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of the Regions**

**Commission for
Territorial Cohesion Policy
and EU Budget**

COTER

Cohesion as an Overall Value of the European Union

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Acronyms

ASGS – Annual Sustainable Growth Strategy

CAP – Common Agricultural Policy

CF – Cohesion Fund

CoR – European Committee of the Regions

CoR CIVEX – Commission for Citizenship, Governance, Institutional and External Affairs

CoR COTER – Commission for Territorial Cohesion Policy and EU Budget

CoR ECON – Commission for Economic Policy

CoR ENVE – Commission for the Environment, Climate change and Energy

CoR NAT – Commission for Natural Resources

CoR SEDEC – Commission for Social Policy, Education, Employment, Research and Culture

CSR – Country Specific Recommendations

ERDF – European Regional Development Fund

ESA – European Supervisory Authorities

ESF – European Social Fund

ESIF – European Structural and Investment Funds

ESM – European Stability Mechanism

JRC – Joint Research Centre

NGEU – Next Generation EU

NRP – National Reform Programmes

PO5 – ESIF Policy Objective 5: Europe closer to citizens

QoL – Quality of Life

RQI – regional quality of life index

SCP – Stability or Convergence Programmes

SDG – Sustainable Development Goals

SME – Small and Medium-sized Enterprise

TEN-T – Trans-European Transport Network – Transport

TEU – Treaty of the European Union

Executive Summary

Europe faces major economic, social and environmental challenges. It also has great potential to improve living conditions in all places and for all people (Territorial Agenda, 2020). Still in many regards Europe faces increasing imbalances and inequalities which drive people and territories apart and risk undermining future development perspectives. This is despite economic, social and territorial cohesion and solidarity being an aim of the Treaty on the European Union (Article 3, TEU); and despite the EU having the world's most extensive development policy – EU Cohesion Policy.

Cohesion along with the reduction of imbalances and inequalities in Europe cannot be addressed by one policy field single handed. It has to be a joint effort and aim of all EU policies. This report provides the first sectoral analysis of cohesion as an overall value and objective of the EU by assessing the 'Cohesion Spirit' of EU policies, i.e. how they reflect cohesion as a European value.

'Cohesion Spirit' is defined broadly along four lines to capture different facets and understandings:

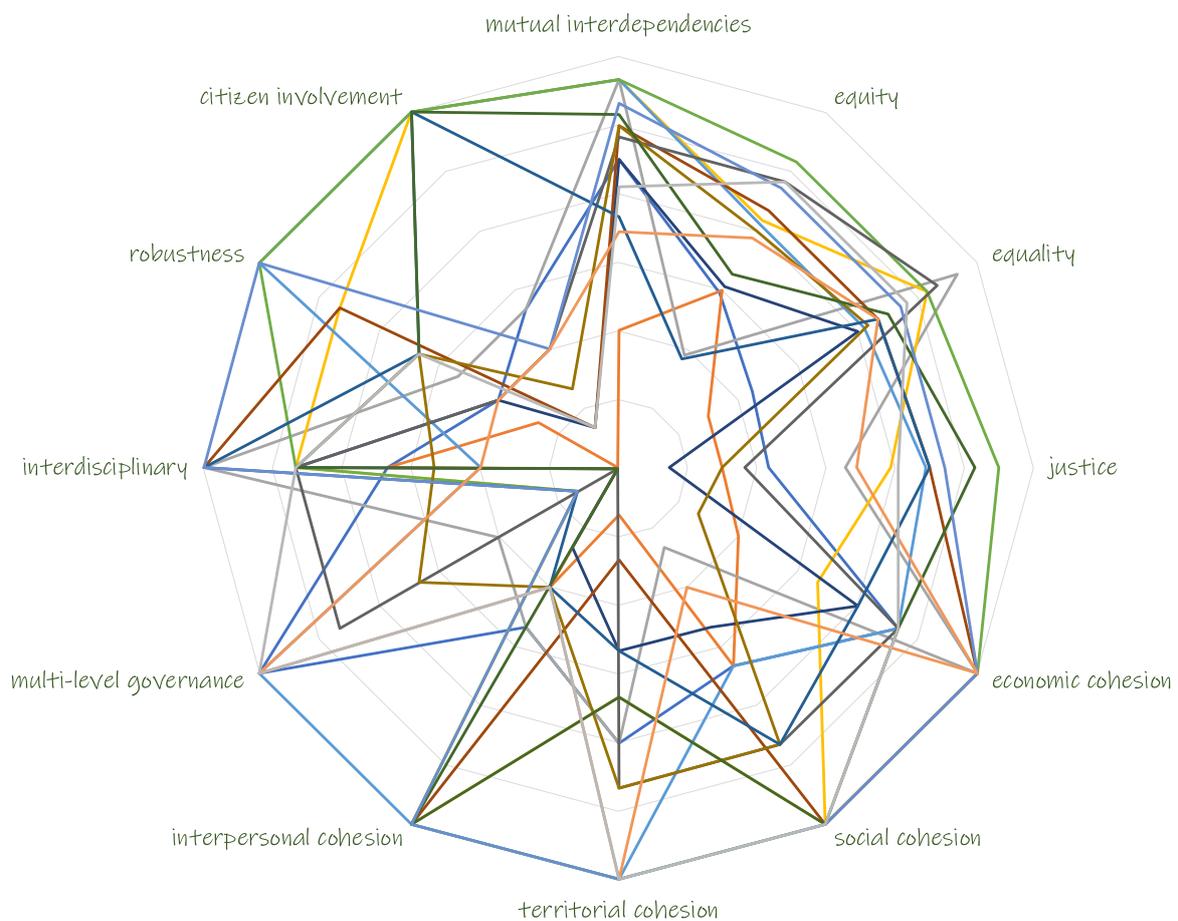
- **Cohesion principles.** Mutual interdependencies, equality, equity and justice describe different facets of a policy's 'Cohesion Spirit' in term of what it actually means by cohesion.
- **Cohesion objectives.** Economic, social, territorial and interpersonal cohesion objectives describe a policy's 'Cohesion Spirit' in terms of inequalities, imbalances or other targets being addressed.
- **Embeddedness in the goal tree.** How much 'cohesion principles' are embedded in a policy's objectives, priorities or measures highlights the importance of cohesion in the policy.
- **Governance arrangements.** The approaches of multi-level governance, interdisciplinarity (cooperation across policy sectors), robustness and citizen involvement show how well cohesion is embedded a policy's delivery process.

Taken together these allow us to understand how (or how much) a policy has integrated the 'Cohesion Spirit' and its various facets. For this report these lines have been translated into a very simple appraisal methodology, inspired by the CoR approach for assessing contributions to Sustainable Development Goals.

‘Cohesion Spirit’ of selected EU Policies

15 highly diverse policies have been picked for this appraisal – ranging from overarching policies setting directions for other policies and instruments to policies framing particular funding instruments.¹ Taken together the policies provide a snapshot of the ‘Cohesion Spirit’ in EU policy making. Rather than comparing or ranking individual policies, this analysis of the ‘Cohesion Spirit’ reveals something about EU policies in general.

Figure 0.1 ‘Cohesion Spirit’ web of EU policies



Source: own elaboration

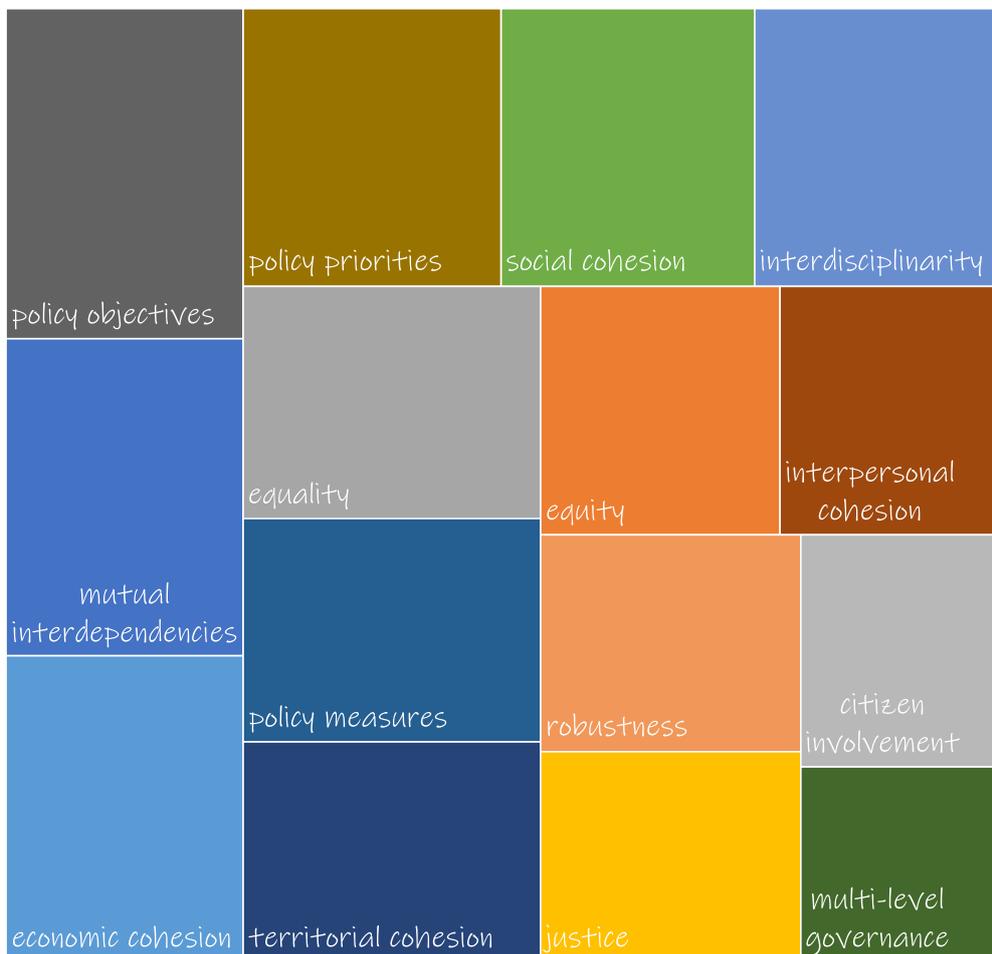
The ‘Cohesion Spirit’ of EU policies is strong. Links to cohesion principles and objectives were found in all 15 EU policies. This provides a good starting point, as cohesion is an underpinning value of EU policies. However, there is

¹ The 15 policies are the Biodiversity strategy, Internal market and competition policy, EU Single market programme, HorizonEU, EU Green Deal, Next Generation EU, Invest EU, Annual Sustainable Growth Strategy 2021, ERDF Regulation, European Health Union, Rights and values Programme, Europe fit in a Digital Age, Connecting Europe Facility, Common Agricultural Policy, ESF+ Regulation.

considerable room for improvement, in particular if looking to move from aspiration to action. The following two figures provide a summary of the findings. Figure 0.1 illustrates the diversity of ways EU policies address the facets of ‘Cohesion Spirit’, while Figure 0.2 highlights stronger and weaker facets.

Cohesion is widely reflected in the formulation of policy objectives and priorities, in particular acknowledging mutual interdependencies. This is shown by the strong points in the figure. The weak points highlight the need to strengthen multi-level governance and citizen involvement in EU policy making beyond talking about cohesion to also delivering it. Acknowledging mutual interdependencies is not enough, it is also necessary to strengthen the justice and equity principles in policies.

Figure 0.2 ‘Cohesion Spirit’ puzzle



Source: own elaboration

Key conclusions of the first global appraisal of the ‘Cohesion Spirit’ of EU policies elaborate on these points.

‘Cohesion Spirit’ is less pronounced in policies in terms equity and justice inequalities. EU policies address cohesion principles with a bias to recognising mutual interdependencies as underpinning the rationale for cohesion. Among the cohesion principles addressing ways how to limit unsustainable disparities, equality – the tide lifting all boats – is strongest. Equity and justice principles are less pronounced in the policies.

‘Cohesion Spirit’ where all aim at everything risks being lip service. The ‘Cohesion Spirit’ is broadly embedded in EU policies, as most policies address a range of cohesion principles and objectives. Every EU policy primarily serves its own policy objectives and then contributes to the overarching cohesion aim. However, addressing too many different cohesion facets may water them down. Indeed, broad targeting may merely express lip service without meaningful cohesion ambitions.

‘Cohesion Spirit’ governance arrangements are weak. To be effective and move from words to deeds, ‘Cohesion Spirit’ also needs to be embedded in the design and implementation of a policy. Cohesion principles and objectives are not strongly embedded in the governance arrangements of EU policies. There is a risk that high levels of ‘Cohesion Spirit’ in the ambitions, objectives and priorities are not carried through to the governance of those policies.

‘Cohesion Spirit’ struggles with multi-level governance. Multi-level governance is a key characteristic of EU policy making. Governance approaches related to interdisciplinarity, robustness and even citizen involvement are more strongly embedded in the ‘Cohesion Spirit’ of EU policies than multi-level governance. Considering the importance of local and regional stakeholders for place-sensitive policy development and implementation, it is particularly worrying that multi-level governance is not more deeply embedded in policies.

‘Cohesion Spirit’ still discovering that the citizen level is important for EU policy making. The citizen perspective is emerging as a new focus of EU policy making. In appraising the ‘Cohesion Spirit’ this is reflected in the interpersonal cohesion objective – complementing economic, social and territorial cohesion – and citizen involvement in the governance arrangements. However, in both cases, the cohesion dimension of EU policies is modest.

‘Cohesion Spirit’ must not be mistaken for cohesion impact. The ‘Cohesion Spirit’ reflects the intentions and aspirations described in a policy document. This is very different from the impact a policy may have on cohesion in Europe. Therefore, it is important to not confuse the ‘Cohesion Spirit’ of a policy with its impacts on cohesion on the ground.

‘Cohesion Spirit’ deserves more discussion and deeper analysis. This first appraisal of EU policies shows that a simple approach can deliver important insights on cohesion facets in EU policies. The report sheds some light on elements that deserve further debate and analysis. It is an invitation to discussions about the understanding and state of play of ‘Cohesion Spirit’ in EU policies.

Towards a new ‘Cohesion Spirit’

The above points highlight several key issues for further debate. Meeting cohesion challenges and bringing cohesion closer to the citizens and their well-being requires fundamentally rethinking cohesion and its purpose. This needs to be embedded in debates about Europe’s future and its transition towards a green and digital society with positive future perspectives for all places and people.

Rethinking cohesion means shifting it from a ‘flanking policy’ to a policy objective in its own right, in line with Article 3 TEU. Subsequently, it might even lead to further elaborating or maybe even broadening our understanding of cohesion beyond the economic, social and territorial. Increasing efforts to reach out to citizens in EU policy making, could be underlined by stressing the interpersonal cohesion dimension. Furthermore, the increasing digitalisation of society could be acknowledged by updating our understanding to incorporate digital cohesion (SGI, education, health, business). Given the challenges of climate change and loss of biodiversity, ecological cohesion should also be considered.

This is in line with the system change compass proposed for implementing the European Green Deal in a time of recovery (SYSTEMIQ & Club of Rome, 2020), the discussion on economic policy-making beyond GDP (Terzi, 2021) and the increased focus on well-being and quality of life (ESPON, 2021; European Commission, 2016; Eurostat, 2015; OECD, 2016, 2017). It is also to be seen in the context of efforts to move Europe closer to citizens and broaden the dialogue about the future of Europe – with the ‘Conference of the Future of Europe’ and the ‘New European Bauhaus’, and the long-term vision for Europe’s rural areas (European Commission, 2021).

Inspired by the System Change Compass for implementing the European Green Deal (SYSTEMIQ & Club of Rome, 2020), we propose a ‘Cohesion Spirit Compass’. This points at three fields of action, which need to be addressed simultaneously and as soon as possible (Figure 8.1):

1. **Envisioning ‘Cohesion Spirit’.** Showing what the new ‘Cohesion Spirit’ looks like, when putting citizens and the transition to a digital and green future first.

2. **Designing ‘Cohesion Spirit’.** Identifying and deploying impactful interventions to achieve cohesion involving close dialogue with people about all relevant policies.
3. **Enabling ‘Cohesion Spirit’.** Empowering stakeholders to implement cohesion, including a strong Cohesion Policy, a clear ‘Cohesion Spirit’ in all EU policies and multi-level governance arrangements involving local and regional authorities as well as civil society.

This will allow a shared vision (or narrative) on cohesion and the future of Europe to be embedded in relevant policies and decision-making processes from local to European level. For successful implementation we have developed 9 proposals which are described in more detail in the following sections.

A rough estimate following the lines of the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’, suggests that these proposals might have a combined leverage of some EUR 700 billion in annual GDP.

Figure 0.3 Cohesion Spirit Compass



Source: own elaboration

PART A – Cohesion Spirit of EU policies

Introduction

Europe faces major economic, social and environmental challenges, but it also has great potential to improve living conditions in all places and for all people (Territorial Agenda, 2020). Still, in many regards Europe faces increasing imbalances and inequalities which drive people and territories apart and risk undermining future development perspectives. This, despite the EU having the most extensive development policy in the world – EU Cohesion Policy.

There are two important reasons for this. Firstly, strategies based on a mix of infrastructure development, human capital, innovation and technology have not succeeded in dealing with growing inequalities and their harmful economic, social and political consequences. This also applies to EU Cohesion Policy, where the bulk of investments focus on improving infrastructure, increasing the availability and quality of human capital and strengthening the innovation capacity of individuals and businesses, in particular in less developed areas. (Rodríguez-Pose, 2020)

Secondly, it is a misconception to believe that increasing imbalances and inequalities – as well as the transition to a green and sustainable Europe – can be addressed by a single policy or financial instrument. A wide range – if not all EU policies – need to contribute to limiting imbalances and inequalities so they do not drive people and territories apart and undermine future development. This implies that cohesion as an aim of the EU needs to be embedded in all EU policies. Although every policy primarily serves its specific aims and objectives, it also needs to have a ‘Cohesion Spirit’. Only then can imbalances and inequalities be addressed appropriately, so they do not impede future perspectives for Europe, its places, people and businesses.

To further this debate, this report provides a first sectoral analysis of cohesion as an overall value and objective of the European Union. It assesses the strength of ‘Cohesion Spirit’ in selected EU policies, i.e. how they reflect cohesion as a European value. The focus is on the ‘Cohesion Spirit’ reflected in the intentions and aspirations expressed in the policy documents. The methodology is further explained in the annex.

Chapter 1 of this report outlines the understanding of ‘Cohesion Spirit’ in EU policy making. It considers the meaning of cohesion, who is addressed and how it is embedded in the delivery and governance of a policy. The facets of a policy’s ‘Cohesion Spirit’ have been integrated to enable a quick policy appraisal.

Chapter 2 provides a short overview of the 15 diverse EU policies which have been included in the appraisal. The focus of each policy as well as some findings of the ‘Cohesion Spirit’ appraisal are presented in this section.

Chapter 3 reviews the ‘Cohesion Spirit’ state of play for cohesion principles and objectives embedded in EU policies. This includes how deeply they are embedded in the goal tree and how much cohesion ambitions also carry through into the governance arrangements. From this an overall picture of the state of ‘Cohesion Spirit’ in EU policies emerges. The focus is on strong and weak points as well as the facets of ‘Cohesion Spirit’, without comparing individual policies.

Chapter 4 provides a reminder of why cohesion and ‘Cohesion Spirit’ are important. Looking across different trends, including social, demographic, global and governance developments, illustrates the risks of increasing inequalities and imbalances. This underlines the necessity to pay attention to particular elements of the ‘Cohesion Spirit’.

Chapter 5 brings together the other chapters of this report to offer some conclusions. Each of these points to larger questions about how we want to understand cohesion in Europe and how much we want to emphasise each facet of cohesion.

1 Understanding ‘Cohesion Spirit’

Cohesion is an underlying value or spirit of European integration as well as the European way of life and decision making. Following the Treaty, the Union shall promote cohesion. More specifically, economic, social and territorial cohesion and solidarity are introduced as aims of the EU in Article 3, TEU.

Article 3

(ex Article 2 TEU)

1. The Union's aim is to promote peace, its values and the well-being of its peoples.
2. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime.
3. The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.
It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.
It shall promote economic, social and territorial cohesion, and solidarity among Member States.
It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.
4. The Union shall establish an economic and monetary union whose currency is the euro.
5. In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.
6. The Union shall pursue its objectives by appropriate means commensurate with the competences which are conferred upon it in the Treaties.

How does that translate into EU policy making and to what degree do EU policies contribute to the cohesion aim? Put more simply: How strong is the ‘Cohesion Spirit’ of EU policies?

To answer this question, this chapter lays down an understanding of cohesion, its various facets, and what they mean. We briefly present some points from recent policy debates on how to understand cohesion. We also propose a configuration of ‘cohesion principles’, ‘cohesion objectives’ and ‘governance arrangements’.

The ‘European Union is envisaged as an area of growing stability, security and prosperity, with integration allowing it to boost citizens’ living standards and to enhance its influence globally.’²

In this sense, cohesion reinforces solidarity to promote convergence and reduce inequalities between the better off and those with less promising prospects or who are lagging behind. Indeed, cohesion is mainly depicted as limiting (the devastating effects of) disparities and fragmentation. Cohesion is also understood as a corrective to the fact that some benefit more than others from European

² See [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646122/EPRS_BRI\(2020\)646122_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646122/EPRS_BRI(2020)646122_EN.pdf)

integration and the Single European Market. This leads to ideas for convergence and catching up. Most recently the Territorial Agenda 2030, pinned in down to a sustainable future for all places and people.

Cohesion also concerns the way policies are made and delivered. The importance of governance has been stressed in the shared management system and partnership principle (including in EU Cohesion Policy), the ‘place based approach’ (Barca, 2009) and empirical research (e.g. Charron, Dijkstra, & Lapuente, 2014; Rodríguez-Pose, 2020; Rodríguez-Pose & Garcilazo, 2013). The work on ‘places left behind’, ‘places that don’t matter’ and the ‘geography of discontent’ shows that cohesion goes beyond the formal delivery of economic, social and territorial cohesion. Cohesion also includes an interpersonal component, i.e. the perceived and actual individual ‘inclusiveness’ or ‘togetherness’. (e.g. Dijkstra, Poelman, & Rodríguez-Pose, 2018; Rodríguez-Pose, 2018)

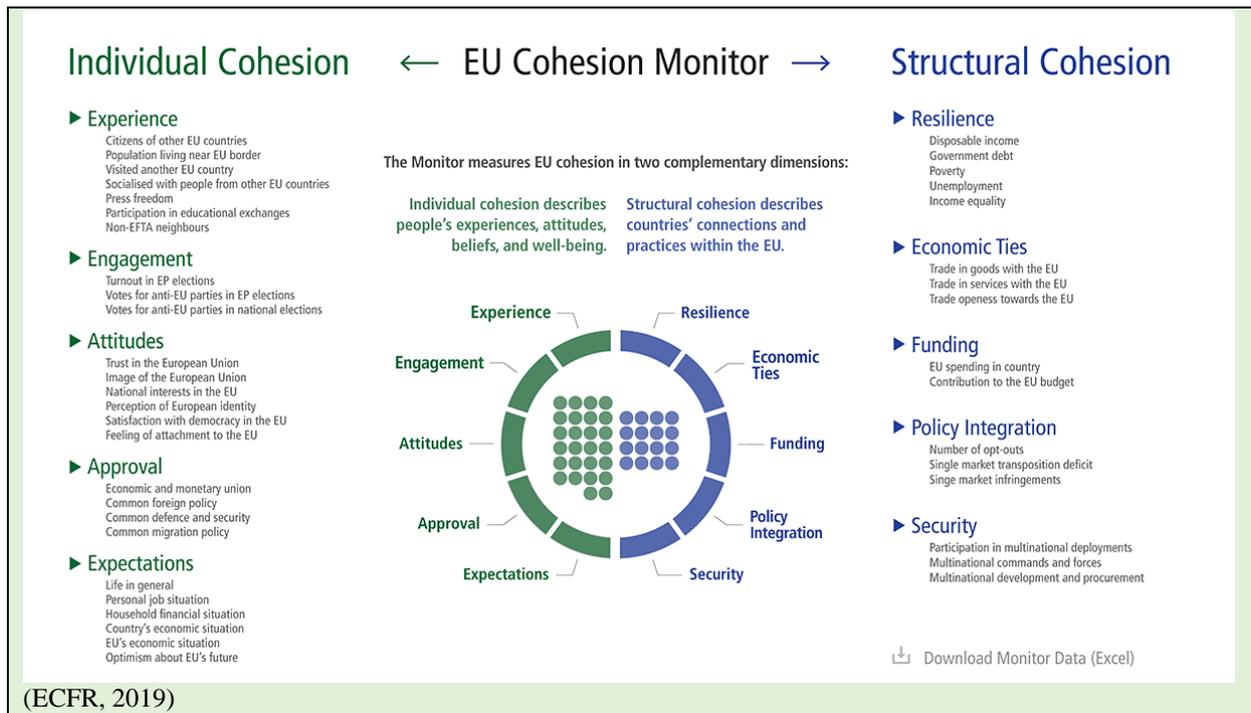
Furthermore, in her speech calling for a European Bauhaus, EU President von der Leyen (on 14 October 2020) hints at a range of ideas underlying policy design and delivery. Indeed, going beyond architecture and the building process, Bauhaus emphasises rationality, functionality, everyday life and multi-disciplinarity (i.e. bringing together all kinds of arts, crafts and technologies it aims at ‘Gesamtkunstwerk’). Rationality, functionality, interdisciplinarity and a focus on citizen’s well-being are also important for delivering cohesion.

Attempts to measure cohesion

Attempts to measure cohesion, or how cohesive Europe is, include EU Commission Cohesion Reports and various ESPON and Eurostat publications. This also includes assessment of impacts a policy may have on economic, social and territorial cohesion.

Assessing whether a policy has a ‘Cohesion Spirit’ seems to be uncommon. The closest might be the EU Cohesion Monitor³ of the European Council on Foreign Relations (ECFR), assessing the ‘Cohesion Spirit’ of EU Member States. At the level of EU Member States this looks to ‘understand what makes EU countries and societies stick together’, by reviewing indicators for structural cohesion in a country’s connections and practises within the EU (including resilience, economic ties, funding, policy integration and security). It also looks at individual cohesion in terms of people’s experience, attitudes, beliefs and well-being (experience, engagement, attitudes, approval and expectations). See the figure below.

³ See https://ecfr.eu/article/commentary_eu_cohesion_monitor_2019_the_untold_story_of_european_resilience/

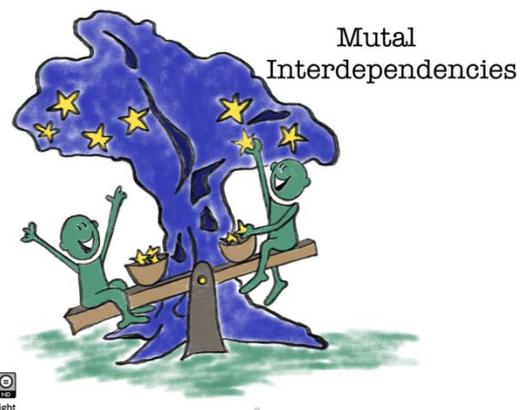


Considering various leads on how to understand cohesion and the approach to measuring the ‘Cohesion Spirit’ of Member States, we categorise cohesion under ‘cohesion principles’, ‘cohesion objectives’ and ‘governance arrangements’. Taken together these allow us to understand how (or how much) a policy subscribes to the ‘Cohesion Spirit’ and its various facets.

1.1 ‘Cohesion Spirit’ principles: What is meant by cohesion?

Cohesion principles can be reflected in a policy through:

- **Mutual interdependencies.** Cohesion is about being ‘in it together’ and acknowledging interdependencies. Various approaches to cohesion are based on ideas of ‘inclusiveness’ and ‘togetherness’. In principle this implies that we recognise mutual interdependencies between economies, social groups and places. In other words, overall wealth depends on mutual interdependence among the weaker and the wealthier. The idea of mutual interdependencies underpins the rationale for solidarity mentioned in Art. 3, next to cohesion. Mutual



interdependencies and being ‘in it together’ is the basis for ensuring the well-being of people in Europe and avoiding unsustainable disparities.

- **Equality.** Cohesion is an aim of the EU, i.e. something to strive for. In that sense acknowledging mutual interdependencies is only a first step. The question remains: what is meant by cohesion and how do we know whether we have cohesion or are at least moving in the right direction? One facet of this is equality, focussing on equal opportunities, treatment and support. This includes equal growth opportunities for all and is often compared to the tide lifting all boats.



- **Equity.** Another cohesion principle relates to convergence linked to compensation. The equity principle focuses on giving more to those in need, in proportion to their circumstances, to ensure the same opportunities for all. Rather than focussing on the same treatment, the focus is on varying levels of support – based on specific needs – to achieve greater fairness and outcomes.



- **Justice.** A fourth cohesion principle relates to the need to move beyond compensation and to adjust the system. Rather than compensating for inequalities, the justice principle aims at reducing or eliminating structural barriers that are responsible for those inequities. Lately various EU policies make use of the term, e.g. by calling for a Just Europe and the Just Transition Fund.



These cohesion principles describe facets which can help to better understand a policy's 'Cohesion Spirit' in term of what it actually means by cohesion.

1.2 'Cohesion Spirit' objectives: Cohesion for whom?

There remains the question of cohesion between and for whom. Here Art. 3 TEU as well as ESPON (e.g. ESPON, 2019) and the Territorial Agenda 2030 provide clear indications. Cohesion can have different targets which translate into different cohesion objectives, i.e. economic, social, territorial and interpersonal cohesion:

- **Economic cohesion.** Economic cohesion and increasing economic disparities at sub-national level underpin the understanding of cohesion as keeping local and regional economies together and offering future perspectives for each of them. The aim is to ensure that economies across Europe integrate and that Europe is not driven apart by excessive economic disparities. Accordingly, this cohesion objective concerns economic cohesion addressing (regional) economies and inequalities between them.
- **Social cohesion.** Social cohesion and the drifting apart of societal groups in the EU, its member states, regions and cities underpins the understanding of cohesion as keeping various social groups together and offering a future for all people, acknowledging diversity. This can include people with different incomes, education, ethnicities, gender, religious affiliations, ages, etc. The aim is to ensure that people in Europe stick together. Accordingly, one cohesion objective concerns social cohesion addressing social groups and inequalities between them.
- **Territorial cohesion.** Compared to economic and social cohesion, territorial cohesion is a relatively new facet of cohesion. It focuses on cohesion between places and the risk of places drifting apart in Europe at any geographical level – from neighbourhoods to countries. It underpins the understanding of cohesion as keeping Europe's territories together and offering a future and role for all places, acknowledging Europe's territorial diversity. Combining this with multi-level governance will enable conclusions in relation to Barca's place-based approach. This emphasises delivering a policy tailored to the specificities of a place and the tacit knowledge of local people (Barca, 2009). Accordingly, one cohesion objective concerns territorial cohesion addressing places and inequalities between them.
- **Interpersonal cohesion.** While economic, social and territorial cohesion are enshrined in the Treaty, interpersonal cohesion is new. Discussions on

places and people left behind illustrate that cohesion is not just about larger groups. People in Europe perceive cohesion also as something personal or individual, i.e. interpersonal cohesion. Although the citizens' perspective is fairly recent in EU policy processes, it shows that a new dimension and focus is emerging. 'Closer to citizens' and 'Citizen's Dialogue' indicate clear ambitions and the recognition that engaging citizens and disparities between citizens are moving up the agenda. In that sense, interpersonal cohesion means making sure no one is left behind and inequalities between citizens do not reach unsustainable levels. This is a new cohesion objective.

These four cohesion objectives offer different ways to better describe a policy's 'Cohesion Spirit' through the inequalities or imbalances targeted or who are the main addressees of cohesion.

1.3 'Cohesion Spirit' governance arrangements: How is cohesion embedded in policy delivery?

Beyond the principles and objectives of cohesion, there is also a policy's governance arrangements, i.e. the way it is designed, delivered and implemented. Given the complexity of Europe's social, economic and territorial development and the multitude of stakeholders who need to feel recognised, the following governance aspects can depict cohesion in EU policy making:

- **Multi-level governance.** EU policies affect people, business and places at all levels of governance (local to European). Multi-level governance and shared management approaches strengthen both the delivery of a policy and the sense of being 'in it together'. Multiple political layers – of different size, institutional mandates and power – cooperate every day for the welfare of European citizens. This can translate into shared management approaches and the application of the partnership principle in accordance with the code of conduct (European Commission, 2014). Multi-level governance also encompasses another key principle of EU, subsidiarity.
- **Interdisciplinary.** EU policies do not work in silos. Often, they affect developments far beyond their own policy area, target group or territory. An interdisciplinary approach and cooperation between sector policies also underlies the idea of a European Bauhaus with rationality, functionality, everyday life and multi-disciplinarity at the centre. Coordination or cooperation between policies during design and implementation are important to a policy's 'Cohesion Spirit' as imbalances and inequalities in Europe cannot be reduced by a single policy field.

