ESPON study
European Territorial Reference Framework

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The Territorial Agenda is an intergovernmental political reflection on territorial changes and prospects in Europe.

It follows the European Spatial Development Perspective (Potsdam, 1999), Territorial Agenda 2015 (Leipzig, 2007), Territorial Agenda 2020 (Godollö, 2011).

Next Territorial Agenda 2020-2030 is foreseen to be approved by Member States in 2020, during German presidency. ESPON was asked to provide an input to the process.

The previous Territorial Agenda 2020 was developed in a very different social, economic and political context than nowadays.

The goals and aims of ESDP and previous Territorial Agendas remain valid since they are based on European core values.
A deliberative process under the ESPON activities towards TA2020+

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ESPON Strategic Advisory Forum for TA2020+
Changes from 2010-2020
Changes from 2010-2020 to be considered in TA2020+

- **End of enlargement to Eastern EU countries**: 2004-2007-2013
- **The 2008 economic crisis lasting impacts** revealed the weaknesses of key common policies and the contradictory impact of Cohesion policies
- **Public debt increased**, constraining the continuous expansion on social expenditure
- **Migration flows** have become controversial (Germany has the higher ratio of immigrants, about 15%)
- **The refugee crisis** challenged core European values (between 2010 and 2013, around 1.4 million non-EU nationals, excluding asylum seekers and refugees arrived in the EU each year)
- **Euroscepticism and “retrospective feeling: antiglobalisation”**
- **The Brexit process**
Changes from 2010-2020 to be considered in TA2020+

- Internet have grown from 2000 to 2010: almost all European citizens are Internet users.
- **Digital monopolies** have grown worldwide - companies born around the year 2000 like Google, Facebook and Amazon.
- **Electrification of energy markets**: Battery electric vehicles from more than 10 million to 200 million 2012 to 2017.
- **Oil prices have been declining** down to about 50$, after having a 135$ peak in 2008.
- “**Slowbalisation**: the “Golden Age” of globalisation -1990-2010 is over.” Increasing trade within Europe (and world blocks) in relation to the rest of the world. Global trade remained in the 2010s, after the 2008 crisis, around 25% of the global GDP.
- **China enjoyed “just” an average 10,5% growth rate** in 2000-2010, slowing down in the 2010-2020 period.
- **Travel and tourism accelerated growth.** It amounted to approximately from less than 2 in 2006 to more than 2.50 trillion U.S. dollars in 2017.
- **Africa’s demographic growth**.
- **Security is becoming a major concern in Europe**.
...growth and convergence (1)... recession and disparities (2)... then (moderate) growth and disparities (3)

**European Growth: aggregated Manufacture output**
EUROSTAT Manufacturing output

**Regional disparities** (Theil index)
ESPON ETRF MASST4 POLIMI
Challenges of today
Fragmentation: “Geographies of discontent” and new political choices on different EU countries
Fragmentation: “Geographies of discontent” and new political choices on different EU countries

Regional GDP per capita in relation to each Member State average

ESPON ETRF
Key Territorial Challenges

Fragmentation of places…
- …a political dimension (e.g. discontent)
- …a social and cultural dimension (e.g. diversity)
- …an economic dimension (e.g. disparities)

Network interdependencies…
- Subverted distances: Proximity in terms of “connection”
- Increasing flows, spill-overs and externalities
- Network industries create “new territorialities” (e.g. digital markets)
Paramount Challenge: Quality of Government, since it is not improving

“Quality of Government Institute, University of Gothenburg (2018)
Looking towards 2030 & 2050
Main Drivers (and dilemmas) towards 2025 and 2050

- **Singular Technologies** *(virtual/material)*
- **Networked Economies** *(connected/unplugged)*
- **Fluid Societies** *(“anywheres”/”nowheres”)*
- **Environmental Risks** *(local/global)*
- **Reactive Governments** *(efficiency/legitimacy)*
Macro-trends for Europe: Tomorrow will be (very) different
Environmental trends

- Decoupled urban mobility and shifted to soft modes,
- Increase in interurban mobility and be more diversified
- Lower energy intensity and more renewal sources, 35% renewal in 2030 (50% in 2050)
- Resource consumption decoupled from growth (e.g. water, materials, food, land…)
- Recycling waste as new resources in more circular and efficient economies
- Limited urbanisation: it may still grow at 1.000 km2 per year to 2030, but no more land taken in 2050.
- Reduced CO2 emissions: reduction up to 30% in 2030 (and 50% in 2050)
- Increasing risks because of Climate Change hitting asymmetrically Europe
Territorial implications: Emerging “Functional Areas” looking for new governance solutions
Missmatch between territories and flows: “the Space of flows”
Emerging “functional areas” (e.g. German-Polish border area)
Local Functional Urban Areas (new Metropolitan Areas?)

