

From 'left behind' to 'kept behind' places: Re-imagining Territorial Cohesion

ESPON Seminar

Iași, 19-20 June 2019

Simin Davoudi
Director of
Global Urban Research Unit

simin.davoudi@ncl.ac.uk



Inequality is 'defining issue of our time', says Obama

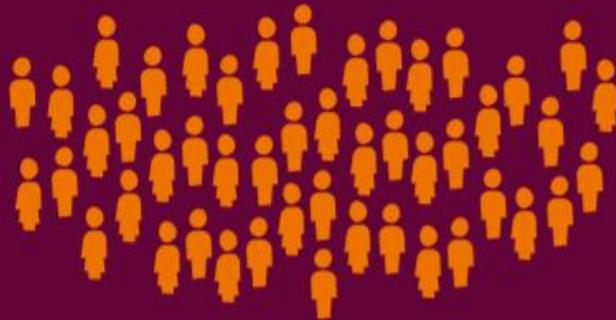
Financial Times, 4 Dec 2013



'For the rest of my presidency, that is where you should expect my administration to focus all of our efforts'

NEARLY HALF
THE WORLD'S POPULATION
(3.4 BILLION PEOPLE)

IS LIVING ON LESS THAN
\$5.50 A DAY²⁹

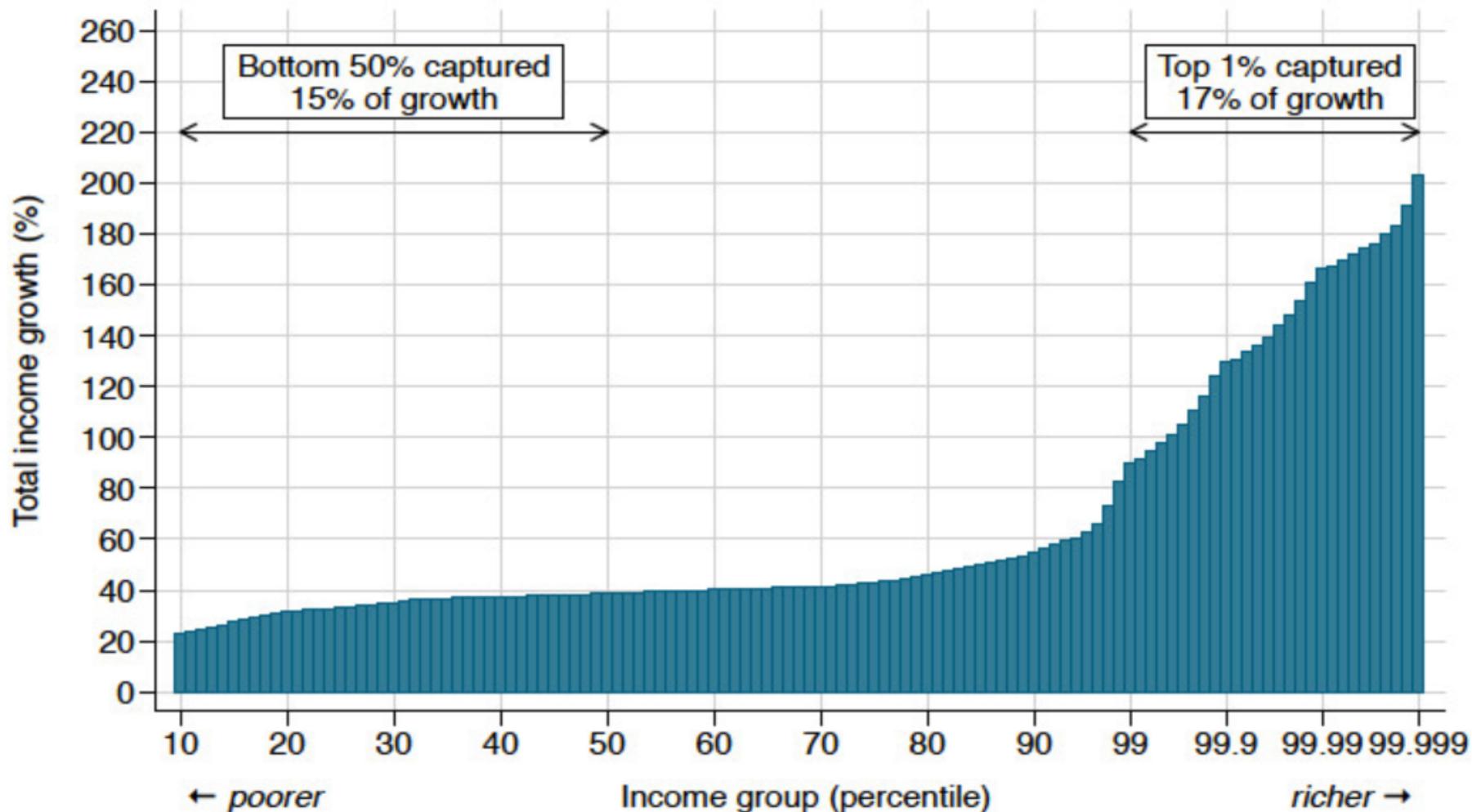


WHILE THERE ARE
MORE BILLIONAIRES THAN
EVER BEFORE (2,208)



THEIR WEALTH INCREASING BY
\$2.5 BN A DAY³⁰

Figure 4 Income inequality and growth in Europe: Growth incidence curve, 1980-2017



Source: Blanchet et al. (2019). Between 1980 and 2017, the per adult real pre-tax income growth rate of the top 0.001% was 200%, five times more than the growth rate of the bottom 80% of the population (about 40%). See www.wid.world/europe2019 for data series and technical details.