- **Robustness.** Cohesion is also about reliability and long-term perspectives. In other words, resilience to short-term shocks, robustness and stability are an important characteristic of ‘Cohesion Spirit’. This emphasises continuity, dependability and rule of law rather than short term benefits and constant changes of direction. As cohesion is a long-term objective it should not be subject to short-term projects, flexible political flows, or changes of mood and fashion. Therefore, robustness – in terms of a long-term perspective and stability over time – is important in governance and the ‘Cohesion Spirit’ of a policy.
- **Citizen involvement.** Cohesion is also about inclusiveness in governance, i.e. the level of participation (e.g. civil society, citizens), transparency and the rule of law, beyond a formal approach to multi-level governance. This is also closely linked to the growing importance of the citizen perspective and citizen involvement in EU policy processes. Accordingly, citizen involvement is a facet of governance linked to the ‘Cohesion Spirit’ of a policy.

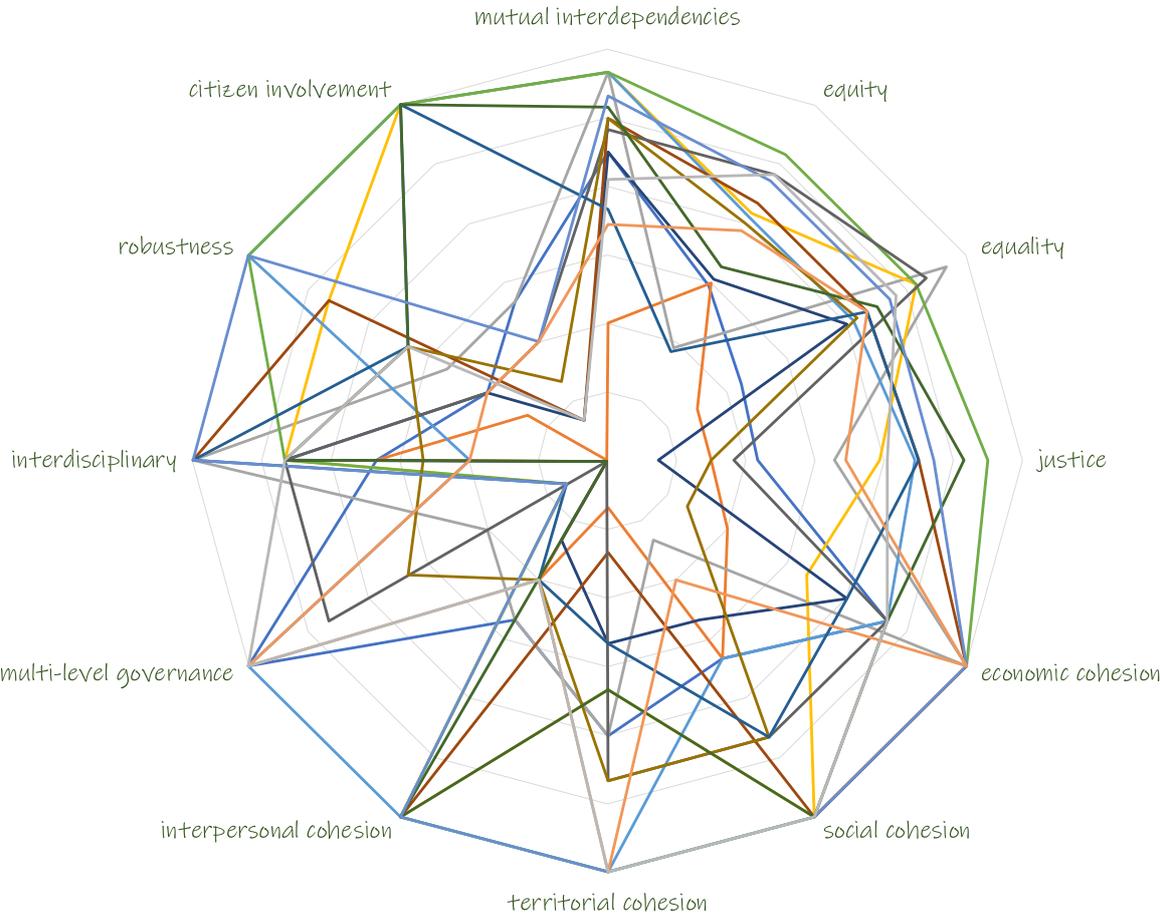
These four facets of governance arrangements have been included in the appraisal of the ‘Cohesion Spirit’ to highlight how much cohesion is embedded in a policy’s delivery process.

The cohesion principles, cohesion objectives and governance arrangements have been translated into a simple appraisal methodology, inspired by the CoR approach for assessing contributions to Sustainable Development Goals. This appraisal methodology allows to capture the ‘Cohesion Spirit’ of a policy reflected in the intentions and aspirations expressed in the policy document. It is a semantic approach which does not go beyond the analysis of the actual policy document and does not aim at capturing cohesion impacts. The methodology is further explained in the annex. The next chapter will provide a quick overview of 15 very heterogeneous EU policies. Chapter 1 will then present findings on the ‘Cohesion Spirit’ appraisal of EU policies.

2 Selected Policies

How far does the ‘Cohesion Spirit’ characterise or shape different EU policies, strategies and instruments? To assess this, we looked at 15 very different policies, strategies and instruments, ranging from overarching policies to specific programmes. This gives a wide picture of how ‘Cohesion Spirit’ can be understood and how cohesion principles are implemented. For simplicity, throughout the report we use the word policies to refer to all the documents assessed, including policies, strategies and instruments. The figure below not only highlights this diversity in a ‘Cohesion Spirit’ web, but also demonstrates the complexity of developing an overall perception of ‘Cohesion Spirit’. Identifying a clear cohesion value has been complex and challenging, as each policy has a different picture for each element observed. Nevertheless, mutual interdependencies and equality are shared by most EU policies. On the other hand, elements of multi-level governance and cohesion between persons and places seem to be underrepresented.

Figure 2.1 ‘Cohesion Spirit’ web of EU policies



Source: own elaboration

To select EU policies to assess, we followed several steps. Firstly we looked at the five thematic categories for the EU budget:

- Single market, innovation and digital;
- Cohesion, resilience and values;
- Natural resources and environment;
- Migration and border management;
- Security and defence.

Then, for each of these categories we looked into multiple documents covering policies, strategies, instruments and programmes at EU level. As the ‘Cohesion Spirit’ may be embedded in documents covering additional strategies, instruments and programmes, we did not limit our search to policies. We believe it is particularly interesting to see how far beyond official policies that implementation instruments and other overarching strategies follow the ‘Cohesion Spirit’. Going beyond single categories, we also looked into ‘meta-policies’ or ‘overarching’ policies and strategies, such as the European Green Deal, the Annual Sustainable Growth Strategy, Territorial Agenda 2030, Next Generation EU (NGEU) and the EU Biodiversity Strategy for 2030. This enables a more holistic approach.

As a third step, for each of the budget categories we reviewed:

- official documents for each policy, strategy or programme, e.g. an EC Communication, regulation or proposal for a regulation;
- the website link to the policy;
- the envisaged budget for the policy and
- the responsible DG.

Although most of the policies do not have their own budget we considered it necessary to include them in the appraisal, as they are key to policy development in the EU and influence other instruments and policies. This first collection resulted in 90 documents to review. Trade policy is not included in the analysis, as there is no official document or regulation on this, beyond the trade agreements themselves. Furthermore, as the present study reviews the embeddedness of the ‘Cohesion Spirit’ in policies and not its impact, trade is of limited relevance.

We used the following criteria to narrow down the selection:

- Amount of dedicated budget, (i.e. how far do policies with larger or smaller budgets contribute to the ‘Cohesion Spirit?’);
- Overarching policy or not, i.e. a policy covering or influencing other policies;
- New or existing policy, i.e. keeping a balance between existing and implemented policies with new ones.

Based on these criteria, a list of EU policies was presented, discussed and confirmed by the client and an expert group during a workshop on 27 January 2021. The following gives an overview of the policy selection and a reasoning for the choice. It respects a thematic balance across the five budget themes presented above, as well as linking each policy to a CoR Commission. For each policy, a link to the official document is given in a footnote. The policy description follows a short paragraph summarising the assessment findings.

European Green Deal⁴

The European Green Deal is the overarching EU policy to make the EU climate neutral by 2050 through green technology, sustainable industry and transport, and by cutting pollution. The Green Deal is an umbrella policy covering other policies such as the climate pact, circular economy action plan, the Just Transition Mechanism, from farm to fork strategy and others. Although it does not have a dedicated budget it shapes other policies, priorities and programmes in the EU. Last but not least, the Green Deal is a new policy and a priority of the von der Leyen Commission. The policy is relevant for the CoR ENVE Commission, particularly concerning the environment and climate change.

The new growth strategy putting people first. With long-term goals, the Green Deal emphasises participatory processes, empowering local and regional communities and public debates, with the concept of justice supported through tools and plans to fix the system. It strongly focuses on territorial cohesion, especially the Just Transition Mechanism, to support harder hit regions. Mutual interdependencies are recognised between all actors, aiming at building a fair and prosperous society, putting people first.

Europe fit for the Digital Age⁵

This is an EU Commission priority. Given the importance of digital technology, the policy aims to support digital transformation for people and businesses, while also achieving climate neutral targets. Artificial intelligence is one of the actions under this policy. This policy is overarching and highly relevant to other policies. In addition, it is another new policy, which will help show how far cohesion is taken into account nowadays. The policy is relevant for the CoR SEDEC Commission, particularly the theme of artificial intelligence.

⁴ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2019%3A640%3AFIN> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2>

⁵ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0237&qid=1605182361959> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0795&qid=1605182361959>

No person left behind in digital transformation – but places? The Europe fit for the Digital Age policy is in line with the cohesion principles described in this project. It aims at ensuring impact across the whole EU economy. Nevertheless, territorial cohesion seems to be indirectly addressed. As digital transformation should not exclude anyone, this will positively influence where these persons live indirectly. Citizen inclusiveness is embedded in the policy, although multi-level governance is not addressed at all.

Common Agricultural Policy (CAP)⁶

The CAP is a fundamental EU policy. It aims to support farmers, improve agricultural practices, as well as maintain rural areas and the rural economy across Europe. The CAP addresses several fields and has a large share of the budget. For the 2021-2027 programming period, the envisaged budget is some EUR 344 billion, including support from Next Generation EU. This highlights the reason for selection and the importance of looking into the policy, possibly focusing on Pillar 1. The policy is relevant for the work of the CoR NAT Commission, particularly for rural development.

Coordinated agricultural policy for stronger economic and territorial cohesion. Economic and territorial cohesion are expressed explicitly with an emphasis on territorial differentiation based on particular needs, e.g. for outermost and lagging regions. Further emphasis is on rural area needs and addressing them with tailored support. Social and interpersonal cohesion are implicitly addressed, mainly through references to farmers, young farmers and groups with similar characteristics. Multi-level governance is a key implementation mechanism, strengthened in the 2021-2027 period. Citizen involvement is also envisaged in shaping the policy. Strongly oriented to resilience, the policy is forward looking with long-term solutions, including transformation and sustainable changes.

Internal market and competition policy⁷

Competition policy and State aid is very important when it comes to cohesion. For this, we focus on the Block Exemption Regulations. These enable the European Commission to declare specific categories of State aid compatible with the Treaty if they fulfil certain conditions. There is no dedicated budget, however the Regulation shapes other policies in the EU. The policy is relevant for the CoR ECON Commission, particularly for competition and State aid policy.

⁶ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A392%3AFIN> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A393%3AFIN>.

⁷ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

Implicit cohesion for economic development and growth, without disturbing competition. The internal market encompasses cohesion principles implicitly, by focusing on togetherness. Social cohesion is explicitly addressed when it comes to equity as different tools support different social groups and people. Multi-level governance is non-existent, with no clear concept of how Member States should support economic actors and societal groups to better access economic opportunities.

European Union Health policy⁸

The COVID-19 pandemic has highlighted the importance of cooperation, particularly on cross-border health threats. For this, it is important to coordinate crisis preparedness and the management of cross-border health threats. The proposal for a Regulation on serious cross-border threats to health is a new regulation. The Regulation is linked to the EU Health programme and covers the legislative framework for health crisis preparedness and response as well as enhancing EU guidance for adopting future measures. The policy is relevant for the CoR NAT Commission for the theme of public health.

Robust EU health through togetherness and cross-border focus. Mutual interdependencies are addressed in the four types of cohesion, with explicit reference to social and territorial cohesion. The document pays attention to the importance of addressing different social groups, also at the cross-border level. Justice and togetherness are key elements, as the policy aims to create a ‘more robust EU health security network’ (pg. 17). Despite the cross-border focus, decision-making power lies at the national level. Direct reference to the preparation of national plans, where cross-border territories are not involved shows limited implementation of multi-level governance.

EU Biodiversity Strategy 2030⁹

The EU Biodiversity Strategy is a long-term plan for the protection of ecosystems and the reversal of degradation. The COVID-19 pandemic has shown that building resilience to future challenges is necessary and hence the Biodiversity Strategy commits to several elements in this direction. It covers actions concerning protected areas on land and sea, restoration of degraded ecosystems and measures to tackle relevant challenges. These make it an overarching policy for a better quality of life for European citizens, although it does not come with a dedicated budget. In addition, it is a new strategy, dealing with contemporary and

⁸ https://ec.europa.eu/info/sites/info/files/proposal-regulation-cross-border-threats-health_en.pdf

⁹ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590574123338&uri=CELEX%3A52020DC0380>

future challenges. The strategy is relevant for the CoR SEDEC Commission, particularly the bioeconomy.

Together for biodiversity. Mutual interdependencies in economic, social and territorial cohesion are explicitly addressed by the EU Biodiversity Strategy 2030. For citizens, the notion of justice appears with ‘...Member States to improve access to justice [...] in environmental matters for individuals’ linking people and the environment. Multi-level governance plays a prominent role, as the policy invites national, local, regional and European levels to form strong partnerships.

The Annual Sustainable Growth Strategy¹⁰

The Annual Sustainable Growth Strategy is a relatively new strategy introduced by the Commission. It aims at an economy that works for people and the planet ensuring a just transition, inclusive growth and combining the environment, productivity, stability and fairness. Given this overarching coverage combined with other overarching EU priorities the policy has been selected for review, even without dedicated funding. The strategy is relevant for the CoR ECON Commission, particularly for Sustainable Development Goals (SDG) and governance and the ENVE Commission for the environment and climate change.

EU growing in fairness and highlighting interpersonal cohesion. Cohesion principles are explicitly addressed through economic and social players, as well as interpersonal cohesion. The notion of fairness is mentioned several times, referring to ‘fair competition’, ‘fairness and macro-economic stability’ and supporting society in a ‘sustainable, fair and democratic manner’, explicitly looking at changing the system. Territorial cohesion is recognised as part of mutual interdependencies. Different actors need to implement the policy, but multi-level governance is not clearly addressed as the design of specific plans is at European or national level. However, engagement with social partners and stakeholders in a broader dialogue is requested. The strategy has a long-term perspective and goals up until 2050.

Next Generation EU¹¹

This is the key EU plan for recovering from the COVID-19 pandemic and setting the foundations for a modern and more sustainable Europe. The policy has a substantial budget of EUR 750 billion which is a key criterion for its selection. Next Generation EU covers several other policy fields and supports them through funding, which makes it an interesting case, particularly for the ‘Cohesion Spirit’.

¹⁰ Official document: <https://eur-lex.europa.eu/legal-content/en/TXT/?qid=1600708827568&uri=CELEX:52020DC0575>

¹¹ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:456:FIN>

Next Generation EU is relevant for the CoR COTER Commission, particularly for the EU budget and Multiannual Financial Framework.

Recovery package for cohesion, in full ‘Cohesion Spirit’. The Next Generation EU recovery package demonstrates a high ‘Cohesion Spirit’, clearly pointing out the importance of social, economic, territorial and interpersonal cohesion. In addition, fairness and inclusiveness are necessary for the recovery process. This strong ‘Cohesion Spirit’ however is lacking in implementation mechanisms. The governance principles are not clear in the text with no clear information on the role of local and regional players, nor is it clear whether and particularly how any synergies may occur.

EU Single Market Programme¹²

The EU Single Market Programme is a key EU policy. With a (proposed) budget of some EUR 3.7 billion, it encompasses several objectives, such as improving the internal market, COSME, standardisation, consumers and end-users, food chains and European statistics. The variety of themes in this policy, together with the reasonable budget fulfil the criteria for including it in the policy review list. The programme is relevant for the CoR ECON Commission, particularly for the single market and digital single market, SME policy and entrepreneurship, as well as for the COTER Commission for regional statistics and indicators.

Together in equality for the economy. Economic cohesion is the main target, focusing on support to economic actors, recognising interdependencies with people and the idea of creating a more balanced, stronger and fairer single market. Reference to border regions and cross-border economic activities, indirectly concerns territorial cohesion. However, this indirect link is general and does not include concrete measures on how to establish territorial cohesion. Equity is not addressed, nor is multi-level governance addressed thoroughly, only indirectly through the support of economic growth for all. Social inclusion is expressed indirectly through the empowerment of people and citizens and referring to their importance in the policy decision making process.

Rights and Values Programme¹³

This programme aims to address inequalities across the EU and improve people’s well-being. Respecting human dignity, equality, rule of law and human rights are fundamental EU priorities. The policy looks at synergies with other policies such as the Single Market, employment, social and education policies, migration

¹² Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540389031742&uri=CELEX%3A52018PC0441>

¹³ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A383%3AREV1>

border management and security, environmental policy and others. A dedicated budget of EUR 641 million further supports the programme's work, which together with the multifaceted focus of the programme justify its inclusion in the list. The programme is relevant for the CoR CIVEX Commission, particularly freedom, security and justice and the EU Charter of Fundamental Rights. It is also relevant for the SEDEC Commission for the European Pillar of Social Rights, including social policy and social protection.

Equality dominant, justice and close to citizens on the way. Equality is the most prominent principle in the Rights and Values Programme. Given the thematic focus of the programme, social cohesion is explicitly addressed. The programme also paves the way for more justice, as the notion of fairness and social inclusion is introduced. In such a people-centred programme, economic cohesion becomes secondary. Instead, close synergies with social policies are envisaged and the 'closer to citizens' concept is well embedded, as shown by the diverse stakeholder consultations that took place.

ESF+¹⁴

This key EU instrument invests in people to build a more social and inclusive Europe. Also during the COVID-19 pandemic, the instrument supports EU Member States coping with the consequences through actions for employment, social protection and a skilled workforce in line with the European Pillar for Social Rights. The instrument has a substantial budget for the 2021-2027 period of some EUR 88 billion, which complements the reasoning for its selection. ESF+ is relevant for the CoR CIVEX Commission, particularly for the EU Charter of Fundamental Rights and the SEDEC Commission for the European Pillar of Social Rights, including social policy and social protection.

Going social and long-term. Social cohesion is the key reference for ESF+ paying particular attention to the inclusion of social groups such as women, youth, people with disabilities and disadvantaged workers. Following the equality principle, support needs to be provided to all. Governance mechanisms support multi-level governance together with the partnership principle and local and regional authorities involved in drafting the programme. Despite the limited programming period, ESF+ aims at having a stronger influence on changing the system in the long run to create a fairer EU over time.

¹⁴ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540387032605&uri=CELEX%3A52018PC0382>

European Regional and Development Fund (ERDF) and the Cohesion Fund (CF)¹⁵

These are the two long established and key funds delivering Cohesion Policy in the EU. This is the key reason for their selection, i.e. to assess how core cohesion instruments embed the ‘Cohesion Spirit’ in their official documents. In addition, they have a large budget for 2021-2027, namely some EUR 200 billion for ERDF and EUR 43 billion for CF. Both funds are relevant for the CoR COTER Commission, particularly for economic, social and territorial cohesion and Cohesion Policy Funds.

All in one. The ERDF / CF address social, territorial and economic disparities in Europe. The Funds tick all the boxes throughout their documents for delivering the three types of cohesion and have governance mechanisms in place. Nevertheless, their role is limited to funding, so changing the system is only implicit. They provide targeted funding to all Member States with a particular distinction between less developed, more developed and transition regions. Largely based on the equality principle, they contribute to social cohesion by supporting marginalised communities, migrants and disadvantaged groups, however, there is no reference to interpersonal cohesion. Instead, PO5 concerns citizens while SMEs and social enterprises are a focus of economic cohesion. Multi-level governance is key for implementation, recognising that dialogue between authorities and synergies with other policies are necessary. The robustness of the Funds in practice remains to be seen. Given their specific timeframe, changes cannot be observed quickly. However, they develop practices and tools that may gradually bring long-term changes in the labour market and society in general.

InvestEU¹⁶

The InvestEU programme brings under one roof the European Fund for Strategic Investments and 13 EU financial instruments to give additional boosts to investment, innovation and job creation. Although it is not a new instrument, it attracted additional funding from the Next Generation EU making up to EUR 8.4 billion. In addition, it covers different forms of support, from investments in sustainable infrastructure, research, innovation and digitisation, to SMEs, social investment and skills. These characteristics are the reasoning for its selection. InvestEU is relevant for the CoR ECON Commission, particularly for local / regional finance and investment and public investment.

¹⁵ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A375%3AFIN> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A372%3AFIN>

¹⁶ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A439%3AFIN>.

Reviving businesses top-down. Largely focusing on economic cohesion, InvestEU respects equality, providing tools for all businesses, as well as equity, offering tailored support to different kinds of businesses. These include SMEs and larger enterprises, with a focus on specific products. Mutual interdependencies are explicitly addressed for economic, social and territorial cohesion and indirectly the programme aims to improve the well-being of citizens. Although synergies are largely supported and clearly referenced, this programme is top-down, with multi-level governance a weak element.

Connecting Europe Facility¹⁷

The Connecting Europe Facility is a big and overarching instrument for growth, jobs and competitiveness. It encompasses three core pillars of energy, telecoms and transport. For this study we focus on the latter pillar, transport and the EU Trans-European Networks. This concerns large projects and investments along transport connections throughout Europe, the development of transport corridors and reducing the environmental impact of transport. Further to this, transport has the biggest budget of all three pillars, some EUR 11 billion, which is another reason for its selection. Connecting Europe Facility is relevant for the CoR COTER Commission, particularly for transport policy, TEN-T and missing transport links.

High in spirit, low in inclusion. Connecting Europe Facility has a high ‘Cohesion Spirit’, explicitly referring to TEN-T networks as fostering economic, social and territorial cohesion. However, this concerns the overall objective and aim of the policy. It is more difficult to identify and follow the cohesion narrative in concrete measures and actions. For governance arrangements, although synergies are highlighted, the notion of inclusion is lacking. This regards the role of citizens, as well as local and regional authorities, and multi-level governance is weak.

Horizon Europe¹⁸

This is the successor to Horizon 2020 and is an ambitious EU programme for research and innovation. It is an umbrella programme structured along three pillars, namely excellent science, global challenges and Europe Industrial Competitiveness and Innovative Europe. Given that making Europe fit for the digital age is a key priority of the Commission, the Horizon Europe programme is selected to identify how far cohesion has been taken into account. It also has a substantial budget (EUR 81 billion). The programme is relevant for the CoR

¹⁷ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2018%3A438%3AFIN>

¹⁸ Official document: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540387631519&uri=CELEX%3A52018PC0436> and <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1540387739796&uri=CELEX%3A52018PC0436>

SEDEC Commission, particularly for innovation, research and technology and smart specialisation.

People-focus. Interpersonal cohesion is highlighted to facilitate collaboration between innovators and scientists. Inclusion of social groups is necessary and to be addressed through equality. Economic and territorial cohesion on the other hand are little addressed. Governance mechanisms such as participatory processes and inclusiveness, as well as synergies are well taken into account in the programme, but multi-governance not.

3 ‘Cohesion Spirit’ in EU policy making

Rather than comparing or ranking individual policies, analysis of the ‘Cohesion Spirit’ reveals something about EU policies in general. 15 highly diverse policies were picked for this analysis – ranging from overarching policies setting directions for other policies and instruments, to policies framing particular funding instruments. Taken together the 15 policies provide a snapshot of the ‘Cohesion Spirit’ in EU policy making.

EU Cohesion Policies incorporate a fair share of ‘Cohesion Spirit’. This is the overarching message from the review. That spirit is mostly based on the understanding of mutual interdependences between economies, societal groups and places in Europe.

While ‘Cohesion Spirit’ can be widely found in EU policy objectives, it is less embedded in policy governance arrangements. Moving from high spirits and ambitions to implementation, the ‘Cohesion Spirit’ declines. This might be the challenge to address.

As outlined in chapter 2, each policy has its own understanding on cohesion. Figure 3.1 shows for each policy where it puts its main emphasis in terms of cohesion principles, objectives or governance arrangements. In cases where several principles, objectives or governance arrangements are marked for a policy, they are equally strongly emphasised. In other words, the policy document does not put a clear focus. This is e.g. the case for Connecting Europe Facility, which puts the same emphasis on all economic, social, territorial and interpersonal cohesion.

The table shows that mutual interdependencies are the cohesion principle with the strongest emphasis in most policies. CAP and ERDF are the only policies which emphasise equality over the other principles. Internal market and competition policy is the only one to emphasise equity over the other principles. The Rights and Value Programme is the only emphasising justice over the other principles.

The table also shows that most policies have difficulties prioritising among the cohesion objectives. Connecting Europe Facility and Next Generation EU give more or less the same weight to all four objectives, i.e. economic, social, territorial and interpersonal cohesion. Only in the cases of the Biodiversity Strategy, EU Single Market Programme, InvestEU and the Rights and Values Programme a clear focus could be identified. While the Rights and Value Programme puts the focus on social cohesion. The other three emphasise economic cohesion over the other objectives.

Figure 3.1 Most emphasised cohesion principles, objectives and mechanism by policies

Cohesion Spirit	Cohesion principles	Cohesion objectives	Governance arrangements
<p>The most emphasised cohesion principles, objectives and governance arrangements in a policy document</p> <p>The stars indicate the main emphasis of Cohesion Spirit in the wording of a policy, i.e. they reflect the main aspiration. In case a policy has stars for several cohesion principles, objectives or governance arrangements, no clear focus could be detected.</p>	mutual interdependencies equality equity justice	economic cohesion social cohesion territorial cohesion interpersonal cohesion	multi-level governance interdisciplinary robustness citizen involvement
Annual Sustainable Growth Strategy 2021	**	** **	** **
Biodiversity strategy	**	**	**
CAP	**	**	**
Connecting Europe Facility	**	** ** *	** ** *
ERDF Regulation	**	** ** *	** ** *
ESF+	** **	** *	**
EU Green Deal	**	** *	** ** *
EU Single market programme	** **	**	**
Europe fit in a Digital Age	**	** *	** *
European Health Union	**	** *	**
HorizonEU	**	** *	** *
Internal market and competition policy	**	**	**
Invest EU	**	**	**
NEXT Generation EU	**	** ** *	** ** *
Rights and values Programme	**	**	** ** *

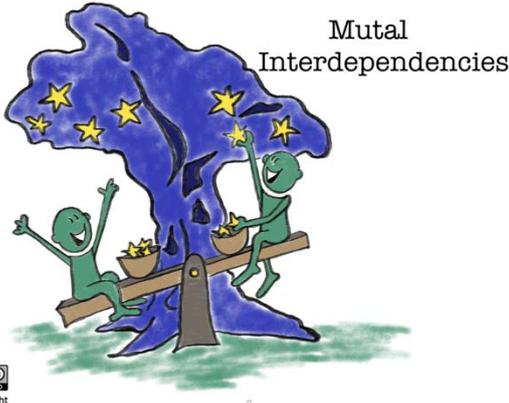
Source: own elaboration

Detailed findings concerning cohesion principles, objectives, goal systems and governance are discussed below, before detailing overall conclusions.

3.1 Cohesion principle

Cohesion is a broad and multifaceted concept. What is meant by cohesion may differ between EU policies, and a single policy may address one or more of the cohesion principles outlined in section 1.1, i.e. mutual inter-dependencies, equity, equality and justice.

EU Policies sense that we are in this together. EU policies mostly address cohesion in terms of mutual interdependencies including concerns about ‘inclusiveness’, ‘togetherness’ and ‘a future for all people’ (see Figure



3.2). In principle this implies that the policies recognise mutual interdependencies between economies, societal groups and places. In other words there is an understanding that overall wealth depends on mutual interdependence between the weaker and the wealthier. 13 of the 15 policies express this explicitly in their objectives. This focus on mutual interdependencies mostly goes together with economic or territorial cohesion. It is less linked to social and interpersonal cohesion where mutual interdependencies are implicitly addressed. When it comes to policy delivery, the principle of mutual interdependencies goes together with interdisciplinary approaches and synergies or cooperation between policies. Multi-level governance or bringing EU policies closer to citizens, are mentioned implicitly at best.

Mutual interdependencies or togetherness express the understanding that a policy works in a complex environment where objectives, developments and players are interrelated. However, it does not say anything about how that should be addressed to limit or reduce inequalities or imbalances between economies, societies, places or persons in Europe. The other three cohesion principles shed some light how mutual interdependencies should be translated into cohesion.

EU policies aim at economic and social equality. The equality principle in terms of equal growth opportunities for all – often also expressed as the tide lifting all boats – is the most prominent principle in EU policies on how to address inequalities and imbalances. Of the 15 policies, 13 explicitly address equalities in economic cohesion, as among others the EU Single Market programme, the EU Green Deal, the



ERDF Regulation, and the Annual Sustainable Growth Strategy 2021 and 11 in social cohesion, such as in ESF+ and European Health Union. Equality between places or even between persons is mainly addressed implicitly. Direct links to cohesion in terms of equality can be found in policy objectives and priorities. In comparison, the principles of equity and justice are usually addressed only implicitly in policy objectives and priorities.

Solidarity could be stronger in EU

policies. Equity, in terms of leaving no one behind, solidarity, convergence and redistribution is less prominent in EU policies than the equality approach. Only 10 of 15 policies explicitly address equity in relation to social cohesion, as for instance the Horizon EU programme and the Rights and Values programme, and only half the policies address equity in relation to territorial or economic cohesion or cohesion between persons, such as the Common Agricultural Policy in relation to economic and territorial cohesion or the Connecting Europe Facility in relation to territorial cohesion and cohesion between persons. Examples of that are the Horizon EU programme The equity principle is also less prominent in policy objectives and rarely addressed in the governance arrangements.



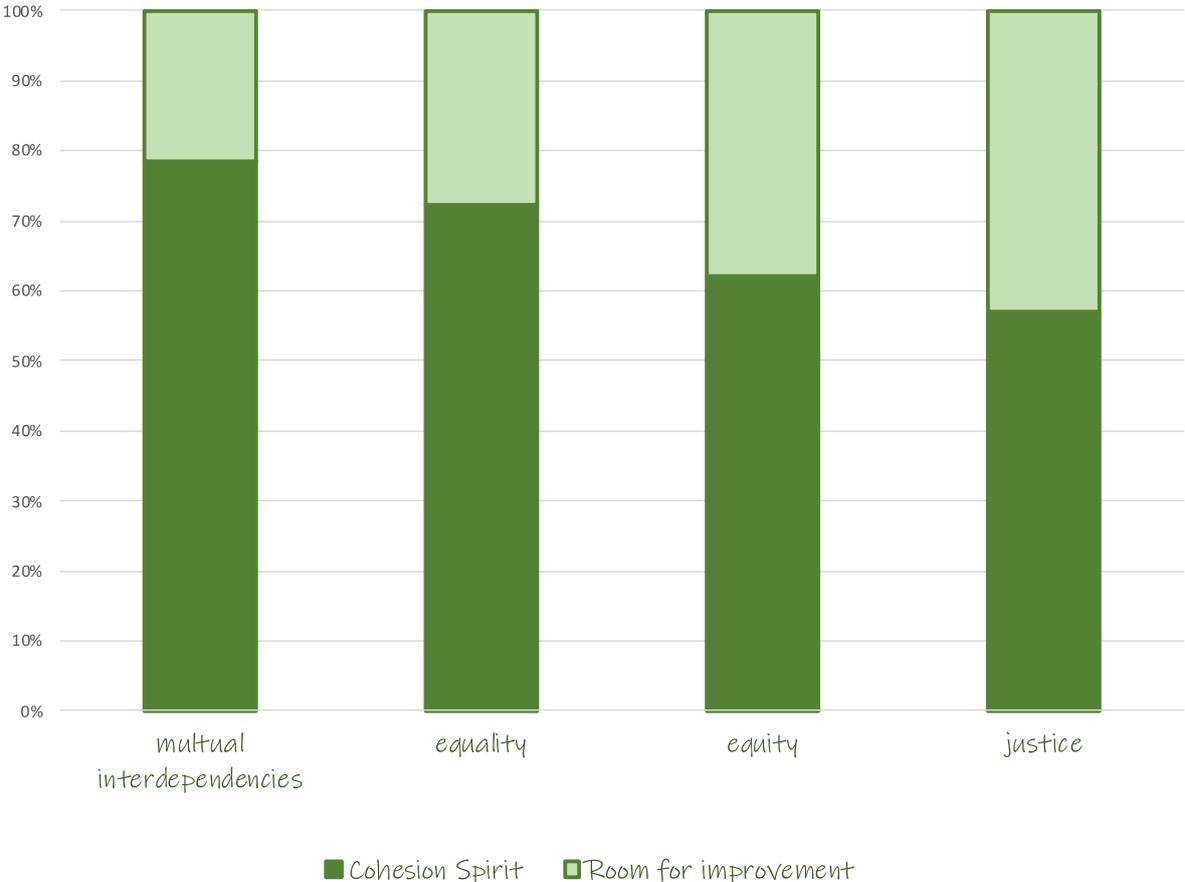
The long way to a just Europe.

