

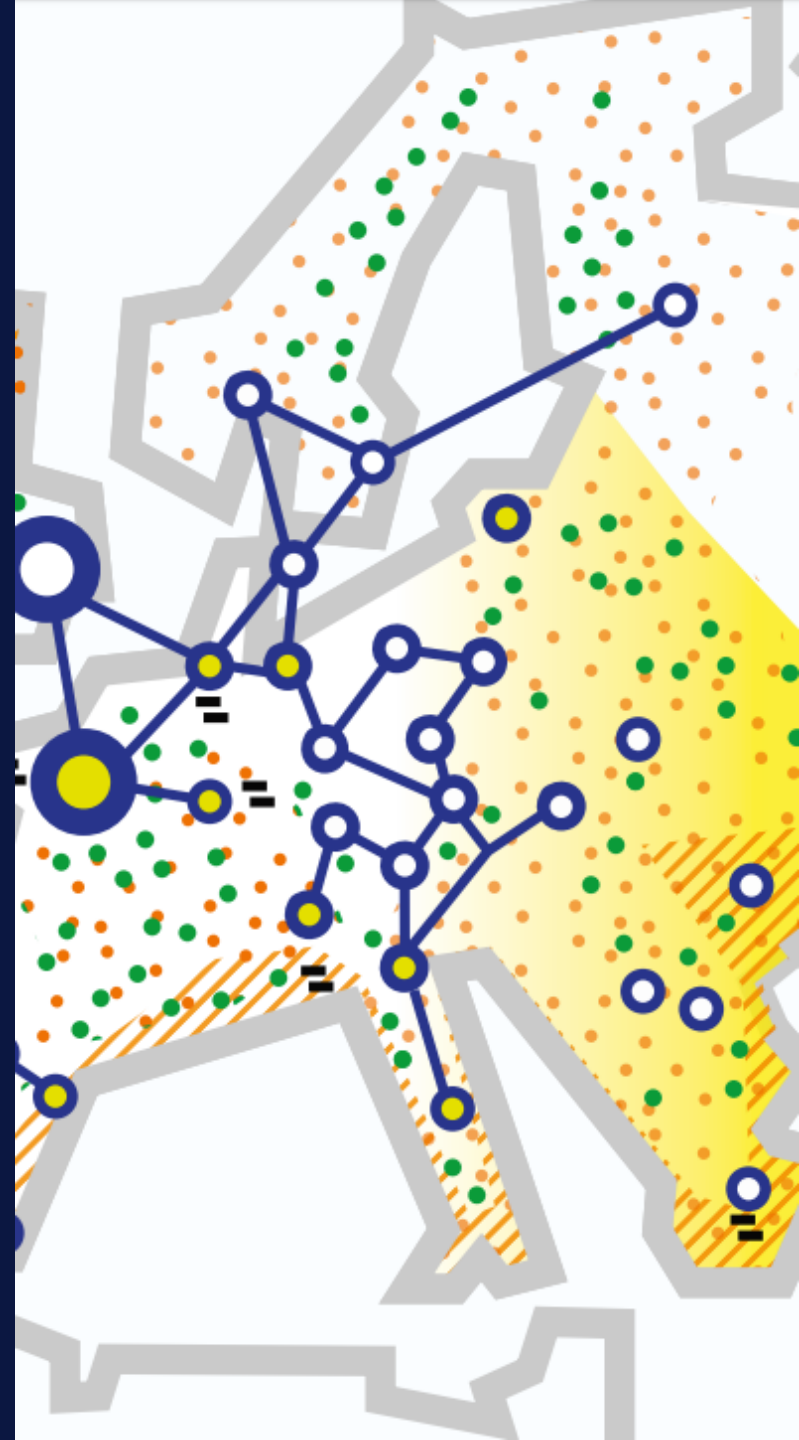
# Promoting competitiveness of small and medium-sized cities in the context of the future European territorial development perspective

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VASAB Conference “Competitiveness of Small and Medium-Sized cities in the Baltic Sea Region”//  
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# Key trends and challenges



# Key Territorial Challenge: How to govern fragmentation and interdependencies



## Fragmentation (“place-based”)...

- ...a political dimension (e.g. **discontent**)
- ...an social an economic dimension (e.g. **disparities**)
- ...a cultural dimension (e.g. **diversity**)

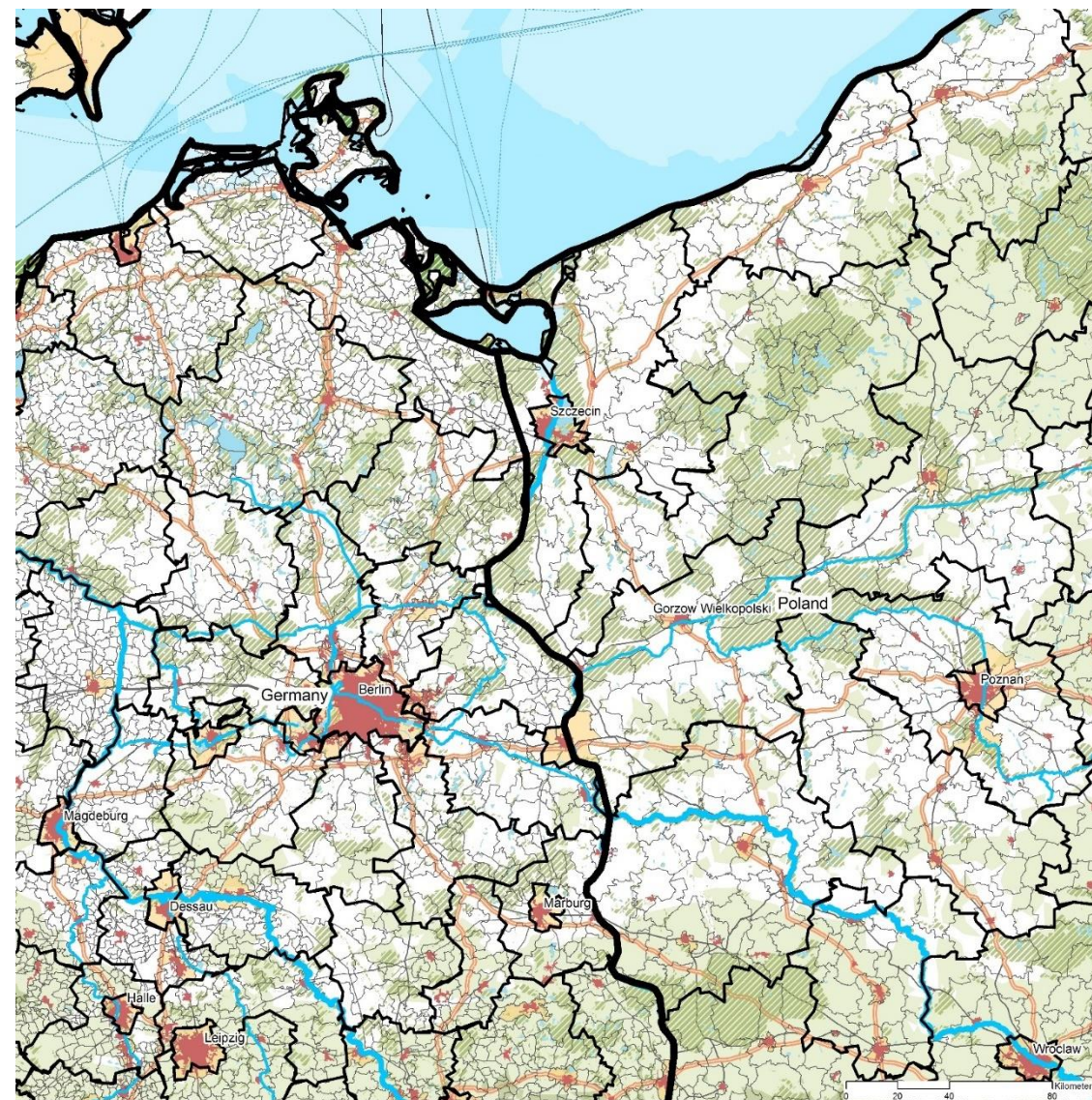


## Interdependencies (“network-based”)...

- **Digital technologies** subvert distances: Proximity in terms of “**connection**”
- **Network industries** create “**new territorialities**” (e.g. global digital markets)
- **Increasing flows at all scales** and therefore **spill-overs and externalities**



