



EUROPEAN SPATIAL PLANNING
OBSERVATION NETWORK

COMPETITIVENESS AND COHESION IN NORTH WESTERN EUROPE: THE IMPLICATIONS OF ESPON RESULTS

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**The content of this document does not necessarily reflect the opinion of
members of the ESPON Monitoring Committee**

Introduction and approach

The aim of this paper is to set the scene for the conference in London organised by the ESPON Going Regional project. The project is a networking activity among the ESPON Contact Points from Ireland, The Netherlands, Belgium, Hungary and the Czech Republic, as well as the UK. It is part of a number of initiatives that seek to disseminate ESPON findings, and in particular to build dialogues between researchers within ESPON, the wider research community and the policy and practice community involved in spatial development and planning. However, the opinions and interpretations within the paper are my own and not those of the other ECPs or the ESPON Monitoring Committee or the UK's Office of the Deputy Prime Minister.

In February 2005 a similar conference was held in Belfast. It concentrated on the implications of ESPON findings in respect of more peripheral and rural parts of North Western Europe. The focus of this second conference, and of this paper, is on urban and metropolitan regions within North West Europe.

This paper does not seek to go through each ESPON report and cut and paste each reference to urban areas in North West Europe. Rather the paper begins by discussing the significance of polycentricity for urban areas and metropolitan regions from this part of Europe. The next section looks at what ESPON has been saying about the territorial aspects of competitiveness and how these relate to the theme of the conference. Cohesion is then considered in a similar way. There is then a section on Sustainable Development, which seeks to integrate the earlier discussion and emphasise the importance of planning practice. Finally conclusions are drawn and questions posed for consideration through the conference.

Polycentricity and North West Europe's urban and metropolitan areas

ESPON is an offspring of the European Spatial Development Perspective (ESDP) (CEC, 1999), which itself followed a series of studies (CEC, 1991, 1994, 1997) that built an understanding of patterns of spatial development within the parts of Europe that were then in the EU, and of planning systems that sought to influence development patterns within the various member states. Two aspects stand out from the ESDP. The first is the extent to which its analysis of Europe's development was essentially one of core and periphery. The second is the extent to which the solutions that it offered were crafted in a language that could achieve a political consensus, rather than being derived from academic research.

The ESDP should be understood as one of the legacies of the era when the EU was to all intents and purposes the Western European Union – even if it did include a chapter on what were then the Accession Countries. It is a product of the period before the Euro and is the culmination of the years of progression to a Single Market. Perhaps most fundamentally it is part of the Delors' vision that integration into a single market could lead to regional convergence through investment flows and falling transport costs. This was the context in which the idea of polycentric development became the core of the ESDP's message: "a polycentric settlement structure across the whole territory of the EU with a graduated city-ranking must be the goal. This is an essential pre-requisite for the balanced and sustainable development of local entities and regions and for developing the real locational advantage of the EU vis-à-vis other large economic regions in the world" (pp.20-21). In short, polycentric development was pre-judged to offer competitiveness and cohesion. It was a counter to the core-periphery model that had underpinned earlier thinking in EU regional policy, and which was reflected in the fact that in the EU of 1999, the Pentagon, the area demarcated by London, Paris, Milan, Munich and Hamburg, accounted for 50% of the GDP, 40% of the inhabitants and 20% of the territory.

Much (but not all) of North West Europe lies within the Pentagon identified in the ESDP. The ESDP identified this area to be Europe's only "zone of global economic integration". The aim has been to develop other such zones within the European territory, and part of the work of ESPON project 1.1.1 was to analyse the urban system at a European scale and identify urban regions with the potential to co-operate and grow in this direction. The project called these Potential Polycentric Integration Areas. The project recommended that these "PIAs" should be supported, especially those outside the Pentagon.

In this vision of Europe as a network of internationally accessible metropolitan regions, the assumption remains that a "win-win" solution is the likely outcome: growth of other regions outside the existing Pentagon will contribute to both competitiveness and cohesion, growing the European economy as a whole without undermining the existing major centres. ESPON projects have not been asked to challenge or test this proposition,

but it is one that this conference might deliberate. Certainly the Belgian ECP has noted that any transfer of EU investments and institutions away from the Pentagon and to the periphery would have “dramatic impacts on Belgium” (Biot, Luyten and Cornut, 2005).

