

# NORRA ÄLVSTRANDEN CASE STUDY

## 1. CONTEXT

### 1.1 Overview of the Regeneration Scheme

Norra Älvstranden (Northern Riverside) is an area which runs along the north bank of the Göta Älv river, right opposite Gothenburg's historic city centre. It is some 5 kms long and 0.6 km wide, covering 290 ha (about 1 square mile). The river is 300–400 m. wide and there are bridges at each end of the site, which together with a river bus provide connections to the city centre. The north bank used to be predominantly industrial, and the railway line to the main Port of Gothenburg passes just behind Norra Älvstranden (NÄ), effectively cutting it off from residential areas beyond. Up until the 1970s NÄ was the home of Gothenburg's three world famous shipyards, and also contained cargo handling and port facilities. About 15,000 people were employed directly in the yards, and there were perhaps another 30,000 who worked in firms which had the shipyards as their main customers. However foreign competition was growing, and the oil crisis of 1973 not only caused a recession but also led to a change in the types of ships that were required. The shipyards were hit hard. They started merging and cutting down their workforces, and within less than ten years all shipbuilding had ceased in Norra Älvstranden. The area became virtually derelict, and many of the buildings that remained were huge and difficult to re-use. It was a forbidding place that nobody went to, an eyesore in full view of the city.

After a slow start, the redevelopment of NÄ as an up-market mixed-use district (with housing, high-tech industries, educational facilities, a science park and an accessible waterfront) took off in the 1990s. NÄ has already become a successful, stylish new quarter for Gothenburg. By the time that the scheme is complete, in about 2025, it will have around 13,000 residents. 40,000 people will work there (far more than worked in the shipyards), and in addition there will be 13,000 students. It will be an important part of the city centre, and more importantly, it is planned, one of the main drivers of the regional economy.

### 1.2 Gothenburg

Gothenburg is Sweden's second city, with a population of 500,000. It is the dominant, stand-alone centre of its region, which has a population of around 900,000, and is one of only six large cities in all of Scandinavia. It is Scandinavia's chief port (although only one tenth the size of Rotterdam) and Sweden's main industrial centre with extensive automotive and other engineering production as well as oil refineries, shipping and port operations. It has good road and rail connections to Oslo (Norway) and Copenhagen (Denmark) as well as to Stockholm, the capital of Sweden.

Gothenburg has a very different feel to any British industrial city. Its historic core, on the south bank of the river is spaciouly laid out, with broad avenues, fine institutional buildings, canals and parkland. There are two major universities with facilities close to the centre and housing in the inner areas is in high demand. There are no run-down 'inner-city' districts. Much of the industrial land lies along the river, particularly along the north bank and to the east of the centre.

Away from the river, the land is more hilly, with rocky outcrops, and most of the population live in 'suburbs' – purely residential housing estates made up of mainly low-rise apartment blocks on the outskirts of the city but connected onto it by an efficient tram and bus system. Most of these apartments were built as part of Sweden's *One Million Homes Programme* to replace older, city centre housing and to accommodate the families that were still, as late as the 1950s and 1960s, moving away from rural areas to find better paid work in towns and cities. While they have local shopping and service centres built into them, they are not at all like British suburbs with their individual houses and separate town centres. They can seem rather soulless, but the housing is of high quality and the surroundings are scrupulously clean. Litter, graffiti and vandalism are virtually unknown in any part of the city and there is none of the stigma that is often still attached to British industrial towns.

Gothenburg is a successful city. It is a place where people want to live. With the exception of a brief pause between 1970 and 1985, its population has been steadily rising, and continues to do so in spite of a growing trend among people with well-paid jobs to move to small communities in the surrounding area, especially along the coast. It is full of students, and its technical university, Chalmers, is well known internationally. It is a place where businesses want to invest and it still retains the headquarters of several important companies (Volvo, SKF, Stena Line etc.). It has a positive, widely-shared sense of community and is committed to being a people-friendly city. Like Sweden as a whole, it has attracted in many overseas immigrants over the years.

