A Territorial Impact Assessment
of Territorial Cohesion for the Netherlands
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Netherlands Environmental Assessment Agency (PBL)
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Executive summary

- In the Lisbon Treaty of the European Union, ‘territorial cohesion’ is going to be adopted as a new objective of the European Union in addition to social and economic cohesion. This means that once this treaty is ratified, the European Commission will be able to propose new legislation to promote territorial cohesion. But what does ‘territorial cohesion’ mean and how can it be interpreted?
- The meaning is contested and evolving, although it has been in use in EU regional policy for several years. In May 2007 the European ministers of spatial planning signed the ‘Territorial Agenda’ and in October 2008 the European Commission issued a Green Paper on Territorial Cohesion. Both documents avoid making explicit choices and they leave much room for interpretation regarding definitions and content.
- In July 2008, the Ministry of Housing, Planning and the Environment (VROM) requested the Netherlands Environmental Assessment Agency (PBL) to carry out an ex ante territorial impact assessment (TIA) of territorial cohesion policy. The purpose was to provide Dutch policymakers with an early indication of the most important possible interpretations of territorial cohesion and to estimate the territorial effects each interpretation could have for the Netherlands, both for land use and for policy.

Method

- During the drafting of the Green Paper on territorial cohesion, the European Commission was consulting experts, and after its publication, listening to feedback from stakeholders. This ‘territorial impact assessment’ of territorial cohesion has been completed before the EC has worked out the policy in more detail.
- Given the early stage of policy development and the range of possible interpretations which are still open, it is impossible to say what kinds of territorial impacts will occur in the Netherlands. At most, we can indicate which kinds of interpretations would be most favourable for the Netherlands, taking account of existing policy goals.
- In our study five potential interpretations of territorial cohesion were identified. These were selected on the basis of an analysis of documents and policy discussions at the European level. In each interpretation, territorial cohesion is viewed as the solution to a particular problem. For each problem, several hypothetical policy options were then formulated, and their consequences for the Netherlands assessed.

Findings

- In the first interpretation, territorial cohesion is seen as a solution to socioeconomic disparities between regions in Europe. One policy option would be to intensify support to ‘lagging’ regions in Europe. This policy option runs counter to current Dutch developmental policy, but it is unlikely
that it would have significant impacts for the Netherlands. Regional policy expenditures in the Netherlands have been greatly reduced over time. Even in the very unlikely event that Member States were called upon to reduce internal disparities, these are already lower in the Netherlands than France, Germany and the United Kingdom. If the concept of disparities were to be broadened to include factors such as susceptibility to climate change, this could provide an opportunity for EU-funding.

In the second interpretation, territorial cohesion is seen as a means to improve the economic competitiveness of Europe by allowing regions to harness their ‘territorial capital’. This interpretation conforms to Dutch spatial and economic development policy. The first policy option of targeting growth areas would be favourable, especially for the Dutch Randstad, which can be seen as a motor of European growth. Some vigilance is needed regarding the definitions of indicators however; some are more favourable to the Netherlands than others. The second policy option of facilitating agglomeration should be seen as advantageous to the Netherlands as well.

In the third interpretation, territorial cohesion is seen as a means to deal with the multiple challenges facing rural areas. The first policy option of creating an EU ‘rural rescue plan’ would be irrelevant for the Netherlands, as the problems of depopulation and economic decline are much less acute than elsewhere in Europe. The second policy option of diversification would offer opportunities and conforms well to some initiatives already being carried out by provinces.

In the fourth interpretation, territorial cohesion means balanced development and countering urban sprawl. The first policy option would introduce a form of spatial planning at the EU level. Although it is likely that European and Dutch spatial policies would conform, there is a danger of conflict if specific indicators such as changing urban densities are used for certain policy measures. The second policy option, which would seek to strengthen spatial planning in the EU by facilitating the exchange of information about best practices, should be seen as an opportunity for the Netherlands.

In the fifth interpretation, territorial cohesion is viewed as a means to improve policy coherence. The first policy option would be to carry out ‘territorial impact assessments’ of proposed new policies at the European level to gain insight into their intended and unintended spatial effects. This could benefit the Netherlands by producing more territorially sensitive legislation. The second policy option would allow Member States to implement EU sectoral policies more flexibly. This option would strengthen the position of Dutch spatial planning and enhance the problem solving capacity of regional authorities.

Overall, the study concludes that in terms of land use, the impacts of territorial cohesion, however interpreted, would be virtually negligible for the Netherlands in the near future. In the long term, territorial cohesion does provide some interesting opportunities. Use of indicators other than GDP in territorial cohesion policy, combined with a focus on territorial capital would enhance eligibility for EU-funding and improve understanding for the specific geographical situation of the Netherlands in Europe. More important for the Netherlands is the impact that territorial cohesion may have on EU policy by improving cross-sectoral coherence and making EU policy more compatible with the Dutch tradition of integrated assessments.

The modest levels of expected impact should not be misconstrued to mean that territorial cohesion is unimportant. It is still in an early phase of policy development. As many fundamental decisions are still open, the Netherlands can play a role in giving shape to whatever territorial cohesion policy emerges.
This report is about the potential impacts that new European Commission proposals regarding territorial cohesion could have in the Netherlands. Since the meaning of this concept is still being debated as part of a consultation process following the Commission’s Green Paper on Territorial Cohesion, this study has taken a broad brush approach to evaluating potential impacts. Five interpretations of territorial cohesion were identified on the basis of EU political discourse and according to the problems attached to territorial cohesion. For each interpretation, two or more policy options were drawn up and their potential effects for the Netherlands estimated. The study found that no significant territorial impacts can be discerned for the Netherlands for the time being.

1.1 Territory matters in Europe

Institutionally, the European Union has a curious intermediate position between a governmental level (such as the Federal Government of Germany or the United States) and a looser forum that allows participating members to discuss and make binding agreements on issues of a common or transnational concern. Most of these agreements are geared towards improving the functioning of the internal market and attempt – in a spirit of fairness – to establish clear and common standards equally applicable to all on a particular issue. To ensure that all parties are playing by the rules, emphasis has been placed on implementation, either through the criteria surrounding the disbursement of EU funds or the use of legal instruments. Although having obvious advantages for transparency and standardisation, this approach also has a number of drawbacks.

One drawback is that generic rules and standards for particular policy areas can have unintended effects in practice. First, if these agreements have been made in isolation, they may be in tension or even conflict with objectives set in other policy areas. An example is the discouragement of state aid to industry on the one hand, but active public investment in various areas (regional policy, research, infrastructure, etc.) on the other hand. Second, policies may mismatch geographically. A well-known example is the most important instrument of agricultural policy, the price mechanism that seeks to ensure European self-sufficiency for food, which tends to benefit already wealthy regions in the EU, while regional policy invests heavily in supporting poorer regions. EU subsidies may be needed to clean water polluted by EU-subsidised agriculture, or Trans-European Transport Network (TEN-T) routes can be frustrated by areas designated as European habitats (Natura 2000). Third, unexpected conflicts can arise when carrying out development projects ‘on the ground’. In the Netherlands, major projects underwent delays or were obstructed by a lack of attention for EU regulations regarding air quality, nature or public procurement (Robert et al., 2001; Van Ravesteyn & Evers, 2004; Zonneveld et al., 2008).

A second problem of generic rules is their inability to deal directly with some problems of a territorial nature. Most of the major current and future challenges (globalisation, climate change, immigration, energy security) do not respect national borders and thus require attention at a higher level of scale, which is usually the EU due to its legislative capacity. On the other hand, since many of these challenges are differentiated in their impacts, implementing a generic policy for the entire territory of the EU could be inappropriate. An example is adaptation to climate change: cross-border cooperation is needed to control increased flooding in some parts of Europe, while other parts will face increased drought and risk of forest fires. Another example is economic globalisation which has had a tendency to concentrate economic activity in metropolitan areas, exacerbating the core/periphery dichotomy in Europe.

For all these reasons, it has become increasingly accepted in European political discourse that, despite the fact that the EU has no competence for spatial planning, some form of ‘territorialisation’ is needed to meet future challenges and improve the effectiveness of its own policies. These concerns have been brought together under the term ‘territorial cohesion’, which has cropped up in various policy documents and has been included in the new (Lisbon) EU Treaty as an objective of the European Union. There is no consensus about what the term actually means, what problems it should address and what kind of concrete policy actions this would entail. At present, territorial cohesion seems to be a solution in search of a problem, and various (sometimes mutually exclusive) interpretations now coexist uneasily. A recently published green paper has underlined the importance of territorial cohesion and opened up a consultation round to flesh out the concept further (CEC, 2008a).
1.2 Territorial Impact Assessment

On 3 July 2008, the Netherlands Ministry of Housing, Spatial Planning and the Environment (VROM) requested the Netherlands Environmental Assessment Agency (PBL) to carry out a territorial impact assessment of this concept according to the recently published PBL-TIA Strategy (see text box). Since there is no clear definition of territorial cohesion, it is important to first take stock of the complete range of possible policy choices and then estimate the possible territorial effects for the Netherlands. This will allow Dutch policymakers to better anticipate the consequences of and/or contribute to the discussion on territorial cohesion policy.

Purpose of TIA
It is the aim of TIA to provide Dutch policymakers with an early indication of the most important interpretations of territorial cohesion and with an estimation of the territorial effects these may have for the Netherlands.

Research questions
What are the ways in which EU policy regarding territorial cohesion could take shape and what are the most important territorial consequences of this for the Netherlands?

Methodology
For the purposes of evaluating the impact of territorial cohesion, this is considered a rather new policy area. As stated, despite its use in regional policy and the existence of a Territorial Agenda and a Green Paper on Territorial Cohesion, there is still no consensus about the objectives which territorial cohesion is to serve or what means are needed to achieve them. Nor is there a clear definition of the concept. As all of these issues are still being debated, the PBL-TIA strategy has placed territorial cohesion into the ‘expert phase’, one of the earliest phases in the European policy-making process (Tennekes & Hornis, 2008). At this stage of the process, it is still possible to make fundamental choices regarding interpretation or elaboration or the placing of issues on the agenda. For this reason, it is impossible to be able to say with certainty what kinds of territorial impacts can occur. At most, this TIA can provide a tentative indication.

Following the PBL-TIA strategy guidelines for policy-making in the expert phase, the approach taken is broad and speculative. After sketching out the problem of territorial cohesion and contextualising this in the literature, a number of different interpretations will be devised and elaborated. Documents, such as the Territorial Agenda, the European Spatial

The PBL-TIA strategy in a nutshell
The TIA strategy is a set of guidelines specifying what kind of assessment would be appropriate for a proposal from the European Commission. This is dependent on a number of factors, such as the specific knowledge requirements of the Dutch Government, the degree to which effects are deemed to be critical and the position of the proposal in the European policy-making process.

Step 1: survey the situation
a) Determine the policy phase on the basis of relevant documentation and procedures. In the case of territorial cohesion, the European Commission has published a Green Paper which poses a number of questions to experts and Member States. For this reason, the PBL-TIA strategy identifies territorial cohesion to be in the so-called expert phase. After the consultation round, it will enter the ‘Commission phase’, where the Commission itself formulates policy options.
b) Determine significance. This is done in consultation with the Ministry of VROM. The decision to request the PBL to perform a TIA demonstrates that there is an expectation that this issue is important.
c) Determine knowledge requirements. Since so much is open regarding territorial cohesion, this will necessitate an exploration of potential (likely and promising) alternatives which could play a role in the EU debate.
d) Determine possible impacts. A number of decisions need to be made about the effects to be included in the analysis. For the analysis, the strategy identifies three criteria for determining critical effects of EC proposals.
- Extent of impact (e.g. magnitude, irreversibility, urgency)
- Relevance for the spatial structure
- Relevance for spatial policy and objectives

Step 2: analyse problem and context
In the second step, the problem to be solved by the proposed EU policy needs to be addressed. How did this problem arise and what are the driving forces behind it? What is expected for the future? Is the proposed policy the only solution or are there others? In this case, there are a variety of problems that have been attached to territorial cohesion, such as balanced economic development, making optimal use of territorial capital and improving the coordination of sector policies.

Step 3: identify alternative policy options
In the case of territorial cohesion this step was performed on two levels because there are still many uncertainties about which problem is being addressed. First, a possible interpretation is identified and then, within this interpretation, potential policy options are elaborated.

Step 4: estimate impact for the Netherlands
For this step, a number of questions are posed for each possible interpretation.
- Which actors will be affected by a territorial cohesion policy?
- To which extent will the legal and administrative framework change for these activities under the territorial cohesion policy?
- Which activities performed by these actors could be affected?
- Which geographical areas are affected and to which extent?
- To which extent do the actors experience this as an advantage or disadvantage?
Development Perspective (ESDP) and the Green Paper, will be important building blocks in this. Various expert interviews will be carried out to deepen the understanding of the internal coherence of the concepts and to make connections with groups and organisations which advocate them. The interpretations themselves will be made as distinctive as possible, to assist comparison of possible effects, rather than attempting to guess the most probable interpretation (which will surely be a mix).

For each interpretation, the problem to be solved by territorial cohesion will be presented by analysing relevant trends and developments (again, using existing data and knowledge). This will help to suggest the kinds of instruments and policy options which could be imposed at the EU level to solve these problems. Finally, an estimation will be made of the consequences that these instruments could have, primarily for the Netherlands, by reflecting on the country’s special position. As indicated, this can only be done in broad strokes, as fundamental decisions on territorial cohesion are still on the table. For this reason, rather than speculating on the kinds of impacts that a particular EU-policy option may have on land use in the Netherlands, the territorial impacts will be primarily sought in terms of coherence with national policy. If a potential policy conflict emerges, the extent and significance of this conflict will be reflected upon.

1.3 Contents

The first part of this report examines the genesis and evolution of the concept of territorial cohesion and the main territorial challenges mentioned in the Territorial Agenda. It takes a closer look at the ESDP and Territorial Agenda process, and clarifies some key terms. The main body of the report is an analysis of five discrete interpretations of territorial cohesion and their implications for the Netherlands. The report ends with summary and conclusions. A brief explanation of each of the interpretations is provided below.

The first interpretation is territorial cohesion as socio-economic convergence. This interpretation has clear links with the main objective of regional policy: it is intended to close the socio-economic gap between regions. Regional disparities in the EU have a distinct geographic pattern, justifying a territorial approach be taken. Furthermore, certain regions have spatial characteristics that require extra attention (periphery, islands, mountains, coastal). Aside from regional policy, this interpretation has a long tradition in Europe at the national level: Germany (East), Italy (South) and Norway and the Netherlands (North) all have implemented a similar policy.1

The second interpretation is territorial cohesion as economic competitiveness. In this view, regions should develop their territorial capital to help the EU remain competitive in the global marketplace. This interpretation has an affinity with the Lisbon Strategy. This form of economic cohesion will ultimately lead to a stronger Europe, but may increase disparities in GDP as regions specialise in different economic activities, some of which are more profitable than others.

The third interpretation is territorial cohesion as rural perspective. Various rural areas across Europe are faced with mutually reinforcing problems of declining agricultural income and subsidies, depopulation and lack of decent public services. This concerns rural areas in both wealthy (Scandinavia) and poorer (Romania and Bulgaria) countries. The link with territorial cohesion is clear because a ‘one-size-fits-all’ solution is insufficient to capture the diversity of these areas. In addition, territorial cohesion can be a key factor in tuning the various EU sectoral policies which affect rural regions to the specific needs of each region.

The fourth interpretation is territorial cohesion as spatial planning. In this interpretation the territorial agenda process is viewed as the continuation of, and follow-up to, the ESDP process. Common European problems of unbalanced development, adaptation to climate change and urban deprivation and sprawl should all be dealt with directly via spatial planning. This can be instituted at the European, transnational or lower levels depending on the problem at hand. Information, expertise and understanding about the various planning concepts and systems in Europe, to disseminate best practices and encourage cooperation.

The fifth and last interpretation is territorial cohesion as policy coordination. In this view, territorial cohesion is seen as a key for resolving conflicts and creating synergy between sectors and tiers of government. It can be implemented by requiring the various sectors to consider the territorial impacts of their actions and policies or by allowing some latitude in area-based developments when conflicts arise.

It should be pointed out that these interpretations were chosen to present the full range of topics being discussed in the context of territorial cohesion and not as scenarios or prognoses. The political process is very fluid: interpretations gain prominence in the debate, only to recede into the background later. The rise and fall of interpretations often corresponds with the agenda of the country hosting the EU presidency, a particular crisis (e.g. climate change, credit, energy), or policy event (reform Common Agricultural Policy (CAP), Lisbon Strategy, budget review). Many Member States – in this phase, the most important actors – have long-standing traditions or positions, geographically or economically, that make them predisposed to a particular interpretation; yet this, too, is not easy to predict and can change over time. This is illustrated by the fact that each of the four Scandinavian Member States has a quite different understanding of territorial cohesion (Damsgaard et al., 2008: 16). Given the full range of meanings present in the EU at this time, it cannot be stated with certainty which of these five interpretations will gain in acceptance in the future, and it cannot be excluded that a new one will emerge. What is certain is that, if a definition and operationalisation is chosen, it will not be on the basis of just one interpretation, but a mix of several.
1.4 Summary of conclusions

After working out the five interpretations and estimating the impacts of their policy options, we expect, for the Netherlands at least, no significant impacts of territorial cohesion at this point in time or in the near future. This is largely a result of the early phase in which the policy finds itself and of the uncertainties still surrounding the legality of territorial cohesion as an EU objective. An overview of the interpretations and their potential impacts are listed in table 1.1.

The first interpretation of reducing socio-economic disparities runs counter to current Dutch developmental policy. Neither of the first two policy options in this interpretation is likely to result in tangible effects. The third option could open new possibilities for EU funding in the Netherlands, or improve the appreciation of some challenges at the EU level. The second interpretation, which focuses on economic competitiveness, conforms well to Dutch spatial and economic development policy. Both policy options also seem favourable, especially for the Dutch Randstad. Targeting growth areas in the EU, the first policy option could result in new funding opportunities, whereas the second could increase economic growth in general. The third interpretation on rural perspectives also corresponds well to national spatial policy. The first policy option is irrelevant for the Netherlands, as the problems of depopulation and economic decline are much less acute than elsewhere in Europe. The second policy option offers some opportunities. The fourth interpretation on spatial planning would probably, but not necessarily, correspond to national spatial policy. In the first policy option the EU draws up a vision, perspective or plan. Depending on the status of this document, on the indicators employed and the measures envisioned, the Netherlands could, in addition to finding support for its national spatial policy goals, also encounter unexpected problems. The second policy option, where the EU facilitates exchanges of information and best practices in planning, seems more advantageous. In both policy options, however, the Dutch are well positioned to play an influential part, considering the internationally renowned planning tradition and the long-term involvement in the making of the ESDP and Territorial Agenda. The fifth interpretation deals with policy coordination and governance. The main impact for the Netherlands in both policy options is a possible negation of unwanted territorial impacts of EU policies. In the first policy option, potential unwanted impacts are preempted via TIAs, while in the second they are dealt with in the implementation phase. Another potential effect is that regional authorities could become more important in the EU-policy process. Regional authorities would have more venues to influence EU policy-making, reinforcing the phenomenon of multi-level governance. At the same time, national planning authorities would lose some more of their hold on regional spatial developments.