At the very least polycentricity at a European scale must imply some diminution in the relative importance within the European urban system of those metropolitan areas of North-Western Europe that currently are leading in indicators of size and significance. In the meantime, might it also be reasonable to posit that the nascent zones of global economic integration outside the Pentagon may provide serious challenges to secondary centres within the national urban systems of the countries of North West Europe? A theme that emerges from several of the ESPON studies is the growth and potential of the capital city regions within the states that joined the Union in 2004. However, the nature of the analysis being undertaken is such that we do not know how far this growth involves opening new markets or a relocation of activities from North West Europe, and perhaps particularly from countries sharing a border with the new members.

ESPON has worked to a pattern of analysing data at what it calls “macro” (i.e. European) scale, “meso” (transnational regions within Europe) and “micro” (national/intra-national) scales. Similarly polycentricity was projected by the ESDP to be a nested concept, a desirable aim at each and every one of these scales. However, project 1.1.1 pointed to possible conflicts between the applications of the concept at different scales. The dilemma is most marked in the newer Member States, where European scale polycentrism implies the connection and growth of their capital regions, but that process further marginalises remoter and less prosperous regions within the country. These less favoured regions often are having to cope with the restructuring of traditional primary and secondary industries.

Within North West Europe, the situation of Ireland is interesting in this respect. As an area outside the Pentagon, but within North West Europe, Ireland could contribute to European polycentricity by growing its major metropolitan area – based on Dublin. However, this implies a further unbalancing of the urban system within Ireland. The situation in terms of ESPON findings is complicated by the fact that the data and methodology used by project 1.1.1 to calculate the polycentric potential of an urban system resulted in an interpretation that the Irish system was already scoring highly on polycentricity. The Irish ECP noted that this view “does not accord with our knowledge of the reality” in a country where the Dublin Functional Urban Area (FUA) has over four times the population of the next FUA in the hierarchy (Walsh and Meldon, 2005).

Like all ESPON projects 1.1.1 had to cope with many data problems in its attempts to forge indicators from incomplete data sets, different national definitions etc. However, this does mean that policy makers should not put too much weight on the statistical findings and tabulations in this and other projects, fascinating as some of the maps can be. A conference such as this one should explore more rigorously the nature and application of policy at different territorial scales, using ESPON findings and the practical experience of policy professionals from different countries to create a critical dialogue that can enrich understanding at all levels. In this respect, in an annex of 1.1.1 is

an interesting piece of analysis by Zonneveld, Meijers and Waterhout (2004). It researches how far polycentricity is an aim (either major or minor) of national and regional policies within each of the countries.

Zonneveld, Meijers and Waterhout found that polycentricity policies within the different member states could be grouped into two clusters. Sometimes such policies seek cohesion, by reducing disparities between different urban areas; while the second cluster is polycentricity policies seeking to enhance the competitiveness of the national urban system or groups of cities within that system. The cohesion aim is addressed through grouping cities, either on the basis of their location in a peripheral or lagging region or their size. The analysis found that Germany, France and Ireland had cohesion as a main objective of their polycentricity policies, and that for Belgium, Germany, Ireland, Luxembourg, the Netherlands and the UK enhancing the competitiveness of the urban system was a main aim. These differences, which are further compounded by differences in emphasis given to polycentricity policies in the different NW Europe countries, could provide interesting grounds for discussion in the conference. In France, for example, the dominance of Paris has meant that there have been significant policy aims over the past 20 years to narrow the gap between the capital and the rest of the country. In Germany the spatial disparities are mainly between East and West, rather than a feature of the urban system itself. However, investment to combat these differences has gone mainly to the cities of the East, and thus actually sustains the overall polycentric character of Germany. Ireland has sought to counter the dominance of Dublin through its National Spatial Strategy (NSS), which was the focus of a session in the ESPON Going Regional event in Belfast. The NSS identifies gateway cities to be “strategically placed engines of growth”.

The researchers found a number of ways in which countries were using polycentricity policies to boost competitiveness. For example, they note classificatory systems in which “appealing metaphors are developed for the centres that have to compete internationally”. These include Germany’s “European Metropolitan Regions” or the ‘*Centres de Développement et d’attraction*’ (Luxembourg). Are these words anything more than marketing tools? In France, Germany and the Netherlands, national governments seek to foster inter-municipal co-operation. Zonneveld and his colleagues refer to the increasing importance attached to urban networks. In particular, they note that in NW Europe, designation of urban networks has been a means of concentrating development and avoiding future urban sprawl through the application of traditional “classic” planning goals.

