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Spatial policy and planning in Northern Europe: an assessment of recent trends in policy and economic development

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50th Congress of the European Regional Science Association

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The Spatial policy and planning in Northern Europe: an assessment of recent trends in policy and economic development

Abstract:

Spatial aspects of economic and social cohesion have become a major target in European policy in the last decades. By combining the structural funds with spatial development perspectives, the recently introduced concept of territorial cohesion obviously functions as link between EU regional policy and spatial development. In other terms, territorial cohesion should be considered as an umbrella concept complementing and reinforcing economic and social cohesion.

The purpose of the paper thus is twofold. First, it is the aim to analyze briefly the socio-economic background and the changes in the regional economic structure of the EU, partly as a result of socio-economic changes, partly as a consequence of the enlargement from 15 predominantly wealthy mature marked economies with 12 transition economies and two small Mediterranean states. The first section also provides (1) a brief outline of the history and the political foundations of the emergence of the EU regional policy in the aftermath of the first attempts to create an Economic and Monetary Union; and (2) an analysis of the main trends in European economic convergence and disparities to provide empirical evidence why the issue has climbed upwards on the political agenda in the last decade.

The second purpose is then to analyze the added value (if there is any) of the concept of territorial cohesion for economic and social convergence by providing an analytical overview of the changes in the spatial agenda from European spatial planning -starting in the 1970's with the establishment of the CEMAT by the European Council - to territorial cohesion and its implications for the EU regional policy. Furthermore, the paper discusses the recent attempts to integrate the issues of economic, social and territorial cohesion in the EU cohesion policy 2007-13 and the Lisbon Treaty on the reform of European Union. This section also analyzes the altered balance between the European and the national level with regard to spatial and territorial issues.

The final section of the paper summarizes the main findings with special attention on the North European context.

Key words: Territorial cohesion and cooperation – economic convergence – multilevel governance -

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1. Introduction

Regional policy and spatial aspects of economic and social cohesion have become major targets in European policy in the last decades, partly as a consequence of the ongoing economic integration but also for political reasons due to the growing awareness toward regional issues and regionalization. By combining the structural funds with spatial development perspectives, the recently introduced concept of territorial cohesion serves as link between EU regional policy and spatial and territorial development. In other terms, territorial cohesion should be considered as an umbrella concept complementing and reinforcing economic and social cohesion. However, the question remains if the concept of territorial cohesion has an added value for economic and social convergence.

Achieving territorial cohesion is particularly important since it has, alongside the existing objectives of economic and social cohesion, become a new objective for the European Union by the Lisbon Treaty. The concept of territorial cohesion, which is strongly related to the European social model (Faludi 2007a, 1; David 2007, 10-11), pursues both economic competitiveness and cohesion (Waterhout 2008, 125; Ritter 2009, 105-106; CEC 2004b, 4-5), i.e. it combines economic growth and competitiveness (regions and localities each in their own way play a crucial role in growth and job creation) with concerns about social welfare and equity (i.e. where people live should not crucially determine their opportunities nor their quality of life); sustainability and governance (e.g. interview with Andreas Faludi 2008; in CEC 2008c, 10; Bachtler and Polveravi 2007, 125; Camagni 2007, 132; Peyrony 2007, 73). This combination of issues also shows the normative and value-laden dimension of cohesion policies: territorial cohesion, by putting emphasis on reducing territorial disparities, inequalities and injustices, adds a spatial justice dimension to European spatial policy (Davoudi 2007, 84; and 2005, 4).

Whilst there is no official definition of territorial cohesion, it becomes obvious that the concept complements economic and social cohesion and is primarily concerned with promoting a more balanced development and ensuring greater consistency between social, economic and environmental policies (European Parliament 2009, 6; Davoudi 2005; Faludi 2007a and 2007b). It

means an attempt to combine efficiency and equity in the field of territorial development by means of (1) pursuing spatial equity or justice, (2) strengthening competitiveness, (3) identifying potentials to built on territorial specificities and characteristics as a base for a functional division of labour, (4) ensuring a harmonious, sustainable and balanced spatial development of the territory of the EU by introducing the principle of polycentrism, (5) ensuring fair access to infrastructure and services, and (6) refining territorial governance processes (CEC 2008a; Faludi 2007a, 19; ARL 2008, 3-4; Waterhout 2007; David 2007, 10-12).

Although territorial cohesion is at one of the earliest phases of policy development, it is the outcome of a political process of the last 20-30 years. In this period, spatial aspects of economic and social cohesion have become a major target in European policy. By combining the structural funds with spatial development perspectives, the recently introduced concept of territorial cohesion obviously functions as link between EU regional policy, which has been launched in 1975 and has established the goals of social and economic cohesion in the EU treaties of 1992 and 1997, and spatial development starting with CEMAT meetings in 1970 and reaching its peak with the ESDP in 1999 and the Territorial Agenda in 2007.

