Cohesion Policy Contributing to Territorial Cohesion – Future Scenarios

Andreas Faludi and Jean Peyrony[1]

Author information

Andreas Faludi, Delft University of Technology, OTB Research Institute for the Built Environment, , P.O. Box 5030, NL-2600 GA Delft, The Netherlands.
E-mail address: a.faludi@ipact.nl

Jean Peyrony, Director General, Mission Opérationnelle Transfrontalière
38, rue des Bourdonnais F 75001 Paris, FRANCE
Tel +33(0)1 55 80 56 80 - Fax +33(0)1 42 33 57 00 – www.espaces-transfrontaliers.eu
Email: jean.peyrony@mot.asso.fr

Abstract

The Barca Report advocates for developmental policies to be 'place-based': integrated as far as they affect 'places'. The debate on territorial cohesion is equally concerned with integrating relevant policies and actions. This requires well-established democratic institutions and adequate responses to the demands of technical systems and of markets. Following Lisbeth Hooghe and Gary Marks, the respective arrangements are described as Governance Type I and Type II. All levels of government, including that of the EU, partake in both types, but relations between them are problematic, particularly in the context of Europe 2020: Will this EU strategy be mainly a matter for Directorate-Generals and their various clients pursuing their policies (Governance Type II), or will Cohesion policy, with its more integrated and decentralised approach, involving many levels of government and stakeholders (Governance Type I) form platforms for integrating them? This paper presents four scenarios; each based on a combination of strong/weak Governance Type I and Type II, which are labelled as the 'Anglo-Saxon', 'Saint-Simonian', 'Rhineland' and the 'European' Scenarios. The authors prefer the latter, but the best one can hope for in the short term is for this option not to fall by the wayside.

Keywords: Keywords: Cohesion policy; Place-based policies; Territorial cohesion; Scenarios

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1. Introduction

Advocating developmental policies to be ‘place-based’, the Barca Report (2009, 4-5) sees place as interchangeable with ‘space’ or ‘territory’. Except for the Green Paper on Territorial Cohesion (CEC 2008), it makes no reference to the debate on territorial cohesion however. Like Barca, that debate conceives of territory as a platform for co-ordinating public and private initiatives. Much as Durkheim (English edition 1933) conceives of social cohesion as an element of the social division of labour, so too is the case with territorial cohesion: It is simply part of the territorial division of labour. With its scale and complexity increasing, relevant policies are becoming more elaborate. All levels of government, including the EU, are implicated, and as a result of enhanced mobility and the greater permeability of borders, there is also a need for arrangements dealing with functional areas that transcend borders within and between states.

Dealing with the territorial division of labour requires well-established democratic institutions, but also proper responses to the demands of technical systems and markets. Following the work of Lisbeth Hooghe and Gary Marks on EU multi-level governance, and particularly their differentiation between multi-level governance Type I and II (Hooghe, Marks, 2001; 2003; 2010; Marks, Hooghe, 2004), this paper differentiates between Governance Type I and Type II respectively. The distinction is relevant to the pursuit of the Europe 2020 Strategy (CEC, 2010a). Will this primarily be a matter for various Directorate-Generals and their clients to pursue through their policies, independently and without consideration for their territorial impacts (Governance Type II)? Conversely, will cohesion policy, with its more integrated and decentralised approach, involving many levels of government and stakeholders (Governance Type I), provide platforms for integrating policies, as the Commission proposes in its Budget Review (CEC, 2010b), the Fifth Cohesion Report (CEC, 2010c) and its recent Budget Proposal (CEC, 2011)? The stark alternative is for Cohesion policy to be curtailed or, as the saying goes, ‘renationalised’ (Bachtler, Mendez, 2007; Richardson, 2009).

The paper is not about this struggle as such, but rather focuses on the relation between types of governance. The source of inspiration is the study ‘Scenarios on the territorial future of Europe’ (ESPON, 2006). The study presents ‘Baseline’, ‘Competitiveness-oriented’ and ‘Cohesion-oriented’ scenarios, after which a ‘Roll Back’ scenario of European development is constructed according to the principles enunciated in the European Spatial Development Perspective (CEC, 1999). This paper also constructs scenarios. However, they represent combinations of strong/weak Governance Type I and Type II respectively:

1. ‘Anglo-Saxon’: combining limited Governance Type II-regulation of the Single Market with a weak Cohesion policy (Governance Type I) restricted to what is necessary for reasons of solidarity with new Member States;
2. ‘Saint-Simonian’: combining strong regulation and provisions of public services (Governance Type-II) with a weak Cohesion policy (Governance Type I);

3. ‘Rhineland’: emphasising Governance Type I in the context of Cohesion policy, but with a preference for subsidiarity and thus little scope for Governance Type II at EU level;
4. ‘European’: combining strong Governance Type II, as under the ‘Saint-Simonian’ scenario with an equally strong Cohesion policy on the lines of Jacques Delors (Governance Type I), thereby combining initiatives from above and below.

The authors, one a long-term participant who has worked in various capacities to prepare the policies described, and the other, a committed academic observer, prefer the European Scenario, a normative commitment that will be clear to the reader. However, the authors realise that the best that can be achieved at present is to sustain Cohesion policy as a safeguard for creating opportunities for pursuing the ‘European’ Scenario later, when times are more favourable.