Although there are calls for a more just Europe offering equal development chances, justice is not at the heart of the EU policies. Amending the 'system' towards more justice in EU policies is the weakest cohesion principle. Less than half the policies explicitly note justice in terms of social or territorial cohesion or cohesion between individuals. There are more references to economic cohesion, among which for instance the Biodiversity Strategy or the Next Generation EU. The justice principle is the least prominent cohesion principle in policy objectives and priorities and is rarely addressed in the governance arrangements spelled out in the policy documents.



Based on this first reflection on cohesion principles in the 15 EU policies, Figure 3.2 shows how much they are explicitly or implicitly present, and the room for improvement for each of them. The room for improvement reflects the difference between the maximum score (i.e. all policies addressing a principle explicitly) and the actual score.

Figure 3.2 Cohesion principles in EU policies



Source: own elaboration

As outlined above, EU policies address the cohesion principles, and thus have a ‘Cohesion Spirit’. This is, however, strongest with recognition of mutual interdependencies underpinning the rationale for cohesion. When it comes to ensuring well-being for people in Europe and avoiding unsustainable disparities, the principle of equality is strongest. Although Art. 3 TEU mentions solidarity next to cohesion, the equity principle is less pronounced than the equality principle. Putting solidarity into practice, cohesion debates are often also about combating increasing inequalities, disparities and fragmentation. Convergence and catching weaker players up are often seen as putting cohesion into practice and moving towards a just Europe without leaving anyone behind. Adjusting the ‘system’ to ensure more equal conditions for growth and catching up is however the least addressed cohesion principle.

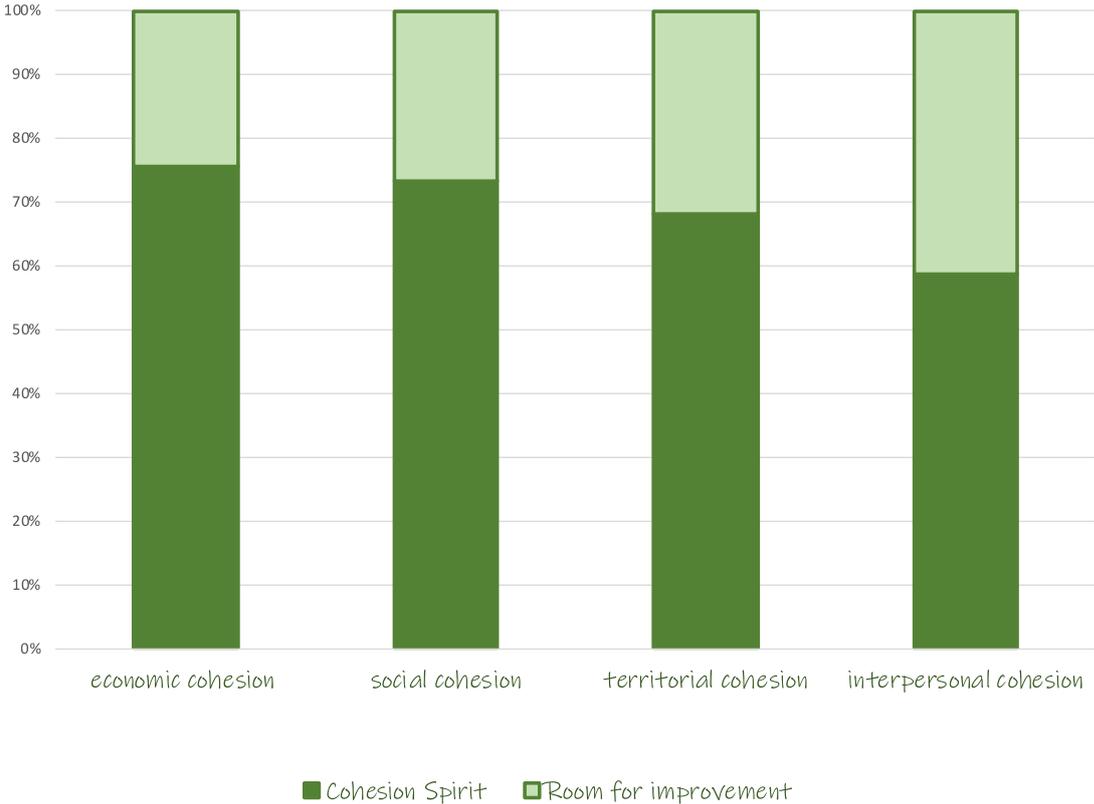
These first findings provide some points for discussion on the ‘Cohesion Spirit’ of EU policies where imbalances and inequalities could increase despite those lagging behind often developing faster in relative terms. Europe’s challenge to cope with catching up in relative rather than absolute terms might already be embedded in the ‘Cohesion Spirit’ of many EU policies.

3.2 Cohesion objective

In Article 3 TEU, economic, social and territorial cohesion and solidarity are introduced as aims of the EU. This illustrates that cohesion covers several objectives or aims at cohesion between economies, societal groups and places. In addition, the recent focus on bringing Europe closer to citizens suggests that a fourth objective is emerging, namely cohesion between citizens.

A single policy is unlikely to address all four of these objectives equally. Implicitly or explicitly, it will have to focus more on some than on others. Across the 15 EU policies, the three objectives in the treaty are well addressed. Just the new objective of cohesion between citizens is less prominent. Figure 3.3 shows the degree to which they are explicitly or implicitly present, and the room for improvement for each. Room for improvement is the difference between the maximum score (i.e. all policies explicitly addressing an objective) and the actual score.

Figure 3.3 Cohesion objectives in EU policies



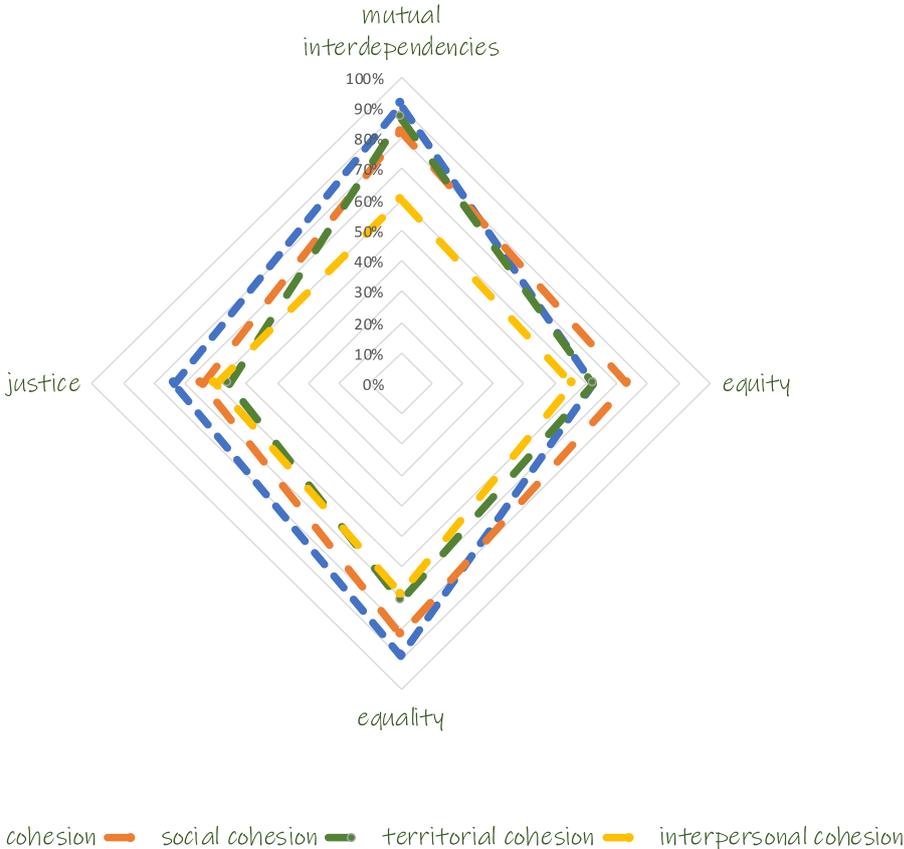
Source: own elaboration

How policies address the different cohesion objectives differs also in relation to the cohesion principles (see section 3.1). For all three cohesion objectives laid down in the treaty the policies clearly acknowledge mutual interdependencies of the target groups. Just in the case of the emerging objective of interpersonal

cohesion mutual interdependencies are explicitly addressed in less than half the policies (see Figure 3.4).

Equality is widely addressed in relation to cohesion objectives. However, it is more pronounced in relation to economic cohesion, as 13 of the policies make this link explicitly, as mentioned above. Equity is less addressed in relation to the cohesion objectives. The link is strongest for social cohesion with Next Generation EU, Annual Sustainable Growth Strategy, Europe fit in a Digital Age being among some examples.

Figure 3.4 Cohesion objectives and cohesion principles



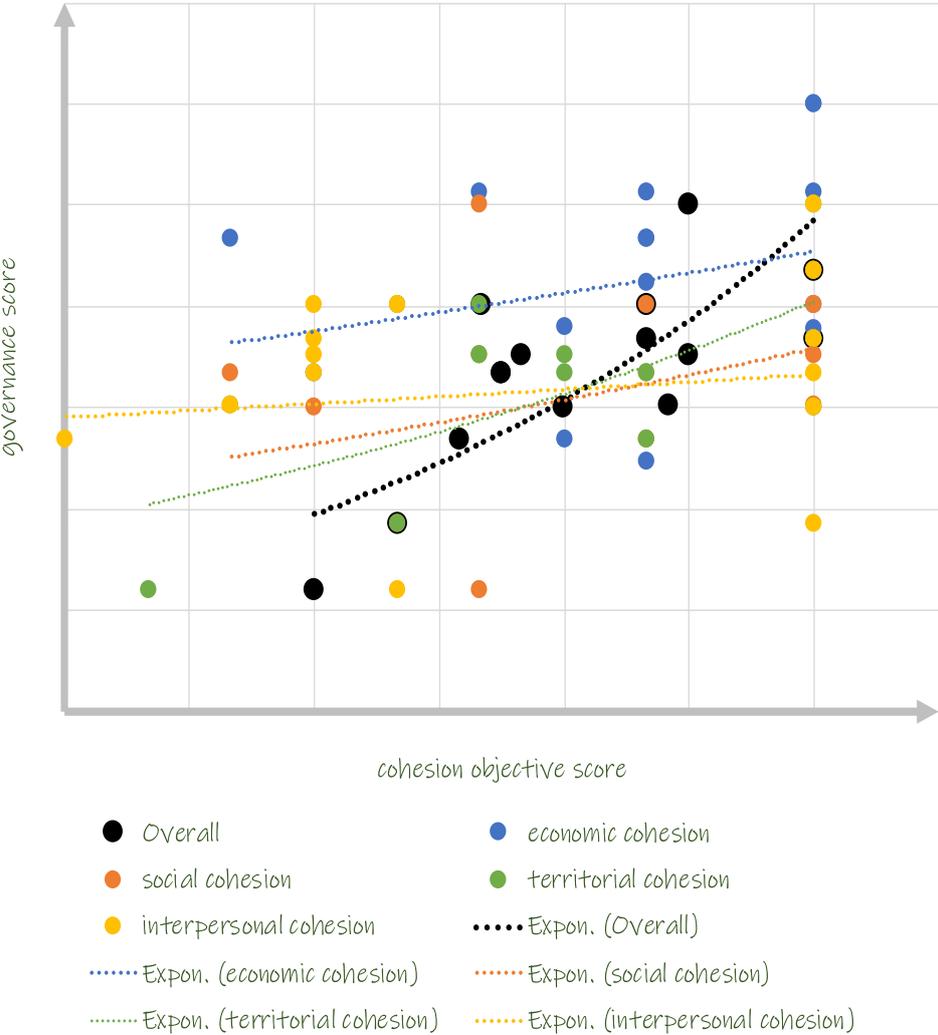
Source: own elaboration

The embeddedness of cohesion principles in a policy’s governance and the focus on cohesion objectives seem to go hand in hand. While this holds true for the overall picture for all four cohesion objectives, no such correlations can be found when looking at the four objectives separately (see Figure 3.5).

Economic cohesion – most prominent. Economic cohesion and increasing economic disparities at sub-national level underpin the understanding of cohesion as keeping Europe’s local and regional economies integrated and offering future perspectives for each of them. All but two of the policies explicitly address the idea of economic cohesion in terms of mutual interdependencies and equality (i.e.

the tide raising all boats, see section 3.1). Less than half the policies address equity in economic cohesion, for instance among others the EU Single Market programme or the Invest EU and justice is the least addressed principle, as among others in the ESF+, the Rights and Values programme or the Biodiversity strategy.

Figure 3.5 Cohesion objectives and governance



Source: own elaboration

Social cohesion – championing equity. Social cohesion in the EU, Member States, regions and cities underpins the understanding of cohesion as keeping societal groups together and offering a future for all people, acknowledging diversity. All but two of the policies explicitly address social cohesion in terms of mutual interdependencies and equality (see section 3.1), though less than economic cohesion. Economic cohesion is often addressed in relation to several cohesion principles, this is less so for social cohesion. Although policies address the principle of equity in relation to social cohesion more frequently than to any other cohesion objective, still only 2/3 of the policies do so explicitly. Examples for this are among others, the Internal Market and Competition policy, the

Horizon EU programme, the ESF+, as well as the Connecting Europe Facility and the European Health Union to name a few.

Territorial cohesion – a little bit of everything. Spatial inequalities and places drifting apart in Europe at any geographical level – from neighbourhoods to countries – underpin the understanding of cohesion as keeping Europe’s territories together and offering a future and role for all places, acknowledging Europe’s territorial diversity. Although most policies touch upon territorial cohesion they do this less explicitly than with economic and social cohesion. The territorial cohesion objective is also the one least addressed in terms of the justice principle. Among the few cases identified are among others the EU Single Market Programme and Europe fit in a Digital Age. Taking this together with multi-level governance enables conclusions on Barca’s place-based approach. It emphasises tailoring a policy to the specificities of a place and the knowledge of local people.

Interpersonal cohesion – the weakest link. Discussions on places and people left behind illustrate that cohesion is not just about larger groups. People in Europe perceive cohesion also as something personal or individual, i.e. interpersonal cohesion. Although the citizen’s perspective has only recently entered into EU policy making, about half the policies explicitly address interpersonal cohesion. However, there are fewer explicit and implicit references than to the other cohesion objectives. The interpersonal cohesion objective is the least addressed in terms of the equity principle and mutual interdependencies. Promising exceptions are e.g. Horizon Europe and the European Green Deal.

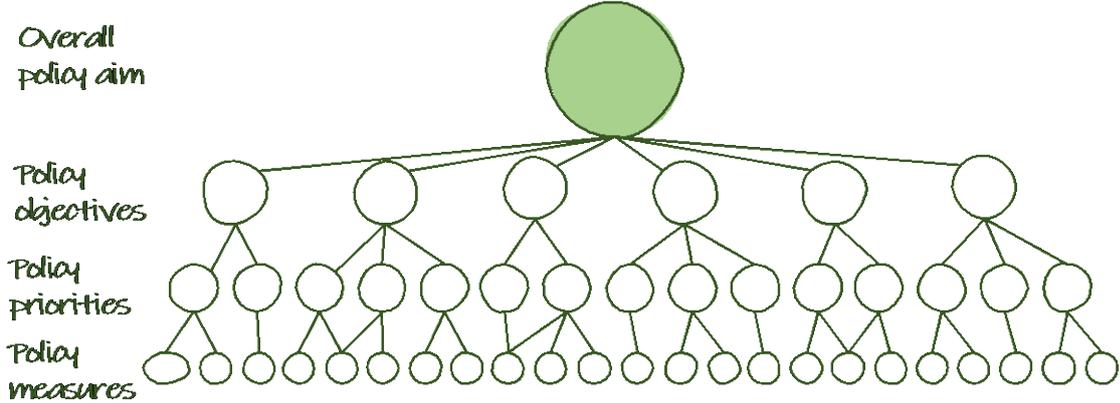
This first appraisal on the embeddedness of cohesion objectives in EU policies, raises the question of whether interpersonal cohesion needs further emphasis in European policies, not least considering the focus on a Europe closer to citizens and increasing discontent. This may also imply a discussion about the differences between social and interpersonal cohesion.

Overall, EU policies address all four cohesion objectives well. Most of them address several cohesion objectives in relation to several cohesion principles. While this reflects a comprehensive approach to cohesion, it might also hint at a lack of focus. Aiming too broadly may risk insufficient power, as e.g. the Connect Europe Facility. This may provide points for discussion on the ‘Cohesion Spirit’ of EU policies in relation to a clear division between policies. Would the overall ‘Cohesion Spirit’ of EU policies increase if every policy focused on cohesion objectives and principles more closely related to specific policy objectives?

3.3 Policy goal trees

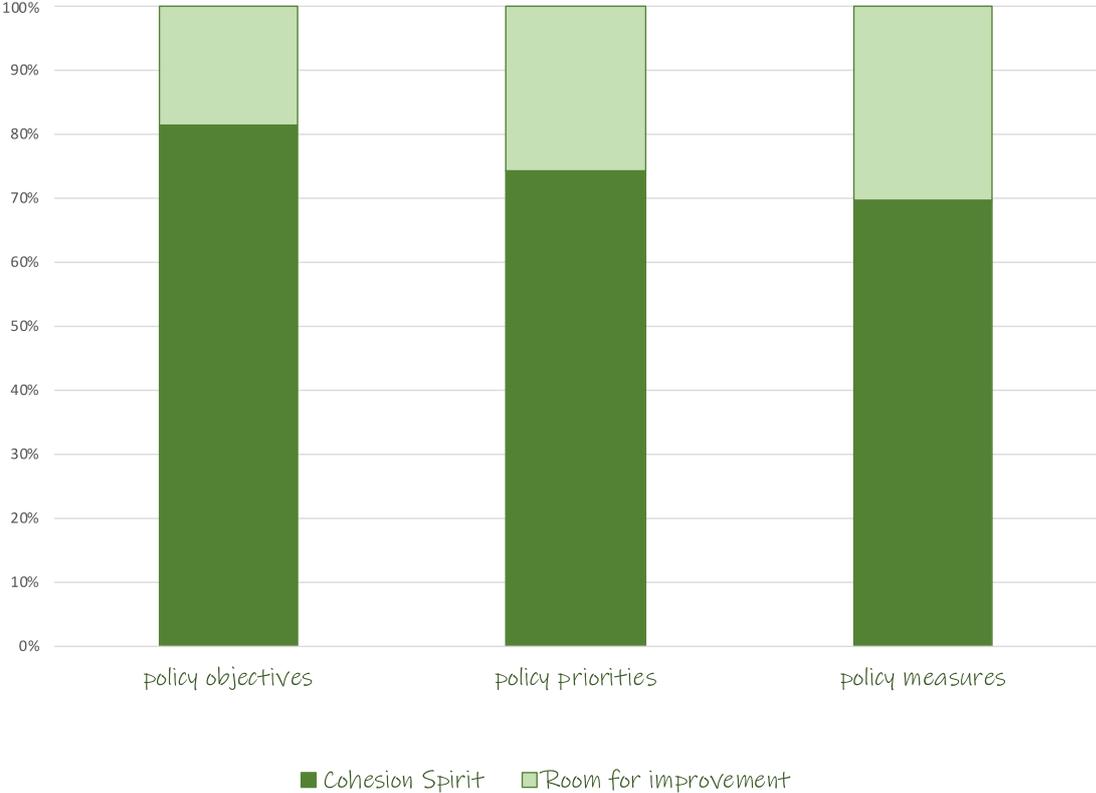
The ‘Cohesion Spirit’ of a policy also depends on where in a policy document the cohesion principles are embedded. In an ideal case, cohesion principles are coherently embedded throughout the goal tree, i.e. from the objectives, via more detailed priorities to concrete measures. For the appraisal, concrete policy measures that are not part of the selected policy document were not considered in the analysis.

Figure 3.6 Simplified policy goal tree



Source: own elaboration

Figure 3.7 Cohesion in EU policy goal trees



Source: own elaboration

Overall, cohesion principles are well embedded in the goal trees of the selected policy document throughout the hierarchy of the goal trees. At every level at least one of the cohesion principles has been explicitly addressed. In most cases, the number of principles explicitly addressed decline as they cascade from policy objectives to priorities and measures. Consequently, there is room for embedding cohesion principles more strongly at the level of measures than at the level of objectives (see Figure 3.8). Room for improvement reflects the difference between the maximum score (i.e. all policies explicitly addressing cohesion) and the actual score.

The depth to which cohesion principles are embedded in policy goal trees varies (see Figure 3.8).

Figure 3.8 Policy goal trees and cohesion principles



Source: own elaboration

The cohesion principle on mutual interdependencies is the most integrated and 13 of the 15 policies explicitly relate to it at the level of policy objectives. Even at the level of policy measures about half explicitly refer to mutual interdependencies, among others InvestEU and Internal market and competition policy.

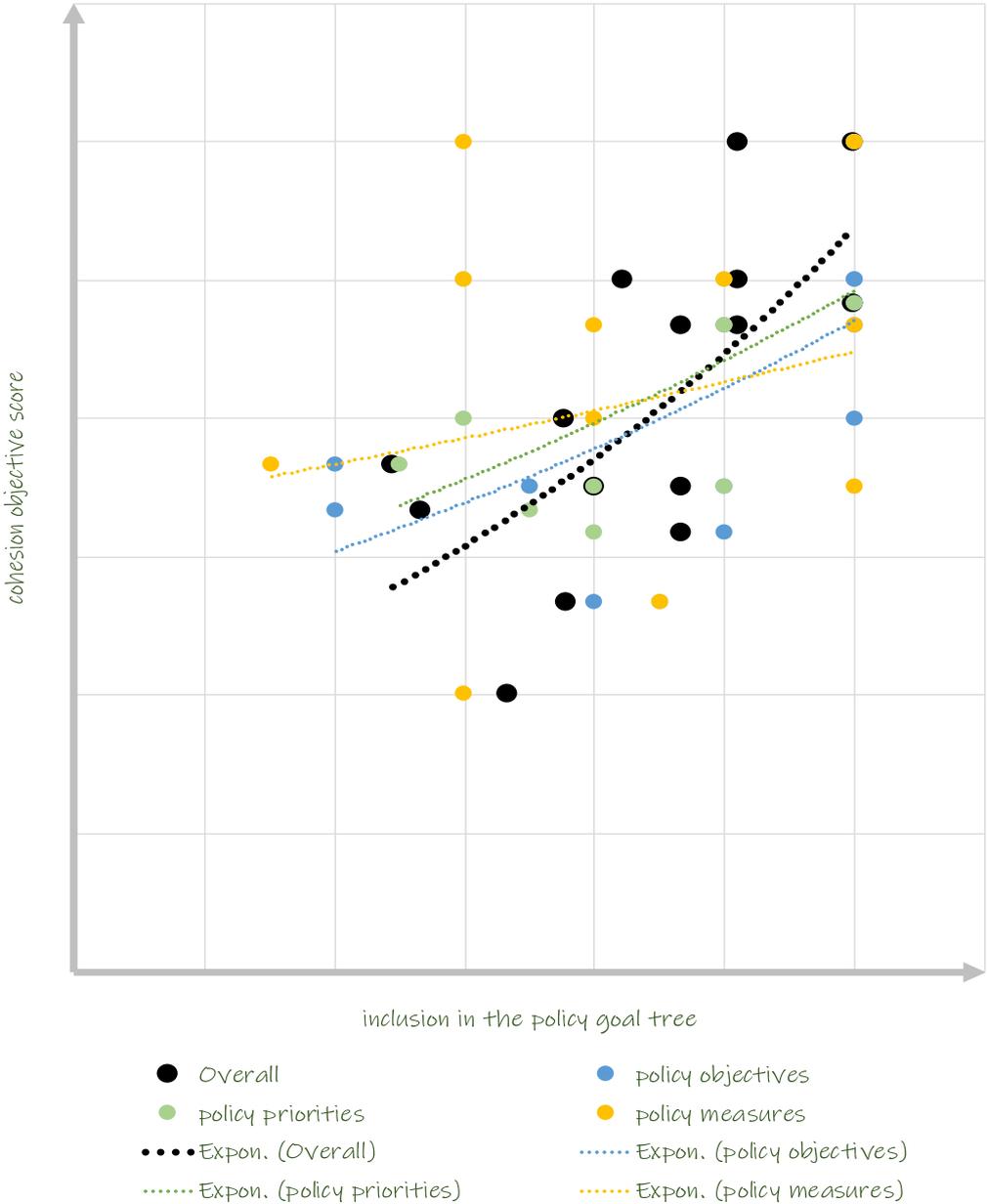
The equality principle is the second most embedded in the goal trees. 12 of the 15 policies explicitly refer to it in policy objectives. Again, at the level of policy

measures about half explicitly refer to the equality principle, among others the ESF+ and ERDF Regulations.

The equity principle comes third. It features more prominently than the other cohesion principles at the level of policy measures. Indeed, 8 of the 15 policies explicitly refer to it at measure level and most others – that have measures in the policy document– refer to it implicitly.

The justice principle is the least addressed at all levels of the goal tree.

Figure 3.9 Policy goal trees and cohesion objectives



Source: own elaboration

The degree that cohesion principles are addressed in policy goal trees seems to go hand in hand with the embeddedness of the cohesion objectives in the policies (see Figure 3.9). Overall, the level that cohesion is integrated throughout a policy's goal tree seems to correlate with the depth to which economic, social, territorial and interpersonal cohesion are addressed in a policy. While this is true for the overall picture, the relationships become weaker when looking separately at policy objectives, priorities and measures.

Most policies in this appraisal cohesion do not have the 'Cohesion Spirit' as their primary aim so its embeddedness is good across all levels of the goal tree.

Most of the policies address several cohesion principles in their objectives, to a lesser degree even at the level of policy priorities and – where applicable – the level of policy measures. As with the discussion on cohesion objectives, it raises the question of whether such a comprehensive approach to cohesion might also hint at a lack of focus. This may provide some points for discussion on the 'Cohesion Spirit' of EU policies with a clear division where every policy focuses on cohesion objectives and principles more closely related to its policy aim.

3.4 Governance arrangements

To be effective and follow through from word to action, the 'Cohesion Spirit' of a policy needs also to be in the policy's governance arrangements, i.e. how policies are designed and implemented. To provide a first impression of 'Cohesion Spirit' in EU policy delivery, the appraisal checked how much the cohesion principles were addressed in the governance arrangements. Only the primary policy documents and no additional information were taken into account.

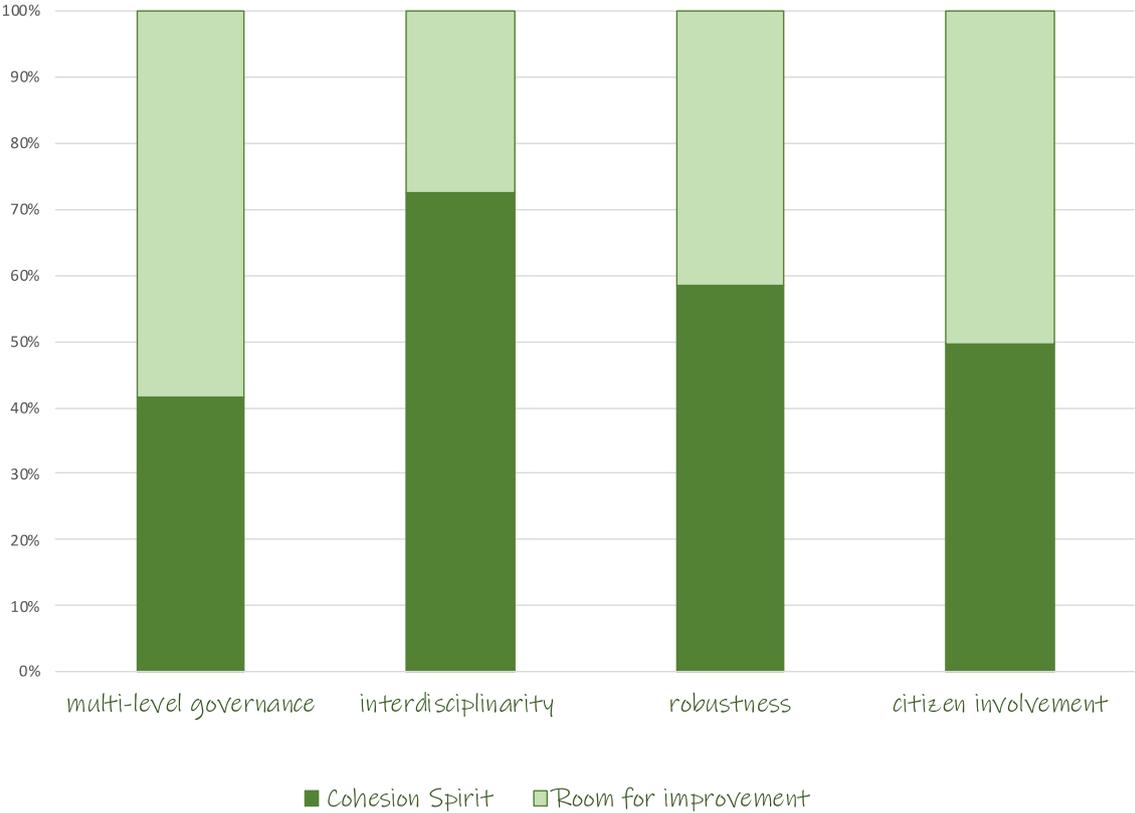
To understand the cohesion dimension of the governance arrangements, four aspects which ensure a cohesion-oriented delivery and governance of a policy (see section 1.3) have been included in the appraisal. These are multi-level governance, interdisciplinarity, robustness (including stability over time) and citizen involvement.

The 'Cohesion Spirit' of the policies is considerably lower for these aspects than for the principles, objectives and goal tree discussed earlier. Indeed, the degree that policy documents address any of these governance aspects in relation to any of the cohesion principles, is low. This suggests that the weak point of the 'Cohesion Spirit' of EU policies lies in governance.

Interdisciplinarity is the governance approach addressed most in relation to the cohesion principles. This is followed by robustness and stability over time. Citizen involvement and multi-level governance are rarely the focus of policy delivery

linked to cohesion principles. Indeed, only a 1/3 of the policy documents make explicit references. This implies there is considerable room for improvement. Figure 3.10 shows the degree to which they are explicitly or implicitly present, and the room for improvement for each of them. Room for improvement reflects the difference between the maximum score and the actual score.

Figure 3.10 ‘Cohesion Spirit’ in EU policy governance arrangements



Source: own elaboration

Interdisciplinarity and cooperation – acknowledging mutual interdependencies. EU policies do not work in silos. Often, they affect developments far beyond their own area, target group or territory. Interdisciplinarity is the most addressed governance approach in relation to the cohesion principles. While 13 of the 15 policies address it explicitly in relation to mutual interdependencies, about half the policies make explicit references in relation to the other cohesion principles (equality, equity and justice) – among these are the Annual Sustainable Growth Strategy 2021 and the ERDF Regulations. This reemphasises the point that EU policies acknowledge mutual interdependencies and thus the rationale for cohesion but are weak when it comes to addressing it.

Resilience, robustness and stability – a fair point. Cohesion is also about reliability and long-term perspectives. In other words, resilience to short-term

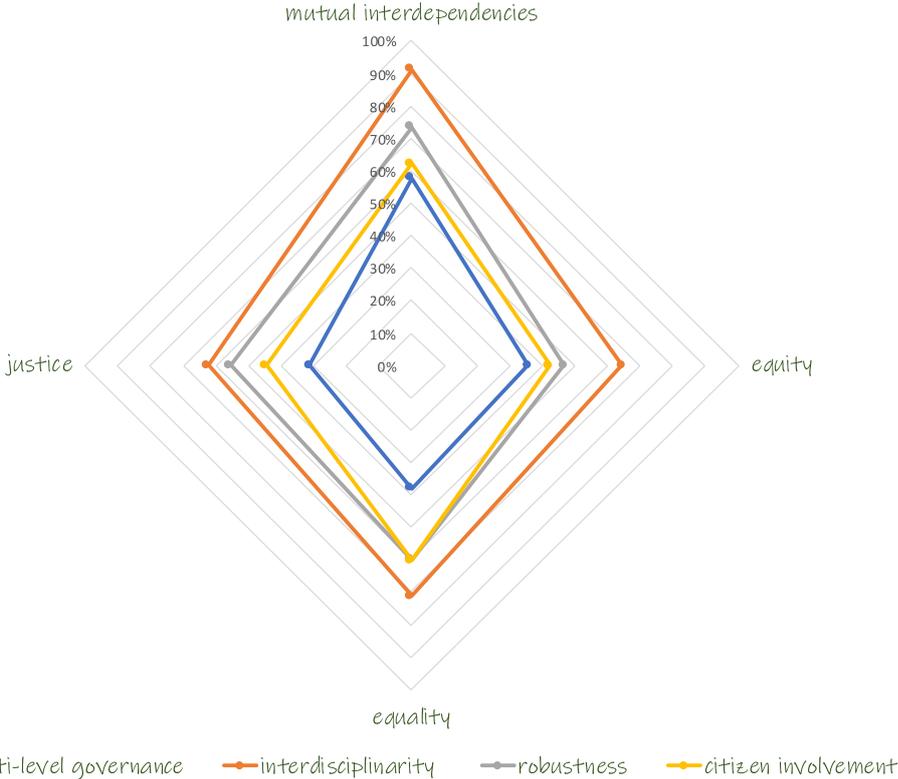
shocks, robustness and stability over time are important characteristics of ‘Cohesion Spirit’. Continuity and dependability are much more important than short term benefits and constant changes of direction. In relation to the four cohesion principles, robustness is explicitly addressed by 9 of the 15 policies when it comes to mutual interdependencies, and about 1/3 of the policies when it comes to the other three principles – among these are Next Generation EU and the EU Green Deal. In general, it appears that policies with cohesion strongly embedded in the goal tree also refer to robustness and stability in governance.

