Innovative Economies and Urban Regeneration: Toward a New Indicator Set for Evaluation

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1. Urban regeneration driven by new economic forms

Urban regeneration processes are aimed at the improvement of a city's physical, social, environmental, and economic conditions. In recent years, awareness has grown that they should not be limited to the sole physical enhancement of urban space. Rather, they should integrate social innovation and economic sustainability, promoting the active participation of the community and enhancing bottom-up initiatives [1].

Recent urban regeneration processes increasingly highlight the theme of proximity economies. This concept generally refers to economic forms centered on local relationships and the use of resources available within a community or a geographically bounded area, acknowledging how interactions among local actors can foster the creation of an environment generative of innovation and sustainability [2]. More specifically, these economic forms can be classified as: community economy (a negotiated space of interdependence, focused on the production of well-being for the community); reciprocal economy (a complex interdependence of various ethical economic actions, collectively negotiated to promote a sense of belonging); relational economy (the promotion of ethical economic actions that support both human and ecological prosperity); informal economy (a complex set of non-institutionalized activities that can generate income and provide services and benefits within a given social and legal context).

This contribution aims to draw attention to the opportunity to develop and apply alternative indicators in support of new evaluation approaches for alternative and spontaneous economic forms for driving urban regeneration processes.

2. Monetary Indicators for measuring economic performance

In this context, traditional economic performance indicators, such as GDP per capita, territorial added value, employment levels, real estate values, investment flows, labor productivity, business dynamics, household disposable income, local fiscal capacity, and trade volumes, represent consolidated tools for measuring the capacity of an urban context to generate income and attract resources.

An alternative approach is based on integrating a plurality of non-monetary indicators with conventional measures of economic resources, since they can provide relevant information for the evaluation of regeneration interventions. These indicators can be traced back to the category of so-called alternative indicators [3], as they are part of a broader question on the primacy of economic indicators, a critical analysis of the social and environmental dimensions of development processes, as well as a critique of indicators that fail to provide a representation of social wealth and of the drivers for the improvement of living conditions within interventions.

3. Alternative indicators for new economic forms

The development of alternative indicators for urban development and transformations can be traced back to the emergence and evolution of five approaches [4], outlined below.

1. Inclusive Growth is oriented toward the participation of the largest possible number of inhabitants in economic activities and economic growth. It mainly includes the World Bank Social Indicators of Development, which measure poverty reduction. Among these, Labor and Employment and Poverty and Population are the most relevant, also intended as tools for monitoring and reducing territorial inequalities between marginal areas and central areas of the city.
2. The Well-being Economy, in contrast to the already established Welfare Economy, was formulated to promote ecological sustainability, intergenerational equity, well-being and happiness, as well as the equitable distribution of resources, within the framework of urban regeneration interventions. Numerous types of indicators can be attributed to this approach, mostly related to the sustainable economy as defined by major international associations. Among them are the Human Development Index and the Well-Being Index, articulated in three dimensions: "Long and healthy life," supported by the Life Expectancy Index; "Knowledge," supported by the Education Index; and "A decent standard of living," supported by the GNI Index, which quantifies inequality in the distribution of wealth.
3. Doughnut Economics is oriented toward the creation of a society that is both ecologically and socially safe and is predominantly associated with indicators of urban morphology, including population density, built-up density, spatial clustering, road network density, green coverage, and park accessibility.
4. Community Wealth Building aims at the community ownership of income and the presence of opportunity, dignity, and well-being for all. This approach can act as a lever for endogenous development, in contrast to gentrification-driven dynamics. Moreover, the Democracy Collaborative association provides a review of impact indicators across six categories, among which the "Percentage increase of cooperative and employee-owned firms within the local economy" and the "Percentage of institutional spending directed to local enterprises" best fit the category.
5. Foundational Economy promotes the strengthening of investments in the infrastructures that make everyday life possible and introduces categories of indicators related to Affordability, which monitors the cost of essential goods in relation to income; service quality, with a focus on schools, care homes, and public transport; and the extent of public investment in these sectors. This approach draws attention to the measurement of performance in relation to infrastructures and services influenced by urban regeneration interventions.

4. Comparison and conclusions

In addition to the more evident semantic difference between the two groups of indicators and their directions of social and community development, it is also important to highlight two aspects that differentiate their modes of application. The first concerns measurement methods, which also represent a factor of greater complexity for the second group: while the first group can be considered top-down and derives from already institutionalized data, the second requires a bottom-up approach, implying a more capillary and inclusive mapping of realities that are often rendered invisible and informal, especially in relation to cooperative activities. The second aspect concerns the type of focus: the purpose of indicators in the first group can scale from the collective to the individual, as it is based on quantitative measures that are proportional in nature and always measurable; the indicators in the second group, instead, require a synergic analysis of the community in relation to its parts, imposing a more holistic approach.

Urban regeneration interventions that manage to integrate the protection and support of these economies (also recognizing the strategic role of social entrepreneurship) can trigger the formulation of innovative economic models capable of addressing forms of urban decay and social exclusion. Such interventions, most of which operate in contexts of social and economic marginality within the existing building stock, can become incubators of case-based indicators for the formulation of evaluation approaches in support of decision-making processes.

On this basis, the objective of the working group is to launch a research initiative aimed at investigating methods for implementing and applying innovative indicators. This will involve both the study of the theoretical framework of the five approaches previously listed and the analysis of operational case studies. The indicators will need to be suitable for integration into the metrics of conventional evaluation models for urban plans, programs, and projects, while being descriptive of the potential synergistic contribution of new proximity-based economic forms. In this way, it will be possible to integrate into the selection criteria underlying the evaluation – intended as a support for complex urban choices – often overlooked, underestimated, or only generically described aspects.

References

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