The paper first recounts the debate on territorial cohesion, emphasising its French roots. Subsequently, Cohesion policy, ‘Europe 2020’ and the Budget debate; the key contextual elements of current policy deliberations are discussed. This is followed by the four scenarios, as outlined above. Finally, the authors offer their conclusions from the study.

2. The Debate on Territorial Cohesion

Cohesion policy relates to core issues of European integration. By now, cohesion is routinely invoked as a concept, but beyond operational definitions laid down in the regulations saying who may get what, what economic and social cohesion, and also its new complement, territorial cohesion are is open to debate The academic literature on Cohesion policy as such, in the past often described as regional policy, is extensive and dates back some time. (Vanhove, Klaassen, 1980; Leonardi, 2005; Molle, 2007; Bachtler, Gonzalek, 2007; Drevet, 2008; Farole, Rodriguez-Pose, Storper, 2011). The literature on territorial cohesion focuses mainly on its background and various aspects of the concept’s introduction in the EU policy discourse. Janin Rivolin (2010) offers a compilation of relevant official texts and Faludi (2010) endeavours to clarify how Cohesion policy relates to the debate on European spatial planning, also covered by Dühr, Colomb and Nadin (2010).

Given that the concept of territorial cohesion has French roots (Faludi, 2004), the focus here is on the French thinking behind it. In this regard, it is hard to overestimate the influence of 19thcentury sociologist Émile Durkheim. He explored how despite the increasing autonomy of individuals, and despite differences between them, societies maintained their cohesion. His answer was that the division of labour created interdependency, the source of ‘organic solidarity’ between social actors (Durkheim, 1933 for the English edition). Solidarity could not be sustained by purely contractual relations, but required civic morality, laws, administrative and governmental functions. This social cohesion is considered to be the source of ‘solidarism’, the ideological foundation of the French State that emerged after the Second World War (Peyrony, 2007).

Durkheim did not address territorial cohesion, but he did discuss the issue of interdependency and solidarity between territories; responding to a kind of territorial division of labour. Strengthening integration and solidarity in the face of the territorial division of labour, EU Cohesion policy can contribute to solidarity. Invoking Boltanski and Thévenot (2006 for the English edition), one can say that what is necessary is integrating markets, civic initiatives, technical systems, social networks and visions of the future. As far as the EU is concerned, the opposite, restricting it to the Single Market, environmental regulation and macro-economic policies, whilst reserving matters relating to social and territorial cohesion to Member States, can only widen the rift between Europe and its citizens, thus diluting the European project.

Equally relevant is Pierre Bourdieu's (1984, English edition) work, whereby the economic notion of capital is given social, symbolic and cultural dimensions. The optimal use of capital in its various dimensions is contingent upon where the agents concerned are located in space. Thus, what Barca calls 'place' represents capital in terms of access to social relations, services, jobs and related areas, which is why Jacques Lévy (1994) proposed the notion of 'spatial capital'. Similarly, the OECD has invoked the concept of 'territorial capital' (Camagni, 2001), something that has been emulated in, amongst other documents, the Territorial Agenda of the European Union (Territorial Agenda, 2007) and its successor (Territorial Agenda 2020, 2011). This is also why geography enters into the equation of Cohesion policy according to the current Community Strategic Guidelines (Council of the European Union, 2006). The efficiency and equity of policies may depend on where they take effect and how they are affected, positively or negatively, by other policies.

While not universally accepted, the most common understanding of territorial cohesion is that it addresses territorial interdependency and solidarity, which can include urban-rural or productive-residential dimensions. It is important to note that territorial cohesion is not only about the development of individual territories; it also emphasises the integration of territories in their wider spatial context, up to the scale of the EU. Territorial cohesion thus means ensuring a balanced – not to be equated with equal – spatial distribution of activities and people, promoting interdependency between regions and in so doing, the overall coherence of policies.

Addressing the territorial dimension of EU Cohesion policy, EU multi-level governance comes into play. Here, the EU represents a new dimension; however given the relative sizes of the EU and of national budgets, maintaining an overall balance between various economic and social concerns remains primarily a national concern. Based on the work above, the following definition is advanced:

Territorial cohesion is about enabling citizens and enterprises, wherever they happen to live or operate, to benefit from and contribute to European integration and the functioning of the Single Market and, with respect to sustainability, to make the most of the territorial capital of places.

This has consequences for territorial governance as discussed during the consultation on the Green Paper on Territorial Cohesion[2], amongst others. It requires, what in UK parlance is called a 'joined up' approach, and what in EU-speak, reflecting once more French thinking, is described as coherence: ensuring that relevant policies from various sectors and levels form a coherent whole. First, such an integrated approach is required at each territorial level between sectors. In line with Barca, horizontal coordination that delivers 'integrated bundles of public goods' contributes to the sustainable development of the place concerned. Secondly, integration is required between levels, vertical coordination. This means that not only should each task be performed at the most relevant level; local where possible, higher where necessary, but that different levels have to co-ordinate their actions. This is derived from the fact that we live at different scales simultaneously. Thirdly, cooperation is needed between different territorial entities with the aim of identifying synergies resulting from interdependency. In other words, challenges cross administrative and political boundaries. Thus, to find answers, functional areas need to be taken into account.

