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Cities as Transatlantic Changemakers

Seeking Common Ground for a Progressive Future

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Introduction

2020 started with the urgent challenges of mitigating climate change, soothing disaffection with democracy, and easing anxiety about jobs disappearing due to technological progress. Little did we know all these concerns would only become more pronounced with the emergence of the global pandemic of COVID-19, affecting all, but not everybody equally. Alongside every other nation in the world, both Germany and the United States have to deal with the challenges described. In a multilateral world, where cooperation is a key to success, these common difficulties can only be overcome by exchanging best practices and building enough political will and trust in order to tackle them together. Only a future-oriented and multi-level vision of transatlantic relations can help bring more stability to a world in turmoil.

We believe that cities and metropolitan areas play an ever more important role in sustaining and further developing the close historical, cultural, economic and political ties between the United States and Germany. Cities as centers of human activity have many qualities that can be beneficial to this process. Engaging on a local level enables people not only to form mutual understanding but also to create a shared vision of the future.

With this working paper we want to reflect upon the challenges that cities and metropolitan areas in Germany and the United States are facing today, look beyond their local level activity and identify these urban spaces as internationally relevant actors, capable of not only tackling global challenges at the local level, but also strengthening the transatlantic alliance from the bottom up. We propose a different view of international relations, suggesting to tackle the phenomena which affect us all from a post-national perspective and debate them not from the point of view of “hard policies” (like security or trade) but from the citizen point of view, focused on exchanging experiences and engaging local communities in global topics. Therefore, we see cities as networks of interactions and hubs of political and economic activity: a perfect starting point to rejuvenate and revisit the transatlantic partnership.

Acknowledging the Global Role of Cities

Global megatrends are most visible at the local level. Cities – as places of high density and high economic and racial diversity – are facing challenges ranging from climate change to social inequality. Urban spaces are inhabited by different cultures, religions, and socio-economic backgrounds, resulting in a microcosm of the world that is capable of taking on global problems. Cities are places where progress actually happens.

The classical understanding of international relations at the state level often ignores the fact that cities throughout the world have more in common with one another than with many rural areas in their own country. These commonalities often make cities the ideal actors to negotiate practical solutions for issues that know no borders. Most importantly, city relations are reliable: even at times when state-to-state relations are tense, cities often remain closely interconnected. These urban and heterogeneous environments are governed by direct political representation, amplifying voices and enabling the participation of a wide range of actors in international dialogue. This creates a fertile basis for sustainable solutions.

It is time to develop a more comprehensive understanding of international relations: cities can work towards the same goals as treaties but as units more representative of younger generations and more inclusive for people with a variety of backgrounds.

With institutions such as UCLG (United Cities and Local Government), C40 (Cities Climate Leadership Group) and ICLEI (Local Governments for Sustainability), cities have also started to institutionalize their multilateral work. Even after the United States withdrew from multilateral agreements, these platforms have been able to carry on with their important work. Of course, cities are not a full blown replacement for classical international relations.

Most notably, they do not have the authority to sign international treaties or trade agreements. However, it is time to develop a more comprehensive understanding of international relations as much more than treaties. Cities can work towards the same goals as treaties, but as units more representative of younger generations and more inclusive for people with a variety of backgrounds, providing political legitimacy and competency to shape the change needed for the future.

Exploring German and American Cities

Europe and the United States are facing comparable challenges to stability and prosperity today. Looking at their economies, they are confronted with two transformative and overarching trends: shifts in the labor market due to digitization and climate change. Both will irreversibly change the lives of generations to come. To embrace the ongoing digital revolution, we need to engage in boosting innovation potential that is in accordance with our values, in order to face fierce competition with other emerging market leaders such as China. At the same time, immediate action has to be taken to mitigate the climate crisis and avoid environmental catastrophe.

Those great transformations often bring about challenges for our democratic systems. Complicating matters is a rise of populist chauvinism today, elbowing its way into the mainstream with an aggressive agenda that picks out easy targets and threatens democratic institutions. As if that was not enough, these challenges have been additionally aggravated by the global pandemic of COVID-19, delivering not only health emergencies but also economic slowdowns and great uncertainty about the future. A “new normality” has not yet arrived.