These reflections lead directly to the question of how polycentricity policies are applied in practice – a question that this conference is well placed to discuss. Zonneveld et. al. pointed to three ways that the policies are implemented. The first of these they call “spatial implementation instruments”. These are regulations, programmes or budgets over which the “policy subject” has relatively strong control. Second are “non-spatial instruments” – i.e. measures that produce increased polycentricity as an effect, though it is not a main aim. Examples are general government decentralization programmes, or budget equalization measures. The crucial point here is that Finance Ministries may be

more important (though unwitting) agents for polycentric development than are the planners or regional development agencies. This would appear to be an under-researched area generally. Finally there are strategic planning instruments, such as spatial visions, regional plans or national planning guidance. Spatial visions were noted by these Dutch researchers to be more concerned with polycentric development than any other strategic planning instrument. That is one reason why we have a session on them in this conference.

It is interesting to note that these researchers came to the view that traditional land use planning restrictions issued by national or regional governments “cannot easily be related to cohesion or competitiveness objectives”. In this we see something of the on-going problems faced by traditional spatial planning approaches since the passing of the era of Fordism and strong states. There are interesting attempts in England to “change the culture of planning” and recent legislation will result in the preparation of regional spatial strategies; however, one wonders how far the traditional legislative structures within which restrictive planning controls still operate will eventually block attempts to make the planning system a more dynamic agent for fostering place competitiveness.

Project 1.1.1 is not the only ESPON project to consider polycentricity. Indeed there is what might be (unkindly) termed “ritual genuflection” to the concept in most, if not all, the reports. However, while ESPON rather started with the innocent assumption that polycentric development was a desirable goal and a means to reach competitiveness and cohesion, there are signs that, as the research has progressed, so a degree of scepticism is now evident towards the concept. For example, several ECPs called for a stronger critique of the polycentricity ideal within project 1.1.1 (Biot, 2005) and Wallet and Ritsema van Eck (2005) argued that the report of project 1.1.1 fails to make the case on which to base recommendations for more polycentricity at European level. Similarly, the ESPON project on TENs and Transport Policy (2.1.1) questioned the notion that a single design of transport policy could optimise economic competitiveness, efficiency, environmental sustainability and balanced spatial development.

It is important to debate some of these criticisms, since, as the Second Interim Report of ESPON project 3.3 (on Lisbon-Gothenburg) observed, the implications of the “conclusions of the ESPON projects to date are, if accepted, substantial. They suggest a need to move away from previous trajectories about competitiveness in particular. The most notable change...is a spatial repositioning, away from an association of competitiveness with the capabilities with (sic) capital cities towards a broadening of the economic base and an explicit promotion of polycentricity” (p.110). Such a shift would have direct implications for the capital cities in North West Europe. However, it may be some consolation for them to know that, as project 1.2.1 found, if transport policies set out to reinforce polycentricity at a European level, by better connecting large urban centres, this is likely to reinforce the dominance of capital cities. Similarly, project 2.1.1 (on Transport and TEN Policies) found that the degree of polycentricity of national urban systems has declined, and is likely to continue to decline.

Nevertheless, as the quote above from 3.3 shows, the underlying narrative from ESPON so far is that polycentricity is the way ahead. This influences recommendations in reports dealing with the future approach to Structural Funds. For example, project 2.2.1 recommended a concentration of funding on Functional Urban Areas which have the potential to become European hubs. The report promoted the creation of strong urban poles outside the Pentagon, with special emphasis on building trans-national functional regions between the old EU15 and the newer members. This strategy could be to the disadvantage of areas in North West Europe outside the big cities within the Pentagon that have been eligible areas for Structural Funds, but are unable to offer this wider spatial and European growth perspective.

The current discord within the EU has seen a new propensity to challenge what was previously the accepted wisdom of elite European policy-makers. At least since the ESDP, the idea of polycentric development has been reiterated rather than probed in European spatial planning. ESPON has embedded a positive view of polycentric development in its research, but also it has begun to expose some of the questions that now need to be asked. A dialogue between researchers and practitioners on the values of polycentricity could be a useful input for more fundamental assessments of the concept in the next stage of ESPON.

