

CONDITIONS INFLUENCING WATERFRONT DEVELOPMENT AND URBAN ACTORS CAPACITY AS A STRATEGIC RESPONSE

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This paper is primarily based on the research on existing waterfront development that occurred in last few decades of the XX century in Western Europe with potentials for waterfront development in the changed and transitional context that Serbia and Belgrade is going through: from centrally driven system to market oriented economy with the multi stakeholder arena in the processes of globalization – urban management and development paradigms change. The aim of the paper is to define and underline conditions influencing waterfront development (WFD); to examine who the urban actors are that trigger WFD and what strategies have been created by them for WFD as a response to those conditions. Conclusions will be drawn at the end from the Western European context that might be applicable for developing WFD strategy in Belgrade.

Key words: waterfront development; urban actors; strategies

INTRODUCTION

Cities by the water traditionally developed organic relations with adjacent waterways until the mid 19th and the beginning of 20th century. Even though the harbours were located next to the city centres and had a vital function for the economy of community, the scale of trade, vessels, and the quays were different at that time, creating organic relation between the two – built and natural environment. With the processes of strong industrialisation of society in general and the change in the port technology and the demand for bigger areas of the land as an effect, most of the cities have chosen to expand ports and port related industries on the most valuable inner city locations – on the river banks. Accompanied with the transport infrastructure, mainly the railway that blocked free access, waterfronts lost significance they once had – to be public places where people meet, live and linger. “Reinventing the wheel” with the waterfront (re)discovery came once again into the scene, first in the USA in the 1950s and then in Europe in the 1970s. The change itself did not come alone – it has been influenced mainly due to the general shifts in the society, world

economy, technology, politics and environmental movements.

The industrialization that took place before, and especially after the Second World War in the most attractive inner city areas in Europe, near high-rent business centres, entertainment complexes and transportation and communications nodes, on the river banks, today occupies and blocks the development of cities towards better use of the river and its waterfront potential.

Changed global economic conditions with the significant impact on urban regions, and in addition, the shift from centrally driven economies to the development of urban regions based on entrepreneurial spirit of private multi-national and small scale industries, created new political circumstances, especially visible in the shifts from the “city governments” to the notion of “governing cities” introducing the “good urban governance and management”. The direct effect of the economic restructuring and the decentralisation processes was lack of public investment to fund such flagship, large scale,

“underdeveloped zones” – projects such as waterfront developments are.

Changed circumstances in politics and economy had their impact to the planning process in general, and to the process of creating waterfront development strategies in particular.

The future of the major European cities and process of re-urbanisation are examined by Berg et al (1982) and Berg (1999) in context of underlining the conditions for the changed circumstances of urban regeneration in the inner cities.

Rise of the information sector and the process of reurbanisation, shift to the knowledge-economy and growing importance of the quality of living environment bring back both the companies and the families to the inner cities. With the European integration and the advent of accessible cities connected into networks by air traffic, road network and high-speed trains, cities are becoming important social and economic places for urban actors to locate. Together with leisure and service activities, small-scale industry is growing in the inner cities. All of them want to be close to

the customers and to each other. In that respect, companies that form clusters are not looking only for supply of high skilled and educated labour force but as well for the locations to settle down, including the quality of living environment. That kind of locations can be found both in the hard ring and in the inner cities, in the former port or industrial brownfields, relevant for waterfront development research.

CHANGED CONTEXT OF URBAN POLICY AND PLANNING

Waterfront development usually takes long time to appear (differing in the scale of project) since it covers big area of land. It is subject of change due to different political circumstances, economic and market conditions. Since urban planning is happening in reality, and therefore, follows the trends within society, it is subject to change as well. Healey (1997) distinguishes three main areas of modern planning: economic planning, physical planning and management of public administration and policy analysis. Economic planning can be understood as a tool for social progress in a welfare state, managing productive forces of regions and states. Physical planning comprises urban development and regeneration of cities and regions as a tool for reaching healthy and sustainable communities. The management of public administration and policy analysis aims to meet goals set for public agencies both by public and private sector.

