



Spatial Foresight Brief 2011:1

**TERRITORIAL COHESION STORYLINES:
UNDERSTANDING A POLICY CONCEPT**

Kai Böhme & Erik Gløersen

BRIEF



Spatial Foresight GmbH

7, rue de Luxembourg
L-7330 Heisdorf
Luxembourg

www.spatialforesight.eu

© Spatial Foresight and the authors

Böhme, K. and E. Gløersen (2011) *Territorial Cohesion Storylines: Understanding a Policy Concept*. Spatial Foresight Briefing 2011:1. Luxembourg. www.spatialforesight.eu



Territorial Cohesion Storylines: Understanding a Policy Concept

This Spatial Foresight Brief is based on many years of experience and work in projects addressing the issue of territorial cohesion. The most recent of these are the ESPON INTERCO project on indicators on territorial cohesion, a study of the territorial dimension of the future EU Cohesion Policy carried out for the German Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), and work on how to strengthen the territorial dimension of Europe 2020 and EU Cohesion Policy conducted for the Polish EU Presidency.

The debate in recent years has shown that a strict definition of territorial cohesion is impossible. As main stakeholders emphasise different dimensions of the territorial cohesion idea, and because the concept has to be fluid enough to accommodate temporal change, any attempt to define it precisely will unavoidably result in excluding certain senses or aspects and thus lead to a poorer result.

To facilitate a better understanding of territorial cohesion and its various dimensions, we have developed here different stories of territorial cohesion. Each of these stories highlights different facets of the territorial cohesion debate, as observed during the past decade. They not only synthesise the main objectives focused on by different groups of actors when they refer to Territorial Cohesion, but also purport to synthesise the causal processes that these actors presume are initiated by actions promoted under the heading “territorial cohesion”. These stories are not mutually exclusive, and they may even contradict one another on some points.

Taken as a whole, the stories facilitate a more thorough discussion on the different facets of territorial cohesion and how a limited number of indicators can be used to illustrate or measure individual facets. In the following section, we briefly present the different stories and then show various ways of combining them to clarify individual/different?? understandings of territorial cohesion.

A. Smart growth in a competitive and polycentric Europe

Territorial cohesion must contribute to economic growth in order to achieve the aims of Europe 2020 and boost European competitiveness. This implies a strong focus on territorial potentials and the support of smart growth and connectivity of Europe’s economic centres. Territorial cohesion will only be possible if Europe’s most economically viable and powerful locations make full use of their growth potential, thereby serving as engines for the development of larger areas surrounding each of them. These economic centres are at the forefront of development and are important nodes in global economic networks. A key issue here is European polycentric development, i.e. the development of a number of interconnected European hubs or Major European Growth Areas (MEGAs) which mutually reinforce each other and lead to the strong growth envisioned for 2020.

Theoretical background

This facet of territorial cohesion has a theoretical background in the new economic geography, in growth pole theory, and in the line of argument recently promoted/presented?? by the World Bank. The spatial dimension of economic development policies is based on economies of agglomeration. While economists from Marshall to Krugman have demonstrated the propensity of industries to agglomerate, these arguments are reinterpreted in a normative way and taken one step further, as policy-makers are encouraged to use the leverage effect and positive externalities of agglomerations



to trigger higher and better growth. Diffusion effects occurring in a second phase can make it possible to achieve a territorially more balanced development.

Larger themes and issues

The larger themes and issues addressed by this facet of territorial cohesion are interconnectivity of MEGAs, their territorial distribution and economic strengths. These include their role as an economic motor for a larger hinterland, and their global importance as transport hubs and international headquarters. Central to this story is the idea that Europe as a whole can only compete successfully on a global scale by focusing on the strongest candidates in its largest regions. This fits well with efforts to strengthen polycentric development and networking of agglomerations with important international clusters. The diverse scales at which agglomeration effects occur, from individual towns and cities to large conurbations such as Rhine-Ruhr, need to be addressed more explicitly, as both the processes themselves and their economic and territorial effects vary significantly. Key aspects include urban drivers, demographic and economic mass and power, comparative advantages of agglomerations, global transport hubs and connectivity between major agglomerations, innovation and the creative class, as well as quality of life.