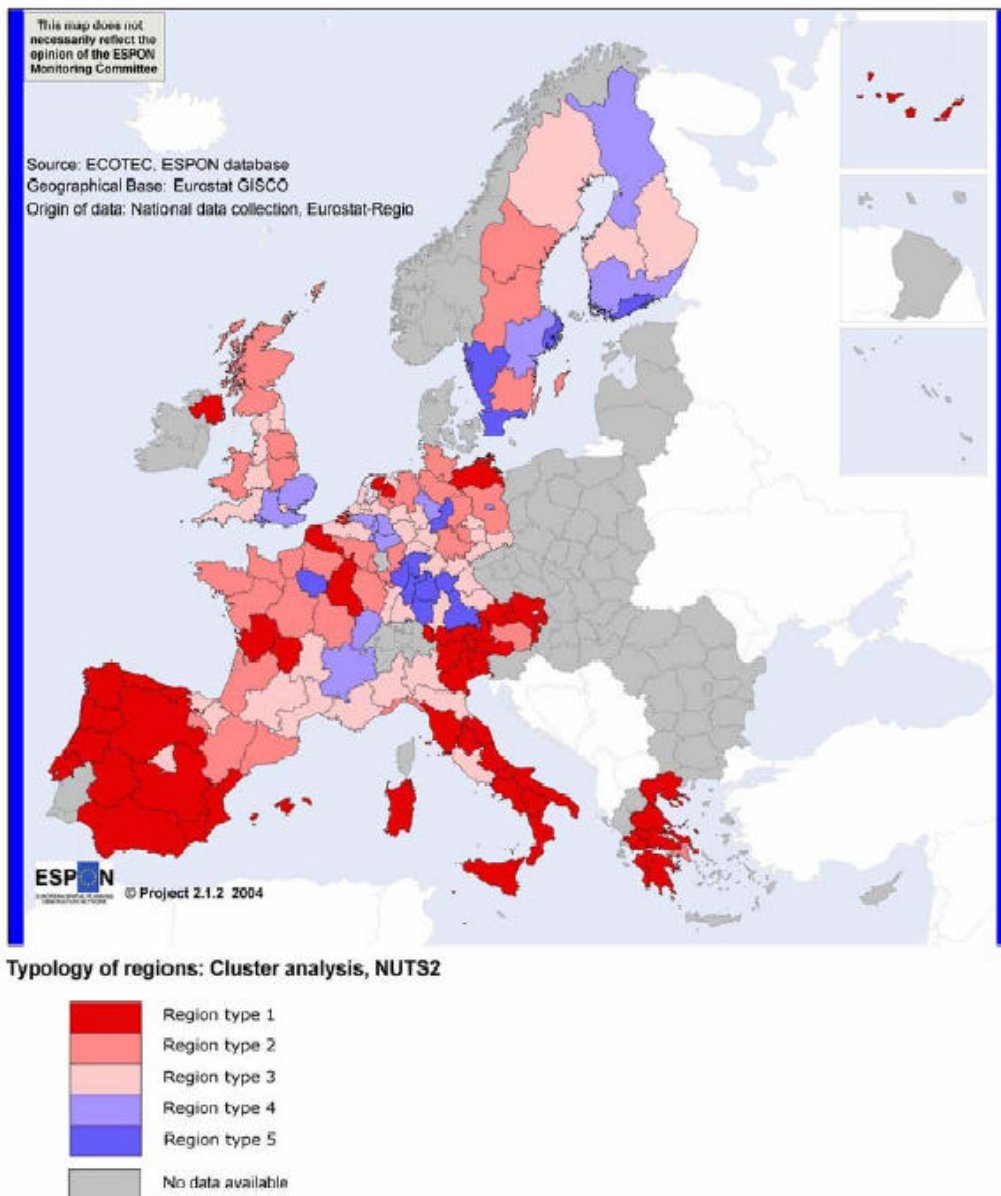
Competitiveness

As noted above, there has been a tendency to equate a polycentric urban system with competitiveness, though the evidence to support this is not all that robust. For example, Walsh and Meldon (2005) noted that “There have been several assessments of the factors that have contributed to improved competitiveness that has underpinned the spectacular performance of the Irish economy since the early 1990s; not one assessment has identified polycentricity as a contributory factor”. However, there are also other, more conventional, perspectives on the territorial aspects of competitiveness that have been looked at in ESPON. Project 3.3, for example, is currently in progress and is exploring a number of economic indicators of competitiveness – GDP per capita, labour productivity, total employment rate, employment rate for older workers, spending on human resources, research and development expenditure and information technology expenditure. On this basis, and at national level, the Scandinavians come out at the top of the league, in a group that also includes Luxembourg; while France, the Netherlands and the UK appear in the second highest category. This suggests that the countries in North West Europe should not feel complacent about their national competitiveness, and can probably learn from the Scandinavians.

