

EUROPEAN TERRITORY 2050 (ET 2050)

TERRITORIAL VISION (TeVi)

Supporting document

DRAFT

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Introduction

“Crisis management based on short-run measures will only be successful if European leaders simultaneously provide a long term vision for the European Union.” (Global Europe 2050)

The ambition of this document is not to predict what Europe will be, or even could be, in 2050. This “Vision” has been elaborated by taking into account the trends described in the various scenarios (not reproduced here as they were included in the second Interim Report) and contributions from various stakeholders, assuming that the actors involved will have demonstrated a significant ability to implement the objectives already defined at the European Union (EU) level.

From this point of view, this document might be considered as too optimistic or pessimistic, if not unrealistic: its main aim is to fuel the debate and further reflection about territorial policies and the future of EU cohesion, while informing the subsequent drafting of mid-term targets, derived from a consensus which remains to be established.

It is understood hereunder that European integration has been strengthened and deepened in three main respects. We expect a rather successful rate of implementation of the common goals and policies established at European level along the 2010s and later on. That is the reason why we have taken for granted the achievement of various plans already set up, for instance the 2030 Transeuropean network¹

In 2050, Europe is:

- **Pacific:** no clash of civilisations, elimination of terrorism, improved relations between neighbouring countries formerly in conflict. The application field of the EU’s implicit motto (i.e. “do not settle disputes outside the comfortable rooms of the European Council”) has been gradually extended to the periphery, where international law is complied with. This has made possible a reduction of military expenditure and improved territorial development at the EU periphery, especially in the Mediterranean;
- **Democratic:** compliance with the rule of law, the Charter of Fundamental Rights, the rights of minorities, etc., and consolidation of the “acquis” of the courts (Court of Human Rights in Strasbourg and European Court of Justice (ECJ) in Luxembourg); administrative practices have improved, and the basic freedoms are no longer at risk. Unlimited sovereignty of states has become a distant memory, owing to the considerable increase in, and extension of, international cooperation fields. The states have voluntarily delegated extra powers, which are jointly exercised in the framework of new Treaties on integration or cooperation. Governance has improved thanks to enhanced subsidiarity and greater control over executive and administrative powers, whereas corruption is declining.
- **Prosperous but environmentally friendly:** Europe boasts a smart, sustainable and inclusive economy, which has secured its competitiveness² vis-à-vis emerging countries and takes into account the requirements of solidarity and spatial justice. Furthermore, the EU has reduced its debt and is still able to finance its social model. Many lagging regions are catching up.

¹ Based on the 83 MEGA cities identified in the ESPON study.

² Competitiveness here is taken in the broadest sense: it includes externality costs and the requirements of a low carbon economy, practising sustainable mobility.

In 2050, European territorial policies ensure compliance with the basic values of spatial justice:

- equivalent living conditions are provided throughout the EU territory (thanks to policies geared towards efficient solidarity and fair access to services of general interest);
- effective welfare is better measured thanks to appropriate monitoring instruments: external costs and non-market services are accounted for, and social indicators are used to assess and select public policy interventions;
- natural resources and the cultural heritage are preserved and developed for future generations;
- a competitive and inclusive knowledge-based economy has been developed throughout the EU territory.

To provide a Vision, i.e. an overall ideal picture of what the EU looks like in 2050, the following issues will be successively addressed in this document:

1. Europe and the world – globalisation still impacts the European territory:
 - significant reduction of the competitiveness gap observed between Europe and the emerging countries in the early 2000s
 - impact of new technologies and energy savings on the location of residence and productive activities, and consequences for territorial development
 - emergence of a global network of international institutions with increased powers (e.g. to fight climate change), which is turning world governance into a tangible reality
 - intensified relations between Europe and its EUROMED periphery, organised in concentric circles and developing solidarity.
2. Main features of the EU in 2050:
 - low demographic growth
 - balanced economy
 - sustainable mobility and energy resource management, adequate adaptation to climate change and other environmental issues
 - new territorial dynamics.
3. Cities and rural areas
4. Maritime issues: coastline, integrated maritime policy, outermost regions (ORs) and overseas countries and territories (OCTs)
5. New territorial governance (at the various levels of government)

1. Europe and the world

Europe is no longer in a position to determine the future of the world: this situation ended in 1939, even if this went unnoticed until much later. In 2050 as in 2013, it is the evolution of the world that reshapes Europe, not the other way round. The “external constraint” (i.e. globalisation) remains the dominant factor.

1.1. Balanced globalisation

Throughout the world, uninterrupted technological progress has taken place, geared towards better use of natural resources, including energy savings, creation of new modes of transport, and better

environmental protection. Productivity per head has not increased as quickly as in the past, due to the growing importance of low productivity services (especially services to individuals) and the ageing of the working population, which now includes a higher proportion of people over 60 years old.

In 2050, according to UN projections³, the largest part of the world population is affected by ageing, in particular the Asian region. This has considerably changed the conditions of international competition. True, Europe has made significant efforts to improve its competitiveness, notably by developing research and innovation, but the gaps observed in the early 2000s between the EU and the emerging countries have narrowed considerably as a result of demographic changes in these countries.

In China, the working age population has decreased from 72 % of the total population in the first decade of the century to 56-58 % in 2050. Baby boomers are now retired and they ask for decent pensions and healthcare, although they have not given birth to enough children to foot the bill. After two generations of “one-child” policy, the active population is now declining at a rate of 1 % per year, which has significantly reduced the GDP growth rate and increased social costs. Nowadays, China uses its foreign exchange reserves to provide a minimum level of social benefits to its ageing population. To a lesser extent, other Asian countries are moving in the same direction: in 2050, the continuous decline of their fertility rates has squeezed their working age population.

Accession to democracy of some of these countries has enhanced this evolution. This has resulted in significant increases in the hourly cost of labour, through either direct wage increase (establishment of a minimum wage in several Asian countries), or improved social benefits (medical care, unemployment benefits, retirement schemes, paid holidays). The share of social⁴ and environmental⁵ expenditure is now approaching 15 % of GDP, which has made the tax burden much heavier. Trends in healthcare expenditure provide a good example: in 2050, according to OECD projections, health and long term care expenditure in emerging countries are close to 10 % of the GDP⁶.

As production costs are converging in a large part of the world, with the exception of some late catching-up countries in sub-Saharan Africa, world trade and globalisation have kept their momentum. Industrial production has decentralised, there are no longer real “workshop countries”. Intra-branch trade has strongly developed and EU external trade is more than ever an important component of European growth.

³ According to the UN medium fertility projection (United Nations, Department of Economic and Social Affairs, Population division, World population prospects, 2012 Revision, New York, June 2013).

⁴ In 2009, according to a study by the Asian Development Bank (*the Social Protection index, Assessing Results for India and the Pacific, Manila, 2013, 150p.*), social protection expenditure, as a percentage of GDP, was at 19.2 % in Japan, 7.9 % in South Korea, 5.4 % in China and 1.7 % in India (OECD countries average: 22.1 %).

⁵ In 2011 EU, 1.2 % of GDP (Turkey 0.22 %).

⁶ Christine de Maisonneuve and Joaquim Oliveira Martins: *Public spending on health and long-term care: A new set of projections, OECD Economic Department, preliminary version, 62p.* From 2010 to 2060, under conservative assumptions (healthy ageing and low dependency ratio), BRICs expenditures (Brazil, China, India, Indonesia, Russia and South Africa) are expected to rise from 2.5 % to 5.3 % (cost-containment scenario) or 9.8 % (cost pressure scenario) of GDP. Average expenditures in the OECD countries rise from 6.2 % of GDP (expenditure 2010), to 9.5% (cost containment) and 13.9 % (cost pressure) in 2060.

1.2. Territorial dimension of the EU-globe relationship

In 2050, there is a global convergence of heavy trends in the areas of trade, mobility and energy markets. These trends impact the European territory and other continents alike. Competitiveness gaps have been reduced. Recycling techniques are widely used.

Saving energy is a world objective, to which compulsory environmental standards to combat global warming also contribute. Tensions on the energy market which developed over the period 2020-2030 have been reduced, thanks to technological progress (abundance of renewable energy) and improvements in energy efficiency.

With new technologies, production conditions have rationalised. Instead of producing first and trying to sell afterwards, the trend is to produce only what is already sold out: virtual goods are bought online, then production starts. This reduces energy consumption per GDP unit, together with storage fees and use of raw materials.

“Just in time” production and 3D printing⁷ bring production sites closer to consumption centres. This may result in a new allocation of activities in favour of countries offering better accessibility throughout their territory. Although globalisation was supposed to create growth poles better connected to the rest of the world than to their hinterland, various new factors have led to a significant shift in business location criteria, since new infrastructure strengthens the move towards “glocalisation”, i.e. a world simultaneously more local and global⁸.

During the 1990s, it was believed that location criteria would be abolished by the “*death of distance*”, which would outweigh the concentration trends⁹. The availability of telecommunications was expected to allow to work anywhere and teleworking to avoid commuting. A cyberspace freed of geographical and political constraints was anticipated.

In 2050 however, geography still plays a crucial role: “*the physical environment still shapes the digital environment*”. Since everybody owns a highly sophisticated smartphone¹⁰ and lives in a digitised world, traditional location factors such as climate, availability of infrastructure and tax systems have come back to the fore. Once more, large cities, turned into smart cities¹¹, have a decisive edge over their competitors, despite the decentralisation factors mentioned above.

In parallel, although new communications technologies (widespread access to the Internet and worldwide availability of individual devices) provide better virtual contact opportunities, mobility of people has further increased: some categories of the population previously characterised by a

⁷ The 3D production technique is reducing storage, handling and distribution costs for a growing number of consumption products.

⁸ See the Economist’s Special report on “*Technology and Geography, a sense of place*”, October 27th 2012 19p.

⁹ According to Frances Cairncross, from The Economist: “*The death of distance: how the communications revolution is changing our lives*” (1997).

¹⁰ In 2017, according to a 2011 Ericsson forecast, half of the world population will have a smartphone.

¹¹ A city can be defined as ‘smart’ when investments in human and social capital and traditional (transport) and modern communication infrastructure fuel sustainable economic development and a high quality of life, with a wise management of natural resources, through participatory action and engagement, that implies a new kind of governance, genuine citizen involvement in public policy. Smart cities can be identified (and ranked) along several main axes or dimensions, which apply to economy, mobility, environment, conditions of living and governance.

relatively low level of mobility (such as retired people), make greater use of transport services. Despite a considerably more energy-efficient transport sector, the overall consumption is increasing.

1.3. Emergence of a global governance

In 2050, the world population still remembers the previous decades of climate tensions: because of the global warming, growing water scarcity in the traditional mountain reservoirs of Ethiopia and Upper Asia gave rise to conflicts. In parallel, the sea level rise resulted in a growing number of climate refugees in Oceania and Asia. Egypt, the Indian subcontinent and China¹² were seriously disrupted by these changes, which affected the existence of tens of millions of people. In Europe, steadily larger areas were affected by drought or floods, which increased the size of populations at risk.

These tensions raised public awareness about the fragility of the planet and the depletion of its natural resources. The growing awareness of the risks associated with crossing the threshold of 2°C increase in average world temperature prompted a world-wide mobilisation of people. Countries most vulnerable to climate change (e.g. Netherlands, Oceanic archipelagos, Maldives) and overcrowded areas (e.g. Egypt, Indian sub-continent, China) fiercely advocated the adoption of world-wide mandatory environmental standards. Those at lower risk because of their moderate population density (USA, Brazil) or their lower vulnerability to climate change failed to delay the process, since the EU's lasting fervent pleas in favour of a strong world-wide environmental governance turned out to be convincing.

Now in 2050 the World Environment Organisation (WEO) has extensive powers and financial resources to implement a comprehensive policy. A World Court of Justice has been established to enforce obligations on recalcitrant states. Financial resources have been made available to help poorer countries. This policy has important implications for land-use and territorial planning departments, which have to comply with mandatory standards (minimum rate of afforestation, energy-efficient land-use patterns, rationalisation of water storage and consumption).

In maritime spaces (71 % of the planet area, a common heritage of mankind), international agreements based on the Antarctic Treaty model¹³ have been enforced. Beyond the Exclusive Economic Zones (EEZ) delineated according to the Law of the Sea¹⁴, the high seas are now subject to environmental restrictions, in particular in the Arctic. The new treaties offer an adequate framework for an exploitation of maritime resources compatible with the protection of the marine environment (limitations apply to fishing and off shore extraction of hydrocarbons).

¹² « In absolute terms, more people live at sea level in China, and so are threatened by rising oceans, than in any other country. » The Economist, August 10, 2013 page 8.

¹³ The Antarctic Treaty and related agreements, collectively called the Antarctic Treaty System or ATS, regulate international relations with respect to Antarctica, Earth's only continent without a native human population. For the purposes of the treaty system, Antarctica is defined as all of the land and ice shelves south of 60 °S latitude. The treaty, which entered into force in 1961 and currently has 50 signatory nations, sets aside Antarctica as a scientific preserve, establishes freedom of scientific investigation and bans military activity on that continent.

¹⁴ The United Nations Convention on the Law of the Sea (UNCLOS), also called "the Law of the Sea Convention" or "the Law of the Sea Treaty", is the international agreement that resulted from the third United Nations Conference on the Law of the Sea (UNCLOS III), which took place between 1973 and 1982. The Law of the Sea Convention defines the rights and responsibilities of nations in their use of the world's oceans, establishing guidelines for businesses, the environment, and the management of marine natural resources. UNCLOS came into force in 1994. As of October 2012, 164 countries and the European Union have joined in the Convention.