The concept of Strategy and Strategic planning was used in business management and corporate planning before that (So, 1984) and was adapted to urban planning. In different contexts, the term has different meaning, and it can be based upon two significant concepts (Davidson, 1996): in the UK, where it is a process in which partners, whether from the same organisation or in the community, meet to agree on limited number of actions in order to meet medium term development objectives; and in the Netherlands, where it is seen as a central government's function to achieve its goals, from protecting the environment, or further establishing a city-region function as a competitive position of the city, like in the case of Rotterdam.

There were certain shifts related to the notion of strategic planning in the second half of the 20th century in Europe. According to Healey (2004), spatial planning has abandoned strategic approach in development of cities to move towards flagship projects and renewal transformations, with excuse that previous period was "locked into the urban plans". At the end of the century strategic spatial plans were given attention once again, due to several important reasons: coordination of public policy in specific locations, competitiveness of urban regions and introduction of sustainable development.

Decentralization process and context of multi-level government is equally important reason since there is the possibility of capturing financial resources from higher levels of government (national, European). Salet and Faludi (2000) argue that spatial policies have cross-sectoral character, since they incorporate economic, environmental, and social aspects; and, furthermore, since big redevelopment projects such as waterfronts are, require long time in the process of preparation and realization, being strategic means to define priority issues for the long period of time. According to the UN-Habitat (2004), the meaning ranges from having a *strategic focus, creating a strategy for implementation*, or simply substituting the term 'strategic plans' by *comprehensive master plans*.

'Strategic focus' refers to the priorities for the development of the city with long-term perspective. Since it concerns the community in large, both in terms of benefits and impacts, it applies the concept of collaboration with multi-stakeholder society.

It is not the question anymore what shall be done, or at least less the question it is, but how things should be done – with what resources, with and by whom, and what innovative approaches can be found. Another thing is that the practice is sometimes much more innovative than the theory in finding solutions to the problems, alternative ways for tackling them and turning them into the opportunities.

LEARNING FROM THE EUROPEAN EXPERIENCE – UK AND NETHERLANDS

Conditions influencing waterfront development

In the urbanisation stage of urban development, process of strong industrialisation, following demand of ports and industrial complexes for big areas in the inner city, which were found on river banks due to good transportation possibilities by waterways, occupied those strategic locations. In line with that, in the centrally planned systems at that time, urban policies were aimed to the creation of social housing in most valuable locations, in close proximity to the place of work for many workers that migrated to the cities.

In port cities, like London or Rotterdam, with modernisation of the port technologies (namely containerisation and size of vessels), the expansion of port occurred and later shifted of ports and port related industries to deeper water, leaving the empty docks and wharfs with supporting infrastructure and warehouses as well as the polluted land. The big impact was on socio-economic conditions, thus creating problems like unemployment and crime that had big socio-economic and physical impact to the city as a whole.

Social orientation of urban policies came to an end due to cuts in public budget with world recession and energy crises in the 1970s, and obvious incapability to solve deprived social and economic problems by the single sector approach. In order to strengthen deprived economy, national governments shifted their focus to economic issues, through policies of deregulating and liberalising the market, to a bigger extent in the UK and less in the Netherlands. At the same time, with the rise of information sector, shift to the knowledge-based economy and growing importance of the quality of living environment in reurbanisation stage, both the companies and the families created a new demand for accessible locations and high quality living environment in the inner cities.

British national economic strategy became focused on London, thus creating market-led strategies for attracting financial activities and

creating employment growth, and showing less concern for locally defined socio-economic problems and policies. Strategy was launched by establishing Regional Corporation in classical top-down approach, appointed and funded by the Government itself and given the land development powers. Closest location in London was found in the former port area of the Docklands. Situation in the Netherlands at Kop van Zuid was different. The response to deprived socio-economic situation and the willingness to enhance city's competitive position in broadening economic base came from the Rotterdam municipality. To attract new economic activities, the location environment of Rotterdam was supposed to change, thus creating integral urban policy with spatial, economic and social aspect of renewal of the city as a whole, and applied the same principle to Kop van Zuid regeneration.