The objectives of the current article are twofold. First, it presents a brief outline of the socio-economic background and the changes in the regional economic structure of the EU. This is partly a result of socio-economic changes, partly a consequence of the geographical enlargement from 15 predominantly wealthy mature marked economies with 10 transition economies and two small Mediterranean states. The second purpose is to analyze and assess the added value of the concept of territorial cohesion for economic and social convergence by providing an analytical overview of the changes in the spatial agenda from European spatial planning -starting in the 1970's with the establishment of the CEMAT by the European Council - to territorial cohesion and its implications for the EU regional policy. Furthermore, the paper discusses the recent attempts to integrate the issues of economic, social and territorial cohesion in the EU cohesion policy 2007-13 and the Lisbon Treaty on the reform of European Union.

The paper is organized in two main sections. The next section provides an overview of the main trends in European economic convergence and disparities to provide empirical evidence why the issue has climbed upwards on the political agenda in the last decade, followed by a brief assessment of the current status of regional and conversion policy. The third part of the article is dedicated to a discussion and analysis of the importance spatial planning and the territorial agenda in general for

the overall development of the EU and Northern Europe in particular. The final section summarizes the main findings, and sketches possible future trends.

2. Regional cohesion and diversity

The regional economic landscape of the EU has changed significantly in the last decades, partly as a consequence of the geographical extension, partly due to a seemingly paradox trend in the economic development of the EU territory. Regional disparities in Europe have diminished in a country by country perspective, both in the old EU-countries and in most of the new member states. At the same time, interregional disparities have been increasing in most countries measured by a national context (Cuadrado-Roura & Parellada 2002).

Recent economic development policy in advanced market economies, as well as regional and industrial development initiatives from the EU (i.e. stipulated in the Lisbon Strategy) focuses on the importance of human resource development and entrepreneurship. In particular innovation as measures to improve economic performance and competitiveness has become increasingly important. The issue is, that a reduction of regional disparities and the improvement of the overall competitiveness is not always in accordance with each other, as previous analysis of growth and convergence have indicated Mancha-Navarro & Garrido-Yserte (2008, 64) concluded in their assessment: 'Empirical studies confirm that while at the European level a certain improvement in regional economic convergence has been achieved, at the level of the Member States a clear regional divergence has occurred. This situation may have two different readings. One reading is the success of the cohesion policy. Another is the negative regional impact of the national economic policies, which plays a crucial role in the configuration of the general environment and hold considerable influence over regional, economic perspectives.'

The crucial point is that national policies must reinforce the regional policy. In particular innovation and R&D oriented policies are often mainly beneficiary for the centre regions. In a European context the regional growth strategies have to contribute to fulfilment of the Lisbon targets to create the world's most competitive economic region (ESPON 2006). At the same time the EU faces a complex challenge with decreasing economic divergence between member states and increasing disparities within many countries (see figure 1 below for the current situation).

3.1 Economic and Social Cohesion as Expression of European Solidarity

The objectives of economic and social cohesion have been pursued by the European Union together with the introduction of the Single Market in 1985 and the Single European Act in 1987 (Fürst 2009, 159; Ritter 2005, 241). Since then, cohesion – by reducing the social and economic disparities

between regions, measured in terms of regional per-capita GDP in relation to the EU average – is the most visible expression of solidarity within the EU (Becker 2009, 7; Samecki 2009, 3). Economic and social cohesion policies have been launched in the European Treaties to balance the single market and European integration because ‘the underlying European model, in contrast to purely liberal models in which cohesion is obtained by the social division of labour and the market, assumes that the market alone cannot ensure welfare’ (Peyrony 2007, 70-71; see also Tewdr-Jones and Mourato 2005, 70; Leonardi 2006, 156).

However, in its early days, the European Union showed only little interest at policies to reduce economic and social disparities among regions; ‘indeed, in the Treaty of Rome, the aim of reducing these inequalities only appears in the preamble’ (Salez 2009, 1). As Becker (2009, 9) argues, the European Union and the member states at this time agreed that opening up national markets would strengthen economic growth and would automatically reduce regional disparities; in contrary, state interventions to strengthen lagging regions were seen as inhibiting factor for the development of these regions. Only in 1975 regional policies have been introduced to ‘reduce economic and social disparities in the territories which comprise the Union’ (Mancha-Navarro and Garrido-Yserte 2008, 60). At this stage, the Commission and the member states started to recognise that the unequal distribution of integration benefits required intervention to resolve economic and social disparities particularly between core areas and periphery. However, when introducing EU regional policies it was more seen as a financial instrument provided by the EU rather than a political strategy with coordinated objectives for the development of the European territory.