Gothenburg has a strong sense of identity. It is run by its City Council and proud of its 'Gothenburg spirit' which encourages people from all sectors and all walks of life to work together for the good of the city and the country. The City of Gothenburg is not the only local authority within its 'city-region', but it is by far the largest, and it is recognised as being the 'engine of growth' of the local economy as well as its cultural centre. The city has a long tradition of collaborating with the surrounding authorities, and makes a point of not trying to sub-ordinate them. Under Swedish law local authorities are now able to form joint organisations which they can authorise to carry out particular functions over a wider area than a single municipality. The City of Gothenburg tries to have less than a 50% stake in such organisations and to emphasise collaboration.

### **1.3 Sweden**

Sweden is a large country with a small population (9 million). It has a classic (albeit dwindling) social-democratic system characterised by consensus, neutrality and equal rights. It has high taxation but good public services and a generous welfare system. Economic and social differentials are lower than in most countries, including the U.K. Particular attention is paid to the environment, sustainability, health, education (especially technical education), social responsibility, civic pride and participation in public affairs.

Sweden is also committed to full employment and has a strong work ethic. Economic activity among people of working age (15-64) is 77%, well above the EU average and slightly above the figure for the U.K. (75.6%). However, about one-third of employment is in the public/social sector and one of the key issues at the recent general election (which the Social Democrats lost) was

over the true level of unemployment. Official figures put this at 6%, but others claim that it is very much higher when those on government training schemes and other programmes are included.

**Swedish Labour Market Board:** Sweden pursues an ‘active’ labour market policy through its Labour Market Board (AMS) – on which Britain’s short-lived Manpower Services Commission was based. It is funded nationally but has a regional/local operating structure. It tries to foresee what jobs will be available (and/or which should be encouraged) in the future, and it organises and pays for ‘labour market schemes’, such as training and job-creation schemes, which are designed to alleviate unemployment and to prepare people for the kinds of jobs that will be available in their areas. It is meant to focus particularly on vulnerable groups such as the long-term unemployed, people with disabilities, immigrants/refugees and young people.

For many years after World War II Sweden’s economic growth was second only to Japan’s. The country and Gothenburg had enviably low rates of unemployment. In order to maintain growth more people, especially women, were encouraged to join the workforce and immigration was encouraged too. Virtually full employment was maintained throughout the period of the shipyard closures.

**Taxation:** Not only are taxes in Sweden high, but they are also distributed very differently than they are in the U.K. Most significantly, basic rate income tax – in its entirety is a local authority tax. It is set locally (within limits laid down by central government) and amounts to 30-35% of residents’ earned income – far more than the ‘local income tax’ that some in Britain suggest should replace Council Tax. At the same time, while the central government pays normal unemployment benefit (for up to about one year) and for ‘labour market schemes’, local government is responsible for social security payments to the long-term unemployed. Thus, in Sweden, local authorities have a strong incentive to support their local economies so that they can generate well-paid jobs, as well as to reduce long-term unemployment and associated welfare payments.

## 2. REGENERATION OF NORRA ÄLVSTRANDEN

### 2.1 Aims and Scope of the Scheme

The Swedish state took over the failing shipyards through a company called Swedeyard. Although the City of Gothenburg’s Harbour Authority still owned the working harbours, Swedeyard became the main landowner in NÄ and was therefore primarily responsible for deciding what to do with the site.

In fact the vision for the regeneration of NÄ has changed greatly over the years, depending on who was responsible at the time and on wider economic realities. It was not until the City of Gothenburg took full charge, that a sustainable strategy gradually emerged.

Initially (late 1970s) Swedeyard’s aim was to ‘revive full employment in the area’ – by creating industrial jobs similar to those that had been lost (e.g. related to offshore oil platforms). This tied

in with the fact that the land was zoned for industry. It was also very much in line with the government's commitment to full employment and to a widely shared feeling of responsibility for those who had lost their jobs. Despite the good intentions, it became clear that new industry on the site was not going to provide new jobs for the people who had worked in the shipyards. The new markets did not appear and the only jobs that remained were in a small ship repair yard and a few small businesses.

The next version of Swedeyard's vision (in the early 1980s) focused on housing. Proposals were put forward for a whole new town of 20,000 residents with 20-30 storey tower blocks. One of the arguments was that this would provide jobs for 'one thousand building-construction workers... for ten years'. However Sweden's *One Million Homes Programme* had already created a housing surplus and so these plans were rejected by the City's planners. Efforts instead went into making environmental improvements and to trying to attract more small firms into some of the empty buildings on the site, drawing on experience from the U.K. including work by URBED.

