

EU Territorial Cohesion Policy: The Light at the End of the Tunnel?

On 24-25 May 2007 the planning ministers of the member states of the European Union will meet at Leipzig to discuss the 'Territorial Agenda for the EU 2007-2010: Towards a More Competitive Europe of Diverse Regions'. If the signs are correct, then this may reinvigorate EU territorial cohesion policy. The stakes are high. Being the second-largest item on the EU budget, cohesion policy is up for review in 2008. Recognition of the need for territorial cohesion may be an argument in favour of sustaining this policy

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EU territorial cohesion policy builds on the 'European Spatial Development Perspective' (ESDP; CEC, 1999; Faludi & Waterhout, 2002), identifying polycentrism, urban-rural partnership, access to infrastructure and knowledge and the prudent management of the natural and cultural environment as the issues. However, there is no more talk of spatial development at European level. The concept of territorial cohesion has come in its place (Faludi, 2006). Including it alongside economic and social cohesion amongst the objectives of the Union and amongst the competences shared between the Union and the member states, the Treaty establishing a Constitution for Europe would have given territorial cohesion a legal base, something which spatial development lacks at the European level.

French and Dutch voters have made this into a remote prospect. The Barroso Commission puts all its eggs into one basket: the reinvigoration of the Lisbon Strategy of turning Europe into the most competitive region of the world. The emphasis is on 'Growth and Jobs' (CEC, 2005). Also, until not long ago, the Financial Perspectives for 2007-2013 loomed large. Six net-contributors to the budget, the United Kingdom, France, Germany, Austria, Sweden and, yes, The Netherlands demanded reforms. Of course, the aim was to reduce their contributions, but the proposals also posed a fundamental challenge to the role of the Commission in managing the second-largest item on the budget, the cohesion funds. EU territorial cohesion is part of cohesion policy, where the Polish Commissioner Danuta Hübner and the Directorate-General Regional Policy are responsible. The main instruments are the 'structural funds'.

Cohesion policy was the brainchild of Jacques Delors, Commission President in 1985-1995. There had been regional policy before, but it amounted to little more than assisting the member

states with their regional policy. Under Delors regional policy was oriented towards the twin Community objective in the Single European Act of 1986 of economic and social cohesion. Within envelopes decided beforehand, regional and local authorities and also private stakeholders can apply for Community funding. This has resulted in a form of 'multi-level governance' and has given the Commission access to stakeholders, and *vice versa* the stakeholders a way of talking to the Commission.

The lion's share of the funds goes to 'least favoured regions', since EU enlargement to be found mainly in Central and Eastern Europe, but note that (ultra-)peripheral and mountain regions and islands are also eligible, even if they are not exactly in dire economic straits. In essence, though, this is distributive policy, compensating regions for disadvantages that they suffer in competing in the Single Market.

This policy came under fire in the 'Sapir Report' (Sapir et al., 2004) on EU economic governance: cohesion policy was not about competitiveness, and it was bureaucratic. Accepting the principle of solidarity with new member states, some net-contributors, in particular the UK, wanted to give regional policy the axe and simply transfer to the new members their share to cofinance their growth strategies. This went at the jugular vein of Commission-led cohesion policy.

The net-contributors did not get their way. The compromise arrived at in, as seems usual, the early hours of the morning, was for the overall financial framework to be reduced, but for cohesion policy (and also the even more controversial Common Agricultural Policy and the UK budget rebate) to continue. However, and here comes the countermove, all member states are committed to all these policies coming under review in 2008, the aim being to

arrive at a new budget setup in time for the next Financial Perspectives starting in 2014.

The Commission heard the challenge to its cohesion policy loudly and clearly. Meanwhile, it has reoriented cohesion policy to support the 'Growth and Jobs' agenda, and this is also true for territorial cohesion policy. In fact, being the second-largest item – after the Common Agricultural Policy – on the budget, cohesion policy is one of the few instruments that the Commission can use for this purpose. For the rest, the Lisbon Strategy depends on the willingness and ability of member states to work towards the targets set. They need to, amongst others, reform labour markets, increase female participation, invest in R&D, et cetera. However all that they have really committed themselves to is the formulation of 'Lisbon Action Plans' and to regular reporting on its implementation, using agreed indicators. The idea behind this is that, rather than finding themselves at the bottom of the league table, member states will voluntarily seek to better their ways.