## Territorial mismatch between “functions” and “jurisdictions” (political difficulty to fulfil citizens demands)

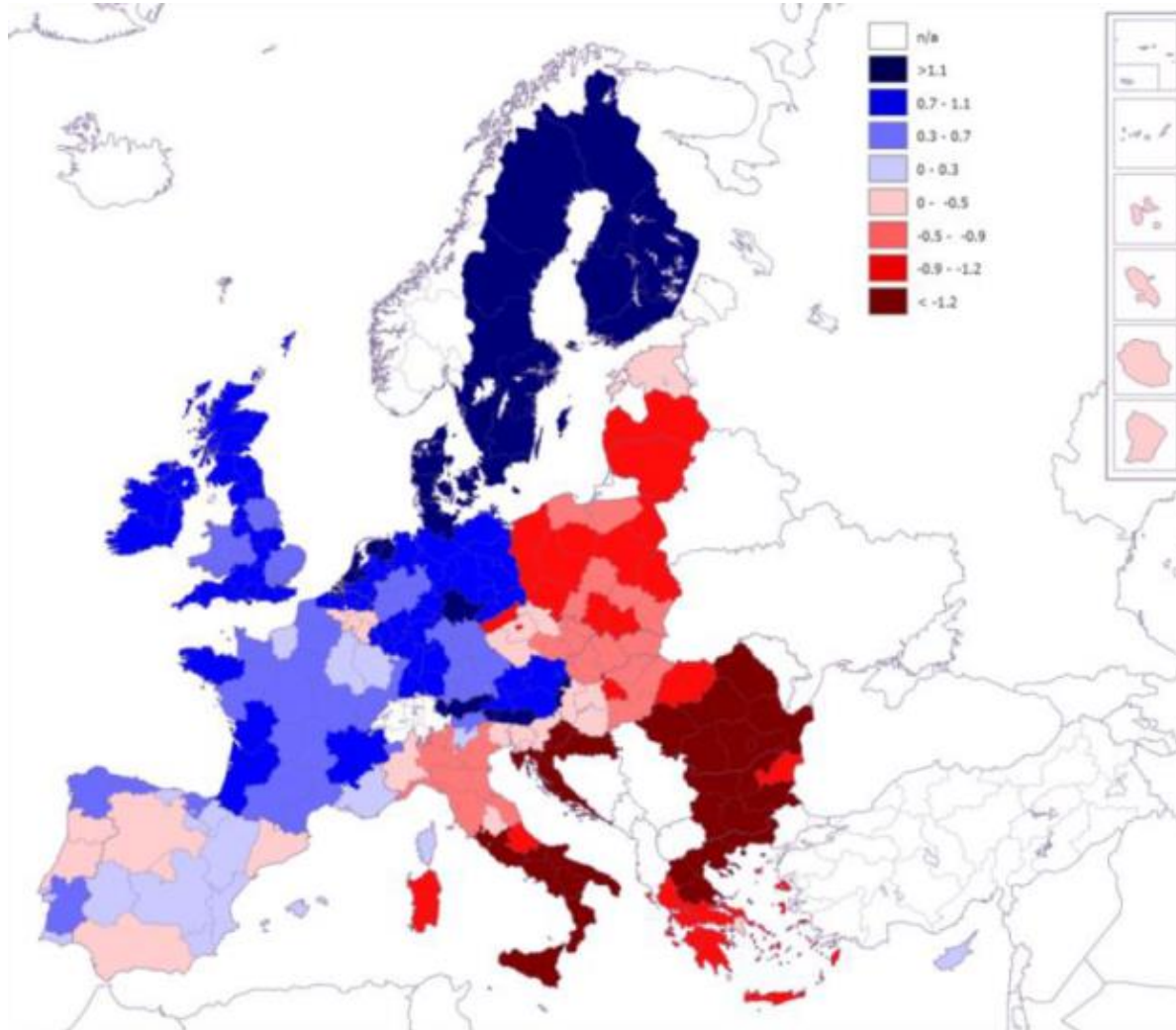




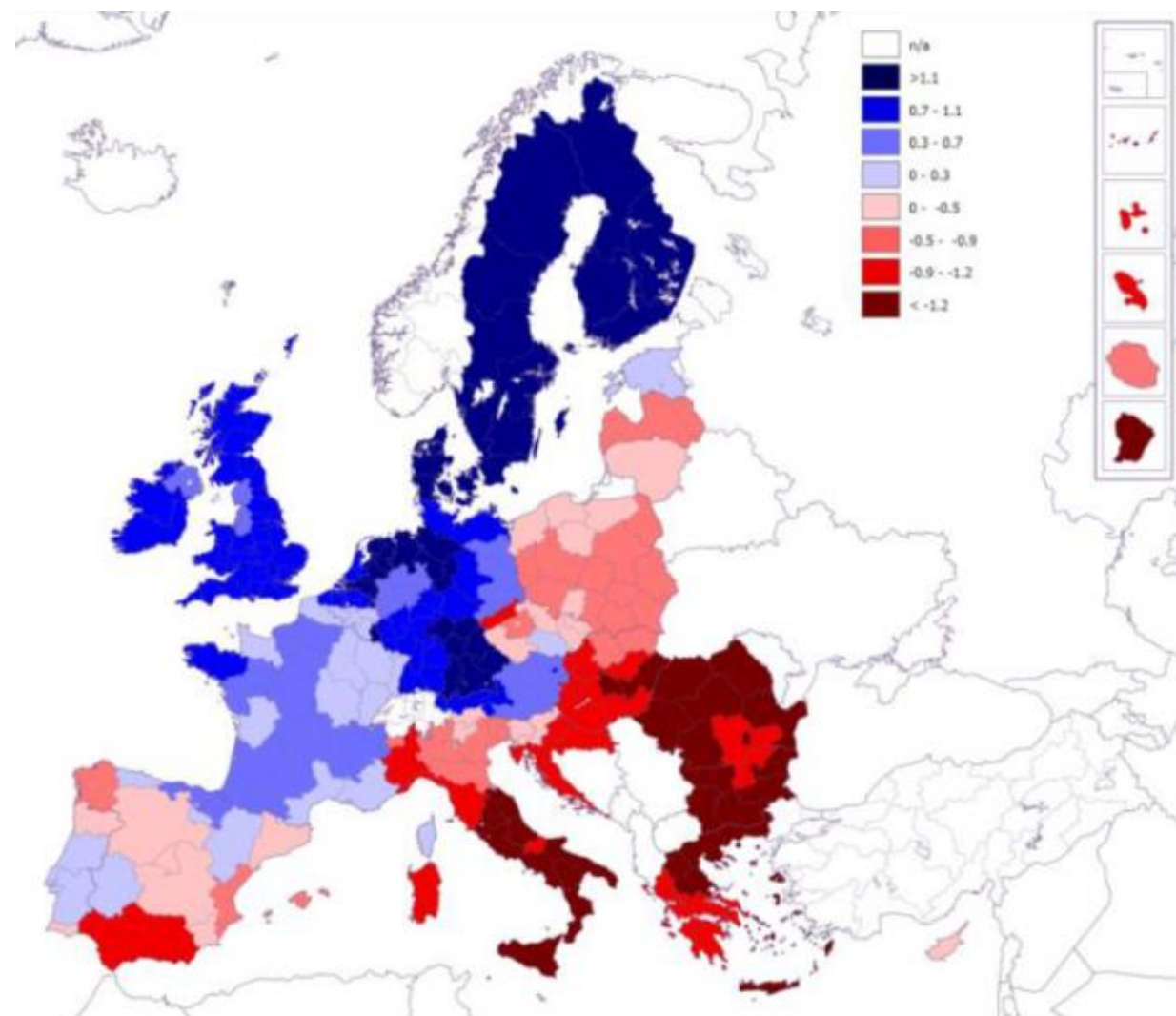


# Quality of Government is heterogeneous, and it is not improving everywhere

EQI 2010



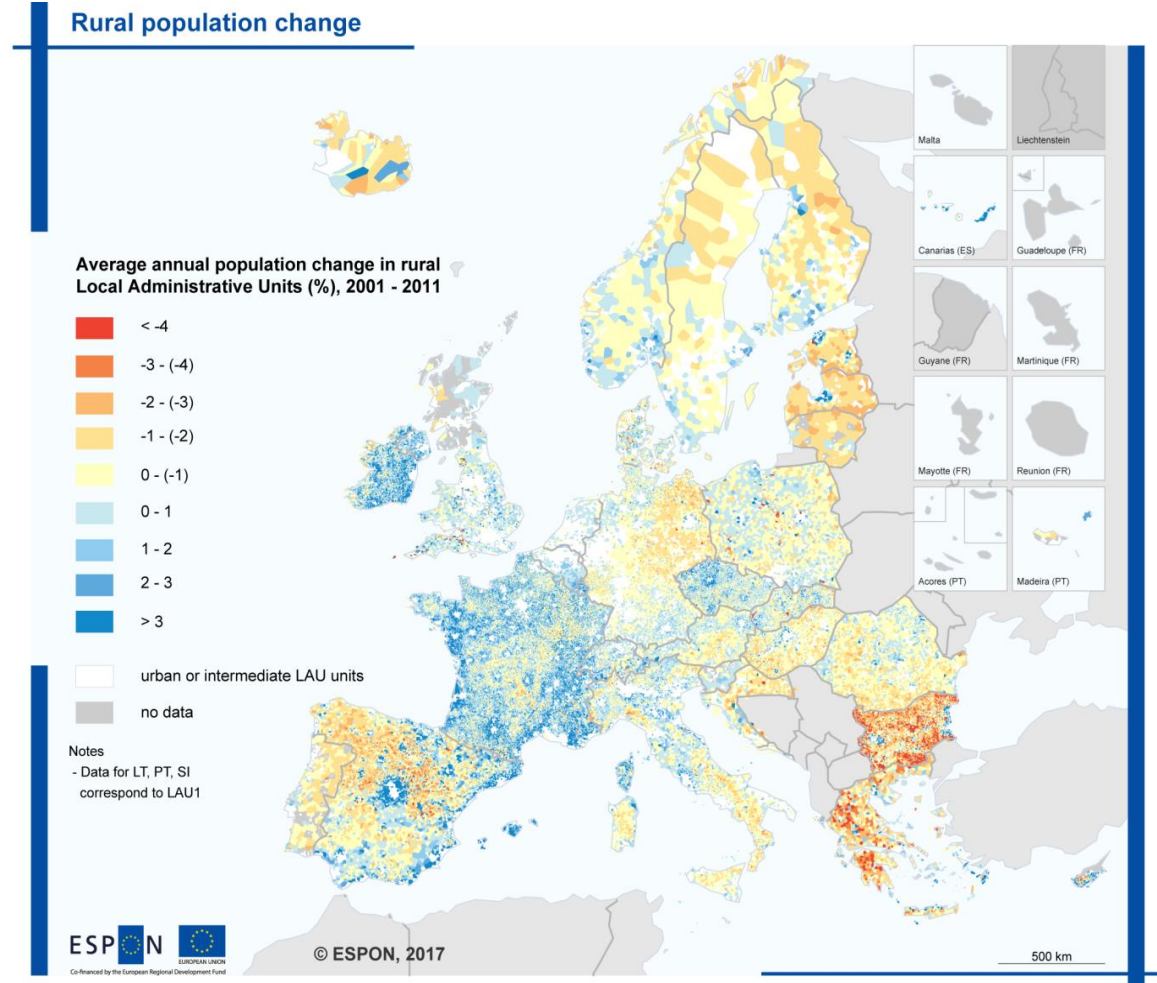
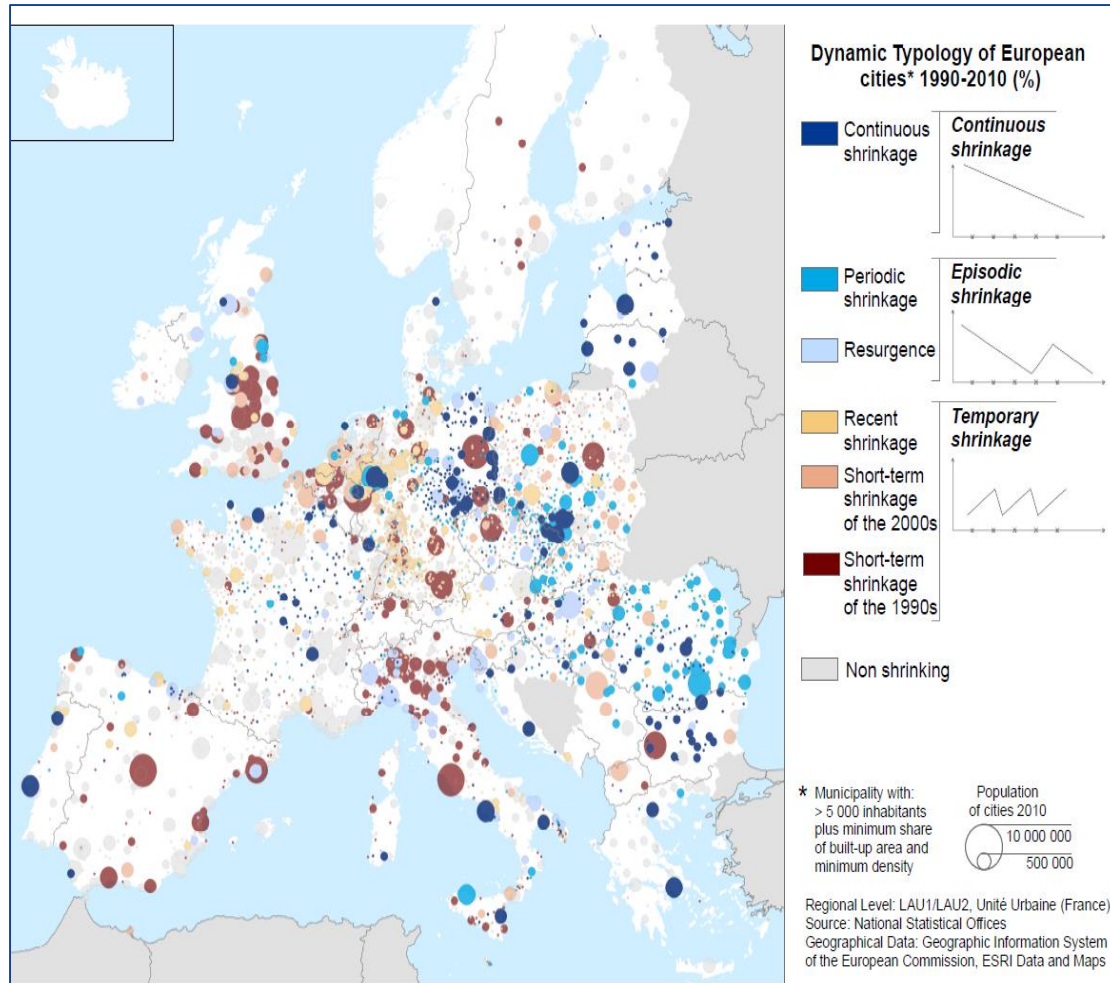
EQI 2017