It was not until the second half of the 1980s that the City Planning Authority started to work on a new structure plan for the area, asking such questions as:

- How do we make the best of the small projects that are now established in NÄ?
- What are possible uses for the big buildings?
- How can the history embodied in the site be taken care of?
- How can NÄ and any activities there be linked in to the city centre?
- What should the future of NÄ be?

At that time the City was thinking about its future as a whole, and it concluded that it needed to turn Gothenburg from an 'industrial city' to a 'knowledge-intensive city'. Clearly NÄ could have an important role in this as it involved:

- Diversifying and modernising the city's economy (e.g. by developing IT and other high-tech industries, promoting the city as a centre of education (particularly technical education), and ensuring that the local economy had 'a dozen legs to stand on')
- Making Gothenburg 'the Friendly City' within which NÄ would be an exemplary district (e.g. as a vibrant mixed-use area, with buildings that were on a human scale, with a fine and healthy environment, and where people could live close to their work). Interestingly, in the words of the Planning Authority, NÄ "should be a vibrant quarter that would not be similar to the London Docklands".

A comprehensive masterplan, with detailed plans for each quarter, was completed in 1989, but neither the City nor Swedeyard had the resources to implement it. Furthermore Swedeyard (and its successor the state investment company Celsius) viewed NÄ as just a potential property development, and was reluctant to start investment in an area with such a poor reputation. Over the following years, therefore, a campaign was mounted to change the image of the area, and to encourage people to visit it, by holding pop concerts, exhibitions, and sports events there. Gradually NÄ became a more familiar and accepted place.

In the early 1990s, however, Sweden suffered a severe banking and financial crisis, and in 1996 Celsius agreed to transfer its land in NÄ to the City of Gothenburg for a nominal sum. The City now owned the entire site (although it was split between three separate subsidiaries) and was in a position to start implementing its vision for NÄ as a quarter that would play an important part in the repositioning of Gothenburg as a knowledge-intensive city for the future.

## 2.2 Management of the Scheme

In 1998 ownership of all the land was brought under the control of a single development company, NUAB, which is fully owned by the City of Gothenburg but has its own board of directors. It has the clear objective of bringing about the redevelopment of NÄ, and doing so in such a way that does not cost the City any money. It is able to borrow money commercially in order to finance its projects, and, although it works within the framework set by the City, it is a market-led, consumer-oriented organisation. It operates very much like a private sector company.

When it was set up NUAB insisted upon three conditions

- It would be free of party politics, regardless of whoever controlled the City Council
- It would be free to reinvest all its profits back into the scheme
- The Planning Authority would agree to work co-operatively and flexibly with NUAB.

Bringing in a private sector approach was quite a change. In Sweden, the public sector had been used to planning projects and then just delivering them according to the plan (a 'linear approach' to development). This was the case, for example, with the *One Million Homes Programme* which had led to the building of high quality apartments, but too many of them and not necessarily in the right places. However, after Sweden's financial crisis it was realised that developments had to be far more market-oriented, especially if private sector investment had to be attracted in. This has led to a different relationship between the development company and the Planning Authority. Much more of the pre-planning is done by NUAB. The rigid overall masterplan no longer applies. Instead the Planning Authority has provided a set of overall guidelines. (For example, residential buildings in certain areas have to be designed to allow for retail uses on the ground floor. However these spaces do not necessarily have to be used for retailing initially, but it may be what is required later.) The Planning Authority and the development company have a permanent joint working group which discusses all planning issues, but the Planning Authority still has to give its formal approval to proposals in the normal way.

In addition to working closely with the Planning Authority and other City Council developments, NUAB also works closely with developers and potential developers and with potential end users of sites in NÄ (see 'Developing an IT Cluster' below). In this way it has been able to move the development forward step by step, taking advantage of changing market conditions, but always keeping in mind the overall aims of the scheme for Gothenburg as a whole.