Following the EU example, regional integration processes have gathered pace in South-East Asia, Latin America and Africa, and steadily greater account of territorial issues is taken in this framework.

As stated by the World Bank, “*geography matters*” to establish effective development strategies¹⁵. From the design stage onwards, the spatial dimension is now taken on board in all policies with a territorial impact¹⁶. TIAs¹⁷ are commonly practised. It is now possible to anticipate the spatial effects of sector-based policies, instead of asking regional policies to remedy distortions arising from the blind application of poorly designed policies.

1.4. EUROMED and its concentric circles

In 2050, very close relations have been established between the various members of the EUROMED¹⁸ area. To a large extent, this results from the EU initiative, but also from efforts made by the peripheral countries. Despite persistent centrifugal forces, the EU has managed to avoid fragmentation, while making clear that the construction of a “super nation state” was not on the agenda. The participating countries are grouped into a set of concentric circles, whose core is the EU.

In the Union, the risk of dissociation of the euro zone and the EU, which would have led to two distinct entities, i.e. a political union and a single market area, was avoided. In 2050, every member state participates in all the common policies, including single currency and Schengen area, as well as further policies initiated in the first half of the 21st century. After starting with a single market and a single currency, followed by a banking and fiscal Union, the EU has become a federation responsible for the “EU acquis” and a couple of extra policies, in particular a Single¹⁹ Foreign and Security Policy - SFSC).

Territorial cohesion has become a major policy aim of the EU (rather than an EU policy as such), and an integrated EU Territorial Cohesion Strategy (*EUTeCoS*) has been formally approved and is regularly updated.

The EU federation membership includes, with a few exceptions, most states which had already joined the EU at the turn of the century, together with some new member states of the European continent.

The EUROMED periphery²⁰ (cf. Map 1, p. 41) is a large “intermediate area” associated with the EU, its main trade partner (which was already the case at the turn of the century). EUROMED has adopted a significant part of the “EU acquis” (in line with the ENP²¹ model designed in 2003).

In 2051, the EUROMED periphery has a population of the same size range than the EU’s: 592 million inhabitants, with a marked imbalance between the South (from Morocco to Turkey, 411 m.) and the East (Russia and the Eastern Partnership countries²², 180 m.) Income disparities have decreased, but remain rather high, in particular between the EU and the least developed countries, which maintained

¹⁵ World Bank (2008), *Reshaping Economic Geography*, World Development Report, Washington, November.

¹⁶ “Looking at the map **before** implementing policies.”

¹⁷ TIA = Territorial Impact Assessment

¹⁸ In 2013, EUROMED includes: EU28, EFTA countries (Norway, Iceland and Switzerland), candidates (West Balkans and Turkey), the 16 countries eligible to the ENP (European neighbourhood policy) and the European part of Russia.

¹⁹ As opposed to the current Common Foreign and Security Policy (CFSP).

²⁰ En 2013 : candidates, ENP countries and the European part of Russia.

²¹ ENP = European Neighbourhood Policy

²² Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan.

a high population growth (in 2051, Egypt has 123 million inhabitants, which means an average density for the Nile Valley of almost 4,000 inhabitants per km²).

Some countries have decided to join the EU, others signed *ad hoc* agreements, depending on their needs and geopolitical environment. Several of these countries benefit from an EEA-type²³ status of associate partner, which differs from country to country (Switzerland is a member of the euro zone, but still reluctant to join the EU).

An “EEA+ status” has been created for less developed countries, which implement a large number of single market directives while being granted, in return, increased financial assistance to catch up in economic terms.

Other countries (e.g. Turkey, Russia, the Middle East) are influenced by other polarities, as they have some reasons to look in other directions, Asia in particular. They are also associated with the EU but without real perspective of full adhesion.

Countries of the “greater periphery” (Sahelian Africa, Middle East and the “Greater Neighbourhood” around the outermost regions) are too far away to influence significantly the territorial development of the EU. However, these countries are increasingly important partners, owing to their population growth and their natural resources: in 2050, the population of sub-Saharan Africa has reached 2,074 m. inhabitants (compared with 830 m. in 2010). Some countries have become eligible for ENP status (Senegal) or have applied for EU membership (the Republic of Cape Verde).

In terms of territorial policy, increasing solidarity in the EUROMED region takes the form of many tangible actions, including the involvement of peripheral countries in European territorial cohesion-related activities. For example, the EUROMED countries are associated to the updating and implementation of the *EUTeCos*. They also take an active part in the elaboration, updating and implementation of the Joint Territorial Integration Strategy (JTIS) in various EU macroregions and *Euregios*²⁴, many of which are crossed by the EU external border. In this framework, the EUROMED countries are also represented in the macroregional and Euregional assemblies and executive authorities.

Enhanced cooperation on transport policy (including transportation of energy) has taken place for instance through the construction of new Mediterranean links and the construction of major infrastructure connecting the EU with Eastern Europe, Russia and the Middle East. Full implementation of free trade agreements have strongly developed Trans-Mediterranean trade, both with the EU and between SEMCs. A fast growing freight and passenger demand between the two shores of the

²³ The Agreement on the European Economic Area (EEA), which entered into force on 1 January 1994, brings together the EU Member States and the three EEA EFTA States — Iceland, Liechtenstein and Norway — in a single market, referred to as the “Internal Market”. The EEA Agreement provides for the inclusion of EU legislation covering the four freedoms, the free movement of goods, services, persons and capital. In addition, the Agreement covers cooperation in other important areas such as research and development, education, social policy, environment, consumer protection, tourism and culture, collectively known as “flanking and horizontal” policies. The Agreement guarantees equal rights and obligations within the Internal Market for citizens and economic operators in the EEA.

²⁴ See below, Headings “5.3. Macroregional territorial governance” and “5.5. Cross-border territorial governance”.

Mediterranean has allowed major new infrastructure to be completed, in particular the fixed link across the strait of Gibraltar.

In 2050, almost all the neighbouring countries implement the directives of the EU environmental policy. After accepting EU standards, all Mediterranean countries apply a joint programme of water quality preservation. The exploitation of natural resources (especially the gas fields discovered in the eastern basin in the 2010s) is conducted in full compliance with WEO standards. Agreements on issues such as the implementation of earthquake safety standards and the monitoring of fish stocks are included in transnational inter-mediterranean cooperation programmes, established for the entire Mediterranean basin and its annexes (including the Black Sea).

2. Europe in 2050: main features

2.1. Demography

With 526 million inhabitants in 2051, the EU experienced a slow population growth, estimated at 0.12 %/year (2011-2051)²⁵, below the 1981-2011 annual rate (0.39 %). This growth results from both increasing fertility rates and positive net migration. The assumption of an overall decrease in the population of 40 million in 2050 (from 515 to 475 million) affecting 60 % of the Regions did not materialise²⁶.

Demographic problems are a major concern for all levels of governments, confronted with difficulties resulting from low fertility rates, ageing, the decline of working age population and the integration of migrants. Demographic policies have been a contentious issue, be it about boosting the birth rate, allocating the added value between generations or managing immigration.

Recently, Europe experienced an increase in the birth rate, which pushed the fertility rates to nearly 1.8%, following the spread of a new social model (working women want more children) and the resulting reforms of family policies. Although “pro-natalist” policies have generated uneven results, from the “kitchen stove bonus”²⁷ in Germany to the “*quotient familial*”²⁸ in France, public policies addressing child care have significantly improved.

In 2050, following the ageing trend which affects Europe since the middle of the 20th century, the population over 65 has increased by 40 % compared to 2005. As a consequence of the increase in life expectancy (85 years for men and 90 for women), this population grew from 19 to 32 % of the total. Ageing has become a common feature of the whole continent. Given their political weight (they are increasingly numerous and do not neglect to exercise their right to vote), the elderly benefit from continued attention by public authorities. In exchange of higher social contributions and/or taxes and despite some intergenerational conflicts, retired people have secured their favourable treatment in the welfare system (maintaining the purchasing power of their pensions and a significant rate of reimbursement of their health expenditure and long term care).

²⁵ According to the SASI model

²⁶ According to the DEMIFER scenario

²⁷ In German « herdprämie »

²⁸ Tax rebate for households with children

Many regions need to address the decline of their working age population. In 2050 in the ESPON area²⁹ this population counts for 55-56 % of the total (compared with 67% in 2005) and has increased only in one regions out of four. This population is also ageing: compared to 2000, the group below 39 years accounts for only half of the total. 35-40 % of regions are affected by a reduction of their labour force, which they have to offset through a policy mix aimed at increasing both the activity rate of the resident population (increase in female employment, late retirement) and net in-migration (through accepting newcomers, especially qualified innovative migrants from non-EU countries).

In 2050, immigration has become a reality in virtually every region. Arrivals represent a net yearly inflow of about one million people³⁰, due to on-going emigration pressure in non-EU low income countries. Most European regions need the labour force of migrants as well as their taxpaying potential, in particular those where the birth rate recovery process is slow and late.

Despite efforts to communicate about the need for immigrants, these are not easily accepted by the native population of the EU, often hostile to massive arrivals. Awareness has however been raised about the fact that in-migration is essential to foster economic dynamism and maintain living standards at an acceptable level.

Changes in migration policies have led to endless controversies³¹. In 2050 however, an overall migration policy framework is functioning (neither “*Fortress Europe*”, nor “*Europe passoire*”³²), which associates the EU and the members of the Schengen area, in consultation with some other non-EU countries.

In that respect, the establishment of a common EU migration policy, managed by the European institutions, has created a new framework of implementation, focusing on qualified immigration to compensate the decrease of the working population inside Europe.

The EU has defined general conditions of entry and residence, implemented through a Canadian-type selection system, which gives priority to economic immigration and secures a diversification of origins by the globalisation of migratory flows. The neighbourhood is no longer the main geographical origin of immigrants, among which a much larger share now comes from Asia and Latin America.

Considering their own needs, the regional authorities have developed immigration policies tailored to their specific circumstances, notably in regions where certain categories of migrants need to be attracted from outside Europe. These regional policies of selection and integration, eligible to EU structural funding, are carried out by the regions in demographic decline, with a view to rebalancing the migration flows, i.e. supporting population growth in less well-off regions rather than contributing to demographic expansion in large metropolitan areas.

With rising life expectancy, technological progress and extension of the period of activity, the labour organisation has changed substantially³³. Employees work between 1,800 and 2,000 hours per year

²⁹ According to DEMIFER

³⁰ According to Global Europe 2050.

³¹ Global Europe 2050 foresees that 80% of the migrants will come from the Mediterranean and 20% from Sub-Saharan Africa: “by 2050, one in five Europeans will probably be Muslim.” (page 22)

³² In English : Europe colander.

³³ See Kemal Dervis, *The next social contract*, Project syndicate 2013 www.project-syndicate.org (in Le Monde 25 July 2013, page 8).

until the age of 50, then progressively reduce their activity to 1300-1500 hours per year at around 60, and 500 to 1000 hours per year when nearing 70. The length of the working week as well as the retirement age have become variable. Employees are entitled to maternity and paternity leave, and sabbaticals for vocational training. The holiday duration increases with age to allow older people to work longer. There is a convergence of social protection schemes: European rules apply to determine the minimum wage (defined as an EU single reference percentage of the national average income per head), sickness insurance and retirement pensions, which contributes to reducing regional disparities.

A better fit between working time and leisure has increased residential mobility (more frequent changes of permanent residence as well as a better use of secondary residences) and provided new resources to peripheral regions, which are increasingly attractive for footloose activities, on a temporary or permanent basis. Advanced teleworking opportunities have become conducive to some decentralisation of activities, but not enough to offset the dynamics which still favour large cities (concentration and quality of services, jobs for spouses, professional re-orientation opportunities, availability of higher education for children, cultural life). Growing labour force mobility benefits less populated regions, where the cost of accommodation is lower and quality of life more attractive. An increasingly large part of the population has two residences: a small flat in a major city and a single house with a large garden in a different region, more attractive for its climate and leisure time opportunities.

2.2. Economy

In 2050, the European economy has entered a phase of qualitative, rather than quantitative, growth: its average yearly growth rate of 1.4 % is sizeably below the world average³⁴. This stems from three main factors:

- the European demographic structure, which includes a high percentage of inactive population (below 25 years and over 70 years, for an average life expectancy of 85 years, which gives 40 years of inactivity for a working period of 45 years);
- environmental constraints, which regulate growth while improving its quality and sustainability;
- a larger share of low-productivity services (including personal services to ageing population).

However, Europe has restored its competitiveness through an industrial rebirth of high productivity activities derived from technological innovation. Development strategies for research and innovation have borne fruit, although slightly more slowly than expected, especially in initially lagging areas. The map of “success stories” demonstrates a fairly wide dispersion of the most efficient regions, despite the initial concentration of R & D. Through ICT dissemination of knowledge, some regions previously lagging behind have been highly successful in developing industrial clusters of excellence.

To reach this outcome, a maturation process proved necessary. The implementation of the Lisbon and Europe 2020 strategies was hampered by a lack of geographic differentiation of their policy objectives. As early as 2010 however, the European Commission made a case for supporting “smart specialisation strategies” on a more regionally-differentiated basis³⁵. It was also generally admitted that two main

³⁴ 2.9% from 2010 to 2050, according to Global Europe 2050.

³⁵ European Commission (2010) *Regional Policy contributing to smart growth in Europe 2020* COM(2010) 553 final.

principles had to be adhered to for innovation policies to be successful: “embeddedness” (i.e. being embedded in the local context and in local assets) and “connectedness” (i.e. guaranteeing the achievement of external knowledge through strong and virtuous linkages with the external world). Later on, these specialisation strategies were criticised for favouring the unrealistic situation of having one policy action for each European region. A different policy line was therefore advocated and successfully implemented, namely “Smart innovation strategies” promoting ad-hoc interventions – tailored to each single territorial innovation pattern - with the aim to reinforce regional innovation process, to enhance the virtuous aspects that characterize each pattern, and to reinforce each pattern’s efficiency³⁶.