<https://voxeu.org/article/forty-years-inequality-europe>

- In more **unequal rich countries**, outcomes are significantly worse for:
 - physical health, mental health, drug abuse, education, imprisonment, obesity, social mobility, trust and community life, violence, teenage pregnancies, and child well-being



The Spirit Level

Why Equality
is Better for Everyone

Richard Wilkinson and Kate Pickett

'A big idea, big enough to change political thinking'
Sunday Times

'The evidence is hard to dispute'
Economist



THE REBELLION

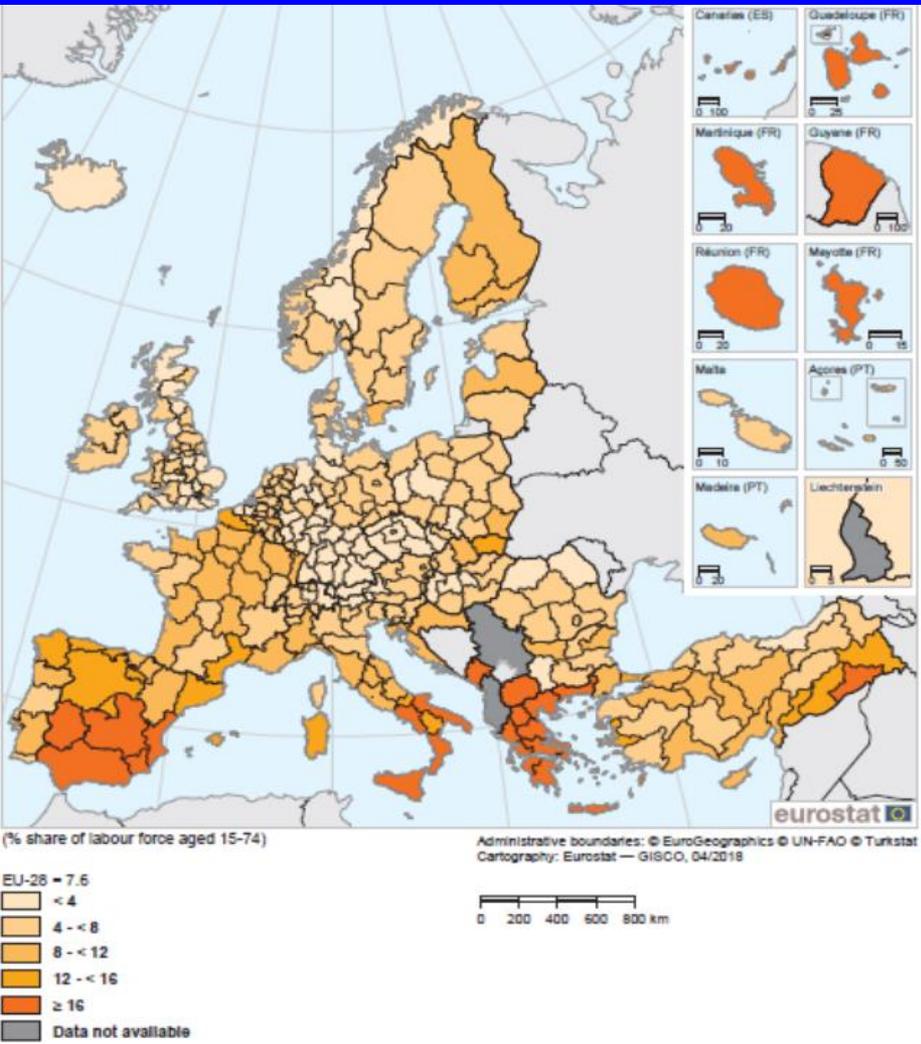
OF GLOBALIZATION'S LOSERS



Regional disparities in Europe