### **3. ACTIONS AND ACHIEVEMENTS**

The regeneration of NÄ has now acquired a real momentum. Already some 6,000 now live in the area. Over 400 businesses, employing about 15,000 people, operate there and the 'knowledge centre' has around 9,000 students. Different parts of the area have predominantly different uses and have been developed at different stages. While parts of the site are quite densely built up, others are still quite empty. Furthermore it is not just the physical development that is important. There is more to the development of NÄ than meets the eye.

#### **3.1 Early Actions**

While initial efforts to find new industrial uses for the shipyard sites were not successful, other actions were taken which have had an important impact on the redevelopment of the area. As previously described, work was undertaken to clean up the environment, and some of the large buildings were converted to provide premises for small businesses and studio space for artists. Above all, efforts were made to change the image of the area in the minds of the people of Gothenburg by providing reasons for them to visit NÄ. This was a slow but necessary process which eventually led to people becoming interested in living there and private investors being prepared to invest there.

#### **3.2 Knowledge Centre**

One of the crucial factors in the subsequent development of NÄ was the decision, or decisions, to locate educational and training facilities there. When the shipyard crisis began the Swedish government reacted by establishing a health and safety research and training establishment in NÄ. The City then decided to locate some technical (upper secondary) schools and vocational training establishments there. In 1994 Chalmers University opened a second campus in NÄ, in spite of the difficulties and extra costs of operating on two sites. More recently Chalmers and Gothenburg Universities have jointly set up an IT University there, on the same part of the site (Lindholmen) which has become an important "knowledge centre" for the city.

In Sweden education is held in high regard, as well as being seen as the foundation of future prosperity. These investments would no doubt have taken place somewhere in Gothenburg anyway. However, the fact that they were all located together in one part of what was then a derelict site not only confirms the city's commitment to a knowledge-intensive future but also illustrates a belief in education-led regeneration. It shows, too, that the leading universities were prepared to go out of their way to support an initiative that was considered good for the city as a whole, even though a burden for them. It should also be noted that these developments would not have been viable without Gothenburg's excellent public transport system (tram and bus) which enabled students from all parts of the city to reach the comparatively isolated site without difficulty.

A business incubator unit and a Science Park have also been established in the knowledge centre, but it was the decision of a division of Ericsson to move to Lindholmen Pier and form the nucleus of an 'IT Cluster' next to the 'knowledge centre' that was a turning point for NÄ and for Gothenburg's development strategy. Since then several other major firms have followed Ericsson to the area.

### 3.3 Developing an IT Cluster

The IT Cluster which is growing in Lindholmen/Lundbystrand shows that the ‘knowledge centre’ concept is indeed paying off for both NÄ and Gothenburg (over 15 years after it was first put forward in 1998). Technical education has always had a high priority in Gothenburg, and the fact that there is a large pool of well-qualified IT staff in the area was a key reason why ERV (the Mobile Data Design division of the Swedish electronics giant Ericsson) decided to move to NA.

ERV played a leading role in the creation of the IT Cluster. It had very specific requirements for its new space when it outgrew its existing premises in eastern Gothenburg in 1998. It needed space for about 1,200 of its own employees with room for expansion. And, in particular it wished to be within walking distance of a ‘critical mass’ of other knowledge-based companies which together employed at least 10,000 IT and other technical staff (so that it would be easier for ERV to find – or get rid of – employees as its needs fluctuated in a volatile business). It believed that a place with attractive spaces and buildings, a stimulating environment and high quality services and infrastructure would be needed to attract the right sorts of companies and people. Initially, even though it was planning an investment of about 1 billion krona (£75 million), ERV could not find a suitable site in Gothenburg and was threatening to move out of the city altogether. The Chief Executive of ERV met the Chairman of the City Council (who was also on the NÄ board) and explained the position to him.

There was space in NÄ, but nothing on the scale required for the IT Cluster (around 300,000 sq m of buildings) that had planning permission. The best site was owned by the Harbour Authority and had a listed building on it. It was reckoned that it would take about four years to sort the site out, and ERV wanted to start building within a year. It also had an extensive list of other requirements for the cluster. While these were basically in line with the city’s overall strategy they involved taking on substantial responsibilities (such as finding a large number of suitable tenants, providing a range of ancillary facilities – including a ferry stop, car parking, a marina (for employees’ yachts) and a British pub – agreeing not to charge high rents, and demolishing the listed building). In other words, the municipality needed to take on considerable risks and jump through a series of hoops if it wanted the IT Cluster in NÄ. It jumped. This also led not only to the restructuring of its land holdings and to the redefinition of the role of the development corporation, which now became more proactive in bringing forward schemes within the city’s overall objectives, the planning and urban design framework and its own financial constraints. It became much more in tune with the needs of potential users and investors while still adhering firmly to the long-term objectives of the city, including making NÄ a place where local firms might build international competitive advantage.