Meanwhile, there are around 140 town twinning agreements between German and US cities, which promote their cultural and commercial ties at a bilateral level, despite geographical distance. It is now time to expand upon this framework by strengthening these bonds and prioritize collaborative endeavors to combat COVID-19 and climate change. Exchange around various policy approaches and their practical implications can only

An exchange among German and US cities around various policy approaches and their practical implications can only help offer possible solutions to common problems.

help offer possible solutions to common problems. Even once the global pandemic is curbed, several key questions about the socio-economic transformations of our times are still awaiting concrete answers: How can global challenges be tackled with local means? And how can successful innovation be developed in local communities and then scaled-up for the benefit of the many, not the few? Complementing conventional diplomatic practices with robust transatlantic city networks between Germany and the United States is a good place to begin.

It is clear that these borderless challenges are impossible to tackle in isolation. Their exact consequences are also not yet fully known, as they depend both on further technological progress as well as the political will to cooperate beyond animosities. In the following, we therefore explore a sample of the challenges that cities in the United States and Germany face in their efforts to pursue inclusive growth, enable social mobility as well as encourage innovation, and build democratic and inclusive governance structures.

Growing and Innovating Inclusively

Inclusive growth occurs when regions are making consistent progress in growth (size of the economy), prosperity (productivity and standards of living), and inclusion (broad-based opportunity and narrowed economic disparity). The recent outbreak of COVID-19 has highlighted that cities need to become even more focused on a proactive and intentional approach to inclusivity – not as ‘nice-to-have’, but as an essential framework to act upon.

Hyper-agglomeration of innovation and wealth in only a few metro areas remains a principal challenge to the distribution of economic growth in the United States. During the pandemic, the existing socio-economic gaps

have dramatically widened, a phenomenon particularly visible in growing inequalities within the most successful and knowledge-based economies.

But even before COVID-19, the concentration of a few innovative city hubs was making it difficult to obtain funding and investment for others. Based on the METRO Monitor, thirty metro areas in the United States have been recognized as already-wealthy tech and professional services-fueled economies, such as Austin, Boston, Denver, Minneapolis, and San Francisco. At the same time, only four of the nation’s 100 largest metro areas (Albany, Austin, Charleston, Denver) achieved growth, prosperity, and inclusion that benefited a majority of workers of all socio-economic backgrounds.

Place-based strategies and expanding economic opportunity can help us build resilient metro areas and cities, not only to get us through the COVID-19 pandemic, but also to stay resilient against future pandemic or other shocks.

There is an ongoing need to ensure that communities and residents of less prosperous places and disadvantaged backgrounds in flourishing cities have the skills, qualifications and training that also boosts their economic activity and well-being. Place-based strategies can combat geographical inequality by deconcentrating and spreading economic innovation and opportunity to a wider range of cities and metro areas. Expanding economic opportunity across places crafts new strategies to bridge class and cultural divides within urban areas as well as between densely and sparsely populated communities.

These approaches help us build resilient metro areas and cities. Not only to get us through the COVID-19 pandemic, but also to stay resilient against future pandemic or other shocks. Federal governments should direct financial support to cities and metro areas and not just states, as they are the economic engine of regions and countries. By providing place-based funding, resilient cities and metro areas can lead countries out of crises and inclusively bring their inhabitants with them to a more just future.

Bringing these conclusions to the city level indicates that local authorities must take a central role in coming up with place-based and sustainable development strategies. While doing so, it is imperative that they also acknowledge historical biases and systemic inequalities when formulating and implementing urban public policies. This can be addressed by building resilient cities supported by national policies and funding, which provide direct funds to a wider range of towns, cities, and metro areas. Two successful examples on both sides of the Atlantic can illustrate these efforts.

