



Danuta Hübner

Chair of the Committee on Regional Development

"Origin and the essence of the concept of Territorial Cohesion"

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Territorial Cohesion

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1. European Single Market is, in principle, territorially blind. We do not know anything about the territorial impact of EU2020. Crisis which is hopefully abandoning Europe will most likely draw a new economic map of Europe. Deep post-crisis restructuring affects unevenly different European spaces. New challenges - climate change, resource efficiency, demography, global competition and - even more so - our responses to these challenges have strongly asymmetric impact on Europe's territory. New growth factors emerge which will influence spatial location of economic certainty and give a new meaning to the role of geographic distance. Macroeconomic imbalances draw new dividing lines in the European economy - economic, social and political. In short, there are and there will be huge territorial consequences of what happens to Europe and of ways and means with which Europe responds to it. It would be great mistake to leave Europe's territoriality on the side. Legitimation of European project requires today territorial sensitivity.

2. Is Europe becoming more sensitive to its territorial challenge and opportunity? I would say that in the boldest statements we get from policy makers we hear that we must take into account territorial aspects of decisions we make. But in reality we do not do it. We do not move beyond words.

It seems to me that much more importance than taking impacts into account would be exploiting advantages that territoriality offers, would be to ensure that territorial diversity, territorial synergies and territorial planning become a valuable asset for European integration. Introducing territorial cohesion into primary law of the Union gives Europe a chance to use more effectively and efficiently this asset. Building on Europe's territorial strengths, tapping potential which is unused, expanding its growth basis- all that can give Europe more growth which is today our major concern.

3. But territorial cohesion is also about the politics of change. Territorial cohesion or, if you wish, spatial development is seen by some experts as an essential concept which can enhance reforms of EU politics and institutions, allowing to address the key concerns of recent debates on how to make Europe more effective and democratic through better combining common European concerns and objectives with growing diversity. In this context, democratisation of EU politics, the reinvention of subsidiarity seems essential. It should be seen less in terms of separation of competences and powers and more in terms of sharing and cooperating. There is a broad agreement based already on recent experience of regional policy that territorial cohesion requires strategic orientation and subsidiarity based implementation.

4. Territorial cohesion can be seen as objective of European integration and, as such, can be realised through regional policy as well as territorially sensitive other policies. In this context, regional policy is not as such a territorial policy but it is a policy for economic, social and territorial cohesion applied at regional level through subsidiarity - based mechanism. But on a more political note, territorial cohesion can be seen also as a policy concept which can be given a concrete meaning when applied through multilevel governance.

5. Territorial cohesion reaches out beyond what some experts call hard space of the Europe's territory, meaning Europe as a sum of national jurisdictions. Borders within the Union have been increasing their permeability from the day one. European policies today to be more effective and efficient must even

ignore some aspects of this hard territoriality and involve functional areas that cover different territories belonging formally to different hard national jurisdictions or areas belonging to different policies. The challenge today is both coherence between territories and between policies. A framework for the latter is a place these policies refer to. Cohesion policy copes with European territoriality with a view not only to even out inequalities but to generate more growth, more jobs, and more competition across Europe's space.

6. Europe is a complex network of territories where cooperation develops across border, sectors, levels of governance. The whole of Europe's territory is much more than a simple sum of those national hard spaces. This is because Europe's reality is increasingly the one of crossing boundaries. This is also because in our political understanding of Europe's territory we move beyond national jurisdictions, and this is also because Europe's policies become increasingly horizontal. We, as public policy makers create a lot of those man-made soft spaces or place-based frameworks for policies which can even overlap, which are made case by case and are demand or efficiency driven. Their sum can indeed dramatically increase the value added of European integration. Of course, we need to bring some order and coherence into all those soft spaces of European integration and to the way they interact. This is exactly how regional policy works for territorial cohesion. And let me say that discussing the issue of territorial cohesion in the context of the Baltic Sea Strategy is particularly useful.

With this strategy, we have approached policy challenges and opportunities, as well as territories (local, regional, national) that happen to exist around the Baltic Sea. To all those policy issues and territories the Strategy offers a rather soft institutional architecture that is established to facilitate pursuing a place-based approach to development which is loaded with problems, challenges, and opportunities that go across boundaries and which requires responses that can be effective and efficient only if based on joint action.

