



Eco-innovations in the urban regeneration projects



Green Urban Regeneration Projects

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KAPITAŁ LUDZKI
NARODOWA STRATEGIA SPÓJNOŚCI



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Publisher's note

We're delighted to bring you the book series prepared by the Authors taking part in the "[Eco-innovations in cities](#)" Project (POKL.04.03.00-00-249/12-00). The series, which is available free of charge, consists of six books:

- "[Eco-cities](#)" by Dominika Brodowicz, Przemysław Pospieszny and Zbigniew Grzymała
- "[Green Project Funding](#)" by Hanna Godlewska-Majkowska, Katarzyna Sobiech-Grabka, Paweł Nowakowski
- "[Green Urban Regeneration Projects](#)" by Marek Bryx, Jacek Lipiec, Izabela Rudzka
- "[Planning and Management in Eco-cities](#)" by Stanisław Lobejko, Anna Stankowska, Mariusz Zabielski
- "[New Models of Urban Entrepreneurship](#)" by Marcin Wojtysiak-Kotlarski, Ewelina Szczech-Pietkiewicz, Katarzyna Negacz
- "[Making the 21st Century Cities](#)" ed. by Krzysztof Jarosiński.

The Project was designed and prepared by Professor [Marek Bryx](#), Deputy Rector of the [Warsaw School of Economics](#) (SGH), and Doctor [Dominika Brodowicz](#). The Project has been carried out within the Priority IV "Tertiary Education and Science", Measure 4.3 "Strengthening the didactic potential of universities in the fields of key importance for the aims of Europe 2020 Strategy". In line with the objectives, the Project is conducted from 1st July 2013 until 31st December 2015.

The main aim of this Project was to create at the Warsaw School of Economics a one-year specialisation entitled "[Eco-innovations in the urban regeneration projects](#)". What is more, the Project's aim is to develop the study offer concerning the area of green and socially responsible eco-innovations in cities regeneration. The main objective of this new specialisation is to enhance students' knowledge

about eco-cities, give them sufficient information and discuss case studies on the subject: how contemporary cities should be planned, developed and managed. As most of our communities exist within the urban environment, the provision of eco-innovations is essential for the well-being of society. This unique educational programme for M.A. students provides information on maximising the benefits of making innovative and creative cities to citizens, local authorities, planners, developers, students, researchers and non-government organisations interested in improving the quality of life in cities.

MSc Alina Modrzejewska-Kořakowska – Project Manager
Prof. Anna Szelągowska Ph.D. – Project Methodological Coordinator

Introduction

Green Urban Regeneration Project is a book which is one of six that try to show how important is in a temporary world a problem of “eco” or “sustainability” or “green”. We all know that these words mean global challenges. But still for a part of people, it means that it is located somewhere in faraway spaces of the world, and it is not our challenge. Fortunately this approach is changed every day, but still we are not ready to think that these global challenges are threats to our smaller or bigger community.

Our project, under a common title “Eco innovative cities” would show that eco problems are very close to each of us. It was addressed to students of economics in the oldest university of economics in Central and Eastern Europe – Warsaw School of Economics.

“ECO” is the world of the moment, is a buzzword. In the same way we treat a counterpart word “green”. However, they are significant buzzwords. In this book dedicated generally for students, but not only, we try to explain that every city and every society are responsible for doing to be *green* or *eco*.

Our general idea is that there is no investment inside a city space which is not green. This also applies the degraded areas inside the cities. We point out that it is especially important for these areas and their societies because when we have ideas and sources to implement them and finally regenerate these areas we should do this on the high level fulfilling all modern standards. We accept a paradigm that no investment action has sense if it does not face global and local challenges.

Thus in the book we try to explain why these deprived areas came out and how to plan, make actions and finance city activities against them.