Strategies created by urban actors for WFD as a response to those conditions

In both cases it became clear that public sector, whether on the local or national level, couldn't bear the investment on its own. What was needed was to attract the private sector to invest. With different governmental concepts of economics, different market demand, and with difference in time of launching strategies¹, significantly different waterfront development strategies have been created.

Underlying conditions for waterfront development to appear are based upon the interrelation of several factors. With relocation of port and industrial complexes, a threat for the whole city to fall into socio-economic decline became obvious. At the same time, while responding to those problems, national governments have been changing their policies from 'welfare state' with social orientation towards economic efficiency and greater role of private sector in urban development. Not less important is the general trend to take better position on a global market, thus searching for competitive position, in case of

waterfront development through flagship projects that can change image of the city and attract new 'knowledge intensive' activities. Together with the change of economic base of the city, more educated people are attracted to the inner cities, looking for quality of life in general and for good housing opportunities in particular. Since the only free spaces in the inner city for such large-scale developments are former, abandoned industrial or port areas, they have been seen as an opportunity to satisfy that demand.

What is of the biggest importance to underline is that the national governments took different approaches in solving problems, with the change of attitude to look for opportunities in wider perspective. While in the London Docklands case, the national government has seen benefits of attracting capital and financial activities to London, using only market-led approach, without simultaneous consideration of the local social and economic needs, and without including them in the approach, in Rotterdam case, local government was recognising spatial and socio-economic problems, but in the integral way – namely to use opportunity-led approach to attract new activities and at the same time to tackle the problems. Therefore, it started to apply new approach, realising that some of the economic problems can be tackled in spatial and social policy fields and in all possible combinations. Reminder is that two selected cases occurred in different times, with ten years of gap, under the different market conditions and government's politics and policies.

TOWARDS WATERFRONT DEVELOPMENT IN BELGRADE?

Urban Development and Planning in Serbia in the transition period

Serbia started an initial stage of the transition period at the beginning of the 1990s with artificial deregulation of the market. As a consequence, role of the private sector in the inner city became important with intensive growth of commercial and business activities (Lalović & Djukanović 2003). With a lack of clear defined strategy for the urban development and with old planning mechanisms and regulations in the form of

statutory plans, growth didn't occur in a planned way. On the other hand, private sector didn't have enough resources for major investments in large-scale projects.

In the period after the year 2000, with new democratic government, the situation for urban development started to change. Multi level socio-economic problems of former period, which have not been tackled for a decade, left heavy burden for city governments. It became obvious that old, traditional way of planning and of steering the urban development couldn't deal with new, changed circumstances (Vujošević 2004). This context, enhanced with the processes of advanced and more structural transition from socialist system towards western democracy, followed by the political decentralisation, liberalisation of the market and strong privatisation, brought the necessity of applying modern planning and management concepts in creating strategies for development of cities (Lalović & Djukanović 2003). Concepts of e-governance, participatory approaches, and other modern planning tools are starting to gain attention in governmental structures at national and local levels, in the practice of planning and among citizens as well.

Opportunities for Belgrade's development

Danube River has the specific function for Serbia and Belgrade, in relation with other functions, i.e. mainly transport and economy. The river is the backbone of development and for Belgrade it has the crucial importance for its economic, functional and cultural linkages with Germany, Austria, Hungary and other Danube basin countries. There is a lot of potential for development in the whole Danube basin's surroundings of Belgrade. The Spatial Plan of the Republic of Serbia from 1996 recognized that potential and planned further development of river transport and four main ports, one of them being the Port of Belgrade. That plans were interrupted with the decline of socio-economic situation in the 1990s in Serbia, and especially with complete closure of Danube River for transport after the bombardment in 1999, which destroyed several bridges and made the use of waterway impossible.

¹ Realisation of London Docklands (area of 2,146 ha) started in 1981, and Rotterdam Kop van Zuid (area of 125 ha) in 1993. The situation in the UK has changed to the similar, integral way of steering urban development since.

Beside that, Belgrade had significantly lowered its strong position as a European metropolitan city, important for the whole South East of Europe. Competitive position among other cities in the region, like Vienna, Budapest and Thessaloniki was lost due to political and economic decline. Today, Serbia and Belgrade are positioned as the 'periphery of the Danube basin region' (CCB 2003).