Amalgamation was supposed to bring cost savings, smaller government and lower taxes, it didn’t.

- Municipal employee compensation up 52.8%
- Property tax up 50%
- Long-term debt increased 111%
Cross-border functional regions (new Euroregions?)
Macroregional/transnational areas (New Macroregions?)
European “continental” functional areas

Emerging “Functional areas” from local to continental scales

**Territorial Reforms**
- Creation of new States (e.g. Montenegro)
- Reunification of States (e.g. Germany)
- Regional de/re-centralisation (e.g. Poland “voivodships”)
- New Metropolitan areas (e.g. Bucharest-Illfov Region)
- Municipal or regional amalgamation (e.g. Denmark)

**Territorial Cooperation**
- Cooperation agreements between States (Common market, Custom Union, Free Trade Association...) (e.g. Schengen Agreement)
- State – regional formal agreements (e.g. French contract - plan)
- Inter-Municipal Cooperation (e.g. Local Partnership Act, Norway)
- Self-regulated zones (e.g. Free Trade zones)

**New Territorialities**
- Macroregions / Transnational cross-border cooperation (e.g. Danube region)
- Euroregions / Interregional cross-border cooperation (e.g. Galicia and Northern Portugal)
- Multilevel partnerships within within a MS (e.g. Dutch City Deals, Dutch Diamond Approach)
- Action Area (e.g. Gotthard Action Area)

**Post - territorialities**
- Multilateral financial institutions (e.g. World-Bank, EIB...)
- Political integration of States (e.g. EU)
- Macroleaders / Transnational cross-border cooperation (e.g. Danube region)
- Partnerships approach (e.g. Urban Agenda,)
- Global Multistakeholder approach (e.g. Internet society)
- Multilateral financial institutions (e.g. World-Bank, EIB...)
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Territorial Scenarios
Territorial Governance Scenarios Considered

- Enabling Cooperation
- Muddling Through
- New Territorialities
- Post-territorialism

2050
<table>
<thead>
<tr>
<th>Enabling Cooperation</th>
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<tbody>
<tr>
<td>Dominant principle</td>
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<td>“Enhanced cooperation”</td>
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<td>Government paradigm</td>
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<td>Enabling</td>
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<td>Governance paradigm</td>
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<td>Multilevel “place-based” governance. Intergovernmental</td>
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<td>Functional areas as “new territorialities”</td>
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<td>Enabling cross-border local, interregional and transnational “cooperation zones” (e.g. euroregions. macroregions)</td>
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<td>Legal Form of cooperation</td>
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<td>Improved EGTC</td>
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<td>Spatial Development</td>
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<td>Promotion of urban networks in functional cooperation areas.</td>
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<td><strong>European Forward</strong></td>
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<td>Unit (1999)</td>
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<td><strong>Law Scenarios Hill</strong></td>
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+0.2\% \text{ annual average GDP increase} \text{ because "Enabling Cooperation" 2018-2035}
Disparities remain in the “Enabling Cooperation” 2018-2035
Conclusions in relation to growth and disparities

- “Enabling Cooperation” brings (at least) +0.2% GDP/capita each year: In a 20 years period, “Enabling cooperation” may represent about 50% of 2018 GDP savings.

- Increasing regional disparities within Member States (between capitals and large cities and sparsely populated regions, also in between neighbourhoods in large cities).

- Need for stronger and “Taylor-made” redistributive policies.
Conclusions for TA2020+ and relevance for COTER mission
Territorial Agenda 2020+ is relevant for COTER

- Taking into consideration the relevance of **territorial challenges** (fragmentation, increasing flows and **interdependencies** and **mismatch** between administrative and functional areas...)

- **Adjust Cohesion and other European policies to key megatrends** (e.g. technologic progress, economic globalisation, social disparities and migration, climate change...)

- **Support “taylor-made” solutions** building on **Objective 5** (Cohesion policy 2021-2027).

- Address issues of **territorial cooperation and governance of new functional areas**.

- Promote the improvement of the **quality of local and regional governments**.

- **Support for stronger Cohesion** policy as a policy tool dealing with territorial cohesion, removing administrative barriers and promoting territorial assets
Thank you

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