Marek Bryx

Chapter 1

A deprived area as a problem to solve

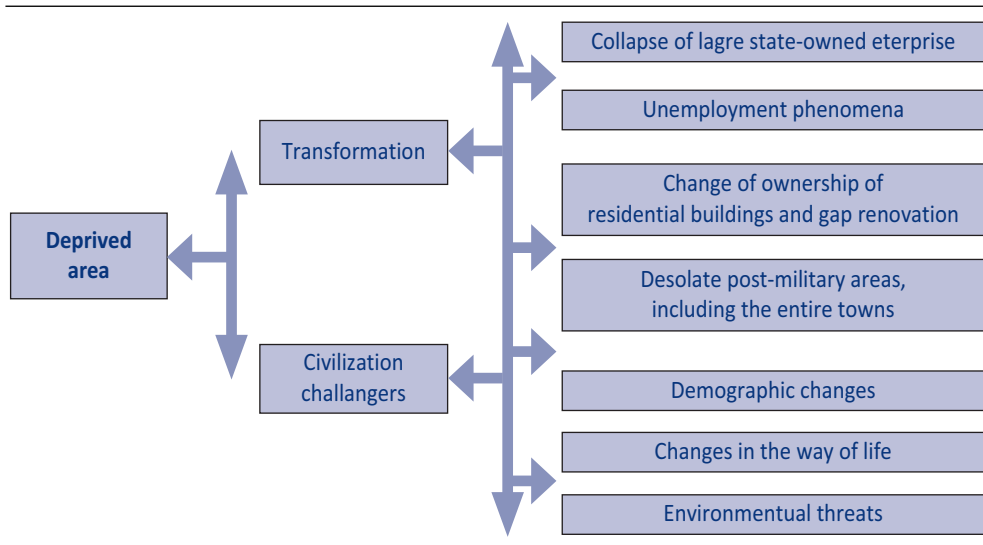
1.1. Introduction: Deprived areas – why are they problems?

The first chapter is essential for the understanding of the factors which caused and led to the creation of degraded areas. The reasons for this were many, but they can be classified into two groups of issues, namely:

- a. The transformation from the centrally planned economy to the market-oriented economy and as the results of it:
 - collapse of state-owned enterprises and unemployment phenomena,
 - change of a structure of an ownership, including residential buildings,
 - increase of a gap of housing renovation,
 - occurring brownfields, especially desolate post-industrial and post-military area.
- b. Civilizational challenges, especially environmental threats, demographic changes. These two and other reasons create changes in the ways of people life.

Above the negative phenomena occur to varying extents. Deciding that the area needs revitalization, requires proof that according to the established criteria situation in a particular area is clearly worse than in other areas of the city. From the point of view of the possibility of obtaining funds for revitalization, these criteria have been defined. Delimitation of the area, the basic condition for accession to the corrective action, so that it is possible.

Chart 1.1. The causes of deprived areas



Source: Own elaboration.

Every teaching process should start with a definition of the subject, the identification of its problems, its basic features and relations with the environment, and especially the practical consequences of the chosen approach, and as a result of it – the methods of teaching. In the case of urban regeneration, especially green urban regeneration, a definition trying to include all aspects of these types of processes in towns is rather extensive. However, it must be elaborated because of its importance for the practice and the meaning of the teaching about regeneration processes.

There are two important aspects of the definition that should be assimilated: the transformation process from socialism to capitalism economy and civilizational challenges. In my opinion, these two processes, “supported” by the urban sprawl effect were the primary effects on the regeneration needs in Europe, especially in Poland. They include the following issues, which are shown in Chart 1.

And final question – why are we interested in these areas? Why are the problems? The answer is not simple thus is done in many places of the book. But in this place the first attempt of answering can be done. These areas create more social and economic problems than other spaces in the city. They have bigger unemployment and smaller chance for development because they are also deprived in a technical sense. People living there are rather desperate. More active and creative and better educated of them walked out on these

places. These who live there feel more desperate and hopelessly. This general impossibility of changing the situation causes that the chance for better, more dignity life is expected from outside.

1.2. Transformation and its results

To fully comprehend a problem of the regeneration processes everybody must remember that Poland was in transition from central planned (socialism)¹ to market-oriented economy, since the first days of 1990. We can assume that the transformation process was finished when, on 1st May 2004, Poland joined the European Union. In the meantime all the economy was changed and a new market-oriented economy resulted in a lot of new positive, but also negative consequences.

The main negative results were huge unemployment where the average rate reached², at a peak, more than 16 percent. It is worth adding, that there were agricultural regions in which the unemployment rate reached more than 30 percent. But on the other hand, the economy experienced new impulses and impetuses and finally the country walked on the path of economic growth.

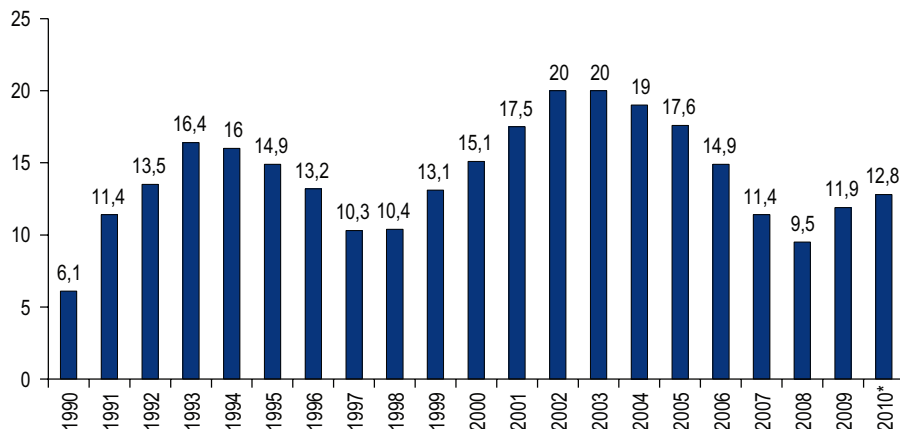
To understand why unemployment was a shock for the Polish society, we must remember that earlier, when Poland was a socialist country, the government guaranteed full employment, which was included in the Polish Constitution and realized. As a result of it, and from other circumstances, all economic relations were unmarketable. The idea of full employment was realized in the conditions of the artificial rates of exchange, lower salaries and wages and prices which were not mirrored by the production costs. When the economic relations became marketable many companies could not sell their products with a profit. As the market was opened and accessible to all companies from all over the world, international competitors provided better but mainly cheaper products.

