



New perspective of the regional development of old industrial areas

Nové perspektivy regionálního rozvoje starých průmyslových oblastí

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Abstract

The process of brownfield revitalisation still poses a challenge in the SEE area. It is delayed and hindered because of legal, financial, environmental and image problems.

These areas of old industrial cities represent an underexplored economic value, are areas for investment and could be motors for job creation.

In our paper we would like to present the main goals of the revitalisation process.

The main long-term goal is to develop an internationally competitive business location that will be able to attract new businesses dealing in higher value added environmentally friendly production and knowledge based services, aiming thus at faster and stable economic development of the region.

Keywords: regional development, brownfields, revitalisation process, added value, environment improvement.

Klíčová slova: regionální rozvoj, brownfieldy, revitalizační proces, přidaná hodnota

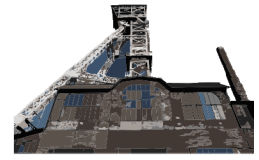
1. Introduction

Revitalisation of brownfields gives a new perspective of the regional development of old industrial areas. The process of industrial change has resulted in creation of so-called “brownfields” across Europe, particularly in urban areas. In almost all European countries, brownfield problems are identified as serious problems that need some political and methodological solution. These sites present particular challenges to national and regional policy makers, including the remediation of hazards to human beings, groundwater and ecosystems. But there is also a need to facilitate the reintegration of rehabilitated sites into the property market and to ensure that they can be brought back into new economic uses.

Over the past decades the “brownfield” issue was a particular topic of discussion in the traditional industrial regions of Europe. Countries such as the UK, France, Germany and Belgium are particularly affected by derelict land and so are most of the European cities as well as the peripheral locations. De-industrialization processes in Western Europe and the shock of transformation in Central and East European countries have savaged many industrial places on the continent. Communities of former economic heartlands have often become notorious for bankrupt companies, massive unemployment, derelict factories and decrepit infrastructure (Domanski, 2000). This wide range of different circumstances and conditions means that different strategies and programmes will be needed to support redevelopment.

In cities of the former transition countries, such as those in Central and Eastern Europe (CEE), addressing brownfields is of particular importance – both due to the extent of such cases and the possibilities their redevelopment poses. Built and expanded around the requirements of a command economy, CEE cities now have to respond to market economy challenges. Dormitory town have to make place for entertainment and retail venues amongst the population with higher incomes and a higher appetite for spending. Polluting industries in inner cities have to make place for cleaner office buildings in an economy that is rapidly shifting from industrial production to services. The pressures of suburban development have to be countered with effective reuse of derelict and underused sites in inner cities, while minimizing greenfield development and reducing sprawl for more environmental sustainable cities (Ionescu-Heroiu, 2010). Suburbanization has its morphological, functional and socio-demographic dimensions and belongs to the complex transformation processes and to the most visible changes on the face of cities (Ptáček, Szczyrba, 2007). Brownfields redevelopment (BFRs) in CEE cities can become part of the public policy and investment agenda, both at the national and the local level. Even if it is not treated separately (the number of brownfields can vary greatly from one country to another), it can fit within a larger urban regeneration effort that could encompass activities varying from facade repainting to entire district(s) redevelopment (Ionescu-Heroiu, 2010).

Brownfields sites generally have a bad image, regarding their status within the realms of urban development opportunists. This is not without foundation. Brownfield



sites are often associated with high risks for development, including contaminated land and ground water, structural problems to land and buildings, high costs of remediation and a poor perception amongst local stakeholders. If this is not sufficient to quell enthusiasm for renewing brownfield sites, then the length of time, planning issues, and finding opportunities for reuse present further obstacles.

This series of pessimistic outlooks can be viewed alternatively by a more optimistic approach. This is that brownfield sites present opportunities to realise sustainable development improvements and thus can have a positive impact on the environment, local or regional economy and the social capital of previously blighted areas (Gray, 2007).

In the South-East European area (SEE) revitalisation is delayed and hindered because of legal, financial, organisational and image problems. It weakens competitive investment position for the cities and for SEE as a whole. Brownfield sites present particular challenges to national and regional policy makers in terms of how to improve European global competitiveness in a sustainable way in the SEE region. In this respect successful brownfield redevelopment policies and strategies need quality research recommendations in setting and meeting public policy objectives and improving practice.