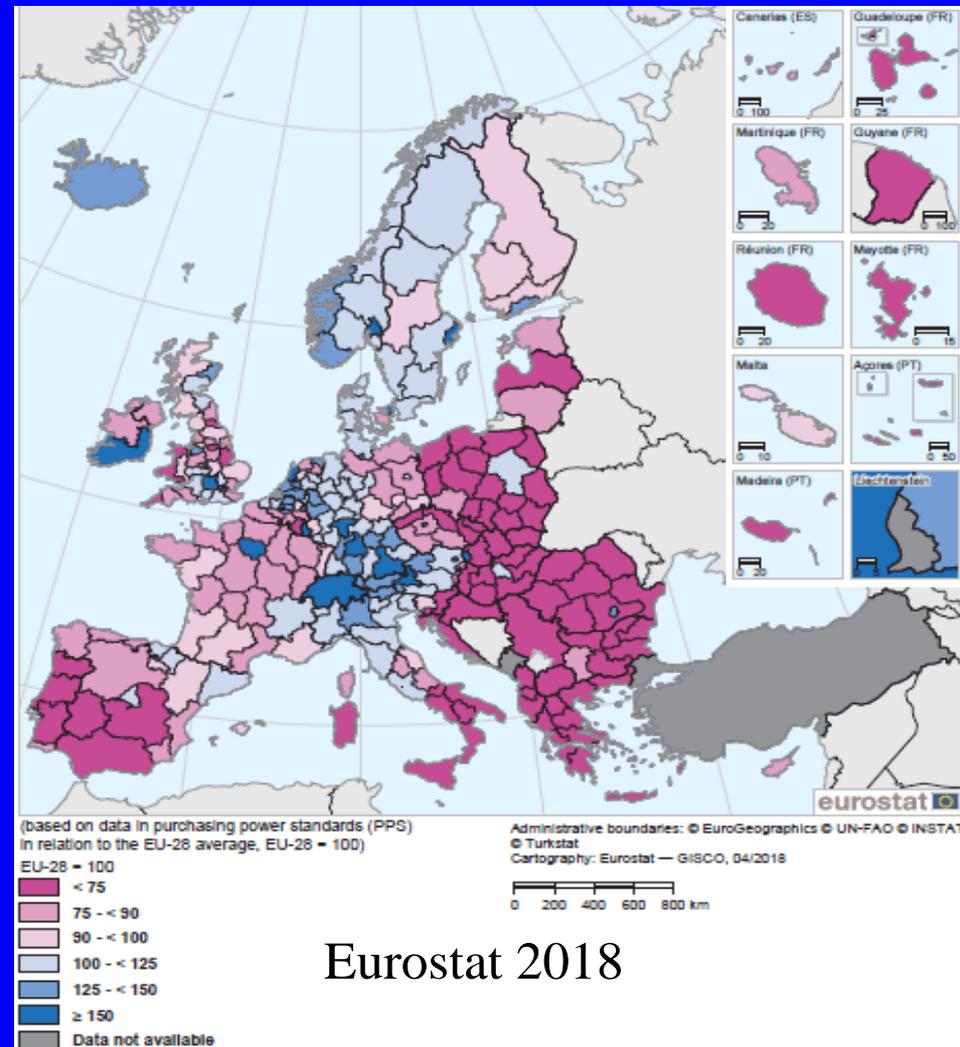
Unemployment, 2017

% of workers aged 15-74



GDP per capita PPS 2016

EU28 average



Eurostat 2018

- “Regional inequality is proving too politically dangerous to ignore.”

The Economist, 17 Dec. 2016

It is time to revisit territorial cohesion!



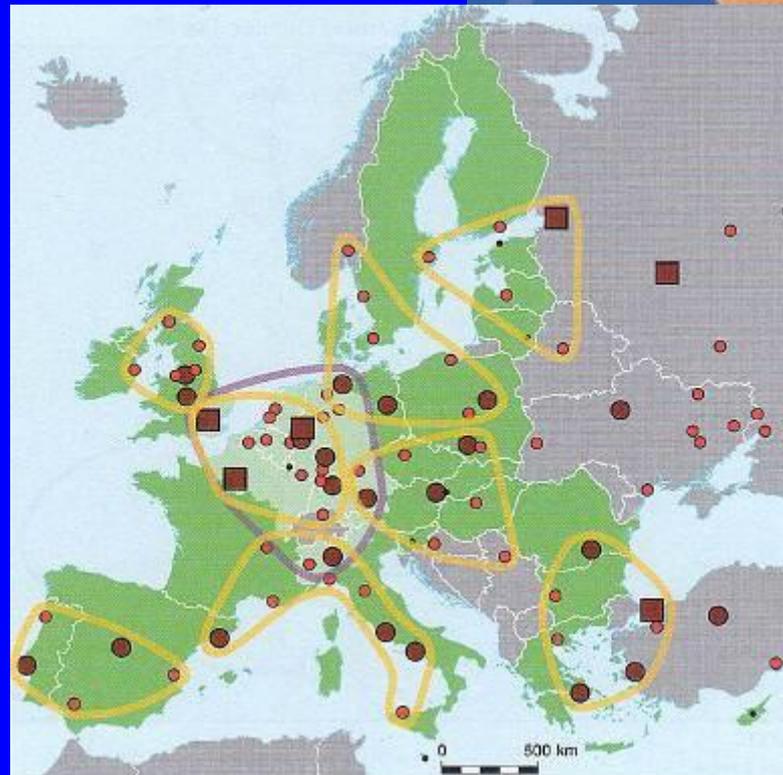
Territorial Cohesion

- Promoted by:
 - Jacques Delors
 - Michel Barnier
- Introduced into the Amsterdam Treaty in 1997
- Sustained through the EC Reports on *Economic and Social Cohesion*



Territorial Cohesion
created the rationale
for the **ESDP's**
promotion of
polycentric
development