In Germany, the Rhein Ruhr area has been able to transform from an “old industrial region” to one of the largest metropolitan areas in the country. Aiming for a just transition away from the coal industry, the following investments in social infrastructure were undertaken: refurbishing the road network and public transport system, expanding regional recreational facilities, and establishing education and research infrastructure. In the United States, Pittsburgh is a prime example of such a successful transition from an industrial behemoth to a leader in sustainability. A strong rebranding campaign and involvement of local stakeholders partnering with business helped to strengthen the city’s image on its way to a credible transition to more sustainable urban space.

The above-mentioned cases illustrate that effective solutions to structural problems require innovation and policies that are community-focused. Ultimately, empowering a broad spectrum of local actors is not only democratic, but effective. Both Germany and the United States provide a rich ethnographic archive of what has gone well (and not so well) as industrial regions prepare for a stable and inclusive future. It is up to the next generation of leaders to extract the best practices and continue working together for a more inclusive tomorrow.

Upward Mobility powered by Sustainable Development

Cities and neighborhoods can significantly determine the opportunities available to their residents. When considering the driving factors of social mobility, local approaches are crucial when addressing society’s

basic needs: work, education, health, and social security. When external shocks such as natural catastrophes or economic and political upheaval reach our cities, the most disadvantaged individuals are typically most exposed. Just recently cities have witnessed how the COVID-19 pandemic has laid bare the need for affordable and qualitative housing, health care, and social safety nets. Today, both in Germany and the United States, metro areas continuously strive to provide sustainable access to public services and adequately support the entire society for the present and future.

Taking this into account, sustainable development in urban context is inevitably intertwined with social mobility. One illustrative example is the interdependencies between education and labor opportunities. With higher education being currently closely tied to upward economic mobility, it is essential to finance educational and vocational programs for the labor markets of tomorrow and ensure they are accessible to all – a task that both Germany and the United States must address. Additionally in the United States, one challenge will be expanding labor markets such as tech and finance outside of San Francisco, Boston, and New York as well as guaranteeing a wide range of degrees with high-earning opportunities to diverse socio-economic next generations of workers in cities across the country.

Sustainable development in urban contexts means minimizing the impact on the natural environment while tackling climate change, with all its socio-economic and political consequences.

Sustainable development also means minimizing the impact on the natural environment while tackling climate change, with all its socio-economic and political consequences. Through aspirations of climate mitigation, cities must pursue a holistic approach and consider their residents’ health as well as the positive effects on economic opportunity that comes with green technology. Green technologies and expanded public transportation can provide quality jobs while improving the daily lives of many urban residents. While US and German health care systems differ in reach and scope, the underlying

negative health effects of extensive car use, longer daily commutes and emission-intensive industries in low-opportunity neighborhoods, are bitter facts that can be overcome by means of comprehensive urban planning and recalibrating the focus to a mixture of green and just policies.

The availability of affordable housing is key to counter place-based inequities in education, labor or health. In Germany, housing equity is supported by expanding municipal power and regulating land use: mixed-use housing, affordable rent quotas in new buildings, concept-based building permits and public pre-emption rights, to name a few. While cities in the United States also have zoning laws to regulate land-use, there is a stronger emphasis on the free market and less on mixed-use housing. This has been compounded by historical discriminatory housing policies against economic and racial minorities. As urban spaces continue to increase in population over time, city leaders need fair and immediate solutions.

Networks and Political Participation: Democratizing Governance

Citizens, institutions, and the private, public, and non-profit sectors are central actors to any urban organism. Together, they are capable of building equitable and sustainable urban spaces. To do so, stronger networks of actors and bold formats of civic participation are needed to create spaces that reflect and empower their communities. The challenge lies in implementing new democratic processes that encourage impactful partnerships and civic participation, which can lay the groundwork for inclusive, just and prosperous urban areas of tomorrow.

Looking to address the lack of resources and finances at the city level, many policymakers from the United States have centered their policy on forming partnerships that together create a form of networked governance. This is a kind of local problem solving that is decentralized, collaborative, multi-sectoral, non-bureaucratic and more open to citizen participation. It brings together institutions like

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universities and medical centers, local government, the business community, philanthropies, neighborhood and civic organizations. Such ecosystems of public, private and civic institutions are providing the ideas, capital and knowledge necessary to ensure effective local problem-solving. As financial, operative and administrative responsibility is distributed between several sectors of society, urban landscapes can develop in a more organic, efficient and representative manner. The emphasis on smart, localized partnerships is empowering, inclusive and prepares urban spaces to overcome their local challenges.