The beauty of the Baltic Sea Strategy stems from the fact that it offers a better territorial governance for growth through informal, or - if you wish - soft,

institutional framework which generates additional elements of the value added of European integration.

7. I am sure that during the debates we have today, the long history of the territorial dimension of Europe's integration will be duly noted. I am sure we all reject a perspective of increasingly asymmetric Europe - economic, social, political. It is in nobody's interest.

The concept has been under discussion since the 1990s and has increasingly come to the fore with a series of EU enlargements which have more than enriched the Union's diversity. Albeit under different names, territorial cohesion has been a key point in the discussion on the impact of EU policies and European integration. Especially within Cohesion Policy with its place-based approach and strongly regionalised interventions, territorial aspects have clearly moved up the political agenda over the past two decades.

Important milestones in the debate around the concept include the first mention of "territorial cohesion" in the Treaty of Amsterdam (1997) and the European Spatial Development Perspective from 1999 which focussed on the spatial dimension of Community policies and defined a set of basic principles for achieving a more balanced development across the Union.

A continuous discussion process between stakeholders led to the adoption of the Territorial Agenda of the EU and the Leipzig Charter on sustainable European cities in 2007. The documents not only called for a stronger role for territorial and urban aspects in policy making and implementation, but also for new proposals from the European Commission.

With the Green Paper on territorial cohesion in 2008, the European Commission responded to this request and launched a broad debate on territorial cohesion and its policy implications for the European Union. The public consultation was based on six main questions which concerned the definition of territorial cohesion, its scale and scope, options for better

coordination and cooperation, new territorial partnerships and improving the understanding of territorial realities.

The Commission received more than 390 responses, including contributions from all Member States, from nearly 100 regional authorities, from more than 150 regional and local associations as well as from cities, economic and social partners, civil society organisations, research institutions, and individual citizens. The European Parliament, the Committee of the Regions, and the European Economic and Social Committee have all adopted their opinions on the Green Paper. This shows the big interest in the concept of the territorial cohesion. The Commission summarized the key outcomes from the consultation in the Sixth progress report on economic and social cohesion.

8. The Green Paper did not provide a definition of territorial cohesion, but asked for one. We still do not have a definition, but instead we have a common understanding of territorial cohesion as the need to produce spaces of action which are expression of territory-specific strengths and forces while responding to EU objectives.

According to this, territorial cohesion is about ensuring harmonious, sustainable and polycentric development of all European territories. It is about enabling our citizens and enterprises to make the most of the inherent features of different territories in a sustainable way and to benefit from and contribute to European integration and the functioning of the Single Market wherever they happen to live or operate be it sparsely populated areas in the North, strongly urbanised areas of the pentagon, mountainous, rural areas or islands. In other words, it is a means of turning the rich territorial diversity of Europe into an asset that contributes to the sustainable development of the EU as a whole. It builds on this diversity to improve growth perspective, strengthen competitiveness, and improve well-being. Each territory is endowed with a different growth potential and each territory needs tailor made policies to make the most of this potential.

There is a lot of evidence in the cohesion policy that territorial cohesion provides tangible added value to economic and social cohesion and a solution to the growing challenges of the EU regions. The three component parts of cohesion should be complementary and mutually reinforcing, while maintaining distinct objectives within a single integrated concept. There must be no hierarchy or trade-off between these component parts.

But what I see as still an unresolved contradiction is this dilemma between the role of territorial cohesion as a tool to mobilise potential, identifying strengths, assets and territorial cohesion seen in terms of policies compensating for geographical handicaps. This is compatible with our approach to the cohesion policy in general - it is not about compensating for the past but about mobilizing potential for the future. Territorial cohesion reinforces the basic orientation of EU Cohesion policy as a development policy and not a redistributive tool.