Source: “Quality of Government Institute, University of Gotheborg (2018)



# Population dynamics

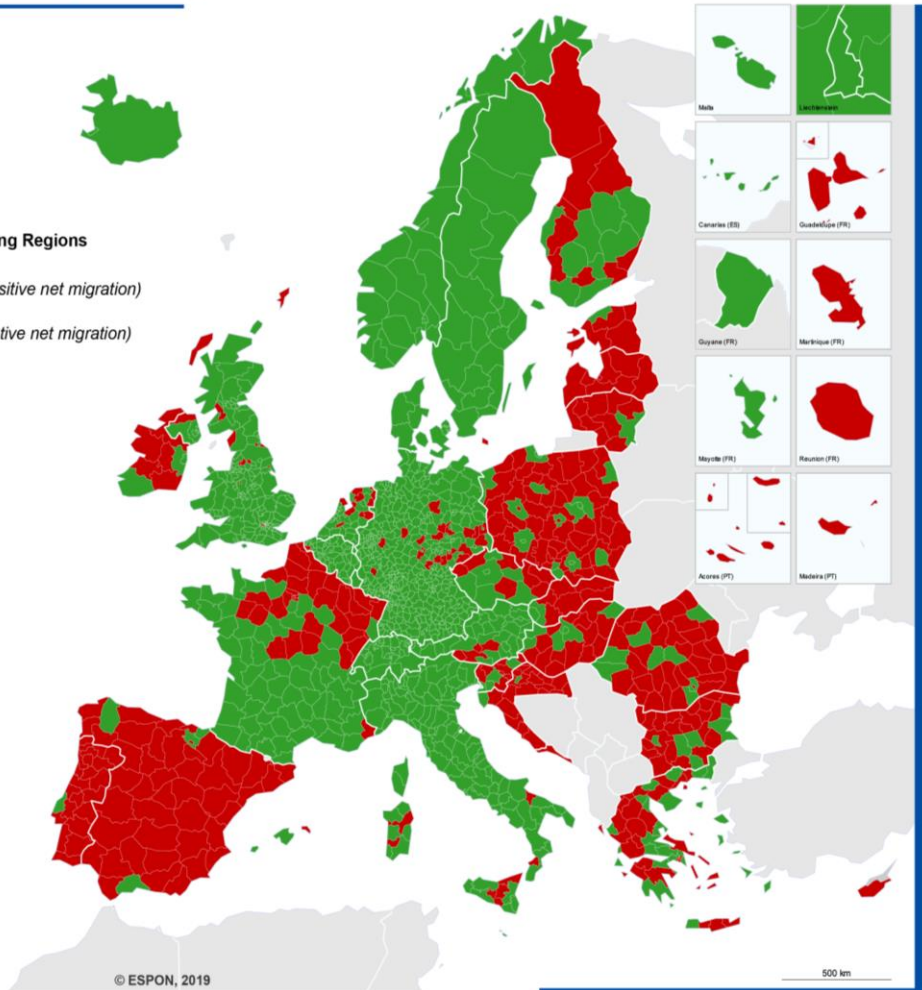


# Employment and knowledge economy

In and Out Migration (2012 - 2016)

**Sending and Receiving Regions**

- Receiving (positive net migration)
- Sending (negative net migration)

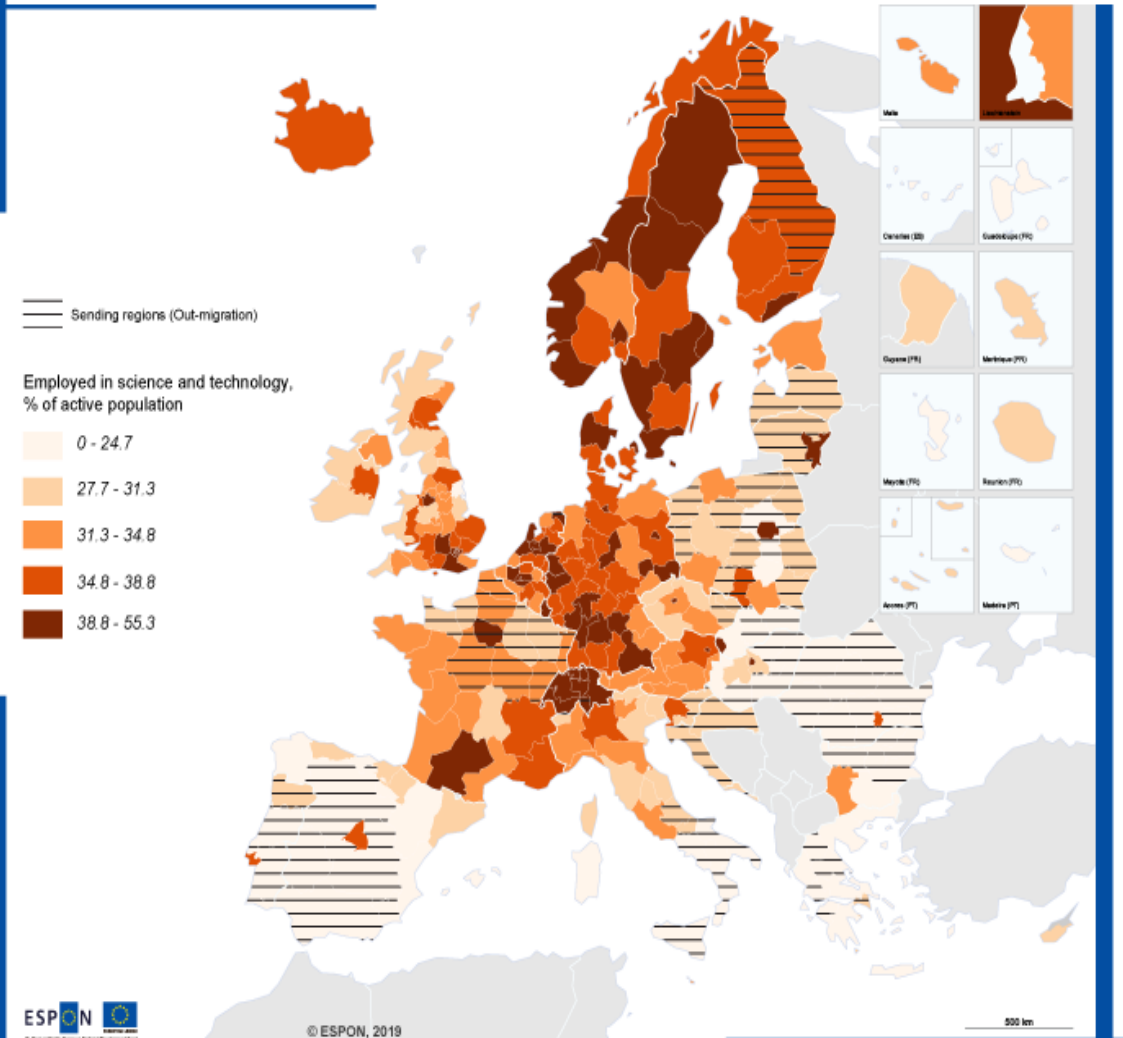


Relationship between knowledge economy and out-migration (2017)

— Sending regions (Out-migration)