Citizen involvement – up and coming? Cohesion is also about inclusiveness in the governance arrangements, i.e. the level of participatory elements (e.g. civil society, citizens), transparency and the rule of law going beyond a formal approach to multi-level governance. As citizen involvement is a new and still emerging field in EU policy making, it is not surprising that it features rather poorly in the appraisal of cohesion related governance arrangements in the selected policies. About half the policies explicitly refer to such inclusive approaches and the cohesion principles of mutual interdependencies or equality. For the other cohesion principles, about 1/3 of the policies make explicit references to the citizen dimension to some degree. Among them are the Rights and Values Programme and Europe fit for the Digital Age. There is room for improvement, which may be natural for an area which is still comparatively new for EU policy making.

Multi-level governance – disappointing. EU policies affect people, businesses and places at all levels of governance (from local to European). Multi-level governance and shared management approaches strengthen both the targeted delivery of a policy and the sense of being ‘in it together’. This can translate into shared management approaches and application of the partnership principle and certainly subsidiarity. Multi-level governance is a well-established model for EU policies. However, in the 15 policies it features poorly in relation to the four cohesion principles. Indeed, more or less explicit references could only be traced in about 1/3 of the policy documents. Among them are ESF+, CAP and the Biodiversity Strategy. Considering the importance of local and regional stakeholders for place-sensitive policy development and implementation, which points to a need for action.

The overview on how each of the above governance arrangements features in the appraisal with regards to the four cohesion principles shows the comparably weak standing and wide discrepancies when it comes the principles of justice and equity in relation to governance (see Figure 3.11).

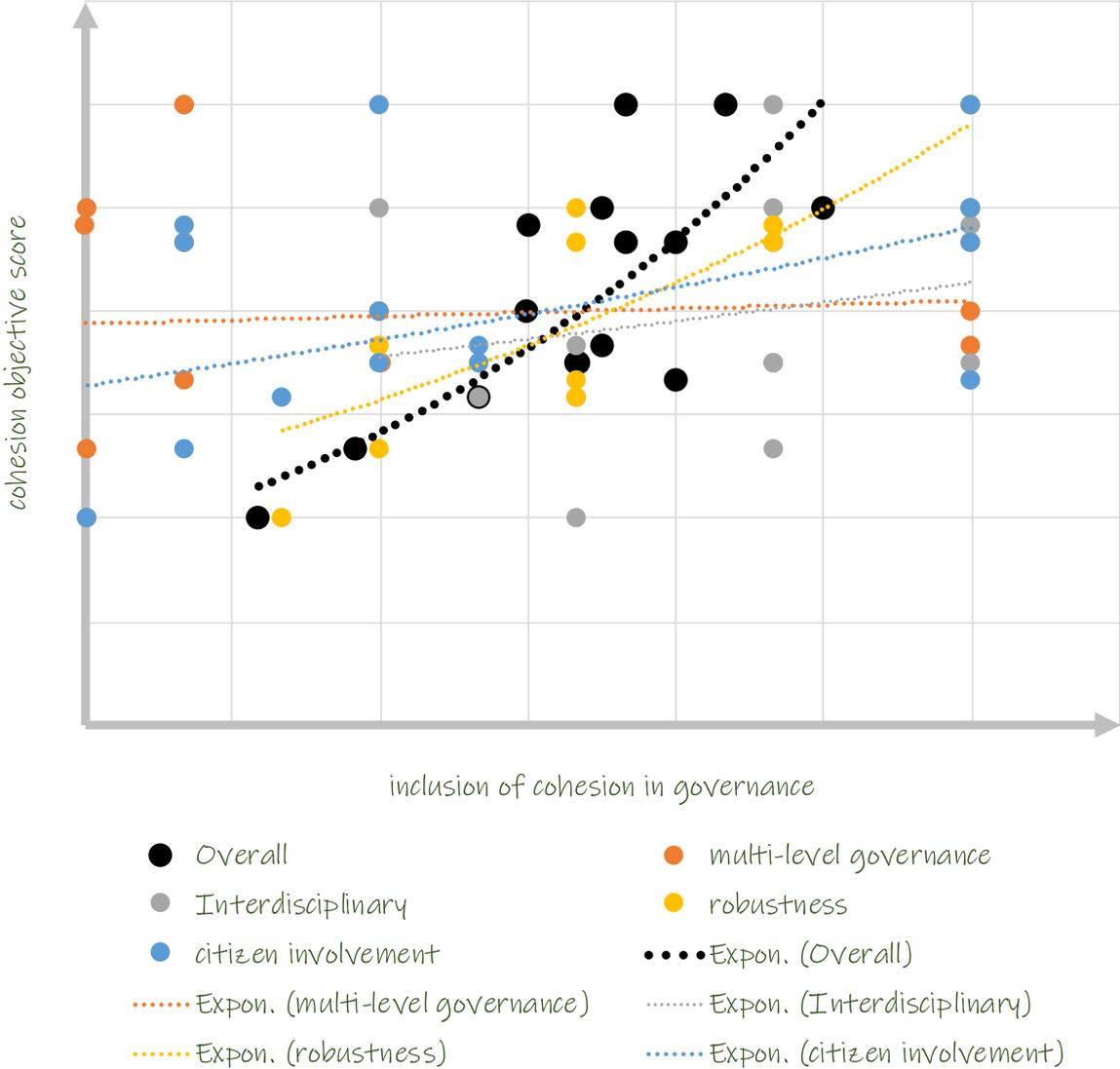
Figure 3.11 Cohesion principles in EU policy governance arrangements



Source: own elaboration

Cross analysing the findings on governance with earlier findings on cohesion objectives (see section 3.2), there are some positive relationships. It appears that a stronger cohesion approach in governance goes hand in hand with strong embeddedness of economic, social, territorial and interpersonal cohesion in the policy documents. While this is true overall, no such correlation can be found when looking at the four governance approaches separately (see Figure 3.12).

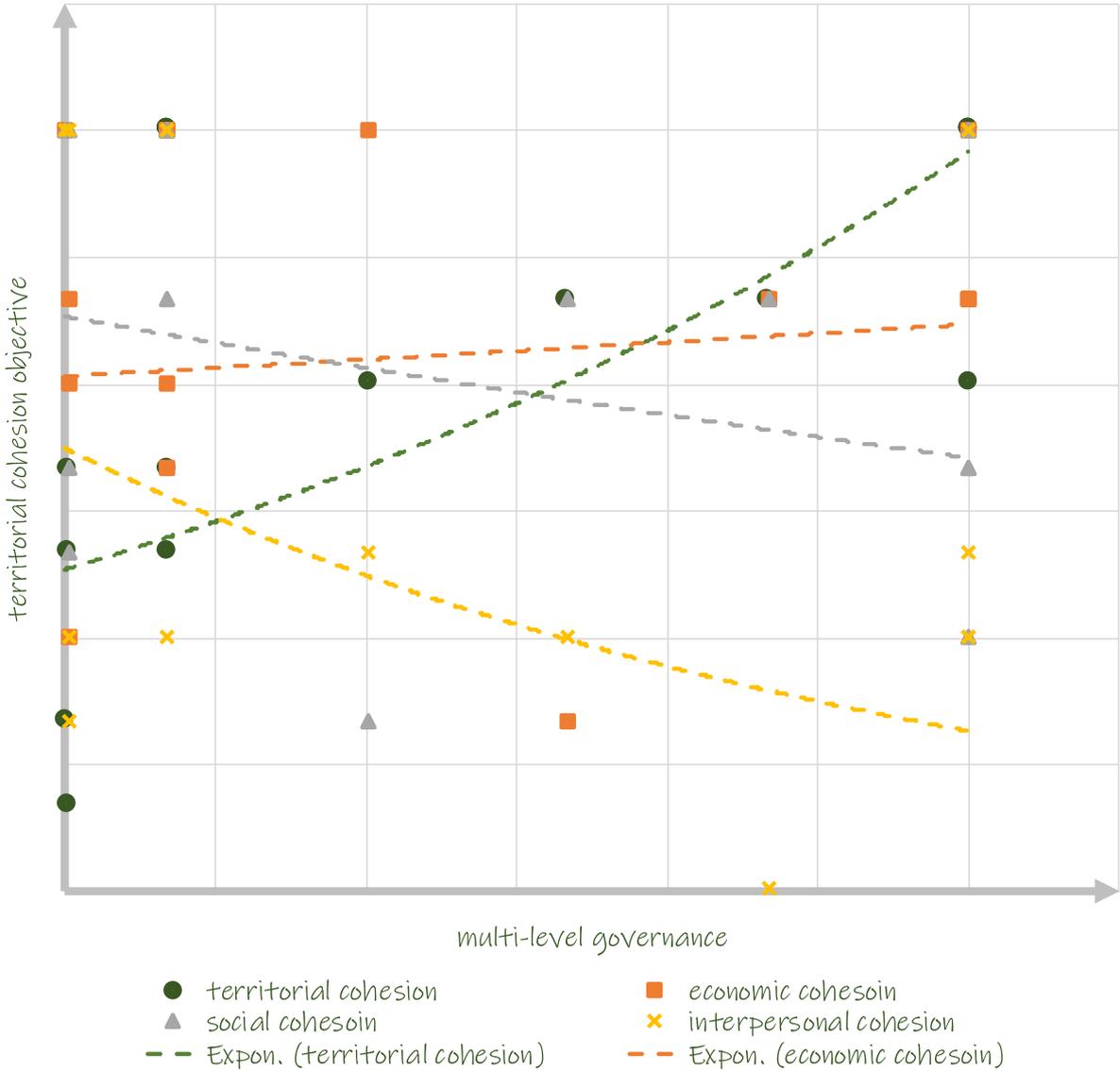
Figure 3.12 Governance arrangements and cohesion objectives



Source: own elaboration

Multi-level governance is a particularly interesting case. As mentioned, it features poorly in relation to the cohesion principles given its long tradition in EU policy making. A cross analysis between multi-level governance and the different cohesion objectives shows some positive links. A stronger territorial cohesion dimension and stronger multi-level governance go together (see Figure 3.13). This relationship differs markedly from the relationships between multi-level governance and economic, social or interpersonal cohesion. Indeed, stronger multi-level governance may even go together with weaker interpersonal cohesion in the policy documents.

Figure 3.13 Multi-level governance and cohesion objectives



Source: own elaboration

Overall, the 15 selected EU policies leave a poor impression when it comes to their ‘Cohesion Spirit’ in governance arrangements. A possible reason might be the complexity of EU policy design and implementation. Nevertheless, given the importance of good quality governance for the success of policies, these first findings suggest the need for a more thorough discussion of governance as a means to move from words to action and unfold the ‘Cohesion Spirit’ in many EU policies.

Particular attention should be paid to governance related to citizen involvement and multi-level governance. As citizen involvement is increasingly important in European policy making, an EU closer to citizens must not get stuck at the level of policy objectives but should be translated into adequate governance routines. Multi-level governance has long been a mantra of European policy making and is

particularly important for ensuring place-sensitive policy making and appropriate involvement of local and regional authorities in European policy processes. Accordingly, the ‘Cohesion Spirit’ of EU policies should be linked to multi-level governance processes much more than the current findings suggest.

These findings also point to the need for more in-depth analysis, research and discussion. Firstly, they reflect a very limited number of EU policies and secondly they are based on a very rough appraisal of the cohesion dimension in the policy documents. To fully understand the complexity and challenges of the ‘Cohesion Spirit’ in the governance arrangements of EU policies more thorough analysis is needed.

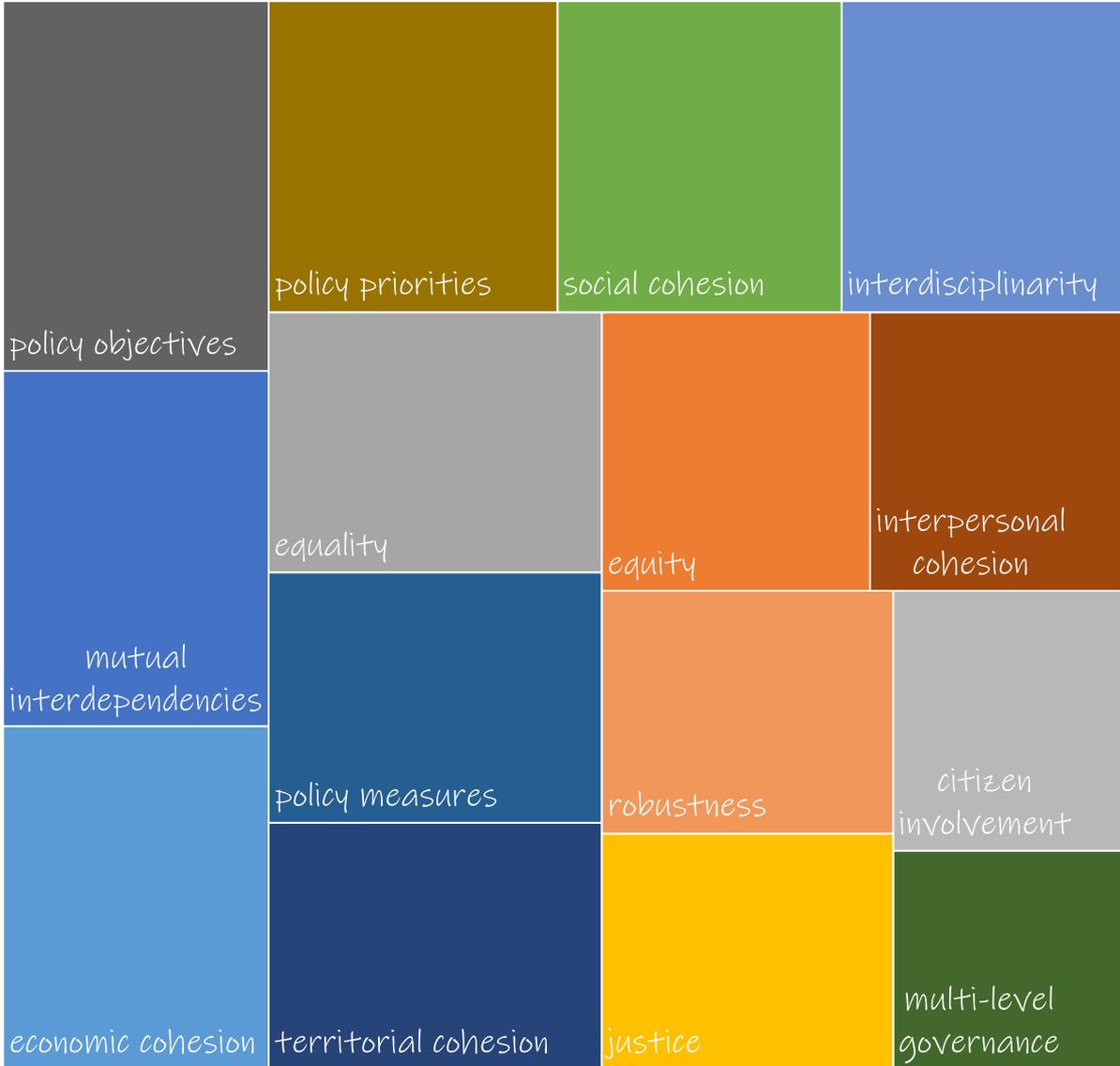
3.5 Conclusion

This first and rough appraisal covers a wide range of policies and policy domains. The appraisal shows that EU policies have a ‘Cohesion Spirit’. This spirit brings together many different facets of cohesion. Some of them are stronger and others are comparatively weak.

Taken together, the degree that policies reflect cohesion principles (mutual interdependencies, equality, equity, justice), cohesion objectives (economic, social, territorial and interpersonal cohesion), how deep they embed these in their goal trees (policy objectives, policy priorities, policy measures) and how they link them to governance arrangements (multi-level governance, interdisciplinarity, robustness, citizen involvement) shows the state of play for the ‘Cohesion Spirit’ in EU policy making. Figure 3.14 shows which elements contribute how much to this general state of ‘Cohesion Spirit’.

While cohesion is widely reflected in the formulation of policy objectives and priorities, there is a tendency to focus on mutual interdependencies. Focusing on the weak points in the figure highlights the need to strengthen multi-level governance and citizen involvement in governance to not only talk about cohesion but also to deliver it. Furthermore, acknowledging that we live in a complex world with mutual interdependencies also highlights the need to strengthen the justice and equity principles in policies.

Figure 3.14 ‘Cohesion Spirit’ Puzzle



Source: own elaboration

Key conclusions of the first appraisal of the ‘Cohesion Spirit’ of EU policies elaborate on these points.

‘Cohesion Spirit’ is less pronounced in policies in terms equity and justice inequalities. Overall, the EU policies address the cohesion principles and thus have a ‘Cohesion Spirit’. This is strongest for mutual interdependencies underpinning the rationale for cohesion. When it comes to ensuring the well-being of people in Europe and avoiding unsustainable disparities, the principle of equality – the tide lifting all boats – is strongest. Equity and justice are less pronounced in the policies. This offers some points for discussion on the ‘Cohesion Spirit’ of EU policies in relation to an EU where imbalances and inequalities could worsen despite those lagging behind often developing faster than average. Europe’s challenge to cope with the difference between catching up

in relative and in absolute terms might already be embedded in the ‘Cohesion Spirit’. In other words, for the ‘Cohesion Spirit’ to become real, the challenge is to not only acknowledge the need for cohesion but also to address the principles to achieve more cohesion.

‘Cohesion Spirit’ where all aim at everything risks being lip service. Most policies address a range of cohesion principles and objectives. This suggests that the ‘Cohesion Spirit’ is broadly embedded in EU policies, but this may not be a good idea. As any EU policy primarily serves its specific policy objectives and ‘only’ by doing so can contribute to the overarching cohesion aim, the question is whether a broad and comprehensive take on cohesion principles and objectives in all policies is purposeful. Indeed, targeting too broadly may just express lip service without actual cohesion ambitions. There is reason to consider a more targeted approach to cohesion in EU policy making. This may include a clear focus where every policy addresses the cohesion principle and objective best fitting its primary policy objective. This way, there might be more chance for policies to embed the ‘Cohesion Spirit’ in the policy, i.e. to mean it and deliver it, rather than just paying lip service. The combination of multiple EU policies would probably still cover the cohesion principles and objectives. Such a division for ‘Cohesion Spirit’ might prove more effective than all policies aiming at almost everything.

‘Cohesion Spirit’ governance arrangements are the weak point. To be effective and follow through from words to deeds, ‘Cohesion Spirit’ needs also to be embedded in the governance arrangements for the design and implementation of a policy. The embeddedness of cohesion principles and objectives in the governance of EU policies is the weak point. Multi-level governance, interdisciplinarity, robustness and citizen involvement are particularly relevant approaches for cohesion. In the EU policies analysed, the cohesion principles are poorly linked to these approaches. Indeed, there is a risk that high levels of ‘Cohesion Spirit’ in the ambitions, objectives and priorities are not carried through to governance of the policies. This implies that policy implementation may fall short. Given the importance of good quality governance for the success of policies, a more thorough discussion is needed on governance as a means to move from words to action and unfold the ‘Cohesion Spirit’ in many EU policies.

‘Cohesion Spirit’ needs to reinforce multi-level governance. Multi-level governance has for long been a mantra of European policy making and is of particular importance in ensuring place-sensitive policy making and the involvement of local and regional authorities in European policy processes. Therefore, it is particularly worrying that – of the four governance approaches analysed – multi-level governance is the least embedded in policies. Given the

importance of local and regional stakeholders for place-sensitive policy development and implementation, this indicates a need for action.

‘Cohesion Spirit’ must reflect the citizen level as important to EU policy making. The citizen perspective is emerging as a focus of EU policy making. This appraisal of the ‘Cohesion Spirit’ considers interpersonal cohesion – complementing economic, social and territorial cohesion – and citizen involvement in governance arrangements. In both cases, the cohesion dimension of EU policies is rather modest. Generally, there are fewer explicit and implicit references to interpersonal cohesion than to the other cohesion objectives. About half the policies explicitly address interpersonal cohesion and this is the least addressed objective in terms of the equity principle. Approaches to citizen involvement also feature poorly in the appraisal of cohesion related governance arrangements. There is room for improvement. The idea of ‘EU closer to citizens’ must not get stuck at the level of policy objectives but must be translated into adequate governance.

‘Cohesion Spirit’ must not be mistaken for cohesion impact. The ‘Cohesion Spirit’ can only reflect the intentions and aspirations in a policy document. This is very different from the actual or potential impact a policy may have on cohesion in Europe. Some policies may have highflying ambitions but fail to deliver as implementation does not meet their ambitions or they simply have too little leverage to impact cohesion in Europe. Other policies may be modest in their ‘Cohesion Spirit’ and ambitions, but turn out to make major contributions to economic, social, territorial or interpersonal cohesion on the ground. Therefore, one should not confuse ‘Cohesion Spirit’ as an expression of a policy’s cohesion aspiration with its impacts on the ground. Europe needs policies with both a high ‘Cohesion Spirit’ and a high impact. In parallel to this study, another study run by the CoR in cooperation with ESPON conducted a territorial impact assessment of the effects of EU decarbonisation initiatives on the ‘Cohesion Spirit’ of the EU (see textbox for further details). This territorial impact assessment confirmed that the broadness of ‘Cohesion Spirit’ – or cohesion as a value – is aimed at indicating a horizon, rather than a specific conclusion. Still, analysing and discussing various relevant regional indicators, the conclusions of territorial impact assessment point to the same conclusions and trends and this report. This includes the different understanding of and emphasis given to different cohesion objectives (economic, social, territorial, interpersonal), the stronger focus on equality than on equity and justice, as well as the need to further strengthen multi-level governance.

‘Cohesion Spirit’ deserves more discussion and deeper analysis. This study is a first attempt to capture the ‘Cohesion Spirit’ of EU policy making. The study shows that even a simple and quick approach can deliver important insights on the state of play of various cohesion facets in EU policy making. However, the

findings in this report are not a conclusive verdict. They merely shed light on elements of the ‘Cohesion Spirit’ that deserve further debate and analysis. Given the complexity of cohesion as an aim of the EU, we need a wider debate about what people in the EU understand as cohesion (in terms of principles and objectives) and how this can be embedded in a wide range of policies and governance arrangements. This, as well as more nuanced debates on the ‘Cohesion Spirit’ of selected policies will improve the situation more than long winded analytical studies. The findings of this report are meant as an invitation to discussions about the appraisals and the ‘Cohesion Spirit’ of EU policies.

Territorial Impact Assessment on EU decarbonisation initiatives

Decarbonisation is a key mission of the EU which will affect many EU policies and needs to be closely monitored as regards its effects on cohesion. Therefore, CoR in cooperation with ESPON run a 'ESPON TIA Quick Check' to identify systemic relations between decarbonisation and its territorial consequences with a set of indicators describing the sensitivity of European regions. Some key findings and maps are presented here, the full report is available online.

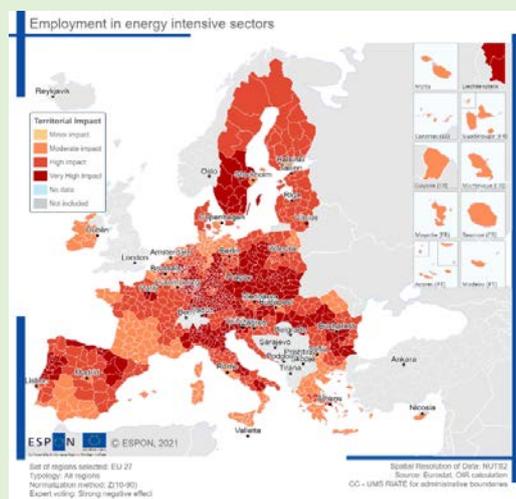
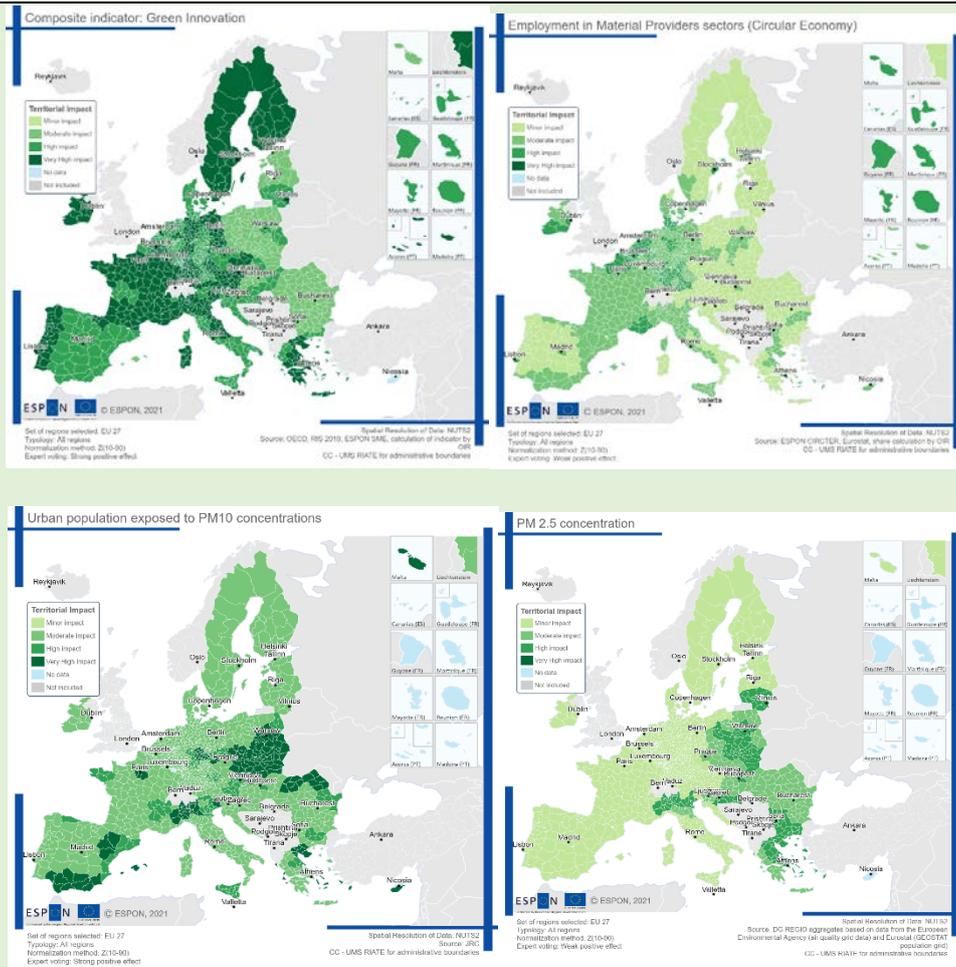
Decarbonisation presents opportunities in terms of R&D and new business models. The first two maps show the potential territorial impact of cohesion effects of decarbonisation initiatives in light of the green innovation capacity and on employment related to the circular economy.

In terms of potential for green innovation, some countries such Sweden, Finland, Ireland, Portugal, France, Belgium, Austria and Greece as are potentially highly affected. Germany, the Netherlands, Lithuania, the Czech Republic and Italy would gain the highest impact at regional level. Circular economy would be a driver for a highly positive impact in many regions in Germany, the Benelux, France, Ireland and in few large cities such as Stockholm, Helsinki and Vienna.

Regions that are expected to get the lowest impact can be found in Eastern Europe, which counteracts classical economic cohesion activities. Nevertheless, these same regions could be the one benefiting most in environmental terms. The third and fourth maps show the potential territorial impact of the implementation of decarbonisation initiatives on air pollution. The regions getting the highest positive impact on PM10 concentrations are clustered in Poland, the Czech Republic and Slovakia. On PM2.5 concentrations the most benefited regions are located in Eastern and South-eastern Europe as well as in northern Italy.

The transition will be hard in most industrial regions, affecting existing companies and workers. Decarbonisation is a societal challenge and requires a significant shift in public policy. The last map shows potential territorial impacts of decarbonisation initiatives on the employment in energy intensive sectors. Two out of five regions could face very highly negative impacts. These regions can be found in almost all member states. However, stronger effects are concentrated in particular in Eastern Europe and some industrial clusters in northern Italy, the industrial centres of eastern and southern Germany, northern Spain, northern Portugal and Southern Sweden.

The TIA workshop on the "Cohesion spirit" applied to decarbonisation policies showed that some regions both have the potential to benefit from decarbonisation and also face many structural challenges.



Source: Territorial impact assessment expert workshop, 15 & 16 March 2021

The full report on the TIA on decarbonisation initiatives is available at <https://cor.europa.eu/en/engage/studies/Documents/tiacohesiondecarbonisation.pdf>

4 ‘Cohesion Spirit’ matters in the light of development trends

The ‘Cohesion Spirit’ of EU policies has implications for wider debates about development and governance in Europe. The following sections sketch the state of play of wider public debates, their impact on cohesion and why a stronger ‘Cohesion Spirit’ might be relevant to these debates.

4.1 Societal changes

Social and economic change in Europe comes with a risk of increasing inequalities, driving people and places apart. Some social groups feel that European and national objectives and outlooks do not address their concerns and prospects. This is expressed in the ‘geography of discontent’ debate. Indeed, widening social and economic disparities in Europe have a spatial dimension such as segregation within towns, cities, rural areas or regions, within regions or countries and within Europe (Territorial Agenda, 2020, p.7). Increasing inequalities and disparities are closely linked to the social dimension of cohesion for well-being and quality of life, poverty and social exclusion, health and access to services of general interest.

Quality of life: The underlying objective of all public policies should be to increase citizens’ well-being and quality of life. This includes multiple factors that influence what people value, beyond purely material aspects (cf. Eurostat, 2015; Hanell, 2018; OECD, 2017). Hanell’s (2018) regional quality of life index (RQLI) shows the regional dimension of well-being in Europe and covers several domains of personal well-being. These include material living conditions, productive or main activity, health, education, leisure and social interactions, economic and physical safety, governance and basic rights, as well as the natural and living environment. Generally, the RQLI shows that ‘out of the three ‘traditional’ dichotomies of the EU territory, two are clearly discernible when it comes to quality of life. We can observe a clear north-south and an equally apparent east-west division of the European space in terms of QoL.’ (Hanell, 2018, p. 191) The rural-urban dichotomy does not hold for regions with the highest quality of life. In general, large cities in western Europe do not have the highest levels of well-being, e.g. for quality of life or low risk of poverty. It seems that some small and medium-sized cities and even some rural areas offer better well-being. In eastern Europe, well-being tends to be higher in urban areas, in particular capital regions.

Risk of poverty and social exclusion: One of the nine dimensions of well-being is material well-being, which affects spatial inequalities as the risk of poverty or

social inclusion matter. In 2018, more than one fifth of the EU-27 population was at risk of poverty or social exclusion (Eurostat, 2020, pp. 80–81). In western EU Member States the risk tended to be higher in cities, whereas in eastern Member States it was usually higher in rural areas. The spatial inequalities of poverty risk declined between 2008 and 2018. Apart from regions ‘losing track’ in their national context, other regions have on average reduced their share of people at risk. However, regions with the highest national share of people at risk of poverty have mostly improved more slowly than other regions. Spatial inequalities between ‘left behind’, which have relatively high inequality, and other regions in the same country have not really been reduced. This poses a severe risk of increasing social and territorial fragmentation. (Spatial Foresight, 2020)

Services of general interest: The accessibility, proximity, affordability and quality of public services is important to social cohesion. Greater cost-effectiveness and efficient public management can lead to the withdrawal or clustering of services in certain locations. At the same time, expectations of availability and quality increase. Differences in access to services of general interest risk driving service providers, enterprises and social activities to relocate to areas with better access in the medium to long run. Often inner peripheries, i.e. areas with poor access to services of general interest, are primarily concerned with social well-being rather than economic development, although the latter may be indirectly involved. This might be due to deprivation because of a remote location or sparse population, or because people have drifted away, affecting age structure, economic activity, tax-raising and old-age dependency. (ESPON, 2018a). New technologies and access to e-services can reduce the sensitivity of peripheral areas to such relocation pressures, and help to address spatial inequalities concerning public services and inner peripheries (Territorial Agenda, 2020, p. 8). There is a risk of more areas having less proximity to services of general interest, due to population concentration and pressure on lower costs for services, which often require larger market areas. There is a risk of increasing inequalities, though spatial integration through functional regions and cross-border cooperation can help to improve access to such services. (Spatial Foresight, 2020)

Further polarisation through demographic and economic concentration drains less well-off areas, decreasing their levels of well-being. At the same time, concentration does not necessarily lead to increased well-being in urban agglomerations, as shown by major urban areas in western Europe delivering a mixed picture in terms of well-being.

This is a challenge which asks for a strong ‘Cohesion Spirit’ in EU policy making. Social challenges and increasing inequalities and imbalances drive European societies further apart and fuel concerns that some people’s concerns and future perspectives matter less than others. The geographical expression of this translates

into ‘places that do not matter’ (Rodríguez-Pose, 2018) and a ‘geography of discontent’ (Dijkstra, Poelman, & Rodríguez-Pose, 2020). In other words, Europe’s societal challenges pose substantial risks to social and territorial cohesion.