In 2050, Europe exports worldwide a wide range of high level manufacturing goods and services. Increased trade with the rest of the world³⁷, which has a higher demographic and economic growth, is a key element of its prosperity.

As mentioned above, the increase of production costs in emerging economies ensure a rebalancing of trade. With a few exceptions of some workshop countries, the developed world (which now includes Asia and Latin America) is now wide enough to absorb their exports, without excessive downward pressure on labour costs. Europe is clearly among the globalisation winners and benefits from ever increasing opportunities. Accession to the developed world of its trading partners enlarges its commercial positions.

The decentralisation of industrial production (impact of 3D production) advantages the consumption centres, in particular major cities. It is also fuelling a dynamic of re-industrialisation of more densely populated areas in Southern and Eastern Europe, where more consumers can be reached. Accordingly, the 2050 map of disparities has become more complex. The old North-South and East-West gaps, which divided Europe in the early 21st century, have been replaced by a map having a “leopard skin” looking, where the less-favoured regions are sometimes located very close to the most prosperous areas.

Finally, the high-productivity manufacturing sector consumes fewer raw materials, energy and space. This allows for reallocation of land in industrialised zones, which favours the continuation of the conversion of industrial cities to smart cities, thanks to the opportunities offered by communications technologies.

Behaviour change and social innovation are proving as crucial as better economic solutions and technological innovation. Incorporating the cost of externalities, shifting to low-carbon energy systems, improving sustainable water management, halting deforestation, have deeply modified the business environment and avoided repeating mistakes of the past. According to the WBCSD 2050 vision³⁸, the implementation of these new policies is contributing to 1.4 to 4.5 % of 2050 GDP.

In 2050, EU policy steps and programmes to strengthen economic, social and territorial cohesion remain necessary. In fact, for a long time during the slow recovery from the 2008-13 crisis and thereafter, inter-regional disparities inside the EU have increased, mainly due to macroeconomic

³⁶ ESPON 2013 project “KIT - Knowledge, Innovation, Territory” (2012), Final Report, Executive Summary, p. 13

³⁷ Global Europe 2050 foresees a rate of growth of world trade of 5.2% per year from 2010 to 2050.

³⁸ Vision 2050, The new agenda for business, World Business Council for Sustainable Development (WBCSD), February 2010, 80p. The study involved 29 global companies representing 14 industries.

adjustment reasons. These reasons have mainly to be found in the difficulties faced by some southern European countries to keep up with the pace of productivity increases of other countries, and in the relevant reduction of public expenditure, tax increases and wage controls that were imposed by the difficult conditions of public finance in these same countries. Beyond that, the negative effects of the world crisis have strongly impacted on many regions in the new Eastern member states, mainly due to the sudden reduction of foreign direct investments.

Subsequently though, mainly after 2030, thanks to some long-term positive results of restrictive economic policies on the fundamentals of problem countries and thanks to a renewed economic solidarity reached among member states - allowing the utilisation of more efficient international financing tools - it was possible to re-launch the economy of less prosperous and dynamic areas and to address the EU along a long term path of (slowly) decreasing disparities. During the past decades, interventions of other EU policy instruments were also necessary in accession countries, whose GDP per capita was often far below the EU average. Furthermore, it was deemed necessary to strengthen policies geared toward a further reduction of disparities in some non EU countries of the periphery, in particular those having adopted the single market rules. The question has recently been raised as to whether an extension of the cohesion policy should not apply to the deprived areas of the entire EUROMED area, including in countries which do not belong to the EU.

2.3. Transport, energy, climate and environmental policies

As explained in the above sections, demographic and economic change has significantly reshaped the European territory, whereas various policies carried out by the EU, the states and the regions to influence migratory flows, economic growth and employment have achieved non negligible results. Especially regional policy, whose territorial dimension is more explicit than the others, has significantly contributed to alleviate geographic disparities and carries on doing so in 2050.

Other policies help to achieve constant progress towards EU territorial cohesion, especially transport, energy and environment/climate policies. All the relevant policy steps are of course included in the *EUTeCoS*.

2.3.1. Transport

In 2011, the European Commission published its White Paper entitled a “*Roadmap to a Single European Transport Area*”³⁹. Implementing the ambitious strategy set out in this document proved difficult in the following years. There was a lack of political will among European leaders to authorise the significant increase in transport infrastructure investment needed. As of 2020 however, things turned out differently. The lack of safety and environmental sustainability of the EU transport system as well as an unprecedented level of traffic congestion raised awareness about the need for radical steps. Thanks to an ambitious action plan and a series of EU public loans issued since the 2020s, the ten main goals of the White Paper agenda (an update of which was included in the *EUTeCoS*) have been achieved by 2050, GHG emission has been reduced by 60% and the other 2050 targets have been fully met, in three main areas:

³⁹ EC WHITE PAPER [COM(2011) 144 final] *Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system*

1. New and sustainable fuels and propulsion systems have been developed and deployed:
 - “conventionally-fuelled” cars have disappeared in urban transport and essentially CO₂-free city logistics has been achieved;
 - the share of low-carbon sustainable fuels in aviation has reached 40% and EU CO₂ emissions from maritime bunker fuels have been reduced by 50%.
2. The performance of multimodal logistic chains has been optimised, including by making greater use of more energy-efficient modes:
 - more than 50% of road freight over 300 km has shifted to other modes such as rail or waterborne transport, facilitated by efficient and green freight corridors;
 - the European HST network has been completed, appropriate steps have been taken to maintain a dense railway network in all member states and the majority of medium-distance passengers travel by rail;
 - a fully functional and EU-wide multimodal TEN-T network has been completed, with a high quality and capacity and a corresponding set of information services;
 - all core network airports have been connected to the rail network, preferably high-speed, whereas all core seaports have been sufficiently connected to the rail freight and, where possible, the inland waterway system.
3. The efficiency of transport and of infrastructure use has been increased, thanks to information systems and market-based incentives:
 - the European Common Aviation Area has been completed, land and waterborne transport management systems have been deployed, as well as the European Global Navigation Satellite System (Galileo);
 - the framework for a European multimodal transport information, management and payment system has been established;
 - the objective of zero fatalities has been virtually reached in road transport;
 - the “user pays” and “polluter pays” principles fully apply.

Moreover, thanks to the increasing use of smart technologies, there is no need to further expand the transport grids. Instead, less roads and rail infrastructure have become necessary with higher precision transport and automatic braking systems. Infrastructure is accompanied by pay-as-you-use facilities. Local transport infrastructure has been upgraded as well as urban transport systems. The prevailing approach to finance infrastructure needs still consists in devolving to the business sector the provision of public services and infrastructures. However, this remains a controversial issue, and a growing demand is expressed for the socialisation of, and state control on, public goods, services and infrastructures⁴⁰.

Be that as it may, various evolutions (climate change, regulations about CO₂ emissions, growing scarcity of fossil fuel and clean air, major progress in location-based services, information processing and satellite technology such as ‘Galileo’) have deeply impacted the mobility patterns of people and goods. People have changed their mobility style and habits. Intermodality has considerably increased in freight and passenger transport alike, and electric mobility has significantly developed.

⁴⁰ EC DG Research (2012) - *Global Europe 2050*, Scenario “EU Renaissance: further European integration”, pp. 33-34

Huge progress in the area of intermodality has indeed been made possible thanks to various innovative technologies. For example, Public Containerised Transport (PCT) has become widespread thanks to the development of so-called “podvehicles”, i.e. cars and trucks, self-powered on roads, and designed in such a way that they can be loaded onto a rail-based carrier, a “pod”⁴¹. Podcars cannot compete with mass transportation systems in major cities, but PCT is more efficient than highways on the intercity network, where intervals between stations remain relatively short. As far as the long-haul traffic is concerned, similar intermodality solutions are applied at the nodes of the high-speed network. For the very long-haul, including the intercontinental traffic (e.g. the trans-Atlantic connection) cutting-edge technologies have been successfully implemented, including magnetic levitation (maglev) and vacuum tube train (vacetrain), the combination of which permits safe and environmentally friendly supersonic transportation (2 km/s, i.e. 7,200 km/h.) On virtually every network, vehicles and trains are automatically operated, as robotic solutions have become far safer than human drivers. What is more, in wide parts of the European network, the transport system has been fully integrated in such a way that individual vehicles can be mutually connected in densely used sections to form a train with the resulting chain: when leaving their home for a remote destination, travellers have just to sit in their car (or a taxi rented on the web), order a destination to their robot driver, and quietly go about their daily business. They do not need even to worry excessively about their ecological footprint, since fossil fuels are no longer needed to operate cars. In 2050, sharing driver-less cars (utility cars) instead of driving is the prevalent mode of travelling, account taken of the growing number of aged travellers. Public transport has also evolved: mostly automatic metro and tram lines continue to serve high demand connections, but scheduled bus services have been substituted by seamless door-to-door transport.

2.3.2. Energy

In parallel with this transport and mobility policy, a similar evolution took place in the area of energy policy, which became an EU federal policy⁴² in the full sense of the word. The objectives and related targets presented in the “*Energy Roadmap 2050*”⁴³ (and in the *EUTeCoS*) were met, including the overall aims of EU’s decarbonisation, security of energy supply and competitiveness. A transition took place from a system characterized by high fuel and operational costs to a model based on higher capital expenditure and lower fuel costs. In 2050, the share of renewable energy sources (RES) exceeds 55% of the gross final energy consumption (compared with 10% in 2010)⁴⁴.

The share of electricity in the final energy demand has doubled (from 20% in 2005 to 40% in 2050), which has significantly contributed to the decarbonisation of transport and heating/cooling. For this purpose, structural change took place in the power generation system, whose decarbonisation level exceeds 95% in 2050.

⁴¹ Cf. <http://www.eubase.net/reports/PCT.pdf> Nordic Communications Corporation Helsinki, Finland.

⁴² After the entry into force of the Lisbon Treaty, unanimity still applied to a significant number of decisions made by the Council concerning energy policy, by virtue of articles 192 2(c) and 194 of the TFEU.

⁴³ *Energy Roadmap 2050*, Communication [COM(2011) 885 final] from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

⁴⁴ *Energy Roadmap 2050*, Graph 1. See also EC DG Research (2012) - *Global Europe 2050*, pp. 105-106

Thanks to relevant policy choices and the availability of new technologies, considerable energy savings (a critical aspect of any sustainable energy policy) have been achieved, bringing the gross EU energy consumption from 1,800 Mtoe in 2015 down to 1,200 Mtoe in 2050⁴⁵.

Moreover, renewable energy generation technologies have achieved huge progress.

Smart grids have revolutionised electricity production and distribution. As anticipated by Jeremy Rifkin⁴⁶, homes, factories and offices are both users and suppliers of renewable energy on an intercontinental power grid, in the same way as information and knowledge was already exchanged on the Internet at the start of the century. Contrary to Rifkin's expectations however, the amount of energy produced by this highly decentralised system has turned out insufficient to meet the steadily growing needs. Centralised large-scale systems of energy generation remain essential to supplement the locally-produced supply on smart grids, and a new configuration combining decentralised and centralised power generation has emerged. These systems depend on each other, for example, if local resources are not sufficient or varying in time. Considerable investments in concentrated solar power stations took place in the first decades of the 21st century. As predicted by Ray Kurzweil⁴⁷, exponential progress in the solar energy industry made possible to secure a sufficient level of energy supply at a significantly smarter pace than initially expected. Strategic initiatives such as the Desertec Concept⁴⁸ and Desert Power 2050 (DP2050) promoted by the EUMENA⁴⁹ partnership were successfully implemented (cf. Map 2, p. 43)

The EU also took particular care to secure a fair and geographically balanced access to energy at a moderate price. At the turn of the century, there was still considerable room for improvement in this respect, some regions facing a risk of energy poverty⁵⁰. In the following decades, the EU, the states and the regions embarked on the implementation of an ambitious action plan, whose objectives were included in the first versions of the *EUTeCoS*. This plan aimed at reducing the vulnerability of regions facing energy poverty and promoting energy solidarity between regions, while extending and modernising local and regional energy networks, increasing energy efficiency (e.g. through the emission of "white certificates"⁵¹) and the share of renewables in the energy mix. All these objectives were met. In 2010, problems were particularly acute in regions of the member states which had recently joined the EU, but also in Spain, Portugal and a couple of areas in the Italian Mezzogiorno. Among these regions, many had a real potential to develop renewable energy systems, but most of them were lacking the resources to do so. Therefore EU subsidies, including ESIF, supplemented by state and/or regional aids, were granted to assist these regions in overcoming their energy poverty,

⁴⁵ Energy Roadmap 2050, Graph 3

⁴⁶ RIFKIN, Jeremy (2011), *The Third Industrial Revolution: How Lateral Power is Transforming Energy, the Economy, and the World*. New York: Palgrave Macmillan.

⁴⁷ Cf. <http://bigthink.com/think-tank/ray-kurzweil-solar-will-power-the-world-in-16-years>

⁴⁸ <http://www.desertec.org/concept/>

⁴⁹ Dii GmbH (2012) *2050 Desert Power – EUMENA 2050 Powered by renewable energy*. "EUMENA" stands for "Europe – Middle East and North Africa". Observing that "supply and demand for renewable energy are complementary in the south and north in all seasons", the DP2050 approach ambitions to harness synergies between European and MENA regions.