In practical terms, if we look at the experience of cohesion policy, we are not yet where we should be with regard to creating connections, strong links that would enhance the role of territories - locomotives pulling other wagons. I am strongly convinced that territorial cohesion could effectively contribute to closing the gaps between and within the regions of the European Union and thus prevent the prospect of asymmetry. One of the main objectives of territorial cohesion is to ensure that progress and growth generated in one specific territory should provide benefits for the whole region and across the territory of the EU. In this respect, excellence centres and clusters of research and innovation may be one way of ensuring economic, scientific discovery, technological innovation, jobs and regional development.

We have developed a strong set of arguments against sectoral approaches to development, and in favour of thinking in terms of place-based policies, but we cannot find an agreement on combining all European funds and national funds under one common authority that would implement one development strategy at a regional/city level. We need place-based policies that raise the utilisation and productivity of human and capital resources in all territories.

Such policies should foster development in small and medium-sized towns and rural areas, so that they reach the critical mass necessary to trigger high and sustainable economic growth.

We agree that territorial cohesion is a horizontal concept that underpins the development of the European Union. However, the horizontal dimension of territorial cohesion should not result in limiting it to a generalised, abstract framework of values. It must appear in all policy areas connected with cohesion. Most sectoral policies have in one way or another territorial impacts which have to be taken into account when making such policies. Synergies must be improved between the different policies in order to coordinate and maximise their territorial impact on the ground. Territorial cohesion will take us towards reinforced coordination of policies at all levels, will improve multilevel governance and will assure more strategic territorial cooperation.

In order to coordinate better the territorial impact of sectoral EU policies, there needs to be a better understanding and measurement of those impacts. A territorial impact assessment of these policies is therefore necessary.

Beyond this, territorial cohesion is also about maximising the positive effects of spatial agglomeration and mitigating the undue concentration effects. Metropolitan areas might be driving growth for some time yet, but to render it sustainable in the long term, policy makers need to tap growth potential across all territories. Territorial cohesion promotes polycentric development of territories, in order to lessen the pressures on capital cities and encourage the emergence of secondary poles.

Territorial cohesion means also investing in cooperation to overcome divisions. I would like to underline again, as the Green Paper did, the need for better cooperation to address issues that cut across administrative boundaries, such as pollution, flooding, migration or security. Nearly all major challenges that the EU faces today and will face tomorrow do not recognize political and administrative boundaries. Thus we need cooperation. It should occur on many different levels and involve also new partners. It might cover

multiple regions and Member States; at the other end of the spectrum, cooperation may involve local partnerships, covering groups of communes.

When speaking about territorial cohesion, I cannot avoid highlighting the importance of functional areas/regions in comparison to administrative regions. Specific areas with specific challenges often happen to disappear in statistical analyses, which are based on administrative areas. A way has to be found how to ensure that these specific areas are properly considered within the wider context of an administrative area approach.

Such functional areas cannot be defined from top down. It is up to the regions to identify appropriate sub regional territories. The 2007-2013 strategy was meant to allow the administrative regions to identify sub-regions where they want to target specifically their development efforts. Some regions have done that, some have not. To some extent territorial cohesion even puts a stronger emphasis on the sub-regional, local level that could be identified as functional areas.

9. Territorial cohesion has been part of a broader debate on the future, post 2013 design of the EU's regional policy. A revised Territorial Agenda entitled "TA2020" will be adopted at the ministerial meeting to be held in Gödöllő (Hungary) on 19th May 2011. It is essential for TA 2020 to properly reflect the recognition of the formal EU competence in the area of territorial cohesion and to clarify its practical implications for decision-making in the new EU institutional setting. The future reform of EU regional policy should incorporate the conclusions of the debate on the Green Paper. Territorial cohesion should become a policy framework for increased importance of the role of cities in the cohesion policy, for introducing functional geography approach, for macro-regional strategies and areas facing specific geopolitics and demographic challenges.

I am convinced that the existence of a strong and well-financed EU regional policy is an indispensable condition for tackling successive enlargements and

for achieving social, economic and territorial cohesion in an enlarged European Union.

Let me conclude by saying what I hope we share - which is that cohesion policy is a major pillar of the European construction and a major vehicle for Europeanisation. It gives European citizens the feeling that they are not disadvantaged by where they live.

Thank you for your attention.