Many experts in Germany concentrate on increasing citizen participation. Incorporating more citizens in policy decisions requires cities to fundamentally change their political decision-making processes. Should citizens complement or advise policy makers, or should they be making the decisions themselves? What democratic structures or processes can amplify citizens' voices on urban policy? Developing participatory formats that are used and effective is only the first step. Caring for and supporting these public spaces is crucial: they must not only exist but persist.

One much discussed participatory format in Germany is the citizen advisory councils. The purpose of these councils is to engage citizens in decision making processes and enables them to give concrete input to local policy makers. Such democratic processes can grow trust in democratic institutions by strengthening the line of communication between citizens and public administration. To maximize citizen participation processes, it is useful to provide different spaces for discussion, decision-making, and implementation. Whether tackling issues of climate change, public health, or the role of technology in local communities, advisory councils can give citizens voices in how their community grows. This approach not only builds a network – but also gives people a say about how the network is administered.

Whether through partnerships or new models of civic participation, cities of the future will need to understand their wide range of actors as networks with the potential to drive change. Active, engaged networks as a unit are needed to face global challenges in communities across the United States and Germany. Ensuring that these networks and participation processes are transparent, accessible, and representative will determine how equitable future cities and urban areas will become.

Seeking Common Ground

The pressing challenges of today – climate change, migration, socio-economic inequalities, racial injustice, not to mention the recent public health crisis – are often concentrated in cities. At the same time, it is the very same urban ecosystems that generate the most promising and creative solutions to tackle them. It has become increasingly clear that solutions to global structural problems will not always result from top-down national programs: they lack the flexibility to mold to each city's acute issues. In other words, cities are often the firewall when other levels of governance fail. And this failure often affects the same underprivileged communities.

Too often high quality social and economic urban infrastructure, such as libraries, green areas and public spaces, jobs, culture and arts, public services and health provision, are not accessible to all. And with COVID-19, mass unemployment is burdening economies and causing real ramifications. For example, as tax revenues decrease and are re-prioritized, cities are forced to reduce revenue for projects such as mobility infrastructure. This has real implications, such as less resources to repair potholes, maintain bridges and renovate buildings of poorer neighborhoods.

This fortifies higher and lower opportunity areas – a divide in which housing and mobility either bridge or hinder equal affordable access. In Germany, movement trends towards cities, gentrification effects, real estate speculation, and land prices drive up rents. Facing similar challenges, the United States also has COVID-19 to reveal once again the underlying racial divide in the housing sector that is reinforced by redlining and discriminatory

behavior in real estate. A further detriment of lower-income households is that transport and living costs worryingly make up larger percentages of their income. Fair access, by means of distribution and mobility, remains to be a challenge for US and German metro areas.

As a result, the need for democratic innovation has accelerated as urban spaces face challenges that are rooted outside their city limits. The climate crisis, energy transition, social inequality and rising xenophobia permeate across borders and affect metropolitan areas and cities in distinctive manners. Democratic innovation at the city level is needed to tailor networks and forms of political participation that can develop local answers to global issues.

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But as damaging as it has been, the COVID-19 pandemic can also give cities the opportunity to develop more innovative, inclusive and resilient structures to rethink and sharpen their policies. The socio-economic necessity and political will encourages cities to now test new models of governance so they can advance their citizens' democratic rights and through digitization take advantage of the value that trusted and secure data sharing can unlock. Climate policy action and sustainable development strategies can trigger social and technical innovations, which in turn can result in improvements in a city's economic situation as well as in its environmental and health conditions. A strong involvement of local business, joint development with local stakeholders, the availability of education and financial investments is fundamental to guarantee a transition to inclusive growth and sustainable development. To place cities at the center of social and economic transformation, accessible education is the main prerequisite: local authorities and actors in expanding networks need to be financially and personally fit for innovation.