⁵⁰ Cf. ESPON 2013 project "ReRisk - Regions at risk of energy poverty"

⁵¹ Emission of "white certificates" : a system requiring energy companies to either invest in energy efficiency or buy "certificates". Such a system has been successfully implemented in Italy (cf. Lorenzoni, A. (2008), *The Italian Experience. White certificates in electricity and gas. A regulatory review*. <http://www.catedrabbp.upcomillas.es/Documentos/Actividades/Foro/2008/Lorenzoni.pdf>)

which they did. Nordic countries and Ireland were also facing specific (windy and/or cool) climatic conditions, but their level of economic welfare enabled them to take up the climate challenge more easily, especially through harnessing their wind energy potential.

2.3.3. Climate and environment

As indicated above, the earth's average temperature rise above 2°C raised world-wide awareness about the urgent need for a global environmental governance. Strict norms were prescribed and enforced by the WEO, in close consultation with the relevant authorities in the various continents.

Compared with other parts of the world, Europe was not facing the worst situation during the first half of the century. Various European regions were more affected than others, in various respects. The sensitivity of their physical assets, human populations, economic activities (including tourism, agriculture and forestry), environment and cultural heritage was carefully analysed⁵². It became clear that climate change was impacting various categories of regions in a differentiated way. For example, physical assets were particularly threatened, or even damaged, in the north-western coastal regions and in the Po river valley in Italy, as a result of both sea level rise and more frequent river floods. This had of course serious repercussions for populations in these regions, but the social impact of heat was even more significant in southern regions, especially coastal agglomerations in the Mediterranean. A similar comment applies to the economic impact of climate change, which seriously affected southern Europe, especially its touristic potential (but the Alpine regions were also affected in this respect, owing to the decrease in snow cover), and also agriculture in the south-eastern regions. Needless to say, climate change seriously impacted the environmental resources as well. Southern regions, again, were seriously affected, especially soils in river deltas and along coasts, as well as mountain areas, where steep slopes facilitate soil erosion. The cultural heritage, which is less affected by creeping changes in temperature and precipitation, was more threatened in a few regions (in particular some Italian and Dutch coastal areas and at the Slovakia-Hungary border) hosting a large number of heritage sites and prone to floods and other environmental hazards.

In the aggregated picture of the potential impact of climate change in the various European regions, three main categories emerged: highly threatened areas (mainly southern Europe but also the Belgian and Dutch Low Countries), areas characterised by a marginal (negative or positive) impact (mainly in DE-CZ-PL-DK-SE-FI-EE-LV-LT), and areas in an intermediate position (France, the remainder of Benelux, the British Isles and Norway). In terms of regional vulnerability⁵³ however, southern regions were more negatively affected, owing to a lower adaptive capacity.

The European territory was increasingly characterised by a north-south divide between regions respectively less and more vulnerable to climate change, similar to the other divide already observed concerning a "risk of energy poverty". A policy response was obviously needed. An EU strategy was elaborated and approved to tackle the issue of climate change, and in particular its territorial impact. This EU climate strategy, whose content was integrated in the *EUTeCoS*, was of course in line with the

⁵² Cf. ESPON 2013 project "*CLIMATE - Climate Change and Territorial Effects on Regions and Local Economies*"

⁵³ The International Panel on Climate Change (IPCC) defines vulnerability as "the degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude, and rate of climate variation to which a system is exposed, its sensitivity, and its adaptive capacity". IPCC (2007), *Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge University Press, Cambridge.

global strategy developed by the WEO, but concentrated on the specific implications of climate change for the European continent.

Drawing on the “EU plan for a competitive low-carbon economy by 2050”⁵⁴, the climate strategy recalled some key-objectives put forward in this plan, including

- 80% cuts to the EU's greenhouse gas emissions by 2050 (compared with 1990 levels) entirely through measures taken within Europe;
- significant improvement of the energy efficiency, for instance by investing in energy-efficient buildings and transport, (probably the most decisive contribution to reducing emissions);
- promotion of clean electricity, produced almost exclusively without greenhouse gas emissions to replace as much as possible fossil fuels for heating and transport.

Much emphasis was also placed in the EU climate strategy on the need for appropriate policy steps at the regional and local levels, with particular regard to land-use planning, in rural and urban areas alike. Action was particularly needed in the primary sector (agriculture, forestry), tourism (winter and summer) and the energy sector (supply and demand), not only to mitigate the negative effects of climate change in the most affected areas, but also to exploit some opportunities brought about by the positive impact of climate change in some regions⁵⁵.

As far as urban planning was concerned, it became evident that climatic considerations were key to contribute to an efficient sustainable city development paradigm. As successfully demonstrated in 2020 by the pioneering Masdar⁵⁶ carbon neutral eco-city experience (Abu-Dhabi), it was possible to achieve impressive results in sunny regions, not only through exploiting the solar energy but also by rediscovering some basic principles already applied long ago in Mediterranean and Middle-East cities: narrow streets to avoid excessive sunshine, adequate orientation, cooling-tower effect of the Moroccan riads, etc. Results obtained in existing cities through a revision of the urban design policy principles were of course less impressive than those achieved in new towns such as Masdar, but their contribution to increased sustainability in urban areas proved all but negligible.

To support the implementation of adequate policy responses in the areas particularly affected by floods, drought and other consequences of the climate change, EU subsidies, especially ESIF in various eligible areas, supplemented by extra national and regional funding, enhanced the reactive capacity of various regions. Priority was of course given to areas expected to be hit severely while having a low capacity to adapt to climate change and mitigate its negative effects.

Even though climate change and its various impacts were fully taken into account in the economic, transport/mobility, and energy policies while remaining the core concern of the EU environmental policy, action was also clearly needed in various other policy areas presenting partial, indirect or no connection with the climate issue, such as water resources, biodiversity, sustainable consumption / production, chemicals, etc.

⁵⁴ European Commission (2011), *A Roadmap for moving to a competitive low carbon economy in 2050*, COM(2011) 112 final.

⁵⁵ As estimated by the CLIMATE ESPON project, the aggregate potential impact of climate change in Berlin and a small number of areas in Poland, Estonia, Finland and Sweden is slightly positive.

⁵⁶ At the time of writing, the Masdar ecocity project start has proved significantly slower than initially expected. The hypothesis is made that difficulties initially faced by this ambitious project were finally overcome.

The “Roadmap to a Resource Efficient Europe”⁵⁷, which included a Vision for the EU’s economy in 2050, placed much emphasis on the need for sustainable management of resources (such as raw materials and minerals, energy, water, air, land and soil) and on the necessary protection, valuation and substantial restoration of biodiversity and the ecosystem services it underpins. Boosting resource efficiency was indeed key to make progress towards sustainability, but maintaining ecosystem resilience was no less essential. This was rightly pointed out, as early as 2013, by the European Environment Agency (EEA). In its report, the EEA indicated that Europe, at the time, had made “more progress in improving resource efficiency than preserving ecosystem resilience”⁵⁸.

By and large, the trends anticipated in the EEA report were confirmed in 2020, including in three policy areas of particular relevance for territorial development, namely waste, water resources and biodiversity.

Concerning the waste policy, the amount of municipal solid waste (MSW) generated per capita was still slightly above the 500kg/capita target but, worryingly enough, the anticipated decline of MSW landfill was clearly below expectations (still 115kg/capita in 2020, down from 179kg/capita in 2011, which means that the “near zero waste” 2020 target was clearly missed.) Put otherwise, there was still a long way to go to attain an EU-wide application of the “managing waste as a resource” principle, which implied, among others, eliminating landfills and eradicating illegal shipments while maximising waste prevention, reuse and recycling.

Moreover, waste was increasingly traded across borders, much of it for recycling, or material and energy recovery. This development was driven by EU policies requiring minimum recycling rates for selected waste streams as well as by economic forces: for more than a decade the prices of raw materials had been high or increasing, making waste materials an increasingly valuable resource. At the same time, export of used goods (for example, used cars) and their subsequent unsuitable waste treatment (for example, land-filling) in the receiving countries could contribute to a considerable loss of resources⁵⁹.

An appropriate policy response was clearly needed to accelerate progress towards the achievement of the “near zero waste” objective, and to better control cross-border waste flows. For this purpose, a reference binding strategy was adopted in 2020 and reflected in the *EUTeCoS*, mobilising various authorities and other key-players of the waste policy, including those involved in EU territorial cooperation (Euregios and macroregions – cf. Chapter 5).

With regard to water resources, the 'Roadmap to a Resource Efficient Europe' specified various objectives to be achieved by 2020, in particular:

- full implementation of all the River Basin Management Plans (RBMPs) of the Water Framework Directive (WFD);
- attainment of a “good status” (quality, quantity and use) of waters in all EU river basins;

⁵⁷ European Commission (2011), *Roadmap to a Resource Efficient Europe*, COM(2011) 571 final, cf. Heading 2 “Making Europe resource efficient”, “Designing the roadmap”

⁵⁸ Cf. European Environment Agency - EEA (2013) *Towards a green economy in Europe – EU environmental policy targets and objectives 2010-2050*, page 6. EEA Report No 8/2013, Copenhagen

⁵⁹ Cf. European Environment Agency - EEA (2010) *The European Environment, State and Outlook 2010*, synthesis, p. 75.

- minimisation of the impacts of droughts and floods, with adapted crops, increased water retention in soils and efficient irrigation;
- reliance on alternative water supply options only when all cheaper savings opportunities have been taken;
- water abstraction kept below 20% of available renewable water resources.

In 2012, the European Commission published its “Blueprint to Safeguard Europe's Water Resources”. While recalling the objective set out in the EU Water Framework Directive (WFD)⁶⁰, namely to achieve good water status by 2015, the Blueprint stated that “The EEA State of Water report and the Commission assessment of the Member States’ River Basin Management Plans (RBMPs) developed under the WFD concur that this objective is likely to be achieved in slightly over half (53%) of EU waters.”⁶¹ Therefore considerable progress was still needed to secure an acceptable level of availability and quality of water resources in the EU. This objective was not met in 2015, but an ambitious integrated strategy was elaborated in the following years and included in the *EUTeCoS*. An important chapter of this strategy was dedicated to the necessary macroregional cooperation between all the authorities and relevant stakeholders. The integrated management of water resources thus became a key-component of territorial cooperation strategies applied to transboundary river basins, and succeeded in developing a sense of solidarity between upstream and downstream areas of these basins. This was of course properly reflected in the Joint Territorial Integration Strategies (JTIS) defined and implemented by the macroregional and Euregional authorities (cf. Chapter 5).

As for biodiversity, the situation in the first decades of the century was also alarming. After deciding, in June 2001, that “biodiversity decline should be halted with the aim of reaching this objective by 2010”, EU leaders recognised, in March 2010, that this 2010 biodiversity target would not be met. True, the EU could boast some significant successes, such as the establishment of Natura 2000, the world’s largest network of protected areas, but only 17% of habitats and species and 11% of key ecosystems protected under EU legislation were in a favourable state, whereas significant further biodiversity loss was still observed elsewhere. In response, the “EU Biodiversity Strategy to 2020”⁶² proposed by the European Commission was endorsed by the Council in June 2011. This strategy included a “2050 Vision” and a “2020 headline target” respectively worded as follows:

- 2050 Vision: “By 2050, European Union biodiversity and the ecosystem services it provides — its natural capital — are protected, valued and appropriately restored for biodiversity's intrinsic value and for their essential contribution to human wellbeing and economic prosperity, and so that catastrophic changes caused by the loss of biodiversity are avoided.
- 2020 headline target: “Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss.”

More specific targets were also defined in the Biodiversity Strategy, concerning the evolution of the status of species and habitats, ecosystems and their services (to be maintained and enhanced by

⁶⁰ Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy. OJ L327, 22.12.2000.

⁶¹ European Commission (2012), *A Blueprint to Safeguard Europe’s Water Resources*, COM(2012) 673 final, page 3.

⁶² European Commission (2011), *Our life insurance, our natural capital: an EU biodiversity strategy to 2020*, COM (2011) 244 final

establishing green infrastructure and restoring at least 15% of degraded ecosystems), agriculture (biodiversity-related measures of the CAP, provision of ecosystem services, etc.) and forestry (sustainable forest management plans, etc.), fisheries, Invasive Alien Species (IAS) and the EU contribution to averting global biodiversity loss.

Noteworthy is the fact that stakeholders involved in territorial and land-use planning were strongly encouraged to intensify their contribution to the implementation of biodiversity strategies at all levels, “ensuring coherence with relevant recommendations set out in the European Territorial Agenda”⁶³.

In 2020 however, the results achieved under the Biodiversity Strategy proved rather mixed. Significant progress had been made to meet some targets, but the degraded ecosystems remained a major cause for concern, especially in border areas. To implement the strategy, action was indeed mainly taken in the domestic context by national, regional and local authorities, but its cross-border dimension, in particular missing links of the green infrastructure in border areas, was clearly overlooked. In response, the objectives of the Biodiversity Strategy were properly reflected in the *EUTeCoS*. More importantly, Euregional and macroregional authorities were requested to deepen their involvement in the Biodiversity Strategy implementation, and to adapt their respective joint territorial integration strategies (JTIS) accordingly. Thanks to this move, it proved possible to make up for lost time, and the EU 2050 Vision of the Biodiversity Strategy was successfully implemented in due course.

2.4. Territorial dynamics

In 2050, the changes brought about by globalisation have profoundly affected the EU, but not to the extent observed in other continents, because the growth rate of the economy and the population was much lower in Europe.