The two initial drivers behind the IT Cluster, which is now occupying a growing amount of space in NÄ and becoming one of the mainstays of Gothenburg’s economy, were Chalmers University and ERV. Chalmers is an old and respected institution based in Gothenburg and ERV (although only a division of Ericsson which is based in Stockholm) has senior executives based in the city. Not only was there overlap between the boards of these organisations (the Chief Executive of ERV was on the board of Chalmers Lindholmen, and both the Dean of Chalmers Lindholmen

and the Chief Executive of ERV were on the advisor board of the Lindholmen Science Park) but there was a clearly perceived and shared interest in making Gothenburg a successful high-tech city. It was this shared value, which was also at the heart of the City's vision for NÄ, that enabled all the parties to 'work together' so effectively in developing the IT Cluster and science park.

Another important supporter of the IT Cluster has been Volvo, the car maker whose headquarters are in Gothenburg. In the late 1990s it was taken over by Ford and, although successful, found itself a small part of a global company. It had to justify why investment should be made in Gothenburg, rather than in Germany, which was seen as the centre of automotive development in Europe, or even in the Far East. Local management successfully argued that there were certain specialist technologies, including safety and telematics (where telecommunications and computing overlap), in which Volvo could act as a world leader, and that there were resources and ancillary services in Gothenburg (specifically within the emerging IT Cluster in NÄ) which made it the ideal location to develop them.

Again, collaboration between leading industrial companies, the technical universities and NUAB has helped to turn a tentative vision into reality. Indeed it is now possible to talk of the development of 'safety and telematics clusters' in NÄ, and these in turn attract highly qualified specialists and further investment to the city, as well as keeping the jobs of many important Volvo (and other company) executives in Gothenburg. NÄ not only provides an attractive and congenial environment for those who work in knowledge-industries, but its residential areas are also designed to attract those types of people too – and in doing so they have also proved to be highly attractive to others as well. Consequently NÄ is becoming a highly sought after part of Gothenburg in which to live, and the sale of housing brings in the funding that is required to continue the development of the area without drawing on public funds.

### 3.4 Development of Other Parts of the Site

As well as the developments in and around the 'knowledge centre', other parts of the site are developing too, particularly for housing. In part this is due, as previously mentioned, to people wishing to live near where they work, but because NUAB has paid attention to what the market wants it has found that there is a strong demand for stylish housing close to the centre of Gothenburg – and in a fine, waterside location. This reflects a gap in the market that the *One Million Homes Programme* ignored.

- At the old Eriksberg shipyard, in the western part of NÄ, over 1,000 high-grade flats have been built and more are under construction and being planned. Several of the huge machine shops and other buildings have been converted to new uses ranging from a hotel and exhibition halls to offices and premises for small firms. Landscaping along the river front is of a high standard, and some of the heritage of the area has been retained, including the giant Eriksberg crane which dominates the skyline.
- In Lindholmen, in the centre of NÄ, efforts have also been made to conserve and celebrate the heritage of the shipyards. Traces of the slipways can still be seen. Apart from the 'knowledge centre' there is also some housing. A sizable number of old working-class



tenements and cottages have survived. The Lindholmen community was originally built by the shipyard workers themselves in a semi-rural, semi-urban pattern during the second half of the 19<sup>th</sup> century. The original buildings have been extensively refurbished, and sensitively designed modern flats have been added.

- Lundbystrand, in the centre-east of NÄ is developing as a business area, partly due to the conversion of large buildings (for industry, sports facilities etc.), and partly as an extension of the IT Cluster from Lindholmen next door. The remaining ship repair yard continues to operate here, and this also provides a significant reminder of the city's industrial heritage.
- The site to the east of Lundbystrand is still partially used for port operations. It is likely this will be integrated into the NÄ development in the future.