It is important to note that before territorial cohesion appeared as a concept, such concerns were articulated by Dutch and, in particular, French experts, in terms of European spatial planning. Those concerned emphasised capacity building and good territorial governance. They also highlighted the sometimes unintended effects of EU policies on Member States, regions and localities. In doing so, they argued in favour of a spatial framework for these policies to fit into. This led to the formulation of common spatial development guidelines, like polycentric development and urban-rural partnership; parity of access to infrastructure and knowledge; and the responsible management of natural and cultural heritage. The European Spatial Development Perspective (CEC, 1999) and the Territorial Agenda of the European Union (Territorial Agenda, 2007) articulated this message further, and in this respect, its update (Territorial Agenda 2020, 2011) is no different. The spatial planning community – the 'roving band of planners' (Faludi, 1997) – now described as the 'territorial club' by Böhme, Doucet, Komornicki, Zaucha and Świątek (2011) – is presently articulating its concerns in terms of territorial cohesion.

3. The Current Context of the Debate

This section focuses on Cohesion policy, Europe 2020 and, in the eyes of politicians and the public, the ever so prominent EU Budget debate.

<u>Cohesion policy</u> aims to reduce regional and social imbalances, which the Single Market tends to exacerbate. The chief objective is 'Convergence'. The other foci are 'Regional Competitiveness and Employment' and 'European Territorial Cooperation'. Under Convergence, 'least favoured' regions receive support, with eligibility defined mainly in terms of GDP per capita. However, according to Jacques Delors' vision, EU Cohesion policy is not a compensatory policy, but rather a developmental one. Whilst stimulating investment in 'hardware', it also puts emphasis on 'software' in the form of capacity building for coordination and cooperation; not only in 'least developed regions' but

[2] See: http://ec.europa.eu/regional_policy/consultation/terco/contrib_en.htm.

throughout the entire EU. There is a sliding scale, with investments in 'hardware' most prominent under the Convergence objective, while the funding of 'software development' is promoted under 'European Territorial Cooperation'. 'Regional Competitiveness and Employment' occupies an intermediate position.

By adding territorial cohesion to economic and social cohesion, the Lisbon Treaty has endorsed the message from the debate on territorial cohesion that space or territory is relevant to promoting competitiveness and to addressing regional and social inequities. These issues, which EU policy seeks to address in a balanced way, are central to the 'European model of society' advocated by Jacques Delors (Faludi ed., 2007). Inevitably, EU policies take shape in territories: cities and regions. Success is conditional upon the active participation of public and private stakeholders. The right configuration of assets in specific spaces – what Barca calls 'integrated bundles of public goods' – may thus determine success or failure. However, the wider context of EU Cohesion policy is changing, with global challenges receiving greater attention. These challenges are what Europe 2020 (CEC, 2010a) aims to address.

'Europe 2020' is the title of the follow-up to the Lisbon Strategy aiming to turn Europe into the most competitive knowledge-economy globally. By the mid-2000s, it had become clear that this was not going to happen, with EU economic governance, including Cohesion policy, receiving some of the blame according to the Sapir Report (Sapir et al., 2004) and the Kok Report (High Level Group, 2004). Upon his appointment as Commission President in the mid-2000s, José Manuel Barroso set his sights on reinvigorating the Lisbon Strategy with a Communication 'Growth and Jobs'. DG Regio scrambled to refocus EU Cohesion policy on this agenda. It proposed 'Community Strategic Guidelines on Cohesion 2007-2013' (CSG), which the Council of Ministers (2006) eventually adopted. With the Lisbon Treaty sanctioning the concept in the offing, and encouraged by the Territorial Agenda, the Commission published the Green Paper on Territorial Cohesion (CEC, 2008).

Under the next Financial Framework, the Commission once more proposes to focus EU Cohesion policy on the new medium-term strategy Europe 2020. The impetus for doing so has not changed; it remains the chief EU funding instrument available. Thus, the Commission pointed out in the Budget Review published in October 2010, that Cohesion policy '…provides investment for modernisation, galvanises growth in the least prosperous parts of the EU and acts as a catalyst for change in all Europe's regions' (CEC, 2010b). As such, the next guidelines will, amongst other things, need to address the territorial dimension of 'smart, sustainable and inclusive growth', a point receiving strong support from the 'territorial club'. A new ESPON Synthesis Report (ESPON, 2010) has already homed in on the issues, claiming that attention to good governance and territorial co-operation are vital at every geographical scale, including partnerships at the level of city-regions and larger macro-regions, as well as across policy sectors; themes that are central to territorial cohesion. However, the future of Cohesion policy in its current form and the prominent role it is envisaged to play hangs in the balance. Already alluded to, the debate about the next Financial Framework – the so-called Budget Debate – is casting a long shadow.