Unlike the US’s, Europe’s territory is also less adaptable to economic transformation⁶⁴. The weight of history and the desire to protect monuments and landscapes continue to play an important role in territorial policies. Furthermore, high standards apply to environmental protection and the conservation of natural resources, whereas new infrastructure has to blend in with the surrounding landscape. All this has also limited the extent of the transformations.

In addition, European territorial dynamics in 2050 are also influenced by two factors, which play a more significant role than on other continents, namely a low residential mobility and an extensive reallocation system of taxes and welfare contributions. This significantly affects the territorial structure through generating a “residential economy” mainly based on public transfers.

2.4.1. Low residential mobility

In 2050, the geography of Europe has not been modified so deeply as in the US. This is because of a persistent lower level of residential mobility, especially of the labour force⁶⁵. Whereas some 4 % of the

⁶³ European Commission (2011), *Ibid*, p. 8

⁶⁴ In the early 2000s, 2.3% of the US labour force was moving from one state to another. In Europe, these migrations were limited to 0.2% (between two member states) and 1.0% (between two regions within the same member state).

⁶⁵ See *Geographic mobility in the European Union, Optimising its economy and social benefits, Final report, DG EMP, April 2008, 150p.*

European working population are tempted to migrate, only 1% decide to do so, roughly the same proportion as in the 2000s (compared with more than 2 % in the United States).

In principle, provisions of the TEU⁶⁶, which date back to 1957, allow for a completely free movement of people. In addition, the provisions adopted in the context of the single market have constantly improved the EU legislative framework. In practice, despite persistent unemployment rates and major income gaps between regions, mobility between Member States remains hampered by many obstacles, which have not been substantially reduced.

In reality, the most mobile segments of the population are at the opposing ends of the qualification spectrum:

- the very low-skilled workforce (usually migrants from non member countries), because knowledge of the national language is not required for many execution tasks;
- the very high-skilled workforce, because knowledge of a vehicular language (English) allows them to occupy many high level positions in multinational companies.

For almost all the other jobs, a good working knowledge of the national language is essential: this is a major obstacle to migration beyond the language area of origin. Progress achieved in mobility policies at the EU level (coordination of the social protection systems, portability of pension rights, incentives to learn foreign languages) and at national level (more flexible labour and housing markets), proved insufficient to remove this obstacle.

In 2050, policies more finely tuned to different age groups are carried out:

- Group 1 (less than 20 years old): the availability of specialised school infrastructure is of critical importance; creation of bilingual schools, provision of education in foreign languages; this attracts inward investors, who can more easily convince their workforce to expatriate themselves;
- Group 2 (20 to 30 years old): the high mobility of students has increased with the generalisation of Erasmus-type cooperation programmes; when starting their working life or looking for their first permanent job), young workers and graduate students are a major target for regional policies, which attempt to get them settled in their hosting country to find a first job, to start a business or to find a flat; many regions facing depopulation may seize these opportunities to correct demographic imbalances and develop business;
- Group 3 (30 to 50 years old): the family life (employment of spouses, children's education) generates strong location constraints; this needs to be taken into account by local authorities, for example by attracting a sufficient number of general practitioners and other doctors in rural areas;
- Group 4 (50 to 75 years old): back to a significant level of professional and/or non professional mobility, with a possible change of residence when retiring; this generates new opportunities for regional authorities seeking to attract people with a view to providing a market to the residential economy and the tourism industry.
- Group 5 (more than 75 years old): the return to urban centres is often necessary, due to growing dependence on health infrastructure; investments for the elderly with reduced

⁶⁶ TEU = Treaty on European Union. According to Article 3, "free movement of persons is ensured".

mobility (e.g. construction of homes) may generate economic activity and jobs in peri-urban or rural areas.

In 2050, policy makers have achieved considerable progress in the area of mobility management. Growing attention is paid to the needs of non-active people, who are a source of financial transfers and consequently an opportunity for job creation in many regions.

2.4.2. The so-called residential economy

As suggested above, the spatial distribution of jobs no longer mirrors the geography of production. Due to the importance of welfare transfers in Europe, a significant part of the added value is not spent in its region of production, but according to the geographical location of specific groups of population (commuters, pensioners, students, some unemployed people). This is the basis of a “residential economy” fed by transfers and offering a wide range of services to the person, including tourism. The large size of financial transfers, which stem from the redistribution of taxes and welfare contributions (around 40 % of GDP in 2010 in the EU 27), is conducive to another geography, that of the residential economy⁶⁷, which overlaps the geography of production. In European countries with a high level of welfare, such transfers having a greater corrective effect on disparities than regional policies.

Although some rather painful corrections have been made to restore its competitiveness, Europe 2050 has kept its welfare system. The whole population continues to enjoy its health coverage, pension systems are balanced, and unemployment insurance, although less generous than in the past, continues to support jobless people. The social economy and other non-market services have been maintained and further developed.

As in the past, these expenditures mirror the geographical distribution of population rather than production. Jobs so created are more evenly distributed on the territory and more stable than those created by manufacturing industries (in particular when these are affected by reconversion problems). More and more pensioners consume their income outside the region where it has been generated. Commuters⁶⁸, owners of a secondary residence and tourists finance a residential economy, which allays the disruptive nature of economic change while making an essential contribution to growth in previously disadvantaged areas. However, these transfers may also turn out to benefit large cities, if people, in particular the elderly, prefer to live in a more urban environment.

2.4.3. Permeability and mobility of borders

In 2050, the EU borders are no longer barriers. Except in the most recent accession countries, they have lost their former filtering role. However, the fluidity of movement in Europe remains sizeably lower than in the US, due to the persistence of administrative hurdles (e.g. no harmonisation of welfare benefits) and linguistic obstacles (even if these have been significantly mitigated by computerised translation and interpretation facilities). With peripheral third countries, despite the intensifying relationship, restrictions remain on free movement of people, with particular regard to the establishment of migrants.

⁶⁷ This analysis is based on a statistical analysis of the French territory conducted by Laurent Davezies. Cf. DAVEZIES, L. (2008) *La République et ses territoires, la circulation invisible des richesses*, collection La République des idées, éditions du Seuil, Paris, 110p.

⁶⁸ In German “*pendlers*”, in French “*navetteurs*”: in 1999, a quarter of the active population living in rural areas was working in towns.

Border crossing, however, has become very easy, thanks to the construction of new infrastructure and simplification of controls. The intensification of trade has favoured new activities in border regions and reduced the income gaps, as a result of various mechanisms catalysing territorial integration, in particular cross-border and transnational territorial cooperation supported by the EU at its internal and external borders.

3. Cities and rural areas

3.1. Metropolitan, urban and rural areas: interdependence between human settlements in Europe

In 2050, complementarity between the productive economy, which feeds the growth, and the residential economy, which allocates the product of taxes and welfare contributions, has reduced territorial disparities.

Globalisation still favours metropolitan areas, which generate more added value and jobs. Businesses benefit from economies of scale, a range of high-quality services and various facilities. They find highly-qualified specialists and a suitable socio-economic environment. However, the growth capacity of European metropolitan areas is limited. In many rather densely populated areas of the continent, development is hindered by the lack of space and diseconomies of scales such as higher social and housing costs resulting from concentration and real estate speculation. If governments decide to charge the real cost of infrastructure and services to the private sector, companies may be tempted to resettle in less expensive areas.

Therefore, job creation opportunities move to secondary growth poles, offering attractive living conditions and good connections to the metropolitan areas. In cooperative networks of cities and towns, many companies favour decentralisation, which enable them to retrieve a range of high level services without the additional costs of metropolitan areas. This development is most visible in countries with no large metropolitan area, where the authorities have boosted their larger cities, which have attracted international functions of good level despite their relatively smaller size⁶⁹. As demonstrated since the beginning of the 21st century, these cities have experienced significant growth, sometimes higher than their capital city, despite the preferential treatment granted in most cases to the latter by national governments. These cities also benefit from devolution processes, allowing them to set up their own development strategies, which enable a majority of them to generate a potential for additional growth.

Small towns and rural areas are not necessarily penalised by these developments. They have retained productive activities (agriculture, small industries), whereas peri-urban areas attract activities which cannot easily find a site to settle within cities. Towns and rural areas are also the main beneficiaries of the residential economy.

⁶⁹ For instance in Switzerland, Geneva, Lausanne, Basel have attracted many international activities although there are rather small compared to Zürich or Frankfurt. Cf. ESPON project "Secondary Growth Poles and Territorial Development (SGPTD) in Europe: Performances, Policies and Prospects", Final report, June 2012, 63p. 124 second tier cities in 31 countries have been analysed by this project.

Furthermore, peripheral regions have capitalised on significant opportunities generated by higher growth and better living conditions in the Eastern partnership and SEMC⁷⁰ countries. They benefit from the intensification of trade with their neighbourhood countries. For example, the two sides of the Strait of Gibraltar have become very active production centres, with major spin-offs on both sides of the strait, from Tangier to the Spanish seaboard. In the Aegean, Malta, Sicily and Cyprus, the development of trade also creates many jobs. Growth in Kaliningrad, where Russia makes huge investments, stimulates neighbouring regions in Lithuania and Poland.

3.2. Cities

In the first half of the 21st century, the rise of the information society triggered a dramatic reshaping of the world system of cities. The traditional national trees of central places were progressively superseded by a world-wide lattice of polarising cities

At the time, fears were expressed about this evolution, which might have resulted in a zero-sum game between winning and losing cities. In reality, globalisation turned out to be a positive sum game between cities. As rightly stressed by prominent analysts (such as John Allen⁷¹), “the power to...” (i.e. the capacity to play a decisive role in the functioning of the network of cities) matters more than “the power over” (i.e. domination over the others).

Therefore worldwide cooperation between private and public bodies from various cities considerably intensified. However, relatively closer ties were still woven between cities of a same continent, for evident reasons of geographic and cultural proximity, whereas a small number of “global cities” emerged in each continent as main gateways to the global economy.

In 2050, the main global cities on the European continent remain concentrated in the “Pentagon”. In no way does this mean that economic wealth is concentrated in these hubs; instead, they represent a strategic interface network for the communication between European key-players of the globalised economy and those based in other parts of the world. These key-players themselves have established their headquarters and production units in a geographically balanced network of cities. The polycentric paradigm of European territorial development was consistently implemented during the past decades. In particular, EU ESIFs and investments of the EIB have contributed to the economic and cultural development of various cities, including capital-cities but also other cities insufficiently developed at the turn of the century, particularly in the members states which joined the Union at the time. This contributed to rebalancing the systems of cities in Eastern Europe. Physical connectivity between European cities was also considerably improved, thanks to the completion of some missing links in the TEN, in particular cross-border HST links.

Cooperation in cross-border, macroregional and global networks of cities has considerably intensified. The future of most cities no longer depends on decisions made in the framework of domestic policy, but steadily more on linkages and joint activities generated by these networks. Cooperation activities include in particular the promotion of “triple helix” (Industry/University/ Government) development, but also many other joint undertakings. Tangible cooperation projects focusing on specific issues of

⁷⁰ Southern and Eastern Mediterranean countries (SEMC): a group of Mediterranean associated countries stretching from Morocco to Syria.

⁷¹ ALLEN John (2008), *Powerful City Networks: More than Connections, Less than Domination and Control*. Urban Studies, Sage publications

relevance for territorial integration are particularly successful. Permanent thematic networks contribute to harnessing synergies between projects addressing similar issues. The transboundary geographical remit of these networks covers various and often overlapping areas, on a variable geometry basis. This type of flexible thematic cross-border or transnational cooperation is distinct from that of the macroregions and Euregios (cf. Chapter 5), which concentrates on long-term cross-sector territorial integration strategies, but needless to say participants in either type of cooperation work in close consultation with one another.

Noteworthy is also the fact that virtually every European city, and in any case every EU city, has completed the « urbanisation / suburbanisation / counter-urbanisation / re-urbanisation » cycle, as some western cities did already in the first decades of the century. This, but also many other factors and pro-active policies, was conducive to the development and widespread implementation of a European smart, sustainable and inclusive eco-city model. Like any model, this one is characterised by some general key-principles, whose application unavoidably leads to manifold original solutions, depending on local circumstances.

These key-principles, regularly updated, commented and disseminated on the Reference Framework for European Sustainable Cities website⁷², are as follows:

- make cities of tomorrow places of high social progress with a high degree of social cohesion; platforms for democracy, cultural dialogue and diversity; places of green, ecological or environmental regeneration; places of attraction and engines of economic growth;
- promote a compact settlement structure and combat urban sprawl;
- transform profoundly the metabolism of cities : forego the old linear metabolism (high quantities of inputs and outputs) and promote an efficient circular metabolism through minimised waste and emissions and maximised recycling;
- promote social mix in neighbourhoods and at school through all appropriate means (e.g. small public housing operations in the urban fabric or appropriate mix of more and less profitable operations in planning permissions delivered to private developers)
- favour high density urban development in strategic nodes and along public transport lines; forego further development elsewhere, and promote progressive ecological restoration of low density residential areas inherited from 20th century urban sprawl;
- strictly protect the blue-green infrastructure; be more flexible in zones dedicated to economic activities and residence
- irrigate residential areas with public transport and slow traffic (pedestrians/cyclists) infrastructure while reducing car traffic speed and land take
- adopt a holistic model of sustainable urban development; integrate policies vertically (between decision-making levels) and horizontally (between sector policies) and geographically (transcending administrative boundaries, e.g. those of municipalities) while deeply involving citizens

⁷² Cf. RFSC site : <http://www.rfsc-community.eu/about-rfsc/rfsc-at-a-glance>

3.3. Rural areas⁷³

In the first two decades of the 21st century, the European territory was characterised by profound changes in the socio-economic profile of so-called “rural areas”. Far from being essentially dedicated to their traditional crop-farming and stock-rearing industries, a large majority of these areas took different pathways. Demographic drivers such as depopulation and “counter-urbanisation” trends played a major and differentiating role, depending on the geographic position of the areas considered: the economic outlook sizably improved in some areas, but worsened in others, where the provision of “Services of General Interest (SGI)” was a major cause for concern. Many areas faced a vicious circle, in which demographic / economic decline and SGI degradation feed each other, but in other areas the opposite process took place, i.e. a proactive support to SGI contributed to economic recovery. By and large, less accessible remote areas of eastern and southern Europe remained more “agrarian” and experienced little diversification of their economy, whereas other areas successfully invested in the “New Rural Economy”, i.e. other industries than food and fibre production, not only those often associated with the rural economy (e.g. tourism) but also some manufacturing and service industries. Closely associated with the counter-urbanisation process, the NRE was more developed in accessible rural areas. Moreover, many rural areas, regardless of their degree of accessibility, were able to capitalise upon⁷⁴ various public goods available on their territory, such as quality landscape, biodiversity or traditional cultures.