This can only be achieved through continuous open exchange of good practices, experiences, and know-how within and beyond national borders. The global issues we face are clear – the task at hand is to empower the networks within and between cities on both sides of the Atlantic.

Moving Forward: Cities for a New Transatlantic Partnership

In recent years, we have seen the transatlantic partnership wither. It can only grow back to life through mutually beneficial collaboration, not competition between Washington DC, Berlin and Brussels. Intergovernmental dialogue, so often dependent on sporadic political circumstances, must be flanked by intensifying soft power. So, when Track I diplomacy fails, the hope remains in interactions between societies. Advancing innovation together can be incubated through cultural diplomacy, science diplomacy, or even innovative-based diplomacy.

Today, cities are becoming motors of economic and social change as the conventional distribution of political power is dissolving, from national governments to networks of public, private and civic actors. Therefore, in particular city-to-city diplomacy seems to become more meaningful today as metropolises assume global roles, networking beyond borders and across continents, and setting their policy agenda beyond urban planning. Cities can and should serve as vehicles for the diffusion of innovative democratic structures and sharing of experiences in overcoming socio-economic inequality caused by rapid technological change and climate crisis. At a political level, they can encourage a new way of thinking: trading good practices instead of competition can boost the economic potential of transatlantic cooperation in the global markets. Leaders and citizens should not undermine the power of the “think globally, act locally” approach.

All of this comes down to the formula of a “New (G) localism”: acknowledging and enacting the growing global role of cities and their great potential to set the scene for a “new normality” in transatlantic relations.

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The transatlantic partnership is a vibrant network that must be cultivated through local channels complementing governmental efforts. It is time to reverse negative trends and set common goals for a positive transatlantic agenda. Proving their immense capacity to contain the COVID-19 pandemic, the ability to restore social peace, and reemerge after multiple economic shocks, it is the European and American cities that have a strong mandate to rejuvenate the transatlantic alliance in the spirit of social, economic, and political progress.

About

The project „**New Urban Progress. Transatlantic Dialogue on the Future of Work, Democracy and Well-being**” is implemented by Das Progressive Zentrum in cooperation with Alfred Herrhausen Gesellschaft and the Progressive Policy Institute and supported by the Transatlantic Program of the Federal Republic of Germany and funded by the European Recovery Program (ERP) of the German Federal Ministry of Economics and Energy (BMWi).

Partners

Das Progressive Zentrum (DPZ)



is an independent, non-profit think-tank founded in 2007, devoted to establishing new networks of progressive actors from different backgrounds and promoting active and effective policies for economic and social progress. It involves the next generation German and European innovative thinkers and decision-makers in the debates. Its thematic priorities are situated within the three programmes: “Future of Democracy”, “Structural Change” and “International Dialogue”, with a particular focus on European integration and the transatlantic partnership. The organization is based in Berlin and also operates in other European countries (including France, Poland and Great Britain) as well as in the United States.

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Alfred Herrhausen Gesellschaft

The AHG promotes a free and open society and its cohesion. Democracy, the social market economy and sustainability are the foundations of such a society. The work is based on the values of Alfred Herrhausen: on freedom and responsibility, on competition and compassion. Alfred Herrhausen thought and acted with the aim of crossing and overcoming boundaries. In his memory, the Alfred Herrhausen Gesellschaft creates platforms for discussions to enrich relevant discourses during selected events, and in publications and other media.

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Progressive Policy Institute (PPI)

ppi The PPI is an independent think-tank based in Washington, D.C., which has been an international catalyst for new ideas and practical concepts for progressive policy since its founding in 1989. Currently, the Progressive Policy Institute is developing new proposals in various projects to stimulate economic growth and technological, political and social innovation in the knowledge-based digital economy. The focus is also on issues of social mobility and the modernization of the public sector. In addition, the Progressive Policy Institute is strengthening its international projects for the model of liberal democracy and sustainable transatlantic relations. In order to combine conceptual ideas and pragmatic political action, the Progressive Policy Institute relies on an extensive network of experts, decision makers and partner organizations, especially in North America and Europe, but increasingly also in Asia and Latin America.

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