The Budget Debate. Cohesion policy has always been controversial, albeit more so with some Member State governments than with others. As it consumes a large share of the funds; the current debate questions the very rationale of the comprehensive EU Cohesion policy as practiced since Jaques Delors. The political realities are such that support for lagging Member States and their regions under Convergence is bound to continue, although the level of funding is a source of contention. The issue with which the debate started – an issue that had already been raised during the last discussion in the mid-2000s – is whether under 'Regional Competitiveness and Employment', so-called 'richer regions' should continue to be funded (Bachtler, Mendez, 2007; Begg, 2009). Should funding be discontinued, these regions would no longer have to abide by EU regulations so as to recoup a fraction of the money their countries pay into the Community coffers. In the jargon used, the 'pumping around of money' would come to an end. This would allow for the reallocation of EU funds to other policies for investments with EU added value, such as R&D or the missing links in the Trans-European Networks; or simply to reduce the EU budget, the preferred option of some Member States for the next period.

It has also been suggested that the concerned Member States could administer the funds under the Convergence objective, rather than the Commission, hence the proposal's label of 'renationalisation'. In terms of the sums involved, the 'European Territorial Cooperation' objective is not generally discussed in this debate. In this situation, EU Cohesion policy would concern only part of the EU territory, rather than its present comprehensive coverage. This would be the opposite of what Jacques Delors, and more recently, Commissioners Danuta Hübner and her successor, Johannes Hahn, have argued. Further, the strand aimed at 'software' development, capacity building and learning, would become weaker. Ominously, the UK, the leading proponent of renationalisation, reacted to the Green Paper on Territorial Cohesion by suggesting that territorial cohesion was mainly, if not exclusively, a Member State concern. If true, this would invalidate the rationale behind including it in the Lisbon Treaty as a shared competence of the Union and the Member States.

Focusing scarce resources on Member States and regions lagging behind, while letting others fend for themselves, seems a logical step in the face of financial stringencies. However, the fact remains that EU policies, like agriculture, research, environment, transport, and energy have territorial impacts. This is where territorial cohesion, as described above, is relevant. It addresses the need for coherence and coordination between policies at all levels, including that of the EU, and between levels in a multi-level governance system. The issue is whether financial incentives are needed to ensure that this happens.

When it comes to Cohesion policy, these are the battle lines in the Budget debate. It should be clear that there is more at stake than the allocation of scarce resources. Rather, the debate sets the parameters for the future, not only of Cohesion policy, but of European integration in general. In this sense, 'renationalisation', the term commonly used to describe the position of the advocates of radical change, says it all. This is likely why the Commission, in its Budget Review (CEC, 2010a); its Fifth Cohesion Report

(CEC, 2010b); and recently its Budget Proposal (CEC, 2011); tenaciously defends a comprehensive form of Cohesion policy. The commission argues that cohesion should be seen as an essential instrument for pursuing ‘smart, sustainable and inclusive growth’ under Europe 2020, as approved by the European Council, and thus presumably with the support of the leaders and governments of the Member States.

4. Four Scenarios

It has been shown that, much like Durkheim’s arguments that social cohesion is part of the social division of labour; territorial cohesion is a reflection of the territorial division of labour. As such, it ensures that optimal use is made of territorial capital. This requires well-established democratic accountability which this paper, in accordance with Hooghe and Marks, refers to as ‘Governance Type I’. At the same time, it has been pointed out that proper responses are needed to meet the demands of technical systems and markets: ‘Governance Type II’. Since the scenarios below are based on combinations of these types of governance, this section starts by elaborating on the work of the authors.

Their point of departure is that governance ‘…must operate at multiple scales in order to capture variations in the territorial reach of political externalities’ (Hooghe, Marks 2010, p. 17). This is where the distinction between the two types of multi-level governance is made. Type I conceives of the dispersion of authority to jurisdictions at a limited number of levels. The jurisdictions concerned do not intersect, and as such, ‘…every citizen is located in a Russian Doll set of nested jurisdictions, where there is one and only one relevant jurisdiction at any particular territorial scale’ (pp. 17-18). Federalism serves as the intellectual foundation for Type I. In contrast, Type II refers to functional jurisdictions that tend to be lean, flexible and task-specific. The public sector is thus seen as being composed of many public service industries – what planners describe as ‘sectors’ – with intersecting memberships that criss-cross the Type 1 jurisdictions. With this in mind, the two types:

> …embody contrasting visions of collective decision making. Type I jurisdictions are suited to political deliberation about basic value choices... Type I jurisdictions are at the heart of democratic elections.... [They] sustain a class of professional politicians...
>
> In contrast, Type II jurisdictions emphasize problem solving (Hooghe Marks, 2010, p. 28).

The types are thus different in orientation:

> Type I multi-level governance is oriented to intrinsic communities and to their demands for self-rule. It is predisposed to the articulation and resolution of conflict, including conflict on redistributive issues. Type II jurisdictions are well suited … when redistribution is not salient. Yet, despite these differences – or more accurately, because of them – Type I and Type II multi-level governance are complementary (op cit., p. 29).

Each governance type imposes its own criteria of success and thus its own approach to evaluation, with ‘hard’ quantitative evaluations generally more appropriate – and more successful – when relating to Type II.