Davoudi, 2003



Territorial cohesion in the Lisbon Treaty

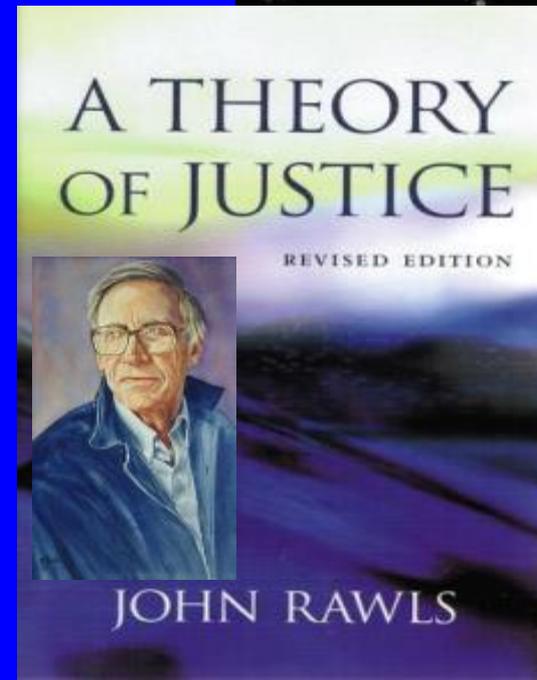
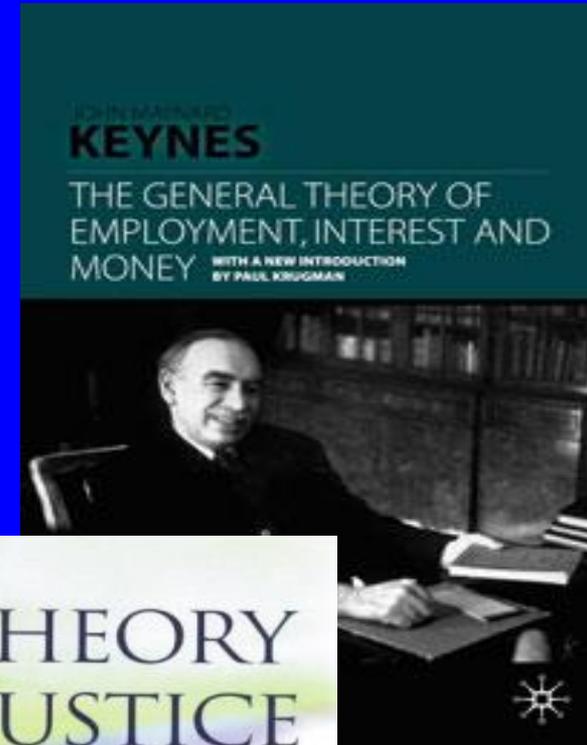
“The Union shall develop and pursue its action leading to the strengthening of its economic, social and **territorial** cohesion.”