It is still too early to tell what kinds of impacts territorial cohesion will have on actor interactions in planning practice, let alone the impacts this subsequently will have on land use. The chapters provide indications of whether a particular perception of a problem, and the policy options drawn up to address it at the EU level, conform to Dutch national policy or whether it offers new opportunities for funding or favourable regulations. In some cases, a particular policy option may conflict with national policy, but correspond with the desires of other actors, such as provinces or local authorities. This was most evident in the first two interpretations.

The modest levels of expected impact should not be misconstrued to mean that territorial cohesion is unimportant. It is important, in terms of the opportunities it holds for improving the quality of European policy-making, rather than directly for the Netherlands. Although the Netherlands can profit from better EU regulations and new funding sources, it also has a responsibility to use the insights from its territorially unique position in the EU (i.e. highly urbanised coastal region below sea level) to assist...
in the process. As many fundamental decisions remain open, the Netherlands can still play a crucial role in shaping whatever territorial cohesion policy will emerge. In the discussions to follow, as territorial cohesion is worked out at the European level, it is preferable to widen the scope from national self-interest (positive versus negative impacts) since territorial cohesion should be understood as an opportunity for improving European coordination and cooperation, something which will indirectly benefit the Netherlands, as well.

Note
1) The Netherlands has however abandoned this strategy in favour of a developmental approach concentrating on stronger regions.
‘From a practical point of view, territorial cohesion is ready to be put into operation, since political will has already rendered possible the coordination required for its implementation’ (European Parliament, 2005).

The purpose of this chapter is to provide an overview of the policy process up to and including the publication of the Green Paper on Territorial Cohesion, in October 2008. The policy process, so far, will be explained as being fundamentally solution-driven. In this view, previous or unresolved problems are applied to the newly offered ‘solution’ of territorial cohesion. The decision regarding which problem should be solved and what means are necessary to do that, is perceived to be inherently ideological, rather than scientific. The actual problems to which territorial cohesion have been applied and the consequences of this will be elaborated in the analysis of the five interpretations.

2.1 European spatial planning and the ESDP

Although territorial cohesion is at one of the earliest phases of policy development, it is the outcome of a drawn-out political process spanning at least two decades. The professional process which engendered it is even longer. Already at the beginning of the 1980s, planners who were united in the organisation CEMAT under the Council of Europe had adopted a European Regional/Spatial Planning Charter. Moreover, the potential for cross-sectoral integration via territorial policy had been discussed in countries, such as the Netherlands, France, Germany and the United Kingdom, long before it became an issue at the European level. Therefore, to fully understand and appreciate the genesis and significance of the multifaceted concept of territorial cohesion, one must go back to the first informal meetings of EU ministers of spatial planning held in France, which was then president.

The first meeting in Nantes, in 1988, began auspiciously with the attendance of none less than the then Commission President Jacques Delors. In this meeting, Delors and others touched upon issues that are relevant in the debate today, using only slightly different terminology. The Dutch, for example, argued that European networks could help counteract regional disparities. Predating the concept of multi-level governance, Delors argued for a ‘bottom-up approach’ and ‘partnership’ and said that extra attention was needed for regions on the ultra-periphery and border areas (Williams, 1996; Faludi & Waterhout, 2002). During the follow-up meeting in Turin, the Italians described (using text only) European space in terms of a ‘core’ 1000 km in diameter around Luxemburg and the rest as periphery, and argued for ‘territorial planning’ in addition to regional policy. Also at this meeting, the Italians stressed the need for European data and technical expertise. The results of these early meetings resulted in the preparation and publication of the document Europe2000 by DGXVI, the predecessor of DG Regio in 1991, and its follow-up Europe2000+, a few years later. The expectation was that European Spatial Planning would continue to evolve within the context of strategic documents, such as Europe2000 (Drevet, 2007: 150).

Following Europe2000+, the ministers agreed to carry the work further towards a more policy-oriented document: the European Spatial Development Perspective (ESDP). The ESDP process entailed creating a common understanding about European planning, and included the gradual integration of economic equity inherent in French planning and the ‘comprehensive integrated approach’ of the German (and Dutch) planning traditions (Davoudi, 2007). Finally, after almost five years in the making, the final text of the ESDP was agreed in Potsdam (CEC, 1999). Three main principles of the ESDP are:

- development of a balanced and polycentric urban system and a new urban-rural relationship;
- securing parity of access to infrastructure and knowledge; and
- sustainable development, prudent management and protection of nature and cultural heritage.

Although it has no formal binding status, the ESDP was a milestone for a number of reasons. First, it formalised many of the concepts brought forth during the informal meetings, establishing a common vocabulary. The European ‘core’ or ‘blue banana’, for example, was defined as the ‘Pentagon’ area between the cities of London, Paris, Milan, Munich and Hamburg. Second, the ESDP helped to introduce the crucial notion of polycentricity into European discourse, and this helped to break the impasse around cohesion/competitiveness and core/periphery dichotomies (Waterhout, 2002). The ESDP also helped to establish the ESPON programme, which will be described in more detail.
later, which has provided an evidence base for the political process and influenced thinking in regional policy. Finally, the ESDP had a marked impact on spatial policies in areas without long traditions of spatial planning, such as the new Member States and newly created regional authorities in the United Kingdom (Faludi, 2003). The ESDP was the achievement of virtually a decade of negotiations and piecemeal progress towards a common understanding of spatial development and policy in Europe. Apparently victorious, the committee which had prepared it was disbanded, and political progress ceased. The lack of response to subsequent and fundamental European developments, such as the Lisbon Strategy and EU enlargement, later prompted Van Ravesteyn and Evers to ask ‘whatever happened to EU spatial policy?’ in 2004. By the end of that year, however, the answer would be obvious.

2.2 Territorial cohesion and the Territorial Agenda

Despite its achievements, the ESDP remained a document with no legal backing and increasingly out-of-date (especially after the enlargement of 2004). The fact that the EU had no formal competence in the area of spatial planning was increasingly used by various Member States reluctant about EU integration. A turning point came when the term ‘territorial cohesion’ was included as an objective of the EU in the draft version of the next EU Treaty (Constitution) in 2002 (it had already been included into the Amsterdam version of the EU Treaty but in a less important passage). In the years that followed, the term ‘spatial planning’ slowly became replaced with that of ‘territorial cohesion’, as reflected in the new title for the informal meetings of EU ministers, and a second process commenced under this title.

A milestone was reached during the Dutch presidency in 2004, when the ministers agreed to elaborate the concept of territorial cohesion, linking it to the idea of territorial capital as defined by the OECD. This led to the production and ratification of the Territorial Agenda and the Leipzig Charter, in 2007. Although neither of these documents is legally binding, they do contain interesting statements about the content and scope of territorial cohesion, as viewed by the Member States. It is clear when reading these documents, that there are different interpretations of the problems that territorial cohesion is intended to solve and of the means needed to achieve this. The term is linked to regional convergence, the Lisbon Strategy, polycentric urban development and coordination of sectoral policy (Waterhout 2008). Rather than referring to a new policy field, territorial cohesion is seen more as ‘an umbrella policy concept that influences the manner in which other policies are elaborated and implemented’ (Damsgaard et al., 2008: 16).

2.3 ESPON and the TSPEU

Parallel to the political process, introducing and giving shape to the concept of territorial cohesion is the scientific process. One of the drawbacks of the ESDP, it was argued at the time, was the rather thin empirical base on which it rested. To advance the process, it was agreed to set up a programme to study the structure of the European territory and the impact of EU policies on it: ESPON (European Spatial Planning and Observation Network). In contrast to an organisation, such as an institute or agency, ESPON research is carried out on the basis of tenders by various parties operating in transnational teams (usually universities or public-sector institutions).

Within the span of about five years, ESPON had produced over 25,000 pages of reports on a plethora of spatial development topics, all of which are free to download from its website (www.espon.eu). It has also produced a large-scale scenario study, a database of indicators and methods for territorial impact assessments.

ESPON maps have been used extensively in important documents, such as the Cohesion Reports by the European Commission. In addition, ESPON research provided the basis for the empirical background document to the Territorial Agenda, called the European State and Perspectives of the European Union (TSPEU). This document provides the scientific underpinnings for many of the claims made in the Territorial Agenda regarding the spatial distribution of demographic development, the challenge of globalisation and the Lisbon Agenda and the spatial aspects of climate change and energy (TSPEU, 2007).

2.4 Green Paper on Territorial Cohesion

The fact that territorial cohesion will, in all probability, become a formal competence of the European Union in the near future, has prompted the European Commission to produce a Green Paper which discusses possible policy directions and places the topic on the political agenda. This was published on 6 October 2008, and meetings of ministers on this topic took place in October and November under the French Presidency. The Green Paper does not define territorial cohesion nor does it propose specific policy options (this is the purpose of a White Paper) but ends by posing questions to be answered by all interested parties (e.g. Member States, NGOs, local governments, companies) before March 2009. Thus, regardless of the malaise surrounding the Lisbon Treaty, the territorial cohesion process is going ahead step by step.

Despite the modest substantive progress in the Green Paper, it does make some advances in framing territorial cohesion. In an attempt to reduce the level of abstraction in the discussion, it makes liberal use of examples of territorial problems, such as depopulation and urban sprawl, grouping them into three broad conceptual categories: concentration, connection and cooperation. These categories, although not identical to the principles of the ESDP cited above, do have considerable overlap. Concentration points to the problems of balanced territorial development and socio-economic cohesion. Connection has a distinct affinity with ideas about parity of access. Cooperation relates more to the problem of coordination and governance, also a major theme in earlier documents. Somehow, the notion of sustainability has lost ground as a principle (perhaps not surprising given the author was DG Regio) only partly compensated by frequent reference.
to the challenge of climate change. Interestingly, the annex includes a map of air pollution (emissions of particulate matter), which could be a potential new problem for which territorial cohesion may offer a solution. In all, however, the Green Paper remains purposefully vague, eschewing political choices which are to be the subject of consultation and the follow-up process. The following quote is illustrative: ‘Policies related to ensuring territorial cohesion are centred on the sustainable use of specific territorial features which have the potential to reduce disparities and increase competitiveness’ (CEC, 2008b: 1).

At present, the notion and content of territorial cohesion is still open. Member States are drafting their responses to the questions posed in the Green Paper and various parties are drafting position papers (e.g. Böhme et al., 2008). A well-attended stakeholder meeting in Paris (over 1,000 participants) sponsored by the French Presidency, demonstrated that this subject has entered the mainstream of European policy discourse, or in the words of Andreas Faludi at the event, ‘territorial cohesion has come of age’. But this event also demonstrated that territorial cohesion is still beset with conceptual variation. There seemed to be a consensus about the desirability of territorial cohesion as a policy area (not unsurprising given the theme of the meeting), but the problems to which it should apply and how it should function remained as open as ever – even the current economic crisis was included in the mix! The subjects of the five workshops set up to debate the content of territorial cohesion at the conference corresponded with the five interpretations selected for this TIA, although the latter had been determined earlier and independently.

The current debate on territorial cohesion continues to operate in a solution-driven manner. In the absence of an agreed problem definition, actors continue to ‘rummage through the trash’ to find issues to attach to the concept or to link it to emerging issues in attempt to further their interests. For the most part, however, the core issues at stake are not much different from those expressed by Jacques Delors at the first ministerial meeting over 20 years ago. Thus, history has shown that the diversity of the meaning of territorial cohesion is partly a product of continuity and change in European policy circles. In the chapters to follow, these different aspects of territorial cohesion will be distilled into five distinct interpretations, each with its own possible policy options, along with an estimation of the potential effects for the Netherlands.

Notes
1) This interpretation is often referred to as the ‘garbage can’ model of the policy process because actors ‘dig through the trash’ to match problems to solutions.
2) This was in part due to the drafting of new CEMAT principles on the basis of the ESDP that included areas outside of the EU15.
3) In its new incarnation for the 2007-2013 budget period, ESPON has been renamed the European observation network for territorial development and cohesion, but has retained its former acronym.
...let me reassure you about the risk which some of you perceive. In the context of ‘lisbonisation’ of our policy that objective [reducing disparities] is the main priority of the European cohesion policy and will remain it after 2013 as enshrined in the Reform Treaty. The solidarity dimension of the policy is central to this policy and the allocation of resources will certainly follow an inverse relation with the prosperity of countries and regions. This view is expressed also by an impressive majority of stakeholders across the Union’ (Hübner, 2008).

3.1 Elaboration of interpretation

In this interpretation, territorial cohesion is taken to mean socio-economic equality between regions in Europe. As a form of spatial justice, regional disparities in income must be reduced, not only between the wider areas of Europe (core versus periphery, north-south axis, east-west axis) but also within Member States (growing regions versus lagging regions). The basic principle is that all European citizens have the right, regardless of geographical location, to jobs, a reasonable income, and local services. By inference, regions, similar to citizens, should not be disadvantaged by where they happen to be situated geographically.

Rationale

Approaching territorial cohesion as a matter of socio-economic disparities and convergence between nations and regions in Europe, is the most established interpretation and the most relevant in the actual political bargaining process (Doucet, 2006: 1475). A clear link exists between this interpretation and the European Social Model (ESM), which rejects unbridled laissez faire capitalism in favour of a reconciliation between competitiveness and equity (Faludi, 2007a). In his attempt at a definition, Anthony Giddens states that, ‘underlying the ESM is a general set of values: sharing both risk and opportunity across society, cultivating social solidarity or cohesion protecting the most vulnerable members of society through active social intervention...’ (2007: 2).

This interpretation has important institutional backing. As a result of intense lobbying, the term territorial cohesion was included in the Treaty of Amsterdam (1997) as article 7d regarding services of general economic interest (Robert, 2007: 27). This places a direct and formal link between the term and the largely French concern with equitable access to services, such as shops, health care facilities and post offices (Peyrony, 2007: 61). More importantly, territorial cohesion, as it appears in the draft Constitution and the Lisbon Treaty as an objective of the European Union, is listed third after social and economic cohesion. In the original French version of the text, it appears as ‘cohesion economic, social et territoriale’ implying a clear interconnectedness. Insofar as territorial cohesion has appeared in official EU policy documents, it is this interpretation that is most common. Since 2001, territorial cohesion has namely been an official objective of regional policy (CEC, 2001a). A statement of former DG Regio chief, Graham Meadows, illustrates this interpretation: ‘the internal market is constantly creating growth and disparities, European Regional and Cohesion Policy works constantly to lessen these disparities’ (in CEC, 2008e: 30). The primary objective of regional policy (Objective 1, Convergence), namely reducing disparities to allow regions to compete on a more equal footing, is tantamount to this interpretation of territorial cohesion. The language employed by DG Regio also echoes that of the European Social Model: ‘...people should not be disadvantaged by where they happen to live or work in the Union’ (CEC, 2004a: 27). Despite the removal of formal barriers by the EU, labour mobility has actually become more difficult with the growth of a knowledge-service economy which places a higher emphasis on language skills and formal credentials (Drevet, 2007).

The unevenness of European space, often expressed in terms of core and periphery, lies behind the issue of territorial cohesion as socio-economic convergence. This is also the definition given to territorial cohesion in its Interim Territorial Cohesion Report: ‘Territorial cohesion, meaning the balanced distribution of human activities across the Union, is complementary to economic and social cohesion’ (CEC, 2004c: 3). In addition to traditionally less-developed areas, this can also mean areas with a ‘geographical handicap’, such as mountains, deserts or border areas. This view permeates the fourth cohesion report, as well (CEC, 2007a: 10, 14, 100-102). In short, it cannot be emphasised enough how closely tied this interpretation of territorial cohesion is to this very important (certainly in budgetary terms) area of EU policy. According to Faludi ‘DG Regio wants to dispel the idea, as if invoking territorial cohesion would mean a radical departure from existing policies’ (2006: 669). Finally, this interpretation
is also visible in some passages of the Territorial Agenda. A good example is that of the European Social Model: ‘...we regard it as an essential task and act of solidarity to develop preconditions in all regions to enable equal opportunities for our citizens and development perspectives for entrepreneurship’ [emphasis added] (TA, 2007: 3).

3.2 Problem analysis

This interpretation of territorial cohesion views geographical disparities within Europe as its problem. Measured in terms of GDP per capita, regional disparities are far greater in Europe than between regions in the United States or Japan (Faludi, 2006: 668; Drevet, 2007), something that challenges the EU Treaty’s commitment to promoting social and economic cohesion and a commitment to a European Social Model.

However, territorial disparities are less straightforward than one might think. They manifest themselves differently on various scales, have different path dependencies and react differently to public policies. This section will examine disparities in Europe and the actions that the EU and/or Member States have to take, to affect them.

The problem of socio-economic disparities between regions in Europe becomes evident when mapped. The map of GDP per capita in the ESPON space (EU plus Norway and Switzerland) shows distinct geographical patterns, where the eastern and southern periphery show markedly lower levels of GDP per capita than the European core area. It is not just a matter of regions having many different levels of income, but of entire swathes of the European territory being relatively disadvantaged (CEC, 2007a).
Figure 3.1 shows the situation in 2006. However, differences in socio-economic development in the European Union are in constant flux. Indeed, the map of GDP growth displayed in figure 3.2 shows that the poorest areas are also those growing the fastest. Although these high growth rates are auspicious from the point of view of EU regional policy, it must be borne in mind that the poorest regions have a much lower starting point and it will probably take decades before they reach the European average.¹

Another method to express changes of disparities over time and, thus, the level of territorial cohesion in Europe, is through statistical analyses, such as the so-called Gini index or the Theil index. These analyses generally compare the occurrence of extremely high or low values to the mean or average, to get an idea of the relative shape of the distribution curve. Figure 3.3 displays the trend of disparities for the same period of time (1992-2006) using the Theil index, which is particularly useful for showing how particular variables (in this case inequality) are built up. This analysis makes it clear that regional disparities in Europe are mostly a question of differences between Member States. Differences in GDP are far greater between countries than between regions within countries. However, disparities between regions within Member States are rising gradually, while disparities between countries have been falling since about 2002. Other recent research seems to confirm that convergence in Europe is primarily a phenomenon of nations and not regions (Geppert & Stephan, 2007; Longhi et al., 2007).

The aggregated trends of measuring disparities between countries or regions in the EU conceal the large diversity in the individual economic development pathways. According to Kramar (2005), using data from 1995 to 2002, regional disparities within nations tended to remain stable or decline gradually in the EU15 (excepting Ireland where disparities grew dramatically), but increased in what would become the new Member States, where disparities were lower. By 2002, Slovakia, for example, had reached a level of regional inequality almost equal to that of the Netherlands.