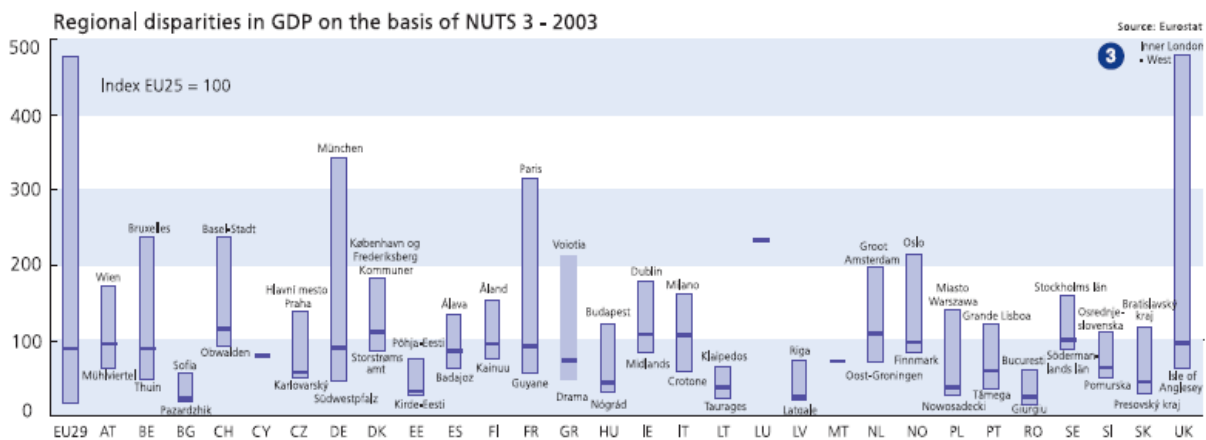
By introducing regional policies in 1975, the national level was no longer seen as the exclusive level where development policies should take place. The cohesion policy aims at a balanced development throughout the EU, reducing structural disparities between regions and not between member states (see also Article 158 of the Treaty), and promoting equal opportunities for all. Since then, the regional focus has become the cornerstone of European cohesion policy (Becker 2009, 7). But only with the reform of the Structural Funds in 1988, ‘the European Commission [gained] much greater influence on the distribution of regional development funding, in particular with respect to the designation of eligible areas, the approval of Member State development plans, the management and delivery of programmes, and the control of expenditure’ (Bachtler and Wren

2006, 143).¹ The then following European treaties of Maastricht (1992) and Amsterdam (1997), from a regional perspective, emphasised the importance of the (regional) territorial dimension for social and economic cohesion policies (Mancha-Navarro and Garrido-Yserte 2008, 52). This was even intensified through the introduction of the Economic and Monetary Union which confirmed the necessity to have a common EU regional policy when regions with large economic structural differences all belong to one currency area (e.g. Eser 2005, 259-260).

2.2 Current developments of EU Cohesion Policies

Regional convergence is still a central objective in the EU economic and regional agenda but also still far away from to be realized in a foreseeable future, and will probably become more difficult to obtain if the polarization between centre and periphery and urban and rural areas will be reinforced through the focus on innovation and knowledge based economic strategies in the future³.

Figure 1: Regional disparities in Europe in PPP (Index EU-25 2003=100)



Source: ESPON 2006, p.15.

In a European context the regional growth strategies have to contribute to fulfillment of the Lisbon targets to create the world's most competitive economic region. Due to the fact that the half time evaluation of the implementation of the Lisbon Strategy was rather disappointing the Lisbon Strategy was re-launched in 2005 named the 'Renewed Lisbon Strategy', stressing the innovation and conservation of the environment. Central objectives according to Mancha-Navarro & Garrido-Yserte (2008,57) are:

¹ Additionally, through developments as privatisation, deregulation, decentralisation and Europeanisation, many regions had been granted constitutional powers in areas such as regional planning, development, vocational education and transport by the end of the 1980s – thus they could play an active role in the EU cohesion policy (Leonardi 2006, 159).

- Improvement of policies related to Information Society and Research and Development.
- Acceleration of the structural reform process with regard to innovation and competitiveness.
- Social modernization through investment in human capital and combating social exclusion.
- Facilitating economic and social progress together with environmental protection.

These aims have to be implemented in a situation where the EU faces a complex economic situation with decreasing economic divergence between member states and increasing disparities within many countries² and now also a significant decrease of economic growth with fundamental risks for economic wealth and progress in particular in some of the new East European member states.