Within the EU, the two types of governance co-exist. Type I is pursued through EU institutions such as the European Parliament (the voice of EU citizens) and the Council of Ministers (the voice of national governments), while Type II is promoted through the Commission and its Directorate Generals in charge of the Single Market, technical networks and so on. It is notable that historically, Governance Type II has come first. Thus, it has been the brilliant idea of Jean Monnet and Robert Schuman to begin by limiting the transfer of competences to the European level to the Common Market and certain sector policies, so as to avoid conflict between Member States under a Governance Type I logic. Further, Governance Type II is ubiquitous in organizing transnational spill-overs and is common in cross-border regions, while Governance Type I continues to be limited by national political borders.

Cohesion policy, with its multi-level governance approach, combines a 'Type I' decentralized style, involving national and infra-national levels with specific arrangements suited to each specific national context, thus multi-level governance and Governance 'Type II'. After all, as the Communication on the Budget Review (CEC, 2010b) states, Cohesion policy increasingly defines itself as a tool for the implementation of EU sector policies. This explains why the idea of an overall EU territorial framework remains contentious. This controversy stems from the fact that spatial planning was claimed by the Member States as their competence, and because any EU planning framework would infringe upon the autonomy of the sectors; clearly a case of conflict between types of governance!

During most of the twentieth century, nation-states, representing the pinnacle of Governance Type I, were seen as the most appropriate, indeed the exclusive level, for dealing with cohesion. At a national level, compromise between Governance I and II was possible. In the French case, it is thus generally acknowledged that administration is built on a 'civic-industrial compromise' between politicians and engineers (Boltanski, Thévenot, 2006). However, in the twenty-first century, nation-states are no longer the exclusive territorial frameworks for reaching such compromises.

Unfortunately, representing one of the most determined and most advanced efforts to deal with this new situation; the legitimacy of the EU remains weak. As Barca explains in his report, the EU does not have the same legitimacy as the federal level in the US, which makes the US model of strong federal public intervention impossible to emulate. This of course relates to Europe 2020 and to the future of Cohesion policy. Rather than speculate on the outcomes of current debates, drawing inspiration from the ESPON scenarios, the remainder of this section presents four scenarios. The key for characterising each scenario is the mix between strong and weak Governance Type I and II. The resulting two-by-two table has four fields representing one scenario each. As indicated, they are the Anglo-Saxon, Saint-Simonian, Rhineland and European Scenario respectively.

	Governance Type II weak	Governance Type II strong
Governance Type I weak	Anglo-Saxon	Saint-Simonian
Governance Type I strong	Rhineland	European

Table 1: The Four Scenarios

For each scenario, the paper explores the implications of European integration, with an emphasis on cohesion policy, alongside the territorial impacts of pursuing it.

Anglo-Saxon[3] Scenario: This represents a combination of weak Governance Type II regulation of the Single Market with a weak Cohesion policy, which corresponds with weak Governance Type I. The values held in this scenario are liberty, individual responsibility, mobility and flexibility; relevant as they are for facing global challenges. However, given its claim for reducing the role of public intervention, it is clear that as far as a Cohesion policy contributing to European integration is concerned, this is a minimalist scenario.

This translates into a greatly reduced budget. In this scenario, Cohesion policy takes the form of a cheque for the poorest Member States, with priority on specific sectors such as R&D. Other EU policies are targeted towards strong regions, where their effects on competitiveness are more pronounced. Infrastructure investments are market-driven, as are public services. Environmental policies to combat climate change are undertaken where profitable, if only over the long term. An intergovernmental approach receives priority over the ordinary legislative procedure, something that has been described as the Community method in the past.

Significantly, when making proposals in the early-2000s to substantially reduce Cohesion policy, the UK government promised to compensate its regions for any losses incurred. This highlights the aim of this scenario: strengthening the role of Member States. The UK offered a similar reaction to the Green Paper's approach to territorial cohesion; stating that it was a Member State concern. Altogether, this justifies calling this scenario Anglo-Saxon; however it is important to note that the UK is not the only country that is strongly in favour of a reduced role for the EU.

The preference under this scenario is for widening, rather than deepening, the Union. Immigration provides an additional source of labour from outside the EU, while also lowering the median age of the population. Economic growth may be expected to increase, along with social conflicts and emission levels. One can also expect

[3] Some aspects, and particularly the names of the 4 scenarios, are partially inspired by the study "Questions vives pour une prospective de la mobilité quotidienne", realised for DATAR by INRETS in 1993, which proposed 3 scenarios: the Californian (that we call here Anglo-Saxon); the Saint Simonian and the Rhineland Scenario.

demographic and economic polarisation combined with urban sprawl and social segregation in metropolitan areas. Overall, growth in this scenario is concentrated in the ‘pentagon’ – London-Paris-Milan-Munich-Hamburg – with a few corridors developing, perhaps towards Vienna and Copenhagen. One can also expect the marginalisation of rural areas with an aging population, leading to demographic decline and greater exposure to natural hazards like drought, forest fires and flooding.

In sum, this scenario performs well economically, but less so in terms of cohesion and the environment. It also incurs technological, environmental and social risks. Integration is restricted to matters of trade and the Union risks being diluted to the point where it no longer plays a stabilising role in an increasingly challenging world.