Accordingly, the ‘Cohesion Spirit’ of EU policy making matters, to address social challenges and ensure there are future perspectives for all people and places (Territorial Agenda, 2020). In this respect, the ‘Cohesion Spirit’ findings on the equity and justice principles, the interpersonal cohesion objective and citizen involvement are of particular interest.

As outlined in section 3.1 the equity principle is the strongest cohesion principle laying outlining the type of cohesion aimed at (see also Figure 4.2). Limiting social inequalities – such as well-being, risk of poverty or access to services – might benefit from equity-based cohesion but this does little to close the gap or reduce perceived inequalities and discontent. For this the ‘Cohesion Spirit’ of EU policies would need to thrive for a better balance between the equality principle and the equity and justice principles.

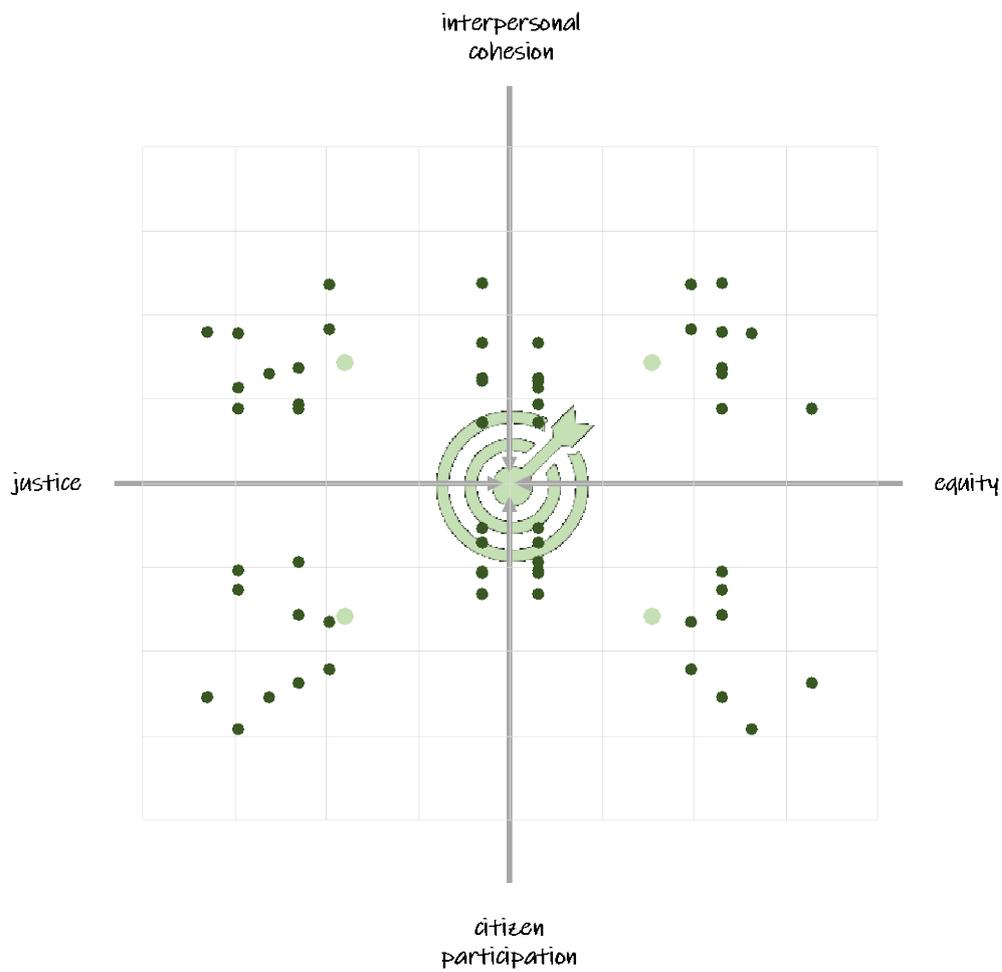
Furthermore, social challenges and inequalities go beyond the classical focus of social cohesion. The new interpersonal cohesion might capture concerns better, as the focus shifts from social exclusion and deprived access to education, work, etc. in ‘absolute terms’, towards more a ‘relative’ or comparative understanding of cohesion. As shown in section 3.2, interpersonal cohesion is reflected much less in the policy documents than economic, social or territorial cohesion.

Last but not least, societal challenges also relate to the need to bring Europe closer to citizens. In the ‘Cohesion Spirit’ this is reflected in governance arrangements bringing citizens on board. Again, citizen involvement was the weakest of the four governance approaches covered in section 3.4.

Although the ‘Cohesion Spirit’ of EU policies could help better address social challenges in Europe, this would require strengthening the weaker elements undermining how cohesion is understood and operationalised. The room for improvement concerning equity, justice, interpersonal cohesion and citizen involvement is illustrated in Figure 4.1. Every policy was analysed for each of the four quadrants and in an ideal world most of them would be at the centre point of the diagram, i.e. explicitly addressing all four dimensions. The light green dots show the average values for each quadrant.

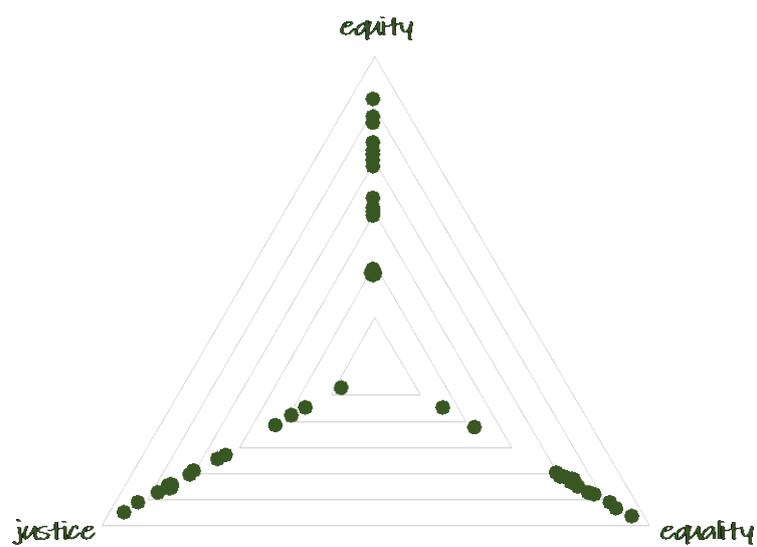
Europe faces many social challenges and increasing inequalities and imbalances – real and perceived – drive people apart. The ‘Cohesion Spirit’ of EU policies can help address this. However, it might require not only a strong ‘Cohesion Spirit’ but also a rebalancing of the various components.

Figure 4.1 'Cohesion Spirit' responding to social challenges



Source: own elaboration

Figure 4.2 Equality – equity – justice imbalances



Source: own elaboration

4.2 European Economic Governance

European Economic Governance is the framework of procedures and institutions set up to pursue the economic, social and financial objectives of the Union. After the 2008 financial and economic crisis, Economic Governance was 'enhanced' by the Six-Pack and Two-Pack reforms as well as 'soft – parametric' and 'hard – binding' policy instruments and processes:

- The European semester through which European institutions and Member States coordinate financial macroeconomic and structural policies. Key EU documents are the Annual Sustainable Growth Strategy (ASGS), Country-Specific Recommendations (CSR) and Country Reports which set out priorities at both EU and Member State levels. Taking these into account, Member States design national plans (Stability or Convergence Programmes - SCPs - and National Reform Programmes - NRPs).
- The banking union including the Single Supervisory Mechanism, the Single Resolution Mechanism and European Supervisory Authorities (ESAs), to prevent crises and ensure that financial players are properly regulated and supervised.
- The European Stability Mechanism (ESM) to prevent financial crises and bail out eurozone countries under extreme financial difficulty¹⁹.

Since the establishment of this 'enhanced' economic governance, there has been significant debate in the academic and political arenas. For 'Cohesion Spirit', the main criticisms concern the contradiction between European governance and economic, social, territorial cohesion, citizen involvement, and multilevel governance:

- Although EU Treaties include economic, social and territorial cohesion objectives, the stability mechanism as well as the European semester seem more oriented towards austerity and competitiveness²⁰. For instance, noncompliance with the fiscal rule triggers sanctions on Member States²¹

¹⁹ This replaces two temporary EU funding programmes: the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM).

²⁰ G. Feigl, *From growth to well-being: a new paradigm for EU economic governance*, ETUI Policy Brief N° 2/2017 European Economic, Employment and Social Policy

²¹ Article 23 of reg.1303/13 (CPR) provides that if a Member State fails to comply with EU fiscal rules, the European Commission can call upon the Council to partially or fully suspend ESI funding.

through the suspension of ESIF investments. This might increase disparities and inequalities between EU territories and citizens²².

- The participation of representative bodies (national parliaments and European parliament) in the establishment of ESM, revision of the excessive deficit procedure, setting up the macroeconomic imbalances and the European Semester have remained extremely limited and non-binding.
- The role of local and regional authorities in the definition of CSRs and NRPs is still marginal and multilevel governance is rarely applied²³.

The COVID-19 emergency has brought to European economic governance what historical institutionalists call a ‘double loop learning’ (Ladi & Tsarouhas, 2020) i.e. a deep and rapid modification of goals and decision-making rules. Firstly, there are flexibility and escape clauses on deficit and State aid rules and the launch of SURE. Secondly, NGEU has been designed and the overall European Semester cycle has been exceptionally revised²⁴.

NGEU and ASGS 2020, in particular, have an intrinsic multidisciplinary approach envisaging a fair and inclusive recovery. Investments for digital and green transition are a chance to contribute to social, economic and territorial cohesion not only in the short term, but even for future generations. The two documents embed the principles of equity and justice coherently along the full objective tree from overall strategic vision to specific measures (i.e. the flagships). Eventually, what emerges in the ASGS is that macroeconomic balance is not a goal *per se* but a means to pursue economic and social resilience.

Equity and justice are also the leading principles of the European Green deal which foresees the green transition as ‘*an opportunity to put Europe firmly on a new path of sustainable and inclusive growth*’²⁵. The synergies between economic sectors (i.e. multidisciplinary) is the core of this strategic approach. The green

²² Begg, Iain, Corrado Macchiarelli, John Bachtler, Carlos Mendez and Fiona Wishlade (2014). *European Economic Governance and Cohesion Policy*.

²³ European Committee of the Regions (2020A), *Active subsidiarity and the European Semester: the involvement of cities and regions in policy making for investment and structural reform*, <https://cor.europa.eu/en/engage/studies/Documents/activity-subsidiarity.pdf>

²⁴In the context of the pandemic crisis and to coordinate it with the Recovery and Resilience Facility, the European Semester has been temporarily adapted to an exceptional cycle. Publication of the ASGS opened this year's cycle then Member States will follow submitting NRPs and recovery and resilience plans in a single integrated document (NRRP). Commission assessments of NRRPs will replace the European Semester country reports in 2021 while there will be no structural CSRs for Member States that have submitted NRRPs.

²⁵ Ref. p. 2 of the European Green Deal

deal entails innovative investments in agriculture, energy, public mobility, industrial production and biodiversity ‘leaving none behind’.

However, there is a consensus that economic governance needs further improvement to fully embed the ‘Cohesion Spirit’. The Commission has implemented a review of Economic Governance and opened a public debate²⁶.

A lesson from the 2008 crisis is that economic governance, and especially budgetary rules, may adversely affect equity and equality. Indeed, budget consolidation in Member States caused a sharp drop in public investment²⁷ and tax increases, rather than rationalising other expenditure items. The combined effect of a lack of public relief, increased fiscal pressure and economic shocks consequently triggered worse economic and social inequalities. Despite these recent changes due to the pandemic, European economic governance can still have adverse effects also due a lack of discernment between current expenditure and investment.

Multilevel governance has been still insufficiently applied in the European semester²⁸. However, in the last two years, involvement of local and regional authorities in the NRPs has slowly improved (although not in all Member States or with the same intensity). Also, CSR are increasingly directed to local and regional authorities and have a local or regional dimension²⁹. This gradual improvement can be harmed by the COVID-19 emergency since all Member States are deeply focused on designing NRRPs seemingly without large consultations involving local and regional authorities. The usual stakeholder consultation channels have been partially disrupted but there is no EU binding obligation. Indeed, the NGEU, ASGS, and the European Green Deal refer to the role of local and regional authorities without acknowledging any specific institutional path.

In conclusion, European economic governance has progressively embedded the ‘Cohesion Spirit’ including equity, equality and even justice as key objectives. ‘No one left behind’, ‘next generation’ and ‘common future’ have become key semantic expressions in the new lexicon and immediate support for vulnerable groups (e.g. children, young unemployed, women), fragile ecosystems and lagging territories is core to the digital and green transition strategy. In parallel,

²⁶ European Commission, COM(2020)55 Economic governance review Report on the application of Regulations (EU) No 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 and 473/2013 and on the suitability of Council Directive 2011/85/EU

²⁷ European Commission (2017) Investment in the EU Member States. An Analysis of Drivers and Barriers, European Economy Institutional Papers 062.

²⁸ European Committee of the Regions, (2020B) *Potential impacts of COVID-19 on regions and cities of the EU*

²⁹ European Committee of the Regions, (2020A) already quoted.

fiscal compliance is now perceived more as a means rather than a goal *per se*. However, materialisation of ‘Cohesion Spirit’ is questionable because budgetary mechanisms have been not yet been adapted to the new political vision. However, the misapplication of multilevel governance, and therefore the limited involvement of local and regional authorities, can undermine democratic ‘legacy and legitimacy’. More importantly, local and regional authorities are on the front line to support the immediate needs of European citizens during the COVID-19 crisis. Almost a third of public spending and more than half of public investment in the EU as a whole³⁰ are made by regions and cities for economic recovery. Therefore, not fully involving local and regional authorities could undermine the effectiveness of the recovery itself³¹, worsening the living conditions of more vulnerable social groups and territories.

4.3 Demographic change

Ageing, domestic and intra-European migration, including depopulation, pose challenges to Europe’s welfare systems and to local and regional development. These demographic dynamics have severe social implications including increased social exclusion and inequalities, as well as challenges for public service provision, labour markets and housing. (Territorial Agenda, 2020, p. 8)

For Europe population projections and scenarios indicate that the total population will start to decline in the near future (see e.g. ESPON, 2010; Eurostat, 2018).

People stand at the very centre of local and regional development in general and of spatial inequalities in particular. In the coming decades the population in Europe is expected to grow before declining, with the growth accompanied by ageing and mainly driven by migration (rather than natural population growth).

These population developments are not equally distributed and are expected to accelerate spatial inequalities across Europe as well as within countries, regions and even cities. Ageing and migration point to further concentration in urban areas along with depopulation in rural and peripheral areas. This especially concerns remote areas that lack access to public services and economic and social opportunities. Extra-European migration flows, including outmigration of young and talented people and immigration of refugees, may exacerbate these challenges. (Territorial Agenda, 2020, p. 8)

Recent demographic analysis (BBSR & ESPON, 2020; ESPON, 2018b, 2019; Eurostat, 2018, 2020) highlights wide-ranging differences in demographic change across the EU. Past and anticipated population changes indicate increasing gaps

³⁰ 2018 figures, Eurostat, data codes: [TEC00023](#) and [TEC00022](#).

between central and peripheral areas at different geographical levels with more spatial inequalities:

- **Demographic growth.** Depending on the model, Europe's demographic development differs. In most cases the population is expected to increase by just over 3% between 2015 and 2050. This will vary considerably between and within countries. Up to 2030, relatively high population growth is expected in western and northern European countries as well as in the main urban centres in eastern Europe (ESPON, 2018c). Most parts of eastern Europe and Germany will continue to depopulate.³²
- **Aging.** These developments are fuelled by an aging society including a decline in the working-age population. While the total population of the EU-27 is expected to decline from 447.6 million people in 2020 to 441.2 in 2050, the median age is expected to increase from 43.9 years to 48.2 years. As result the old-age dependency³³ ratio increases from 32 to 52. This means by 2050 there will be fewer than two persons of working age for each elderly person aged 65 and over.
- **Demographic concentration.** Europe is experiencing an increasing rural-urban divide, as people emigrate from rural or peripheral regions, while most immigrants move to big cities (BBSR & ESPON, 2020, p. 20). This implies that most rural and peripheral areas face population decline (Eurostat, 2018). In rough terms to 2050, most lagging regions (Cohesion Regions) plus large parts of Germany are expected to see population decline. At the same time the highest population growth with more young and working-age people should be in metropolitan areas and their surroundings in Nordic countries, western, central and eastern Europe.
- **Migration.** Migration both internationally and within countries is a key challenge. This includes increasing difficulties to stop a brain drain to vibrant development centres in Europe but increasingly also outmigration from Europe. Still, intra-regional migration generally accounts for a larger share of the net change in population than flows between countries. Eurostat (2020, p. 31) identified some major developments for regional demographics: (a) capital city effect — the population in and around many capital cities continues to expand exerting a 'pull effect' on both national and international migrants; (b) urban-rural split — while the majority of urban regions report population growth, many peripheral, rural and post-industrial regions face population decline; (c) regional divergences within

³² See also Eurostat https://ec.europa.eu/eurostat/databrowser/view/proj_19rp3/default/table?lang=en

³³ Old-age dependency ratio, defined as the ratio of the number of elderly people (aged 65 years and over) to the number of people of working-age (15-64 years).

countries – often people emigrate from rural or peripheral regions, while most immigrants move to big cities (BBSR & ESPON, 2020, p. 20).

The demographic trends suggest that ‘shrinking cities and regions’ will become an increasing issue in Europe. Indeed, population loss was a consistent trend for almost a quarter of European municipalities from 1991-2018, and will grow in relevance over the next decades (Besana & Böhme, 2020). Between 250 and 300 municipalities in Europe are expected to join the group of ‘shrinking cities’ and additionally about 180 NUTS3 regions are expected to initiate a shrinking path in the next decades.

To conclude, demographic trends in the EU point to increasing spatial disparities between municipalities and regions. Thus, they challenge the basis for cohesion. Indeed, widening differences in ageing and depopulation between territories may worsen economic inequalities. The average change in the share of elderly could be 4% higher in areas experiencing population decrease than in areas where population is increasing (JRC, 2021).

The strong sense of mutual interdependencies in the ‘Cohesion Spirit’ of EU policies is an important starting point. It opens the door to addressing push and pull factors for demographic change, in particular in relation to migration flows.

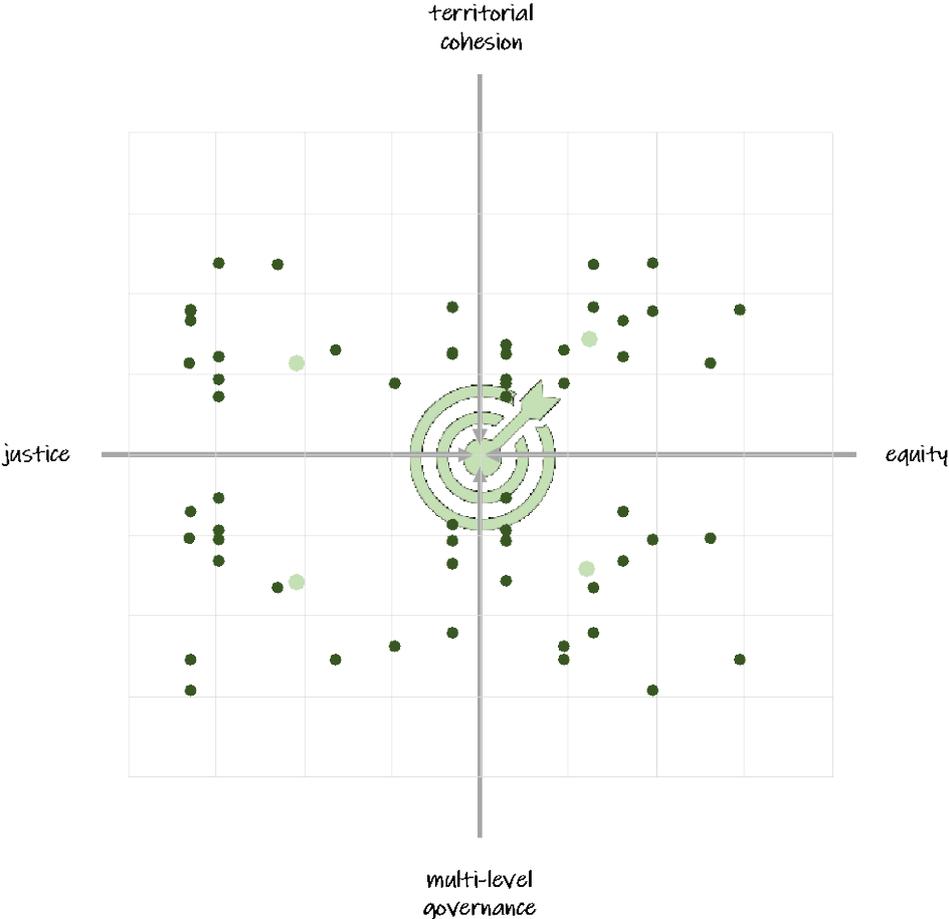
Europe will face a demographic decline in the decades to come. The very idea of territorial cohesion is important for this to not translate into increasing imbalances and inequalities. As has been shown in section 3.2, territorial cohesion is less prominent in EU policies than economic and social cohesion. Increasing numbers of shrinking cities and regions risk fuelling the perception that in some places people are left behind. A stronger focus on territorial cohesion may help address and avoid more places left behind and geographies of discontent, while paving the way towards a ‘European geography of future perspectives’ (Böhme, Lüer, & Toptsidou, 2019).

This will also require more consideration of how to balance equity and justice within the territorial cohesion objective. As Europe will decline demographically, the question is less about the tide lifting all boats (i.e. equality) but more about fair territorial management of demographic decline and its consequences. If Europe does not manage to offer attractive future perspectives to all places, increasing demographic concentration may result in polarised attitudes towards the EU and immigration with increased populism (JRC, 2021). Consequently, addressing demographic challenges in the EU is also related to the just and equity cohesion principles of EU policies in particular for the territorial cohesion objective. As outlined earlier these principles are currently less prominent in EU policies than the equality principle.

This will require cooperation between many partners and a strong emphasis on place-based policy making, helping to find future perspectives fitting local and regional specificities. Multi-level governance is an important ingredient in this and in governance arrangements characterising the ‘Cohesion Spirit’. As outlined in section 3.4, governance linking cohesion aspirations to action are the weak point in the ‘Cohesion Spirit’ of EU policies. This is particularly true for multi-level governance.

Although the ‘Cohesion Spirit’ of EU policies could help better address challenges and their territorial implications in Europe, this would require strengthening some of the weaker elements undermining how cohesion is understood and operationalised. The room for improvement concerning equity, justice, territorial cohesion and multi-level governance is illustrated in Figure 4.3. In an ideal world most policies would be at the centre of the diagram, i.e. explicitly addressing all four dimensions. The light green dots show average values for each quadrant.

Figure 4.3 ‘Cohesion Spirit’ responding to territorial challenges



Source: own elaboration

The ‘Cohesion Spirit’ of EU policies is important to addressing European demographic challenges including aging and migration and reducing their territorial implications.

4.4 Global trends

A variety of global developments and trends will exacerbate the relevance of cohesion challenges in Europe as well as between Europe and other parts of the world. At the same time, they will alter the context in which new challenges need to be addressed. This particularly concerns trends which may impact Europe’s spatial development as well as its ability to respond to the above challenges.

Those expected to have the strongest impacts include exogenous technological trends (e.g. digital society, post-carbon and circular economy), social change (e.g. migration, aging, fluid social institutions and shifts in values) and environment (e.g. adapting/mitigating climate change and managing scarce resources). Some of the most important trends are beyond the influence of policy and decision makers in Europe. As Europe is not an isolated island it is especially important to consider developments outside the Union.

Future trends will probably exacerbate existing challenges (fragmentation, interdependencies and policy mismatches). This is likely to increase perceptions of uncertainty and feelings of vulnerability in a world of exponential disruptive changes leading to a condition of ‘pervasive uncertainty’. (Böhme et al., 2019; ESPON, 2018b, 2019; Gaub & European Strategy and Policy Analysis System, 2019)

- **Technological trends.** Technological progress is a driver of economic and social change, potentially severely impacting spatial development in Europe. Developments that will shape future perspectives range from social and new media as well as mining and processing big data to automation, digitisation and artificial intelligence. The 4th industrial revolution – leading to technology fusions and blurring the lines between physical, digital and biological systems – is expected to have disruptive effects. These include work organisation, social engagement and the transformation of industry, health and education systems. They will also leave a spatial impression and exacerbate inequalities. Industrial transformation is expected to accelerate developments where the ‘winner takes all’, further fuelled by low institutional implementation capacities in many lagging places (Foray, Morgan, & Radošević, 2018; Radošević & Kaderabkova, 2011). This in turn may increase fragmentation and territorial disparities with some territories becoming hotspots of disadvantage and inequality. This fragmentation would also increase place interdependencies. Technology

drives societies and economies to become more fluid, but governments remain to a large extent attached to inherited borders, as well as community identities (e.g. as reflected in political elections). The friction between governmental territoriality and technical fluidity fuels expectations of the internet moving from a world-wide-web into a splinternet or cyber-balkanisation, with parallel transnational networks connecting like-minded parts of the world.

- **Social and demographic trends.** Asymmetries will shape future global demographic developments. While some countries and societies will increasingly age, others will have low median ages. The most attractive and fastest growing centres are expected to not be in the EU and may increasingly attract talent from Europe. At European level, ageing will remain the key influence on demographics with significant impact on pension systems, social values and lifestyles. Other European trends refer to increasing migratory pressures (see e.g. Mancheva, Nonchev, & Ivanova, 2015), for both external and internal migration. As a result of these trends, retrospective political values may continue to rise across Europe in the coming years. Taken together, demographic trends have a negative impact on territorial development objectives. Asymmetric global demographic growth can result in further fragmentation across spaces. Similarly, these trends exacerbate interdependencies across territories or even ignore them (when it comes to closing borders), stressing at the same time a misalignment of geographical jurisdictions for decision making.
- **Environmental trends.** At global level climate change has been an emerging trend for decades. The long-term impacts of climate change will change development perspectives in the decades to come. The loss of biodiversity, pollution of the seas and other developments will become ever more relevant. All these may develop disruptive effects undercutting the basis of livelihoods, the economy and spatial development. Indeed, the environmental trends have negative impacts on the structural challenges outlined above. Climate change, with its geographically diverse and asymmetric impacts and requirement for stronger cooperation, or pollution of the seas and loss of biodiversity which both may have a neutral influence on fragmentation, combined with strong links and cooperation between places, seem to have negative impacts on territories. A related topic is energy production and consumption, where major disruptive effects might be expected as more and more governments pledge to turn carbon neutral in the decades to come.
- **Political trends.** Endogenous factors can be influenced (more) directly by policy makers. It is mainly a matter of political majorities which determine

how political and policy priorities guide decision making and policy choices. At a global level, there are several antipodal developments. On the one hand, global tensions increase with a tendency towards block building and protectionism. On the other hand, multilateral agreements are negotiated in fields from climate change to free trade, although there are difficulties to keep all governments committed to their implementation (e.g. Paris Climate Agreement, Iran Nuclear Deal). At European level, there are developments focusing on Europe's position in the world such as external security threats which lead to increasing protection of EU external borders. There are also internal developments such as efforts to preserve the European economic and social model in times of crisis or increasing divergence in the quality of government, as well as the rise of populism and nationalism.

- **Global geostrategic plans of others.** An exclusively Europe-centric perspective on future development trends and challenges (as well as a variable appetite to continue or deepen transnational and international cooperation) risks missing major drivers for development in Europe (see e.g. Kunzmann, Schmid, & Koll-Schretzenmayr, 2010). Various geopolitical developments may impact economic and territorial development in Europe. In the same way global plans made by non-European governments or multinational corporations include – implicitly or explicitly – ideas for the future of Europe. In addition, some plans and ambitions of such players do not address Europe but will still indirectly affect the EU (e.g. Chinese Belt & Road Initiative, Chinese Cooperation Framework with Central and Eastern European Countries, US trade policies, Google server locations and research). The future of Europe will also be dramatically affected by demographic growth in Africa, global migration (including climate refugees), global trade liberalisation and protectionism, global environmental regulations, as well as changes in computing, communication, transport, energy and biotechnologies.

Most of these risks are the key 'known unknowns' of the 21st Century and the impacts will be extremely different across Europe.

The territorial patterns of Europe already show the dominance of urban areas and concentration tendencies. Global trends are expected to accelerate this. Further concentration is expected due to 'the winner takes it all' philosophy underpinning many global trends. (Böhme et al., 2019; ESPON, 2019).

Seen from a European perspective concentration in urban areas could contribute to a sort of territorial cohesion or balanced urban pattern throughout Europe. Even for more sparsely populated areas, the focus on urban areas may hold the

perspective, that the next urban areas notable at European scale, is in some proximity and developments are not concentrated to 3 or 5 metropolitan areas in Europe.

However, from a more regional perspective, an increasing concentration on urban areas implies growing territorial imbalances and inequalities, which may translate into social fragmentation and increasing discontent. Inequalities between and within countries is a crucial factor driving fragmentation, including instability and the rise of populist politics, referred to as ‘the revenge of places that do not matter’ (Rodríguez-Pose, 2018). Trends accelerating further fragmentation amplify social imbalances. They divide prosperous urban areas with positive future outlooks from less well-off places (often in rural areas or areas of economic decline) with meagre hopes for a bright future. Such an emerging ‘geography of future perspective’ risks threatening cohesion and European integration in all its dimensions (Böhme et al., 2019).

The strong sense of mutual interdependencies in the ‘Cohesion Spirit’ of EU policies is an important starting point for addressing the challenges of global trends. It opens the door to addressing push and pull factors for demographic change, in particular concerning migration.

None of these trends – and their potentially fragmenting effects – can be addressed by one policy or a single territory. Interdisciplinarity is already a strong feature of ‘Cohesion Spirit’ governance arrangements (see section 3.4). This will become even more important in future if common responses are to be found to the fragmentation pressures of global trends.

Global trends will have severe and imbalanced territorial implications, making territorial cohesion more relevant. As shown in section 3.2, territorial cohesion is less prominent than economic and social cohesion in EU policy making.

While territorial cohesion is mainly discussed in terms of cohesion between places in Europe, there is an additional connotation in the context of global trends. In a wider geographical perspective territorial cohesion also concerns imbalances and inequalities between Europe and other parts of the world, in particular neighbourhoods to the south and east. This poses an additional cohesion dimension and challenge so far not covered in the analysis and hardly addressed by EU policies. Indeed, most EU policies – when they do not concern global or neighbourhood issues – take an inward-looking perspective to the EU as a self-contained island.

4.5 Good governance

The quality of government and governance processes matters for the well-being of our society and is a prerequisite for long-term sustainable development, social trust and political legitimacy. As highlighted in the Seventh Cohesion Report (European Commission, 2017), government and governance quality at all levels varies across Europe. Although the largest differences in quality of governance are between countries, there are regional variations within countries. The low quality of governance in some countries and regions suggests that some less advantaged regions may be stuck in a low administrative-quality, low growth trap. In regions with relatively high growth over the past decade, poor quality of government is understood to limit further growth and any move to a higher value-added economy (European Commission, 2017).

The quality of governance matters for territorial cohesion. Rodríguez-Pose & Ketterer (2020) also point out that improvements in government quality are fundamental for economic growth. Regions that reduce corruption and improve government effectiveness, transparency and accountability have better economic development than other regions. In conclusion, poor quality government and governance risks diminishing marginal utility and returns on investments in infrastructure, human capital and technology in the territory. Rodríguez-Pose & Ketterer (2020) underline that the quality of government affects not only economic growth and the benefits of European cohesion policies, but also shapes regional competitiveness. Furthermore inefficient (or even corrupt) governments undermine regional potential for innovation and entrepreneurship and weaken the attractiveness of regions. Also, regional environmental performance and investment in public goods are affected, as well as inclusiveness and participation.

Going beyond the economic argument, governance quality also matters for social and territorial cohesion. Purely geographical factors are important drivers of anti-European voting, expressing a ‘geography of discontent’ and risks of societal and territorial fragmentation. Dijkstra et al. (2020) point out that addressing the ‘places that do not matter’ (Rodríguez-Pose, 2018) is possibly the best way to address this increasing fragmentation. This means addressing the territorial distress felt by places that have been left behind and promoting policies that deal with long-term trajectories of low, no, or negative growth. As outlined above, this will also require addressing the quality of governance and government as a key obstacle to development in regions with persistently low growth rates. Measures to improve government quality need to be integral to any efforts supporting regional development in Europe and have a clear cohesion dimension.

Summing up, the quality of government and governance plays a major role for policies to contribute to local and regional development. Differing qualities of

government and governance are reasons for disparities in local and regional development and why the cohesion ambitions of EU policies do not reduce inequalities to the degree they could. This underlines the importance of governance linked to the ‘Cohesion Spirit’ of EU policy making, and the need to improve these not only at EU level but also at national, regional and local levels.

As discussed in section 3.4, governance arrangements are the weakest link in the ‘Cohesion Spirit’ of EU policies. All four governance approaches included in the appraisal of the ‘Cohesion Spirit’ are relevant for this:

- **Participatory processes**, in particular citizen involvement, are important for bringing the EU closer to citizens and for increasing citizen trust in decision making processes. If taken seriously, it should help reduce fragmentation caused by the perception that certain groups or places do not matter and are left behind by policy making.