2. Objectives of the project Revitalisation of Traditional Industrial Areas in South-East Europe (ReTinA)

Geographers at the University of Maribor participate in the Transnational Cooperation Programme in the project Revitalisation of Traditional Industrial Areas in South-East Europe (ReTinA). Expanding the scientific knowledge base and developing a clear understanding of the socio-economical, legislative, environmental and spatial dimension that impact on brownfield revitalisation are important aspects of our future research programme. The added value of multi-stakeholder and multidisciplinary approaches in research programmes is already demonstrated in other regional projects.

Maribor (Slovenia) is one of the ten project partners (PPs) on the Retina project. The partner cities are located in or near urban areas and are subjects to revitalization schemes. Regional case studies include industrial areas in Athens (Greece), Komotini (Greece), Ferrara (Italy) and Iasi (Romania), contaminated sites in Galati (Romania), Fidenza (Italy), Csepel, municipality of Budapest, 21st District (Hungary), and brownfields in traditional heavy industrial centres in Pernik (Bulgaria) and Košice (Slovakia).

Brownfields are often of great social and economic importance to a city or region because of its strategic location and economic value. The massive decline in industrial jobs in metallic and textile industries at the ending of the 1980s and especially in the period of transition, created a need for wider structural change in industry. In this regions, economic disadvantage making government intervention indispensable, as it could not be expected that the property market itself would solve the underlying environmental, social and economic problems.

City of Maribor is an old industrial city with inadequate economic structure. After 1991 the city coped with the restructuring of classic production sectoral activities according to market economy principles. Structural changes of Maribor economy in the transition period can be classified in three stages. The first phase (1988 – 1995) was crisis in the sector of transport equipment manufacturing, the second phase (1992 – 1996) was the crisis in the manufacture of machinery and equipment and manufacture of electrical machinery and equipment; the third phase (1994 – 2005) was the crisis in the textile sector (Lorber, 2006a).

The downfall of large industrial companies of production activities caused the stagnation of industrial zones or a change in their function. In industrially degraded areas we witnessed the downfall of classic industry, the closing-down of plants with production activities, and the emergence of high unemployment rate, all of these resulting in depressed and economically stagnant area. (Lorber, 2006b).

A specific objective for the ReTinA project is to develop an innovative Brownfield Revitalisation Method (BRM). The jointly developed approach in ReTinA relates directly to the project and programmes (a.o. INTERREG and URBAN). It focuses on two crucial aspects of successful sustainable brownfield revitalisation: integrated masterplanning and stakeholder engagement. Via development of ten regional case studies on revitalisation in the partner areas of SEE Europe, the common BRM which focuses on integrated masterplanning and stakeholder engagement will be shaped, tested and finalised.

The process of brownfield re-development as an essential component of sustainable urban regeneration is an exceedingly complex matter. It issues related to the overall context of urban development and planning with socio-economic implications and finally to the project' implications onto sustainability. Research work has a main role in setting and meeting public policy objectives and improving practice. Expanding the scientific knowledge base and developing a clear understanding of the economic or societal dimensions that impact on



brownfield regeneration are important aspects of any future research agenda.

Retina project group uses multidisciplinary approach to achieve a model master plan which incorporates recommendations and tools for:

- legal, finance and ownership constructions
- an integrated approach to urban development and environmental issues
- differentiated image-building, based on competitive advantages and specificities of SEE and partner cities needed to rebrand the brownfield area as a place of investment.

The process of brownfield regeneration involves numerous stakeholders at various stages of the process. The process of regeneration is affected by local, national and European drivers and barriers. We would like jointly develop a method for multi-stakeholder engagement. The method will lead to a process management tool for stakeholder engagement (TSE). It defines and tests a methodology for stakeholder engagement. Engage stake- and shareholders from »offers and demand« side as early as the brownfield-analysis phase to get necessary support for a consensus-based, business-focussed but not business-controlled long term development. The method will lead to the TSE and ten regional brownfield revitalisation plans and investment programmes. The exchange of national problem solving experience can also inform EU policy initiatives on the urban environment. This helps to create instruments that empower European cities working in a global market while still maintaining the important aspects of subsidiarity.

In this context, Retina project defines the main objective of how to ensure growth, competitiveness and quality employment in the areas by preparing a series of concrete revitalization and investments plans to catalyse revitalization while contributing to a quality urban environment.

