implies, with a strong emphasis on collaboration on a local scale between the public sector, the civil society and the market actors. However, research also suggests that the ABIs have inherent challenges, both in relation to the longitudinal effects and in relation to integrating the ABIs as a part of the urban management in general.

Finally, it can be argued that the positive results coming from the ABI-scheme’s focus on local collaboration also has a backside of the coin, in terms of the urban areas selected for ABIs; often we see municipalities prioritizing villages and urban areas with some social capital from ABIs, as this is seen as a necessary precondition for running an ABI – and in contrast, villages that have few networks and limited social capital, are deselected for having an ABI, although the village is in a poor condition, physically, socially and economic. Perhaps this is an inevitable consequence of the ABIs underlying rationale of “helping the neighborhoods to help themselves” - it works for the neighborhoods and village who already have the potential for helping themselves, but for the more distressed villages and neighborhoods, other tools than the ABI’s are necessary.

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