### 3.5 Overall Success of the Scheme

Although it is far from complete the regeneration of NÄ is undoubtedly a success – both visibly and invisibly. Over 11 billion kroner (€1 billion) has been invested in the area – and none of it new money from the public sector (apart from the governments initial subsidies to Swedeyard). It is undoubtedly a place that people with choice wish to live in (and are prepared to pay to do so), and a place that businesses (including very large businesses) wish to invest in. It is becoming an accepted central quarter for the city, although it is nothing like as lively as the city centre itself, and property values are rising.

On the invisible side – the diversification of the city's economy so that it remains prosperous in a highly competitive world – NÄ appears also to be succeeding. It is, of course, impossible to say whether the particular niches (safety, telematics etc) in which the city is aiming to grow strong will in fact prove to be defensible. However the City, and the key players in Norra Älvstranden including the major businesses, share a vision and plausible strategy for the economic development of Gothenburg, and are working collaboratively together to use the redevelopment of NÄ to help achieve it. This seems very promising.

Nevertheless there are still some unresolved issues to be tackled. NÄ is still relatively inaccessible compared with the city centre. In particular a way of crossing the railway and main roads at the back of the site needs to be found. This will enable the site to be socially and economically part of the remainder of Hisingen, the island on which it lies, and where a sizable proportion of the city's population live and work. (There is also talk of another bridge across the river, but as yet only talk). Then there is the issue of broadening the range of people living and working in the area, to include all sections of the community including immigrants. NUAB does not receive any public subsidy, and yet has had to invest in infrastructural and environmental improvements. As a result there is little 'affordable' housing and workspace in the area at present. There are plans for more social housing in the future to help create a more 'balanced' community. There has also been a concern that investment in NÄ is taking away resources and attention away from other areas of the city. However NUAB stresses that the City has not spent any extra resources on NÄ; the scheme has been financially self-contained.

## 4. BENEFITS FOR VULNERABLE GROUPS

### 4.1 What Was Done for the Vulnerable Groups?

NÄ was a shipbuilding and harbour area. While many thousands of people worked there, very few lived in the area. Thus it was the workforce that was most directly affected, although the closure of the shipyards, for which Gothenburg was known around the world, was a blow for the entire city.

Originally it was hoped to attract new manufacturing employment to NÄ, and to use the redevelopment of the site to provide new jobs for those who had previously worked there. However these jobs never materialised, and it soon became clear that the changes that were taking place in the world economy were so drastic that entirely fresh thinking – about the future of an industrial city with a high standard of living, like Gothenburg, as well as about the NÄ site – was necessary. Furthermore the timescales were not realistic. The redevelopment of a former shipyard area would take many years. (The NÄ scheme will have taken around 50 years by the time it is complete.) Whereas people whose jobs disappear need to have their problems addressed very quickly. It was not the redevelopment of NÄ that addressed the needs of those who lost their jobs.

Amazingly, however, nobody from the shipyards was made redundant, and unemployment in the city only rose from 2% to 4% during the whole of the 1970s. The issue of the people without jobs was entirely de-coupled from the redevelopment of the site and the problems were solved in a way that seems typical of Sweden and Gothenburg – by collaboration. The trades unions took the lead, but the City, the employer (Swedeyard), the Labour Market Board, local businesses and others were all involved. The yards merged and closed sequentially, keeping people on for as long as they could. Some new work, on oil platforms and the like, was found but it was carried out at a more modern yard at the mouth of the river, to which some of the workforce was transferred. A technical consulting company was established to sell shipbuilding and business experience to overseas customers, and many engineering staff were transferred to it.

The pension age for shipyard workers was lowered to 58½, and so about one-third of the workforce took early retirement. Younger people were helped to find new jobs in other companies, for example Volvo, which was expanding rapidly at the time, special efforts to find positions for former shipyard workers (as other companies did too). Finally training schemes were organised by the Labour Market Board to enable people to gain new skills and those who could not find work immediately were paid generous benefits and taken back on to new programmes if they were not back in work within a maximum of six months. Several people were also helped to return to education and to gain new qualifications, especially if they had missed out earlier. The universities and colleges created special courses for them where necessary.