Many factors have shaped the socio-economic development of the European territory such as demography, trade relations, war, geopolitics, currency rates, technology, and various government policies. DG Regio has repeatedly argued that structural funds have been successful in reducing disparities, pointing to strong growth levels in recipient regions (CEC, 2004a; 2007a; 2008e). This argument is based on evidence, based on correlation between disparities and structural funds, rather than causality. In academia, there is no consensus on the relative impact of the factors driving economic growth and, thus, on the influence of the structural funds for economic development and disparities (see Bachtler & Wren, 2006 for a literature review; Dall’erba & Le Gallo, 2007). Similarly, there is widespread disagreement regarding whether European economic integration has ameliorated or aggravated socio-economic disparities, or will do so in the future (Ezcurra et al., 2007). The data on regional growth and structural funds point to a strong correlation, rather than a causal relationship. Most studies into the causes of regional growth difference show no conclusive evidence for a positive role for the structural funds for income convergence between regions. Moreover, since regional inequality is mainly a matter of inequality between countries and not so much between regions within countries, one may rightly question whether a policy aimed at reducing socio-economic disparities in Europe should be administered at the regional level. These issues will be addressed in the following section on policy options.

3.3 Policy options

In this interpretation, territorial cohesion is achieved by reducing socio-economic disparities within the European Union. The most important instrument to achieve this, remains regional policy, although CAP, the Trans-European Networks (TENs) and other policy areas can be adapted to serve this end, as well. As with the other interpretations, no new territorial cohesion policy area is envisioned (only a redirection and reprioritisation of existing policy areas. Since disparities occur at different scales and can be measured in a variety of different ways, several alternative policy options can be formulated for achieving territorial cohesion as socio-economic convergence.

3.3.1 Option 1: socio-economic convergence (regional)

The first policy option is for all intents and purposes a continuation and intensification of the most important aspect, in monetary terms, of regional policy. All regions give misleading results when economic activity occurs in one place, but those producing it live somewhere else (the province of Flevoland in the Netherlands, for example, appears disadvantaged in terms of GDP/capita as many of its residents work in Amsterdam). The EC has already produced maps correcting for commuting errors (CEC, 2007a: 12). Another example is Groningen in the Netherlands: per capita income is well below the national average, but it has a high GDP/capita due to gas production. This problem cannot be solved, as direct income statistics are still unavailable at the regional level, even in the European Union.
Figure 3.2
GDP growth in European regions (1992-2006)

© EuroGeographics Association for administrative boundaries Regional level: NUTS 2.
Source: Cambridge Econometrics

Figure 3.3
Change in disparities (Theil index 1980-2006)

Source: Cambridge Econometrics
with low levels of GDP per capita, regardless of their specific location in the EU, will be eligible for development aid to improve the economic climate; projects will be targeted to growth and jobs and improving accessibility. With regard to agricultural policy, the finding by ESPON that certain policy instruments in the CAP (e.g. price mechanism and income support) tend to favour wealthier areas and, thus, tend to work against territorial cohesion, will be taken account of. Funds can be concentrated on poorer regions and on increasing investments in rural development projects.

For evaluating potential impacts of an enhanced emphasis on cohesion, we can consider a scenario project carried out in the ESPON programme, which created a cohesion-oriented scenario based on policy measures similar to those sketched above (along with a baseline scenario and competitiveness-oriented scenario). For each scenario, economic growth at the regional level was estimated by using the MASST (MAcroeconomic, Sectoral, Social and Territorial) model (Capello et al., 2007). According to the model results, this kind of policy generally favours rural and peripheral areas (see figure 3.5). High levels of GDP growth are found especially in the German neue Bundesländer, rural Spain and Greece. The trend in levels of inequality, however, remains the same as the other scenarios, with only a slight shift in the slope (see figure 3.6). In this scenario, the Netherlands do not enjoy growth rates as high as those in many other nations, or with respect to the policy neutral (baseline) scenario or the competitiveness-oriented scenario (ESPON 3.2, 2006).

Figure 3.4
Change in regional inequality within countries (1992-2006)

© EuroGeographics Association for administrative boundaries Regional level: NUTS 2.
Source: Cambridge Econometrics
3.3.2 Option 2: convergence within nations
The MASST model results discussed above show that EU policy has only a small influence on disparities. In addition, the analysis of changes in past disparities has shown that this is largely a question of inequality between, rather than within, countries. In light of these facts, an option would be to administer territorial cohesion policy at the Member-State level. This would imply a form of renationalisation of regional policy. Member States with GDP/capita under the EU average would receive support similar in size to the cohesion fund, and this could be used to strengthen national competitiveness and reduce internal disparities. Wealthier Member States would be called upon to do the same, but without EU funding. This could be implemented by agreeing on targets for regional equality similar to what has occurred in other policy areas, such as renewable energy.

3.3.3 Option 3: territorial solidarity
This option goes further than the other options, by including other kinds of welfare than economic indicators, such as GDP per capita. For example, most US metropolitan areas have a GDP per capita well above the EU average, yet fare much worse according to the Mercer ‘quality of living’ index than their European counterparts (Evers et al., 2006). Other aspects which influence well-being include safety, easy work journeys, environmental quality and access to shops, public services, recreational facilities and open space. Not all of these could or should be taken into account, but some consideration could be made of inherently spatial factors, such as the quality of public transportation in congested urban areas. Support could also be given according to certain geographic types, such as islands, coastal regions, border regions, deserts or mountain areas.
Solidarity could be extended to include vulnerability to climate change. European support could be directed to those regions which are not in a position to adapt to climate change, or for which the effects of so-called extreme events (e.g. natural disasters) will be the most catastrophic. These regions would most likely be in the less affluent Member States. There are already signs of this occurring: ‘[The] European Commission, [which] has suggested that such risks should receive more attention in the next round of applications for the European Regional Development Fund’ (Schmidt-Thomé & Greiving, 2008: 141).

It should be noted that all of these issues and potential indicators are largely hypothetical in nature. The list here is far from complete, and serves as an indication of the different kinds of arguments that could be made within this context of solidarity.

### 3.3.4 Proponents and probability

In addition to the European Commission and DG Regio, there are others who have advocated this kind of interpretation, such as those located in lagging regions. The Conference of Peripheral and Maritime Regions, for example, argue that, ‘it [territorial cohesion] is based on the key idea of equity and, thus, of cohesion between territories at a given scale’ (CPMR, 2008: 2). Likewise, Euromontana, an organisation promoting the interests of mountain regions in the EU, has lobbied for the inclusion of territorial cohesion into the treaty text ‘and its correct interpretation and delivery’. The Assembly of European Regions also adheres to this interpretation. Much support for this interpretation can be found in the European Parliament. Finally, as far as this interpretation is linked to services of general interest, one can point to those advocating that this be included in the treaty: Belgium, Italy, Luxembourg, Malta, Portugal, Slovenia, Spain, Bulgaria and Romania (Waterhout, 2008: 103).

This interpretation is one of the dominant paradigms in the territorial cohesion debate. Many Member States have this kind of territorial cohesion policy at the national level, such as Germany (East), Italy (South) and Norway (North). The Netherlands has done the same in the past, something which...
will be discussed in more detail later. There are also clear signs that the dominance of this interpretation is waning, and this is noticeable by its absence in the Green Paper on Territorial Cohesion.

3.4 Implications for the Netherlands

In this section, an estimate will be made of the implications of each of the three policy options sketched out above. To do this, the potential impact will be discussed according to the guidelines set out in the PBL-TIA strategy as described in the introduction. As stated in the introduction, since the policy-making is still in a rather early phase, the emphasis will lie primarily on policy coherence; it is still too early to tell how the actors will react to the changing policy context and what physical impact this could have. Nevertheless, it is still possible to speculate on whether a particular policy option would be favourable to a particular actor or not. For sake of simplicity, the issue of actors has been reduced to that of the interests of the national level and those of the region.

3.4.1 Option 1: socio-economic convergence (regional)

This option will have little direct impact in the Netherlands, as regional funding there, has largely dried up: no Dutch regions...
are currently eligible for ‘convergence’ support (besides some phasing-out funds), but some are for the ‘jobs and growth’ objective and the ‘territorial cooperation’ objective. If territorial cohesion implies more emphasis on convergence, this could mean a decrease in EU funding for ‘competitiveness’ projects in the Netherlands, as total funding is shifted to the poor Member States. Although this will affect the net payment balance of the country, the amount of change is slight, as EU subsidies are only a small part of the government’s budget. Still, if we are to believe the results of the MASST model, from a purely self-interested position, the Dutch should be against this interpretation, as they do not seem to achieve levels of economic growth as high as in the other scenarios. More interesting, maybe, is the issue of indirect effects of regional policy. Will the Dutch profit from the EU redirecting the flow of funds, and by inference development, to the poorest regions? Are these important trade partners? Will this produce more net wealth in the EU, from some of which the Netherlands will profit? Although most of these issues cannot yet be answered, the predictions of the MASST model are that total GDP growth in Europe will be lower in the cohesion scenario than the policy-neutral baseline scenario.

With regard to policy coherence, it should be pointed out that this interpretation of territorial cohesion runs directly counter to current Dutch economic development policy. The Peaks in the Delta policy is oriented to strengthening regions with potential rather than supporting lagging ones. Various regions, mainly in the north of the country, have been receiving support for decades, including European structural funding, on the basis of their lagging status. After 2010, neither EU regional policy nor national regional policy will make special provisions for these provinces. Until that time, they will be eligible for some phasing-out support, although this is significantly less than during the previous (2000 to 2006) period. Even with this policy option, it is unlikely that these regions would be eligible for funding, as a formidable compensation package for a decision against constructing a high-speed rail line should commence about that time (Yuill, 2008). Still, it is conceivable that these regions would welcome this interpretation of territorial cohesion even if they are not eligible, since it sends a clear signal to the national government regarding solidarity.

3.4.2 Option 2: convergence within nations

The alternative that the EU extends its territorial cohesion policy to making countries accountable for their own internal disparities, is potentially more significant for the Netherlands. According to Figure 3.4 ‘change in regional inequality within countries’, the Netherlands is one of the few countries in Western Europe where internal disparities are widening. In this case, a case could be made that support should be given to the northern provinces to promote territorial cohesion at the national level. It should be pointed out, however, that the likelihood that the EU will put pressure on the Netherlands to do so is rather unlikely, if one takes political reality into account. France and Germany still have higher (although decreasing) disparity levels, and the United Kingdom, which already had the most severe regional disparities of all Member States, is increasing further (see figure 3.7).

If territorial cohesion instead is measured in terms of access to services, as stated in the Treaty of Amsterdam, this would also not have much effect in the Netherlands: ‘Public service provision in the north is equivalent to the rest of the country and, related, that the quality of life in the north is at least on a par with other areas’ (Yuill, 2008: 4). This is confirmed by the maps below displaying service levels of shops, health care and sports facilities in the Netherlands (see also figure 3.9). With regard to the interest of actors, if a regulatory (sticks) approach is taken, however unlikely, it would be preferable for the national government to emphasise equality in the Netherlands, to avoid sanctions for missing territorial cohesion targets. If the EU policy concerns subsidies (carrots) for smoothing disparities, it would be more advantageous to emphasise differences. Obviously, the regions have a different interest in the matter. Especially the less affluent northern regions could benefit from EU pressure on the national government to smooth disparities. In any case, it is important to follow the development of indicators closely. ESPON has already experimented with the construction of a territorial cohesion index, which concentrates on measuring disparities on different scales, simultaneously (ESPON 3.2, 2006).

With regard to spatial impacts, one must keep in mind that regional policy has not been conclusively proven to reduce socio-economic disparities. It should not be expected that additional funds from the EU, or from a national government at the insistence of the EU, would be much different. Judging from previous experiences with the structural funds in the Netherlands, there should be visible spatial impacts in terms of changed land use (e.g. new business parks, recreational facilities, infrastructure) and governance (new alliances to obtain funding).

3.4.3 Option 3: territorial solidarity

Adopting other indicators than GDP per capita for territorial cohesion, seems advantageous to the Netherlands. In this interpretation of socio-economic solidarity, there are various avenues to take, such as quality-of-life indicators, geographic characteristics and increased risk due to climate change. With regard to quality-of-life issues, the high levels of traffic congestion and the inadequate metropolitan level rail services, and the situation in various disadvantaged neighbourhoods could be taken into account. In addition, the cost of living (e.g. housing prices) could also be taken more into account than merely adjusting for purchasing power parities. These problems are endemic to most large urban areas, however, necessitating an analysis of the Randstad, vis-à-vis other areas in Europe on these indicators.

The indicator of climate change, however, offers interesting opportunities. The Netherlands is situated in the delta of the Rhine and Meuse rivers, bordered on two sides by the North Sea and has a considerable part of its population and GDP in areas below sea level. According to most climate change models, this part of Europe will become wetter over time and the risk of flooding will increase. Regardless of whether or not this interpretation will result in extra funding, it would be a positive sign to put these issues on the European agenda and put the concept of solidarity into perspective (see figure 3.8).
Note

1) Gardiner et al. (2004) find, for example, that GDP convergence between the Central and East European countries and the West European countries is mainly due to changes in employment and not to a catch-up in productivity levels. Naturally, this is a positive development. However, it is also worrying, as there are limits to this type of growth, because this process could cease once maximum employment has been reached.
Territorial cohesion as economic competitiveness

‘The EU Commissioner for regional policy, Danuta Hübner, […] urges a “paradigm shift” in the definition of cohesion policy, calling for “a dynamic process of empowerment helping overall European economic growth and competitiveness” and thus distancing herself from the traditional equity-oriented approach to cohesion policy’ (Robert & Lennert, 2008: 181).

4.1 Elaboration of interpretation

In this interpretation, territorial cohesion is seen as an important instrument for producing an economically stronger Europe in the face of global competition. In this view, each region can and should take advantage of its own territorial capital to pursue strong economic development and a higher quality of life. The role of the EU is to facilitate this process, concentrating investments in areas which have the most potential to contribute to competitiveness in general and to the aims of the Lisbon Strategy in particular.

Rationale

Economic development lies at the heart of the European Union, being one of the main reasons for its creation and existence. This goal of economic development was pursued at the national level, creating a European internal market without trade barriers and stimulating the free movement of labour. The Lisbon Strategy presented in 2000 re-emphasised economic development as one of the main goals of the EU to make it ‘the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion and respect for the environment, by 2010’. This remains one of the most ambitious statements of the European Union to date, reviving the original economic objectives of the union, and it has had a profound impact on European political decision-making ever since.

Nowhere is the impact of this Lisbon Strategy more clear than for regional policy. A highly influential report by André Sapir, in 2003, intended to assess the strengths and weaknesses of the European economy, was particularly critical of costly EU policies, such as agriculture and regional policy. Among the suggestions was the creation of a growth fund which ‘should be destined for those projects that would make the greatest contribution to the EU growth objective. It should cover, in particular, three areas of spending which have been identified as the most efficient and relevant growth engines at the EU level: R&D and innovation, education and training, and infrastructures connecting national markets’ (Sapir, 2003: 163). At the same time, various net-contributor Member States (including the Netherlands) were arguing for abolishing regional policy altogether, in favour of direct transfers to the new Member States (Faludi, 2007b: 4). DG Regio took these criticisms to heart and the next year published its Third Report on Social and Economic Cohesion, which emphasised more than ever before, how regional policy promoted ‘growth and jobs’ – essential elements of the Lisbon Strategy. According to this report, not only peripheral and otherwise disadvantaged regions were sources of concern, but also ‘problems of congestion in certain central areas […] affect the overall competitiveness of the EU economy’ (CEC, 2004a: 28). This tone has been carried forward in publications by DG Regio ever since, even though the lion’s share of structural funds is still allocated to lagging regions. Another innovation was to elevate the community initiative Interreg, territorial cooperation, to the third objective of regional policy.

The emphasis on territory in regional policy was given an important impulse politically, by including territorial cohesion in the draft EU-constitution. This resurgence of interest provided an opportunity for spatial policy to be put once again on the agenda, after the silence since the publication of the ESDP. The relaunch took place in the autumn of 2004, in Rotterdam, with a pledge to elaborate the notion of territorial cohesion at the corresponding informal meeting of European ministers for spatial planning. Tellingly, territorial cohesion was explicitly linked at this meeting to the Lisbon Strategy and to the notion of ‘territorial capital’ as used by the OECD. According to this way of thinking, European competitiveness and territorial cohesion would be achieved if each region would make optimal use of its own territorial capital. Even the European Parliament, often quite concerned with equity issues, seemed swept up in this discourse: ‘… the aim of spatial planning at European level is to take each specific characteristic and optimise it as a source of growth’ (European Parliament, 2005: 8).

Connecting territorial cohesion to territorial capital and the Lisbon Strategy proved opportune as the following year saw the political revival of the Lisbon Strategy, following the midterm review which echoed the findings of the
Sapir report (Kok, 2005). The consistent line taken over the following years by Member States in the Territorial Agenda, was that territorial cohesion contributed to the objectives of the Lisbon Strategy: ‘Through the Territorial Agenda we are also helping to strengthen the global competitiveness and sustainability of all regions of Europe. This is in accordance with the renewed Lisbon Strategy agreed by Member States in 2005’ (TA, 2007: 3). In the end, this interpretation seems to have been advantageous in garnering political support for the Territorial Agenda: ‘...the dominance of all embracing policies, such as the Lisbon Strategy has given a new dimension to the Territorial Agenda by giving it a relevance to other policies besides cohesion’ (Martin & Schmeitz, forthcoming). More recently, this interpretation was also taken up in the Green Paper on Territorial Cohesion: ‘Increasingly, competitiveness and prosperity depend on the capacity of the people and businesses located there to make the best use of all territorial assets’ (CEC, 2008a: 3). In summary: ‘The importance of cohesion policy to the Lisbon Strategy must not be overlooked, nor should the political impetus that this implies. The Lisbon Strategy is an important project for the Barosso Commission, so it is an advantage for cohesion policy, particularly in relation to the availability of funding, that the Commission is using it as a tool to achieve these objectives’ (McPhie, 2008: 12).

4.2 Problem analysis

This interpretation of territorial cohesion is linked to the problem of European competitiveness in an increasingly globalised world. International trends, such as globalisation, the continuous decline of transport costs, flexibility in production location, and the growth of the services sector, have irrevocably changed the nature of the global economy. Large economic agglomerations are becoming ever more important as the concentration of production leads to a reduction in costs and, thus, to an increase in economic growth. Over time, Europe’s economy has become increasingly integrated, allowing for this kind of specialisation and agglomeration. Still, there are important impediments for Europe to overcome, especially if it wishes to attain its Lisbon Strategy objectives. If regions are allowed to make optimal use of their territorial capital to facilitate agglomeration and specialisation, this would enhance the competitiveness and the territorial cohesion of Europe.