Climate change also severely impacted various rural areas, especially in southern and eastern regions, where options for agriculture were narrowed, the risk of environmental degradation increased, and tourism and leisure activities in particular were affected.

The crisis faced by remote agrarian regions was particularly acute in eastern Europe, where it was exacerbated by a high level of out-migration and a clear weakness of the urban settlement pattern: apart from one dominant capital city in each member state, the rest of the national territory was characterised by a real lack of other medium-sized cities and poor accessibility, which resulted in very poor prospects of diversification of the rural economy.

This excessive “monocentricity” of the urban system in the remote rural areas was a real challenge for the EU, national and regional authorities. In the twenty-twenties and -thirties, the EU Territorial Cohesion Strategy and relevant sector policies were adapted to provide appropriate policy responses. Among these policies, particular attention was paid, not surprisingly, to the CAP. Despite the partial re-nationalisation of its first pillar, strategic decision-making about some key-issues of federal interest were kept in the EU remit. Some support to farm competitiveness and agri-environmental measures was still provided, but their relative budget share was reduced, whereas extra funding was allocated to the diversification of the rural economy, rural quality of life and institutional capacity. However, it remained clear that the EU cohesion policy had still a crucial role to play to rebalance the territorial development, with a particular emphasis on the promotion of a better balanced urban system and improved accessibility of remote rural areas. Targeted policy steps were also taken to tackle issues specifically faced by areas affected by a geographic handicap, in particular the Arctic and mountain areas, and islands.

⁷³ This section is mainly based on the conclusions of the ESPON 2013 EDORA project.

⁷⁴ or « to commodify » in the specialised jargon, i.e. to use public goods as a basis for economic activities (cf. EDORA glossary)

4. Maritime issues

Europe is widely open to the sea, to which its development owes much. The new challenges of the climate change strongly affect coastal regions. In 2050, the maritime dimension of EU policy has gained even more importance. The population living on the coastline has constantly increased during the 20th century and continues doing so in the 21st century. More than ever, the sea is a key development resource in outermost regions (ORs) and Overseas Countries and Territories (OCTs).

Accommodating the maritime dimension in territorial development policy has proved to be a complex challenge, given the large number of stakeholders and the preponderance of vertical (sector based) responsibilities in the distribution of competences. However, population and economic growth in coastal zones, together with adequate policies addressing their development and environmental safety, have resulted in substantial progress.

4.1. Coastal areas

Defined by ESPON on the basis of an accessibility criterion⁷⁵, the coastal areas accounted in 2010 for 21.6 % of the EU-27 area and 36.0 % of its population⁷⁶, including the islands (except the British Isles and their hinterland), which counted for 3.5 % of the area of the EU and 4 % of its population in 2010. They have been regularly growing since that date.

Disasters (floods, oil spills) that have occurred during the first half of the 21st century led governments to place more emphasis on coastal protection. This trend has been constantly increasing, due to rising sea levels, a growing threat in low-lying coastal areas, especially in the Netherlands, the only member state with a quarter of its territory and 60 % of its population below sea level.

Regulatory remedies (protection of natural areas, prohibition or limitation of new constructions, sustainable development, engineering works to protect fragile areas) have become sufficiently popular to influence governments.

In 2050, the international convention signed on coastal development (integrated coastal zone management ICZM) takes full account of the complexity of ecosystems and ensures consistency between maritime policy and territorial development. Coastline management is now carried out in compliance with the guidelines elaborated by the WEO, possibly at the expense of certain economic activities, with a view to securing sustainable development.

4.2. Integrated maritime policy and maritime spatial planning

Europe and its dependencies control quite a large part of the world maritime spaces, which represent 71 % of the planet area. In 2013, the EU28 exclusive economic zone (EEZ) was estimated at 6,932 million km². With the shares of other EEA countries (Norway and Iceland, 3 million km²) and OCTs (17.8 million km²), the total is close to 28 million km², well ahead of the EEZ size of the US (11.4 million km²), Australia (8.5 million) and Russia (7.6 million).

⁷⁵ Areas within commuting distance (45 minutes by road) of the coastline.

⁷⁶ GEOSPECS, *European Perspective on Specific Types of Territories*, Final report, ESPON project, 20 December 2012, 121p.

In 2050, protection policy and development of maritime areas in Europe has adapted to four main issues:

- Closed or virtually closed seas: almost all the Baltic, the Mediterranean and their annexes play a very important role in the European geography and economy. During the 20th century, natural and man-made disasters gave rise to a decline of fishing and environmental resources. In addition, vulnerability to climate change placed them in a very critical situation, until appropriate policy responses were adopted and implemented in the first half of the 21st century;
- Border seas (Atlantic, North Sea), have experienced comparable problems, but to a lesser extent; these problems have been remedied thanks to the intensification of international cooperation since the creation of the WEO;
- The Arctic Ocean (14 m. km²) is also a virtually closed sea but characterised by specific risks and opportunities associated with the melting of polar ice⁷⁷, which paves the way for economic exploitation: navigation, drilling and development of fisheries. At the request of bordering countries, in particular Denmark (Greenland) and Norway, the WEO has established a very stringent framework for the protection of the natural environment and the control of economic activities. Navigation along the Siberian coast (Northeast Passage) and via the Canadian archipelagos (Northwest Passage) is very carefully monitored. As in the Antarctic, a Treaty was signed between the riparian countries to put the territorial claims on hold.

In 2050, the political and economic challenges of maritime spaces have become very serious, as the exploitation of very remote submarine resources has been made possible by technological progress. Considering the increasing fragility of maritime and coastal spaces, some speculative projects proved illusory. It was therefore decided not to implement them to avoid damaging the environment and accelerating the climate change.

To face the growing pressure of these challenges, the maritime governance has undergone radical transformations. According to a study for the European Parliament⁷⁸, this governance was considered very weak at the beginning of the 21st century, not only at the national but also (and more importantly) at the international level. Taking into account the impact of climate change, and bearing in mind that wide maritime spaces are shared by several countries, it was deemed essential to reinforce common actions carried out by the UN (via the WEO) and the EU.

Although Europe is largely open to the sea, European integration has long maintained a more continental dimension. With the exception of the Common Fisheries Policy⁷⁹, at the turn of the century the EU has not yet very much promoted a joint sustainable management of its maritime spaces. In 2007, the EU launched an “integrated maritime policy⁸⁰” and set about taking into account its impact on spatial development, through including the sea areas in the priorities and strategies set out in the EU Territorial Agenda: *“maritime activities are essential for territorial cohesion in Europe... there is a*

⁷⁷ Over the period 1960-2010, the polar ice has lost 40% of its thickness.

⁷⁸ *The maritime dimension of the Common Security and Defence Policy (CSDP) : Geostrategic Maritime challenges and their implications for the European Union*, (European Parliament, SEDE, 2013, 110p.)

⁷⁹ The Treaty gives exclusive competence to the EU for conservation, exploitation and management of maritime fishing resources.

⁸⁰ EU's maritime policy was launched to « enhance the optimal development of all-sea related activities in a sustainable manner. » (Commission communication, 2008).

need to solve user's conflicts and balance various interests by cooperation in maritime spatial planning. Coordinated actions from Member States should be integrated into the existing planning system to enable harmonious and sustainable development of a land-sea continuum⁸¹."

Despite the vulnerability of the coastline (to oil spills in particular) and the fact that a large share of trade is carried by sea⁸², it took several years to replace work in isolation by structured maritime cooperation, which logically became a part of spatial development as recommended by the EU Territorial Agenda as early as 2011. In 2020, these questions were extensively addressed in the *EUTeCoS*.

Long negotiations have consolidated the law of the Sea, in particular with countries who did not sign the UNCLOS agreement demarcating territorial waters (either 12 or 24 nautical miles) and the Exclusive Economic Zones (EEZ, up to 200 nautical miles). In line with WEO requirements, the EU has established common policies to improve environmental protection while exploiting natural resources in complete safety.

As maritime activities are essential for territorial cohesion in Europe, Maritime Spatial Planning (MSP) has been integrated into the existing planning systems, to enable harmonious and sustainable development of a land-sea continuum, avoiding unnecessary competition for maritime space, with the potential of fostering the so-called "blue economy" and create synergies between different maritime activities.

At European scale, greater recognition of the importance of marine space has been achieved within EU activities, through a closer collaboration between sector-based (Transport, Energy, Fisheries) and horizontal policies (such as Integrated Maritime, Environment and Regional policies). This has allowed better efficiency in addressing trans-boundary maritime planning issues at different spatial scales, as well as more effective transnational governance arrangements tailored to particular maritime contexts.

Taking account of the strength of land-sea interactions, the relevant public authorities have developed integrated maritime planning arrangements that ensure consistent planning across the land sea continuum in national and transnational spaces alike.

In terms of territorial development, adequate instruments have been created to manage complex and fragile environments which belong to several member states, taking into account the complex distribution of competences between different levels of government. The EU has developed a common framework for the collection of maritime data to facilitate harmonisation across maritime regions. A legislation has been established to create a common framework for MSP and integrated coastal management. Particular emphasis has been placed on mapping coastal and marine activities to make more efficient use of seas and on developing coastal management strategies integrating the various relevant policy areas. This legislation is characterised by a strong focus on cross-border cooperation and coordination between administrations at all levels of responsibility.

⁸¹ Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development (2011), *Territorial Agenda 2020*, § 5.

⁸² 90% of EU's external trade and 40% of its internal trade is carried out through maritime transport.

The EU implements its policies through strategies established for each sea basin, drawing on the Baltic experience. Taking a range of different initiatives as starting point, a framework of reference has been elaborated to coordinate the activities geared towards the protection and management of the sea and coastal areas. Strategies have been approved and regularly updated, programmes have been implemented, and a permanent secretariat has been entrusted with the monitoring and follow up activities. Coordination is even secured between basins, e.g. between the Black Sea and Danube macro-regions as de-pollution of the sea is closely linked to that of river catchments.

In parallel, at the EU level, the framing of the integrated maritime policy as well as its international dimension have been reinforced. In this respect, the WEO plays a decisive role, through ensuring better consideration of maritime issues at the global level. Based on the existing conventions (Ramsar, MARPOL), with the assistance of the other UN agencies, including the IMO (International Maritime Organisation), the WEO has established a legally binding legal framework which is included in all sea governance arrangements.

4.3. Outermost Regions (ORs)

The seven Outermost Regions (Azores, Madeira, Canary Islands and the five French DOM following the inclusion of Mayotte on 1 January 2014), are explicitly mentioned in Article 349 of the TFUE⁸³. Even though they represent a modest part of the territory of the EU-27 (2.3 %) and of its population (0.8 %), they are all but negligible in terms of EEZs, with 2.5 million km², of which 1.4 million km² for the Azores and Madeira, 456,000 km² for the Canary Islands⁸⁴ and 656,000 km² for the French DOMs.

In 2050, benefiting from a high level of priority in the structural policies, the ORs pursue the diversification process of their economies, develop their services of general interest (with partial compensation, through the EU budget, of the extra costs resulting from distance and isolation) and improve the quality of their environment. Their level of income has increased and technological change has contributed to improving their accessibility. Territorial handicaps remain (double insularity, frequent mountain areas), but development gaps have been reduced.

The ORs take also advantage of their immense maritime spaces. Since the early 2000s, this potential has been properly harnessed. Modernisation of fisheries and exploitation of sub-marine resources, taking into account the long term, have provided new economic opportunities and generated additional financial resources. More intensive cooperation with the neighbours (the Caribbeans, other archipelagos in the Indian Ocean, West Africa) has catalysed trade. Lastly, the ORs retain their climate asset, as they are the only EU regions benefitting from an all-year-round tourist activity.

4.4. Overseas countries and territories (OCTs)

The OCTs do not belong to the EU, but they cannot be ignored. As a matter of fact, their maritime space has acquired considerable importance since the beginning of the 21st century. The exploitation of their marine resources represent a key challenge, because this involves the EU in a wider maritime space than its immediate surroundings, with a huge potential.

⁸³ All islands, except the French Guiana.

⁸⁴ Estimation only: there is no sharing agreement between Morocco (de facto in control of Western Sahara) and Spain.

In the seas bordering the overseas territories of 4 Member States (OCTs), the size of the EEZ is not commensurate with that of territories concerned⁸⁵. With technological developments and the rise of environmental problems, their protection and sustainable exploitation have become an unprecedented challenge for the EU. This huge maritime domain, full of problems and opportunities, hosts a very small population (1.25 million inhabitants in 2010). Considerable technical and financial means need to be invested to ensure its control and its development.