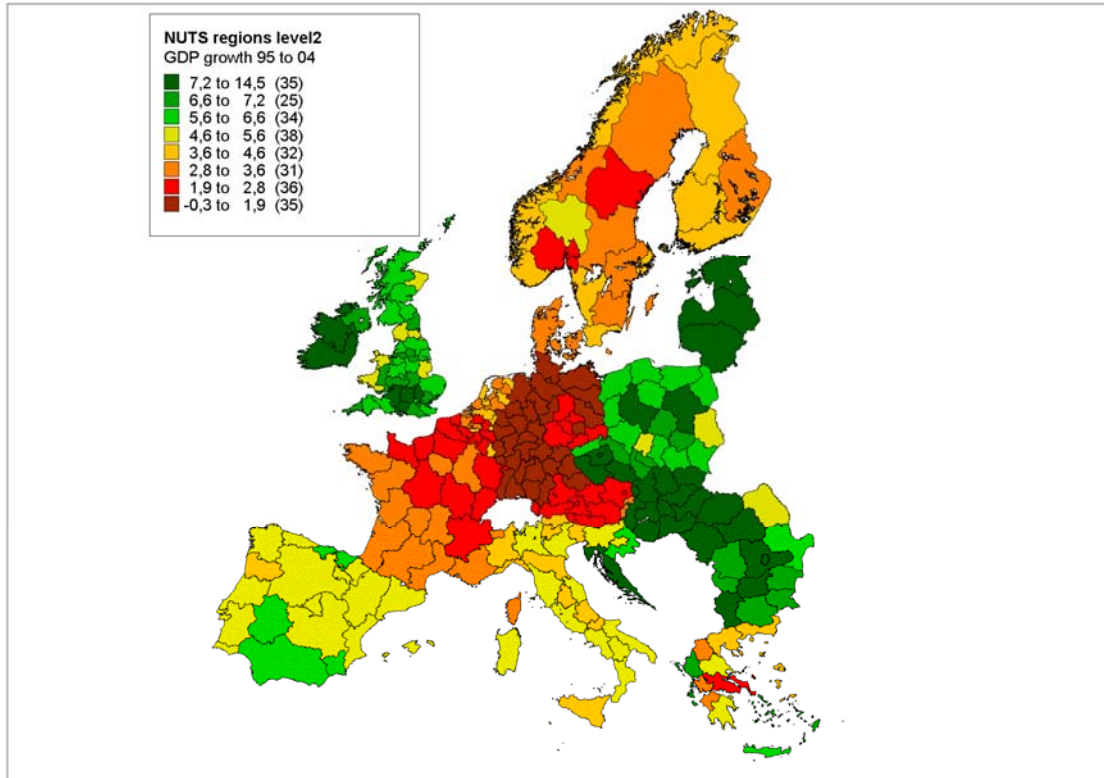
In this perspective the Lisbon targets³ - also in the revised Renewed Lisbon Strategy - are not necessarily always in harmony with a policy aiming at a country's regional disparity reduction. Much economic catch-up, in particular in new member states, has taken place in metropolitan areas with increasing internal disparities as a consequence. In the last 5-10 years similar tendencies have been seen in Western Europe, also in the Nordic countries and Denmark. Among the consequences is an increasing polarization of the commuting pattern in many areas leading to a process of regional enlargement⁴. A first impression of the European regional map is displayed in Figure 2 & 3 below.

² For an assessment see Commission of the European Communities 2007, in particular also with regard to regional differences in innovation performance, pp.74ff.

³ Of particular interest is the so-called EU Lisbon strategy to create the most competitive economy in Europe by 2010 and the Barcelona targets to spend 3 % of GDP on R&D in the EU.

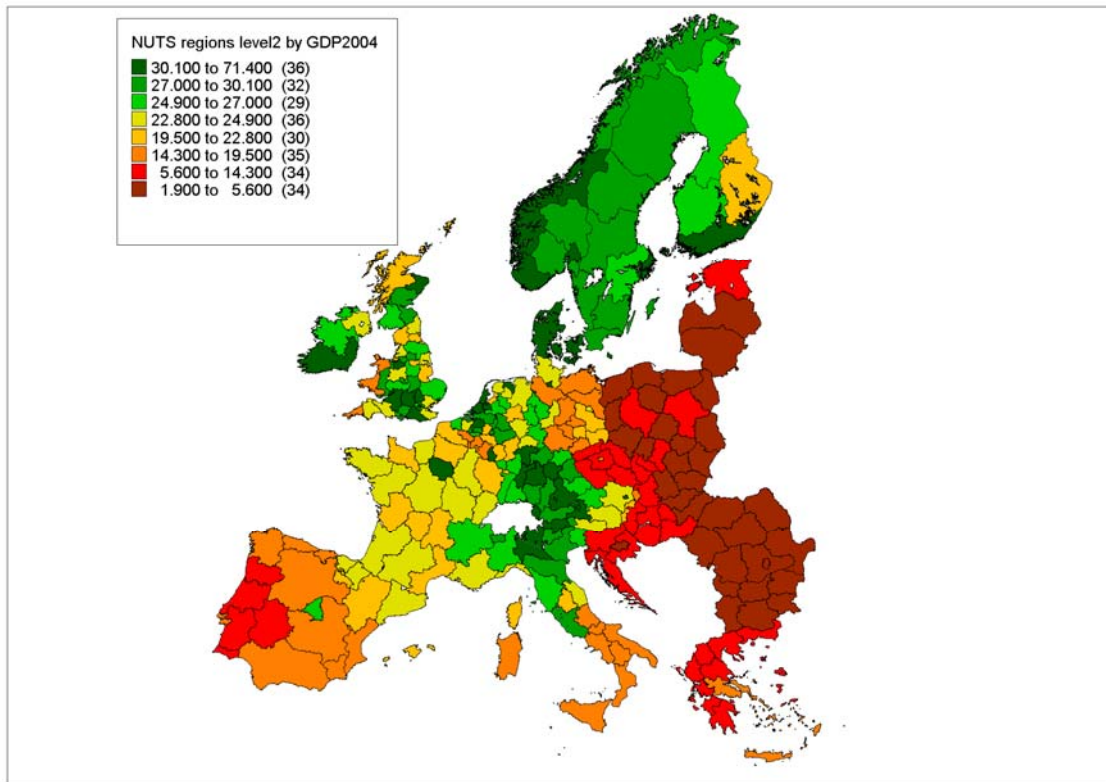
⁴ For an assessment of the impacts on the regional labour markets in the Nordic countries, see Neubauer et al. 2007 pp.15ff. and Johansson (2005) for a discussion of the concept and impacts of regional enlargement, based on a study of cities and regions in the Baltic Sea Region.

