



UPLIFT – Urban PoLicy Innovation to address  
inequality with and for Future generaTions

# **Seminar on economic competitiveness and social cohesion**

*UPLIFT webinar*

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## Webinar report

Ábel Csathó from TÁRKI and Éva Gerőházi from Metropolitan Research Institute presented the findings on linking economic competitiveness and social cohesion of European cities on the 22 of November 2022 in an on-line seminar organised by the UPLIFT project

One of the scientific objectives of the UPLIFT project was to analyse if higher economic competitiveness of European cities is associated with lower levels of social deprivation and inequalities, in education, housing and employment among urban young population, or the opposite.

Noting, that key comparable economic and social indicators are lacking on local level, the researchers used a mixed method to answer this very complex question and incorporated the results to chapter 6 of Deliverable 2.4 of UPLIFT: "Synthesis report: socioeconomic inequalities in different urban contexts".

1. First, 65 cities were statistically analysed based on the EC/DG REGIO, Perception Survey on the Quality of Life and other complementary datasets (e.g. metropolitan database including GDP and unemployment data) to see how the GDP level of cities relates to the satisfaction of young inhabitants on different public services and whether difficulties in paying bills and having financial difficulties correspond to the economic (GDP) position of the urban area.
2. Second, 16 urban areas of Europe were compared in a qualitative way (based on the 16 urban reports of UPLIFT) analysing their economic potential, welfare systems and social inequality outcomes to reveal the mechanisms through which economic competitiveness strengthens or even weakens social cohesion.

### Key findings:

- The statistical analysis revealed that there is a slight correlation between the economic performance of cities (GDP) and the satisfaction with local services. Higher economic performance also brings in lower level of financial difficulties of inhabitants. On the other hand the difference between less and more educated in having financial difficulties is not tied to the economic performance of cities.
- Availability of affordable housing became a crucial issue according to the statistical analysis: while before the financial crisis of 2009-2013 experiencing difficulties with paying bills and having financial difficulties was strongly tied to the unemployment level of cities (higher unemployment meant higher financial problems), after the crisis was over, housing affordability stepped in: young people living in cities with unaffordable housing conditions experienced much more financial difficulties.
- The qualitative analysis of 16 urban areas found, that the economic strength of urban areas (more precisely the diversity of their labour market and the availability of high

profile jobs) does not necessarily result in higher quality of local services in education, housing and employment. In order that economically stronger cities can provide better local services they should have the competence for that (decentralised service provision) and the financial means for implementing policies (based on redistributed or locally generated tax and income). Some of the economically strong cities may be “welfare poor”, like Bratislava in Slovakia, or economically weak cities can be “welfare strong”, like Mulhouse in France.

- The researchers experiences that the social outcomes depends on the combination of the structural impacts of economic processes and the local welfare services. While some cities may have a strong local welfare system in housing (like Amsterdam has) it may not be enough to compensate for the enormous push on the housing market due to the demand for labour. On the other hand, weak welfare systems in economically weak urban areas can create a vicious circle of deprivation, leading to the outmigration of the population and increased regional inequalities.