

Welfare and finance

Chair: Paola Clerici Maestosi, Vice Chair of the Governing Board, JPI Urban Europe, ENEA

Key note speakers: Federico Cinquepalmi, JPI Urban Europe Governing Board, MIUR (Italy), Peter Karl Kresl, Professor at the Bucknell University

Expert from EC: Corinne Hermant-De Callataÿ, Senior Policy Officer, European Commission, Directorate-General for Regional and Urban Policy

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Rapporteur: Daniele Ietri, Associate Professor at E-Campus University

Stimulated by post-2008 austerity measures, civic services and the size of the welfare state are reducing as “big society” is being increasingly called upon to fill the void through bottom-up voluntary efforts. This leads to changing roles of public services and the need to redefine the contribution of and cooperation with community-based activities. It also results in the call for new business models to finance sustainable urban transitions. The role of social entrepreneurship, local economy and shared economy is under debate and frameworks are needed to tap the full potential of these opportunities.

The session will focus on (1) changing roles of public services; (2) need to redefine the contribution of and cooperation with community-based activities; (3) the call for new business models to finance sustainable urban transitions. The session will in particular focus on silver age perspective – against the background of an ageing population in Europe – and the macroeconomic perspective that increased participation of older people in gainful employment is essential for future prosperity in the European Union.

The aim of the parallel session was mainly to present the Thematic Priority “Welfare and Finance” and give inputs for a discussion on how to drive urban transition in order to successfully tackle the manifold challenges of sustainable urbanization. The workshop was intended to outline the transition of urban economies and the consequent need for a new welfare and new business models in the delivery of public services.

The focus of the discussion was, in fact, on how to respond innovatively to, inter alia, the changing demography of European cities, to pressures and constraints put by migration, raising urban poverty, social inequalities and other divides that the economic crisis showed off with dramatic evidence. The discussion adopted the “silver economy” or “aging society” perspective as starting point and a viewpoint to better reason on a new model of welfare as long as civic services and the size of the welfare state are reducing whilst social demands are increasing.

To this regard cities and the urban environment are, without any doubts, either the problem or the solution. While cities are under pressure, there new answers are emerging with big society filling the void of a downsizing State. Social entrepreneurship, collaborative and sharing economy, community-based activities are the seeds of a new welfare at the urban scale.

Federico Cinquepalmi in his introduction to the topic of the workshop remarked the impact of the economic crisis on current models of welfare state and organization of public services, noting that alongside with the crisis cities are called to tackle new challenges related to migration and demographic change. The risk of the widening of social divides and of urban segregation was addressed as one the challenges ahead that cities have to cope with and contrast by unleashing the potential of the big society.

The SRIA issues were therefore positioned within this framework and punctually illustrated.

Peter Kresl focused his speech on the ageing of population in Europe, provocatively asking whether this is a threat or an opportunity. Demographic trends show that the age dependency ratios are raising in Europe, that is to say that the working citizen of the EU countries will have to pay for his/her own living costs as well as an increased burden for those who are no longer working. That is a 'ticking time bomb', with the fiscal situation blowing up in Europeans' faces. However it is the position of the author that this is to some extent a mistaken fear. Aged people will be richer, wealthier and better educated than in previous age. Therefore they are a resource. Not only they will contribute to urban economies (as they ask for recreational and caring services), but they will devote their time and money to voluntary activities in the framework of a new social economy.

Corinne Hermant-de Callatay commenting the SRIA and the scenario depicted in the keynote, pointed out the urgency of a re-design of public services and agreed with necessity, for urban planners and policy makers, to consider the active seniors as a resource whose potential can be usefully tapped within a model of sharing economy. Of course, seniors will increase the demand for care and welfare services (health, assistance etc.), but the answer cannot be focused on technologies for the ageing (e.g. development of e-services such as telemonitoring etc.). On the contrary, people, and in particular the elderly, are asking for more community services and integration. The transition shall consider therefore also the community dimension, invest in enhancing social capital, redesign public spaces so to allow also inter-generational encounter, re-design buildings. The move should forward to a community-based urban agenda. A final remark was referred to EU strategic framework outlined in the Urban Agenda and to initiative fostering networks and exchange among cities so to share new solutions and practices. To this regard URBACT III is a remarkable opportunity to link and share knowledge and agendas.

The discussion focused on:

- Lack of public resources: where do we find the needed resources for transition and how to use them in an innovative way; how to use the new financial instruments?
- assessment of existing experiences
- Changing of regulatory frameworks: for example, experiences of civic society engagement in Germany with senior volunteers that are sustainable within the frame of "the project" but cannot be spread and replicated beyond the borders of the project because there are not conceived within actual regulatory frameworks.