Why territorial governance is relevant for the future of territorial and urban policies in Europe

Andreu Ulied (MCRIT) and Kai Boehme (Spatial Foresight)

// Towards a Territorial Reference Framework

Join Seminar // Key messages for Territorial Reference Framework // 13 November // Vienna
A deliberative working process in the frame of a Strategic Advisory Forum

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Working process (Dec’2017-April’2019) / Next SAF Milestones
Challenges
The economic geography of Europe is changing – accompanied by an increasing fragmentation. Fragmentation has a social, cultural and political dimension. Fragmentation has “place-based” causes and consequences (e.g. “places that do not matter”).

Social and economic developments in one place have major impacts on development perspectives in other places. Increasing negative and positive spill-overs and externalities. Links and flows induce “new territorialities”.

Policy decisions and actions reach beyond administrative borders. Misalignment between geographical jurisdiction for policy making and the geographies affected.
“Places that do not matter”: Geographies of discontent

Lewis Dijkstra, Hugo Poelman and Andrés Rodríguez-Pose

European Week of Regions and Cities Brussels, 11 October 2018
Growth and Increasing Disparities Ahead (GDP per capita by MASST4)
Live expectancy (2010)
Weak cross-border relations in Europe

Distribution across Europe of trips originated in Berlin and Szczecin (130km far)-TRANSTOOLS (2012)

But borders are still constraining relations in many areas of Europe
The territorial fragmentation of Europe
Europe as “New Territoriality” in progress by “Enhancing Cooperation”

**Politics:** 28 EU Member States

**Currency:** 19 countries in the EUROZONE

**Single Market:** 32 countries in EEA

**Mobility:** 26 countries in Schengen

**Free Trade:** 4 EFTA countries
Trends
Living in “Pervasive Uncertainty”

**Technological trends:** “Space of flows” (Manuel Castells)

- Becoming Digital: ICT + IoT + BigData + AIS
- Postcarbon technologies
- Automatisation & Robotisation
- Biotechnologies (e.g. cellular farming, genetics…)

ESPON //
Living in “Pervasive Uncertainty”

IOT: Going Beyond the Buzz by Venky Shankar (2017)
Social trends: “Fluid Society” (Zygmunt Bauman)

- Ageing
- External migrations
- Internal migrations: concentration and dispersion processes
- More fluid social institutions. Virtual and project-oriented communities.
- New Generations’ values: “place-attachment” versus “global-vocation” identities
- Social disparities because of education and job training
Living in “Pervasive Uncertainty”

Public social spending as a share of GDP

Social spending includes, among others, the following areas: health, old age, incapacity-related benefits, family, active labor market programmes, unemployment, and housing.


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**Economic trends:** “Zero Marginal Cost Economy” (Jeremy Rifkin)

- “Multilocal” businesses: hyperconnected and further decentralised activities
- Global trade becoming more relevant than European trade
- Collaborative economies
- Circular economy may favour “place-based” activities
- Reindustrialisation in European regions
Figure 2: Forecast: European Online Retail Sales by Country, 2012 To 2017

Source: Forrester Research Online Retail Forecast, 2012 To 2017 (Western Europe)

Source: Forrester Research, Inc.

Living in “Pervasive Uncertainty”
Environmental trends: “The risk Society” (Ulrich Beck)

- Climate Change vulnerability (adaptation/mitigation)
- Decoupling of energy, mobility and resource consumption (e.g. water, land) with growth
- Cellular agriculture and biomedicine beyond limits
- Relative loss of biodiversity
Living in “Pervasive Uncertainty”

Working Group I Report  "Climate Change 2013: The Physical Science Basis"
**Political: “Poverty of territorialism” (Andreas Faludi)**

- Increasing problems of efficiency (and legitimacy) in governments at all scales
- New models of participation (eGovernment) demand more quality of government
From “Mismatch of functionalities” to the “Poverty of territorialism”
From “mismatch of functionalities” to the “Poverty of territorialism”
Quality of Government will improve significantly?

"Quality of Government Institute, University of Gotheborg (2018)
### Policy-Scenarios

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<thead>
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</table>
The scenarios are inspired by strategic policy documents recently developed:


- **Three visions, one direction.** Plans for the future of Europe, European Political Strategy Center on Juckers, Macron and Merkel visions (2018)

- **Time to move up a gear: the results of an insufficient summit**, by Janis A. Emmanouilidis, EPC, (2018)

- **Towards a New Pact for Europe**, EPC (2014)

- **ESPON Europe 2050: Making Europe Open and Polycentric** (2014)
Policy-Scenarios under discussion: Reference Most Likely

Possible evolutions overtime of policies under a “Pervasive Uncertainty” framework condition