Employed in science and technology,  
% of active population

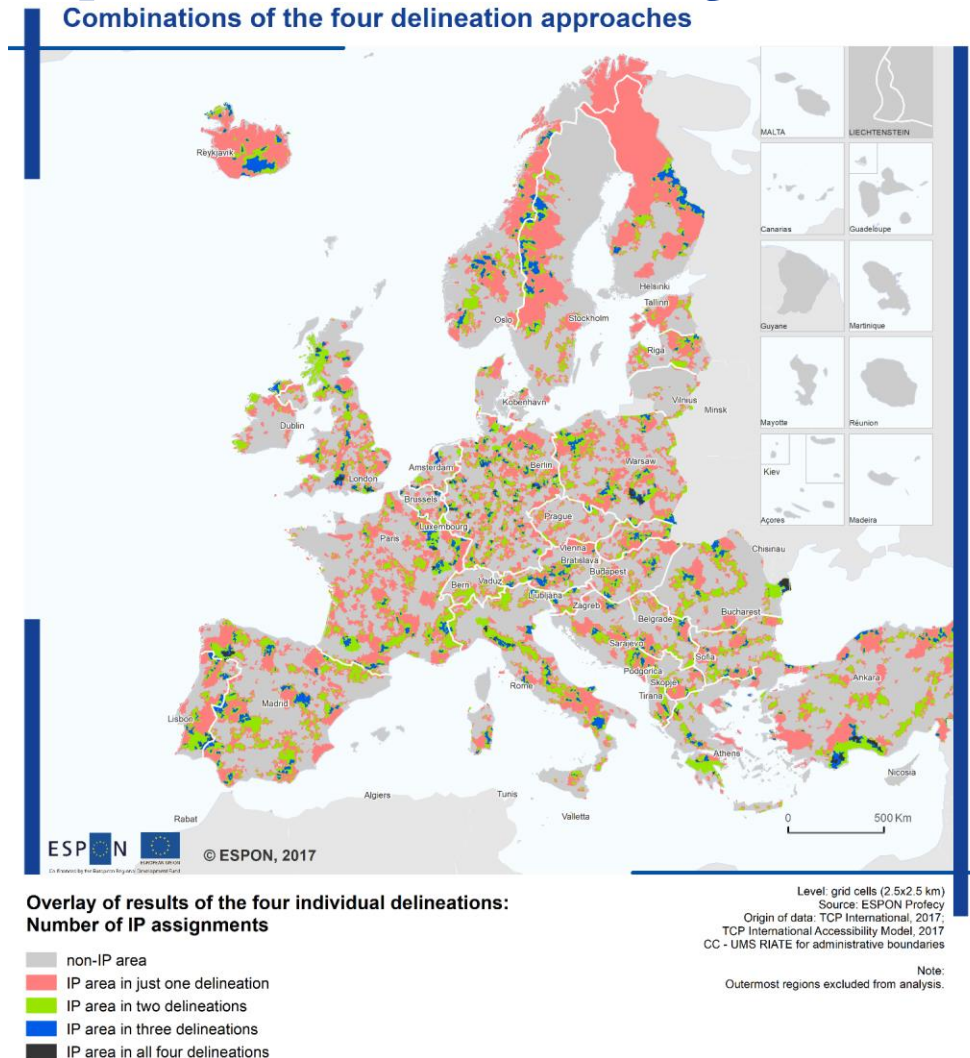
- 0 - 24.7
- 27.7 - 31.3
- 31.3 - 34.8
- 34.8 - 38.8
- 38.8 - 55.3





# Inner peripheries cover 45% of the entire European territory

- **Delineation 1:**  
Higher **travel time** to regional centres
- **Delineation 2:**  
Low **economic potential** due to low potential accessibility
- **Delineation 3:**  
Areas of **poor access to services of general interest**
- **Delineation 4:**  
**Depleting areas** (poor demographic basis)



# More areas risk becoming inner peripheries, if service provision deteriorates further

## IP areas in Europe (grid level) with poor access to SGIs

■ non-IP area    ■ IP area

IP areas represent grid cells which have poor access to 5 or more different SGIs, provided that among these assignments they have poor access to primary schools or poor access to hospitals or poor access to train stations..

## Areas of risk to become inner peripheries: Areas with poor access to three or four SGIs in Delineation 3, but which have not been identified as IP

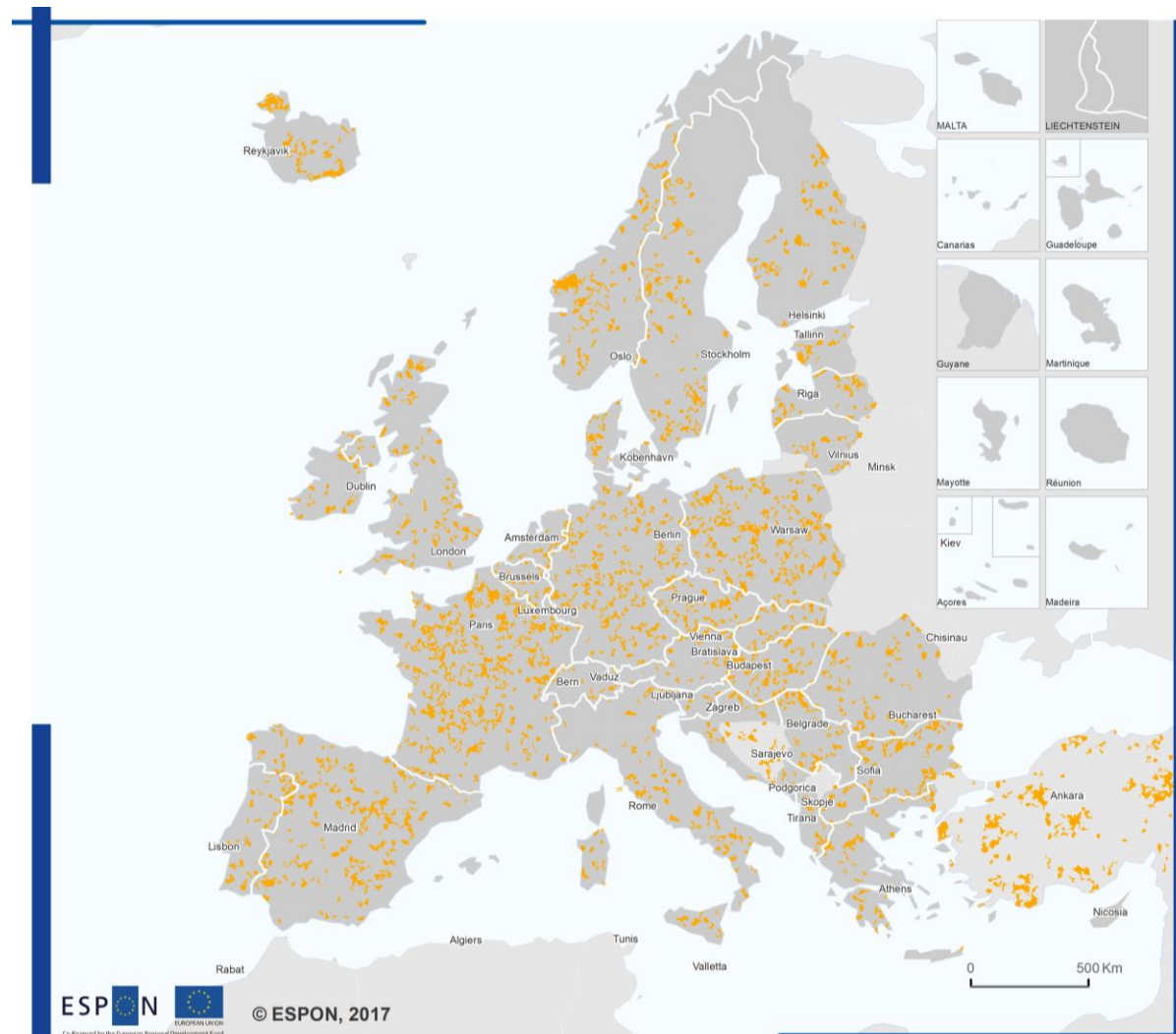
■ Areas-of-risk to become IP in future

### Remarks:

All areas which have, according to results of Delineation 3, poor access to three or four SGIs are considered as areas-of-risk.

Level: Grid cells (2.5x2.5 km)  
Source: ESPON Profecy  
Origin of data: TCP International, 2017;  
TCP International Accessibility Model, 2017  
CC - UMS RIATE for administrative boundaries

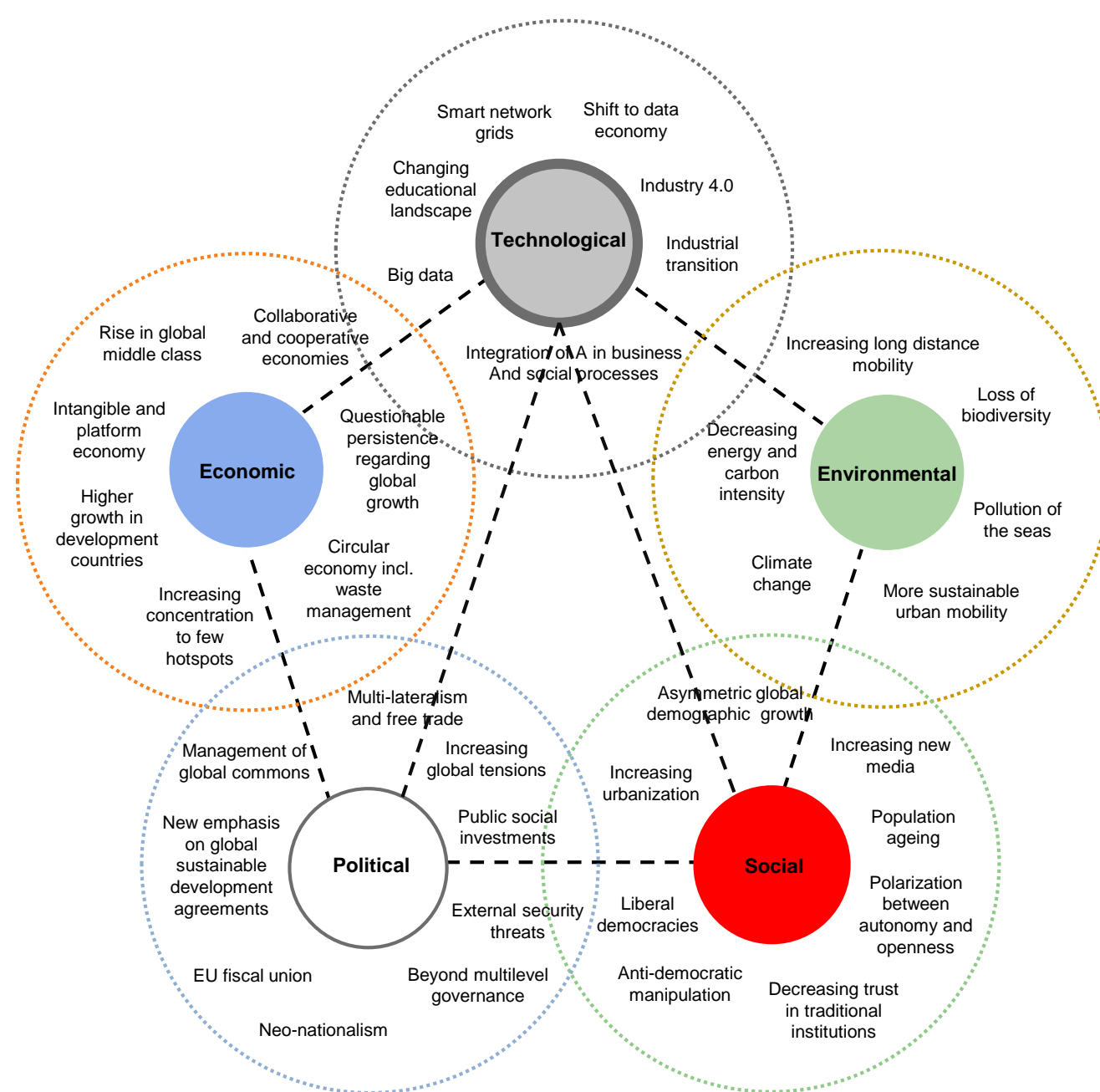
Note:  
Outermost regions excluded from analysis.