Saint-Simonian Scenario: The scenario derives its name from Claude-Henri de Saint Simon, the count who fought with Lafayette in the American Revolution and who came back with the dream (pursued further by Victor Hugo) of a United States of Europe. He envisioned this confederation to be run by economists and engineers, with the aim of preventing war between nation-states. During the French Revolution, Saint Simon renounced his title and became a theorist of expert rule and a source of inspiration for both Socialists, such as Karl Marx, and French bankers involved in railway and canal development, including the Suez and Panama Canals. Elite administrators and engineers continue to operate public services in France, keeping the Republic on course (Peyrony, 2007). They form fiercely independent bastions, as do the Directorate-Generals of the European Commission, each focussing on one particular policy.

The Saint-Simonian Scenario thus combines a high level of Governance Type-II regulation and public services with a weak Cohesion policy (Governance Type I). This is reminiscent of the Sapir Report, which emphasised European structural policies on energy, transport and research, to the detriment of Cohesion policy. A Europe of infrastructure networks, envisaged in the Kok Report, conforms to the original logic behind European integration. Like Saint-Simon, Jean Monnet was fascinated by technical expertise and progress. Having been the first president of the action committee for the United States of Europe, he was also aware of the need to build a ‘political’ Europe, but that a Common Market was first necessary.

This scenario can thus be seen as implementing a Saint-Simonian social and political vision at the European level, whereby the legitimacy of public intervention is derived from the quality of service provision. Notably, territorial cohesion first appeared at the EU level in an article of the Treaty of Amsterdam relating to services of general economic interest.

Under this scenario, the budget is assumed to remain stable, with a priority on R&D. European industrial champions and various networks are promoted by sector-DGs, but without taking full account of their territorial implications. Cohesion policy continues to follow the logic of the present Cohesion Fund, which deals directly with governments. Metropolitan regions considered to be performing in terms of competitiveness and energy efficiency receive favourable treatment. Member States and the Union jointly identify one or more such regions in each Member State. An ambitious investment programme allows for the development of European public services in the fields of energy – nuclear energy included, although the fallout of the recent Japanese emergency remains to be seen – and transport, invoking public-private partnerships. In this scenario, environmental performance surpasses that of the Anglo-Saxon Scenario.

The approach to widening and deepening the Union is more balanced in the Saint-Simonian Scenario. Thanks to European policies focussed on improving higher education, the demand for qualified labour is more fully realized within the Union than in the previous scenario.

In terms of its territorial implications, thanks to grand infrastructure works and a policy of favouring metropolitan growth, the Saint-Simonian Scenario sees the pentagon expanding. Metropolitan regions form the objects of ambitious policies promoting public transport. Their compact form means less suburban development; there would also be environmental improvements, including emission reductions; social tensions remain however. Intra-regional inequality remains as well, with adverse consequences for cohesion. Due to improved accessibility, a select few rural regions are able to attract migrants, including retirees, from metropolitan areas and are thus doing better than in the Anglo-Saxon Scenarios.

The Saint-Simonian Scenario presents advantages – enhanced European integration, coherence, and a stronger European influence globally – but also entails risks. Metropolitan regions experience social segregation and some areas become less attractive for the middle class, let alone the lower classes due to the lack of affordable housing. There are also technological risks owing to, amongst other things, the prominence of nuclear energy, if indeed the nuclear industry – with the French nuclear industry as the main player – continues to thrive. In this scenario, the level of public control is high, making these risks seem manageable, but at the same time such controls, even if successful, may present a threat to democracy. Further, Governance Type II, with its technocratic bias, emphasises unity without diversity and the aspirations of citizens are neglected. Some rural areas become refuges for parts of the population that resist this model.

Rhineland Scenario: The emphasis in this scenario is on Governance Type I and on cohesion, including territorial cohesion. In this situation, the Structural Funds become stronger, at the expense of sector policies, while also operating in a decentralised fashion in a multi-level governance system. Cohesion policy aims at balanced development, but not primarily at the European level. In line with the subsidiarity principle, which is strong under federalism, there is less of a scope for EU initiatives. Rather, the focus is on national and particularly regional and local efforts.

Where the EU level comes into the picture at all, the preference is for intergovernmental cooperation, for example in cross-border territories or macro regions. As is the case with regional policy and sector policies like infrastructure, European policies focus on the least-developed regions. Except through voluntary cooperation, political and administrative borders are unbreakable, making a functional approach, in managing metropolitan areas for example, less feasible.

Priority goes to deepening rather than widening the EU. External immigration is restricted. In matters of energy policy, priority goes to the decentralised production of renewable energy. Environmental policies, particularly relating to climate change, are ambitious but more oriented towards local and regional resources and mobility management than grand European projects. As compared with the previous scenarios, growth is more restricted but better balanced. There is less socio-economic polarisation and segregation. Vulnerable groups are better integrated in the labour market. Emissions levels are lower and the effects of climate change are weaker. Natural and cultural heritage are better protected, but again the emphasis is on the regional and local levels.