Figure 2: Annual Growth in GDP per capita 1994 to 2005



Source: Figure 1 and 2: Eurostat, Danmarks Statistik and Norges Statistik, here quoted from Cornett & Sørensen 2008.

Figure 3: GDP per capita in €2004



Source: Figure 1 and 2: Eurostat, Danmarks Statistik and Norges Statistik, here quoted from Cornett & Sørensen 2008.

.2 Instruments and objectives of EU Cohesion Policy

The history of the regional policy of the EU since 1975 (see also section 3 Below) can be characterized as a history of extension in scope and financial resources, and mainly of incremental changes in the principles of programming. Nevertheless the current structural policy has very little in common with the first initiatives launched in the aftermath of the first plans to establish the economic and monetary Union in the early 1970's.

The major reform was the merge of all structural funds in the late 1980's forming a comprehensive structural policy, a concept still used after the latest reform (see table 1). One consequence is that the geographical coverage of the structural policy is the whole of the EU, but still with clear priorities the economic weak parts of the EU in the core instruments and programs (see Figure 4 below).

Table 1 EU structural Funds 2000-2013: Overview of objectives and instruments

Cohesion policy 2000-2006		Cohesion policy 2007-2003	
Objectives, Community initiatives, Funds	Financial Instruments	Objectives	Financial Instruments
Obj.1: Lagging regions Cohesion Fund	ERDF,ESF,FIFG EAGGF-Guarantee & Guidance	Convergence	ERDF ESF Cohesion Fund
Obj. 2:Economic and social conversion zones	ERDF ESF	Regional competitiveness and employment	ERDF ESF
Obj. 3:Training systems and employment policies	ESF		
Interreg III URBAN* EQUAL*	ERDF ERDF ESF	European Territorial cooperation	ERDF
Leader+	EAGGF-Guidance		
Rural development and restructuring of fishing sector beyond Obj. 1	EAGGF-Guarantee FIFG		
4 Objectives 4 Community initiatives Cohesion Fund	6 Instruments	3 Objectives	3 Instruments

Note: * 2007-13 part of convergence and regional competitiveness and employment objective

Source: European Union 2007

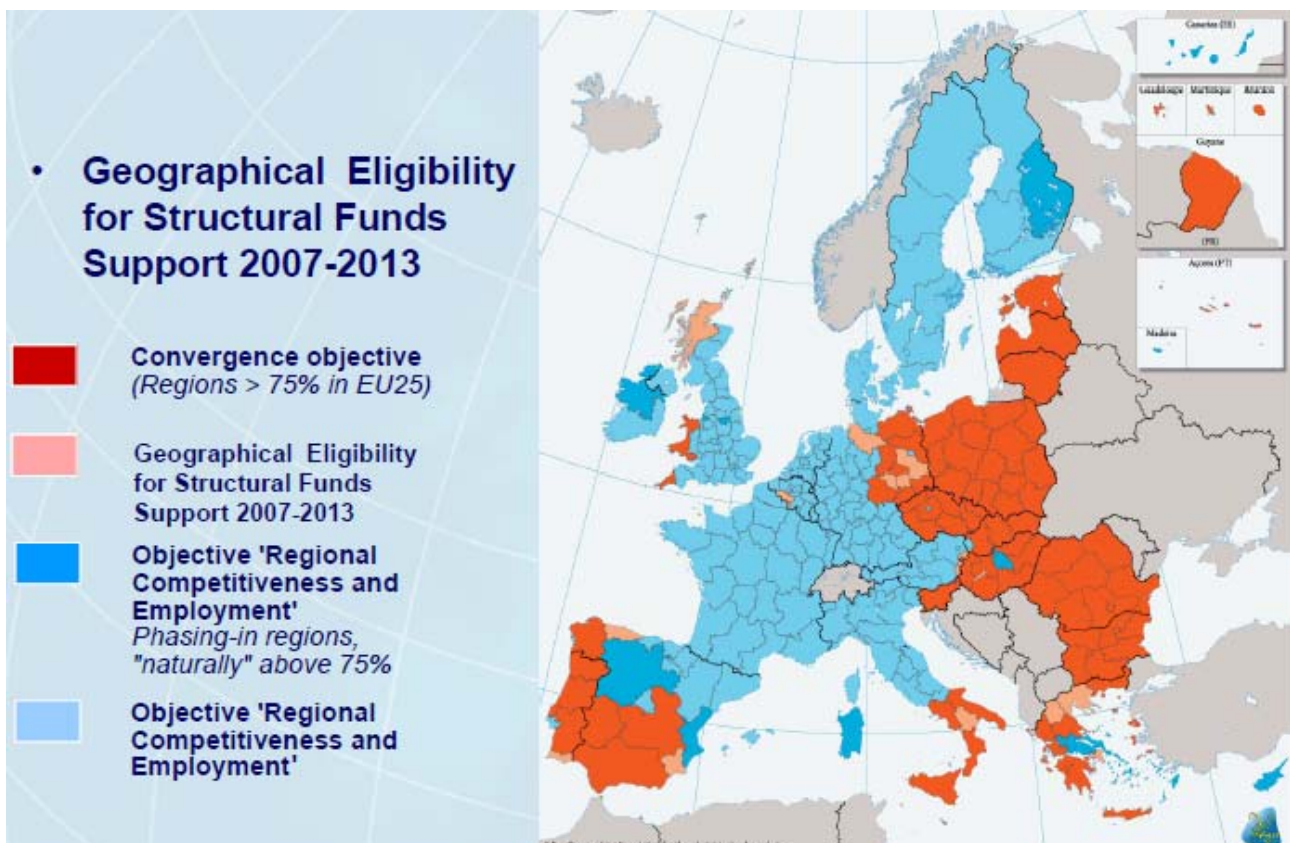
According to the Council Regulation (EC) No 1083/2006 the structural Fund instruments aim to contribute to the three above mentioned objectives:

- The *convergence objective* aims to speed up the convergence of the least-developed member states and regions by improving conditions for economic growth and employment. i.e. by investment in physical and human capital. The results of the cohesion policy with regard to economic and social convergence are quite impressive (European Parliament 2009, 4): Between 1995 and 2004, the number of regions with a GDP per head below 75% of the EU average fell from 78 to 70 and the number of those below 50% of the EU average declined from 39 to 32 (CEC 2007). This objective is the priority of the Structural Funds.

- The *regional competitiveness and employment objective* aims to strengthen the competitiveness and attractiveness as well as employment outside the areas supported according to the first objective.
- The *European territorial cooperation objective* aims at strengthening and encouraging cross border and transnational cooperation (European Union 2007, 51). In particular the last objective is important with regard to the next chapter of the paper.

Economically the first objective is by far the most important. In the period 2007-2013, cohesion policy will receive 35.7% of the total EU budget approximately 347.4 billion Euros in current prices. Objective 1, Convergence, will receive the lion share of the resources, 81.5 %. The 'Regional Competitiveness and Employment' objectives share is 16.0 % and 2.5 % of the budget is reserved for 'European Territorial Cooperation' (Regional Policy InfoREGIO 2010).

Figure 4 Eligible Regions for Structural Fund Support 2007-13



Source: Commission of the European Communities (2007a):

3. The emergence of territorial Policy and Territorial Cohesion

Following Mancha-Navarro and Garrido-Yserte (2008, 49) it becomes obvious that the ‘territorial-regional focus in the process of building Europe is relatively new’. As all these developments indicate, the territorial-regional dimension gained more emphasis in the last 20 years, but it also becomes clear that this has been dominated by economic reasons and not by spatial development concerns (Cornett 2010). Or to conclude with Becker (2009, 7), ‘the European Structural Funds have always served as instruments of economic policy and are as such intimately bound up with Europe’s broader economic policy priorities’.

3.1 Territorial Policies

Issues of European spatial planning and development have, since 1970, also been discussed mainly in the Council of Europe, which valued the field of European spatial development as being a major task for the future development of Europe. The Council of Europe set the frame for CEMAT, the European Conference of Ministers Responsible for Spatial Development and Regional Planning (Faludi 2005, 252; Salez 2009) which proceeds every 2-3 years. In 1983, CEMAT, for example, adopted the European Spatial Planning Charter (e.g. Faludi 2002, 4), identifying principles and objectives for a European spatial development policy which are prevailing today – including a balanced social and economic development, improvement of the quality of life of all citizens and the prudent management and protection of nature (Ritter 2009, 179). Following this argumentation, the European Spatial Planning Charter laid the foundation for a European structure of spatial planning and for the specific needs of territories (urban, rural and frontier areas, mountains, islands, etc.); additionally, it showed the need to organise sectoral policies on a territorial basis (Salez 2009, 2).

Furthermore, CEMAT approved the European Regional Planning Strategy (1988) and the Guidelines for Sustainable, Regional Development on the Continent of Europe (2000), the latter strongly referring to the European Spatial Development Perspective (ESDP) adopted by the Ministers responsible for Spatial Planning at the Potsdam Council in May 1999 (Ritter 2009, 179). Even if the resolutions of the Council of Europe only have a recommendatory status and the implementation of the resolutions depends from the intention of the member states, the Council of

Europe has had a pioneering role for the emergence of a European spatial development policy (Cornett 2010; Ritter 2009, 181).