# Main Drivers *(and territorial dilemmas)* towards 2025 and 2050

- **Singular Technologies** (virtual/material)
- **Networked Economies** (connected/unplugged)
- **Fluid Societies** (“anywheres”/”nowheres”)
- **Environmental Risks** (local/global)
- **Reactive Governments** (efficiency/legitimacy)



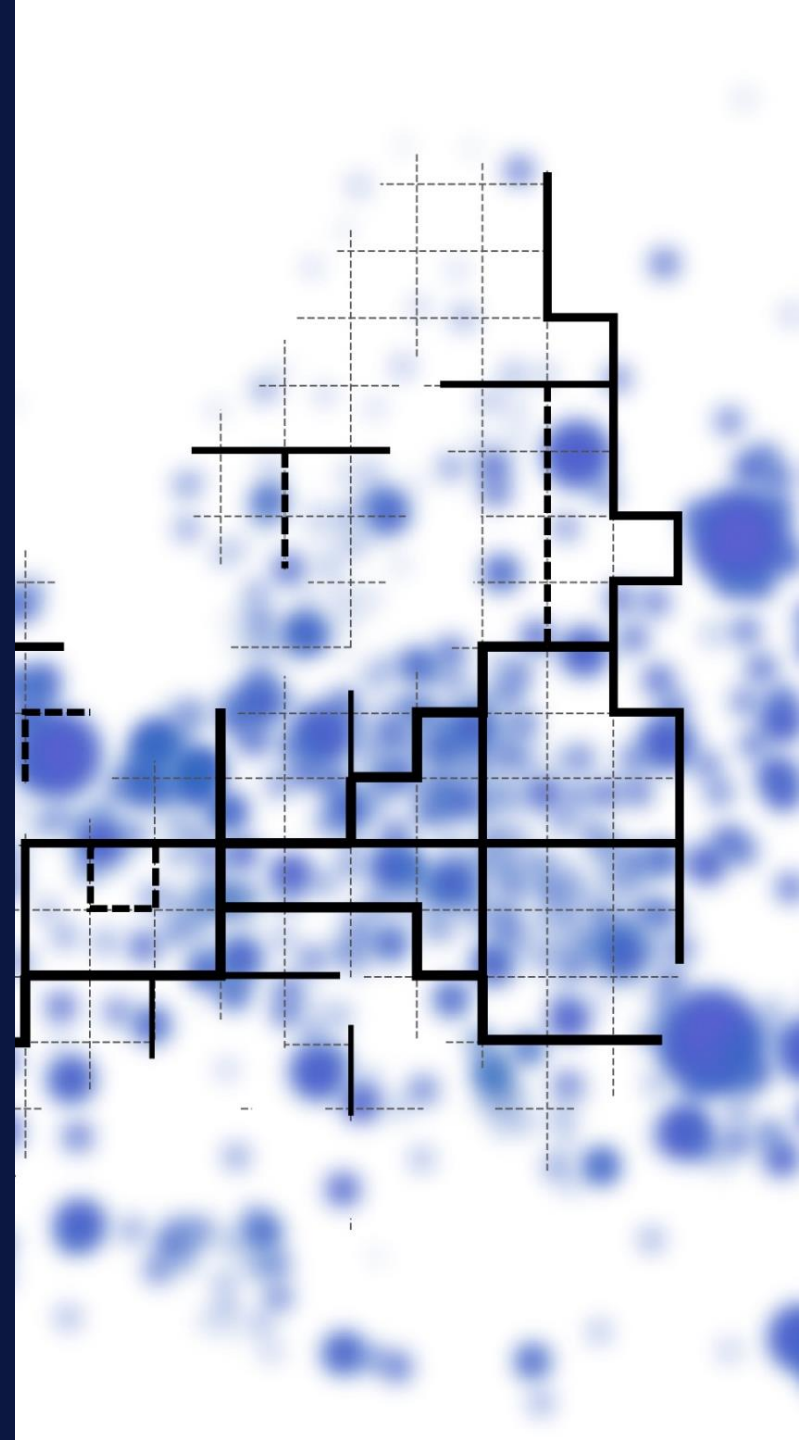
# Key spatial development impacts in Europe

- **European urban structure will remain based on relatively small cities** compared with global megapolis: need to reinforce urban networks at all scales.
- **More intensive renewal processes** linked to the “smart city” vision and the renaturalisation of cities: inclusive nature-based solutions for mobility, energy and waste management become cost-effective solutions.
- **Depopulation of sparsely populated areas and old industrial centres** (“inner peripheries”)
- Concerns related to people living in “**places left behind**” at all scales: Risk of spatial segregation/exclusion
- **Development of more specialised/premium physical networks**, from telecommunications to logistics.
- **Redistribution of global gateways, ports and airports** because geostrategic shift from the Atlantic to the Pacific, as centre of the global economy:
- **Uncertain evolution of co-development strategies with neighbouring countries**, and border regions.