At the regional level, there is better accessibility, but at the European scale, it is lower than in the previous scenario. The regional population structure is more balanced and there is less competition between metropolitan areas. Urban development is more polycentric, with an emphasis on compact cities and short supply chains, reducing transportation demands. The pentagon expands, but less so than in the preceding scenarios. Thanks to diversification, rural regions are more prosperous. As foreseen in the European Spatial Development Perspective, global economic integration zones emerge outside the pentagon, but are subject to constraints imposed by limited European financial resources for infrastructure and the essentially bottom-up approach of governing cooperation. There are fewer areas at risk of being marginalised and there is less of a risk of natural disasters.

The advantages of this scenario lie in its great democratic legitimacy due to the dominance of Governance Type I, and the social cohesion and environmental awareness that it generates, including the need to combat climate change. However, Europe does not have the critical mass to face the challenges of globalisation. The European Union maintains its current borders – no enlargement – and so Europe may be said to go to sleep. Public discourse focuses on the national or even the local level. Political legitimacy remains embedded in the national context, as was illustrated in the recent decision rendered by the German Federal Constitutional Court at Karlsruhe[4]. As for policies concerning the stability of the Euro, this scenario promotes individual and national responsibility rather than European cooperation and solidarity. In the end, there is diversity without unity and no further European integration. Europe's global position is weakened.

European Scenario: This scenario combines positive features from the preceding two. Governance Type I and II exist at all levels, with fully-fledged 'Delorian' EU Cohesion policy encouraging initiatives from above and below. This is naturally the preferred option for territorial cohesion. However, for this scenario to materialise, a number of conditions must be met, which even in the best of circumstances can only be achieved over time.

[4] See: http://www.bundesverfassungsgericht.de/entscheidungen/es20090630_2bve000208.html; http://www.bundesverfassungsgericht.de/pressemitteilungen/bvg09-072en.html.

For instance, under this scenario, the European budget is presumed to increase thanks to popular support for a virtuous circle of sustainable development benefiting competitiveness, cohesion, and the environment. In economic, social, environmental and democratic terms, the policy mix is more favourable towards European integration. Multi-level governance establishes a true balance between a bottom-up approach in areas where information is held at the local and regional levels, and a top-down approach in areas where the Member States and particularly the Union are in a better position to act.

Europe's competitiveness, which is stimulated and coordinated at the EU level, is based on its leading edge skills in the fields of green technologies, alternative energy, appropriate forms of transport and on the requisite industries receiving substantial investment capital.

The emphasis on European integration translates into a reinforcement of established Community policies, like energy, environment, research and transport, in addition to the establishment of new policies in the field of education for the population at large as well as scientific and technical elites. This results from networking and the exchanges of good practices. In addition to their first language, all young Europeans are expected to master English as a common second language, along with at least one other Community language. Residents in border regions are encouraged to learn the language and appreciate the culture of their neighbours. Education gives each young person a profound knowledge of Europe's history, geography and culture.

The backbone of the transport system is an intermodal trans-European network, including shipping routes. This connects metropolitan regions and ports of entry and is complemented by secondary networks servicing intermediate areas. Energy policy combines the decentralised production of renewable energy with the promotion of interconnectedness by means of transcontinental networks.

Territorial cooperation is stronger than in the other scenarios. This concerns the cross-border level as well as macro-regions like the Baltic Sea Area. At the cross-border level and the macro-region scale, polycentric urban systems with integrated transport and energy supply are promoted, along with clusters of European universities, green corridors and spaces for the preservation of natural and cultural heritage. The approach combines bottom-up initiatives with a top-down approach, with cooperation and integration being core concerns in national and European strategies. This promises forms of mobility that are simultaneously local and authentically European, and are thus more sustainable than in the Saint-Simonian Scenario. Public services are provided to peripheral and sparsely populated areas through innovative public-private partnerships.

EU enlargement takes place. In the Eastern and Southern neighbourhood, functional areas of cooperation and assistance emerge thanks to programmes in education and infrastructure and the lowering of trade barriers, particularly concerning agriculture. Neighbourhood Policy thus contributes to global stability.

The virtuous circle of growth, cohesion and environmental protection is fundamental to the success of the European Scenario, both functionally and with the electorate. As far as territory is concerned, each region pursues its own mix of developmental policies in line with its regional potential, thus promoting diversity. The most innovative technologies are concentrated in metropolitan regions, many of them spanning national territories. These regions are more numerous and better distributed throughout the European territory than in the other scenarios. Non-metropolitan regions give priority to realising the potentials of their natural and cultural resources, with factors such as green energy and an attractive living environment figuring prominently in their strategies, always with a view of promoting social and institutional innovation. All regions cooperate with their neighbours; within Member States, in cross-border and macro-regions and in the framework of various European networks.

5. Conclusions

As previously indicated, the authors prefer the European Scenario, representing a synthesis of the Saint-Simonian and Rhineland Scenarios, with strong Governance Type I and Type II. This European Scenario can be said to combine the best aspects of all the scenarios, while avoiding their worst characteristics. From the Anglo-Saxon Scenario, it takes the virtues of the market, private initiative, and openness to the world, but does not rescind the European ideal. From the Saint-Simonian Scenario, it includes the idea of solidarity and integration through common networks and policies, but avoids the loss of individual and collective responsibility. From the Rhineland Scenario, it takes the promotion of regional and local attachment, while avoiding the risk of localism. The notion of 'unity in diversity' thus comes closer to being realised.