Citizen involvement and participatory approaches feature rather poorly in the ‘Cohesion Spirit’ appraisal in many of the policies selected. As outlined earlier, this is an emerging arena for EU policy making, which hopefully will grow over time.

- **Multi-level governance** is an important way for EU policy design and delivery to ensure the involvement of players at different levels. It is also an important vehicle for bringing in knowledge from various governance levels and helping place-sensitive decision making. Multi-level governance also broadens the number of players involved in policy processes increasing the transparency of decisions.

In relation to cohesion principles, multi-level governance features poorly in many of the policies selected.

- **Interdisciplinarity** and cooperation between policy domains is another important element when addressing complex policy issues and objectives. Coordination of sector policies limits contradicting objectives and effects. As with multi-level governance, it also broadens the number of players involved in policy processes, limiting decisions that lack transparency.

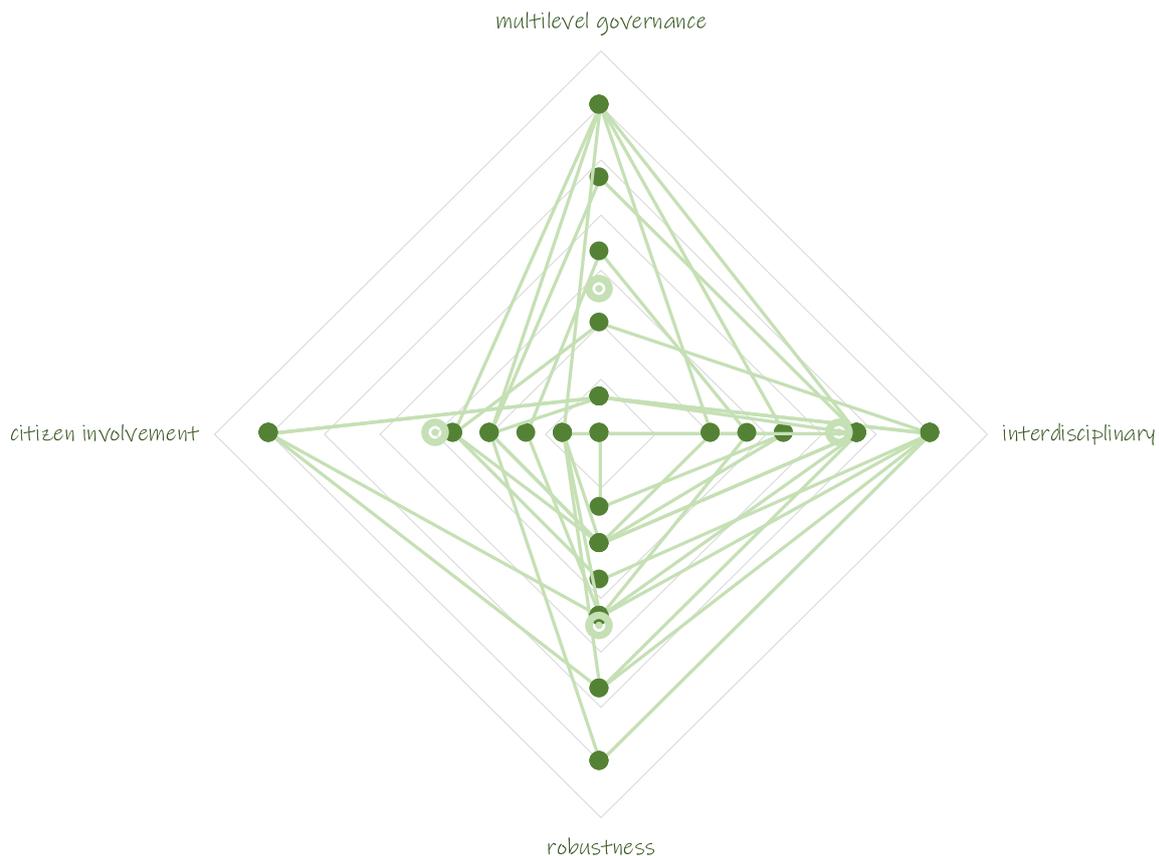
In the ‘Cohesion Spirit’ appraisal, interdisciplinarity is the most prominent governance approach in relation to cohesion. Though in most cases this is related to policy coordination at EU level and does not allow conclusions on whether the positive approach is carried over in other governance levels involved in the policy delivery.

- **Robustness** and stability over time are important characteristics of policy making to ensure long-term orientation of decisions and building trust in a policy process.

In the ‘Cohesion Spirit’ appraisal robustness features well in relation to cohesion. In most cases though this is related to policy coordination at EU level and does not allow conclusions on whether the approach is extends to other levels involved in policy delivery.

As pointed out, multi-level governance and citizen involvement feature weakly in the policy documents assessed. Figure 4.4 shows how each of the 15 policies is seen in relation to the four governance approaches included in the ‘Cohesion Spirit’ appraisal. The light green circles indicate the average value for each approach. The figure shows the diversity and the need for action to strengthen the governance dimension.

Figure 4.4 ‘Cohesion Spirit’ governance approaches



Source: own elaboration

Europe has extremely diverse quality of government and governance which hampers ambitions to improve economic, social, territorial and interpersonal cohesion. It risks increasing social and territorial fragmentation and long-term

trajectories of low, no or negative growth. To move towards the cohesion objectives laid down in the Treaty, the governance dimension of the ‘Cohesion Spirit’ is crucial.

This is not a task for a single player or policy. Mutual interdependencies in Europe are high, so we are in this together. This is illustrated by the high recognition of mutual interdependencies in the ‘Cohesion Spirit’ appraisal.

4.6 COVID-19 pandemic

The COVID-19 pandemic has been a game changer for social and economic life in Europe – at least temporarily. As already shown in the 2020 Barometer of regions and cities in Europe (CoR, 2020), the pandemic and restriction policies in particular affect local and regional development in Europe and impact cohesion.

Beyond health care the pandemic affects all parts of our society.

Economic cohesion. The economic dimension ranges from extra costs for health care and economic support to companies and individuals to cope with restrictions introduced during the pandemic, as well as losses in economic activity, jobs and taxes. Throughout the first year of the crisis economic players faced different levels and periods of restrictions, even forcing some to scale down or stop their activities. Most severely hit was the tourism sector, which employed 22.6 million people (11% of total EU employment) and accounted for 9.5% of EU GDP in 2018. This sector illustrates the severity of the economic impact. Travel restrictions and lockdowns have devastating impacts on the tourism industry in most parts of Europe. Nights spent in tourist accommodation in April 2020 were 95% below April 2019 and in November 2020 they were still 76% below the year earlier. These figures show just the tip of the iceberg as reduced travel and tourism trickles down through complex ecosystems to a wide range of other players that directly or indirectly live on tourism. Furthermore, there are considerable regional variations of impacts from the pandemic. At the same time, some sectors also experienced a considerable upswing, including digital and health care. Overall, the pandemic has severely affected economic cohesion.

Social cohesion. The social dimension of the pandemic ranges from different social groups being exposed to the virus to different degrees to the diverse social impacts of restrictive measures. Often less well-paid groups are more exposed to the virus including nurses, bus drivers, delivery employees and shop assistants who cannot withdraw to relatively safe home offices. Furthermore, some of the less well-paid were the first forced into furlough as their workplaces had to close for health reasons, e.g. people working in hospitality or the cultural sector. Furthermore, many less-well off social groups live in crowded spaces, which

makes lockdowns more inconvenient than for those in a large house with a garden. In many of the social groups most negatively affected by the pandemic, women are over-represented. Beyond this, the homeless and elderly are often more severely affected than other citizens. Also many children and teenagers are particularly affected when their home environment does not support home schooling. In short, the infection risks as well as social and physical pressure vary across social groups and in many cases may also have longer-lasting effects. In short, the pandemic affects social cohesion.

Territorial cohesion. The pandemic has a multitude of territorial impacts, as the economic and social impacts translate into territorial ones. The territorial effects of COVID-19 vary between places with many infections and deaths along with places which hardly seem affected. This has led to policy interventions improving the readiness of the healthcare system along with large scale responses in terms of lockdowns. The geographic impacts of the social and economic standstill are diverse and differ from the territorial patterns of infections or deaths. Although most policy responses were national, they resulted in very different regional situations. The socio-economic asymmetry of consequences across Europe, countries and regions is largely shaped by diverse regional characteristics. The impacts of lockdowns led to a wide range of recovery policies, with many still in the making. These policies – whether managed at EU or national level – also come with varied territorial impacts. In an ideal scenario, the territorial impacts of recovery policy would be a mirror image of the territorial impacts of lockdowns, with a surplus in areas which faced development challenges prior to COVID-19. Overall, the pandemic affects territorial cohesion and risks widening inequalities and imbalances across Europe.

Interpersonal cohesion. Territorial, economic and especially social impacts boil down to the personal level. Although at the beginning of the pandemic there was a lot of talk about solidarity, ‘contemporary realities’ lead to estrangement between people affected by the pandemic in very different ways. Indeed, the pandemic produces losers and winners, increasing disparities between people in terms of health risks, access to health care, social deprivation, income, access to support, etc. The pandemic affects interpersonal cohesion and risks widening inequalities and imbalances.

The pandemic affects all dimensions of cohesion and risks driving economies, societies, places and people further apart. This makes cohesion as an aim of the EU and the ‘Cohesion Spirit’ of EU policies ever more important.

5 Conclusions and reflections

Despite cohesion being an aim in the EU Treaty, imbalances and inequalities are increasing. Many of the trends and challenges shaping the future could increase disparities and fragmentation (see section 1). Indeed, the EU may even reach the point where growing disparities undermine future development perspectives and the basis of the EU's prosperity and integration.

This despite the fact that economic, social and territorial cohesion and solidarity are an aim of the EU and despite the EU having the world's most extensive development policy – EU Cohesion Policy.

There are two important reasons for this. Firstly, strategies based on a mix of infrastructure development, human capital and innovation or technology have not succeeded in dealing with growing inequalities and their harmful economic, social and political consequences. This also applies to EU Cohesion Policy, where the bulk of investments focus on improving infrastructure, increasing the availability and quality of human capital and strengthening the innovation capacity of individuals and businesses, in particular in less developed areas. (Rodríguez-Pose, 2020)

Secondly, it is a misconception to believe that increasing imbalances and inequalities – as well as the transition to a green and sustainable Europe – can be addressed by a single policy or financial instrument. A wide range – if not all EU policies – need to contribute to limiting imbalances and inequalities so they do not drive people and territories apart undermining future development perspectives. This implies that cohesion as an aim of the EU needs to be embedded in all EU policies. Although every policy must primarily serve its own specific aims and objectives, it also needs to have a 'Cohesion Spirit'. Only then can imbalances and inequalities be addressed appropriately, so they do not put future perspectives for Europe, its places, people and businesses at risk.

To further this debate, this report provides a first appraisal of how strong the 'Cohesion Spirit' of selected EU policies is, i.e. how they reflect cohesion as a European value.

Key conclusions of the first global appraisal of the 'Cohesion Spirit' of EU policies highlight the points which have already been presented in section 3.5.

- **'Cohesion Spirit' of EU policies is strong.** Links to cohesion principles and objectives have been found in all EU policies assessed. This provides a good starting point, as cohesion is an underpinning value in EU policies.

However, there is considerable room for improvement, in particular if looking to move from aspiration to action.

Reflections

⇒ *How stable is this strong ‘Cohesion Spirit’ over time, as the meaning of cohesion and its prominence in policy debates changes?*

- **‘Cohesion Spirit’ is less pronounced in addressing inequalities in terms of equity and justice.** EU policies address cohesion principles with a bias to mutual interdependencies as underpinning the rationale for cohesion. Among the cohesion principles addressing ways to limit disparities, the principle of equality – the tide lifting all boats – is strongest. The equity principle and the justice principle are less pronounced in the policies.

Reflections

⇒ *Is it sufficient if the ‘Cohesion Spirit’ of EU policies acknowledges the need for cohesion but remains less outspoken on how to achieve it?*

⇒ *What does the preference for equality over equity and justice mean for the risk of growing imbalances and inequalities, despite those lagging behind often developing faster than average?*

⇒ *Is the challenge of coping with the difference between catching up in relative and in absolute terms already embedded in the ‘Cohesion Spirit’ of EU policies?*

- **‘Cohesion Spirit’ where all aim at everything risks being lip service.** The ‘Cohesion Spirit’ is broadly embedded in EU policies, as most policies address different cohesion principles and objectives. Any EU policy should primarily serve its specific objectives and ‘only’ by doing so also contribute to overarching cohesion. Addressing many different cohesion facets may water them down. Indeed, targeting too broadly may just express lip service without actual cohesion ambitions. Certainly, there are differences between policies so overarching policies providing general guidelines might need to address more cohesion facets than policies for specific sectors or instruments.

Reflections

⇒ *Is a broad and comprehensive take on cohesion principles and objectives in all EU policies purposeful, given the multi-faceted dimensions of cohesion?*

⇒ *Would a more focused approach – where each EU policy addresses cohesion principles and objectives best fitted to its primary aim – be more purposeful and reduce the risk of lip service?*

- **‘Cohesion Spirit’ governance arrangements are the weak point.** To be effective and follow through from words to deeds, ‘Cohesion Spirit’ needs also to be embedded in the governance arrangements of policy design and implementation. The embeddedness of cohesion principles and objectives in the governance arrangements of EU policies is the weak point. There is a risk that the high levels of ‘Cohesion Spirit’ in the ambitions, objectives and priorities of policies are not carried through to governance. Also, the degree that governance arrangements are addressed vary depending on the type of policy (see above).

Reflections

⇒ *Is a high ‘Cohesion Spirit’ in the ambitions, objectives and priorities of policies sufficient or must it extend to the governance arrangements for policy design and delivery?*

⇒ *To what degree does the quality of government and governance matter for moving from words to action and unfold the ‘Cohesion Spirit’ in many EU policies?*

- **‘Cohesion Spirit’ struggles with multi-level governance.** Multi-level governance is a key characteristic of EU policy making. Still, governance approaches related to interdisciplinarity, robustness and even participatory processes are more strongly embedded in the ‘Cohesion Spirit’ of EU policies than multi-level governance. Considering the importance of local and regional stakeholders for place-sensitive policy making and implementation, it is particularly worrying that multi-level governance is not more deeply embedded in the cohesion dimension of the policies.

Reflections

⇒ *Is multi-level governance institutionalised and internalised in EU policy making to such a degree that it does not need to be explicitly addressed when discussing the delivery of cohesion objectives?*

⇒ *What does the comparably poor focus on multi-level governance in the policies’ ‘Cohesion Spirit’ say about the importance of local and regional authorities and place-based policy making?*

- **‘Cohesion Spirit’ still discovering the citizen level as important in EU policy making.** The citizen perspective is emerging as a new focus of EU policy making. In the ‘Cohesion Spirit’ appraisal this is reflected in the interpersonal cohesion objective – complementing economic, social and territorial cohesion – and citizen involvement in governance. In both cases, the cohesion dimension of EU policies is modest. Generally, there are fewer explicit and implicit references to interpersonal cohesion than to the other cohesion objectives. Citizen involvement features poorly in the appraisal of cohesion related governance arrangements.

Reflections

- ⇒ *Does the objective of interpersonal cohesion deserve more attention – on a par with economic, social and territorial cohesion – given increasing levels of discontent and fragmentation in the EU?*
- ⇒ *How can the idea of an ‘EU closer to citizens’ be translated into adequate governance routines, so it does not get stuck at the level of policy objectives?*

- **‘Cohesion Spirit’ must not be mistaken for cohesion impact.** The ‘Cohesion Spirit’ reflects the intentions and aspirations in a policy document. This is very different from the actual or potential impact a policy may have on cohesion in Europe. Therefore, the ‘Cohesion Spirit’ of a policy should not be confused with its impacts on cohesion on the ground. Europe needs policies with both a high ‘Cohesion Spirit’ and a high impact.

Reflections

- ⇒ *Why is there so little (public) debate about the ‘Cohesion Spirit’ of EU policies, i.e. their intentions and ambitions to increase economic, social, territorial and interpersonal cohesion (beyond Cohesion Policy itself)?*
- ⇒ *How can the appraisal of a policy’s ‘Cohesion Spirit’ be linked to assessment of its impact on cohesion?*

- **‘Cohesion Spirit’ deserves more discussion and deeper analysis.** This first attempt to capture the ‘Cohesion Spirit’ of EU policies shows that even a simple and quick approach can deliver important insights on the state of play of various cohesion facets in EU policy making. Still, the findings in this report merely shed some light on elements of the ‘Cohesion Spirit’ that deserve further debate and analysis. Although the ‘Cohesion Spirit’

appraisal tries to capture many facets of cohesion, it does not capture the full complexity of cohesion as an aim of the EU.

Reflections

- ⇒ *Does Europe need a wider debate about cohesion as an aim of the EU; what do people understand as cohesion (principles and objectives) and how can this be embedded in policies and governance arrangements?*
- ⇒ *Should this rough and general appraisal of the ‘Cohesion Spirit’ be followed up by a more nuanced debate for specific policies, including discussions with people working on these policies?*

The findings of this report are meant as an invitation to discussions about the understanding and state of play of the ‘Cohesion Spirit’ of EU policies. The appraisals in this report should merely help to initiate or provoke such discussions and by no means anticipate its results.

PART B – Cohesion Spirit

Introduction

‘Cohesion Spirit’ is about societal values. At present this means addressing the increasing inequalities that risk fragmenting and breaking apart Europe’s economies, societies and places. The idea of ‘Cohesion Spirit’ is closely linked to the broad political debates about climate change, just transition and places left behind. Each of these political debates addresses issues about unequal impacts of developments, leading to increasing disparities and decreasing cohesion in Europe.

This Report builds on an earlier study assessing the ‘Cohesion Spirit’ of various EU policies which stressed how much Europe needs a serious and broad debate about cohesion. Increasing inequalities and disparities risk driving people and places in Europe apart. Current developments and official policies aims point in the opposite direction. It is time to reconsider and possibly update the purpose and meaning of these policy objectives. Regardless of the meaning we give to cohesion, we need to think about how to deliver it and the related policy challenges.

In this report, we develop concrete proposals of how ‘Cohesion Spirit’ can be strengthened in Europe and also provide initial ideas of the risks or costs of not doing so. The focus is on the need to broaden our understanding of cohesion to also include interpersonal, digital and ecological cohesion. This implies that cohesion needs to be seen in a broader perspective than GDP, i.e. encourage economic policy-making beyond GDP (Terzi, 2021). Furthermore, although Cohesion Policy has a vital role to play, it cannot do so single handed. A broad range of EU policies need to be underpinned by a stronger ‘Cohesion Spirit’. This includes discussions about long-term orientations for Europe, as e.g. the ‘Conference on the Future of Europe’, the ‘New European Bauhaus’ and strategic foresight helping future-proof EU policy-making to create an ever more resilient Europe.

6 Why talk about cohesion and what does it mean?

Europe faces growing disparities and inequalities even though cohesion is an aim in the Treaty on European Union (Article 3, TEU). Building on that, the Territorial Agenda formulated the objective of ‘a future for all places’. Instead, actual developments point in the opposite direction.

When official policy objectives and actual developments are discordant, it is time to reflect why the objectives were laid down, i.e. is their purpose still relevant. Once the essence for having cohesion objectives has been clarified, it will be easier to also think about ways to shift the direction of development.

6.1 Formal reasons: Cohesion in Article 3, TEU

Let’s start with the formal dimension of why we talk about cohesion. Cohesion is an underlying value or spirit of European integration as well as the European way of life and integral in decision making. Following the Treaty, the Union shall promote cohesion. More specifically, economic, social and territorial cohesion and solidarity are aims of the EU in Article 3, TEU.

The ‘European Union is envisaged as an area of growing stability, security and prosperity, with integration allowing it to boost citizens’ living standards and to enhance its influence globally.’³⁴ In this sense, cohesion reinforces solidarity to promote convergence and reduce inequalities between the better off and those with less promising prospects or who are lagging behind. Indeed, cohesion is mainly depicted as limiting (the devastating effects of) disparities and fragmentation. Cohesion is also understood as a balance to some benefiting more than others from European integration and the Single European Market.

In this spirit, Jacques Delors introduced the idea of Cohesion Policy originally as a ‘flanking policy’ to enhance solidarity between member states by extending to regions and their socioeconomic characteristics. The idea was to generate a dynamic convergence mechanism by expanding the scope of intra-European solidarity and going beyond financial compensation systems. (cf. Jouen, 2014, 2017). In this sense, Cohesion Policy could be viewed as an ‘end in itself’ or as a first steppingstone towards a deeper political, economic and social union, which would imply that cohesion is understood as underlying idea in a wide range of policies.

³⁴ See [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646122/EPRS_BRI\(2020\)646122_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646122/EPRS_BRI(2020)646122_EN.pdf)

This leads to ideas for convergence and catching up. Most recently the Territorial Agenda 2030, pinned it down to a sustainable future for all places and people.

Cohesion also concerns the way policies are made and delivered. The importance of governance is stressed in the shared management system and the partnership principle (including in EU Cohesion Policy), the ‘place based approach’ (Barca, 2009) and empirical research (e.g. Charron et al., 2014; Rodríguez-Pose, 2020; Rodríguez-Pose & Garcilazo, 2013). The work on ‘places left behind’, ‘places that don’t matter’ and the ‘geography of discontent’ shows that cohesion goes beyond the formal delivery of economic, social and territorial cohesion. Cohesion also includes an interpersonal component, i.e. perceived and actual individual ‘inclusiveness’ or ‘togetherness’ (e.g. Dijkstra et al., 2018; Rodríguez-Pose, 2018).

6.2 Real reasons: People’s well-being

Following the formal understanding of cohesion, past discussions framed it often in terms of GDP, growth and jobs. This helped operationalise cohesion and produce comparable information but does not really catch the essence of cohesion.

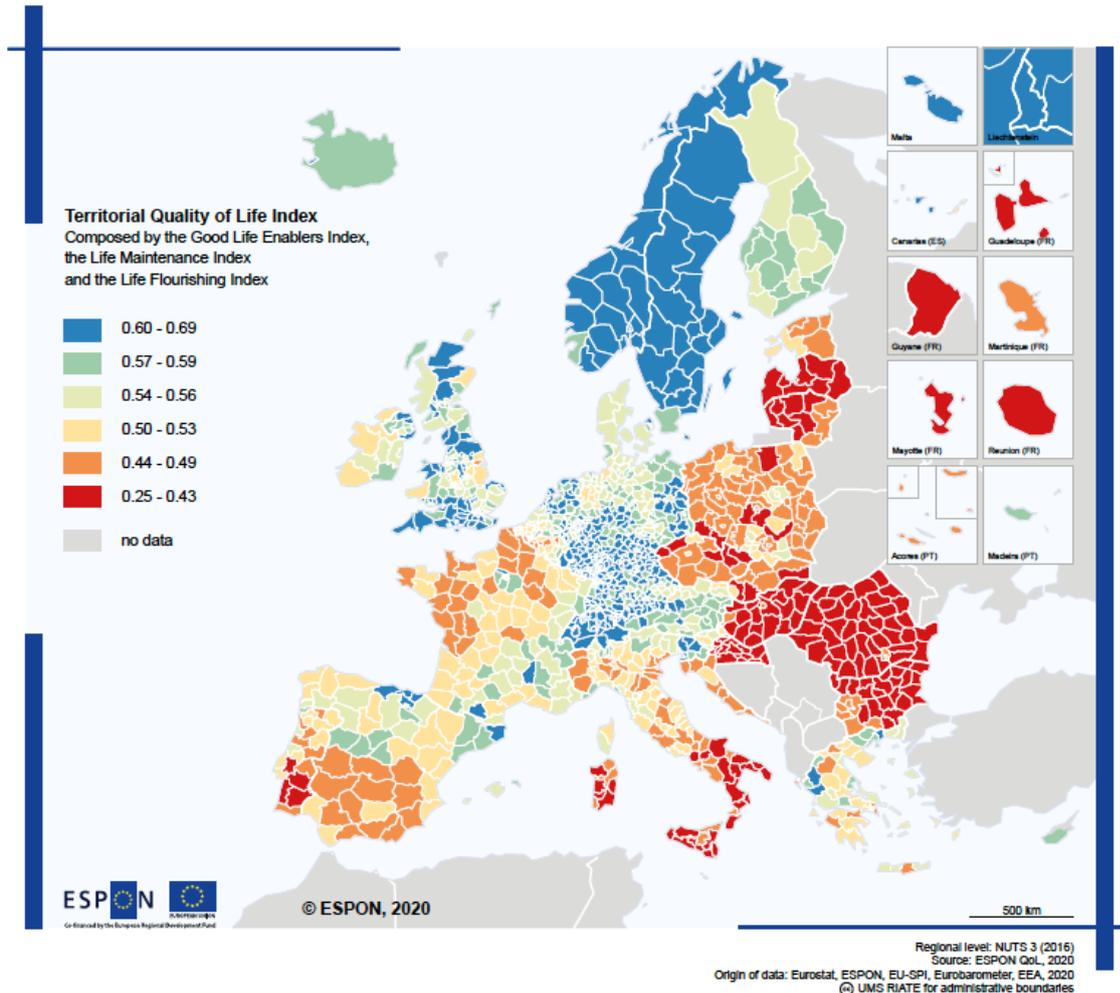
Indeed, it raises the question of whether cohesion is just a ‘flanking policy’ or ‘compensatory instrument’ to address the ‘market failure’ of EU integration (i.e. Single European Market), or whether it is a policy aim or objective in its own right. Cohesion is more a policy objective or aim as opposed to a policy goal. As Martin (2021) outlines, a goal one has to score, while if one aims at the goal, one does not necessarily score but play well to get near to scoring. In that sense, cohesion is a set of circumstances for different policies to aim for, to get closer to, without ever actually achieving the goal, which indeed is constantly shifting as society changes and evolves.

The discussion on regions lagging behind shows that growth and equity must go hand in hand to ensure a stable society. In other words, cohesion is the primary reason for public intervention in a democratic system. It is an overall objective to make people’s lives better and is linked to their well-being, health, quality of life and harmony (Böhme & Lüer, 2021).

Shifting the focus of cohesion to people’s well-being promotes thoughts of what actually matters why cohesion should be addressed and in what format. It brings the purpose of policy making back to citizens. The big question is, however, what well-being is, how policies can improve it and how their success can be measured.

Figure 6.1 Regional quality of life in Europe

Quality of life in Europe at regional level (NUTS 3)

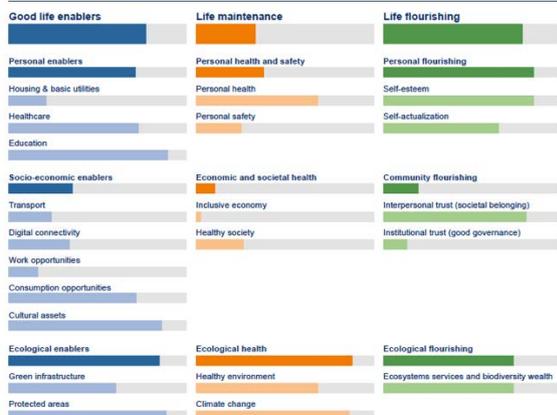


Regional level: NUTS 3 (2016)
 Source: ESPON QoL, 2020
 Origin of data: Eurostat, ESPON, EU-SPI, Eurobarometer, EEA, 2020
 © UMS RIATE for administrative boundaries

Benchmarking of the TQoL index in Volos, Greece (intermediate region)



Territorial Quality of Life Index, the region in the European context
 Comparative position 566 out of 1442



Benchmarking of the TQoL index in Stockholm, Sweden (urban region)



Territorial Quality of Life Index, the region in the European context
 Comparative position 16 out of 1442



Source: ESPON (2021, pp. 7, 9, 11)

Moving beyond the standard understanding of cohesion brings major challenges. Firstly, putting the spotlight on citizen well-being highlights that well-being, quality of life and harmony are very subjective concepts. Everybody understands them differently. Indeed, well-being or quality of life are both very subjective and relative (comparing one person's situation with others) rather than absolute. For some they concern progress and transition, while for others they are about maintaining existing standards. There is no shared understanding (Böhme & Lüer, 2021). Secondly, putting the focus on citizen well-being and the unlimited diversity of how this could be understood, the question is how to measure and compare it. There are some first steps to assess well-being or quality of life at the sub-national level (e.g. ESPON, 2020; Eurostat, 2015; Hanell, 2018; OECD, 2016, 2017). A recent attempt by ESPON (2021) is shown in the map and two examples below.

Still, more work on understanding these concepts is needed to understand and capture the diversity what is considered well-being and utilise the diverse potential of people and places. Indeed, neither territorial cohesion nor 'a future for all places' ever meant that all are or should be the same – not even in terms of an aggregated quality of life index.

6.3 When do we have cohesion?

Regardless of whether we follow the more traditional understanding of cohesion in terms of GDP, growth and jobs, or move towards a more citizen-centred understanding of personal well-being, the question remains what do we mean by cohesion.

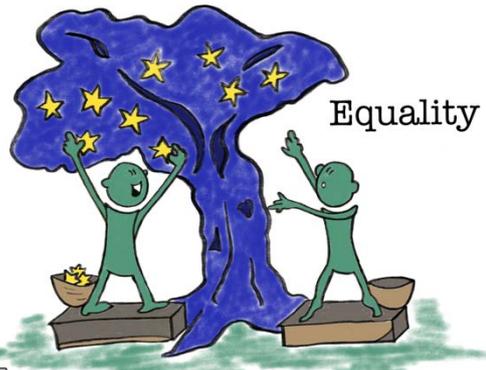
The previous report on 'Cohesion Spirit' identified four principles describing different underlying understandings of cohesion (Böhme, Toptsidou, Lüer, Valenza, Amichetti, Schuh, Gaugitsch, Gaupp-Berghausen, & Hat, 2021). All four are valid and can be found to varying degrees in EU policies.

Addressing the increasing imbalances and disparities in Europe requires clarity about whether the focus is on acknowledging that we are in it together (see mutual interdependencies) This includes striving for equal opportunities, treatment and support (see equality), tailor-made support to improve the fairness of outcomes (see equity), and reducing or eliminating structural barriers (see justice). The question is, what do we aim for and when should this be achieved.



Spatial Foresight

Mutual interdependencies. Cohesion is about being ‘in it together’ and acknowledging interdependencies. This implies that we recognise mutual interdependencies between economies, social groups and places. The idea of mutual interdependencies underpins the rationale for solidarity mentioned in Art. 3 TEU, next to cohesion. Mutual interdependencies and being ‘in it together’ is the basis for ensuring the well-being of people in Europe and avoiding unsustainable disparities.



Spatial Foresight

Equality. Cohesion is an aim of the EU, i.e. something to strive for. In that sense acknowledging mutual interdependencies is only a first step. The question remains: what is meant by cohesion and how do we know whether we have it or are at least moving in the right direction? One facet is equality, focussing on equal opportunities, treatment and support. This includes equal growth opportunities for all and is often compared to the tide lifting all boats.



Spatial Foresight

Equity. Another cohesion principle relates to convergence linked to compensation. The equity principle focuses on giving more to those in need, in proportion to their circumstances, to ensure the same opportunities for all. Rather than focussing on the same treatment, the focus is on varying levels of support – based on specific needs – to achieve greater fairness and outcomes.



Spatial Foresight

Justice. A fourth cohesion principle relates to the need to move beyond compensation and to adjust the system. Rather than compensating for inequalities, justice aims at reducing or eliminating structural barriers responsible for those inequities. Lately various EU policies make use of the term, e.g. by calling for a Just Europe and the Just Transition Fund.

7 Policy challenges

Regardless of how questions about the purpose of cohesion are answered, cohesion poses severe questions to policy making.

The good point is that a wide range of EU policies support and address cohesion. An assessment of 15 EU policies identified links to cohesion principles and objectives in all of them (Böhme et al., 2021). This provides a good starting point, as it shows how cohesion underpins EU policies. However, there is considerable room for improvement, in particular when looking to move from aspiration to action. In short, cohesion is widely reflected in the formulation of policy objectives and priorities, in particular acknowledging mutual interdependencies, much less so in terms of the justice and equity principles. Furthermore, cohesion is weakly embedded in the delivery of policies in particular when it comes to multi-level governance and citizen involvement in EU policy making.

7.1 Cohesion as an objective for all policies

Cohesion is a task for all EU policies. This is clear from the Treaty establishing cohesion as overarching aim of the EU, though it is complex. Ever increasing imbalances and inequalities cannot be addressed by a single policy or financial instrument. Many, if not all, EU policies need to contribute to limiting imbalances and inequalities, so they do not drive people and territories apart, undermining future development perspectives. This is closely related to the understanding of solidarity in the EU, which is a precondition for cohesion. As pointed out by Pornschlegel (2021), solidarity between EU member states and between EU citizens comes second after solidarity within member states. Furthermore, EU solidarity focuses mainly on solidarity between EU member states. Interpersonal solidarity between EU citizens is not (yet) developed. For all EU policies to contribute to limiting imbalances and strengthening cohesion between people and places, European solidarity (also at interpersonal level) might need to be strengthened as shared reference framework.