European competitiveness is usually framed in terms of basic economic indicators in relation to Europe’s main competitors. For example, the EU still lags behind the United States significantly in terms of GDP and growth, and most US states enjoy higher levels of GDP/capita than European countries (Bergström & Gidehag, 2004). Since growth of GDP partly consists of changes in labour productivity and employment, these two can be examined individually. Figure 4.1 shows that there is a great diversity in the EU, but also that the United States as a whole, scores better than all Member States on both indicators combined, and better than most individually. The Netherlands scores well above the EU average in terms of employment, and even above that of the United States, but falls short in terms of productivity.

To describe the knowledge economy, other indicators are used. The EU (and particularly the new Member States) are seen as lagging behind both the United States and Japan, in terms of investment (both public and private) in R&D as a percentage of GDP (CEC, 2004b). This knowledge-production gap was one of the driving forces behind the Lisbon Strategy in 2000. Since then, most European countries have improved tax climates for R&D investments, although reducing direct funding. The United States has both cut funding and worsened the tax climate (CEC, 2007b: 93).

Although the Lisbon Strategy is implemented at the national level, the problem of competitiveness is a pan-European problem. There has been a prolonged debate about what regional competitiveness is. Policymakers still tend to focus on static indicators to determine the general competitiveness of regions. These lists can be quite long. For its Global Competitiveness Index, the World Economic Forum, for example, uses over 90 variables on institutions, infrastructure, macro-economy, health and education, market efficiency, technology, business sophistication and innovation (WEF, 2008). Similarly, the latest European competitiveness report defines competitiveness in terms of investment in R&D and ICT, competition in open markets and entrepreneurship, high output and consumption, and low corporate taxes (CEC, 2007b: 4-5).

As popular as these indicators are in policy documents and the media, they are not universally accepted in academia. The lack of a theoretical foundation for understanding competitiveness and how variables, such as R&D investments, may affect economic growth, limit their value in scientific discourse. The conclusion among academics is that, in essence, competitiveness is based on productivity differences between regions and changes therein (Gardiner et al., 2004). There is also consensus among regional and international economists on the importance of agglomeration externalities. Although the exact mechanisms behind this phenomenon remains a topic of debate, agglomerations of economic activity have been found to be related to a higher productivity and/or lower costs and, thus, to economic growth (Head & Mayer, 2004). This self-perpetuating virtuous cycle can be inhibited by agglomeration disadvantages, such as congestion, pollution and high housing prices. Infrastructure, therefore, plays an important part in agglomeration economies, as new infrastructure can change transport costs within and between regions and may even change the size of an agglomeration. Infrastructural investment is, therefore, an important instrument to facilitate agglomeration economies without the permanent relocation of people or industries. Moreover, the European Union itself can be seen as assisting agglomeration economies by its promotion of the free flow of goods, people, ideas and capital. These growth policies via trade liberalisation and free movement of production factors were based on classical international trade theory, without agglomeration economies. Since then, insights in the mechanisms of agglomeration economies and imperfect spatial competition show that trade liberalisation may even trigger an even greater expansion of output (Head & Mayer, 2004). This leads to the crucial question: is agglomeration and specialisation taking place in Europe?
Figure 4.1
Lisbon indicators (2006)

Figure 4.2 presents the change in specialisation in Europe from 1992 to 2006, based on the main sectors. It is clear that the total specialisation in Europe is relatively stable due to the countervailing processes of increasing specialisation at one level and decreasing specialisation at the other: within countries regions are specialising while the countries themselves become more alike and less specialised.

When mapped, it is also clear that specialisation is decreasing mainly in peripheral regions, mostly in Eastern Europe, but also in Spain, Italy and Greece. This is largely due to the declining importance of agriculture and/or public sector employment in these areas. This explains the coexistence of economic growth and decreasing specialisation. With respect to the Netherlands, the core (from the Randstad area to the south and the east) seems to be becoming more specialised, while the peripheral Dutch regions are becoming less specialised. This phenomenon is closely tied to the strong economic growth of the main metropolitan areas in the Netherlands. This persistent growth of the Randstad area, which is the economic motor of the Dutch economy, without any visible shift towards the peripheral regions, was already noted decades ago (Jobse & Needham, 1988). Strong agglomeration forces seem to have played an important role in the Dutch economy.
The driving forces behind agglomeration and specialisation are to be found in factors such as knowledge spillovers, technological developments and advances in logistics. Governments influence this mainly in the negotiation of trade agreements and regulation of markets. According to DG Regio, government policy can have a positive impact: ‘Sound macroeconomic policies combined with structural policies are fundamental in improving competitiveness. An economic context characterised by price stability and sound budget balances will tend to benefit from lower interest rates. This, in turn, stimulates investment and capital accumulation, increasing both productivity and employment’ (CEC, 2007a).

Similarly, the Green Paper states that, ‘Public policy can help territories to make the best use of their assets. In addition, it can help them to jointly respond to common challenges, reach critical mass and realise increasing returns by combining their activities, exploit the complementarities and synergies between them, and overcome divisions stemming from administrative borders’ (CEC, 2008a: 3). The following section explores some possible territorial cohesion policy options aimed at improving European competitiveness.

4.3 Policy options

This interpretation of territorial cohesion envisions modifications to EU sectoral policies. This is not without precedent: the widespread political support for the Lisbon Strategy has already affected major policy areas, such as CAP and regional policy. It is conceivable that these policy changes will continue if and when the Treaty of Lisbon is ratified and the European Parliament gains some control over CAP and the European Commission considers territorial cohesion as an objective. In that case, the European Commission will be in a better position to suggest policies linking territorial cohesion to competitiveness. This section will reflect on some measures that could be taken in this context by positing two general policy options: facilitation of growth areas and improvement of the internal market.

4.3.1 Option 1: targeted investments in growth areas

This policy option is predicated on the argument that it is efficient to invest public funds into those areas that have the highest return. One of the means to this interpretation of territorial cohesion is via regional policy, as this has an affinity with the ‘jobs and growth’ objective in the current funding period. This could be administered either by funding individual projects that could contribute towards European competitiveness as a whole, or by taking a more strategic approach. In the latter case, funds would be targeted to allow regions to harness their territorial capital to achieve agglomeration effects. In both cases, it is crucial to have a clear idea about what is meant by ‘potential’, as this will determine the eligibility for funding.

One possibility would be to facilitate those sectors of the economy that are currently providing the most growth and jobs. A recent analysis by the EC has identified nine productive sectors in four broad categories (CEC, 2008c: 5) which could receive support to enhance Europe’s competitiveness:

1. business activities and financial services;
2. trade, hotels and restaurants, transport and logistics;
3. construction;
4. chemicals, electrical and optical equipment, transport equipment.

It should be emphasised that the administration of this support will not be in the form of direct aid to individual businesses, which violates EU standpoints on state aid. Rather, aid would most likely resemble regional policy, with funding for programmes and projects that benefit certain industries, such as specific forms of R&D, training, ICT and transport infrastructure.

Support to these sectors is not intrinsically spatial, but will become so when one considers the geographic distribution. Providing support to business activities (the largest and most dynamic sector) would strongly favour the Pentagon region and a few selected metropolitan areas outside. The second category (trade) also tends to favour the Pentagon, but is more evenly spread, whereas hotels and restaurants are mostly concentrated in the southern periphery and mountainous regions. Mapping high-tech manufacturing reveals yet another spatial distribution, with a concentration in Southern Germany stretching eastwards into Romania.

Another way to determine eligibility for support is to analyse the ‘market potential’ of European regions. One way to do this would be to measure the potential demand for industries, based on the demand in their neighbourhood. Figure 4.3a presents an example of this. In this case, the market potential was calculated for each region by adding up the GDP for all regions weighted by the distance in kilometres, and the average internal distance for the own region. We see that the central regions have the strongest market potential and the Netherlands has a high potential for industries. However, if we correct for export to outside Europe (figure 4.3b), we see that the Benelux regions perform worse than neighbouring regions in England and Germany. If policies are targeted at areas with the largest economic potential, we see that the Netherlands does not outperform regions around Frankfurt, London and Paris, but its location has enough potential to be identified as one of the main areas.

Finally, instead of using growth sectors as an indicator for potential, other, more territorial, criteria could be used. Analyses of clustering activity could be used to determine which metropolitan areas are the motors of the EU economy. Some work on this has already been done by ESPON in their ranking and profiling functional urban areas and identification of transport and knowledge hubs. Similar to the Dutch ‘mainport’ strategy, the various gateways to the European economy could be designated and strengthened by enhancing accessibility. This could help identify new priorities for the next round of TEN-T (Trans-European Transport Network) projects, for example. Finally, cohesion between metropolitan areas could be enhanced to help create ‘global integration zones’ (ESPON). A major drawback to all these
more territorial criteria is that there are no commonly agreed indicators. This would complicate the political bargaining process.

4.3.2 Option 2: facilitate agglomeration
This policy option seeks to improve European competitiveness by facilitating the emergence of clusters and agglomerations. The approach would not involve direct investment in industries or in the regions in which these industries are situated, but investments that give opportunities for those industries to flourish. Most of these policies are not regional in essence and have already been specified in the implementation of the Lisbon Strategy. Instruments in this option were outlined by the European Commission (CEC, 2005) as follows:

1. **Support of knowledge creation and innovation**
   - This has a territorial component as knowledge creation and innovation is more productive within an existing scientific network and at specific locations (Frenken et al., 2007; Ponds et al., 2008). Policies targeted at knowledge creation should, therefore, be strongly linked to existing knowledge networks and these policies would have a strong regional component.

2. **Removal of obstacles to physical, labour and academic mobility**
   - An important element in improving European competitiveness (especially considering the Lisbon Strategy and the knowledge economy) is the labour market. Taking the principle that human capital should be allowed to flow to where it is most needed, the EU should facilitate labour migration by placing pressure on Member States to remove impediments (e.g. non-transferable pension schemes, taxes) to mobility. Measures could also include improving access to the housing market (OECD, 2007).

3. **Development of a common approach to economic migration**
   - The patchwork of immigration policies in the EU continues to act as a barrier for attracting the best minds to Europe and allowing them to move freely upon arrival. A well-known initiative to streamline this is the European ‘blue card’ permit, similar to the ‘green card’ in the United States.

4. **Supporting efforts to deal with the social consequences of economic restructuring**
   - Economic restructuring, such as the transition from manufacturing to a knowledge economy, will result in higher unemployment unless supported by retraining programmes.

4.3.3 Proponents and probability
The main beneficiaries of this interpretations are European consumers that may profit from higher economic growth, and those living in economic agglomerations, whose jobs depend on global competitiveness. This interpretation would also be championed by employers’ organisations and industrial lobbies. The European Commission, in general, would be in favour, considering the link to the Lisbon Strategy, which remains the main economic objective of the EU. Insofar as DG Regio has internalised this interpretation it can be seen as a proponent, as can the ministers for spatial planning involved in the territorial agenda process. From a purely instrumental point of view of obtaining subsidies, Member States with strong economies should be more inclined towards this interpretation, because it may increase their eligibility. Generally, this concerns countries in the northwest of Europe (Waterhout, 2008: 110). The Netherlands, in particular, has championed this interpretation in the past and has a similar policy for its own regional economic development, as does Ireland (Martin & Schmeitz, forthcoming) and Denmark (Billing, 2007).9 Finally, in so far as this interpretation also concerns regional development, it could also receive support from organisations, such as the Committee of the Regions or have sympathisers within the European Parliament.

This interpretation of territorial cohesion remains somewhat unorthodox, but has been gaining strength via the Rotterdam/Territorial Agenda process. Nevertheless, the link between regional policy and the Lisbon Strategy, the latter which is up for renewal in 2010, might make this interpretation of territorial cohesion well poised to gain in popularity.

4.4 Implications for the Netherlands
The adage that ‘territory matters’ is crucial to this interpretation at the EU level. In a competitive common market, specialisation is part of economic development, and it is to be expected that certain areas in Europe will develop to become the main metropolitan areas with various kinds of economic activity. In this section, we will ask ourselves what this interpretation implies for the different regions of the Netherlands.

4.4.1 Option 1: targeted investments in growth areas
If specific growth sectors are identified for support, the Netherlands will benefit differently depending on which European growth sectors are supported. These are summarised in a series of maps published by the European Commission (CEC, 2008c). According to these maps, the most advantageous growth sectors for the Netherlands would be ‘financial and business’ followed by ‘knowledge intensive’ and ‘trade’. Less advantageous growth sectors are ‘hotels and restaurants’, ‘industry’ and ‘high tech’.

Out of self-interest, the Netherlands should be in favour of this policy option, as it will enhance its eligibility for regional funding, especially if the ‘right’ growth sectors are targeted. The Lisbon Strategy requires that knowledge-intensive sectors should be strengthened, and the Netherlands is particularly strong in this. The same case could be made for high-tech, but this sector is much less attractive to the Netherlands, as the concentration of this sector is located mainly in other countries.
However, if policies are targeted at the areas with the largest economic potential, the location of the Netherlands is advantageous for future economic development. The standard market potential in Europe was given in figure 4.3, along with a correction for trade outside of Europe. It is clear that the location of the Netherlands is very good, based on potential trade with neighbouring regions. The Netherlands is one of the European areas with the largest potential, although other regions, such as Frankfurt, London and Paris, may outperform the Netherlands.

The interpretation of territorial cohesion as economic competitiveness (and particularly this policy option) shows a marked affinity with the Peaks in the Delta policy of the Netherlands (Ministry EZ, 2004). This policy, which has been in full operation only since 2007, concentrates resources on regional potentials that are nationally significant. For this reason it is odd that the Dutch do not unequivocally support this policy at the European level. The standpoint taken by the Netherlands during the last budgetary negotiations was that EU cohesion policy should focus exclusively on the poorest Member States to avoid a money-go-round. This stance runs counter to the domestic Peaks policy and consistent arguments in favour of this interpretation during the ESDP and Territorial Agenda processes.

4.4.2 Option 2: facilitate agglomeration
The second policy option regards the workings of the internal market. This concerns not only simplifying institutions and regulations involved in international migration, but also...
ensuring that appropriate and sufficient housing exists to accommodate workers (Van Oort et al., 2008; Straathof et al., 2008). The obstacles to labour mobility seem greatest in metropolitan areas where housing shortages and traffic congestion are greater: the Dutch Randstad is a case in point. There will be higher productivity growth if the policies are successful in attracting a highly educated labour force, although the financial consequences of these policies are not clear beforehand. A territorial cohesion policy aimed at improving the internal market could result in additional funds for the Netherlands (Van Oort et al., 2008) for instance, for improving connections to the Dutch mainports. Better accessibility of the Netherlands will most likely induce more economic growth (Vickerman et al., 1999).

The Netherlands has a relatively strong base in research and development: it ranks seventh or eighth among the EU27, with respect to total expenditure on R&D or total expenditure as a percentage of GDP, respectively (Intramural R&D expenditure by sectors of performance and region for 2004; Eurostat, 2008). The relative importance of knowledge creation and innovation in the Netherlands, when compared to other European regions, makes this policy option potentially beneficial for the Netherlands.
Notes

1) ‘Potentially beneficial for territorial cohesion are the recent debates in the wake of the so-called Sapir Report and the Third Cohesion Report. Both argue for a more diversified approach to regional policy and economic policy, generally, and have considerable impact on future regional policy’ (Waterhout, 2008: 86).

2) In this interpretation, disparities were reframed as offering potential for growth. This is in conformity with the concept of comparative advantage in traditional trade theory.

3) The goal of economic development, territorial integration and high economic growth goes back to the very founding principles of the European Union (Swann, 1988) of which the free movement of people, goods and capital are cornerstones. The introduction of the monetary union is also based on an economic rationale targeting at a higher and more stable economic growth path.

4) Regarding this issue, various studies point to spillovers between different industries via knowledge transfers (Jacobs externalities), spillovers between the same type of industries (Marshallian externalities), spillovers due to agglomerations of industries and their suppliers (vertical specialisation), and the importance of knowledge networks and the availability of a skilled labour force. In other words, when differences in national economic performance are controlled for, high density regions have higher incomes and faster income growth (Head & Mayer, 2004). Whatever the reasons behind these agglomeration effects, they seem to be becoming stronger due to globalisation and free trade agreements (e.g. EU common market).

5) Longhi et al. (2007) and Glaeser et al. (1992) find strong support for Jacobs’ (1969) externalities or Venables’ (1996) externalities, where diversified metropolitan areas are the main motors of economic growth. Just like Glaeser et al. (1992), they do not find support for the increased importance of large-scale specialised industrial agglomerations suggested in Krugman (1991), but for an important role for multisectoral industrial sectors with intersectoral externalities.

6) The sectors used were: Agriculture; Mining, quarrying and energy supply; Food; beverages and tobacco; Textiles and leather etc.; Coke, refined petroleum, nuclear fuel and chemicals etc.; Electrical and optical equipment; Transport equipment; Other manufacturing; Distribution; Hotels and restaurants; Transport, storage and communications; Financial intermediation. Several measures can be used to analyse changes in specialisation. The Krugman index and the Theil index are the most common. For the sake of comparability, we have chosen to use the same indicator (Theil index) throughout this report. For a good overview and discussion on concentration indicators, see Combes & Overman (2004) and Bickenbach & Bode (2006).

7) For this reason, health and education were excluded.

8) The correction for export demand from outside of the EU has been determined by multiplying the regional value for the market potential by the total exports for a country divided by the exports of this country to the EU.

9) Interestingly, however, there are reservations within the Dutch Government about implementing a similar policy at the EU level, based on the subsidiarity principle, as it would imply cross-subsidisation of wealthy nations. Equally interesting considering its traditional spatially redistributive politics, Italy seems to have internalised elements of this approach, as well: ‘...territorial cohesion should be conceived as a tool to exploit all the territorial potentials promoting the sustainable use of territorial, e.g. environmental, cultural and human resources, that may lead to regional development and competitiveness’ (Bubbico, 2007).

10) Roodenburg et al. (2005) are sceptical about the economic effects of increased migration. These estimates, however, are based on the specific characteristics of past migration flows within the Netherlands.
Territorial cohesion as rural potential

‘...the European countryside has a great deal to offer. It gives us essential raw materials. Its value as a place of beauty, rest and recreation (when we look after it) is self-evident. It acts as our lungs and is, therefore, a battleground for the fight against climate change. And many people are attracted by the idea of living and/or working there, provided that they have access to adequate services and infrastructure. This means that the EU’s Lisbon Strategy for jobs and growth, and its Göteborg Strategy for sustainable development, are just as relevant to our countryside as to our towns and cities’ (DG Agri website, 2008).

5.1 Elaboration of interpretation

In this interpretation, territorial cohesion is seen as a means to achieve balanced and sustainable rural development. Despite some common challenges, such as climate change, the liberalisation of global markets and CAP reform, there is a wide diversity of territorial capital in European rural areas. This not only affects how global developments impinge on a particular rural region (some will profit and some will suffer from the same development), but also the impacts of EU policies. Territorial cohesion can be seen as a means by which to tackle some of the biggest problems in rural areas and as a way to sensitise EU policies to the needs of each rural region.