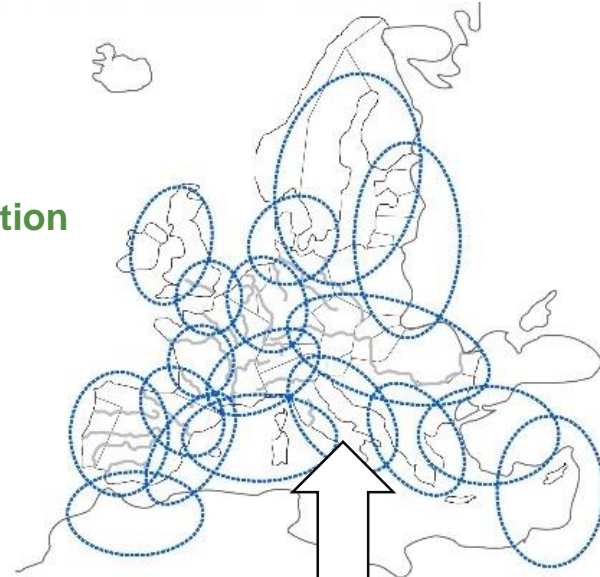


# Territorial scenarios

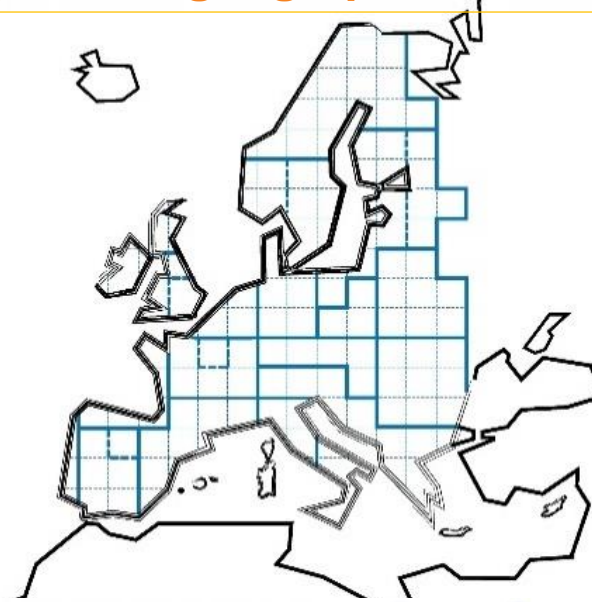


## Territorial Governance Scenarios: Alternative political geographies for the future of Europe

Enabling Cooperation

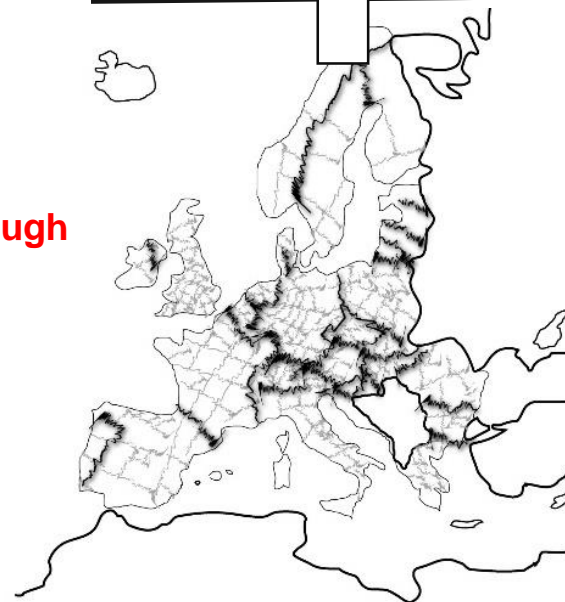


New Territorialities

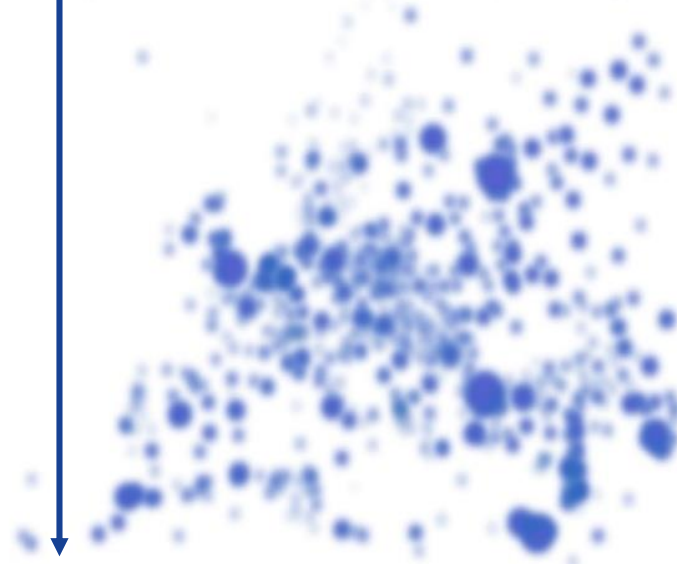


2050

Muddling Through

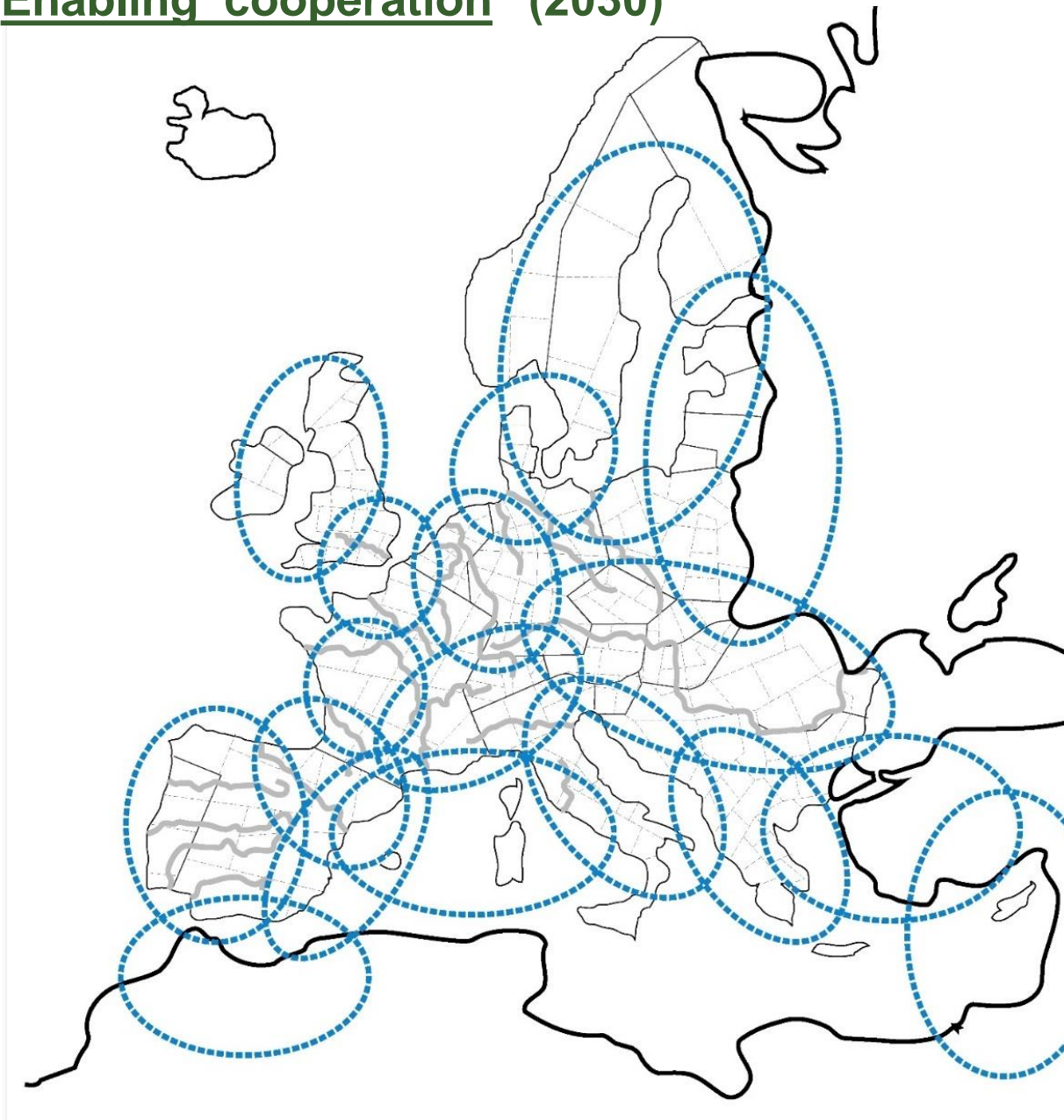


Post-territorialism



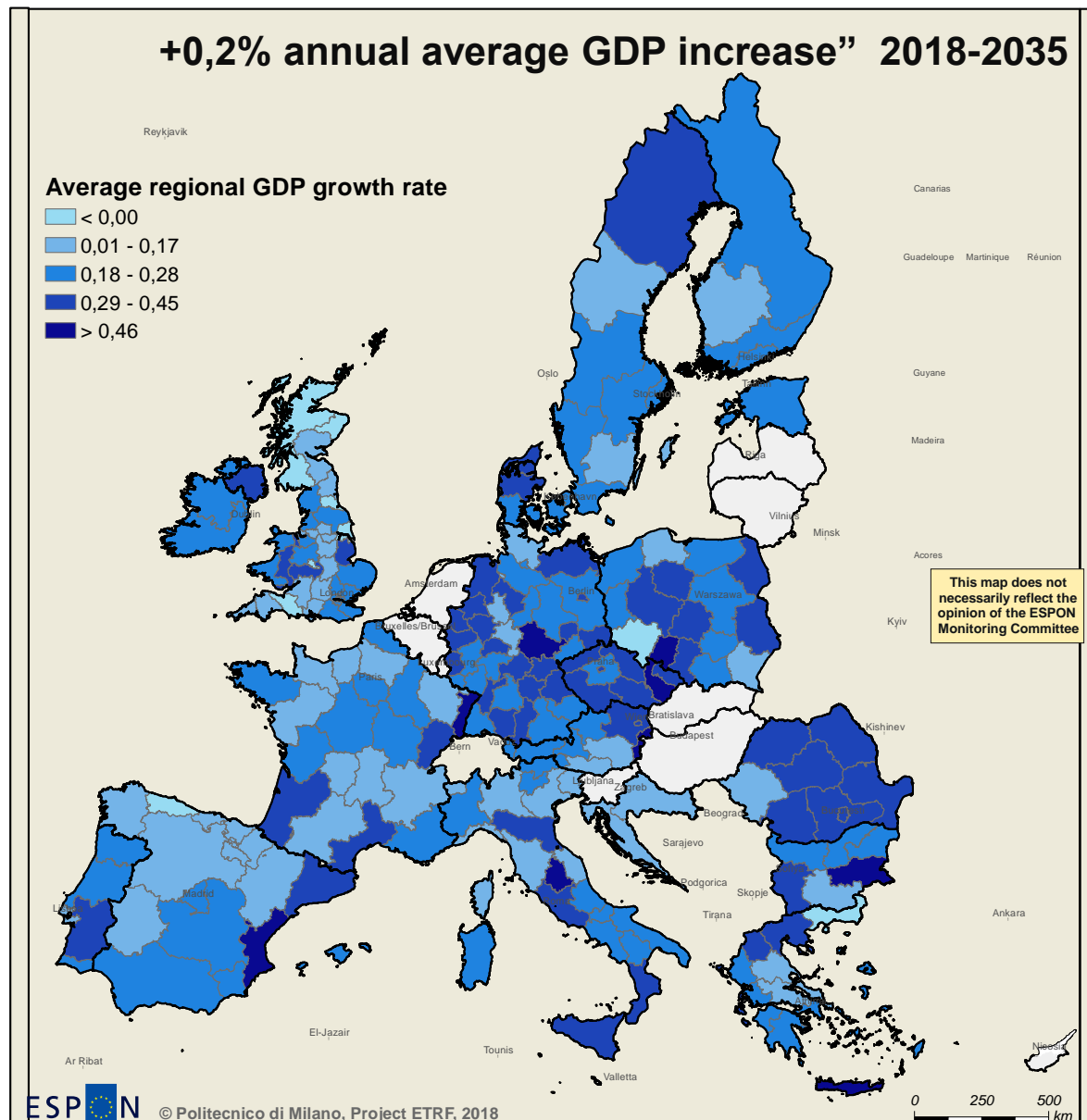


## “Enabling cooperation” (2030)



	Enabling Cooperation
Dominant principle	“ <b>Enhanced cooperation</b> ”
Government paradigm	<b>Enabling</b>
Governance paradigm	<b>Multilevel “place-based” governance. Intergovernmental agreements at all scales</b>
Functional areas as “new territorialities”	<b>Enabling cross-border local, interregional and transnational functional areas (e.g. euroregions, macroregions)</b>
Legal Form of cooperation	<b>Enabled EGTC by harmonising national regulations</b>
Spatial Development	<b>Promotion of urban networks</b>