The attempt to make Europe competitive globally is at the heart of the Lisbon Strategy, which puts a special emphasis on the importance of the knowledge economy. The Lisbon Summit in 2000 adopted the strategic goal of creating a European Research Area (ERA) as a step towards making the EU the world’s most competitive knowledge economy. Since then the EU has agreed the Barcelona Objective. This aims to increase investment in R&D in the EU to 3% of GDP by 2010, of which two-thirds should come from the private sector.

How are the urban areas of North West Europe faring? The Third Cohesion Report (2004) pointed to significant disparities in R and D across Europe. Two completed ESPON reports are very relevant here – those on Telecommunication Services and Networks (1.2.2) and on the Territorial Impact of EU Research and Development Policies (2.1.2). Although direct spending through EU policies accounts for only a small part of the total spend on R and D, there appears to be a clear territorial pattern to these aspects of investment for increased competitiveness. Project 2.1.2 found that the main “hotspots” for research, technology and innovation are currently located in the core areas of North West Europe and in parts of Scandinavia.

Map 1: Summary Typology of Regions for R and D and innovation



Map 1 shows a typology of regions produced by the project on R and D. The five types are as follows:

- Type 5 exceptionally strong system of R&D and innovation
- Type 4 strong system of R&D and innovation
- Type 3 mixed fortunes in undertaking R&D and innovation
- Type 2 average strengths in R&D and innovation
- Type 1 weak at undertaking R&D and innovation

The map shows that there are regional disparities within the North West Europe area. For example, within the UK, the South East of England scores highly, but other regions such as Northern Ireland and rural regions of Wales and Scotland score badly, as does the North of the Netherlands, for example. Overall the project found a positive relationship between GDP, levels of tertiary education and employment in high tech' manufacturing, and R&D expenditure, though high technology manufacturing in a territory does not necessarily require R&D capacity.

Again the policy recommendations have some strong implications for the large metropolitan areas in North West Europe. For example, there was a proposal that regions that have an exceptionally strong system of R and D and innovation within the European context should be promoted as focal points of a "European innovation system".

Project 3.1, which was the first Integrative Project of ESPON, developed a compound indicator system that it used to measure and map the Regional Classification of Europe (RCE). This work has since been taken further by project 2.4.2 (known in ESPON-speak as "Zoom in"). As part of the process of developing the RCE this current project, in its Second Interim Report, has devised an indicator of economy that combines GDP in purchase parities in 2002 with the development of GDP between 1995 and 2002 (thus capturing growth/stagnation characteristics of regions). This resulting map (not reproduced here) highlights the leading role played by Ireland and Luxembourg, and the regions based on Paris, London, Brussels and the Randstad, while also picking out the rapid growth in the new member states from the Baltic.

The "Zoom in" project has also devised and mapped a composite Lisbon indicator, based on the combination of productivity, labour participation, R&D expenditures, personnel in the private sector and the educational level. Viewing the results, the researchers identified five "Lisbon zones" in the ESPON space, two of them in the Nordic area, one in England, based on and wrapping round London, and another zone running through the Netherlands, North Belgium and West Germany, though the largest such zone ran from Munich through Switzerland to the Mid-Pyrenees. Paris stood out as a "Lisbon island", a "hotspot" in its own right but not part of a contiguous zone. However, there are also regions in NW Europe that score only as "average" on the Lisbon indicator, or even in the case of Pas de Calais "below average". In particular there is a major challenge to grow the knowledge economy in the old industrial regions, and to find appropriate forms of innovation for the more rural areas, such as West Wales.