Rationale

Territorial cohesion gives voice to the idea that ‘geography matters’ in European policy discourse. Special areas, such as islands, deltas, ultra-peripheral regions, border regions, mountainous areas and rural areas, have spatial characteristics that change the way they can respond to demographic, socio-economic, environmental and other developments (CEC, 2008a). These spatial characteristics also change the way in which generic EU policies impact on the territory. Of all these special areas, rural areas are by far the most numerous.

Europe, to a large extent, is defined by its widespread and diverse rural regions. From the vineyards of Sicily to livestock farms in Sweden, more land has been converted to agricultural production in Europe than on any other continent on the planet, and it covers about half of the entire territory (see figure 5.1). If all non-urbanised land is included under the heading rural, over 90% of Europe’s landmass can be considered to be rural (Evers et al., 2006). In this perspective, it would be more accurate to speak of urban areas as ‘special’ rather than rural areas. At present, many European rural areas are facing a number of self-reinforcing spatial challenges, such as lack of employment, a restructuring agricultural sector (leading to generally lower wages in rural areas), depopulation (both structural and migratory), poor accessibility, and declining ‘services of general interest’ (e.g. public transport, health care, shops). Rural areas have been subjected to a battery of EU policies such as the Common Agricultural Policy (CAP), the structural funds (rural development), environmental policy (water and soil quality) and nature policy (Natura 2000). The impacts of these policies have not been even or coordinated, and in some cases conflict with one another (Robert et al., 2001).

Territorial cohesion may be a means to solve a variety of rural problems. First of all, it can be used to adjust existing EU policies so that the specificities of rural areas are taken into account to avoid negative side-effects and sectoral conflict. Secondly, it can be used to give increased priority to these areas, for example in the structural funds. Third, as territorial cohesion is linked to the notion of territorial capital, the existing qualities and development potential of these areas could be supported to produce new opportunities. Important variables include local human capital (such as entrepreneurship), physical attributes of the land (such as soil quality), location and accessibility of the region. Finally, as indicated in the Territorial Agenda, territorial cohesion can assist rural areas by fostering a partnership between authorities of urban and rural areas to identify shared assets that could attract investments (TA, 2007: 5).

This interpretation of territorial cohesion has institutional backing. Article 174 of the not yet ratified Lisbon Treaty makes a case for a geographically differentiated approach, by stating that, ‘the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. Particular attention shall be paid to rural areas...’ (TEU, 2008). Attention for special areas also has entered agricultural policy via rural development: ‘In working out the common agricultural policy and the special methods for its application, account is to be taken of the particular nature of agricultural activity which results from the social structure of agriculture and from structural and natural disparities between the various...’
rural areas’ [emphasis added] (European Council, 2005). 1 A year later, the Community Strategic Guidelines on Rural Development (pillar 2 of the CAP) was more explicit: ‘Land management measures can make a positive contribution to the spatial distribution of economic activity and territorial cohesion’ (EC, 2006: 7). From the various statements made about rural areas in this interpretation of territorial cohesion, one can recognise elements of the previous interpretations.

### 5.2 Problem analysis

A number of trends and developments at the global and European level have converged to make the position of many rural areas increasingly precarious. The Fourth Cohesion Report explains that this could result in a vicious cycle for rural areas: ‘The lack of job prospects outside agriculture and lower living standards drive people, especially the young and qualified, to seek opportunities elsewhere. This has cumulative effects on the areas concerned, leaving them with an ageing population and shrinking basic services’ (CEC, 2007a: 9). If left unchecked, the argument goes, these developments can seriously undermine the vitality and liveability of many of Europe’s rural areas. In this interpretation, territorial cohesion policy could help restore the balance in Europe’s urban/rural development, offering new hope and perspectives for the future. This section will take a closer look at the diversity of rural areas in Europe and the challenges facing them.
As stated, far from being a ‘special’ area, most of European space can be considered rural. Stretching the definition somewhat, one can also claim, as DG Agri does, that a majority of Europe’s citizens also live in rural areas (CEC, 2008f). Within this broad category there is a wide diversity: some are peri-urban areas increasingly populated by commuters and experiencing urban encroachment and economic growth, others are agricultural in function but urban in appearance (e.g. intensive livestock farming and horticulture), while others blur the distinction with natural areas and boast high levels of biodiversity. The variation is also socio-economic: some rural areas are among the EU’s wealthiest regions while others, usually in remote areas and in more recently acceded Member States, are among the poorest (CEC, 2008f).

Although hardly homogeneous, the following interrelated problems do seem to concentrate in rural areas: economic decline, demographic decline and social decline. The severity of these problems will depend on the characteristics of the rural region in question – its territorial capital. The long-term structural transition to a service-based economy has come at the expense of the industrial and agricultural sectors and now less than 5% of employment and even less GDP of the EU is produced by agriculture (see figure 5.2). With the gradual reduction in agricultural subsidies and market protection, it is increasingly difficult for agricultural enterprises to remain profitable. In some cases, farmers can cope by shifting away from food cultivation to other crops (e.g. biofuels) or by increasing production through technological improvements, intensification, economies of scale or by shifting towards agricultural activities with higher profits, such as horticulture or intensive livestock. Others may experiment with niche markets, such as regional gourmet products or organic farming. Another option is to diversify by including non-agricultural activities, such as tourism or recreation. If no alternative is found to this decline, rural regions could experience marginalisation and even land abandonment as people leave to seek work elsewhere.2

A particularly alarming situation can arise when semi-subsistence farming, a phenomenon more common in the new Member States, is threatened (see figure 5.3). In these cases, decline in income from agriculture can swiftly translate itself into the loss of livelihoods if no alternatives are readily available. Spain, France, Portugal and the new Member States all contain a lot of regions where employment opportunities outside agriculture are modest at best (Eururalis, 2008). With the expected consequences of CAP reductions, this can lead to land abandonment and depopulation.

It should be pointed out that economic decline of the agricultural sector has a very different meaning in the more affluent and urbanised Member States, than in countries with semi-subsistence farming. In many cases it can be seen as a positive development towards increased economic efficiency, which can also result in lower food prices for consumers. These are examples of the great diversity in the economic fortunes of rural areas.

A problem related to economic decline is demographic decline, as a lack of jobs will cause residents of rural areas to look elsewhere for work, often in neighbouring countries. Depopulation will be most acute in regions with an accumulation of low fertility rates, outmigration and ageing processes (De Abreu, 2008). Figure 5.4 shows regions in Europe threatened by structural depopulation. Many but not all (e.g. Northern Italy) of these are rural. The Netherlands, together with Ireland and Lithuania are exceptional in their low levels of expected depopulation.

Demographic decline usually brings with it a decline in services of general interest, such as communications, health care, education and public transport; at the same time, ageing increases the demand for such services. Moreover, as the quality of life decreases with the erosion of services, this may prompt further outmigration. This point was stated explicitly in the Green Paper on Territorial Cohesion: ‘Access to services of general economic interest, such as health care or education, is often a problem in rural areas, where for, example, in remote
regions, 40% of people on average live at more than half an
hour’s drive from a hospital and 43% live at more than an
hour’s drive from a university’ (CEC, 2008a: 7).

Finally, climate change could affect the prospects for
agricultural ecosystems, production and local livelihoods,
depending on the territorial capital of a particular rural
region (French Presidency, 2008: 6). On the one hand, climate
change will bring higher temperatures and an increase in
extreme events, such as storms, flooding, hurricanes and
droughts. Many rural communities could be adversely
impacted by these changes due to flooding, water shortages,
more variation in crop yields and other instability or damage
from extreme events. On the other hand, climate change
can improve farming conditions in Scandinavia and the
Netherlands. It should be borne in mind that climate change
is a very long-term process, while other factors affecting the
agricultural sector, such as global markets, technological
developments and government policies, are much more
immediate in their impacts.

5.3 Policy options

The challenges in rural areas caused by demography, economy
and climate change, demand a territorially sensitive policy
response at the EU level. Given the various policy instruments
at the disposal of the EU, various strategies can be employed.
Two of these are worked out in more detail.
5.3.1 Option 1: rural rescue plan
In this policy option, a package is put into place to mitigate the adverse effects of the most severe trends in the rural areas: the demographic decline, economic decline and social decline sketched out above. One of the first measures is to focus the CAP more on struggling agricultural areas and combine this with regional policy funding. Goals would be to improve competitiveness, to stimulate a multifunctional agriculture and to diversify the economy (these are currently the objectives of the second pillar of the CAP). Similarly, structural funds should focus more on rural areas to improve accessibility (transport and information infrastructure), vitality (e.g. regional product marketing or funds for combating soil erosion) and liveability (e.g. provision of a minimum level of access to services of general economic interest) (EC, 2006: 21). Furthermore, the policy of less-favoured areas is continued with vigour, since it is in line with this policy option. Since the 1970s, the LFA policy has provided farmers in geographically disadvantaged locations for agriculture with funds for maintaining the land and, in this sense, is an early form of spatial or territorial cohesion policy (Williams, 1996: 69). Finally, other problems in rural areas can also be considered, such as the disappearance of valuable landscapes or environmental impacts.

5.3.2 Option 2: regional differentiation
In this policy option, the approach taken will depend on the territorial capital of each rural region. Good information about the territorial capital of regions, therefore, is crucial. This can be described with indicators, such as human capital.
(age and education levels), physical attributes (soil types, ecological quality, natural beauty) or location (accessibility and network relations with urban areas). It must be emphasised that in this policy option, development opportunities do not always imply strong economic growth: natural or distinctive landscapes are also a form of territorial capital. Their presence can lead to economic activity (tourism or recreation) but these regions may also be allowed to become less dynamic, in some cases being converted into natural habitats. An example of an indicator is the presence of high natural value farmland; this makes it possible to promote biodiversity and cultural heritage as an alternative to intensifying agricultural production (see figure 5.5). Another example is the degree to which farmers have found other means of income; this can indicate other kinds of territorial capital than agriculture (see figure 5.6). Finally, some regions may be very well suited to agriculture, but cannot realise this potential due to a traditional small-scale farming structure (see figure 5.8). In this case, funds could be made available for modernisation and concentration of activity.

Since this policy option supports rural areas depending on the opportunities locally present, this cannot be done in a purely top-down manner. Indicators on potential territorial capital can provide the basis for a dialogue on which developmental pathway to pursue, but the actual decision must lie with the region in question and implementation must be in partnership.

### 5.3.3 Proponents and probability

This interpretation of territorial cohesion lies where two policy areas at the EU level meet: agricultural and regional policy. DG
Regio, so far, has taken the lead in working out the concept of territorial cohesion in documents, such as the Cohesion Reports and the Green Paper. DG Agri stresses the need for extra policies for rural areas (mainly through Pillar 2 of the CAP), but it remains to be seen whether it embraces the term territorial cohesion, especially since it has been argued by ESPON that CAP works against territorial cohesion (based on the interpretation socio-economic cohesion). Significantly, ESPON is now conducting a large-scale research project to construct a typology of rural regions; this could assist with the development and implementation of the second policy option.

For some time, the ‘rural potential’ interpretation seemed rather far-fetched and more like a single-issue cause. In 2008, it gained more prominence with the publication of the Green Paper on Territorial Cohesion, which placed emphasis on special regions and urban-rural linkages. Similarly, the discussions surrounding the CAP ‘health check’ and the planned reform in 2010, as well as the attention paid to it by the French presidency, have significantly enhanced the status of this interpretation, as well. The current policy debates on energy and biofuels and food security will also strengthen this interpretation.

5.4 Implications for the Netherlands

What is deemed rural is largely a question of definition, but by any measure the Netherlands is in the EU because of its high population density (see figure 5.7). According to the OECD
definition, land in the Netherlands falls into the categories ‘predominantly urban’ or ‘intermediate rural’ at the provincial Nomenclature of Territorial Units for Statistics (NUTS2) level. Only when viewed at a smaller scale (NUTS3) does a patch of ‘predominantly rural’ area appear in Friesland (OECD, 2008: 27). In addition, the Netherlands has surprisingly high levels of agricultural activity (it is a major exporter) for such an urbanised country. For these reasons alone, the impact from this interpretation of territorial cohesion in the Netherlands is likely to differ from the EU average. This section will explore the kinds of territorial impacts one may expect from the two policy options outlined above.

5.4.1 Option 1: rural rescue plan
From a socio-economic point of view, the Dutch rural problems are clearly not as severe as elsewhere in the EU. Thus, this option might result in a further reduction of subsidies. Much of the agricultural production in the Netherlands is profitable even without EU subsidies, so the impact may be small. For example, the Netherlands has, after Denmark, the smallest number of less-favoured areas (CEC, 2007c: 134), and (also after Denmark) the highest level of labour productivity in the agricultural sector. Furthermore, the Netherlands does not have many small farms and it does have a fairly well-educated agricultural workforce (see figures 5.8 and 5.9). European initiatives to modernise rural regions will mainly affect Poland, the Baltic states, Romania, Spain and Italy.

Finally, the Netherlands has no significant problems regarding land abandonment, depopulation or unacceptably low levels of services in its rural areas. There is ageing, but this also is not very problematic in comparison with the EU average. It is, therefore, highly unlikely that this policy option would affect the Netherlands.

However, if the rural rescue plan is also an environmental rescue plan, there is a lot of work to be done in the Netherlands: biodiversity and landscape quality are under high stress, not only from agriculture but also from other sectors. More coherence between CAP and other policies within the context of territorial cohesion could certainly help to address these issues.

5.4.2 Option 2: regional differentiation
If the EU were to implement a policy for diversified rural areas, the consequences for the Netherlands would depend on the categories in which Dutch rural areas are placed. Rural areas in the Netherlands are generally undergoing urbanisation and diversification of the economic base (OECD, 2008). Economies of scale are being realised rapidly and, as a consequence, landscape elements are being depleted and with them a form of territorial capital. To compensate, funds could be applied to more nature maintenance by farmers, for instance for farmland birds, or to improve certain landscape qualities, such as the distinctive ‘polder’ landscapes. The decision to develop one of these forms of territorial capitals will affect where the subsidies are used and spatial development takes place. To predict these impacts, figure 5.10 displays the likely redistribution of CAP subsidies, depending on whether agricultural nature management is chosen or landscape management.

This interpretation of territorial cohesion offers opportunities for creating future visions for rural areas, such as those now being developed at the provincial level. Specific policy options for territorial cohesion for the Netherlands could then include:

- Protection of nature and development of agricultural nature management.
- Strengthening of the urban-rural linkages. This is especially relevant in a country with rural areas close to cities. City-dwellers could profit from the recreational aspects of rural areas (space, quietness, leisure activities), and rural areas could benefit both economically and in terms of appreciation.
Protection of landscapes and development of agricultural landscape management, for example, in the National Landscape Areas and around the major cities.

Availability of public transport in peripheral areas, especially for the elderly and young people.

Notes

1) However, the significance of this should not be exaggerated. In this 40-page regulation, no reference is made to territorial cohesion, save a cryptic reference to local development strategies and ‘territorial coherence and synergies between measures intended for the broader rural economy and population’ (EC, 2005: 5).

2) However significant land abandonment may become in the future, it is unlikely to significantly alter the land-use map of Europe, which will remain dominated by agricultural functions.
Figure 5.9
Percentage of farmers with training and education (2005)

Source: CEC (2007c: 109)

Figure 5.10
Spatial redistribution of CAP subsidies

Source: Van den Heiligenberg et al. (2007)
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‘...the EU has an obligation in relation to the wide range of environmental, social and economic impacts of urban sprawl to define a clear and substantial responsibility, and a mandate to take an active lead in the development of new initiatives to counter the impacts of sprawl’ (EEA, 2006: 7).

6.1 Elaboration of interpretation

In this interpretation, territorial cohesion is linked to the notion of spatial cohesiveness as practiced in various forms and traditions of urban and regional planning in Europe and to the notion of sustainability (as the harmonisation of people, planet and profit values over the long term). Specifically, promoting balanced development of the territory, coordinating sectoral policies, protecting valuable natural areas and curbing urban sprawl, are all seen as activities falling under territorial cohesion.

Rationale

Although spatial planning is not a formal competence of the European Union, a number of initiatives have been taken in this field during the last decades, that give legitimacy to this interpretation of territorial cohesion. Since the late 1980s, EU ministers of spatial planning have been meeting to discuss issues, such as cross-border planning, the lack of geographical coordination of sectoral policies, and the need for a common understanding and vocabulary of the European spatial structure, as well as the most pressing problems facing that structure. As stated in chapter 2, this led to a series of reports, such as Europe2000 (1991), Europe2000+ (1994) and, finally, the ESDP (1999), a document which is the most elaborated and definitive statement on spatial planning at the European level.

These activities led to a vocabulary of more-or-less shared spatial concepts in Europe (Zonneveld, 2007). Among these, ‘polycentricity’ is perhaps the most important, as it moderates between the extremes of spatial concentration and spatial dispersal. Despite (or thanks to) its vagueness, it has been very successful in galvanising support (Waterhout, 2002). In addition to its meaning as urban development at the regional level – which recalls well-established planning traditions in the spirit of Howard and Abercrombie – it is commonly invoked to address patterns of socio-economic and demographic development at the European and transnational level (ESPON 1.1.1, 2005; Meijers et al., 2007). This second approach views the concentration of GDP and population core (blue banana or Pentagon) of Europe as a problem, as it creates negative agglomeration effects (congestion, pollution, lack of affordable housing and urban green spaces) and erodes the viability of peripheral regions. A related notion is spatial integration of the European territory through infrastructure, be it transport or information (broadband access, education). This is tied to a right to accessibility of places and services of general interest. Finally, sustainability is a commonly used concept which can be applied to various spatial problems, such as sprawl (Waterhout, 2008: 112).

The shift in terminology from spatial planning to territorial cohesion is, in this interpretation, merely window dressing. In fact, the term territorial cohesion itself has its origins in French spatial planning and it was a Frenchman who succeeded in inserting it into the EU treaty (Faludi, 2004). The Territorial Agenda and Leipzig Charter reiterate most of the points made in the ESDP, albeit using slightly different terms (from the Lisbon Strategy and territorial capital) and slightly different examples of spatial challenges (e.g. climate change). Concepts, such as polycentricity and sustainability, figure prominently in the Territorial Agenda, and the three main principles of the ESDP are mentioned explicitly in the text (TA, 2007: 4). More recently, the points made in the Green Paper on Territorial Cohesion reflect this continuity. The concern for concentration and connectivity echoes the points made in the ESDP regarding polycentricity and parity of access, while the call for new forms of cooperation recall the concerns expressed by the European ministers of spatial planning, decades ago, regarding transnational planning (Faludi & Waterhout, 2002). All in all, territorial cohesion is in this view simply the continuation of a long evolutionary process rather than a new policy area.

6.2 Problem analysis

This interpretation of territorial cohesion addresses a number of problems currently facing Europe, most of which are explicitly mentioned in the Territorial Agenda and Green Paper. These regard the unbalanced territorial development of European space, urbanisation, climate change, loss of biodiversity, deterioration of valuable landscapes, and energy scarcity and security. These challenges will be treated in turn.