On the other hand, there are positive external and internal influences that might change those negative trends for Serbia's and Belgrade's development, and through positive impacts on the market – to the possible waterfront development in Belgrade.

Belgrade's strengths and weaknesses and relation to the waterfront development

With existing trends for broadening city's economic base, future economic development of Belgrade is expected to attract more financial, banking and construction activities on the one hand and to decrease presence of industrial activities on the other (Stupar & Hammamcioglu 2006). Transport on rivers, both for freight and tourist cruise purposes in interrelation with other modes has had and will have even more significant role. With already big growth of the unplanned tertiary activities in the city centre, the focus will be on supporting SME in a planned way, both in spatial sense and through economic programs under the new market conditions, with easy transfer of capital from one economic sector to another (CCB 2003). Being the major university centre in the country and with the decrease of 'brain drain' from Serbia that was present in the 1990s, more educated people are now attracted to it and are staying in Belgrade.

To achieve that kind of development, those opportunities are recognised in the *Master Plan Belgrade 2021* (CCB 2003) in form of attracting big foreign and domestic investments, especially to inner city. Focus is on creating business parks and new city centre in line with demand of the investors on former industrial sites on waterfront and near major transport corridors. Several obstacles beyond city level have to support successful achievement of those goals – possibilities of private ownership

of urban building land; political and market stability of the country; and legislative changes for easier planning procedures.

Beside the external influences, problems of previous urban development had characteristics of spatial concentration of business and commercial activities within old city centre that have remained the same in spatial terms from the beginning of the 20th century till today.

The Master Plan for Belgrade 2021 recognized as one of its main strategic goals extension of old city centre to the rivers, especially to Sava River, and in that way to attract the new economic activities and regulate existing unplanned growth in tertiary activities, mainly SME. Together with those economic goals for establishing city's competitive position, new focus of Belgrade's future spatial development will go towards three natural elements that rivers and the Big War Island form in the epicentre of Belgrade (CCB, 2003, p. 49).

As a tool to achieve that kind of development, several big flagship projects are recognized in the *Master Plan Belgrade 2021*. First step that should be taken in the "Sava Amphitheatre" is the removal of existing Central Railway station and its supporting O&M facilities and freight cargo compartments to 'Belgrade-Centre Prokop' station and planned relocation of the Bus station to New Belgrade. In that way, space for new development to take place and link existing city centre from 'Terazije Terrace' to the 'Sava Amphitheatre' and Sava River would be possible. The building of the Central Railway Station as well as other supporting buildings will be re-used. Land use for "Sava Amphitheatre" in the *Master Plan Belgrade 2021* is designated for commercial / business activities and high-grade housing in equal ratio. Beside, cultural and educational facilities are planned, but only in this form of intention, without exact location, program characteristics and space requirements and without ideas for potential investors. Infrastructure traffic and communal works are planned as improvement and widening of the existing main streets for enhancing linkages with nearby highway on the one side and Kalemegdan Medieval castle on the other. The four existing rail tracks will serve future light rail transport and will be placed

under the ground to enable free access on pedestrian level.

Important actors

Plans for relocation of the existing Central Railway Station are closely related with the completion of the Belgrade Railway Junction and other railway stations for handling the existing capacity of the Central Station (CS). Beside one passenger and two freight stations that should be completed, the biggest challenge is the completion of one of the four main ring railway stations in the inner city – 'Belgrade-Centre Prokop' station. The main actors beside Belgrade's government in this process are the Republic's government, the municipality of 'Savski Venac', where planned extension of city centre should occur and the two publicly owned companies: Railway Transport Company ŽTP Belgrade with its assets and the Republic Agency for Rivers 'Serbia Waterways' ('Srbija Vode'), which has jurisdiction over the rivers and adjacent river banks within municipal administrative territory.

Waterfront development project in the 'Sava Amphitheatre' is seen as a strategic project on the national level, as a part of the economic strategy for attracting foreign investments to desirable location at the intersection of corridors VII and X - Danube and the rail-motorway corridor.