For cohesion policy, a similar policy cycle is in place. The Commission publishes so-called 'Community Strategic Guidelines', the first version of which has just been officially approved (Council of the European Union, 2006). Member states are required to publish 'National Strategic Reference Frameworks' each and subsequently so-called Operational Programmes. (At the end of September 2006, the Dutch government has just adopted its National Strategic Reference Framework.) These are discussed with the Commission for whether they conform to the Community Strategic Guidelines and to the relevant regulation (Official Journal of the European Union, 2006). For the purpose of their mandatory *ex-ante* evaluation, the Directorate-General Regional Policy has issued a guidance document (European Commission,



The 'pentagon' London-Paris-Milan-Munich-Hamburg where on 20% of the (EU15) area 40% of the population produce 50% of the GDP (Schön, 2000)

Directorate General Regional Policy, 2006). Annex 4 is about how the specific needs and characteristics of the territories need to be taken into account according to the problems or opportunities resulting from their geographic situations. The appendix specifies this further. It proposes indicators to be used, including indicators based on work done by the European Spatial Planning Observation Network ESPON. This amounts to the mainstreaming of a form of spatial/territorial analysis. Indeed, the guidance document suggests that the National Frameworks as well as the Operational Programmes should each include a section on territorial cohesion.

Meanwhile, the work done by hundreds of researchers throughout Europe in the framework of ESPON has born even more fruit. Under the Dutch Presidency in 2004 the responsible member state ministers resumed their practice of holding informal meetings (Faludi & Waterhout, 2005). They decided to produce an 'evidence-based' document drawing on ESPON. At Luxembourg in 2005 they accepted a scoping document, 'Territorial State and Perspectives of the European Union: Towards a stronger European territorial cohesion in the light of the Lisbon and Gothenburg ambitions' (Gothenburg referring to the EU strategy of sustainable development; CEC, 2001). It is this docu-

ment that is now being elaborated with a view to the next meeting in May 2007.

The draft being circulated whilst these lines are being written has a cunning resemblance to the ESDP, both as regards the topics discussed, as well as its compromise character, with too many concerns being articulated and too little focus. Still, the priorities are to strengthen polycentrism and urban-rural partnership, promote clusters of competitive

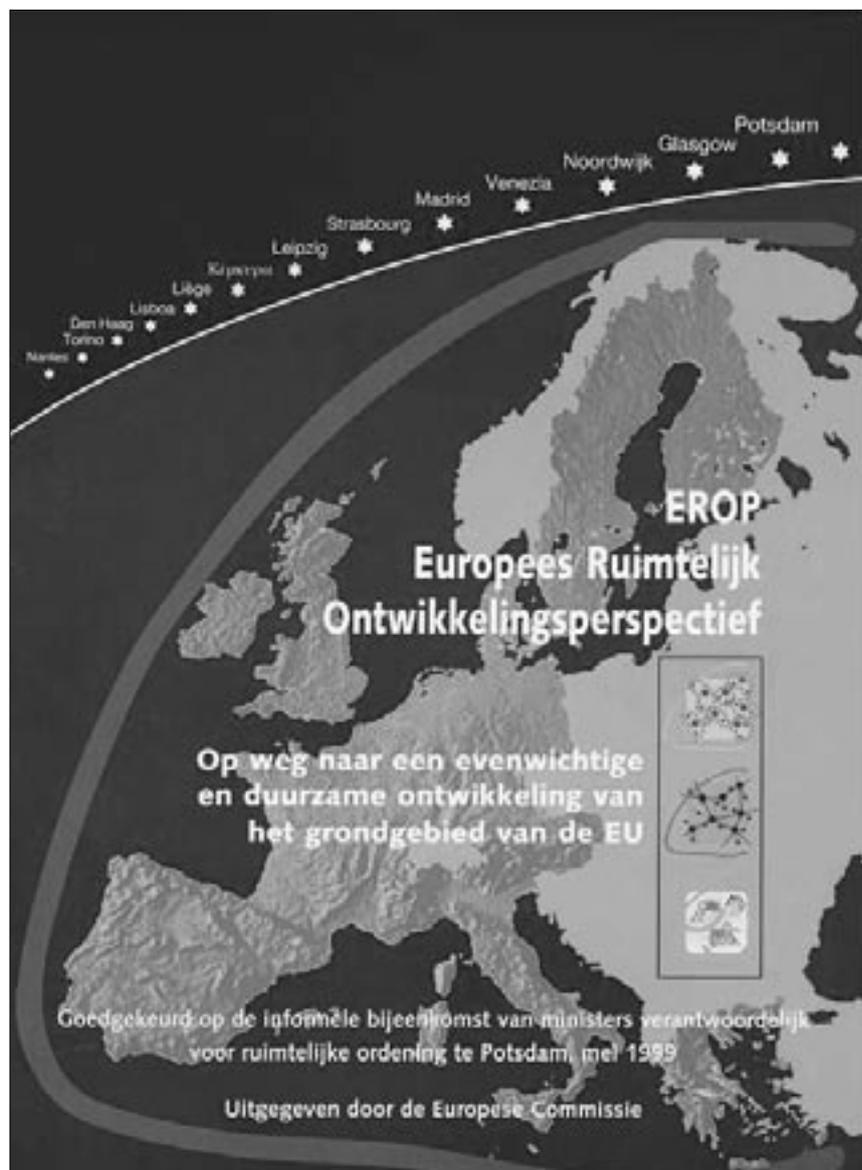
and innovative activities, strengthen the trans-European networks, promote trans-European risk management and strengthen trans-European ecological structures and cultural resources. With the exception of risk management, which is a topic that has come up in the wake of floods and draughts over the past years, the themes have already been present in the ESDP. This is true even for competitiveness. In fact, one year before Lisbon, the ESDP has already related polycentrism on the scale