B. Inclusive, balanced development and fair access to services

Territorial cohesion is about balanced development, focusing on European solidarity and stressing inclusive growth, fair access to infrastructure services and the reduction of economic disparities. A key element here is strengthening the use of development potential outside main growth poles and ensuring a minimum of welfare in all regions. Every territory has its own distinct set of potentials for further development – its territorial capital or comparative advantage. At the same time, every region and local area also has resources available to make use of assets and offset deficiencies. The difference between the assets and deficiencies, on the one hand, and the resources available to territories to activate their potentials and respond to deficiencies on the other, results in the strength or fragility of a territory. Supporting equal or fair development opportunities is a key issue, not least expressed in the debate on fair access to infrastructure and services. People and companies in all parts of a territory need to have access to certain standards of services. Their delivery, however, can depend on the territorial context, i.e. the same service can be delivered by different means in different areas.

Theoretical background

This dimension of territorial cohesion relates to theories about endogenous development potentials and the necessity of avoiding extreme economic difference and imbalances, i.e. territorial redistribution. These theories seek to generalise from examples of areas that are thriving economically and socially in spite of their small size and/or relative isolation. They are upheld by numerous studies in the field of regional economics that attempt to identify the different forms of innovative milieux (Camagini & Maillat, 2006), industrial districts and other local productive systems (Benko & Lipietz, 1992 & 2000; Fauré & Labazée, 2005).

Larger themes and issues

The larger themes and issues addressed by this facet of the territorial cohesion debate are solidarity, territorial justice, access to services of general interest and infrastructure, territorial diversity, territorial



capital, economic imbalances. Central to this story is the idea that no region can be strong unless the major part of its territorial capital (also in the hinterlands) has been successfully harnessed in a balanced development. It also considers that processes of concentration and polarisation can, and in many cases should, be avoided. Key aspects include access to services and infrastructure, the emergence and reproduction of territorial inequalities, spatial discontinuities and contrasts at different geographical scales and territorial identity and solidarity.

C. Territorial diversity and the importance of local development conditions

Territorial cohesion is about place-based policy making, paying particular attention to local development conditions – going below the regional level. Indeed the identification and exploitation / use of tangible and intangible endogenous potentials are crucial for development and smart, inclusive and sustainable growth in Europe. Particular attention is given to the specificities of places and their comparative advantages. In many cases the intangible factors of tacit knowledge and local networks (incl. clusters) and the access to the nearest economic centres are considered to be of key importance. Thus territorial cohesion is very much about recognising the territorial diversity in Europe as well as the importance of the territorial context and its multifaceted dynamics as a foundation for success. This involves endogenous development potentials and fragilities, as well as exogenous factors, such as the impact of developments in other territories, and the effects of different sector policies at various levels of decision making.

Theoretical background

This facet of territorial cohesion refers mainly to local development theories. These focus on, among other things, endogenous development potentials, territorial knowledge dynamics, European diversity, intangible development factors and exogenous contextual factors. Researchers have demonstrated processes allowing local actors to identify and exploit economic potentials based on natural resources, cultural heritage and/or other territorial characteristics (Pecqueur, 2005; Landel & Senil, 2009). Local alliances of actors play a key role in allowing communities to adapt to global challenges without jeopardising their long-term development perspectives.

Larger themes and issues

The larger themes and issues to be addressed by this facet are European diversity, local specificities, local comparative advantages, access to the nearest economic centres, social networks and intangible development potentials. Central to this story is the idea that all development trajectories are essentially unique not least because they are based on the territorial and temporal possibilities that arise in each specific locality. The principle of subsidiarity plays a particularly important role, as development objectives and strategies need to be defined locally. Key aspects are local networks, social cohesion at local level, quality of life, minimum requirements as regards public and private services of general interest (access to them), and local accessibility and interaction in a wider functional context.

D. Geographical specificities

Territorial cohesion is about geographical specificities. There are particular types of regions and the principal reference text is Art. 174 of the Treaty: “In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured



regions. Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.”

Theoretical background

This dimension of the territorial cohesion debate refers in particular to theories about geographical handicaps for regional development. While European convergence policies allow lagging regions to catch up through structural reforms, these handicaps are of a permanent nature and therefore require other types of measures. These measures can take the form of compensation for the additional costs of infrastructure and service provision, but can also be regulatory exceptions acknowledging the social and economic specificity of the concerned areas. The idea that geographical specificities can be regarded as handicaps is widely challenged, not least due to the relatively high levels of performance of many of these territories.

Larger themes and issues

The larger themes and issues of this facet of territorial cohesion are geographical and demographic handicaps – but also potentials – in rural regions, islands, mountainous areas, sparsely populated areas, areas in industrial transition and cross-border regions. This should also include various sub-categories of these territorial types. Central to this story is the idea of territorial diversity, and that Europe as a whole cannot compete successfully unless all of the regions within the union manage to reach their independent potentials, whatever those potentials may be. Without this, some regions will act as “dead weight”, hindering development of the whole. A more systemic approach to the European economy, focusing on inputs of strategic importance rather than on the performance of individual portions of its territory, would also make it possible to understand how these specific territories contribute to the overall growth and balanced development of Europe. The issue of geographical scale is of particular importance in this context. Key aspects are development specificities induced by smallness and remoteness (need of critical mass), (economic) support mechanisms, geographical possibilities and limits, as well as the interaction with other territories.