As Martin and Robert (2002, 22) summarise, the European Community - in the 1970s - had no real interest in matters relating to spatial development or planning. There was no agenda and no political impetus for developing European spatial planning, only the Council of Europe contributed to the exchange of ideas and experiences. Following Martin and Robert (2002, 26), the situation changed at the end of the 1980s, '[as] the political influence of the Council of Europe began to decline, [and] as the [European Commission] under Jacques Delors became stronger'. During that period, the Commission in particular but also a few member states (e.g. the Netherlands and France) recognised the increasing importance of a European spatial planning and development policy, setting spatial planning on the Commission's agenda. This has been supported by the reform of the Structural Funds in 1988 which provided the European Commission with the opportunity to finance transnational spatial development studies (Martin and Robert 2002, 27) resulting in the formulation of strategic documents, such as Europe 2000 (1991), Europe 2000+ (1994) and the ESDP (1999).

The ESDP, being the most influential document with regard to European spatial development so far, is based on voluntary cooperation between the EU member states and the European Commission. Spatial planning and development do not belong to the Community competencies (Faludi 2002, 11), meaning that the ESDP is the result of an intergovernmental cooperation outside the Community decision making capacity (Ritter 2005, 245). But as Faludi (2002, 11) argues, 'the European Commission [nevertheless] has had a hand in preparing the ESDP, perhaps with the expectation that in time a spatial planning function would come its way'. However, the ESDP was mainly initiated to meet the (territorial) challenges resulting from the Single Market (1992) and to attempt to coordinate the EU policies with spatial impacts on the European level by pursuing the three spatial development guidelines (CEC 1999)

- polycentric spatial development and stronger urban-rural partnership,
- parity of access to infrastructure and knowledge, and
- intelligent management of the natural and cultural heritage.

Although the European Community has no formal competence for spatial development it becomes obvious that various initiatives, since the 1970s, have paved the way for pursuing spatial equity or

ensuring a harmonious, sustainable and balanced spatial development of the territory of the EU. All these principles are decisive for the concept of territorial cohesion.

3.2 Territorial Cohesion – The New Guiding Principle for Cohesion Policy?

Following authors as Fürst (2009, 174) or Faludi (2007a and b), the concept of territorial cohesion then seems to be the link between the EU's regional policy and spatial development policy, which has already been required by the ESDP in 1999 by combining the structural funds closer with the spatial development perspectives (see also CEC 1999). As the European Commission concludes territorial cohesion 'extends beyond the notion of economic and social cohesion by both adding to this and reinforcing it' (CEC 2004, 27). This definition is in line with Leonardi (2006, 159), who argues that one of the most important contributions of the cohesion policy was the rediscovery of the territorial dimension in regional policy, i.e. 'the conceptualisation of regional policy as a territorial policy rather than a sectoral one'. In this sense, territorial cohesion builds on 'classic, distributive EU regional policy but adding the pursuit of competitiveness, endogenous development, sustainability and good governance into the bargain' (Faludi 2006, 671).

In policy terms, the objective is to help to achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent' (CEC 2004a, 27; see also Faludi 2004, 1349; OECD 2001, 135). The concept of territorial cohesion has been introduced in the Commission's second report on social and economic cohesion (CEC 2001). The report recognised territorial imbalances and argued that 'spatial balances could be conceived not only in terms of GDP per capita but also geographically, that is by focussing on regions that faced particular challenges such as border regions, mountainous regions or islands' (Mirwaldt et al. 2009, 8). The policy objectives, such as a balanced and polycentric urban system, access to infrastructure and knowledge, sustainable development, and prudent management and protection of nature and cultural change, reflected and acknowledged the guiding principles of the ESDP, but also of the European Spatial Planning Charter adopted in 1983 (CEC 2001; CEC 1999; Waterhout 2008, 125; Battis and Kersten 2008, 14).

The third report on social and economic cohesion (CEC 2004a) established strong links between the cohesion policy and the Lisbon goals of competitiveness, innovation and full employment (see also Faludi 2006, 669; Mirwaldt et al. 2009, 8). In other words, cohesion policy needs to incorporate the

Lisbon objectives; the ‘emphasis is put on making regions more competitive by using their endogenous potential in order to realise more cohesion’ (Waterhout 2008, 127) - a central issue which has been agreed upon at the EU informal ministerial meetings on territorial cohesion in Rotterdam 2004 and the Informal Meeting of Ministers for Regional Policy and Territorial Cohesion in Luxembourg 2005 (Finka 2007, 23). In this context, cohesion policy is seen as the primary EU instrument for mobilising territorial assets and potentials and addressing the territorial impacts generated by European integration. According to Samecki (2009, 4), the strong territorial dimension of the cohesion policy has been recognised in the Lisbon Treaty with the introduction of the concept of territorial cohesion in addition to economic and social cohesion.

Following Robert (2007, 29), this commits policy makers to ‘recognise territorial imbalances and disparities in addition to socio-economic imbalances and [to] ensure that policies and strategies take into account specific territorial and cultural characteristics, identities, and the potentials of regions (such as territorial capital), which are central to long-term, sustainable development. The postulate of sustainability has also been affirmed in the Commission’s interim report on territorial cohesion by emphasising that territorial cohesion ‘translates the goal of sustainable and balanced development assigned to the Union (Art. 2 of the Treaty) into territorial terms’ (CEC 2004b, 3), an explicit reference to the Gothenburg Agenda.