Although every policy must serve its specific aims and objectives, it also needs to have a ‘Cohesion Spirit’. Only then can imbalances and inequalities be addressed appropriately, so they do not put future perspectives for Europe, its places, people and businesses at risk.

Still, given its complexity, a division of labour between policies is needed concerning which facet of cohesion is addressed by which policy. A single policy cannot address all facets without becoming unfocused and risk aiming for everything but achieving nothing. Indeed, it might be more realistic for each

policy to contribute one piece to the cohesion puzzle, rather than expecting multiple policies to solve the full puzzle in parallel.

7.2 European semester

The European semester or European economic governance should play a particular role in supporting the ‘Cohesion Spirit’ of EU policies. European Economic Governance is the framework of procedures and institutions set up to pursue the economic, social and financial objectives of the Union. In terms of ‘Cohesion Spirit’, European Economic Governance is criticised for widening gaps between people and places in Europe (Böhme et al., 2021). A lesson from the 2008 economic crisis is that economic governance, and especially budgetary rules, may adversely affect equity and equality.

Still in the wake of the COVID-19 pandemic, European economic governance has progressively embedded the ‘Cohesion Spirit’ including equity, equality and even justice as key objectives. ‘No one left behind’, ‘next generation’ and ‘common future’ have become key expressions in the new lexicon. Immediate support for vulnerable groups (e.g. children, young unemployed, women), fragile ecosystems and lagging territories is core to the digital and green transition strategy. In parallel, fiscal compliance is now perceived more as a means rather than a goal. However, realising ‘Cohesion Spirit’ aims is questionable because budgetary mechanisms have not yet been adapted to the new political vision. Furthermore, the misapplication of multi-level governance with the limited involvement of local and regional authorities, can undermine democratic ‘legacy and legitimacy’. Almost a third of public spending and more than half of public investment in the EU are made by regions and cities for economic recovery. Therefore, not fully involving local and regional authorities could undermine the effectiveness of the recovery itself, worsening the living conditions of more vulnerable social groups and territories.

7.3 Role of Cohesion Policy

These increasing inequalities and disparities lead to discrepancies in people’s future perspectives even though the EU has the most extensive development policy in the world – EU Cohesion Policy.

There are two important reasons for this. Firstly, if the capacity and quality of government is insufficient then strategies based on a mix of infrastructure development, human capital, innovation and technology do not necessarily succeed in dealing with growing inequalities and their harmful economic, social and political consequences, (Rodríguez-Pose, 2020). Secondly, it is a

misconception to believe that increasing imbalances and inequalities can be addressed by a single policy or financial instrument.

Cohesion can only be achieved if all policies contribute a share linked to their primary sector policy objectives, while Cohesion Policy explicitly focuses on territorial imbalances. Cohesion Policy will always be too weak to adjust inequalities single-handedly, even if these are as extensive as in the EU. Still, it brings together the various EU and national policies affecting a municipality or region into a coherent development strategy and process reflecting the places' development potential and aspirations. Cohesion Policy can empower local and regional players to coordinate and make sense of the outcomes of other policies, and can provide means to invest in a place, so they can best utilise the outcomes of other policies and their own potential. In other words, it is a necessary but not sufficient ingredient to achieving cohesion.

7.4 Role of local and regional authorities

Economic, social and territorial cohesion and 'a future for all places and people' have never meant that all are or should be the same. Acknowledging the diversity of what cohesion means on the ground comes with the need for a strong place-based approach to policy-making (Barca, 2009). Local and regional players must have a say in defining and implementing policies, otherwise embracing Europe's diversity and a subjective understanding of what a good life means is impossible.

Accordingly, multi-level governance is key to EU policy making. Still, the review of 'Cohesion Spirit' in EU policies reveals that governance approaches related to interdisciplinarity, robustness and even participatory processes are more strongly embedded in the 'Cohesion Spirit' of EU policies than multi-level governance. Considering the importance of local and regional stakeholders for place-sensitive policy making and implementation, it is particularly worrying that multi-level governance is not more deeply embedded in policies.

Besides formally involving local and regional authorities, this requires also empowering and stimulating them to test and experiment. Indeed, new ideas and approaches for local and regional development and resilience are needed. We need to dare test fresh ideas and allow ourselves to experiment, e.g. with living laboratories, citizen science and legitimised activism. This might e.g. involve establishing European citizens' assemblies or placing DG REGIO desk officers dealing with Operational Programmes in the respective regions.

There is no blueprint and there will be no one-size-fits-all solution. Therefore, local and regional players need to explore new paths, including testing and promoting imaginative ideas. To ensure that people and places reluctant to change

are not left behind, we need to find ways to overcome societal inertia. This may involve strengthening societal imagination, empowering people and allowing them to shape their desired futures bottom-up. Two aspects are essential for this. Firstly, allowing for diverse visions of desirable futures, as not all people want the same, nor do they want it at the same speed. Secondly, it requires stimulating thinking about desirable futures, and bringing divergent views together in a shared vision. If societal inertia is not addressed, we risk producing another generation of places and people left behind. (Böhme & Lürer, 2021)

Furthermore, not all experiments will succeed, and we need to allow ourselves to fail. Importantly we need to learn from the experiments and see what can be improved or upscaled.

7.5 The role of citizens

If public policy making and cohesion in particular is about the well-being and quality of life of the citizens, they should also play a role in the debate.

While economic, social and territorial cohesion are enshrined in the Treaty, interpersonal cohesion is new. Discussions of places and people left behind illustrate that cohesion is not just about larger groups. People in Europe perceive cohesion also as something individual, i.e. interpersonal cohesion. Although the citizens' perspective is recent in EU policy processes, it shows that a new dimension and focus is emerging. 'Closer to citizens' and 'Citizen's Dialogue' indicate clear ambitions and the recognition that engaging citizens and disparities between citizens are moving up the agenda. In that sense, interpersonal solidarity and cohesion means making sure no one is left behind and inequalities between citizens do not become unsustainable.

The citizen perspective is emerging as a new focus of EU policy making. In the 'Cohesion Spirit' appraisal (Böhme et al., 2021) this is reflected in the interpersonal cohesion objective – complementing economic, social and territorial cohesion – and citizen involvement in governance. In both cases, the cohesion dimension of EU policies is modest. Generally, there are fewer explicit or implicit references to interpersonal cohesion than to other cohesion objectives. Citizen involvement features poorly in the appraisal of cohesion related governance arrangements.

This goes hand in hand with Pornschlegel's (2021) reflections on interpersonal cohesion and the proposal to improve solidarity among EU citizens as interpersonal level.

If citizens are to play a larger role in EU policies and the EU to come closer to citizens, it is important to answer: *How can the idea of an 'EU closer to citizens' be translated into adequate governance routines, moving beyond the level of policy objectives?*

8 Towards a new ‘Cohesion Spirit’

The above points highlight several key issues for further debate. Meeting cohesion challenges and bringing cohesion closer to the citizens and their well-being requires fundamentally rethinking cohesion and its purpose. This needs to be embedded in debates about Europe’s future and its transition towards a green and digital society with positive future perspectives for all places and people.

Rethinking cohesion means shifting it from a ‘flanking policy’ to a policy objective in its own right, in line with Article 3 TEU. Subsequently, it might even lead to further elaborating or maybe even broadening our understanding of cohesion beyond the economic, social and territorial. Increasing efforts to reach out to citizens in EU policy making, could be underlined by stressing the interpersonal cohesion dimension. Furthermore, the increasing digitalisation of society could be acknowledged by updating our understanding to incorporate digital cohesion (SGI, education, health, business). Given the challenges of climate change and loss of biodiversity, ecological cohesion should also be considered.

This is in line with the system change compass proposed for implementing the European Green Deal in a time of recovery (SYSTEMIQ & Club of Rome, 2020), the discussion on economic policy-making beyond GDP (Terzi, 2021) and the increased focus on well-being and quality of life (ESPON, 2021; European Commission, 2016; Eurostat, 2015; OECD, 2016, 2017). It is also to be seen in the context of efforts to move Europe closer to citizens and broaden the dialogue about the future of Europe – with the ‘Conference of the Future of Europe’ and the ‘New European Bauhaus’, and the long-term vision for Europe’s rural areas (European Commission, 2021).

Inspired by the System Change Compass for implementing the European Green Deal (SYSTEMIQ & Club of Rome, 2020), we propose a ‘Cohesion Spirit Compass’. This points at three fields of action, which need to be addressed simultaneously and as soon as possible (Figure 8.1):

4. **Envisioning ‘Cohesion Spirit’.** Showing what the new ‘Cohesion Spirit’ looks like, when putting citizens and the transition to a digital and green future first.
5. **Designing ‘Cohesion Spirit’.** Identifying and deploying impactful interventions to achieve cohesion involving close dialogue with people about all relevant policies.

6. **Enabling ‘Cohesion Spirit’.** Empowering stakeholders to implement cohesion, including a strong Cohesion Policy, a clear ‘Cohesion Spirit’ in all EU policies and multi-level governance arrangements involving local and regional authorities as well as civil society.

This will allow a shared vision (or narrative) on cohesion and the future of Europe to be embedded in relevant policies and decision-making processes from local to European level. For successful implementation we have developed 9 proposals which are described in more detail in the following sections.

A rough estimate following the lines of the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’, suggests that these proposals might have a combined leverage of some EUR 700 billion in annual GDP (see annex for details).

Figure 8.1 Cohesion Spirit Compass



Source: own elaboration

9 Envisioning ‘Cohesion Spirit’

Moving the idea of cohesion to the 21st century and rethinking it in relation to today’s and tomorrow’s challenges needs to go beyond a ‘flanking policy’ addressing economic, social and territorial cohesion, often linked to GDP, in abstract terms.

Indeed, cohesion needs to be thought beyond GDP and reflect the challenges of increased fragmentation and inequalities (ESPON, 2019; Territorial Agenda, 2020) along with the results of strategic foresight discussions (European Commission, 2020) and the long-term vision for Europe’s rural areas (European Commission, 2021).

Without rejecting its roots entirely (the transfer of EU money to poorer countries/regions), it is necessary to broaden out from this rather limited idea to cover the whole geo-political reality of the need for better and stronger European cooperation in the face of global developments. That means also cross-border and territorial cooperation across the board.

Cohesion must be elevated to an overarching policy objective of the EU and address issues including interpersonal, digital and ecological cohesion. We must start envisioning how a cohesive Europe along these lines should look, including the risks and costs are of not achieving such cohesion.

9.1 Interpersonal cohesion

Cohesion is more than a figure in some EU policy tables. It is often subjective, being place and context related and time-bound. The impression of whether cohesion is improving or worsening often relates to the current situation and future perspectives of the beholder and their peers (e.g. neighbourhoods and networks). This becomes evident e.g. in the debate about places and people left behind and the policy efforts to take ‘Europe closer to the citizens’.

Interpersonal cohesion reflects the idea of cohesion to improve people’s lives and future outlook. It is about taking cohesion to the citizen level, in terms of cohesion between individuals.

Interpersonal cohesion is complementary to the need for place-based policies. It is not detrimental or contradictory with economic, social and territorial approaches to cohesion.

Name	Interpersonal cohesion
Meaning	Taking cohesion to the citizen level, cohesion between individuals.
Rationale	Cohesion is about making people's lives better, so it has a considerable interpersonal component. People's perception of cohesion is subjective, influenced by personal experience, well-being, attitudes and comparisons with others.
Hoped effects	An interpersonal cohesion dimension would make cohesion less abstract and more tangible for people. It would help to focus more on well-being and address the issue of 'no one left behind'.

9.1.1 How to measure interpersonal cohesion

Drawing on the work of the ECFR cohesion monitor (section of individual cohesion) (ECFR, 2019) and the ESPON quality of life index (ESPON, 2020), interpersonal cohesion could be measured by various indicators including surveys on:

- Expectation – Life in general (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)
- Expectation – Personal job situation (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)
- Expectation – Household financial situation (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)
- Expectation – Optimism about EU's future (How optimistic are you about the future of the EU?) (Eurobarometer)
- Socialising with people from other EU countries (In the last 12 months have you socialised with people from another EU country?) (Eurobarometer)
- Interpersonal trust (ESPON Quality of Life) based on voluntary work perception (Eurobarometer) and participation in community work (Eurostat)
- Institutional trust (How much trust do you have in certain institutions?) (Eurobarometer)

- Self-esteem (ESPON Quality of Life) based on standardised suicide rate (Eurostat) and attitudes towards people with disabilities (Eurobarometer)
- Life satisfaction (Eurobarometer)
- Freedom over life choices (Social Progress Index)
- Feeling physically insecure (Eurostat State of Cities) (% of people who feel safe walking alone at night in the city)
- Income distribution (Eurostat SDG)

Indicators addressing interpersonal cohesion would rely on a large survey collecting input at NUTS2 or NUTS3 level. In addition to comparing regional values, analysis of the GINI coefficient at regional level could be interesting to illustrate disparities within regions.

9.1.2 Possible risks and costs of non-interpersonal cohesion

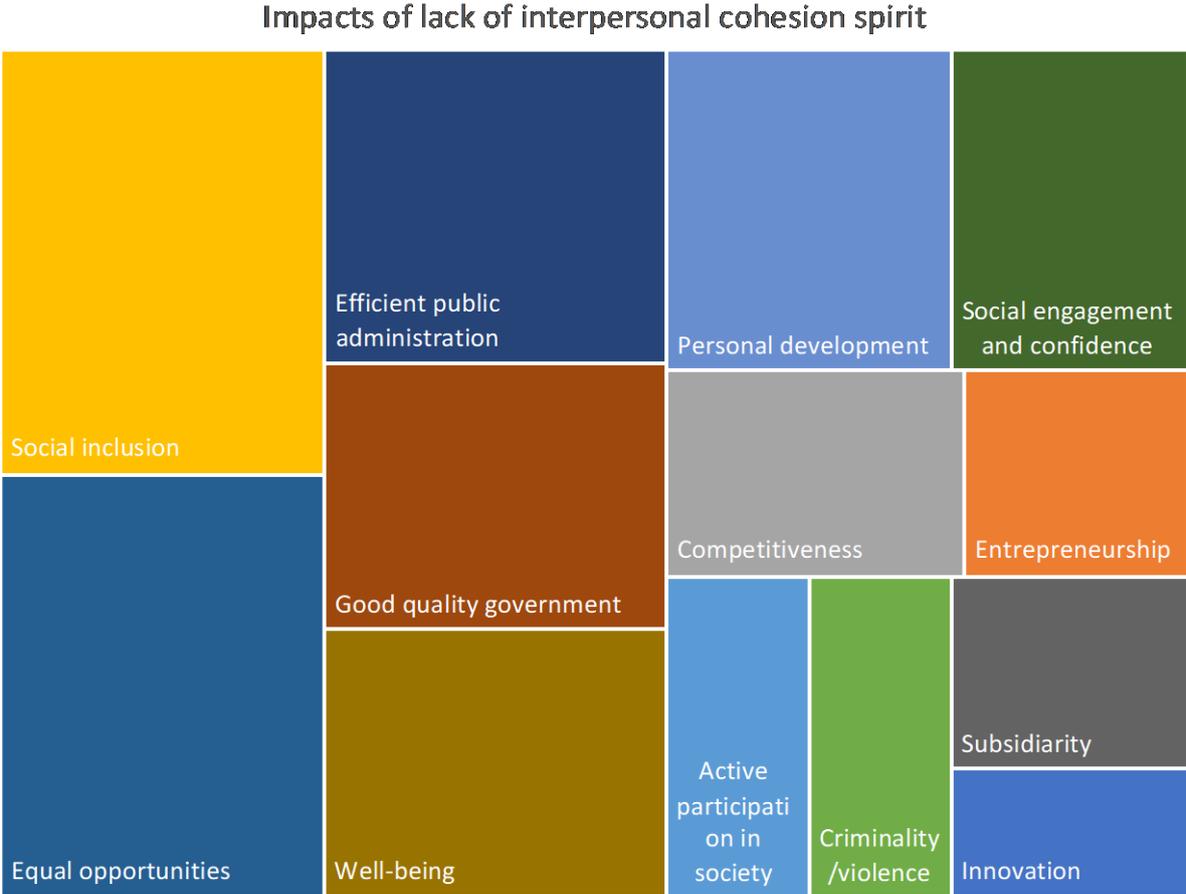
Interpersonal cohesion relates to a wide range of EU (and even national) policies and spheres of society.

Trying to estimate the impact of interpersonal cohesion might need to consider a wide range of EU (and national) policies. This includes policies related to health, consumer rights, free movement, consular protection, combatting violence against women, corporate tax avoidance, social integration, creativity and cultural diversity, to mention a few.

A first tentative assessment shows that interpersonal cohesion is expected to have substantial impact on social inclusion, equal opportunities, efficient public administration and good governance as well as on personal development, social engagement and entrepreneurship (see Figure 9.1).

A considerable share of possible impacts is directly or indirectly linked to policies promoting free movement, when adjusted for the economic weight of the policies based on the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’ (see Figure 9.2).

Figure 9.1 Impacts of interpersonal cohesion



Source: own elaboration

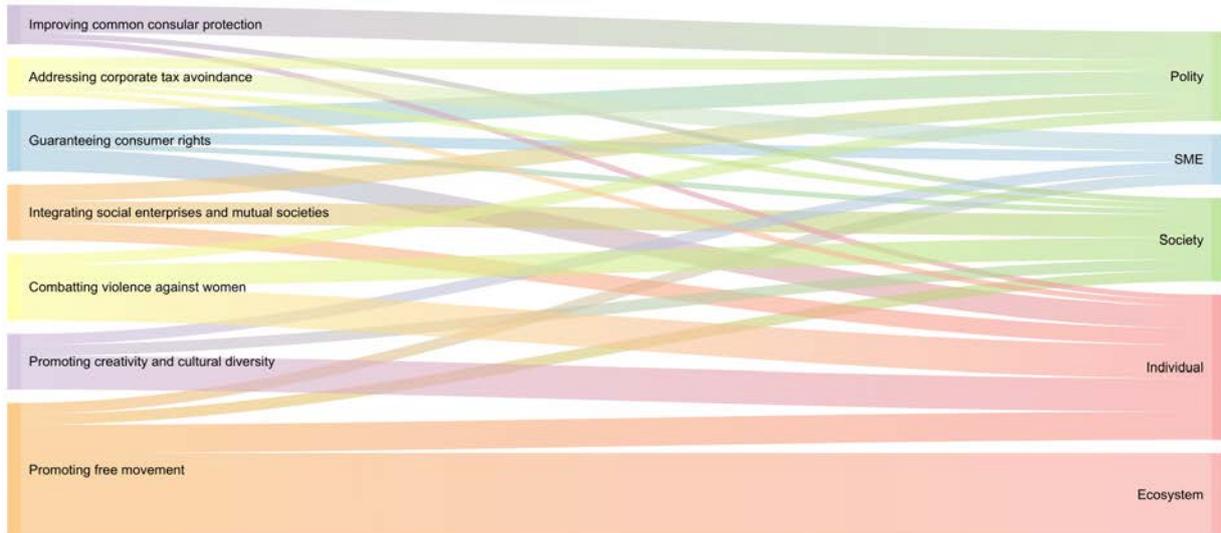
Methodological note

The wide range of possible impacts of interpersonal cohesion depend heavily on understanding and exactly defining it. Once there is a commonly agreed definition, single policy domains can be linked to it, with impacts on important development spheres analysed for each policy.

To stimulate a discussion about possible impacts, the indicators for measuring interpersonal cohesion proposed above have been linked to various policy fields. For each of them a rough estimate has been made for any direct, indirect or no impact on good governance, fair government, subsidiarity (summarised under Polity), innovation, entrepreneurship and competitiveness (summarised under SME), inclusion, employment and criminality (summarised under Society), well-being, social engagement and confidence, equal opportunities and personal development (summarised under Individual), and resilience, biodiversity, and preservation of natural resources (summarised under Ecosystem). The results are shown Figure 9.1.

In a second step, the policy fields have been weighted economically, based on the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’. The weighted contributions of each policy to different impacts are shown in Figure 9.2. Detailed assessments are shown in the annex.

Figure 9.2 Selected policy contributions to interpersonal cohesion impacts



Source: own elaboration

9.2 Digital cohesion

Increasing digitalisation of our society creates new possibilities for increasing or reducing imbalances. This could be acknowledged by updating the understanding of cohesion to cover digital cohesion (SGI, education, health, business). This is closely related to all policies supporting the digitalisation in Europe, such as ‘Europe fit for the Digital Age’.

Name	Digital cohesion
Meaning	Taking cohesion to the 21 st century means addressing it in terms of possibilities to participate in the digitalisation of society.
Rationale	To keep track of technological, societal and economic developments, cohesion needs to reflect (quality of) access to digital infrastructure and services. Increasing disparities in possibilities to participate in digitalisation will translate into disparities in future (development) perspectives. This involves digital cohesion in terms of places and social groups.
Hoped effects	A digital cohesion dimension would emphasise the need to shape Europe’s digital future for all people and places. It would help avoid a digital future where ‘the winner takes it all’.

9.2.1 How to measure digital cohesion

Drawing on existing indicators, access to and use of digital infrastructure and services could offer a starting point. However, more work probably needs to be done to improve these indicators so they could display differences between NUTS3 regions as well as between societal groups (age, education, income, gender, migration, ...). Starting points could include:

- Households with broadband access (Eurostat)
- 4G or 5G mobile phone coverage
- E-governance (interaction with authorities) (Eurostat)
- E-commerce (internet purchase) (Eurostat)
- E-health
- E-education
- E-work (home office)
- Digital nomads (footloose production)

While some data is already available from Eurostat, the indicators would need further development both conceptually and in granularity to better indicate digital cohesion between places and groups of society.

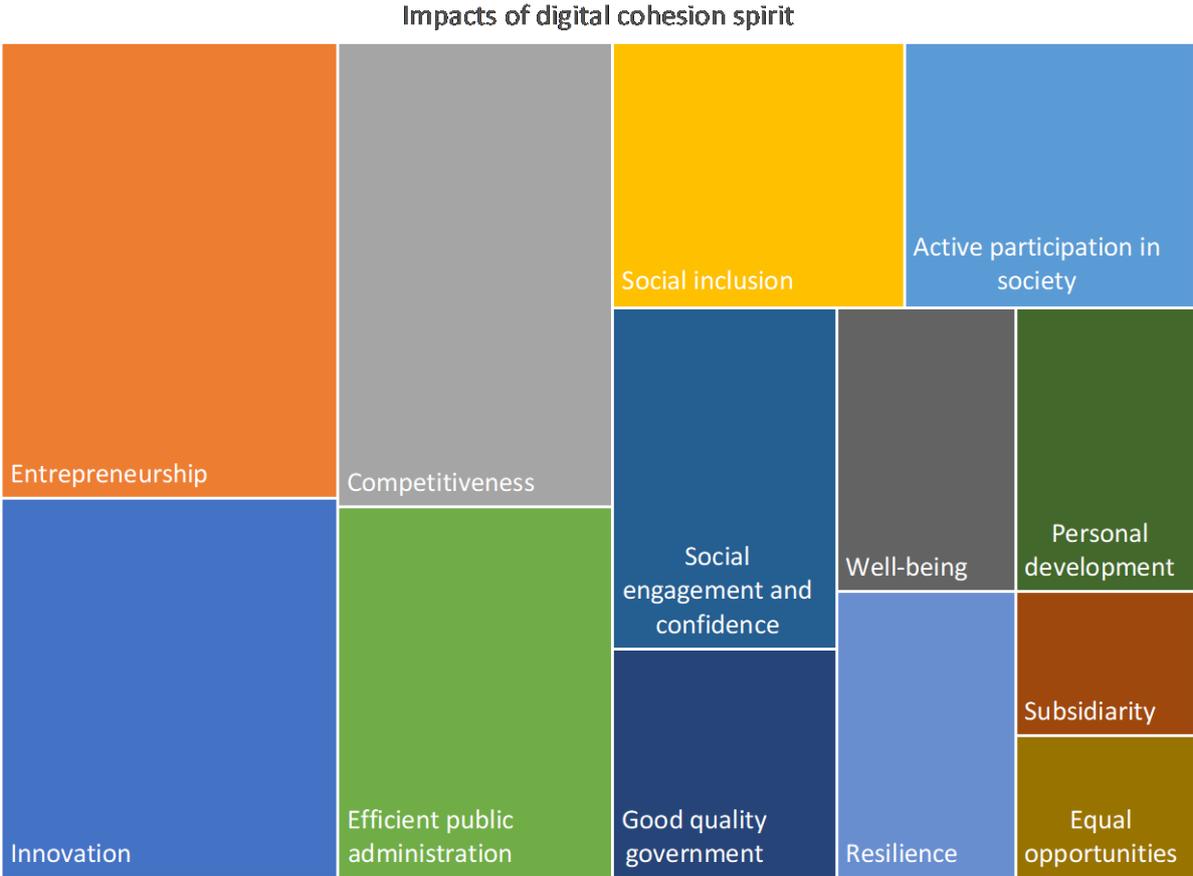
9.2.2 Possible risks and costs of non-digital cohesion

Trying to estimate the impact of digital cohesion needs to consider a wide range of EU (and national) policies and social spheres. This concerns policies related to the digital single market, internet connectivity and the establishment and mobility of companies, to mention just a few.

A first tentative assessment shows that digital cohesion is expected to substantially impact fields such as entrepreneurship, innovation, competitiveness and efficient public administration, as well as social inclusion, active participation in society and social engagement and confidence (see Figure 9.3).

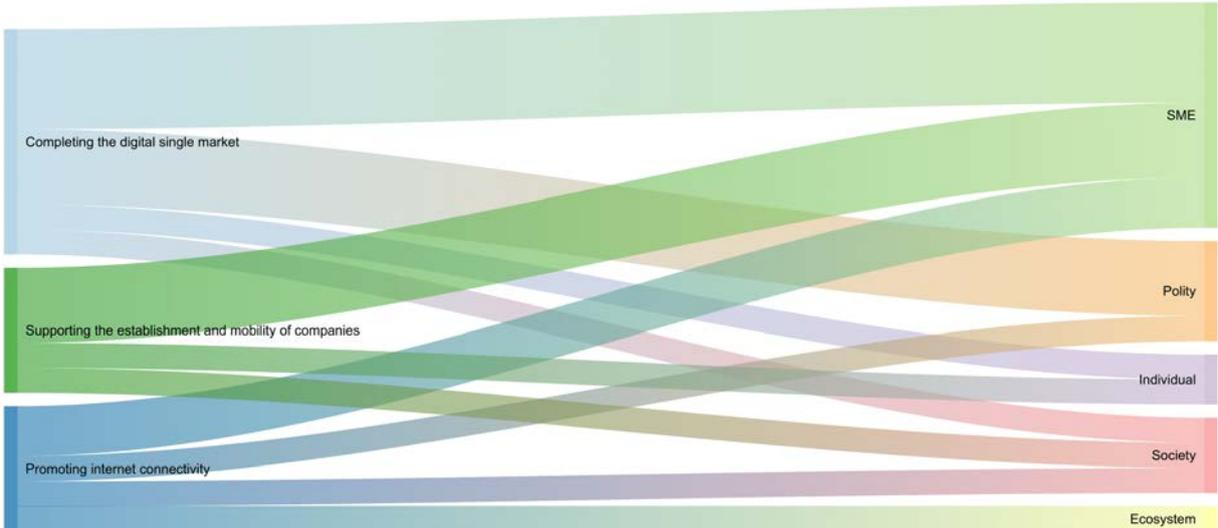
A considerable share of these impacts is directly or indirectly linked to policies concerning the digital single market (see Figure 9.4). If this market is underpinned by a spirit of digital cohesion, it will benefit entrepreneurship, innovation and competitiveness for SMEs in the EU.

Figure 9.3 Impacts of digital cohesion



Source: own elaboration

Figure 9.4 Selected policy contributions to digital cohesion impacts



Source: own elaboration

Methodological note

The wide range of possible interpersonal cohesion impacts depend heavily on the understanding and exact definition of interpersonal cohesion. Once there is a commonly agreed definition, single policy domains can be linked to it. Then in turn for each of them the impacts on important development spheres can be analysed.

To stimulate a discussion about possible impacts, the indicators proposed above for measuring interpersonal cohesion have been linked to various policy fields. For each of them a rough estimate has been made of the direct, indirect or lack of impact on good governance, fair government, subsidiarity (summarised under Polity), innovation, entrepreneurship and competitiveness (summarised under SME), inclusion, employment and criminality (summarised under Society), well-being, social engagement and confidence, equal opportunities and personal development (summarised under Individual), and resilience, biodiversity, and preservation of natural resources (summarised under Ecosystem). The results are shown Figure 9.3.

In a second step, the policy fields have been weighted economically, based on the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’. The weighted contributions to different impacts are shown in Figure 9.4. Detailed assessments are shown in the annex.

9.3 Ecological cohesion

Climate change policies and a green transition will be a driving factor for the coming decades, as underlined by the European Green Deal with its ‘Fit for 55 Package’, Just Transition Fund etc., the EU Biodiversity Strategy and many other policy initiatives. The challenges of climate change, biodiversity loss and transition of our society and economy will bring winners and losers.

Ecological cohesion offers the possibility to acknowledge this, as well as existing imbalances concerning access to a healthy environment and good ecosystem services.

Name	Ecological cohesion
Meaning	Going beyond greenwashing cohesion means addressing cohesion in terms of access to a healthy environment, good ecosystem services and active participation in the green transition of our societies and economies.
Rationale	Access to a good environment (including clean water, air, soil and recreational areas) is unequally distributed between places and social groups. At the same it is a precondition for a healthy life.

	Considering the transition to a green economy, green cohesion might also concern participation in that transition, including the economic and social prospects that come with it.
Hoped effects	An ecological dimension would stress the need to consider cohesion in the effects of climate change, biodiversity loss and environmental pollution as well as in the transition to a green economy that works for all people and places.

9.3.1 How to measure ecological cohesion

EEA environmental monitoring and indicators related to the UN Sustainable Development Goals³⁵ are a basis for indicators demonstrating access to a healthy environment. Similarly, participation in the transition to a green economy could build on Eurostat indicators concerning the circular and green economies. Starting points could include:

- Exposure to air pollution by particulate matter (Eurostat SDG)
- Suffering from noise (Eurostat SDG)
- Phosphate in rivers (Eurostat SDG)
- Nitrate in groundwater (Eurostat SDG)
- Biochemical oxygen demand in rivers (Eurostat SDG)
- Ecosystem services net value (Supply-Demand) (ESPON Quality of Life)
- Employment in the environmental economy (Eurostat)
- Environmental goods and services sector (Eurostat)

While some data can be obtained from EEA and Eurostat, the indicators would need further development both conceptually and in granularity to better indicate cohesion between places and groups of society.

9.3.2 Possible risks and costs of non-ecological cohesion

Ecological cohesion relates to a wide range of EU (and even national) policies and spheres of society.

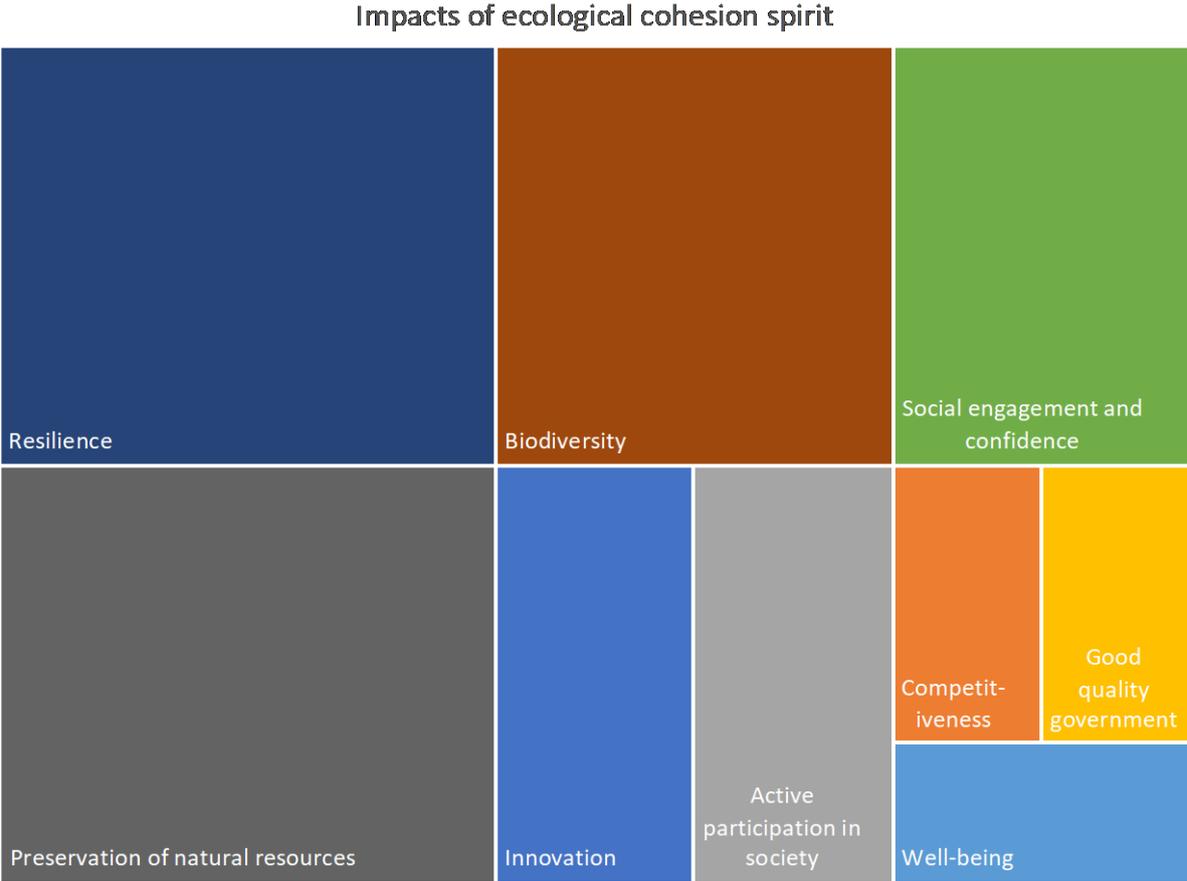
Trying to estimate the impact of ecological ‘Cohesion Spirit’ needs to consider a wide range of EU (and national) policies. This concerns policies dealing with

³⁵ See e.g. https://ec.europa.eu/eurostat/cache/digpub/sdgs_2020/index.html

water quality, energy markets, energy efficiency, pollution, odometer manipulation in motor vehicles, to mention just a few.