E. Environmental dimension and sustainable development

To contribute to the sustainable growth aim of the Europe 2020 strategy, and consider the environment and climate change, territorial cohesion also has an environmental dimension stressing sustainable development. The richness of Europe's natural heritage and landscapes is an expression of its identity and is of general importance. To reverse any process of abandonment and decline, and to pass on this heritage to future generations in the best possible condition, requires a creative approach. Territorial cohesion requires a more resource efficient and greener economy. Initiatives tackling climate change or aiming at more efficient use of resources should no longer be seen only as concerns of environmentalists: rather territorial development at all scales, from the EU to the local, need to include such measures. In that respect clean and efficient energy are preconditions for future development that also help the economy to cope with increasing energy prices. Furthermore, this storyline has a clear global dimension, as the EU includes 7.7% of the world's population and 9.5% of the world's biocapacity, but accounts for 16% of the world's ecological footprint.



Theoretical background

This dimension of territorial cohesion refers in particular to theories of sustainable development, energy supply and demand, the green economy, climate change and the ecological footprint (UNEP, IPPC, Global Footprint Network, World Bank etc.). A sustainable dimension is needed for future development in order to ensure the prosperity of future generations as well. Consequently sustainable development should be a horizontal dimension of all developments and storylines.

Larger themes and issues

The larger themes and issues to be addressed relate broadly to the idea of sustainable growth as expressed in Europe 2020. Central to this storyline is the integration of the environmental dimension into territorial development. Key aspects are, for instance, the green economy, quality of life, energy supply, climate change and the ecological footprint.

F. Governance, coordination of policies and territorial impacts

Territorial cohesion is about the need to maintain dialogue with other sectors to strengthen the territorial dimension in various policy fields. Key concerns are the better use of synergies between different policies (vertical and horizontal coordination), as well as the actual costs of non-coordination. Particular emphasis is given to the need for an actual dialogue with “non-believers”. Furthermore, both (a) integration of policies (i.e. focusing not only on single sector aims) and (b) involving regions in the policy process are often considered to contribute to better policy coordination and awareness of territorial impacts. Various approaches to territorial impact assessments play an important role in the discussion. Broadly speaking, the storylines focus on governance and cooperation processes – as a key aspect of territorial cohesion – rather than actual territorial development features. Therefore this storyline clearly differs from the others as it is by its nature non-territorial. The basic idea is that better vertical and horizontal coordination of policies will lead to more balanced, territorial targeted development and thus support territorial cohesion.

Theoretical background

This dimension of the territorial cohesion debate is based on theories about governance, policy making, polity and politics. The efforts and benefits of improved policy coordination are discussed and analysed from various perspectives. The rationale for this storyline derives from research on governance processes related to European policy-making and also more generally focusing on network governance and multilevel governance (e.g. Eser, 2007; Benz, 2002; Kohler-Koch, 1999; Bache, 1988).

Larger themes and issues

The larger themes and issues to be addressed are policy integration, sector coordination, territorial dimension and impacts of policies and territorial impact assessment. Central to this story is the idea that it is the “orgware” of adequate and appropriate governance that unleashes territorial potential at least as much as the “hardware” of infrastructure and resources. The debate has suggested, for instance, that it should be compulsory to test the compliance of policy measures linked to services of general interest and to specific sectors (e.g. competition, trade, fisheries, agriculture and transport) with the principle of territorial cohesion. In a less legalist perspective, the Open Method of Coordination has also been discussed in relation to territorial cohesion. Key aspects are vertically and horizontally communicating territorial visions, policy design according to functional territories,



correspondence between polity and power as regards sectors and levels of policy making, and subsidiarity.

Composing unique understandings of territorial cohesion

The above storylines have been developed successively through various projects and teaching sessions. They have also been used repeatedly to map individual groups' understanding of territorial cohesion. These show that understanding of the concept is very diverse depending on the individuals in questions.