Unbalanced territorial development relates to the uneven geographical spread of socio-economic and demographic
growth in Europe; certain areas are experiencing high economic growth and an influx of population (high pressure), while other areas are losing population and have a stagnating regional economy (low pressure). This difference in pressure is fuelled by ongoing economic processes, such as internationalisation or globalisation, modernisation and labour productivity development and a further shift to the service economy. Judging from studies from ESPON and others, it appears that in spite of overall economic growth, the gap seems to be widening (ESPON 3.2, 2006; Berlin Institute for Population and Development, 2008; De Abreu, 2008). Figure 6.1, which almost looks like a meteorological map, illustrates the incidence of high and low-pressure zones in Europe on the basis of GDP and population development indicators. As can be read from the map, the larger part of the Netherlands is situated in a high-pressure zone.

In low-pressure zones, further agricultural rationalisation and industrial restructuring have led to unemployment and emigration. In addition, weekly, seasonal or monthly commutes to the economic core areas are increasingly commonplace and complex chains of migration are occurring, especially in the more central new Member States. Usually, migration is of young people, so that natural growth will diminish further and ageing will be felt even more in the low-pressure regions. As explained in the previous chapter, this deteriorates the economic base of these areas and the provision of services, such as medical and educational facilities, public transport and shops.

The opposite can be observed in high-pressure areas. These areas have ample employment, educational, cultural and leisure facilities and good accessibility which make them attractive for people and firms. High-pressure areas also
suffer from negative agglomeration effects however, such as congestion and pollution (CEC, 2007d). Social polarisation is also most acute in high-pressure areas, something that has been addressed in the Leipzig Charter (2007). At the local and regional level, an inward flow of young people in cities for jobs and educational opportunities is sometimes counterbalanced by an outward flow of families satisfying a need for a quiet, safe, spacious and green environment in the urban periphery or in nearby towns and villages. This suburbanisation has also been referred to as counter-urbanisation, sprawl (EEA, 2006) or peri-urban migration. High-pressure is not exclusive to the Pentagon region, but can also be found in some capital city regions in Central or Eastern Europe.

6.2.1 Urbanisation and sprawl

Another territorial challenge identified by the European ministers for spatial planning regards the ‘overexploitation of ecological and cultural resources and loss of biodiversity, particularly through increasing development sprawl’ (TA, 2007: 3). Unplanned or haphazard urban development is felt to undermine strategies for adapting to climate change, to increase mobility and to exacerbate socio-economic polarisation in urban areas. Sprawl had already been identified as a problem by the European Commission, as early as 1990, in the Green Paper on the Urban Environment (CEC, 1990) and the Thematic Strategy on the Urban Environment (2006). It was given further attention by the EEA report Sprawl in Europe (EEA, 2006; Nuissl & Couch, 2007).

In spite of slackening population growth or even population decline, urban land use increased in Europe by 5.4 % between 1990 and 2000. Most of this newly built-up land is used for housing, services and recreation (50%), followed by industrial and commercial sites (30%). About 20% can be considered
as ‘other’ urban land use. This expansion of built-up area mainly took place on agricultural land but about 15% was at the expense of nature areas (EEA, 2006). Figure 6.2 shows the regional variations in the change in total artificial land cover in the decade before 2000, expressed as standard deviations with respect to the average of all NUTS2/3 regions. On average, artificial land cover increased by 0.7% per year in Europe. A relatively large increase in built-up land use took place in Ireland, Spain, Portugal, Greece, the Netherlands and in some regions in Italy, France and Germany.

Increased urban land use, however, is only one indication that sprawl may be occurring. If linked to population developments during the same years, one can calculate the change in residential densities, shown in Figure 6.3. While population growth was still the dominant trend in Europe between 1990 and 2000, residential densities declined in most parts of the EU, on average by 3%. Although the population increased at an above average rate in Ireland and the Netherlands, residential density declined here rapidly as well. This implies that considerable expansion of low-density urban land use is taking place in these countries. The opposite trend (increases in residential density) was found in regions in Western Germany, Belgium, Austria and parts of France, the United Kingdom and Greece. In south and east Europe, declining densities were mainly due to a shrinking population.

6.2.2 Climate change and energy security

The rise of climate change on the political agenda, in recent years, has brought a new dimension to the discussions on territorial cohesion, which at first were primarily focused on socio-economic aspects. Indeed, the first territorial challenge identified in the Territorial Agenda is the ‘regionally diverse impacts of climate change on the EU territory and its neighbours particularly with regard to sustainable development’ (TA, 2007: 2). Not only do different regions have different territorial capital, as regards the potential for economic development, the vulnerability to the effects of...
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Climate change is largely geographically determined (CEC, 2008a). European mountain regions and deltas are faced with the prospect of increased flooding while non-coastal regions in Southern Europe are faced with desertification (Schmidt-Thomé & Greiving, 2008; Alcamo et al., 2007). Climate change is also a major challenge for European cities (Leipzig Charter, 2007; EEA et al., forthcoming).

A related problem is energy. This is a problem of European scope because the European energy supply network is becoming increasingly integrated in terms of both infrastructure (TEN-E) and corporate structure (EU competition policy has stimulated this by promoting denationalisation). Indeed, the Territorial Agenda has identified ‘rising energy prices, energy inefficiency and different territorial opportunities for new forms of energy supply’ (TA, 2007: 2) as one of its territorial challenges. This realisation was also brought on by several geopolitical incidents regarding external supply, the desire to reduce greenhouse gas emissions and volatile oil prices.

Similar to climate change, not all regions in Europe have the same susceptibility to these energy-related issues or the resources to overcome them (see figure 6.4). The shift to other sources of energy, particularly in the case of wind energy, is not merely a technological but also a spatial issue and will require some form of spatial planning. Similarly, rising energy prices reduce accessibility, and favour concentration above dispersal. There is already anecdotal evidence that high oil prices in the United States have reduced the popularity
of peripheral suburban residences. Recent studies have also shown that housing and employment would become located much nearer to each other (BCI, 2006) as a result of energy scarcity; ESPON came to a similar conclusion in its thematic scenario on energy (ESPON 3.2, 2006).

6.3 Policy options

Given the different problem definitions sketched out above, territorial cohesion as spatial planning at EU level could take on various forms for which different instruments could be devised and applied. Spatial planning can assist in making tough decisions by identifying which areas are most suitable for investment and concentration and which areas are better suited to other land uses. These ideas are combined here into two main policy options. The first option, planning for Europe, assumes strong EU involvement in spatial development and even in local/regional spatial planning. In the second option, planning in Europe, the EU mandates that Member States carry out some form of planning, but offers no substantive criteria, confining itself to promoting transparency of and coordination between European systems of spatial planning.1

6.3.1 Option 1: planning for Europe

In the first policy option, the European Union takes its new competence of territorial cohesion as a mandate to solve the most pressing territorial challenges by actively drafting a spatial policy. This could be done by creating a European vision, plan or perspective (depending on the legal status) that would focus on what future spatial organisation would be desirable for Europe with respect to predefined economic, social and environmental objectives. From this, various concrete policy options for spatial policy could be elaborated that would be required to meet these objectives. It should be noted that, however far-fetched this may seem, a trial has already been carried out in the scenario project of the ESPON programme (ESPON 3.2, 2006).

This document could include broad planning concepts, such as Trans-European Networks (TENs), sustainable local urban transport systems, global integration zones,2 polycentricity and green belts (ECTP, 2007). The document could also include spatial economic development potentials for each region, taking into account its unique territorial diversity and potentials. As regards implementation, the vision, plan or perspective could help guide EU investments, such as the structural funds, or inform decisions on spatially relevant sectoral policies such as the TENs, Natura 2000 and the like. Guiding principles, in this regard, could include parity of access to infrastructure and knowledge and polycentricity. These concepts could serve as a remedy for the troubles of high and low-pressure areas simultaneously. Developmental potentials could be bundled in growth poles to prevent low-pressure areas from becoming marginalised, and these connected to high-pressure areas to alleviate the diseconomies of agglomeration. With regard to the latter, more sustainable transport modes can be stimulated, such as public and non-motorised transport, as proposed in the Green Paper on Urban Mobility (CEC, 2007). European funds could also be made available for rehabilitation of dilapidated neighbourhoods, restructuring of brownfields, development of business parks and the creation of attractive residential and business environments by the provision of attractive urban green, public transport and support of cultural facilities.

European spatial planning can also be implemented to deal with the interrelated environmental challenges of climate change, biodiversity and preservation of valuable landscapes. The guiding principle for this could be the protection of natural and cultural heritage, as elaborated in the ESDP (CEC, 1999). Therefore, the spatial plan, perspective or vision could include concepts, such as a sustainable energy and transport infrastructure, water management, climate change adaptation, production of renewable energy and desired forms of urbanisation (ECTP, 2007). In addition to promoting sustainable urban development, the document could also indicate areas for vital agriculture, land abandonment, urban green and nature development.

If spatial planning were indeed a competency of the EU, the document could even serve as a basis for evaluating land-use plans of Member States.3 In such an unlikely situation, conditions or targets could be set on local and regional spatial developments—such as residential development, business parks, offices, shopping centres and infrastructure—to manage growth. Here, the concept of polycentric spatial development could also assist as an ideal spatial configuration at the scale of individual agglomerations and conurbations. Seen in this light, polycentricity is comparable to the Dutch planning concept of bundled deconcentration (Faludi & Van der Valk, 1994), Howard’s garden city (Howard, 1902), Abercrombie’s London plan and elements within the New Urbanism (CNU, 1996). In addition to polycentrism, urban containment could be achieved by promoting growth within or adjacent to current built-up areas, establishing growth boundaries and the like. Such measures serve to curb urban sprawl, while helping to meet residential preferences for a green, low-density living environment, providing room for entrepreneurs and maintaining reasonable service levels for public transport, shops, education, cultural and medical facilities. In this way, it prevents the increase of socio-economic disparities within cities and urban agglomerations by keeping the cities attractive for businesses and middle and high-income groups.

6.3.2 Option 2: planning in Europe

Another policy option for territorial cohesion as spatial planning is not to ensure that all Member States carry out adequate spatial planning. This would increase consistency, transparency and translatability of decisions on land use in the EU and help Member States work towards common goals. Even without a competency for spatial planning at the EU level (via territorial cohesion or not), this kind of legislation has already been implemented via sectoral policies. Member States are required, for example, to draw up plans for dangerous substances under the so-called Seveso II directive and designate habitats (and thus specify a specific land use) under Natura 2000 (Van Ravesteyn & Evers, 2004; Zonneveld et al., 2008).

This policy option could be implemented in different ways. One method would be to follow the example of growth
management in various US States, namely to introduce an obligation to make and maintain spatial plans or their equivalents on various scales. At present, most but not all Member States have a fully developed planning system. The EU could facilitate the plan-making process by publishing up-to-date information about the various European planning systems and best practices and by offering financial and technical support, such as via the ESPON programme. This policy option does not necessarily entail a harmonisation of systems (as these are embedded in national legislation and tradition) but it could lead to a shared understanding of European territorial problems and the best ways to approach them in practice. In some cases, such as in cross-border regions, the EU could take a more active role in resolving conflicts.

At the very least, this policy option entails a continuation and intensification of the process of deliberation by Member States about spatial issues and policy objectives, which resulted in the ESDP and Territorial Agenda. This is similar to the so-called Open Method of Coordination (OMC), which offers the prospect of establishing mutually agreed upon standards via benchmarking and sharing of information and best practices rather than EU legislation (CEC, 2001b). Although rather unstructured, voluntary and informal, this process has led to the adoption of binding legislation, such as the Water Framework Directive. In the case of territorial cohesion this would be less likely to happen, as there is a multiplicity of divergent problems (even within this interpretation) to tackle, such as climate change and urban segregation, and because it is notoriously difficult to define let alone measure overarching concepts such as spatial quality. This policy option would also seek to enhance the legitimacy of planning in Europe by formalising the meetings of ministers for territorial cohesion or providing support to organisations such as CEMAT (which still operates under the non-EU Council of Europe). Finally, this policy option would entail increasing the budget for Interreg within the structural funds, as this promotes horizontal coordination without exercising direct top-down authority.

6.3.3 Proponents and probability
This interpretation of territorial cohesion is mainly voiced by professional spatial planners themselves or via their organisations, such as European Town and Country Planning Association (ECTP), and implicitly through recommendations by researchers via the European Spatial Planning Observatory Network. It is also supported by the ministers of spatial planning and their staff in the Member States involved in the ESDP/ Territorial Agenda process. As such, this interpretation does not have an especially powerful political power base. The link with sustainability, however, brings in allies from environmental interests and sympathisers. Denmark has supported a green view of planning and territorial cohesion, and other Scandinavian countries seem to share this position (Waterhout, 2008: 111). Similar sentiments exist in neighbouring countries in Northwestern Europe and Alpine countries (Waterhout, 2008: 113). In addition, supporters of this interpretation can be found in the European Parliament and within DG Environment. Finally, the Green Paper states that ‘EU cohesion programming apart, spatial planning is considered by many of the respondents the strongest mechanism at national level for coordination between actors in different sectors and administrative levels’, indicating that if not equivalent to territorial cohesion, spatial planning is at least a good means by which to achieve it.

Nevertheless, it is extremely unlikely that territorial cohesion will be interpreted in this way exclusively. Although it is clear that spatial planning at EU level can contribute to various EU policy goals, virtually all Member States consider spatial planning as the exclusive domain of the nation state and its constituent parts. The lack of support for European spatial planning as such is powerfully illustrated by the taboo placed on this term. The Territorial Agenda makes no mention of it except descriptively in the second opening sentence: ‘We ministers of spatial planning and development...’ (TA, 2007: 1). This resistance is also partly because not all Member States have a well-developed spatial planning system and that spatial planning often plays a very weak role. In addition, Davoudi (2007) draws attention to the persisting differences in underlying social philosophies and cultural values in planning, something that will be returned to in the next chapter. Still, the rise of climate change and broader sustainability issues on the political agenda over the past few years has given more credence to this interpretation, and it could form part of the conceptual baggage of a hybrid interpretation.

6.4 Implications for the Netherlands
The Dutch have been one of the powerhouses behind European spatial planning. At the beginning of the process, in the early 1990s, the Dutch national spatial planning agency (RPD) advanced the process both in terms of process and content (Williams, 1996: 86). It was a major player in the ESDP process and made significant contributions in the (Rotterdam) process leading to the Territorial Agenda. In the past few years, however, the Dutch position seems to have become somewhat less proactive, perhaps due to the referendum on the EU Constitution and problems with the implementation of some European directives. In this sense, the policy stance vis-à-vis this interpretation can be viewed as ambivalent. In this section, we will explore some of the potential impacts that the two policy options could have for the Netherlands, taking the country’s territorial capital and governance structure into account.

6.4.1 Option 1: planning for Europe
At the surface, the idea of European spatial planning seems to hold a great deal of promise for the Netherlands. Having a long and internationally esteemed tradition of spatial planning at the national level, the Netherlands would probably have a disproportionately large influence when drawing up a vision, plan or perspective for Europe (Faludi & Van der Valk, 1994; Zonneveld, 2007). Some national concepts, such as mainports and brainports are, thanks in part to some ESPON research, potentially transferable to the European level, while others, such as ‘economic core areas’ as defined in the Spatial Memorandum (Ministry VROM et al., 2004) resemble concepts, such as global integration zones. Nevertheless, spatial planning conducted at the European level also carries with it some implicit threats for the Netherlands.
As unlikely as this interpretation is, it is also not necessarily advantageous. There is a danger that the EU could use different concepts, or different definitions of similar concepts, to set objectives that are in conflict with Dutch planning goals. Here, it is relevant to note that despite the Dutch being a driving force in making the ESDP, this document was subsequently ignored at the national level (Waterhout & Zonneveld, 2000). The concept of polycentricity is a case in point: the Netherlands views itself as polycentric, yet at the European scale it may appear as monocentric (Randstad and periphery). The current spatial policy which concentrates activity and investment in the Randstad could be viewed as problematic in this light as promoting unbalanced development. Another point regards urban sprawl. According to some indicators (e.g. land-use change and urban densities), the Netherlands is one of the worst offenders in the EU, despite a seemingly well-functioning planning system. In a paradoxical worst-case scenario the Netherlands could even be penalised for not complying with EU anti-sprawl policy. Finally, according to the ESPON urban/rural typology and the OECD definition of rural areas, the Netherlands is more-or-less fully urbanised, meaning that any generic urban policy drafted at the EU level using this indicator is likely to have a greater impact on it, than on countries which have a mix of urban and rural spatial types.

6.4.2 Option 2: planning in Europe
This policy option, ensuring that spatial planning is carried out in the Member States, seems relatively advantageous for the Netherlands. Similar to the first policy option, this interpretation provides an opportunity to explain and perhaps even disseminate the Dutch method of area-based development and integrated spatial assessments to other countries (rather than the EU level). In the process, it may make others more sympathetic with the problems the Netherlands has encountered with EU sector policies when carrying out spatial projects. Unlike the first option, there is less risk of non-compliance with EU policy objectives, as these would be more broadly formulated.

This policy option will strengthen the ongoing process of Europeanisation in spatial planning. This will have an indirect (and usually unnoticed) effect in the Netherlands through the use of shared European concepts and the internationalisation of European knowledge about planning issues. Often, local and regional actors are not aware they are using European terminology or concepts (Waterhout et al., 2007). Over time, this may make it easier to carry out cross-border planning activities (De Vries, 2008).

Finally, taking this option to its extreme, the EU could require that plans, including visions on transport, business parks and retail, be developed and updated within a prescribed period at the local and regional level, making the national government responsible for conforming these plans to EU policies. For the Dutch spatial planning culture, where consensus plays a large part, such a requirement could lead to a more top-down approach. Similar to the first policy option, this is rather unlikely. Even so, the obligation to plan would generally affect countries without a well functioning planning system more than the Netherlands, which has a long tradition in this field.

Notes
1) The names of these two policy options were borrowed from a distinction made in Waterhout and Böhme (2008).
2) The concept of global integration zones arose from the realisation that the United States has several geographic areas of worldwide economic importance: New York/Atlanta (global finance and media), Chicago/Detroit (automobile industry), Dallas (oil) and Los Angeles/San Francisco (computer and high tech) (Mehlbye in Waterhout, 2008). The argument was that Europe has only one incontestable global integration zone, namely the Pentagon region, but several candidates. Potential new zones were later sketched out for Europe by ESPON in an experimental study (ESRON 2.4.2, 2005).
3) This has already been proposed by Stumm (1998: 27). It should be pointed out that at present, this option is extremely unlikely even in the long term, and especially so, given the resistance to including maps in the ESDP and the diversity of planning traditions and systems in Europe (Newman & Thornley, 1996; CEC, 1997; Dühr, 2007).
4) Regarding this issue: ‘Almost all Member States produced some kind of national spatial plan (Belgium, Spain and the United Kingdom were exceptions because of the lack of competence for these at national level) and these have strong EU influences (e.g. the ESDP and the adjusted time frame for Structural Funds programming)’ (CEC GPTC Annex, 2008).
5) At first the term ‘spatial planning’ became politically unacceptable. This was followed by the demise of ‘spatial policy’ and ‘spatial development policy’ as alternatives. Territorial cohesion has almost completely replaced all reference to the other concepts. ESPON has retained its acronym (for now) but has been renamed, and the informal meeting of ministers for spatial planning has also been renamed.
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‘[T]he progress of European integration and the deepening of common policies which resulted from it were expressed in hyper-specialisation of functions and competences within the Community authorities, and in particular within the Commission. One can observe this specialisation not only at the level of each Directorate-General, but also at the level of each direction, of each unit and even at the level of groups of officials or of individual officials’ (Robert et al., 2001: 155).