LT, 2009, Article 158



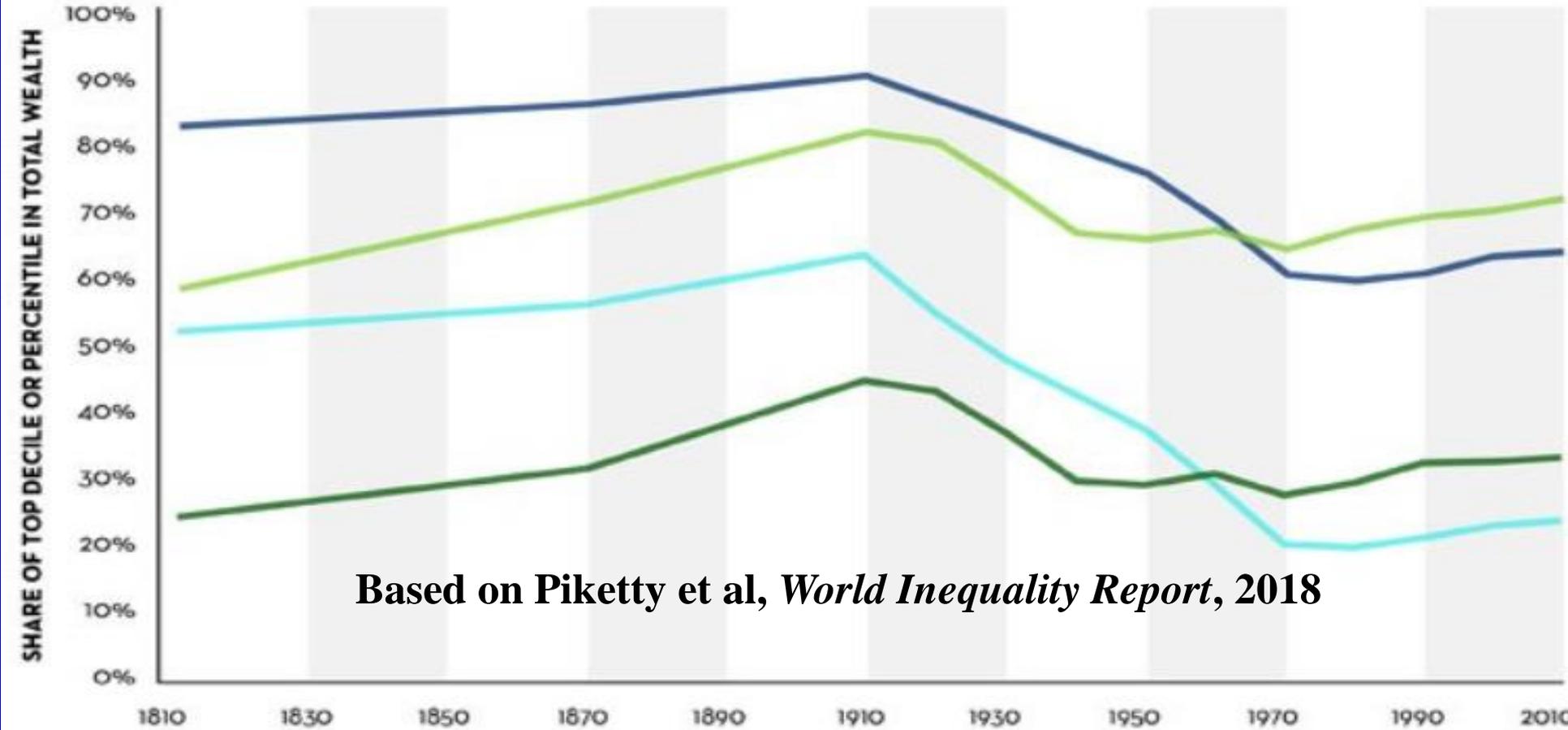
Territorial cohesion

- Rooted in social democratic and egalitarian values of:
 - Solidarity and cooperation
 - Equity and fairness
- Achieved through
 - Provision of social welfare
 - Development intervention
 - Market regulation
 - Distributive measures



Europe (blue lines) became more equal: 1910 to 1970

WEALTH INEQUALITY: EUROPE AND THE U.S., 1810-2010



TOP 10% WEALTH SHARE: U.S.

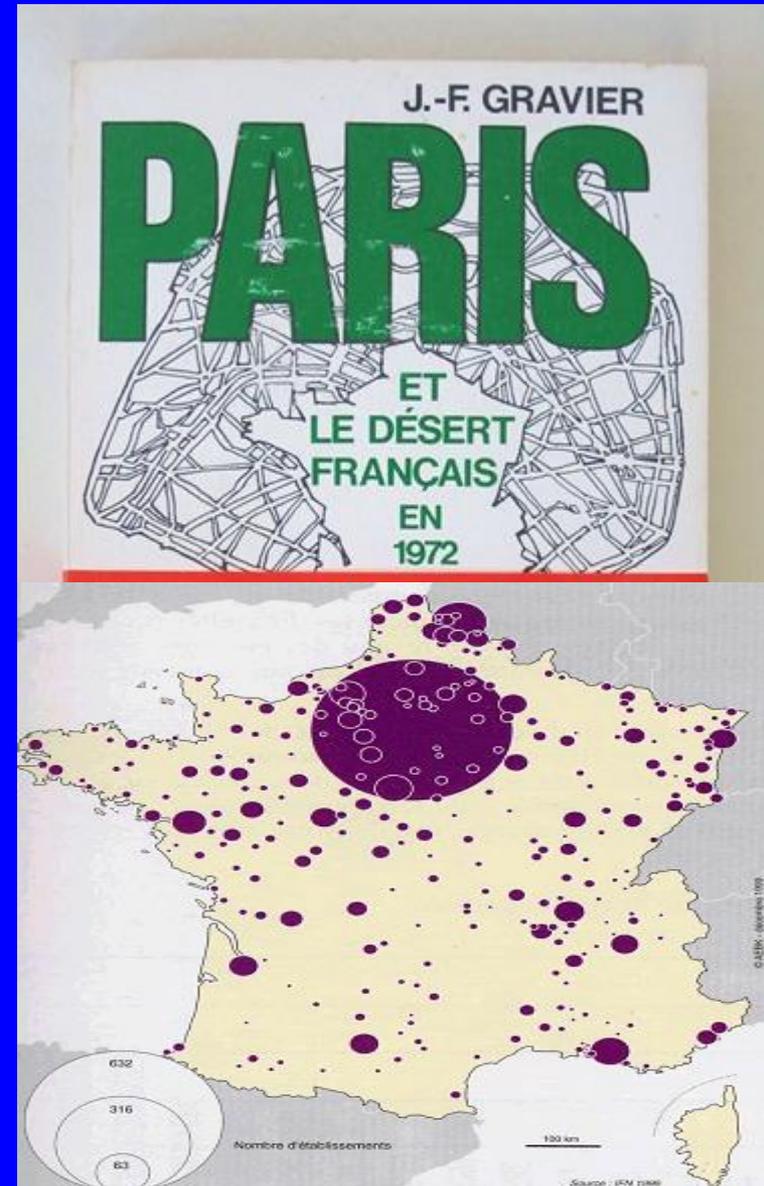
TOP 1% WEALTH SHARE: U.S.