It was stressed by former shipyard workers who had gone through this process that everyone was treated as an individual, and a solution that was right for them was sought. It was also stressed again and again that everybody worked together. Everybody saw the demise of the shipyards as part of their problem and were willing to help deal with the consequences. However it was also said that because Sweden was now part of the European Union it would no longer be possible to do all that was done at that time.

## 4.2 Who Has Benefited Most from the Regeneration of NÄ?

Participants at the case study workshop in Gothenburg, including people who had worked in the yards, were asked to sum up their reactions to the closures and to the way the area had been redeveloped. There was a broad consensus that although it was a shock and a very sad event Gothenburg was a better place now and the redevelopment of NÄ would make the future better too.

- “All the future people of Gothenburg have gained. The city is more diversified now”
- “It is all to the good. If the yards were still there the young people of today would not want to work there. And there are now more people working in NÄ with good jobs than worked there ever before”
- “The young people who have been educated there have gained most, but most of the people in Western Sweden have gained too because it is a driver of the economy of the region”

Criticisms of the scheme were few and mostly concerned the high cost of housing, which was making it an area for the privileged rather than a balanced community. There was also felt to be a lack of support for local cultural activities. However it was agreed that it would take time for a new area like NÄ to mature. 3,000 affordable housing units are due to be built in Eriksberg, and NÄ was certainly becoming a new quarter that the people of Gothenburg felt proud of.

## 5. KEY ELEMENTS OF THE SCHEME

### 5.1 Approach to Urban Regeneration

- A major regeneration scheme should be planned for its effect on the whole city – or wider regions – and not seen just as a property development. The local authority (or grouping of local authorities) which is responsible for the city – or wider region – should therefore be responsible for the scheme.
- Although urban regeneration needs to address a range of needs, economic success is critical as it generated the resources needed for carrying through all the other aspects
- Education, skills and innovation are vital for economic success. Educational, training and research establishments must be involved at the core of regeneration
- Economic success is delivered by businesses. Business leaders must also be at the core of regeneration.
- Urban regeneration is a long-term process and is ‘non-linear’. The strategy must be capable of being modified in line with changing external forces. It must have flexibility.
- Working together for a common goal is a well established concept in Sweden.

### 5.2 Strategy, Organisation and Funding

- Cities (or city-regions) without established strategic advantages are in direct competition with each other. As well as being modern, attractive and friendly, such cities need to develop niche activities in which they can maintain a competitive advantage.

- The strategy eventually arrived at for NÄ is based on creating defensible niche business areas in which firms based in Gothenburg can be world leaders.
- The strategy needs to be clearly understood and accepted by all the key interests in the city.
- The image of the city and the regeneration area is vital in attracting/retaining sufficient numbers of high-calibre people and sufficient investment.
- A dedicated and committed development and marketing organisation is essential for driving development through. This should be an agency of the responsible local authority, and not a quango.
- The development agency needs to be proactive in seeking out projects, investment and end users, but also to work within strategic parameters set by the responsible local authority.
- In Sweden local authorities have a substantial tax base. Basic rate income tax is a local tax. This provides a strong incentive to make sure that the local economy flourishes.

### **5.3 Mechanisms for Overcoming Obstacles**

- The main mechanism for overcoming problems is to work co-operatively with all the parties involved, including educational establishments and key businesses.
- Maintain flexibility of action (within an agreed strategic framework).
- Build on strengths, and retain links with the part successes where possible.
- Encourage quality in service provision (e.g. public transport) and in all aspects of the public realm.

### **5.4 Spreading Benefits**

- In NÄ addressing the needs of the vulnerable groups (e.g. those who worked in the shipyards) was de-coupled from the issue of regenerating the site, due to Sweden's advanced employment policies and the people of Gothenburg's willingness to help each other.
- If good jobs are created in NÄ to which all people in Gothenburg have access, then the benefits of NÄ will be widespread.

### **5.5 Future Proofing**

- Making Gothenburg attractive to people with choice, and developing 'defensible niche business areas' which Gothenburg can dominate, are basic ways of ensuring that the city will remain competitive. Success attracts success.