Increasing competition to control these immense spaces led some OCTs to opt for independence, which sometimes endowed them with financial resources of an incredible dimension in view of their tiny population (Greenland⁸⁶). Elsewhere, as the OCTs could not control their EEZ nor conduct themselves the exploitation of their resources, they decided to weave closer ties with their respective member state and the EU, of which OCT inhabitants are citizen. Faced with the rising power of continent-states (Brazil, Australia etc.), the EU ended up giving much more consideration to these territories, which were still nicknamed “*colonial empires confetti*” at the turn of the century.

5. Multilevel Territorial Governance and Policy Implications

« *a more interdependent and complex world generate challenges, which demand a coordinated response.* » (Global Europe 2050)

Humans live in two types of space: the static “space of places” made of relatively self-contained elements (e.g. country, city, region, village) delineated by borders, and the dynamic “space of flows”, which develop the transboundary⁸⁷ exchange of goods, services, information, knowledge, etc. between interconnected nodes. Until the nineteen seventies, the space of places was relatively dominant, but from the nineteen eighties onward it constantly lost ground to the space of flows. The decisive groundbreaking factor of this change was the emergence of the digital age, which made the interrelationships in the space of flows continuous and in real time⁸⁸. Constant progress was made in this direction during the first half of the 21st century, including cutting-edge technologies facilitating cross-cultural communication such as automatic real time interpretation services.

These new trends have considerably impacted the evolution of the world governance system. Thanks to the action of the United Nations, very significant progress has been made towards the establishment of Kant’s perpetual peace⁸⁹ on the globe. Some visionary thinkers have recently argued

⁸⁵ An island of 1 km² may generate an EEZ of 107,500 km².

⁸⁶ U.S. Geological Survey found in 2001 that the waters off north-eastern Greenland (north and south of the Arctic circle) could contain up to 110 billion barrels of oil (around 40% of Saudi Arabia’s reserves).

⁸⁷ As recommended by Dühr, Colomb and Nadin, “transboundary” is used here as a generic term, referring to the three types of cooperation (cross-border, transnational, interregional) popularized by the EU territorial cooperation. Cf. DÜHR, S., COLOMB, C., NADIN, V. (2010) *European Spatial Planning and Territorial Cooperation*, Routledge, London & New York, p.30

⁸⁸ Castells, Manuel (1996). *The Rise of the Network Society, The Information Age: Economy, Society and Culture*, Vol. I. Cambridge, MA; Oxford, UK, Blackwell

⁸⁹ KANT, Immanuel (1917) *Perpetual Peace: A Philosophical Essay [Zum ewigen Frieden. Ein philosophischer Entwurf (1795)]*, translated with Introduction and Notes by M. Campbell Smith, with a Preface by L. Latta, London: George Allen and Unwin.

that it is probably time for humanity to set up a world federation turning the former nation-states into federated entities. However, time is not yet ripe in 2050 for this decisive quantum leap, even though it has already been achieved in some parts of the globe, including the EU in Europe.

As a matter of fact, the evolution of governance arrangements in the world has been characterised by a constant trend toward further complexity, but broadly speaking six main levels have emerged: the global, supranational (or “federal”), macroregional, national (or “state”), cross-border and regional/local levels.

At each of these levels, territorial governance is characterised by a complex mix of initiatives by, and cooperation between, private, semi-public and public bodies. However, the power to produce legal or regulatory norms such as treaties, laws and regulations remains the privilege of the global, supranational/federal, national/state and regional/local levels. Authorities of the macroregional and cross-border levels, whose cooperation area generally overlaps the geographic remit of national and supranational entities, are not entitled to produce such norms, which could clash with those adopted at other levels. This does not prevent territorial cooperation from catalysing the border vanishing process.

5.1. Global governance and interregional cooperation on territorial issues

Over the past few decades, world-wide cooperation on various issues relevant to territorial development considerably intensified. Countless key-players of the public and private sectors, including NGOs and the corporate sector were involved in this process.

After the disappointing outcome of the Rio+20 Conference, it became clear that the objectives set by the United Nations Environment Programme (UNEP) would never be achieved unless a profound reform of the UN governance on climate and other environmental issues could take place. After protracted negotiations, an agreement was reached in the UNEP proceedings about the creation of the World Environment Organisation (WEO). Considerable progress has been made ever since towards a world-wide efficient governance on environmental issues, thanks to the WEO catalysing action.

Close cooperation ties have been established between the WEO and the International Maritime Organization (IMO), to secure a good coordination between the environmental agendas of these two UN organisations. The IMO action in the areas of maritime security and safety has also sizeably intensified. The highest practicable standards in these matters have been adopted and successfully enforced. This way, significant progress has been made towards safe, secure, environmentally sound, efficient and sustainable shipping.

Over the last decades, the conservation and exploitation of natural and energy resources located outside the Exclusive Economic Zones (EEZ) of the various nations, a highly sensitive issue, gave rise to passionate polemics. Finally, the issue was fixed after tough negotiations under the aegis of the UN. The resulting rules approved between the nations concerned have been enshrined in various ad-hoc international treaties.

Whereas these major breakthroughs were achieved in the field of global governance, interregional cooperation considerably intensified as well, on a variable-geometry and less formal basis. Countless public and private bodies involved in territorial policy issues (e.g. cities and other local and regional

authorities, NGOs, research centres, environmental agencies) take part in this cooperation, which revolves around a large number of topics: city networking, urban and rural development, “triple helix⁹⁰” networking, transport, environmental protection, cultural heritage development and conservation, etc.

5.2. Supranational / federal territorial governance

One century has elapsed since the visionary Schuman Declaration (9 May 1950). Like Rome, the EU Federation was not built in a day, but after a long-lasting, step-by-step, and rather hectic process. Drawing on this pioneering experience, other regional integration processes have taken place in other continents. The depth of integration achieved in this framework is uneven: some organisations are still cooperating on the basis of a quasi-intergovernmental model; others have succeeded in improving their efficiency through the introduction of a qualified majority decision system for a relatively large number of common policies; and the most daring ones have adopted the federal approach, with an institutional framework very similar to that of the European Federation: a bicameral law-making system (with the former Council replaced by a federal senate) and a federal government exercising executive power within the limits of a clearly defined remit. All these organisations include the territorial dimension in their overall policy approach.

After the accession of Croatia, the EU had 28 member states. Nowadays the EU brings together a sizeably higher number of federated states. The evolution of the membership has resulted from three different factors:

- some former member states, opposed to the federal approach, decided to opt out while keeping cooperating with the federal EU as an associate partner country;
- following the exacerbation of internal conflicts triggered by separatist movements, other member states lost one or more of their former regions; recognised as new nation-states, a majority of these entities asked for, and obtained, their accession to EU membership, subject to full compliance with the “EU acquis”;
- several countries of the European continent, mainly but not exclusively in Eastern Europe (including some former USSR members) also joined the EU.

This significant reshaping of the EU geography was accompanied by a no less significant transformation of the EU functioning.

The difficult negotiations which led to the adoption of the “Sixpack”⁹¹ brought into sharp focus the heaviness and complexity of the EU decision-making procedures. The EU was facing a double risk of paralysis and democratic deficit, as its leaders were increasingly mired down in a sea of intricate procedures to make decisions that hardly any EU citizen could understand. This rose awareness about the need to move towards an efficient and democratic federal model.

⁹⁰ Government-university-industry cooperation, typical of the knowledge economy.

⁹¹ “Sixpack”: to save the Euro, it proved necessary to reform the Stability and Growth Pact and to introduce new macroeconomic surveillance within the EU. For this purpose, a set of six EU regulations was adopted in 2011, relating to the following topics: [1] strengthening of budgetary surveillance and coordination of economic policies; [2] speeding up and clarifying the implementation of the excessive deficit procedure; [3] effective enforcement of budgetary surveillance in the euro area; [4] requirements for the fiscal framework of the Member States; [5] prevention and correction of macroeconomic imbalances; [6] enforcement action to correct excessive macroeconomic imbalances in the euro area.

Not surprisingly for such a model, subsidiarity was regarded as a golden rule. After its inclusion in the Maastricht Treaty in the nineteen-nineties (during the so-called “Delors era”), subsidiarity became a consensual buzzword. Unfortunately, there was no consensus about the practical implications of this principle. Especially for EU policies with a territorial impact, such as transport, environment, regional policy, CAP and many others, and even more for the coordination of these policies, there was much controversy about the exact EU remit. True, the notion of “EU territorial cohesion” had been introduced in the Treaty on European Union (TEU), but it remained rather mysterious, as nobody, not even the European Commission, ever managed to provide a clear reference definition of it.

In more recent times however, it proved possible to generate consensus about what subsidiarity really entails. The allocation of competences between the EU federation and its federated states was clarified and streamlined. Surprisingly (at least for those accustomed to the centralist tradition of their former unitary nation state), the exercise did not so much result in the delegation of competencies to the EU federation in extra policy fields. The list of federal policies was virtually the same as the list of community policies already included in the TFEU⁹². What really changed was the decision making procedure, especially in the area of foreign policy: the former loose coordination of 28 policies made way for a genuinely unified EU diplomacy. Also in policy fields to which the “community method” (to use the old terminology) did not fully apply, such as economy or energy, procedures in line with a genuinely federal approach are now implemented, in particular law-making by a bicameral federal parliament. The disappointing outcome of the Lisbon and Europe 2020 strategies led to the conclusion that the celebrated “Open Coordination Method” was not the right approach when important decisions need to be made to put the EU economy back on the right track.

Territorial cohesion still ranks among the key EU policy aims, but there is no such thing as “territorial cohesion policy”. Instead, an “EU Territorial Cohesion Strategy (*EUTeCoS*)” has been elaborated and formally approved by the EU authorities. The *EUTeCoS*, whose first version dates back to 2020 and has been periodically updated ever since, provides a coordination framework for all the EU policies with a territorial impact. The purpose is to make all these policies contribute to a consistent, balanced and sustainable territorial development strategy of the EU. Since territorial cohesion is not a sectoral policy, no Commissioner in particular is responsible for it ; instead, the elaboration of the *EUTeCoS* and the supervision of its implementation are the collective responsibility of the federal Commission, and related activities are coordinated by its President. As far as the implementation of this strategy is concerned, a considerable number of tasks and competences have been devolved to other bodies, including state, regional and local administrations and agencies responsible for territorial development in the member states, but also to authorities of the macroregional and cross-border levels; in this case, of course, the action to be taken does not entail any alteration of the existing legal order in the macroregional or cross-border area concerned.

The EU neighbourhood policy has considerably intensified over the past decades, with significant consequences for territorial governance in large areas surrounding the EU territory. Close cooperation takes place between the EU and the countries located in proximity of its territory. The diversity of their status (former EU member, European Economic Area - EEA member, European part of Russia, EU candidate or pre-accession country, Euro-Mediterranean Partnership – EUROMED member) does not preclude these partner countries from weaving steadily closer ties with the EU and intensifying their

⁹² TFEU = Treaty on the Functioning of the European Union.

cooperation, which proves to be a remarkable positive-sum game and an efficient territorial integration catalyst. Some less advanced countries have obtained an “EEA+” status: they accepted to implement the single market legislation and equip themselves with the machinery needed for its application; in return, they are granted extra financial help to catch up in economic terms.

5.3. Macroregional territorial governance

Building on the early successful cooperation experiments in the Baltic and Danube areas, several other territorial cooperation groupings have emerged in wide macroregions and engaged in the elaboration and implementation of a Joint Territorial Integration Strategy (JTIS). There are several overlaps between their respective cooperation areas, most of which are crossed by the external (maritime or land) border of the EU. Therefore macroregional territorial cooperation activities also contribute, to a very large extent, to the implementation of the EU neighbourhood policy.

A sophisticated territorial cooperation governance has been progressively developed in these macroregions. The formal cooperation procedures adopted are very diverse and reflect the specific circumstances of each macroregion. Nevertheless, some key common features apply everywhere. For example, every macroregion has acquired legal personality through adopting the EGTC status. In general, the cooperation is guided by the JTIS, approved and regularly updated by the macroregional assembly with the assistance of a large number of consultative bodies (e.g. a macroregional social and economic committee, associations of cities, expert bodies such as the European Environment Agency or the ESPON Agency, etc.) The assembly is composed of delegates formally appointed by the state- and regional public bodies involved in the cooperation.

The assembly appoints and revokes the members of a macroregional executive authority, sometimes dubbed “macroregional government”. This authority takes all appropriate steps to implement the JTIS. Neither the assembly nor the executive authority produces any new legal or regulatory norm. However, they may invite (but in a strictly advisory capacity) the EU, state- or regional authorities to do so with a view to facilitating cooperation in all or part of the macroregion.

More importantly, the executive authority devotes much more of its time to other tasks, most of which of an operational nature. Probably the most important of these tasks consists in liaising with an impressive number of key-players of the private, semi-public and public sectors, including NGOs and other members of the civil society, to involve them in the territorial integration process, and to promote synergy between the various cooperation initiatives taken by these bodies. This is a two-way process: the executive authority raises awareness about the JTIS and its application, whereas the experience of field practitioners contributes to updating and strengthening the JTIS. This experience is extremely diversified, geographically and thematically. An impressive array of issues (sea water and ground/surface water management, natural resource conservation, mobility and transport, city networks, R&D networks, renewable energy generation and distribution, smart grid projects, territorial planning, etc.) are all addressed on a transboundary and variable geometry basis in ad-hoc cooperation areas whose size considerably varies from one cooperation scheme to another.