7.1 Elaboration of interpretation

In this interpretation, territorial cohesion is taken to mean the cohesion of European policies within a given territory. EU policies are extremely sectoral in their origin, adoption and application. Because decisions on these policies are taken separately, they can supplement, reinforce or contradict each other. Mapping the effects by means of a Territorial Impact Assessment (TIA) can show where potential conflicts may occur, or where sectoral policies could be combined to achieve synergy within a given area and, thus, territorial cohesion.

Rationale

Policy decisions in Europe have traditionally been taken without regard for their spatial impacts. According to Robert et al. ‘Community culture, in terms of politico-administrative practices, is excessively sectoral. This results above all from history. At the time when the treaty of Rome was adopted, the aim was to bring the Europeans states and people closer by means of a limited number of major common policies’ (2001: 155). It became more and more obvious that EU policies had different effects in different kinds of regions (Böhme & Eser, 2008: 54). With the growing influence of the EU on spatial developments, matters of policy incoherence and unintended effects became an increasing concern. This is acknowledged in the Green Paper on Territorial Cohesion: ‘Many of the problems faced by territories cut across sectors and effective solutions require an integrated approach and cooperation between the various authorities and stakeholders involved’ (CEC, 2008a).

The discussion on policy coherence began in the early 1990s, with the insight that although EU has no competencies for spatial planning, EU sector policies have unintended territorial effects. At this time, countries (especially those with a ‘comprehensive integrated approach’ to spatial planning) began to insist on some kind of horizontal coordination (Waterhout, 2008: 107). One way to achieve this is to use territory to integrate sectoral policy objectives and instruments, by taking into account the spatial dimension to improve horizontal coordination (Stumm, 1998). The ESDP process is seen as a step to come to horizontal coordination (Waterhout, 2008: 105), as is the instrument of a territorial impact assessment mentioned in the ESDP action programme (Naylon et al., 2007: 28), an example of which is the PBL TIA-Strategy elaborated in the first chapter.

In the wake of the ESDP process, DG Regio commissioned the report Spatial Impacts of Community Policies and the Costs of Non-coordination. The report found that the coordination problem was embedded in the institutional structure of the EU, particularly in the European Commission: ‘The Commission having the monopoly as regards the right to take initiatives, its political proposals are necessarily reflecting its own sectoral specialisation culture. Thus, this model has been almost identically reproducing itself for several decades’ (Robert et al., 2001: 155). Moreover, the report also found that this culture was not only present within the EC, but also ‘that the links between the community authorities and the Member States are themselves of deeply sectoral nature’ (Robert et al., 2001: 158). This conclusion is confirmed by the analysis of the Dutch case of small particles (Rood et al., 2005). The small-particles issue was handled by the environmental department within the ministry, which tended to underestimate the effect on spatial planning. Had they been more involved in the process, the spatial planning department at the same ministry, and probably other departments outside the ministry, would have addressed this issue differently.

Although the study of Robert et al. was not very influential at the level of the EC as a whole (Waterhout, 2008: 106), other developments have helped to fuel this interpretation of territorial cohesion. One is the growing evidence base of the spatial effects of sectoral EU policies via the ESPON programme in which some policy conflicts (particularly CAP and regional policy) were exposed. Robert et al. (2001: 152) had also identified a TIA as a way to see better the territorial impacts of the various EU policies, and it was also promoted in the ESDP. The idea of horizontal coordination in territories was also mentioned in the draft version of the White Paper.
on Governance (CEC, 2001b). This document also mentions territorial cohesion, relating it to principles of openness, participation, accountability, effectiveness and coherence (Waterhout, 2008: 107, italics added).

A milestone for this interpretation of territorial cohesion was reached in 2004, with the Dutch presidency and the Rotterdam Agenda process that followed. TIA was a key theme of documents displayed at the Rotterdam (2004) and Luxemburg (2005) ministerial meetings (Waterhout, 2008: 105). The Territorial State and Perspective of the EU (2005) also included elements of EU policy impact assessment, but horizontal coordination was deemed a bridge too far (Waterhout, 2008). The Territorial Agenda was set up with no ‘deepening of a formal track for TIA in the regulatory framework’ (Böhme & Eser, 2008: 44). However, DG Regio and Member States still pushed ESPON research in the direction of (methodology of) TIA (ESPON 3.2, 2006; Naylon et al., 2007). According to Böhme and Eser, ‘interest and demand on the political level are apparent, as not in the Territorial Agenda, but in the Leipzig Presidency Conclusions (point 8) reference is made to the possibility of considering the effects on European Legislation of existing institutions and procedures such as impact assessments’ (2008: 44). Although TIA did not appear in the final text of the Territorial Agenda itself, it did surface in the First Action Programme for the Territorial Agenda six months later (Portuguese Presidency). One of the concrete action points is to gain more insight into how Member States and regions assess the territorial impacts of EU policy and ‘to stimulate the Commission to add territorial notions into the existing impact assessment system for all EU policies’ (Padulosi, 2008: 2).

7.2 Problem analysis

In the discourse of ‘horizontal coordination’ the problem arises when EU policy is applied in a particular area, and conflicts begin to surface regarding policy goals (between EU sectors or with national policies) or with the particular territorial situation on the ground. This section will take stock of various ways in which this problem manifests itself to arrive at potential policy options that could be adopted to solve it. In short, three versions of the same problem definition have been identified: territorial inconsistency between sectoral policy objectives, territorial conflicts between sectoral policies, and impacts regarding integrated assessments.

The first problem regards policy objectives. In some territories, the success of one EU-sector policy can offset or even undermine the success of another. For example, the success of the CAP in increasing food security in Europe via the price mechanism and income support comes about at the expense of the goal of social-economic convergence between regions as stated in the regional EU policy (see figures 7.1 and 7.2). The reason being that most CAP subsidies are being spent in the richer regions (Robert et al., 2001: 153), whereas regional policy targets poor regions. Another example is the risk that TEN-Ts could lead to a fragmentation of Natura 2000 areas and, by extension, to a loss of biodiversity (e.g. Feehan et al., 2006; Damarad & Bekker, 2003).

The second problem is slightly different. Because in some areas many different EU regulations apply (‘accumulation’) it becomes practically impossible to implement them all because they conflict with each other in a particular area. Hague et al. (2008) found inconsistencies over time between different EU sector requirements, such as between the Habitats and Birds Directives, which have their origins in 1979, and the currently debated Directive on Renewables. In the UK context at least, ‘we find that some sites and areas are heavily protected – and have been for a long time – under the former [directive], yet now these can be identified as places with high potential for renewable energy development’ (Hague et al., 2008: 8). It does not even need to be the EU-directive itself that causes the problem. In the Dutch context, it is often the incorporation of EU legislation into the Dutch national law that has made it difficult for local and regional governments to comply with the various standards (VROM-Raad, 2008). Thus, the problem can also be caused by national governments implementing EU-sector policy too sectorally.

Although the two problems are quite similar, they differ on one very important aspect, that is: who has the problem? In the first case, it is the EU itself because its own goals are not being achieved. In the second case, national or sub-national governments have the problem because their decisions do not or cannot comply with EU-regulations.

According to a recent major study of Dutch examples of the accumulation of EU regulation (Zonneveld et al., 2008), problems of this second kind are not very common in the Netherlands. In all cases analysed, local governments were ultimately able to comply with all EU regulations, but the planning process took more time and effort. The limited number of cases in the study may not be enough to prove that these kinds of conflicts are absent. Still, the study makes a strong case, because the cases were selected partly on the basis of probability that ‘accumulation’ was a likely problem.

The same study also found a slightly different kind of problem, which might be considered the third aspect of the lack of policy coherence of sectoral EU policy. The researchers found that EU sectoral policies influence the practice of Dutch planning processes in unexpected ways. Complying with European regulations has become a major concern of planners. Unlike the usual Dutch planning tradition of balancing policy objectives against each other, it is not possible to balance the values that are incorporated in European sector policy against other values. The way in which European regulation is implemented in Dutch law makes it a relatively ‘hard’ element in Dutch planning practice, because in Dutch administrative law, it is comparatively easy for individual citizens to make appeals against planning decisions (VROM-Raad, 2008). As a consequence, Dutch planning actors concentrate on issues relevant to European regulation at the expense of issues and interests for which no European regulation exists. In addition, EU regulation encourages the creation of detailed zoning plans which can be defended in court, instead of following the Dutch tradition of flexible zoning, which allows the different interests and values to be resolved in practice (Zonneveld et al., 2008: 4).
7.3 Policy options

The three versions of the problem definition elaborated above – territorial inconsistency between sectoral policy objectives, territorial conflicts between sectoral policies, and impacts regarding integrated assessments – comprise the point of departure for the policy options. The vast number of potential policy measures and instruments that could be designed to this end, and which have been gleaned from the academic literature and expert interviews, have been subsumed under two basic policy approaches: coordination at the EU level through TIAs or coordination at a lower scale by allowing flexible interpretation of EU regulations. These will be explained in turn.

7.3.1 Policy option 1: more coherent sectoral EU policies

One way to achieve policy coherence and, thus, territorial cohesion between sector policies, is to first carry out an ex-ante assessment of the impacts they would have in the different territories. This is the kind of policy instrument discussed in most the academic literature (Robert et al., 2001; Stumm, 1998; Naylon et al., 2007; Böhme & Eser, 2008). Most authors envisage some kind of Territorial Impact Assessment (TIA) being performed to prevent policy incoherence from occurring before the policies are put into action (Waterhout, 2008: 107; ESPON 3.2, 2006). This would solve the problems in all three senses.

When discussing possible ways to design coherent policy, some authors advocate integrating territorial assessments into existing procedures and institutions, while others envisage new ones. Böhme and Eser (2008: 59), among others, mention the general Impact Assessment (IA) of the EC, which is about to be renewed as a potential candidate. All items included in the Commission’s Legislative and Work Programme are subject to an ex-ante IA, which should identify economic, social and environmental impacts. The IA reports are presented as an annex to each of the Commission’s proposals. The guidelines which are used to perform the IA also mention ‘regional effects’ of policy, which could be seen as a way of assessing territorial effects. Moreover, an inter-service consultation already takes place between the various DGs in the preparation of a Commission proposal, which provides an opportunity to include items regarding territorial impact (Böhme & Eser, 2008).

Stumm, however, argues for a whole new procedure. He designed a procedure for a Strategic Spatial Assessment (SSA), which should be a multifunctional procedure for spatial and environmental analysis, that can be followed with regard to both the structural funds and to other spatially relevant formal decisions (e.g. with regard to TEN-Ts and cohesion funds) (1998: 27). Accordingly, a Task Force should be set up within the European Commission to perform the SSA, and bring it within the necessary decision procedures. Robert et al. (2001) proposed a similar procedure, calling it a Strategic Spatial Impact Assessment (SSIE), which would be carried out by an inter-institutional Coordination Committee, with a secretariat in DG Regio. In both cases, the analyses would

TEQUILA Model

The Territorial Efficiency QUality Identity Layered Assessment (TEQUILA) model was drawn up in the context of the ESPON programme to provide an assessment of the impact of EU policies on territorial cohesion (ESPON 3.2, 2006; Camagni & Capello, 2007). To measure this, territorial cohesion is divided up into three main dimensions or criteria: territorial efficiency, territorial quality and territorial identity. The model then uses empirical or user-defined causality relationships to determine the territorial impact of generic EU policies on the three criteria and their sub-criteria at the EU level. The assessment is subsequently made territorial by adapting the general impacts to the specificities of individual European regions. In doing so, it is acknowledged that:

- the impact may differ according to regional specificities;
- the intensity of the policy application may be different in different regions;
- the relevance of different criteria of the assessment method is likely to be different for different regions (e.g.: the same increase in income has a different significance according to the development level already achieved by an individual region);
- a region may not be subject to a specific policy.

TEQUILA is designed to be simple, operational and relatively user-friendly. The rationale behind measuring impacts resembles risk assessment where risk = hazard x vulnerability. In this case, territorial impact is the product of a potential impact and a sensitivity indicator. At present, TEQUILA is being applied to the TENs and CAP policies in the context of ESPON (Naylon et al., 2007; ESPON 3.2, 2006).
Figure 7.1
Structural funds expenditure (1994-1999)

Percentage subsidies of GDP.
Source: Evers et al. (2006)

Figure 7.2
CAP pillar 1 expenditure (1999)

Percentage subsidies per agricultural work unit.
Source: Evers et al. (2006)
be made during the preparatory phase of proposals, to avoid overloading the legislative process (Robert et al., 2001: 160).

The Impact Assessment Board of the Commission would probably oppose creating procedures in addition to the existing IA. First, because it remains to be seen whether these proposals would still be useful after recent reforms of the IA process. Second, because creating evaluation procedures alongside the IA could harm the IA’s status. Moreover, if different evaluation procedures coexist, this could lead to ‘box ticking’ instead of a thorough integrated analysis.

### 7.3.2 Option 2: flexibility via territoriality

Another policy option is less prevalent in the academic discussion, but is to be found behind the political discussion. This relates to procedures that would allow countries and regions to use arguments of policy incoherence to obtain flexibility in the implementation of EU sectoral policy.

This option is based on an acknowledgment that it is unlikely that EU policies in different regions will work out in the same way and to the same results. Countries and regions would be able to appeal to this principle when it is impossible or undesirable to comply with European policy standards due to the specific characteristics of their territory. This could be after the policy has been agreed, but also before. Countries could obtain more flexible targets within the framework of an EU regulation to better balance the objectives of different policies within a given region.

The initiative does not lie with the European Commission, but with the regions and their representatives in Brussels, namely, national governments or umbrella organisations. It is their responsibility to use their position in the various institutions (e.g., European Council or European Parliament, Committee of the Regions) to place the issue of regional coordination on the political agenda and request more room for a territory-sensitive application of sector policy. The national government should pay close attention to the regional effects (EU Working Group on Territorial Impact Assessment, 2008: 2). In this way, horizontal policy coordination requires vertical policy coordination. It presupposes that national authorities enter into consultation with regional and local authorities. The regions should bring their case to their national governments. This option also implies that both regional and national governments should become more aware that EU policies can have a regional impact. Finally, in the same manner, more flexibility can be built in within the national implementation of EU directives, since the problems mainly surface in the implementation phase. Then negotiations take place at the Member-State level.

### Who draws up the TIA? (policy options 1 and 2)

Making a TIA for both policy options requires capacity and regional expertise. Even if one opts for the first policy option, the European Commission has to be assisted by others with information concerning the spatial situation (for example, through ESPON, see text box p. 57). Nevertheless, some are sceptical about the possibilities of this. Schout and Jordan (2007) argue that the Commission lacks the capacities to perform TIAs, all the more so because it would require sector specialists to invest in knowledge from other sectors, which goes against their inclination.

In both options, then, the Member States or regions should carry out the TIA themselves. In the first policy option, these TIAs should affect the IA process and consultation between directorate-generals within the EC. In the second option, the TIAs themselves only have to inform the national (and regional) authorities, to prepare them better for the lobbying and bargaining in the political arenas of the EU. Since it is often the national implementation itself that is responsible for the coordination problems at the regional level, a TIA process at the national or regional level would shed light on the problem, at the scale where it occurs.

The EU could require that national and regional governments carry out TIAs, although there is a hesitation to create new instruments in addition to current forms of impact assessment (e.g. Hague et al., 2008: 3). TIAs could also be integrated into the strategic environmental impact assessment (SEA) which the EU made obligatory for all plans and programmes of the Member States that are likely to have significant impact on the environment (Böhme & Eser, 2008; Naylon et al., 2007). But in this way, it does inform the decision-making process for which the SEA is made, and not necessarily the EU strategy of national or regional authorities.

### The issue of criteria (policy options 1 and 2)

Another thorny issue in proposing TIAs for achieving sectoral coherence, regards the criteria to be used. When is there coherence? In addressing this issue, some authors (Naylon et al., 2007; Stumm, 1998) propose measuring the impacts against spatial objectives. They compare a TIA with the German and Austrian practice of a Raumverträglichkeitsprüfung. The UK Contact Point (2008: 4) compares it to the practice in Wales. For this to be carried out at the EU level, however, spatial objectives must exist on which all the Member States agree (Fleurke & Hulst, 2002: 35). For Stumm, the ESDP, or better still, a continually reworked version of it, could fulfil this role (1998: 30). It seems unlikely that an official EU-wide spatial planning document could be agreed upon in the near future. According to the expert interviews, it seems that almost all political partners – national as well as regional governments – are against such competencies at the EU level. A more politically acceptable – but relative to present procedures still revolutionary – method would be that EU sectoral policies be coordinated by measuring their impact on the spatial documents (visions, plans) produced by national or regional authorities (Fleurke & Hulst, 2002: 46, 73).

ESPON research takes a more abstract criterion from the ESDP than a particular spatial plan, that is: spatial efficiency, spatial quality and spatial identity (indicators for territorial capital) (ESPON 3.2, 2006). Measuring the impacts on these criteria would give far more scope to assess an EU policy. Assuming that spatial plans are also intended to take advantage of local territorial capital, ‘coherence’ would be
Another way of assessing sectoral coherence would be to determine whether it would be possible to achieve the objective of the EU policy given the special characteristics of the territory and the impact of other policies. Taking these two dimensions into account, we can consider four different kinds of instruments for policy cohesion (table 7.1).

7.3.3 Proponents and probability
For this interpretation, no clear proponents or opponents can be identified purely on the basis of socio-economic or geographic attributes. Since this interpretation concerns a better process rather than a particular content, it will not have vehement proponents or opponents: the costs and benefits of better policy are indirect and usually not easy to see. Regional and local authorities seem to have the most to gain as they are those most confronted with the problems of non-coordination on a daily basis (Zonneveld et al., 2008, Buunk, 2003), but interestingly they are not the main proponents of this interpretation.

Addressing inter-sectoral coordination at the EU level would, in the long term, mean that policy sectors would ultimately lose some of their autonomy. Whether this will lead to antagonism towards this reaction remains to be seen. The interpretation appears to be in the interest of DG Regio if it can take the lead in finding ‘synergy between different policy areas and mainstreaming regional policies across the directorates-general (quote Hübner, 2006 in Schout & Jordan, 2007: 837). Other DGs would be hesitant to allow another DG (most likely DG Regio) to get a more coordinating role by starting to perform TIAs.