3. Methodological approach

Brownfield revitalization is of transnational relevance to South-East Europe (SEE). The quality and attractiveness of the urban environment is one of the decisive factors for foreign investment. Foreign investors are the key prospective actors in the cleanup and restoration of old, contaminated sites and in the rehabilitation of pollution-prone industries in CEE. Paradoxically, in the early 1990s, many observers warned that foreign direct investment (FDI) to CEE would be stymied by investors' fears of liability for past environmental damages, and more broadly, investors' ambivalence about the lack of clear rules governing environmental liability. Reacting to alleviate these fears, during the 1990s, CEE governments clarified rules and procedures governing environmental

liability. In many cases, governments also granted investors partial or total immunity from liability for past damages (Auer, Reuveny, 2001).

If SEE wants to position itself at a global investment scale, it must concentrate on solving the brownfield development problem which is more dominant in SEE compared to other EU regions.

Retina methodology follows the same cross-sectoral approach that is reflected in the program and in the Commission Communication on 'Cohesion Policy and Cities'.

The principal methodological approach of ReTinA is to analyse and evaluate current practice in brownfield re-development via practical regional case studies. Regional case studies (RCS) provide a lot of information concerning the specific needs, weaknesses and existing tools that are used in brownfield regeneration activities. Confrontation of the result of these RCSs allows the project to identify the common approach to be discussed in three thematic task forces (TF) which results in a Brownfield Revitalisation Method. Each task force covers one field of interest for the project:

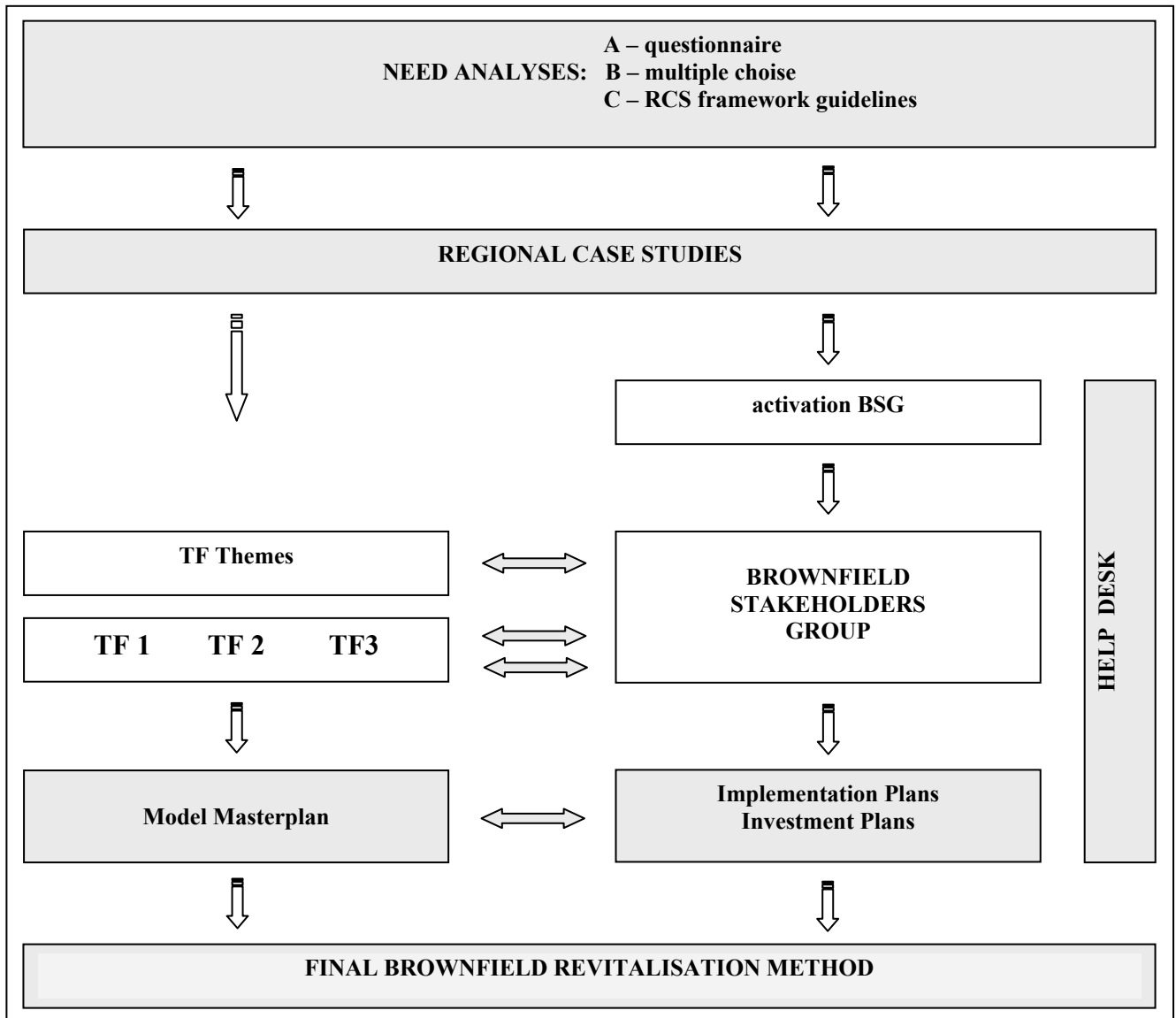
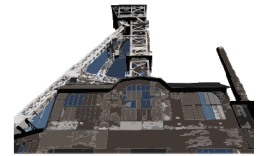
- TF 1 - legal, finance, ownership,
- TF 2 - urban planning and environment,
- TF 3 - imaging and branding.