The Luxembourg Presidency in 2005 also presented the ‘Territorial State and Perspectives of the European Union: Towards a Stronger European Territorial Cohesion in the Light of Lisbon and Gothenburg Ambitions’ (TSP) which, together with the Territorial Agenda of the EU (TAEU), has been approved in 2007 (TSP 2007; TAEU 2007). Following Faludi (2007b, 7), the TSP ‘argued for territorial development policies to help areas to develop their ‘territorial capital’ [...] as part of the effort to increase Europe’s competitiveness’. This position can also be found in the Community strategic guidelines on cohesion adopted in 2006 pushing member states and regions to ‘promote balanced development and pay particular attention to specific geographical circumstances’ and make reference to polycentric development. Additionally, authors such as Sykes (2008, 536) argue that cohesion policies have to become more sensitive ‘to the diversity of territories and the dynamics and changes which affect them’ and on the importance of ‘helping regions and territories to benefit from opportunities and facing up to the consequences of global challenges’.

On basis of the TSP, the TAEU defines six priorities for spatial development measures, which refer to and explain the concept of territorial cohesion (TAEU 2007; Tatzberger at al. 2007, iii-v; Ritter 2009, 98-99):

- strengthening of polycentric development and innovation through networking of city regions and cities;
- new forms of urban-rural partnerships and territorial governance;
- promotion of regional clusters of competitive and innovative activities;
- strengthening and extension of trans-European networks;
- promotion of trans-European risk-management including the impacts of climate change; and
- strengthening of ecological structures and cultural resources as added value for development

It becomes obvious that the concept of territorial cohesion links cohesion policies and spatial planning or development perspectives. Territory and place are becoming decisive factors in delivering public policies that ‘aim to allow the Union and its regions to fully exploit their endogenous development potential’ (Samecki 2009, 1). However, despite the increasing importance of territorial principles in cohesion policy, ‘territorial cohesion [still] occupies a marginal position in the Community strategic guidelines compared to the three priority axes relating to competitiveness issued from the Lisbon Agenda: attractiveness, innovation and employment’ (Salez 2009, 7). Against this background the question remains if the concept of territorial cohesion has an added value for economic and social convergence.

4. Concluding Remarks and Perspectives

The Territorial Agenda or spatial dimension of the EU Regional Policy has increasingly become a conceptual umbrella for regional based political interests, spatial coordination on the EU level – still governed mainly by inter-governmental modes of decision making – and the old redistributive objective of the Structural Funds among EU member countries. In particular the later was an important driver behind the significant increase of the policy’s resources since the 1980’s, also reinforced by the successive enlargement of the EU with mostly economical weaker countries.

Economically we have seen a tendency toward convergence over the years as long as the perspective is on country wise. Particularly in the last decade intra-national disparities have increased in most countries, old market economies as well as the transition economies or in the

Mediterranean. This tendency will most likely continue and be reinforced by the overall change in the global system of production, which will highlight the importance of knowledge and innovation based economic activities in the mature western economies. This development will most likely not be an advantage for the non metropolitan parts of Europe.

The recently launched new version of the Lisbon Strategy under the heading ‘The Europe 2020 Strategy’ of the EU Commission formally sketched a vision for ‘Europe's social market economy’ using a well-known expression from the economic history of Germany after the second world. Despite the good intentions there seems to be a risk that the implementation – also on the national level - will strengthen rather than softening the diversity between center and periphery in Europe. In the next 10 years focus should be on three related and mutually reinforcing areas of priority (Commission of the European Communities 2010):

- Smart growth, developing an economy based on knowledge and innovation;
- Sustainable growth, promoting a low-carbon, resource-efficient and competitive economy;
- Inclusive growth, fostering a high-employment economy delivering social and territorial cohesion.

In particular the last priority highlights the importance of the spatial dimension in the future, but recent trends even in a homogenous country like Denmark prove that the centripetal forces in current economic development are much stronger than the centrifugal⁵.

Whether the development and emphasis of the territorial dimension and cooperation in the EU regional and structural policy can curb this process is still an open question, but most likely the answer will be negative, and the agenda - also in a North European perspective be to cope with increasing disparities and an erosion of the economic base not only in the traditional periphery but also in rural or less urbanized areas close to metropolitan regions.

From a political point of view territorial cohesion as socio-economic convergence still has to cope with:

- Unevenness of European space calls for social solidarity and spatial justice
- Territorial cohesion is achieved by reducing socio-economic disparities

⁵ For an outline of the concept see Krugman 1999, 142ff.

- Reduction of disparities by regional policies and the development of the optimal instruments to deal with intra-national as well as international disparities

With regard to territorial cohesion as economic competitiveness in the North European understanding each region should take advantage of its own territorial capital and concentrate investments in those areas that have the highest return.

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