At the Member-State level, various countries have taken up action point 2.2 of the Territorial Action Programme, namely

<table>
<thead>
<tr>
<th>Table 7.1</th>
<th>Instruments for policy cohesion</th>
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<tbody>
<tr>
<td>Policy options</td>
<td>Vision</td>
</tr>
<tr>
<td>Better policy design (= coordination at high level)</td>
<td>EU sector policies are assessed ex ante for their impact on an agreed-upon territorial vision: a European or a regional planning document</td>
</tr>
<tr>
<td>Territoriality as arguments in favour of flexibility (leave option open for coordination at lower level)</td>
<td>EU sector policy is applied in a more flexible way, because otherwise the national or regional territorial vision cannot be met</td>
</tr>
</tbody>
</table>

With regard to probability, this interpretation can be viewed as secondary but emergent. This is also evident in the Green Paper: it is mentioned a few times (CEC, 2008a: 9) but the emphasis is on other things. It is, therefore, unlikely that this interpretation will become dominant. On the other hand, since it does not conflict with any other interpretations, it could coexist with whatever does become dominant. TIAs can, for example, benefit the capability of regions to take advantage of their territorial capital.

7.4 Implications for the Netherlands
In their survey of the spatial impacts of EU policies in the Netherlands, Van Ravesteyn and Evers (2004) found that the indirect effects were far more numerous and significant than direct impacts (see figure 7.3). Recent research by OTB (Zonneveld et al., 2008) confirmed this, arguing that the most important effect of European policy on Dutch spatial planning does not lie in changed land use, or a different morphology, but in its effects on the planning process. Consequently, the potential impacts of this interpretation of territorial cohesion will be sought in its effects on the Dutch planning process. This interpretation differs from the others in the sense that the problem that territorial cohesion is intended to solve is not substantive but procedural, stemming from EU policy itself. For this reason, it makes much more sense to analyse the impact that the absence of the problem would have, rather than focusing on the impact of the means by which to solve it (TIA or flexibility). If unsuccessful, both policy options would have no impact whatsoever besides the extra cost and effort inherent in the solution, and the Netherlands would continue...
Territorial cohesion as policy coordination to face coordination problems. If successful, it could lead to the amelioration or eradication of these problems. The next section will take a closer look at which actors will bear the costs and which actors would benefit the most from this interpretation.

7.4.1 Problem of inconsistent objectives
With regard to the first problem definition (coherence of policy), the main beneficiary of policy coherence is the EU itself. Because European policies are attuned to one another, European policy goals are more effective and output is increased. The extra costs consist of a longer preparation of policy initiatives, or longer impact assessment procedures. This can also produce extra costs for national or regional governments if they have to provide the EC with data for a TIA. Countries that have integrated EU-wide goals into their own spatial plans can be considered beneficiaries, as well.

For the other two problem definitions (territorial conflicts and impacts on practice), costs and benefits are highly dependent on the kind of national planning system in place. There are different kinds of planning systems in Europe, which have been distilled into four ideal types of planning systems: regional economic, comprehensive integrated, land use management and urbanism (CEC, 1997; Nadin & Stead, 2008). Although the authors resist associating countries with these ideal types since these are always hybrid and changing (Nadin & Stead, 2008: 9), the following generalisation has been made (CEC, 1997):
1. Regional economic planning approach (France, Portugal).
2. Comprehensive integrated approach (Scandinavia, Netherlands, Germany, Austria).
3. Land-use management approach (United Kingdom, Ireland, Belgium).
4. Urbanism (Spain, Greece, Italy).

Planning in the Netherlands falls into the ‘comprehensive integrated approach’ category. This is useful information not only when analysing the extent to which the Dutch planning system or Dutch planning practice may be more susceptible to certain kinds of EU legislation, but also for finding other countries which may encounter similar problems. Their experiences and solutions could help resolve conflicts in the Netherlands. Moreover, these countries could be useful allies in arguing for appropriate legislation in the co-decision process (ex ante) or clemency or modification of rules (ex post).

In table 7.2 (adapted from Nadin & Stead, 2008:10) we show two of seven characteristics of the different types, that we consider relevant for the argument: ‘scope’ and ‘distance’. Does the system focus on individual spatial decisions (narrow) or on the comprehensive development of an area (wide)? Is a distance between the original ‘plan’ and its ‘implementation’ rather accepted (wide) or is it considered a political problem (narrow)?

7.4.2 Problem of territorial conflict
All those who have to take EU policies into account in their plans (e.g. municipalities, project developers, architects and consultants) may experience conflicts in a particular area. The costs involved in resolving these conflicts, and who will bear them, will depend on the policy option. The European Commission, for example, will be faced with longer decision-making in the first policy option, and less certainty of implementation in the second. The only costs to local authorities would be if they were asked to carry out a TIA themselves.

This problem is of primary concern for those systems in which actors in spatial development are held accountable.
for differences between their plans and outcomes (i.e. ‘scope’ column). In the Dutch case, since it is in most cases the municipalities which make the legally binding decisions (zoning plans), they are the ones who would potentially bear the brunt of territorial incoherence. But it would be advantageous also for the national government, since it is usually held accountable by the EU.

It should be remembered that although EU sector policies overlap extensively in the Netherlands (Van Ravesteyn & Evers, 2004) this does not necessarily create problems in practice (Zonneveld et al., 2008). Nevertheless, some respondents believe that municipalities (for example) incur extra costs due to faulty coordination between EU policies. The costs of satisfying rigidly formulated EU regulation can be high.

7.4.3 Problem in planning practice
This kind of problem is most felt in planning systems with a wide scope (see table 7.2), particularly the comprehensive integrated systems. Zonneveld et al. (2008) signalled how EU sector policies disturb the Dutch planning tradition of balancing land-use claims. In the Netherlands, it is primarily the municipalities that are affected by this problem. Since it is relatively easy to take legal action against authorities which do not comply with EU regulations in the Netherlands (VROM-Raad, 2008), municipalities spend considerable time, money and effort to safeguard themselves legally.

Designing more coherent policy at the EU level via TIAs (policy option 1) could mitigate this problem, but only a little, since even here no integrated assessment is made, but only one between the sectors for which the EU has a competence. The quandary of the municipalities is only helped if this leads to a more flexible interpretation of standards. The benefits would clearly be for the authorities which are liable to European regulation in their planning.

Irrespective of which problem definition is used, the Dutch national government would profit from more territorial thinking at the EU level. According to the VROM-Raad (2008), the Netherlands is in many aspects special in its spatial characteristics, as a highly populated delta. It can be expected that the Netherlands would have above-average difficulty with generic (geography blind) EU regulation. The Netherlands, of course, is not alone in this regard: it could work together with similar countries/regions to argue for territorial sensitivity in EU policy.

Table 7.2
Scope and distance of the four ideal types of planning systems

<table>
<thead>
<tr>
<th>Scope</th>
<th>Distance</th>
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<tbody>
<tr>
<td>Regional economic</td>
<td>wide</td>
</tr>
<tr>
<td>Comprehensive integrated</td>
<td>wide</td>
</tr>
<tr>
<td>Land-use management</td>
<td>narrow</td>
</tr>
<tr>
<td>Urbanism</td>
<td>narrow</td>
</tr>
</tbody>
</table>

Note
1) With the exception of Natura 2000 and the Water Framework Directive, between which there is a latent conflict (Zonneveld et al., 2008).
The purpose of this study was to evaluate the potential territorial impacts which could be expected in the Netherlands from territorial cohesion policy. Since at the moment there is no territorial cohesion policy to speak of, or even a mutually agreed definition of territorial cohesion, this study took a broad approach. Five potential interpretations were elaborated along with possible policy options they may entail. These were then applied to the Dutch context to see what kinds of implications they could have for policy coherence and if possible for planning practice, land use, funding and the like. Given the very provisional nature of any decisions on territorial cohesion at the EU level, the range of impacts must be sketched out in broad strokes.

8.1 Summary of impacts

8.1.1 Five interpretations

Given the early stage of the policy-making process, the impact assessment focused on the potential synergy or conflict with national policy, as the potential effect of any interpretation or policy option in the Netherlands is partly dependent on the extent to which it conforms to Dutch policy goals. For cases of potential conflict between these, we examined what the possible consequences would be. At present, it is still too early to tell how other actors involved in spatial development (e.g. local authorities, developers, etc.) would react to these options, and what changes in land use would ensue, although in some cases it was possible to speculate. To expedite the discussion, table 8.1 summarises the various policy interpretations and policy options from the previous chapters.

The first interpretation of reducing socio-economic disparities runs counter to current Dutch developmental policy. The first policy option is likely to affect the poorest regions of Europe, none of which are in the Netherlands. So, despite an apparent policy mismatch, no significant impacts can be expected. The second option, in which Member States are encouraged to implement this strategy for their own regions, is potentially more onerous for the national government and auspicious for the more peripheral regions. Still, it is quite unlikely that the EU will introduce sanctions, especially considering that Member States such as the United Kingdom, Germany and France, all have greater regional disparities than the Netherlands. The third policy option considers the inclusion of indicators, such as vulnerability to climate change, in the determination of territorial cohesion. This option could open new possibilities for EU funding in the Netherlands, or improve the appreciation of some challenges at the EU level.

The second interpretation, which focuses on economic competitiveness, conforms well to Dutch spatial and economic development policy. Both policy options also seem to be favourable for the country. Targeting growth areas in the EU, the first policy option, could result in new funding opportunities, as various motors of the Dutch economy are, arguably, those of the European economy, as well. The criteria used to designate these growth areas are extremely important, and the Netherlands will have to be vigilant in the decision-making process. The second policy option should also benefit the Netherlands, and the Randstad in particular, as it is well situated to benefit from agglomeration-promoting measures.

The third interpretation on rural perspectives also corresponds well to national spatial policy for an economically and socially vital countryside. The definition of ‘rural’ is important for both options, as most of the Netherlands is considered to be urban when measured against the European average. The first policy option is more or less irrelevant for the Netherlands, as the problems of depopulation and economic decline are much less acute than elsewhere in Europe. The second policy option offers some opportunities to support some innovative rural strategies of restructuring land uses already being considered at the provincial level.

The fourth interpretation on spatial planning would probably, but not necessarily, correspond to national spatial policy. In the first policy option, the EU draws up a vision, perspective or plan to coordinate efforts to tackle spatial problems, such as unbalanced development and urban sprawl. Depending on the status of this document, the indicators employed and the measures envisioned, the Netherlands could, in addition to finding support for its national spatial policy goals, potentially encounter unexpected problems with measures enacted to curb urban sprawl, for example. The second policy option, where the EU facilitates exchanges of information and best practices in planning seems more advantageous. In both policy options, however, the Dutch are well positioned to play an influential part, considering the internationally renowned planning tradition and the long-term involvement in the making of the ESDP and Territorial Agenda.
The fifth interpretation deals with policy coordination and governance. The main impact for the Netherlands in both policy options is a possible negation of unwanted territorial impacts of EU policies. In this interpretation, territorial cohesion has more of an ‘anti-impact’ than an impact in the Netherlands. In the first policy option, potential unwanted impacts are preempted via TIAs, while in the second they are dealt with in the implementation phase. Another significant effect of this interpretation concerns governance. If the principle ‘territory matters’ becomes important in EU-policy processes, and policy coordination is considered to take place at a regional scale, regional authorities could become more important in the EU-policy process. Regional authorities would have more venues to influence EU policy-making, reinforcing the phenomenon of multi-level governance. At the same time, national planning authorities would lose their hold a little more on regional spatial developments. Fleurke and Hulst (2002) already found evidence of this happening in Dutch intergovernmental relations with the introduction of the structural funds.

In summary, territorial cohesion has had no palpable spatial impacts in the Netherlands and is not likely to in the near future. One reason is that many of the policy options regard the distribution of EU funding, which, for the Netherlands, has become much less relevant. Few of the policy options considered in this study, therefore, are likely to result in significant reductions in EU investment in the Netherlands. Indeed most seem to create opportunities for funding. The most significant effect at this juncture seems to be the possible prevention of unintended spatial impacts of EU policies and better coherence with Dutch spatial planning. For the Netherlands, therefore, it is not so much the impacts of territorial cohesion itself that is important, but its ‘anti-impact’ effect.

8.1.2 Coherence with Dutch standpoint

In preparation for the Green Paper, the European Commission issued a questionnaire to Member States, to gather their ideas and opinions on territorial cohesion. The response from the Dutch Government (June 2008) supports the European territorial process in general and elaborates on three fundamental points: (1) horizontal and vertical coordination of EU policy, (2) analyses of the spatial development of the European territory and (3) rural and regional policy. Throughout the explanatory text provided by the Dutch Government, emphasis is placed on the need for coordination and good information on the one hand, and the necessity for regions to take advantage of their territorial capital, on the other (Dutch Government, 2008). In terms of the terminology in this report, this standpoint corresponds most with the ‘competitiveness’ and ‘coordination’ interpretations.

This is not new. The interpretation of territorial cohesion as economic competitiveness has been championed by the Netherlands at the EU level, long before the Lisbon Strategy and territorial cohesion. In 1991, the Dutch presidency elevated its national planning concept of urban networks to the European level, resulting in an image of interrelated urban regions rather than the centre-periphery dichotomy (Zonneveld, 2000; Waterhout, 2008: 108). During their next presidency (in 1997), the Dutch succeeded in including global competitiveness as one of the objectives in the draft ESDP (this was reformulated in the final version as balanced competitiveness), and under their 2004 presidency, they injected new life into the process by making a connection with the Lisbon Strategy and territorial capital. The need for better spatial data and insights into spatial/territorial impacts has also been a common theme in the standpoints taken by the Netherlands. This is evidenced by the central role played by the Dutch in the ESDP process (Faludi & Waterhout, 2002) and later in Rotterdam. It is interesting and significant that the Dutch, once a major force in the Europeanisation of spatial planning, have recently taken a step back, adopting a more reactive role (Waterhout, 2008). However, this has not meant that the process has slowed, as recent events (Green Paper, French Presidency meetings) have shown.

Scale and indicators

Throughout the impact analysis, spatial scale and political boundaries have proven to be crucial for determining the
Considerations and conclusions

The matter of scale is very relevant when it comes to developing indicators to monitor the problem or implement policy. For example, in figure 4.3 in the competitiveness interpretation it was found that different definitions of market potential (with or without trade in EU) changed the position of the Netherlands significantly. As discussed in chapter 5, the presence of any ‘predominantly rural’ areas in the Netherlands also depends on the definition and scale (NUTS3). So far, there is no territorial cohesion index, although some work has already been done on this by ESPON (3.2, 2006). Similarly, DG Regio has just unveiled a ‘vulnerability index’ of regions in terms of globalisation, demography, climate change and energy (CEC, 2008d; see figure 8.1). The Netherlands should remain very alert to the

nature and size of impact. In almost all interpretations, the phenomenon under investigation (problem definition) changed, depending on the level at which indicators are applied. For example, disparities are usually measured in terms of GDP per capita at the NUTS2 level. The picture changes when zooming in, as certain metropolitan areas have very high GDP/capita but also pockets of severe poverty. Other perspectives become visible only when zooming out. For this reason, it is interesting that the EC has included maps with information of the areas surrounding the EU, as well. The GDP/capita map included in the annex to the Green Paper is revolutionary and puts the debate on disparities and depopulation within the EU into another perspective.

![Image](https://example.com/image.png)

**Figure 8.1**

*Number of challenges*

© EuroGeographics Association for administrative boundaries Regional level: NUTS 2.

Source: CEC (2008d: 19)
kinds of indicators which should be applied to problems, as this can have important policy consequences.

8.2 Reflections on TIA

The five interpretations identified in this study were purposely constructed to be extreme and one-sided, to make them easily distinguishable from one another. In reality, territorial cohesion is more likely to remain a bridging concept between different policy areas rather than a policy in its own right. It could, for example, increase the frequency of geographic criteria used in certain sector policies and allow more flexibility in the disbursement of structural funds. In this sense, territorial cohesion can take its place next to other complicated but powerful meta-concepts, such as sustainability. In fact, it has even been defined as being the spatial representation of sustainability (which is time-oriented), since both territorial cohesion and sustainability represent an integration of people, planet and profit (Camagni, 2007). If a territorial cohesion policy were to emerge, it would most likely be more akin to the Lisbon-Göteborg Strategy – an aspiration with divergent and in some senses contradictory components – than a policy such as competition, agriculture or transport. Territorial cohesion is more about integration: ‘The concept of territorial cohesion builds bridges between economic effectiveness, social cohesion and ecological balance, putting sustainable development at the heart of policy design’ (CEC, 2008a: 3).

Since the referendum in 2005, much of the debate about Europe in the Netherlands has been framed in terms of costs and benefits of Europe. In making up the balance sheet, the Dutch ‘net payer’ status (that it paid more to ‘Brussels’ than it received in subsidies) acted as a powerful symbol that the Dutch were getting the short end of the stick. The exposure to unintended consequences of some EU policies in the Netherlands around the same time, such as the air quality directive, fed a growing dissatisfaction, while benefits (peace, disappearance of borders and trade barriers) remained more abstract and thus unseen (Evers, 2006). It is in this political climate that the Dutch Parliament requested an investigation into the potential territorial effects of proposals by the European Commission, with the implicit assumption that these were negative. The Ministry of VROM has since been active in various initiatives to prevent unexpected territorial impacts, such as setting up an early-warning network of local authorities and by commissioning impact studies, such as this one.

Although a lot of good work is certainly being done in this way, taking impacts as a point of departure is too negative, since it stresses threats rather than opportunities and glosses over the fact that the Netherlands needs the EU to solve many of its own problems (VROM-Raad, 2008). There are also positive effects of EU policy, such as cleaner air and water and higher economic growth, even if the policy efforts involved in achieving them cost money and effort. These effects tend to be ignored in impact analyses. This raises the important question of the extent to which the Netherlands has an interest in or duty to support policies which benefit the EU as a whole, even if the impact on its own territory is limited. Surely, the Netherlands will profit indirectly from improvements in a political/economic structure of which it is part. However, it could (and should) be cautiously altruistic in promoting a well-functioning EU. If territorial cohesion can contribute to this by finding new synergies between sectoral policies, more understanding of territorial impacts or through new forms of area-based investments, this in itself should earn the support of the Netherlands, regardless of whether or not ‘impacts’ are yet apparent at home. By taking an active role in the process, rather than a back seat, the Netherlands can ensure that its voice is heard.
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Colophon

The Netherlands Environmental Assessment Agency (PBL) assumes final responsibility for the contents of this report.

Research
David Evers (project leader)
Joost Tennekes
Judith Borsboom
Harm van den Heiligenberg
Mark Thissen

Supervisor
Barrie Needham
Jos Notenboom

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