Within each task force, a Transnational Case Studies (TCS) will be carried out focused on an intensified development and transfer of know-how. Within the taskforces a system of peer reviews and benchmarks was established, too.

4. Future directions

The regeneration of European brownfield sites is an essential part of improving European global competitiveness in a sustainable way. The 'brownfield land dimension' is critical to the pursuit and attainment of many aspects of the EU's structural change. Brownfield sites present particular challenges to local, national and regional policy makers in terms of bringing the land back into beneficial use. In this respect successful brownfield redevelopment policies and strategies need a complete multidisciplinary approach.

It is recognised that brownfield land is a problem at many levels. Brownfield sites promote blight and can be an environmental risk. The principal skills required for managing these sites are not only technical ones, but skills of conceptual thinking, leadership and consensus building, and the ability and focus to understand the regeneration needs of a community. The way in which the process is managed by the Brownfield Manager will directly influence and dictate the technical skills that are applied and how they interact. Flexibility and adaptability are essential (Neonato, 2005).



Picture 1: Need analyses

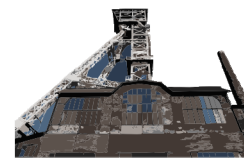
Source: *Regional Case Studies, Needs Analysis Guidelines, University of Maribor and Province Ferrara, 2009. p.4.*

Continuity and change are fundamental, intriguing elements of economic and social processes. One of the salient problems concerning local development is the extent to which economic success is an enduring phenomenon and how it is sustained or reproduced in the same places. The development of towns results from the interaction of various external forces, usually operating on a larger geographical scale, and numerous local factors. Thus the vital question is what local conditions facilitate the reproduction of prosperity of communities in the increasingly competitive national and global economy (Domanski, 2000).

ReTinA clearly contributes to the community cohesion policy as well as the Lisbon Agenda providing improved growth potential and higher employment to the

cities/regions involved while contributing to the Göteborg Agenda (solutions for pollution). Transnational Cooperation Programme in the project Revitalisation of Traditional Industrial Areas in South-East Europe is coherent with the global objectives of the SEE program which aims for improvement of territorial, economic and social integration, stability and competitiveness.

The main goal of ReTinA project is create the Retina development methodology, which will be focused on legal/finance issues, bottom-up multi-stakeholder involvement and integrated masterplanning. With the Retina development methodology, we would like to ensure growth, competitiveness and quality employment in the project partner areas by preparing a series of concrete revitalisation and investments plans to catalyse



revitalisation while contributing to a quality urban environment. A special task for the project is to commonly figure out an innovative Brownfield Revitalisation Method (BRM) that will prove to be transnationally applicable and flexible enough to suit the requirements and peculiarities of different environments and different phases. In order to develop such methodology, information sharing among partners is crucial. A common understanding and use of tools is indispensable, as much as developing a common know-how to be used throughout the implementation phases. Efficient brownfield revitalisation requires a cross sectoral approach in which innovative strategies lead to awareness of stakeholders. This in turn leads to putting the theme on the agenda of concerned authorities. This will facilitate a more efficient development of new instruments, to tackle the problem in an integrated approach. ReTinA uses these assumptions to develop sustainable solutions for urban renewals and revitalisation contributing to enhance the management of the brownfield sites, along with the development of sustainable solutions for the future.

Brownfield revitalisation is an excellent example where experiences can be transferred between EU regions, notably between western regions where brownfield revitalisation started in the 70's when urban sprawl resulted in inefficient land use and SEE countries that are in most cases only just starting the revitalisation.

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