TOP 10% WEALTH SHARE: EUROPE

TOP 1% WEALTH SHARE: EUROPE

French *aménagement du territoire*

- *Métropoles d'équilibre*
- A decentralisation spatial strategy based on:
 - creating growth poles outside Paris
 - steering resources towards French provincial cities
 - decentralizing development



- “**Reduce the differences** existing between the various regions and the backwardness of the less favoured regions” by promoting a “**harmonious** development of economic activities” and “a continuous and **balanced** expansion”.

Treaty of Rome, 1957, Article 2



EC regional policies of the 1970s

- Narrowing regional disparities
- Achieving more balanced territorial developments

“The basic objective of regional policy applied to the general problems of the common market is to help **improve the harmony of regional structures** in the Community, firstly in order to **combat the ... effects ... of opening internal frontiers**, and secondly in order to permit the implementation of common policies ...”

CEC (1969) *A Regional Policy for the Community*

Territorial Cohesion

- An extension of European social models beyond *individuals* and social groups to *places* and territories.
- Peoples' life chances are shaped by not just their *social* standing, but also the quality of *places* they live and work in.

Why territory matters?

- “People should not be disadvantaged by wherever they happen to live or work in the Union.”

EC 3rd Cohesion Report, 2004

- From solidarity between people to **cooperation** between **places**



Territorial cohesion: the spatial manifestation of European social models

- “The concept of territorial cohesion extends beyond **the notion of economic and social cohesion** by both adding to this and reinforcing it. In policy terms, the objective is to help achieve a **more balanced development** by reducing existing disparities, preventing territorial imbalances [...]. The concern is also to improve territorial integration and encourage **cooperation between regions.**”

(EU Third Cohesion Report CEC 2004: 27)

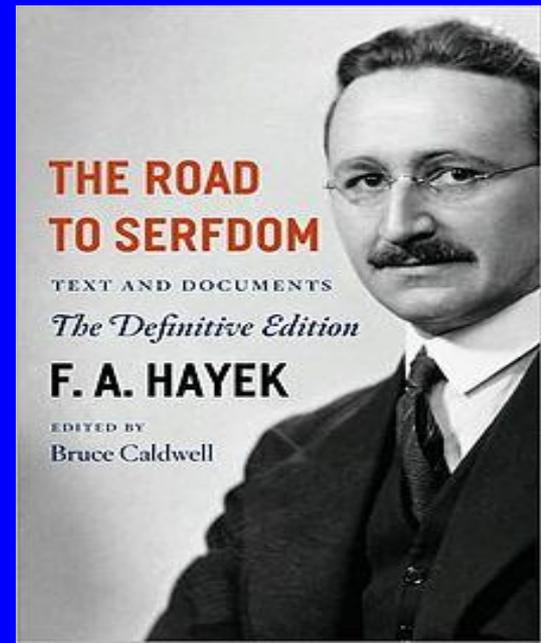
Territorial cohesion a more pressing goal after the SEM

- “Competition in the **Single European Market** is one of the driving forces for spatial development in the EU ... Regions ... compete with each other ... however, **not all European regions start from a similar point.**
- It is therefore important ... to aim at a **spatial balance** ... to provide a **more even geographical distribution** of growth across the territory of the EU”.

(ESDP, 1999:11, emphasis added)

Political landscape of Europe in the 1990s

- Was shifting from social democratic to **neoliberal values** that:
 - Emphasize efficiency, competitiveness, aggregate growth, survival of the fittest
 - Downplay equitable development, inclusive growth, solidarity, cooperation
 - Trust ‘the invisible hand of the market’, rather than democratic development intervention
- Hayek’s theory of ‘**spontaneous order**’:
 - Self-organising dynamics of the markets are the ideal solutions for tackling disparities



Criticisms of European social models

- “Does Europe continue with **the old social model**, that has an attitude to social legislation and welfare often rooted in the 60s and 70s,
- Or, does it recognise that the new economy demands a **re-direction of European economic policy** for the future?”
- To “**make a definitive stand in favour of market reform.**”



Tony Blair, quoted in *The Economist*, 2000:17

Changes in the national territorial policies

- “It is the government’s view that the earlier form of development pursued by **the nationwide goal of equality is outdated...**
- Attention must be given to harnessing the development potential of the regions to **strengthen Denmark’s position internationally.”**

Danish Ministry of the Environment, 1989: 5

Resistance to the changing values

- Many voted 'no' to the EU Constitution because they perceived it as:
 - 'too Anglo-Saxon oriented' and 'ultra-liberal', eroding European social models.



The ‘trickle down’ assumptions

- “Fairness is not the right measure by which to judge an urban policy.
- **Scarce resources should go where they will generate the greatest returns.**
- Trying to resist the agglomeration effects of big cities is not **just a waste**: it is actively harmful to Britain’s economy. Better to do the opposite and encourage London and other successful cities to **keep growing.**”

No future, no hope!

- “**Liverpool's time is past...** If we really want to give people in Liverpool and Sunderland opportunities, we need to let many of them move to the south-east.”

Tim Leunig

16 October 2008

Liverpool Cathedral

Critic to debate Liverpool future

The author of a controversial report which suggested that people in Liverpool should move south in search of a better life is visiting the city.