As is the case here, in his 2010 report on the Single Market, Monti advocated combining the best of diverse national traditions:

> In particular, Member States with a tradition as social market economies could be more prepared to a new commitment on fully embracing competition and the single market, including a plan with deadlines on putting in place the single market in areas where it is still lacking, if Member States in the Anglo-saxon tradition show readiness to address some social concerns through targeted measures, including forms of tax coordination and cooperation, while there is no need to pursue tax harmonisation as such. (Monti, 2010, p. 9)

In the context of prevailing attitudes towards European integration, this scenario may seem utopic however. Among other reasons, this is because the requisite increase of the budget seems untenable. It is important to remain mindful that the European budget accounts for around a mere one per cent of GDP; as opposed to the US federal budget, which accounts for no less than 25 per cent. Surely the perspective of a United States of Europe, which Winston Churchill held up before a battered Europe after World War II, is utopic, so the US model may seem irrelevant. Nevertheless, it is worth recalling that according to the Lisbon Strategy, the US is one of the competitors from whom Europe must take its cues, so pointing out this difference in spending levels seems pertinent. Suggesting as a working hypothesis, that the budget could rise beyond the minimal one per cent of GDP seems anything but unreasonable; more so if one takes into account concepts such as generating genuine ‘own resources’, like a tax on financial transactions proposed by the Commission (CEC, 2011).

Regardless of the means, augmenting the budget would allow sustainable development, in its original meaning, to become the operative reference framework; through balanced competitiveness, cohesion and environmental protection. At the international level, it would ensure that the EU would be in a stronger position during dialogue with other global players. At the national level, which would continue to represent the main arena for collective action and social cohesion, sustainable development would be even more relevant. At the regional and local levels, there would need to be coherence between relevant public policies and the actions of the citizens and enterprises concerned.

Cohesion policy should concentrate on innovation, climate change, qualifications and demography, just as the Barca Report proposes. Furthermore, the policy should emphasise that the European model has a territorial dimension to be articulated in the ‘Common Strategic Framework’ proposed for the various European funding mechanisms in the Fifth Cohesion Report. Amongst other things, this framework would address the territorial dimension of Europe 2020, a point on which the ‘territorial club' mentioned above agrees. The subsequent ’Development and Investment Partnership Contracts’ would not only concern the implementation of Cohesion policy at the national level, but also create synergies with national, territorial and sector policies. An *ad-hoc* formation of the Council of Ministers would ensure coordination of Cohesion policy with other Community policies, which would include an outlook on their territorial impacts.

Likewise, regional or multi-regional programmes would include strategies for sustainable development, with strands featuring policies on innovation, social inclusion and climate change; taking account of the specific challenges and opportunities in the regions concerned. These strategies would take a functional approach to the most important urban systems, to urban-rural interdependencies, to accessibility and to cooperation with neighbours. They would result in actions selected from a menu of European priorities, with financial support contingent upon the expected effectiveness of the strategies proposed.

Where cross-border and transnational cooperation is concerned, the Development and Investment Partnership Contracts would be coordinated with other Member States. In doing so, the aim would be to coordinate strategies, regulations and funding. As is the case for the Baltic Sea Region; where Member States ask for it, the Commission would prepare relevant strategies subject to Council approval.

Improved financing for European-wide cooperation programmes would ensure the valorisation and diffusion of innovative approaches to regional development, including territorial planning and governance, as is promoted in the ‘Regions for Economic Change’ report (CEC, 2006). An enhanced ESPON programme would allow for the creation of a multilevel network of observatories of the European territory and its development. This would not only contribute to more effective policies, but also strengthen links between regions and encourage the development of a shared European vision where territory would be a common concern.

To improve Cohesion policy management, Commission capacity would need to be strengthened, enabling, amongst other things, a more general involvement of Member States and their regions under the Open Method of Coordination. Coordination of sector policies, with a focus on their territorial impacts, would be entrusted to DG Regio under the guidance of the Secretariat General. In sum, this architecture can be seen as representing a continuation and enforcement of the ideas of Jacque Delors. It would guarantee stability and promote learning in the form of integration that must not appear too complex or controversial to citizens.

Is all this out of sync with the mood of the day? Certainly, the signs are ominous and rather than the further strengthening of Cohesion policy, renationalisation is in the cards, even more so since the crisis began. However, the crisis may also hold the keys to a reawakening of the European spirit. Responding to dire need, and if only in an *ad-hoc* fashion, steps are being taken to safeguard the common currency, including financial supervision and some coordination of economic and fiscal policies. However, this is not the place to make such judgements, nor are the authors experts in assessing their effectiveness. Further, at the time of writing, nothing seems to be fixed and the outcomes are uncertain. Nevertheless when the dust settles, the crisis may prove to have strengthened the EU, and the European Scenario for Cohesion policy may be more realistic than it appears today.

Of course, there is no way in which this fundamental change for the better could take effect before the next Financial Framework and the immediate future of Cohesion policy is settled. The best that can be hoped for is a holding pattern, whereby most of the existing Cohesion policy is retained. Perhaps the mid-term review in, say, 2016-2017, would provide the opportunity for getting a Delorian Cohesion policy for the twenty-first century on track.

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