¹ In transitional economic literature the term "government-driven economy" is usually used versus central planned economy. I do not prefer the name for the socialism time. I insist that it was rather centrally-planned; an obligation not an opportunity. Government-driven suggests that the government steers or drives or have an influence on the economy, but a company has its own choice and decision, made according to all market signals, including signals from the government. In Poland and other socialist countries before the transformation the government created the economy because it dictated prices, salaries and wages, exchange rate etc. and as a result of it the most economic indicators were artificial not real and the most important – the market was not real. And state-owned companies did not create their own strategy.

² There are different definitions of unemployment. One of the best known is a definition prepared by the Bureau of Labour Statistics (BLS) as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work.

Thus many of the Polish state-owned companies collapsed, others were restructured, sold, rented, etc. A particularly difficult situation affected heavy industry in the Silesian region and the textile industry in Lodz and its surroundings, but not only.

Chart 1.2. Unemployment in 1990-2010 (in percent)



Source: rynekpracy.pl, 03.Feb.2013. Polish State Statistic Office

Thus, the responsible government, the state, local community want to change it by reintegrating a group of excluded people into a normally functioning society, by regenerating their living conditions and creating for them the opportunities for growth and development. These are the goals of the regeneration processes. Why? Because all men are equal before the law and must be treated on equal terms. These people, lived in crisis areas, they are not responsible for the economic changes and the crisis triggered by the new economy. But the governments – central and locals – should feel responsible (partly) for their fate, especially for creating them conditions for their own activity to create their lives better.

The authorities should create an opportunity for them to return to their normal lives, with jobs, with a living salary with the possibility of education for young people but also for adults to help them to be reskilled. It is important for the authorities from the political point of view, but for those people living there it means having a normal life. This is a European traditional glance for the role of the governments. In other countries as for example in the U.S., this would be viewed as socialism. In countries with free-economy market is expected that the private market plays the main role in creating opportunity or job training.

And it works when the US government pulls back companies to the States by encouraging them in different ways. Many countries, including Poland, encourage private sector to participate in these activities through subsidies and other incentives prepared and implemented by their governments. Health market with strong companies is a base to solve the problem of unemployment and next build better future for all these people.

From another point of view, for a city, a region or a state, regeneration means also the elimination of losses that are created because the area provides or produces nothing. And the prosperity of every society depends on the activity and productivity of every unit. It is obvious that if there are areas which produce nothing or create losses the common result of all the society efforts is lesser than it could be.

There were many areas in Poland, in which the only one existing employer or the largest of them went bankrupt, causing high unemployment and socially excluding groups of people.

Unemployment raises a number of different pathologies. First of all – social exclusion and crime. Continuation of the situation preserves bad relationships and creates barriers for the normally raised and the development of young people. They are not correctly educated and prepared for their normal lives. They are in a trap³. They are not educated well and therefore they cannot get jobs. Without salaries they cannot live normally and educate themselves and their children.

We can also add that similar problems with exclusions and unemployment other countries whose economy was radically changed encountered, totally or partly, as e.g. Great Britain or Spain, whose leading project was the regenerated area of Bilbao.

There is also another important reason for regeneration projects, which remain from the socialist era. I am thinking of the large lack of renovation of the existing stock of multifamily houses in specific areas called blocks of flats (or residential areas). The socialist economy did not have the sufficient financial resources to solve or moderate the growing renovation needs of the urban area. Although blocks of flats were built mainly from prefabricated concrete in the seventies of the past century are still possible to live in, however they need to be upgraded. Especially, their sanitary facilities, water, central heating or wiring systems should be exchanged. If the unemployment,

³ For example the at-risk-of-poverty rate after social transfer was 17.7% in all Polish population in 2011 but in a group between 0 to 17 it was 22.0%; The average for the EU27 is 16.9%; sources: http://www.stat.gov.pl/cps/rde/xbcr/gus/wz_dochody_warunki_zycia_raport_2011.pdf, Warsaw 2-12, page 144