Tim Leunig said regeneration schemes in northern cities were failing and argued for a mass migration to places such as London, Oxford and Cambridge.

His report for Policy Exchange provoked a storm of protest from politicians - but he stands by the analysis.

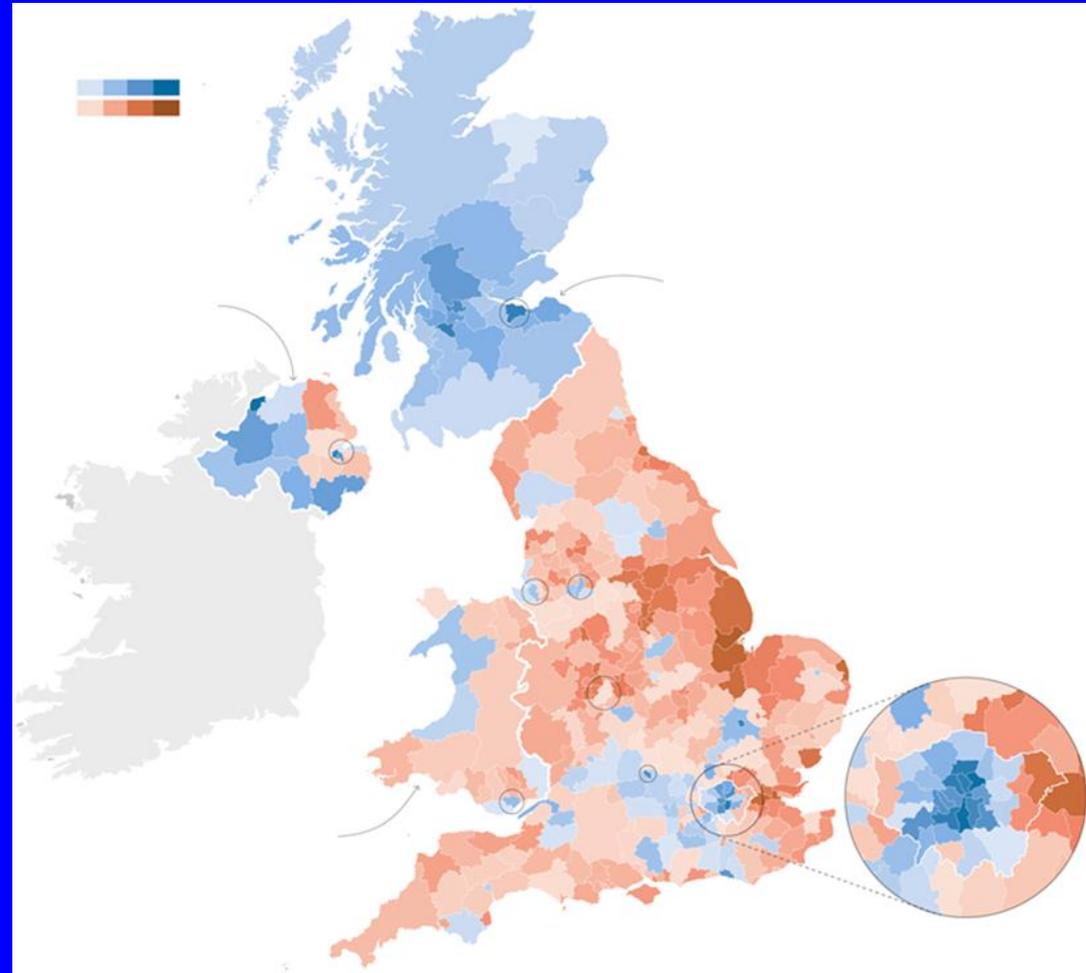


Liverpool is the 2008 European Capital of Culture

‘Geographies of discontent’

- “It is my mission to make sure that ... no community is **left behind** ...”

Teresa May, 2017



Rodríguez-Pose, 2017₂₈

The 'left behind' narrative

- Essentializes the global market liberalization as an inevitable and even desirable race in which the fittest are 'natural' the winners.
- Blames the 'victims' and their self-afflicted, endogenous deficiencies for being left behind.
- Masks the interconnection between the decline in some places and the growth in others.

Places are not simply 'left behind', they are 'kept behind'

- By decades of neglect, under-development, lack of investment and/or misguided policies
- By neoliberal obsessions with aggregate growth, big city boosterism and trickle down effects

Re-imagining Territorial Cohesion

- Greater leverage and wider support for balanced development requires:
- Clear and explicit underlying values that prevent TC from becoming an empty signifier:
 - devoid of what it stands for
 - deprived of persuasive power

Building on Territorial Agenda 2020

- “Territorial cohesion reinforces the principle of **solidarity** to promote **convergence** between the economies of better-off territories and those whose development is lagging behind”.

TA, 2011: 3



Re-focusing territorial policies

- Away from blanket approaches and formula-based transfer of money
 - aiming to deliver GDP growth
- Towards tailor-made, locally-led and place-sensitive approaches
 - aiming at improving quality of places and peoples' lives

Starting from the place itself

- What does it mean to people who live and work there?
 - What do people consider as social, economic and environmental priorities of their place?
 - What opportunities can be unlocked?
 - What challenges should be tackled?
- 
- What types and levels of resources are needed to deliver on these?