Private sector showed interest for large investments in large through Belgrade's Chamber of Commerce.

The City of Belgrade has shown interest for redevelopment of waterfront in 'Sava Amphitheatre' in order to release the potential of the inner city area. However, a heavy burden that previous period left in the form of multi level complex problems and following facts can be seen as a constrain for launching the strategy.

CONSLUSIONS – EU EXPERIENCES TOWARDS WFD IN BELGRADE

Summarizing conditions and main lessons that should be taken into consideration when assessing potential strategy for Belgrade waterfront development we will list useful recommendations for Belgrade 'Sava

Amphitheatre' case to develop a waterfront strategy.

Institutional setup and Leadership – The initial trigger for launching the process of the strategy creation process can come from: 1) different directions, like top-down approach from the national government or from the local level of governance; 2) different institutional arrangements, such as regional agencies for steering the development or several sub-councils in the municipality; and 3) with the different market led or publicly led approach.

Beside the entrepreneurial spirit of new Mayor of Belgrade, there is not a specific department or function in the city and Republic government that is directly responsible nor interested to tackle the issue of launching strategic process for the 'Sava Amphitheatre'. Possible suggestions in this respect might be, for the city, municipal or republic level to:

- Asses whether there is a person with leading, managerial characteristics, interested or capable to tackle the problem, either in public sector, or private sector
- Organise a department with those specific tasks if needed.

Establishing strategic networks with stakeholders – The Belgrade City government has already started negotiation process with all stakeholders involved for the relocation of Central Railway Station and completion of 'Belgrade-Centre' Prokop Station as part of joint railway system. In that respect, strategic networks in both formal and informal sense can have major importance. Therefore, the main elements of establishing strategic networks for the start-up of WFD strategy are to:

- Maintain existing negotiations with the stakeholders involved on all levels, but stress informal links and communicate problem for getting support and mutual understanding;
- Include the Republic Agency for Rivers 'Srbija Vode' and Railway Transport Company ŽTP Belgrade from the very beginning;
- Asses private sector intentions and involve their interests through formal links in Belgrade Chamber of Commerce, but also through forums and fairs for WFD;

- Asses if there is a possibility and need to form the joint Committee for all levels of government and two public companies with public assets in stake, private sector (both potential domestic and foreign investors and existing users of buildings and land) and local community.

Political & Societal support – Communication through conventional media for the vision and the strategy for the city as a whole and intentions for the 'Sava Amphitheatre' are of huge importance from the very beginning for gaining political and societal support. Good political momentum is to have democratic coalition of parties at all three levels of government, and it has the power to utilise strategic public networks – between City Council of Belgrade, Republic government & municipality of 'Savski Venac'. Suitable instruments for achieving these goals are as follows:

- Organisation of formal and informal forums, meetings, presentations and educational courses; and
- Use of existing city and local neighbourhood organisations and manifestations to communicate intentions to local people and attract wider community (Tourist Organisation of Belgrade, 'Days of Sava Mala', 'Belgrade Boat Carnival', 'Friends of the river').

Vision – With getting the support from the relevant stakeholders the process for developing a vision can be launched in order to include different interests in participatory process using established networks from previous steps.

Strategy & Spatial-economic conditions – Development of the strategy for WFD can start with the incentives from the spatial-economic conditions and overall vision. Useful tool in that respect can be SWOT analysis of the external and internal environment with the assessment of data together with stakeholders in order to communicate opportunities and threats at the same time building on the strengths and weaknesses. Strategy creation process should include several critical moments as follows:

- Focus on integral, cross-sector policy approach for the urban renewal of 'Sava

Amphitheatre' building on the already recognised potentials of the area;

- Creation of the specific programs from the different policy fields, such as employment, social or spatial policies and setting the strategy in a wider context and establishment of links with other plans and policies binding them together in integral policy (Vujošević, 2004);
- Seeking the ways for mobilisation of funds of all the levels, including supra-national like EU and World Bank and communicates the strategy to them.
- Development of a strategic Capital Investment Plan that have links with the city budgeting – revenue planning and capital expenditure and the careful use of land development instruments (like the tax incentives for the attraction of private sector).

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