Policy change

Baseline

Muddling Through

2010  2020  2030  2040  2050
# Policy-scenarios under discussion

<table>
<thead>
<tr>
<th>Muddling Through</th>
<th>Successful Cooperation</th>
<th>Global Balance</th>
<th>Local Renaissance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European Forward Unit (1999)</strong></td>
<td>Turbulent neighbourhoods</td>
<td>Shared Responsibilities</td>
<td>Triumphant Markets (balanced with EU stronger common institutions)</td>
</tr>
<tr>
<td><strong>New Pact EPC (2014)</strong></td>
<td>-</td>
<td>Moving Ahead Ambitiously</td>
<td>Leaping forward</td>
</tr>
<tr>
<td><strong>Junker’s White Paper, EC (2017)</strong></td>
<td><strong>Carrying on</strong></td>
<td>Those that want to do more, do more</td>
<td>Doing more together</td>
</tr>
<tr>
<td><strong>EPRS, EP (2017)</strong></td>
<td>Hollow foundations: Unstable Europe in an unstable world</td>
<td>-</td>
<td>EU as a global power: Stable Europe in an unstable world</td>
</tr>
<tr>
<td><strong>Territoriality</strong></td>
<td>Old territorialities back. Top-down governance</td>
<td>Multilevel “place-based” governance</td>
<td>EU as a “new territoriality”</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>Authoritarian</td>
<td>Enabling</td>
<td>Providing</td>
</tr>
<tr>
<td><strong>European project</strong></td>
<td>Uncertain, risk of desintegration</td>
<td>Enhanced Cooperation</td>
<td>Further Integration driven by global challenges</td>
</tr>
<tr>
<td><strong>Key Political Institutions</strong></td>
<td>Member-States</td>
<td>EU, Member-States, Regions, Municipalities</td>
<td>“European common strong institutions”</td>
</tr>
</tbody>
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Policy-Scenarios proposed

- Dominance of the scenario over time
  - Muddling Through
  - Local Renaissance
  - Successful Cooperation

Graph showing dominance over time from 2020 to 2050:
- Global Balance
- Local Renaissance
- Successful Cooperation
Policy-Scenarios proposed

- Successful Cooperation
- Reparing “Old territorialities”
- Muddling Through
- Building New territorialities
- Local Renaissance

Efficiency claim

Global Balance

2020
2030
2040
2050

Reactive
Proactive

Legitimacy claims

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Scenarios under discussion (by Klaus Kuzmann)

Efficiency claim

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Legitimacy claims
Territorial Challenges

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<tr>
<th>Fragmentation of society and territories</th>
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<tbody>
<tr>
<td>Mismanagement of interdependencies: spill-over and externalities across boundaries.</td>
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</tr>
<tr>
<td>Misalignment between geographical jurisdictions and the corresponding geography</td>
<td>?</td>
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“Successful Cooperation” Scenario (2020-2030) – ongoing discussions

It is designed as a positive evolution of the “Muddling-Through” scenario. In the mid-term the scenario can move towards “Global Balance” or “Local Renaissance”—because of both technologic progress, and change on social values and behaviours of new generations

• No deep territorial reforms
• Improvement of the quality of government everywhere in Europe
• More flexible, open, “enhanced integration” among those EU Member States willing to do so
• More integration only in key European policies, mostly in terms of common regulations (e.g. digital markets)
• Further cooperation among political, economic and social entities as priority on European policies
• Multilevel governance processes based on “place-based” approach
• Bottom-up comprehensive territorial visions as first step on European policy-design processes
• Co-development projects in neighbouring countries and more active migration policies
A Framework for Action
Territorial Agenda as a Framework for Cooperation (I)
Cooperation to enhance “old territorialities”? 

- Cooperation as strategy to overcome territorial challenges 
  ➔ How to cooperate on Cohesion and other policies? at which scales? how?
Territorial visions closer to the citizens?

- Diverse bottom-up visions to enhance “place-based” governance
  - What would be appropriate geographies?
  - How to stimulate this kind of vision work?
Making Europe Open and Polycentric

Vision and Scenarios for the European Territory towards 2050

Opening up European markets to global competition and promoting global sustainability

The progressive opening of the European market to global competition, in parallel to the opening of other world markets to Europe, will create fair and sustainable development for all if the higher social and environmental European standards are gradually adopted by the rest of the world. European larger metropolises and second-tier cities need to reinforce their role as global cities, attractive places for global activities and services.

Integration of transport and telecommunication networks and geographical spread of global gateways

The full integration of information and communication networks, facilitated by the electrification of transport systems, will enhance networks interoperability and efficiency. Global connectivity through maritime routes and intercontinental air services is a critical development condition, as well as local and regional connections to them. The further redistribution of intercontinental gateways from their actual North-Atlantic concentration to more competitive geographic locations for global traffic would bring a real benefit to the European economy by reducing travel time and transport operating costs and spreading development opportunities.

Intelligent energy networks connecting decentralised renewable energy

An intelligent grid covering Europe north-south, integrating renewal sources, wind in the north and solar in the south, together with other conventional sources such as hydros, will reduce European energy dependency and increase economic efficiency. Intelligent energy networks will provide for more decentralised production and consumption, and will facilitate an increasing diversification of sources as well as cost reduction and price harmonisation across Europe.

Linking transport, telecommunication and energy networks between Europe and Neighbouring regions

Links between European and neighbouring regions in the form of transport, telecommunication and energy services and infrastructures need to be further developed. Global gateways already emerge in some neighbouring regions, both intercontinental airports and ports. Trade and traffic across the Mediterranean, Middle East and Eastern countries will continue to grow if neighbouring countries become successful emerging economies. Beyond infrastructure provision, markets for network industries should also be gradually integrated in the framework of free trade agreements, closer association and/or European Union’s full membership.

Promoting integrated territorial development across borders

Co-development strategies will combine the market dimension and R&D capabilities of Europe with the energy, land availability and labour assets of the south shore of the Mediterranean, as well as Eastern Neighbourhood. Cross-border areas in the West and East Mediterranean and along Eastern borders have to become priority areas for co-development since excess of economic gaps is a major source of social and political conflicts and also constraining the development of European Union’s most peripheral regions.
Thank you