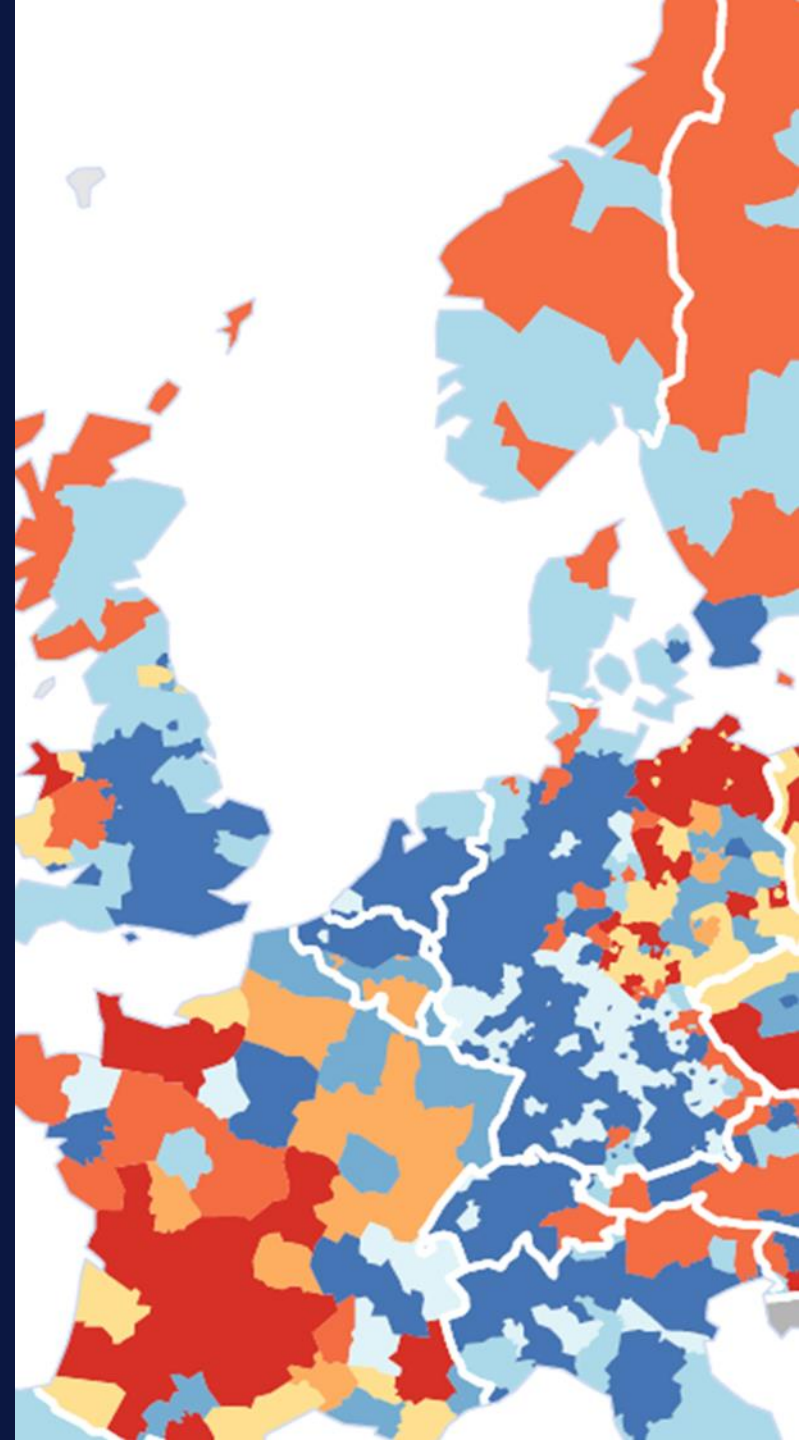
# Impact of the economic integration assumed in the “Enabling Cooperation” Scenario: **economic growth**



- **Higher trade flows** among EU countries (“production integration effect”);
- **Higher decrease in non-tariffs barriers** (“proximity effect to larger markets”);
- **Higher trust** within and among countries (“social effect”);
- **Higher quality of government** (“institutional effect”);
- **Stronger cooperation networks** among cities (“cooperation effect”)
- **Higher exports** (“market integration effect”)
- Cohesion policies will be reformed, the budget maintained and integrated into a single fund focused on improving quality of governance, particularly in relation to cross-border functional areas, also targeted to borders with neighbouring countries.
- Redistribution of the European budget in favour of new fields - security and migration - decreasing the share of budget devoted to cohesion policies and CAP, setting national shares to the levels decided in the document of May 29, 2018, and maintaining regional shares as in the 2014-2020 programming period.

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## Policies and good practices





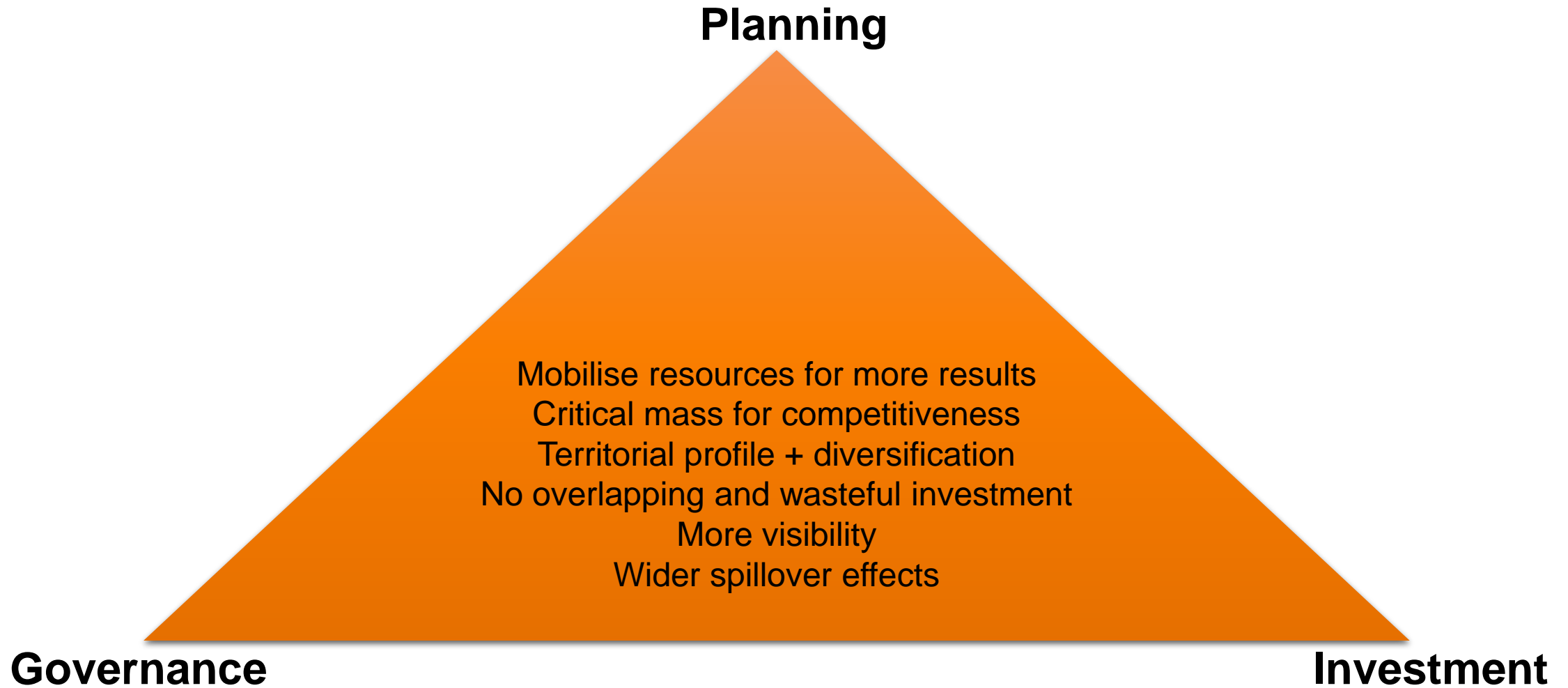
# Promoting competitiveness of small and medium-sized cities nowadays requires...

- Taking into consideration the relevance of **territorial challenges** (**fragmentation**, increasing flows and **interdependencies** and **mismatch** between administrative and functional areas...)
- **Adjusting policies and strategies to key megatrends** (e.g. technologic progress, economic globalisation, social disparities and migration, climate change...)
- Addressing issues of **territorial cooperation and governance of new functional areas**
- **Promoting connectivity** (physical, economic, relational)
- Improving the **quality of local and regional governments**

# Place-based responses for future policies



# Cooperation within functional areas – key benefits

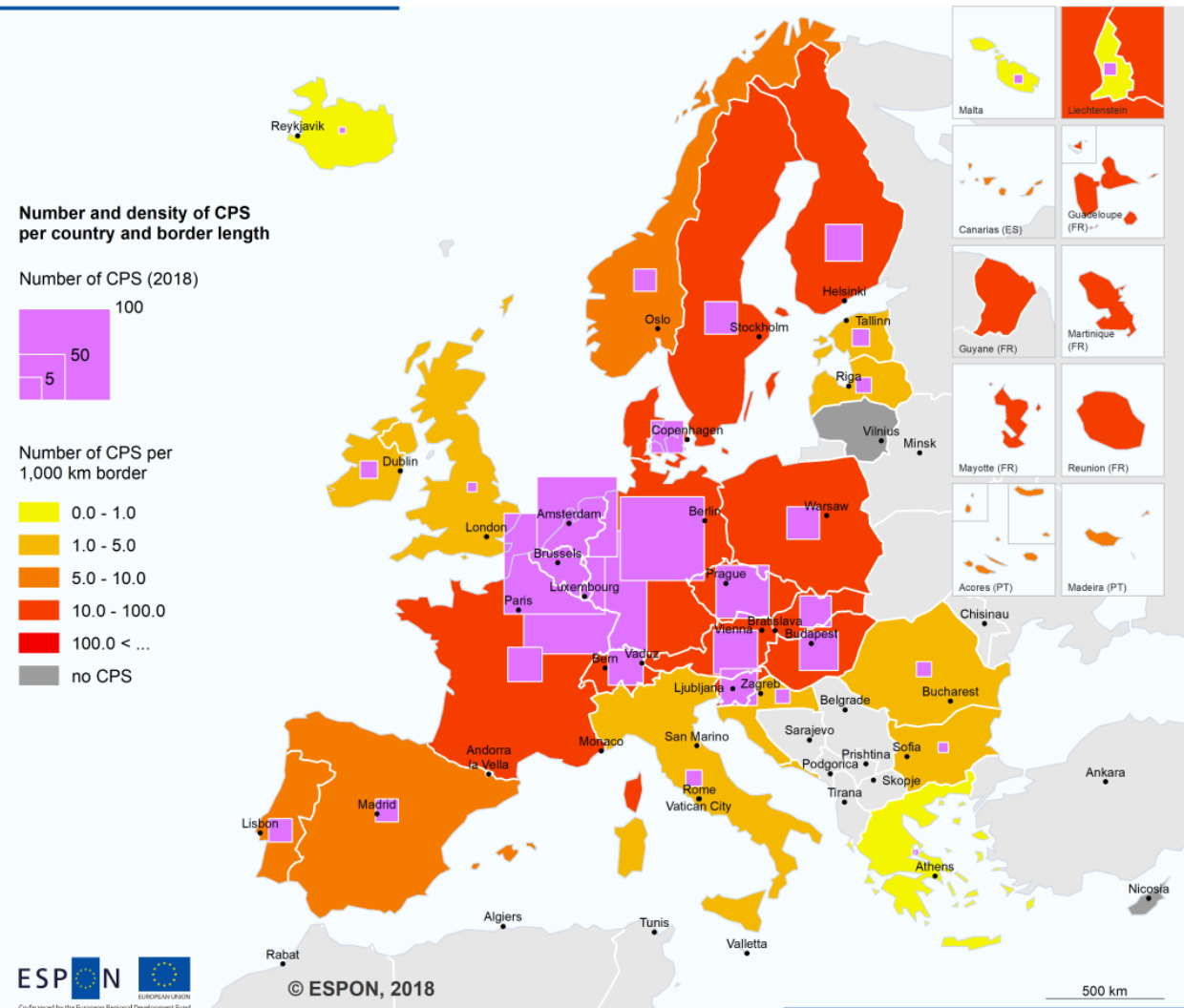




# First comprehensive overview of CPS provision in Europe

- 579 examples of CPS provision in Europe identified
- Concentration of CPS along the borders of EU-15 Member States
- Most CPS deal with environment protection, civil protection and disaster management or transport