## **6. UK PARTNER CITY'S REACTION**

Gateshead is a former mining and industrial town on the south bank of the River Tyne (once a great name in shipbuilding) directly opposite Newcastle, the regional capital. The town of Gateshead has a population of 78,000 compared to Newcastle's 190,000. The river is not wide and is spanned by several bridges, including the spectacular Gateshead Millennium Bridge (the winner of the RIBA Stirling Prize in 2002). Gateshead and Newcastle are even joined by one of

the few Metro Systems outside London. Together with adjacent towns they form part of a conurbation of nearly 1 million people, which is similar to the size of Gothenburg's city-region. Both Gothenburg and Newcastle/Gateshead are relatively isolated, and both are a long way from the main economic centres of Europe.

The last coal mine in the borough closed in the 1970s and activity on the Tyne moved towards the mouth of the river. Buildings along the quays became derelict and the centre of the town suffered a big decline following the opening of the Metrocentre, England's first out of town regional shopping centre. However, just as Norra Älvstranden has been the focus of recent regeneration, so has the riverside in Gateshead, and Gateshead Quays is regarded as a great success story, too.

Although Gateshead's regeneration started with concerted efforts to achieve high standards in all the services it provides as a local authority, it is best known for its culture-led regeneration strategy. Major projects have included the Gateshead International Stadium (for athletics), the Angel of the North (a landmark sculpture on the site of a former pithead baths) and, along the quays, the BALTIC Centre for Contemporary Arts, The Sage Gateshead (a highly acclaimed music venue) and the Millennium Bridge. Unusually, Lottery funding has been a major source of finance for this regeneration programme (which perhaps indicates that 'culture' is not yet fully accepted as a basis for urban regeneration). In Gateshead, culture is seen not just as providing an avenue for raising people's aspirations, increasing their self-esteem and improving their quality of life, but as also leading to economic development as well.

This strategy is seen as complementing the economy-led strategies of other parts of the conurbation, and Newcastle and Gateshead, although ancient rivals, are increasingly working together at an official level. They recently put in a joint bid to become European Capital of Culture in 2008, which was one of the front runners although it did not finally win.

The officers and councillor from Gateshead who attended the case study workshop in Gothenburg were impressed by the quality of the development that was taking place at Norra Älvstranden and at what had been achieved. They liked the city as a whole and the stress given to the physical environment. They noted the way that as much as possible of the heritage of the area was retained and incorporated into the development. They were also impressed by the comprehensiveness of the underlying strategy for NÄ, particularly on the economic side, and by the close involvement of both the universities and leading businesses. They admired the way that the City Council's development corporation worked with potential developers and potential end-users of development sites and the way that it worked closely with the Planning Authority. Above all they felt that Gothenburg had much more autonomy and freedom to control its own destiny than was the case for a British local authority.

On the other hand they noted that NÄ did not yet have great vitality (particularly when compared to the city centre) and that the cultural side of the regeneration of NÄ appeared to be a low priority – which seemed like a missed opportunity.

## 7. POTENTIAL MESSAGES FOR UK POLICY

Since the City Council obtained ownership of the entire site, the aim of the regeneration of Norra Älvstranden has been to help reposition Gothenburg in an increasingly competitive world – as well as creating a new mixed-use quarter close to the centre of the city. This is the same underlying task which so many of Britain's industrial towns and cities still face. There are therefore likely to be several features of the approach that has been taken in NÄ that should be relevant for UK policy, especially:

- The role of the City Council in developing and leading the regeneration process, including the advantages of owning all the land, and the effect of the incentive of the Council's income being mainly derived from local income tax.
- The way in which all the parties were prepared to work together for a common long-term goal, although this was not always in their short-term interest (as in the case of Chalmers University agreeing to operate on two separate campuses). This includes the involvement of leading Gothenburg companies, and the lengths that the development agency was prepared to go to ensure that their needs were accommodated.
- The wisdom of having systems in place to cope with unexpected plant closures etc, which meant, in this case, that the decline of the shipyards did not lead to mass unemployment, and that in time their closure could be seen as a good thing for the future, even by people who worked there.
- The importance attached to quality in all aspects of the development including the public realm (for example in the provision of open-air meeting places where people from different companies located nearby can strike up acquaintances and perhaps exchange ideas).

There much is more to the redevelopment of Norra Älvstranden than meets the eye.