A first tentative assessment shows that digital cohesion is expected to have substantial impacts on resilience, preservation of natural resources, biodiversity, engagement and confidence as well as innovation (see Figure 9.5).

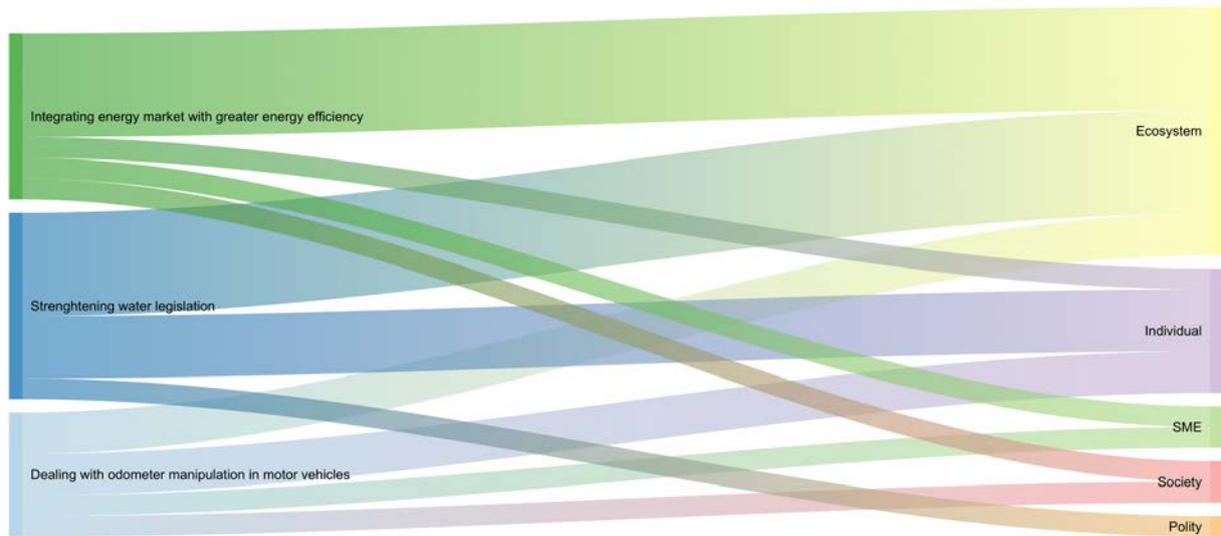
Figure 9.5 Impacts of ecological cohesion



Source: own elaboration

A considerable share of these impacts is directly or indirectly linked to policies concerning integration of the energy market with greater energy efficiency and policies related to water (see Figure 9.6). Underpinning these policies with an ecological ‘Cohesion Sprit’ will have various benefits for ecosystems and individuals in the EU.

Figure 9.6 Selected policy contributions to ecological cohesion impacts



Source: own elaboration

Methodological note

The wide range of possible impacts of interpersonal cohesion depend heavily on the understanding and exact definition of interpersonal cohesion. Once there is a commonly agreed definition, single policy domains can be linked to it. Then the impacts of each on important development spheres can be analysed.

To stimulate a discussion about possible impacts, the indicators proposed above for measuring interpersonal cohesion have been linked to various policy fields. For each of them a rough estimate has been made of the direct, indirect or no impact on good governance, fair government, subsidiarity (summarised under Polity), innovation, entrepreneurship and competitiveness (summarised under SME), inclusion, employment and criminality (summarised under Society), well-being, social engagement and confidence, equal opportunities and personal development (summarised under Individual), and resilience, biodiversity, and preservation of natural resources (summarised under Ecosystem). The results are shown Figure 9.5.

In a second step, the policy fields have been weighted economically, based on the European Parliament study (2019) ‘Europe’s two trillion euro dividend: mapping the cost of non-Europe, 2019-24’. The policies’ weighted contributions to different impacts are shown in Figure 9.6. Detailed assessments are shown in the annex.

9.4 First scenarios on ‘Cohesion Spirit’ impacts

The above discussions on possible risks and costs are merely first pointers to directions and dimensions to be considered in a further analysis. They are by no means final verdicts on the possible impacts of interpersonal, digital or ecological cohesion.

Another line of assessing the overall impacts of ‘Cohesion Spirit’ is currently being tested in cooperation with JRC. Applying the RHOMOLO model to various scenarios of ‘Cohesion Spirit’ could show both the overall impact as well as variations of impacts.

Currently two scenarios are under discussion to illustrate possible effects of ‘Cohesion Spirit’, i.e. a GDP growth narrative and an education narrative (Lazarou, Barbero, Conte, Crucitti, & Salotti, 2021).

9.4.1 GDP growth narrative

To boost cohesion and avoid further fragmentation, the EU and member states go whole heartedly for a ‘mission economy’ (Mazzucato, 2021), targeting all their policies and investments to support cohesion. ‘Cohesion Spirit’ underlies all decision making. As a result of this substantially increased EU, national and private investments in lagging regions during the MFF 2021-2027 lead to a substantial increase in GDP in these areas.

Regions affected	<ul style="list-style-type: none"> • In the lowest quartile of GDP per capita for the EU
Shock or intervention	<ul style="list-style-type: none"> • Investment in firms in the affected regions is four times the EU average (alternatively it could also be set so GDP growth in these regions is four times the EU average) • In all other regions it remains/evolves as is
Timeline of intervention	<ul style="list-style-type: none"> • The current MFF (2021-2027)
Timeline of effect	<ul style="list-style-type: none"> • It would be interesting to also consider a longer time horizon, e.g. the next MFF (2028-2034)

A first analysis of the GPD narrative, conducted by JRC, suggest that for lagging regions to reach a growth rate which is four times the EU average, the accumulated additional public investments would need to be more than double the 2014-2020 Cohesion Funding in these regions. While this is in line with the idea of a ‘mission economy’ focusing whole heartedly on cohesion, there might be limits to how much investments a regional economy can absorb and efficiently deploy.

The JRC analysis points out that multipliers tend to be low and less than one in the short run as 8 years after the start of the programming period not all Cohesion funding has been expended. 20 years after the policy, the mean multiplier for the

low income regions is 1.64, implying that 1 euro of Cohesion Funding increases GDP by 1.64 Euro, relative to the EU average which is 1.33. This occurs as the demand side effects dominate in the short run and generate lower returns. In the medium to long run the supply side effects which would cause permanent effects in public infrastructure, firm output and access to capital for example, yield higher returns. A high short-run demand also increases labour demand and wages causing higher employment and household consumption. As time elapses this demand decreases and in 20 years the impact is about half. (Lazarou, Barbero, Conte, Crucitti, & Salotti, 2021).

In other words, the efficiency of the investments in the short run is not particularly high, although the long-term effects hypothesised in RHOMOLO (including productivity improvements and capital stocks adjustments) make the investments worthwhile. In conclusion, a stronger ‘Cohesion Spirit’ of all EU policies expressed through a clear ‘mission economy’ will reduce disparities in the long run.

9.4.2 Education narrative

Innovation and education are tightly interrelated. Increasing disparities in innovation and education levels challenge territorial, economic and social cohesion in Europe. To avoid further fragmentation the EU and member states set up a European Partnership for Education, based on the existing Global Partnership for Education. As a result, during the 2021-2027 MFF EU, national and private investments in training and education increase substantially in regions with low innovation.

Regions affected	<ul style="list-style-type: none"> • In the lowest quartile of EU regional innovation
Shock or intervention	<ul style="list-style-type: none"> • In the affected regions investment in training and education is set to four times the EU average • In all other regions it remains/evolves as is
Timeline of intervention	<ul style="list-style-type: none"> • In increase of investment runs for the current MFF (2021-2027)
Timeline of effect	<ul style="list-style-type: none"> • It would be interesting to also consider a longer time horizon, e.g. the next MFF (2028-2034)

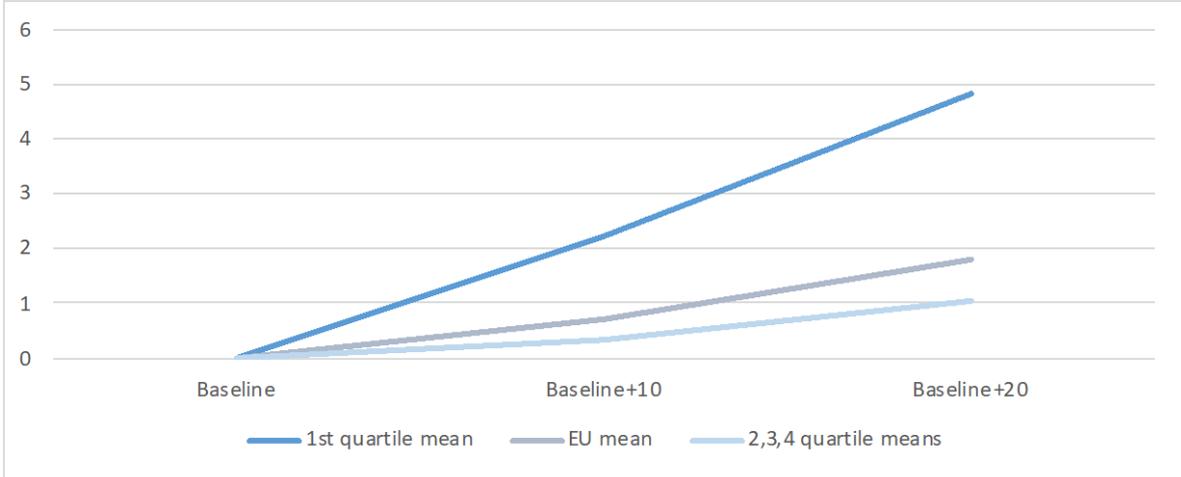
A first analysis of the education narrative, conducted by JRC, suggest that increased investment in education and training in regions belonging to the lowest quartile of the EU innovation scoreboard would pay off and reduce economic

disparities in the EU. Increased funding in education and training increases GDP growth in the regions by approximately 4% and 10% more than the EU average in 10 and 20 years respectively. 1 EUR of investment returns 1.79 EUR in GDP in the low innovation regions, compared to 1.29 for the mean EU member state.³⁶

Figure 9.7 shows the normalised growth rates of GDP per capita for three groups of regions. Regions in the 1st quartile of the EU Regional Innovation Scoreboard grow on average 2.2% and 4.8% in 10 and 20 years after receiving the additional funding compared to the EU mean per capita growth rate standing at 0.7% and 1.7% respectively. Relative to the other quartiles in the EU Innovation Scoreboard the growth rate of GDP per capita of the 1st quartile is 1.8% and 3.7% higher in 10 and 20 years. (Lazarou, Barbero, Conte, Crucitti, & Salotti, 2021)

Overall a higher ‘Cohesion Spirit’ in education and training investments reduces economic disparities through various channels for example through higher labour productivity, increased labour supply, firm output and factor returns. Ultimately, these regions exhibit higher wages and household incomes. However, as in the case of the GDP narrative, in this scenario investments in some of the regions are very high³⁷ to illustrate the point.

Figure 9.7 Growth rates of GDP per capita



Source: Lazarou, Barbero, Conte, Crucitti, & Salotti (2021), EU Innovation Scoreboard and RHOMOLO

³⁶ According to Lazarou, Barbero, Conte, Crucitti, & Salotti (2021) on education narrative: GDP per capita increases more in the low innovation regions relative to the EU mean. Regions in Greece, Portugal and Spain experience higher growth rates of per capita GDP relative to other low innovation regions. Some notable cases also arise as the capital regions of Bulgaria (BG41), Poland (PL12) and Romania (RO32) tend to grow faster than other regions in the respective countries. This is expected as these capital city regions experience higher labour intensity and population density. In this situation, higher funding in education and training will increase the returns to labour by more in the capital city regions compared to the rest of the country.

³⁷ Whilst the mean funding to GDP ratio in the low innovation regions is about 8%, regions ES63, BG31, EL41, EL22 are 43%, 23%, 26%, 22% respectively.

10 Designing ‘Cohesion Spirit’

Lifting cohesion from a ‘flanking policy’ to an underlying value or spirit of all EU policy processes is ambitious in many ways. It could benefit from a broad European-wide reflection process. This would probably bring new ideas to the table and at the same time support a consensus that later would benefit implementation.

Design and implementation of the new ‘Cohesion Spirit’ needs to take on board EU policy debates about democracy, Europe closer to citizens, the breaking down of (territorial and societal) borders, foresight and resilience. This is also closely linked to the ‘Conference on the future of Europe’, ‘New European Bauhaus’ and ‘Long-term vision for Europe’s rural areas’.

The understanding of cohesion as an aim is subject to societal changes and requires a wide (public) debate with an EU White Paper sketching out the EU cohesion puzzle, to which every EU policy contributes. This might be helped by a European advisory board on cohesion.

10.1 Citizens’ dialogue on cohesion

In many regards the ‘Cohesion Spirit’ of EU policies may be strengthened more by public debate (including faming and shaming) than by legal requirements. However, cohesion is basically absent in broad public debates the EU has initiated, i.e. the ‘Conference on the Future of Europe’ and the ‘New European Bauhaus’. Both initiatives could offer good starting points to distil what people consider as well-being, a good life for themselves and in relation to others, and thus cohesion. This could help to put the emphasis both in terms of topics which are important for cohesion beyond GDP, growth and jobs, and the balance between the cohesion principles of mutual interdependencies, equality, equity and justice.



‘Conference on the Future of Europe’ addresses many issues which are highly relevant to ‘Cohesion Spirit’:

- **Interpersonal cohesion.** Most of the conference’s topics have a strong link to people’s lives and their perception of inequalities and future

perspectives. This includes the topic ‘Values and rights, rule of law, security’, as well as ideas for addressing equality and discrimination, migration, addressing integration and the future of our society.

- **Digital cohesion.** The ‘Digital transformation’ topic is clearly linked to the ideas above on digital cohesion. Also ‘A stronger economy, social justice and jobs’ and ‘Education, culture, youth and sport’ concern digital cohesion in terms of training and a fair and just digitalisation of our society and economy.
- **Ecological cohesion.** ‘Climate change and the environment’ and ‘Health’ are clearly linked to the ideas above on ecological cohesion. Also ‘A stronger economy, social justice and jobs’ concerns ecological cohesion in terms of a fair and just transition to a green economy.

In mid-August 2021, 64 ideas on the ‘Conference on the future of Europe’ website mentioned cohesion explicitly. These range from specific proposals (e.g. for democracy, culture, language, finance, area with geographical specificities) to the need to redefine cohesion following the spirit of Jean Monnet.

Similarly, the ‘New European Bauhaus’ has collected many insights on more beautiful, sustainable and inclusive forms of living together in Europe. Many of the issues implicitly or explicitly address cohesion and how people envisage a cohesive Europe. This ranges from ‘community-driven prototype for the green transition’³⁸ to more radical ideas on the need to rethink cohesion and a future for all places.³⁹

All these ideas could be taken up in a discussion linking ‘Conference on the Future of Europe’ and the ‘New European Bauhaus’ debates to a larger debate about what future people see for Europe when it comes to their personal reflections on cohesion. What would be the citizen’s ‘Cohesion Spirit’?

10.2 European Advisory Board on cohesion

A Europe-wide reflection on the new ‘Cohesion Spirit’ should ideally be started by the European Commission, urged by the Council, the European Parliament, the Committee of the Regions, etc.

³⁸ https://europa.eu/new-european-bauhaus/co-design/selection-your-contributions/community-driven-prototype-green-transition-2021-05-29_en

³⁹ https://europa.eu/new-european-bauhaus/events/independent-event-what-would-gropius-do-century-later_en and <https://steadyhq.com/en/spatialforesight/posts/d140aff2-2c9d-49c4-821e-32e82f73d3e0>

An Advisory Board on ‘Cohesion Spirit towards 2050’ – or European Cohesion Stability Board – could link the public debate to concrete policy processes and initiatives (Mehlbye, 2021). Such a board could have an independent chair with a secretariat and a budget, and members should ideally include representatives from European institutions, member states, regions and local authorities as well as citizens from diverse places.

This board should propose a long-term policy perspective for cohesion providing a vision for all places that reconciles different interests of citizens and utilises the diverse potential of places within the EU. This would include a comprehensive governance framework that embraces and ensures both top-down and bottom-up roles and input. It could carefully define the exact roles and competences of each administrative level, of other sectors, as well as the involvement and power of citizens representing places when defining and deciding priorities for interventions, local projects and funding.

Advice and proposals from the board could feed into a Commission White Paper on Cohesion and the policy process within the EU. In broad deliberations across the EU the aim would be to strengthen cohesion as an underlying value for all policies. The perspective might also include a global outlook. (Mehlbye, 2021)

Following Mehlbye (2021) the mindset underlying such a board would be to promote ‘Cohesion Spirit’ in a wide public dialogue, including the negotiation of a vision involving democratically elected politicians and citizens. This would imply stimulating proactive thinking about desirable futures, putting a clear focus people’s well-being, defining what we want to achieve when referring to cohesion, how to measure the distance to target, and encouraging societal imagination and allows for experiments.

10.3 Commission White Paper on cohesion

Lifting cohesion higher up the EU political agenda will require a strategic, comprehensive approach. A detailed proposal should explain the need, approach, expected results/added value and the operational setting including the envisaged support and involvement by other sectors and citizens.

The public debate on cohesion as well as the division of labour between EU policies to deliver cohesion should come together in an EU Commission White Paper on ‘Cohesion Spirit of all Policies’.

The purpose of an EU Commission White Paper is to launch a debate with the public, stakeholders, the European Parliament and the Council to arrive at a political consensus. In that sense a White Paper outlines proposals for EU action

in a specific area. In some cases, a White Paper follows on from a Green Paper published to launch a consultation process at EU level.

A Commission White Paper on cohesion could take the 2021/2 Cohesion Report further and build on previous work including the ‘Agenda for a reformed cohesion Policy’ (Barca, 2009), the Green Paper on territorial cohesion (European Commission, 2008), the Territorial Agenda 2030 (Territorial Agenda, 2020) and the long-term vision for Europe’s rural areas (European Commission, 2021). It could revisit these documents in the light of the need for a stronger ‘Cohesion Spirit’ and current policy debates on green and digital transitions, beyond-GDP, well-being and quality of life, as well as a Europe that is closer to citizens.

The meaning of cohesion

‘Cohesion Spirit’ is defined broadly along four lines to capture different facets and understandings (Böhme et al., 2021):

- **Cohesion principles.** Mutual interdependencies, equality, equity and justice describe different facets of the meaning of a policy’s ‘Cohesion Spirit’.
- **Cohesion objectives.** Economic, social, territorial and interpersonal cohesion objectives describe a policy’s ‘Cohesion Spirit’ in terms of inequalities, imbalances or other targets.
- **Embeddedness in the goal tree.** How much cohesion principles are embedded in policy objectives, priorities or measures highlights the importance of cohesion in the policy.
- **Governance arrangements.** The approaches of multi-level governance, interdisciplinarity (cooperation across policy sectors), robustness and citizen involvement show how well cohesion is embedded a policy’s delivery process.

11 Enabling ‘Cohesion Spirit’

‘Cohesion Spirit’ is nice to have in terms of policy ambitions and aspirations but also needs to lead to action. The appraisal of the ‘Cohesion Spirit’ of EU policies (Böhme et al., 2021) underlines that there is room to improve links between cohesion principles and objectives with policy design and delivery mechanisms. This requires enabling and encouraging relevant players.

11.1 Cohesion Spirit in all policies

All EU policies need to consider how cohesion is carried through into policy delivery and implementation.

A single policy cannot address all facets without becoming unfocused and risking aiming for everything but achieving nothing. Indeed, a wide range of policies should address growing inequalities, including harmful economic, social and political consequences, as well as a cohesive digital and green transition. This goes far beyond infrastructure development, human capital, innovation and technology policies.

Figure 11.1 ‘Cohesion puzzle’ in EU policies



Source: own elaboration

This however requires agreement on how much policies can contribute to cohesion objectives while still primarily serving their own objectives. Indeed, it might be more realistic for each policy to contribute one piece to the cohesion puzzle, rather than expecting multiple policies to solve the full puzzle in parallel (see Figure 11.1). This would require identifying relevant cohesion principles, objectives and governance arrangements for each EU policy, in respect of its objectives and delivery, allowing for a focused approach to cohesion in EU policies. It would also imply an assessment framework for monitoring that the combination of individual policy approaches to cohesion come together in a complete cohesion picture, covering each facet of cohesion. Such an assessment framework can build on existing experience e.g. in the fields of ‘Territorial Impact Assessment’ and ‘Rural Proofing’.

11.2 Strong Cohesion Policy

Moving cohesion beyond a ‘flanking policy’ to an overarching policy objective in its own right, needs a strong Cohesion Policy. Strengthening the ‘Cohesion Spirit’ in all EU policies is no argument for reducing the importance and funding of Cohesion Policy.

Even if all other EU policies are underpinned by a ‘Cohesion Spirit’ and contribute to cohesion, there is a need for one strong policy focusing entirely on the cohesion objective. Cohesion Policy is a necessary but insufficient component to achieving cohesion.

Cohesion Policy is an important means to bring together the various EU and national policies affecting a municipality or region in a coherent development strategy and process reflecting its development potential and aspirations. Cohesion Policy can empower local and regional players to link up and make sense of the outcomes of other policies, and can provide the means to invest in a place, using the outcomes of other policies and its own potential.

Cohesion Policy can be strengthened to better reflect the new ‘Cohesion Spirit’.

Extend the geographic targeting of funding beyond GDP. Reflecting the broader understanding of cohesion, the geographical targeting of funding should be revisited. In line with current debates on the need to move economic policy-making beyond GDP (see e.g. Terzi, 2021) and on the funding criteria for Cohesion Policy (see e.g. European Commission, 2018) a discussion is needed extending the criteria for geographical targeting of funding beyond GDP. Identifying indicators capturing the need for interpersonal, digital and ecological cohesion could offer insightful information complementing GDP as the sole criterion for the distribution of funding.

‘Cohesion Spirit’ in policy objectives and specific objectives. To ensure that Cohesion Policy can contribute to a cohesive green and digital transition and strengthen interpersonal cohesion, adjustments will be needed. First of all the understanding and further development of policy and specific objectives should reflect broader cohesion perspectives to also capture interpersonal, digital and ecological cohesion.

Alignment of objectives and actions with other policies. Increasing imbalances and inequalities cannot be addressed by a single policy. Cohesion can only be achieved if all policies contribute a share. A successful ‘cohesion puzzle’ (see Figure 11.1) where all policies contribute with some pieces, requires coordination and alignment of objectives and actions. The shared management system of Cohesion Policy is in a good position to support place-specific alignments of policy objectives and actions.

11.3 Cohesion governance

To move from words to action the governance arrangements linked to ‘Cohesion Spirit’ need to be strengthened. A rethinking of the governance system is crucial. A new governance structure and procedural flow could involve citizens and places in defining the purposes of cohesion and negotiating desirable futures for people and places that (1) combine the diversity of people and places, and (2) bridge the interests and roles of all levels of government in the EU (Mehlbye, 2021).

Quality of government and governance. Throughout the EU, the quality of government and governance needs to be increased to improve policy measures and investments in infrastructure, human capital and technology in a place. The quality of government and governance matters for people’s well-being and is a prerequisite for long-term sustainable development, social trust and political legitimacy. The low quality of governance in some countries and regions suggests that some less advantaged regions may be stuck in a low administrative-quality, low growth trap. In regions with relatively high growth over the past decade, poor quality of government limits further growth and any move to a higher value-added economy. Inefficient (or even corrupt) governments undermine regional potential for innovation and entrepreneurship and weaken the attractiveness of regions. Also, regional environmental performance and investment in public goods are affected, as well as inclusiveness and participation.

Multi-level governance for cohesion objectives. Considering the importance of local and regional stakeholders for place-sensitive policy making and implementation, it is particularly worrying that multi-level governance is not more deeply embedded in policies. Multi-level governance and the role of local and regional authorities needs to be strengthened in the ‘Cohesion Spirit’ to make

it place-sensitive. This means strengthening multi-level governance in EU policies and ensuring that local and regional authorities are on board in design and delivery to enable place-sensitive EU policies. It also means that we need to ensure that local and regional authorities have the capacity to be active players in policy design and implementation. This especially concerns small municipalities and regions. Concretely, this could also involve a European Code on Conduct on partnership setting establishing a common standard for enhanced consultation, participation and dialogue with relevant stakeholders for all EU policies – including the European semester. **Citizens and cohesion between them.** Bringing the EU closer to citizens requires strengthening interpersonal cohesion as an objective. Furthermore, a strong participatory approach to EU policies is needed to ensure the citizen perspective is included in policy design and delivery. One possibility might be citizen assemblies following how EU policies are handled in a municipality or region (Territorial Thinkers, 2020).

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ANNEX - Method to assess policies

The appraisal of the ‘Cohesion Spirit’ of EU policies follows the understanding of the various facets laid down in chapter 1. This has been translated into a simple and transparent approach which follows the European Committee of the Regions approach to screening National Reform Programme consistency with Sustainable Development Goals (SDG) (Böhme, Besana, Lüer, Holstein, Hans, Valenza, Caillaud, & Derszniak-Noirjean, 2020; CoR, 2019). This approach allows for the appraisal of many policies in a short time and can serve as input for a debate about more in-depth analysis of particular aspects or policies later on.

In short, a policy is assessed along four ‘cohesion principles’ outlined in section 1.1: Mutual interdependencies, equality, equity and justice. The result of the four ‘cohesion principles’ derive from an appraisal concerning the ‘cohesion objective’, ‘embeddedness in the goal tree’ and ‘governance arrangements’ for each of them.

‘Cohesion Objectives’: Who are the addressees? The appraisal considers whether a policy document addresses cohesion in terms of each of the four ‘cohesion objectives’ laid down in section 1.2. It differentiates under 16 possible combinations of ‘cohesion principles’ and ‘cohesion objectives’ whether they are addressed explicitly, implicitly or not at all in the policy document.

‘Policy Goal Tree’: Where are the principles addressed? Going beyond what is discussed in chapter 1, the appraisal also considers how well the ‘cohesion principles’ are embedded in the policy goal tree. This ranges from policy objectives, via policy priorities to policy measures. It differentiates for each of 12 possible combinations of ‘cohesion principles’ and levels of the goal tree whether they are addressed explicitly, implicitly or not at all in the policy document. Where a policy does not have concrete measures or priorities, this field is considered ‘not applicable’ and is excluded from further analysis.

Governance arrangements: How are the principles embedded in policy delivery? For each of the four ‘cohesion principles’ the appraisal considers whether a policy document addresses cohesion in terms of the four ‘governance arrangements’ laid down in section 1.3. It differentiates whether each of the 16 combinations of ‘cohesion principles’ and ‘governance arrangements’ are addressed explicitly, implicitly or not at all in the policy document.

This review results in 44 appraisals for each policy. These are translated into numeric values (e.g. 3 = explicitly addressed, 1 = implicitly addressed, 0 = not addressed) which can be aggregated into a value for each policy as well as for various facets of the ‘Cohesion Spirit’. Aggregate values have been calculated for

each of the four 'cohesion principles' as well as for 'cohesion principles' for each of the four 'cohesion objectives', each of the three levels of the 'policy goal tree', and each of the four 'governance arrangements'. The findings and graphs in this report are based on cross-analysis of these numbers.

ANNEX - Sankey Charts

To what extent does the EU benefit from cohesion? Today Europe is facing major socio-economic issues. The health crisis has severely strained all EU countries, creating new societal challenges, while climate change and digital innovation require an increasing number of initiatives. Inequalities are harmful for the economic, social and political framework.

To provide a dimension the ‘cost’ of not having ‘Cohesion Spirit’ embedded in European Policies:

1. We defined three domains; interpersonal, ecological and digital. These are divided into 28 sub-domains (indicators), using reliable secondary data.
2. Then, we paired our indicators with European public policies which embed ‘Cohesion Spirit’ at interpersonal, digital and ecological levels.
3. Based on the European Parliament study (2019) ‘Europe’s two trillion euro dividend- Mapping the Cost of Non-Europe, 2019-24’ we estimate the cost of a lack of ‘Cohesion Spirit’ in relation to the three domains.
4. Based on a qualitative assessment, we identify which social dimensions (SME, Society, Polity, Individual, Ecosystem) might be more affected.

The following tables presents, the sub domains (indicators) for each dimension and the relevant EU policy embedding ‘Cohesion Spirit’.

Table 0.1 Interpersonal dimension

Sub-domains (indicators)	Related policies
Expectation - Life in general (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)	Addressing health inequalities / Guaranteeing consumer rights/stronger passenger rights
Freedom over life choices (Social Progress Index)	Free movement of economically active EU citizens
Socialising with people from other EU countries (In the last 12 months have you socialised with people from another EU country?) Eurobarometer	Free movement of economically active EU citizens

Expectation - Personal job situation (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)	Better information for and consultation of workers, Free movement of economically active EU citizens
Expectation - Household financial situation (What are your expectations for the next twelve months: will they be better, worse or the same, when it comes to...?) (Eurobarometer)	Guarantee consumer rights, Promoting collaborative economy, Social enterprises and mutual societies
Interpersonal trust (ESPON Quality of Life) (based on Voluntary work perception (Eurobarometer) & Participation in Community work (Eurostat))	Social enterprises and mutual societies
Institutional trust (How much trust do you have in certain institutions?) (Eurobarometer)	Improved common consular protection for EU citizens
Life satisfaction (Eurobarometer)	Equal treatment and non-discrimination, Creativity and cultural diversity
Feeling physically insecure (Eurostat State of Cities) (% of people who feel safe walking alone at night in the city)	Combatting violence against women
Income distribution (Eurostat SDG) // The income quintile share ratio compares the income share (in total household income) received by the top 20 % with the share for the bottom 20 %.	Better coordination of fiscal policy, Addressing corporate tax avoidance

Table 0.2 Digital dimension

Sub-domains (indicators)	Related policies
E-commerce (internet purchases (Eurostat))	Completing the digital single market
Households with broadband access (Eurostat)	Promoting internet connectivity: Regulation to promote internet connectivity in local communities (Wi-Fi4EU)
4G or 5G mobile phone coverage	
E-education	
E-work (home office)	
Digital nomads (footloose production)	Legal cooperation and litigation in civil and commercial matters, Establishment and mobility of companies

Table 0.3 Ecological dimension

Sub-domains (indicators)	Related policies
Exposure to air pollution by particulate matter (Eurostat SDG)	Odometer manipulation in motor vehicles
Phosphate in rivers (Eurostat SDG)	Strengthened water legislation
Nitrate in groundwater (Eurostat SDG)	Strengthened water legislation
Biochemical oxygen demand in rivers (Eurostat SDG)	Strengthened water legislation
Employment in the environmental economy (Eurostat)	More integrated energy market with greater energy efficiency

Based on European Parliament study (2019) ‘Europe’s two trillion euro dividend-Mapping the Cost of Non-Europe, 2019-24’ it is possible to provide a first idea of the cost of a lack of ‘Cohesion Spirit’ in relation to the three dimensions.

In addition to this, we analysed the qualitative impact of cohesion policies on five areas of society; SMEs, communities, polities, individuals and ecosystems. Furthermore, we divided these areas into specific categories:

- SMEs: innovation, entrepreneurship and competitiveness;
- Communities: inclusion, employment and criminality;
- Polities: Good governance, fair government, subsidiarity;
- Individuals: well-being, social engagement and confidence, equal opportunities and personal development;
- Ecosystems: resilience, biodiversity and preservation of natural resources.

The following tables provide a general idea of the impact of European public policies. The scale is from ‘0’ to ‘2’, where ‘0’ indicates no impact, ‘1’ an indirect impact and ‘2’ a direct impact, giving different colours for each value (green = 0, orange = 1, pink = 2).



European Committee of the Regions



The European Committee of the Regions (CoR) is the EU's political assembly of 329 regional and local representatives from all 27 Member States. Our members are elected presidents of regions, regional councillors, mayors and local councillors - democratically accountable to more than 446 million European citizens. The CoR's main objectives are to involve regional and local authorities and the communities they represent in the EU's decision-making process and to inform them about EU policies. The European Commission, the European Parliament and the Council have to consult the Committee in policy areas affecting regions and cities. It can appeal to the Court of Justice of the European Union as a means of upholding EU law where there are breaches to the subsidiarity principle or failures to respect regional or local authorities.

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