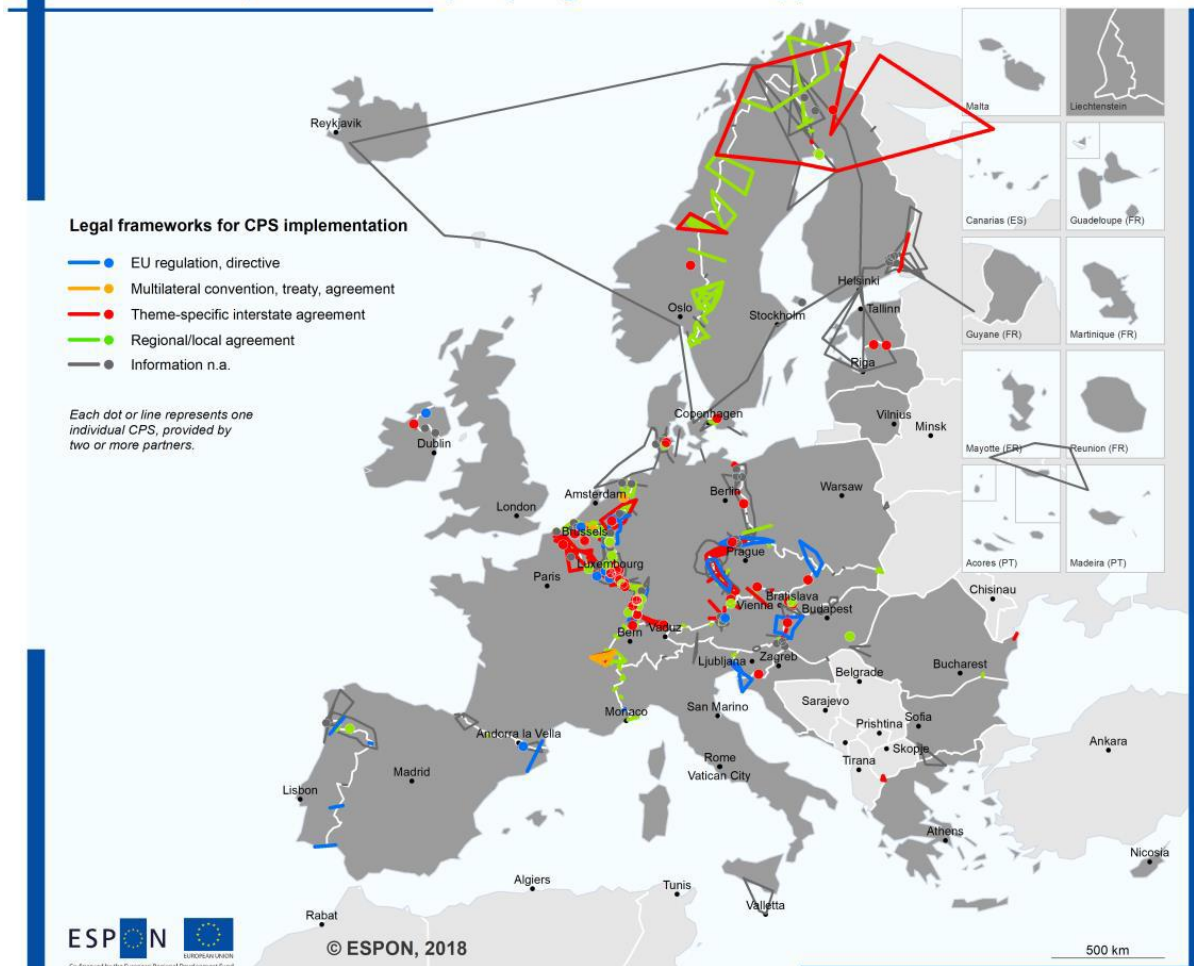
Cross-border public services (CPS): Number and density of CPS per country



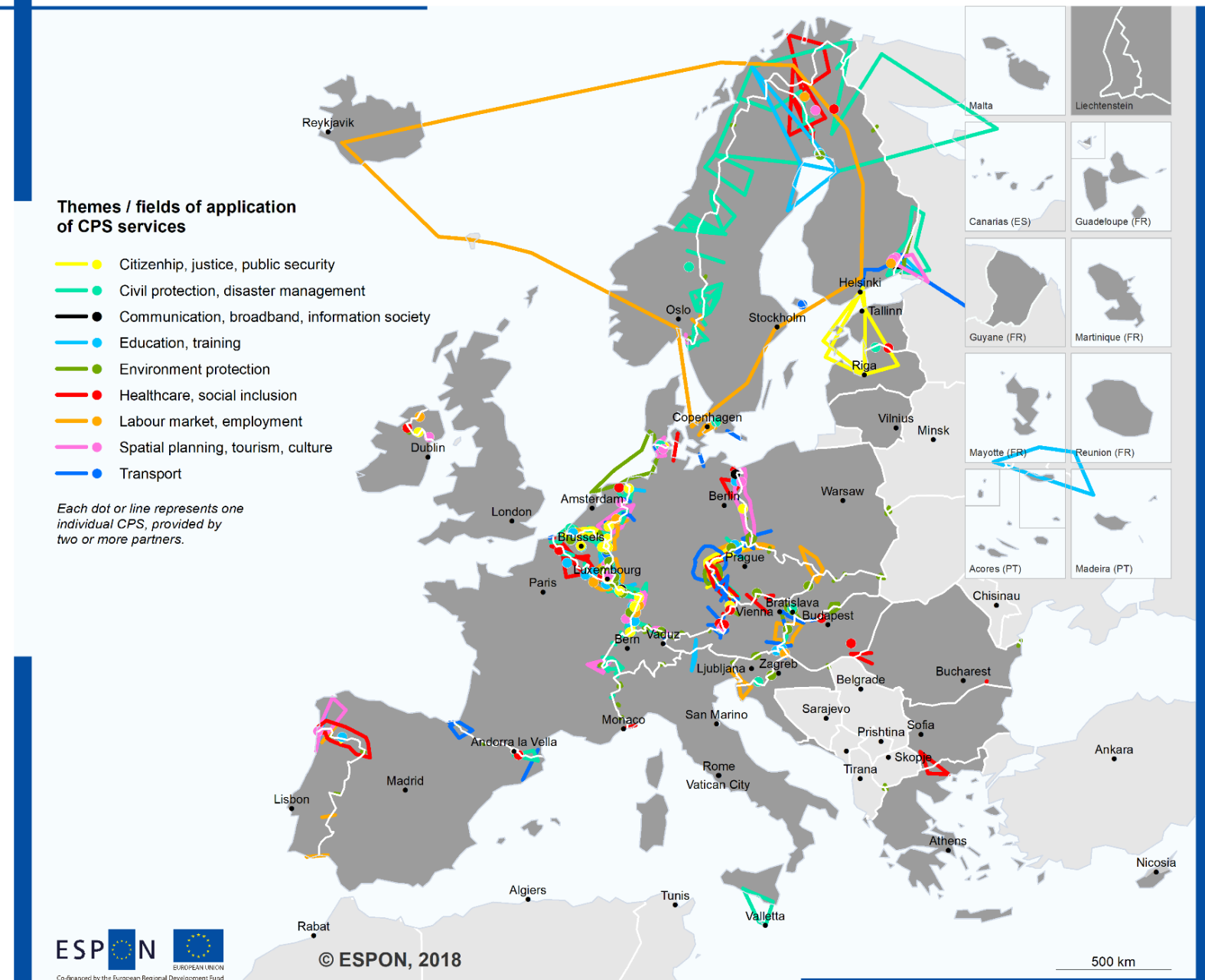
# CPS improve domestic service provision and address specific territorial challenges

- A large share of CPS aims to improve the quality of public service provision in border regions
- Territorial characteristics and developments are typical drivers for CPS
- Long-standing cooperation and existing interstate agreements support CPS development

Cross-border public services (CPS): Legal frameworks applied



## Cross-border public services (CPS): Types of services





# Good practice: the EGTC Hospital de la Cerdanya

- Established in 2010
- Cross-border hospital providing services to Spanish and French citizens in a remote area of Pyrenees
- 40% French and 60% Spanish patients
- Visual of the hospital



# Good practice: FDI attraction in Greater Copenhagen

- Aims at removing cross-border barriers for FDI attraction
- One of the largest numbers of FDI projects in Europe
- Focus on attracting R&D and innovation investment in niche markets capitalising on region's strengths – life sciences and clean/ green tech
- Cooperation helps to increase the market potential and develop a solid value proposition for investors based on government stability, research and innovation, levels of education and economic growth





# Good practice (knowledge economy)

## Brabant-Stad urban network

- Network of 5 major cities in the province of North Brabant
- Focus on strengthening economic resilience through knowledge, innovation and added value, increasing international allure, international accessibility and strengthening the spatial structure
- Through cooperation cities enlarge their network of potential partners and increase the international visibility of the region

## Baltic Science Link

- Stakeholder network involving scientific expertise, industrial knowledge and government support
- Opportunity to use Europe's leading large scale facilities for a company's R&D





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