of the EU, i.e. the need to develop more so-called Global Economic Integration Zones outside the 'pentagon' London-Paris-Milan-Munich-Hamburg, to the need for Europe to become more competitive. To prove their point, the makers of the ESDP have invoked the comparison with the United States, where there are at least four such zones: the East Coast, the West Coast, the Mid-West and the 'Sun Belt'.

The ministers will no doubt take notice of the 'Territorial State and Perspectives', but rather than on this background paper what they will focus on is the 'Territorial Agenda for the European Union'. If the signs are correct, then there will be a number of innovative elements in this, in particular a request for a Commission White Paper on territorial cohesion. Apparently, member states have come to accept that the EU needs to have a territorial cohesion policy irrespective of whether or not the Constitution in its present or amended form gets ratified. The draft currently in circulation suggests also that the Territorial Agenda will be discussed at the European Council during the Slovenian Presidency in 2008, which would be the first time that territorial issues would receive attention from this elevated body. Slovenia is not only the first of the new member states that have entered the EU in 2004 to hold the EU Presidency, but also happens to be a country with keen spatial planners, so this is an exciting prospect.

So the impression is that member states want to do business with the Commission, which is new, and that the Commission has found ways of inserting considerations of territorial cohesion into the conditions attached to the structural funds. This is a good sign. During the ESDP process, there was much mutual suspicion. Optimism needs to be qualified, though: it is the spatial planners – still the primary players, although the field is now being descri-

EROP (Europese Commissie, 1999)



bed as territorial cohesion policy – who have come round to this view. There are two reasons for them to accept EU territorial cohesion policy:

Reason one is ideational: over the years, the planners have been involved in intense mutual learning, forming a supra-national expert community. This has been the effect of cooperating on the ESPD, of engaging in the many hundreds of projects under the Community initiative INTERREG and, as far as researchers are concerned, also in ESPON. Such learning is a part of what is called ‘Europeanisation’ that is not often appreciated.

Reason two for planners to look to the European level – and to the Commission as the gatekeeper – is that they are in need of support. Planning with its pretensions of co-ordinating the sectors is not a strong position. Environmental policymakers can draw particular strength from European policies, and economic policy makers appear much closer to the ‘Growth and Jobs’ agenda. It would be decidedly attractive for planners if they, too, could get support from the European level.

Will they succeed? Will the ‘Territorial Agenda 2007-2010’ to be adopted in Leipzig carry enough weight? Remember that the ministers there will be the ministers responsible for spatial development. They may be preaching to the converted, but will others listen? This is why the intention of putting the topic before the European Council is exciting, and the more so since it will be carried forward by Slovenia, the paragon amongst the new member states.

So the story is one of experts engaging in bureau-politics, taking their ministers along to defend their case. With the exception perhaps of some French circles (Faludi, 2006), there is no overwhelming political concern for territorial

cohesion. The task is plainly to make territorial cohesion into one, and this is what the Territorial Agenda needs to be doing. It needs to state how territorial cohesion policy can bolster cohesion policy as such. Beyond this it needs to show how one can knock sense, from a spatial or territorial point of view, not only into cohesion policy, but also other spatially relevant EU policies that all too often work at cross-purposes with each other. This is a tall order in a compact country like The Netherlands, and naturally even more so in the EU of soon 27 members. Some hard thinking is needed to tackle this problem, but fortunately, as EU jargon will have it, ‘coherence’ of policies is already rising as a topic on the political agenda, another reason for planning to see and grasp the opportunity of the day.

In so doing, planners need to be savvy about what the EU is. They need to leave popular misconceptions behind and apprehend the nature of European integration as the exciting, open-ended learning process that it is.

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