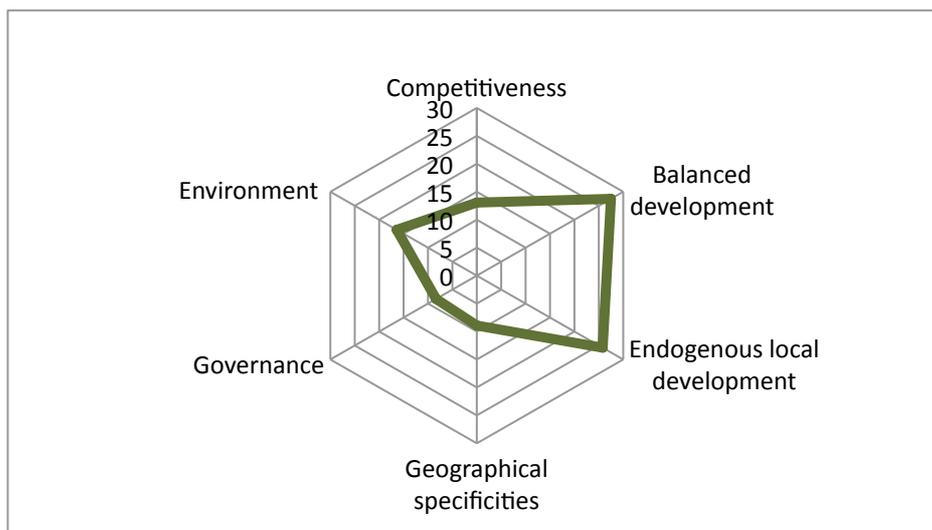
In general we observe that the most groups emphasise balanced development as the most important dimension of territorial cohesion. This is followed by either a focus on local and endogenous development or on competitiveness and polycentricity.

Generally the geographical specificities are less central to territorial cohesion, while the environment does represent a substantial factor. These results are tentative, as the total number of participants in these sessions is limited. They should furthermore be considered as a snapshot of the situation at a given time; perceptions could change as a result of further debates on territorial cohesion policies, e.g. as part of discussions on the financial framework for the next European Union programming period. However, there seem to be significant differences between the, admittedly limited, specification of territorial cohesion in the European Treaty and prevailing opinions in the spatial planning community.

When comparing results between different groups of actors, the most prominent difference concerns the governance dimension, which is ranked extremely highly by national policy makers and planning students, but much less so by other groups.

In 2011, the different storylines have been used in a European-wide online survey on the future of EU Cohesion Policy and its territorial dimension. The 328 respondents to this online survey were asked to sketch their understanding of territorial cohesion by ranking the three most important storylines presented above. The aggregated result of this exercise is shown in the table. The detailed analysis has also revealed differences in the understanding of the concept according to national background and working activity. This just underlines the usefulness of the storylines as a tool to map and clarify the diversity of meanings given to territorial cohesion.

Figure 1: Understanding of Territorial Cohesion in the 2011 Online Survey



Source: Spatial Foresight, 2011.

Literature

- Bache, I. (1998) *The politics of European Union regional policy. Multi-level governance of flexible gatekeeping?* Sheffield Academic Press.
- Benko G., Lipietz A., 1992. *Les régions qui gagnent*. Paris: PUF.
- Benz, A., 2002. *How to reduce the burden for spatial coordination*. In A. Faludi (ed) *European Spatial Planning. Lessons for North America*. Boston MA, the Lincoln Institute for Land Policy, pp. 119-135.
- Camagni R., Maillat D. (eds.), 2006. *Milieus innovateurs: théorie et politiques*. Paris: Economica-Anthropos.
- Eser, T.W., 2007. *An Evaluation Framework for Sustainable Development in Multi-Level Government*. In Schubert U., Stoermer E. (ed.): *Evaluating Sustainable Development in Europe – Concepts, Methods and Applications*. Cheltenham, UK, Northampton US, Edward Elgar 2007, pp. 63-81
- Faure Y.-A., Labazee P., 2005. *Les territoires productifs des agglomérations de PME dans les Suds: modèles et problèmes*. In *Le territoire est mort, Vive les territoires!*, B.Antheaume & F. Giraut (eds.), Paris IRD Editions, pp. 269-294.
- Kohler-Koch, B., 1999. *The evolution and transformation of European governance*. In B. Kohler-Koch and R. Eising (eds) *The Transformation of Governance in the European Union*. London, Routledge, pp. 14-35.
- Landel P.A., Senil N., 2009. *Patrimoine et territoire, les nouvelles ressources du développement*. In *Revue Développement durable et territoires*, <http://developpementdurable.revues.org/index7563.html>
- Pecqueur, B. (2005), *Le développement territorial: une nouvelle approche des processus de développement pour les économies du Sud*. In *Le territoire est mort, vive les territoires*, IRD Editions, Paris, pp. 295-316.