Institutional capacity building

Not just hard
infrastructure



But also soft
infrastructure

Democratic, solidarity-driven cooperation

- Providing the conditions which enable and incentivize cooperation across administrative boundaries and national borders.



Fluidity and contingency of functional areas

- “The concept of the city-region, like all concepts, is a **mental construct**. It is not, . . . , an area which can be presented on a platter to suit . . . general needs.’

Dickinson, 1964:227

- “There is no such thing as a single, uniquely defined “region” that manifests a **full spectrum of city-regional relationships.**”

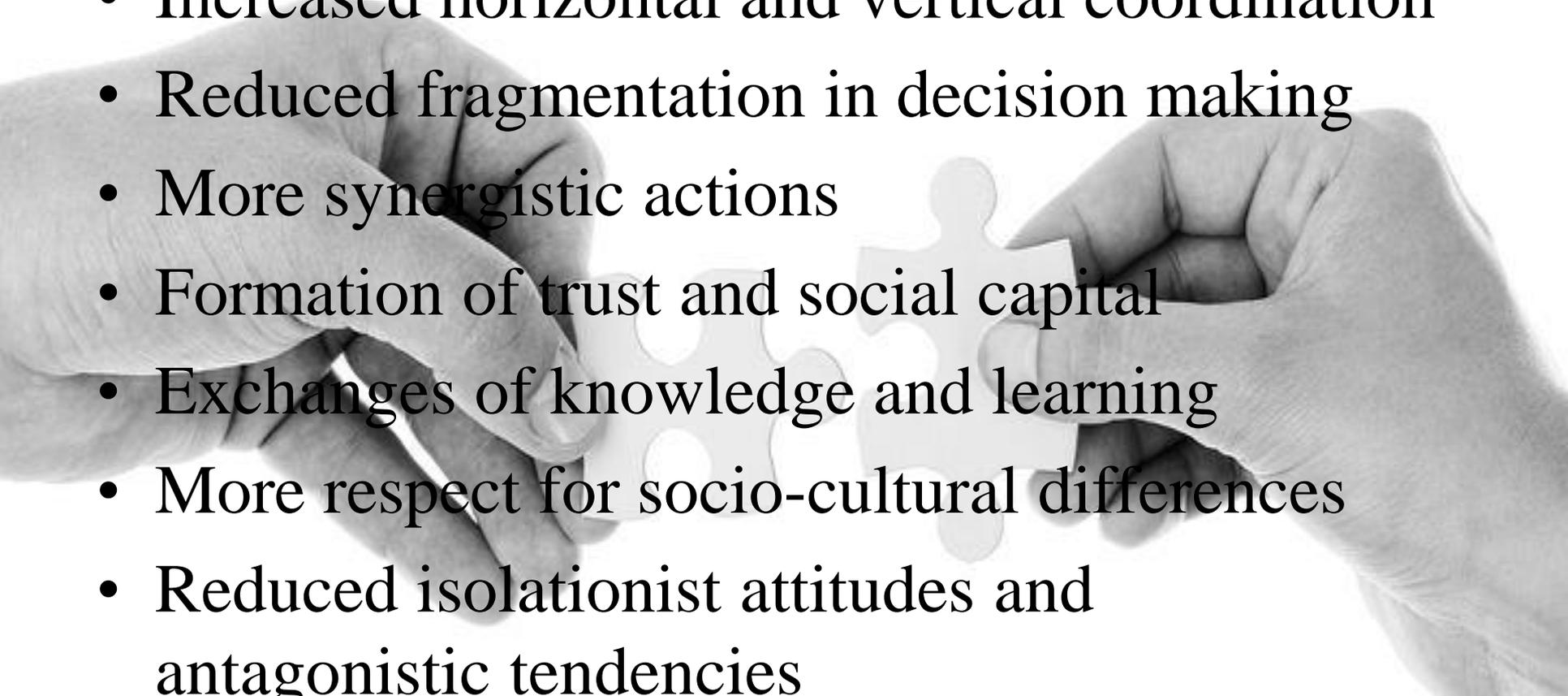
Duncan, 1960:402

Functional areas

Need to be **fit for purpose**:

- **economic spaces** of employment flows
- **biophysical spaces** of ecological interdependencies
- **cultural spaces** of shared heritages
- **social spaces** of everyday life and encounters
- **political spaces** of justice and citizens' rights

Benefits of territorial cooperation

- Increased horizontal and vertical coordination
 - Reduced fragmentation in decision making
 - More synergistic actions
 - Formation of trust and social capital
 - Exchanges of knowledge and learning
 - More respect for socio-cultural differences
 - Reduced isolationist attitudes and antagonistic tendencies
- 
- A black and white photograph showing two hands, one from the left and one from the right, holding two interlocking puzzle pieces. The puzzle pieces are light-colored and feature a silhouette of a person. The hands are positioned as if they are about to fit the pieces together, symbolizing cooperation and collaboration.

Thank You!

simin.davoudi@ncl.ac.uk