The macroregional budget is voted by the assembly, generally on a multiannual basis. Receipts typically include state- and regional contributions as well as EU subsidies (with a large share of ESIF). A small amount of the expenditures is dedicated to the functioning of the macroregional administration, the remainder being affected to cooperation project subsidies. To maximise the yield of public

expenditure, these subsidies are negotiated on a case-by-case basis: project partnerships with limited own resources are of course entitled to higher grant rates. However projects whose action plan does not contribute to territorial integration are not eligible for financial support. Furthermore, the territorial integration process is far from being exclusively supported by the macroregional budget. Various strategic investments, especially those needed by major infrastructure projects such as the Strait of Gibraltar fixed link, are funded by loans and resources raised through financial engineering operations involving the private and public sectors alike.

5.4. State territorial governance

The European continent has become fully post-Westphalian. Even though EU citizens remain attached to their formerly “national” and regional culture, they also feel steadily more European, and “abroad” in the everyday language has become synonymous with “outside the EU”. One and the same citizenship, “European”, is mentioned on an EU passport. In the daily newspapers, EU politics are front page news, whereas state and regional news is relegated to the following pages.

Compared with the situation in the pre-federal phase of the EU, the responsibilities and organisation of the member states have considerably evolved. As was formerly the case, the internal procedures, allocation of responsibilities and governance arrangements still vary considerably from one state to the other. As a consequence of the EU federalisation process, a limited number of former national and EU prerogatives have been transferred to the upper (federal) or lower (state) level, in terms of both law-making and policy implementation. Considerable efforts have been invested in clarifying the exact remit of the federal and state authorities. As indicated above, the reallocation of various policy fields was much less significant than the reform of the decision making procedure (i.e. former consensus in the Council replaced by majority voting in the bicameral EU parliament for law-making on several federal policies).

As far as policy implementation is concerned, the states have kept most of their former responsibilities. Moreover, they have also been entrusted with the implementation of many federal policies, or even the supervision of this implementation by their regional authorities. This applies, for example, to several policies with a significant territorial impact such as the CAP and the regional policy. The framing of some policies such as land-use planning still ranks among the state prerogatives, even though land-use planning itself may be affected by rules and procedures defined by the EU law (as has already been the case since 1985 in the area of EU environmental impact assessment).

5.5. Cross-border territorial governance

In Europe, cross-border cooperation between border regional and/or local authorities is a well established tradition, dating back to the 1960s, when it emerged at the Dutch-German border. Nine decades later, this type of proximity territorial cooperation has become commonplace at every internal and external border of the EU federation, and considerable progress has been made towards its further deepening and institutionalisation. Like historic battlefields (Hastings, Slavkov u Brna / Austerlitz, Marne, etc.), former national borders have been turned into symbolic sites of the friendship between former European nations. Visitors can hardly believe that war and hatred was still possible in the 20th century between these nations, whose potential for cooperation based on fruitful positive sum games was so immense.

Nowadays, there is much grass-root support for such cooperation, especially in the “Euregios”. Arrangements similar to those used by macroregions apply, *mutatis mutandis*, to territorial cooperation in a considerable number of cross-border Euregios, which were created several decades ago. Like the transnational macroregions, these Euregios have acquired the EGTC legal personality. Their assembly, which is generally composed of representatives of the regional and local authorities of the Euregio, supervises the action of the cross-border executive authority. This action is based on a reference JTIS adopted and periodically updated by the assembly. The Euregio is not entitled to produce any legal or regulatory norm, but it disposes of a considerable autonomy to engage in other joint activities contributing to the objectives set out in the JTIS.

To catalyse the territorial integration process in the Euregio, the executive authority mobilises a considerable number of people, associations, NGOs, public or semi-public bodies and the corporate sector to involve them in the JTIS implementation. Many policies conducive to sustainable territorial development are addressed in this framework. These policies are relatively similar in nature to those addressed by the macroregional cooperation: water and other natural resource conservation, mobility/transport, etc. However, the specific topics addressed and issues tackled by cooperation projects reflect a desire for meeting local needs. In the area of mobility for example, a better cross-border connection of regional public transports to a major node of the TENs in a city of a metropolitan Euregio is a typical project objective. In contrast, a rural Euregio will often concentrate on the provision of alternative types of services of general interest, for example cross-border on-demand transport services.

The budgetary arrangements of a Euregio are similar to those applying in macroregions. The Euregional multiannual budget is voted by the assembly. Receipts include contributions by the regional and local member authorities, as well as state and EU subsidies (ESIF subsidies in particular). Cooperation project subsidies account for the bulk of expenditures, and the grant rates are negotiated on a case-by-case basis.

5.6. Regional/local territorial governance

Over the period 2010-2050, the evolution of the governance of regional and local entities has been characterised by a less dramatic change than that experienced by the other four governance levels, possibly because of a more moderate impact of globalisation and European integration on regional and local policy making. This impact was nonetheless not negligible.

Apart from the deep involvement of local and regional authorities in cross-border and macroregional cooperation (cf. *supra*), other reforms have taken place to reshape and improve multilevel territorial governance arrangements. Not surprisingly, very diverse reforms have been attempted, with a variable degree of success.

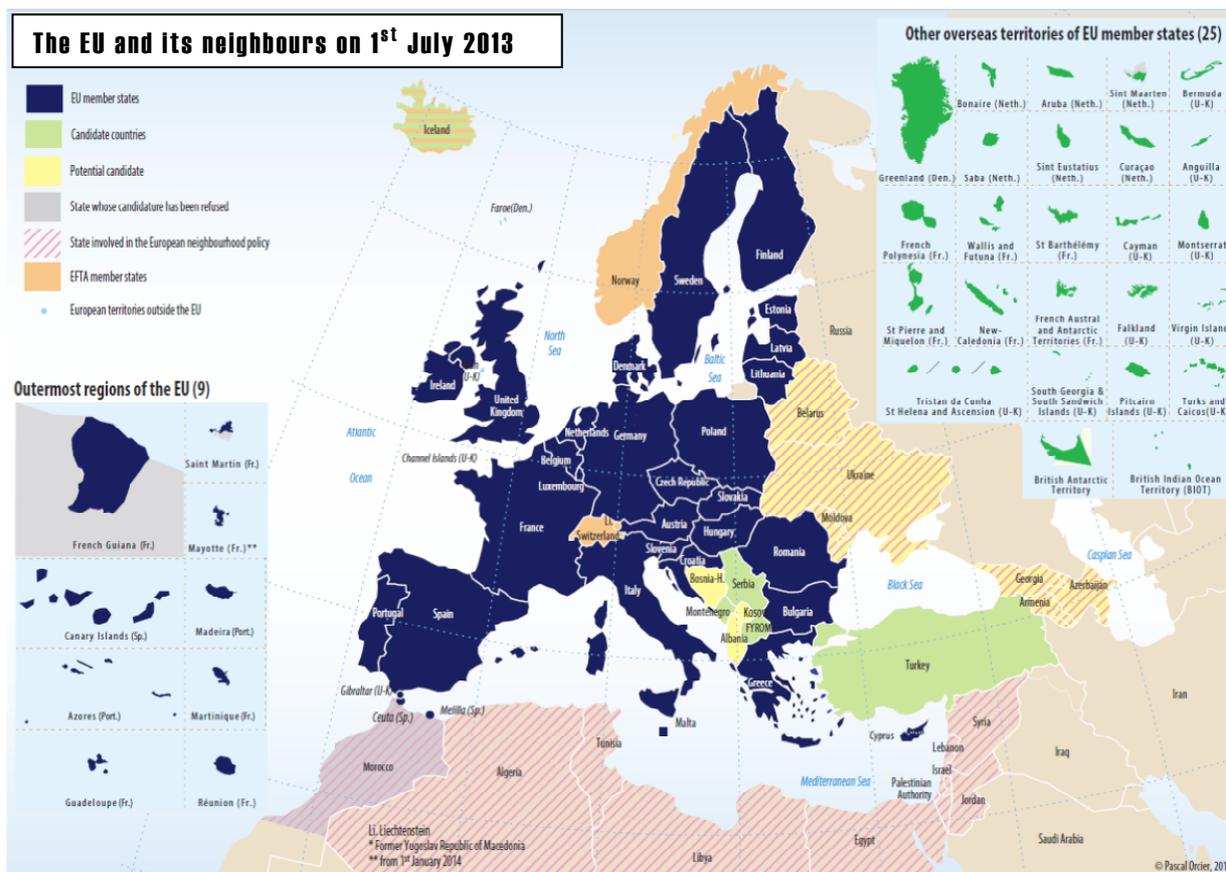
In several states, especially those with a large territory, special efforts have been made to reduce the number of formal levels of decision-making. An objective frequently pursued consists in reducing this number to two, for example one “regional” and one “local” level. The process usually proves very protracted, but also leads to a fruitful outcome. For example, in some countries where the size of municipalities was particularly small, their merging into larger and consistent local entities has facilitated cooperation within metropolitan areas to a very large extent. Drawing on the experience of cross-border governance, a territorial integration process takes place in metropolitan areas and is

greatly facilitated by the significant reduction of the number of cooperating local authorities. Paradoxically, this also favours the development of the “institutional thickness”, i.e. a rich and complex fabric of mutually connected cooperating partners such as chambers of commerce, social networks and many other bodies of the public, semi-public and private sectors alike.

At the same time, various ad hoc bodies are set up on a casual basis to implement specific local or regional policy agendas, in consultation with, or through a delegation from, formal authorities. These agendas may address many different issues relevant to various sector policies with a territorial impact.

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Map 1



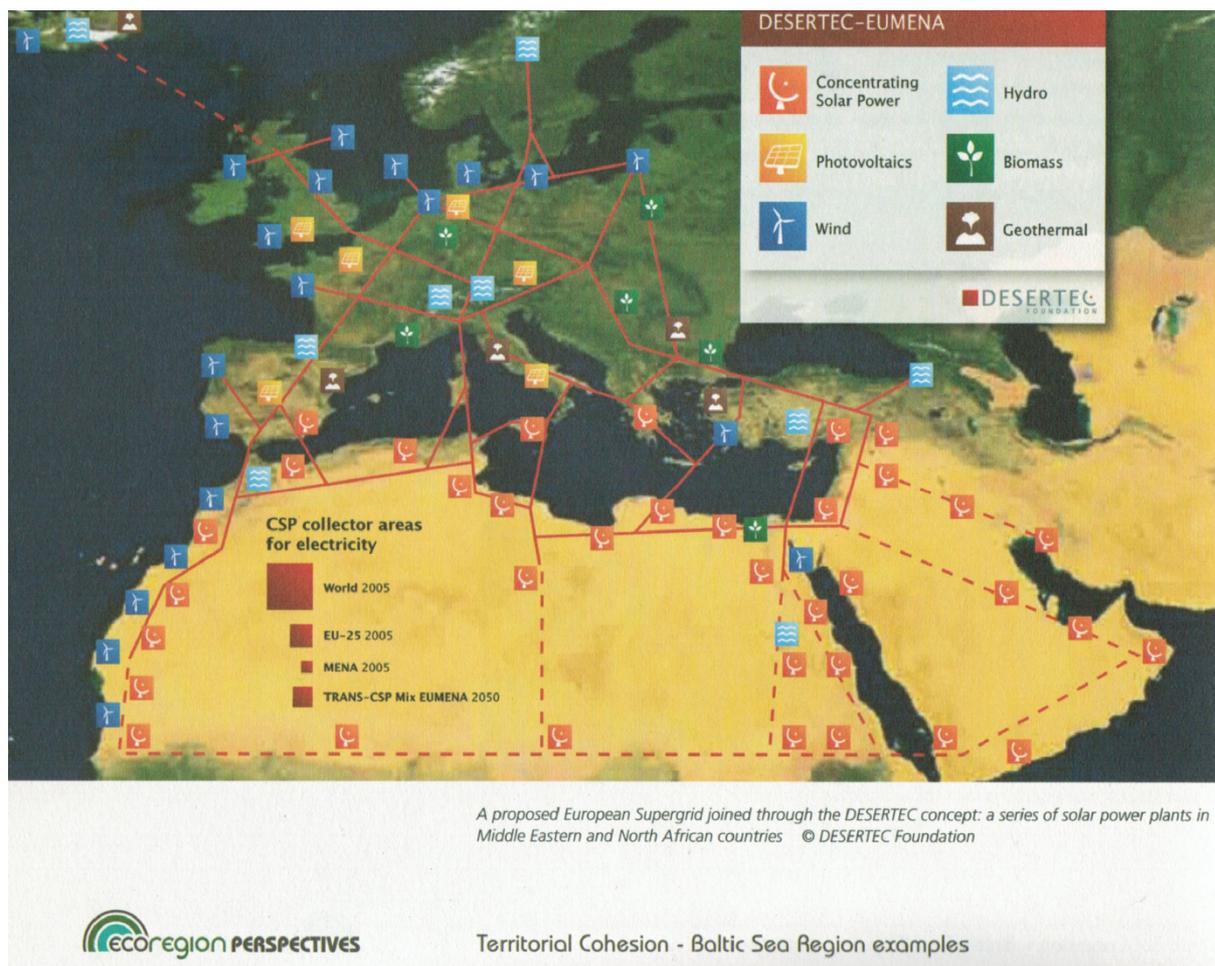
Source: Pascal Orcier

From DREVET J.F. (2013), *What borders for the EU: a variable geometry neighbourhood?*

On-line publication. Cf. site of “Notre Europe – Jacques Delors Institute”:

<http://www.eng.notre-europe.eu/011-16607-QUELLES-LIMITES-POUR-L-UE.html>

Map 2



From Ecoregion Perspectives No 2/2011, January 2011, p. 74.