One valuable contribution of the project on R and D policy was its discussion of the way that social scientists have rethought the nature of the innovation process. Traditionally innovation was explained through a linear process leading from basic research through product and process development; production and finally to marketing and diffusion. Now the theory recognizes that there are many interactions and iterations in the process of technological change, with adjustments and learning through the production process, for example. A key concept is “tacitness”: since knowledge is new and uncoded, instead of being standardized and easy to disseminate, it is often centred on key persons or groups of persons, and shaped by the context. Face-to-face contacts, spillovers, networks, linkages, synergies – these are the words that describe the serendipity-like qualities from which innovations arise. Crucially this way of looking at the drivers for the Lisbon Agenda highlights the importance of the territorial dimension. Specifically it underpins the idea that regional clusters, linking key institutions really matter. This echoes Porter’s (1996, 1998) work, which has been summarised as follows:

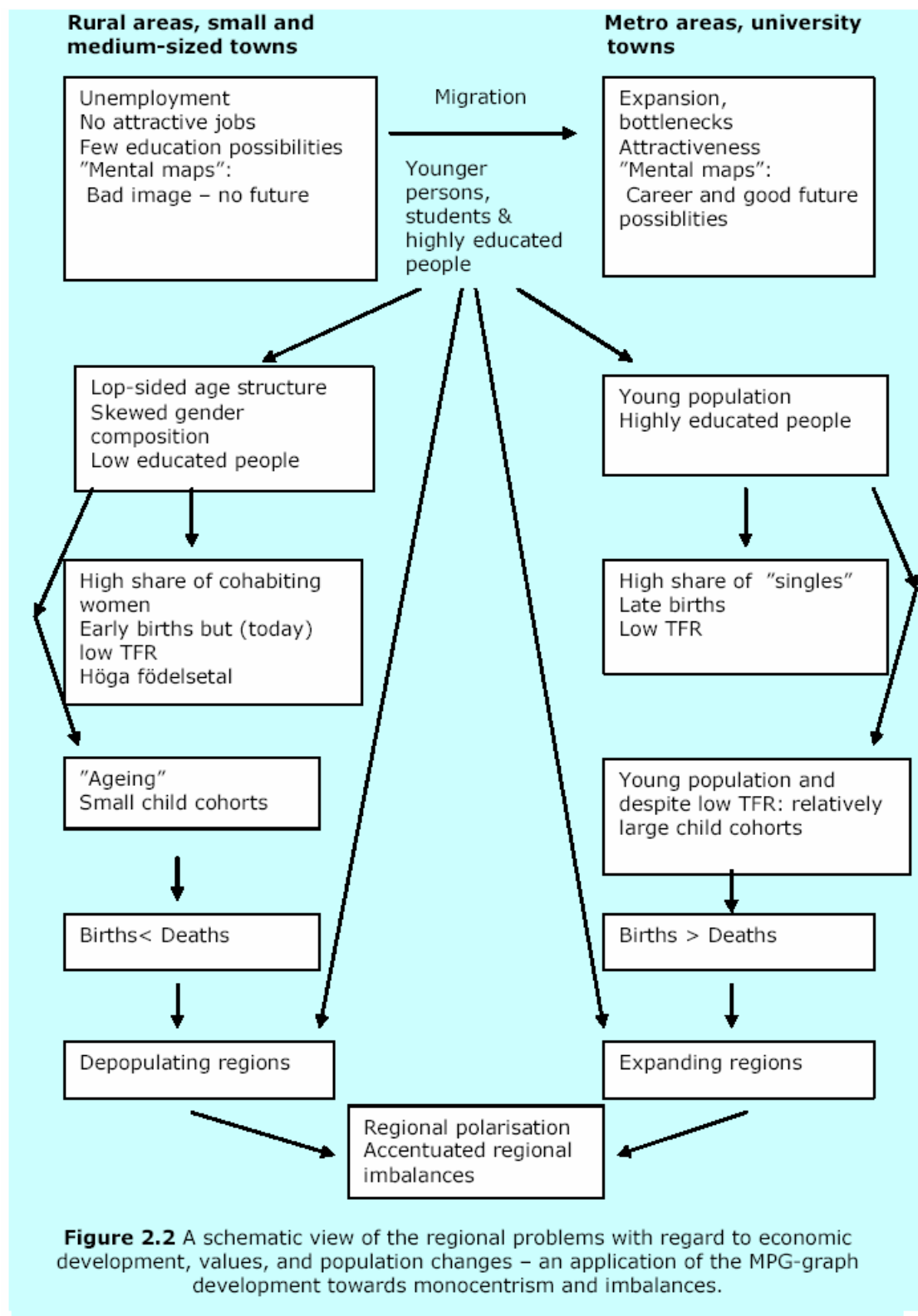
‘...places that are successful economically have concentrations of specialised knowledge, support institutions, rival firms, related enterprises and sophisticated customers. Proximity leads to special access, closer relationships, better information and powerful incentives to innovate.’ (Lever and Turok, 1999).

Porter’s “diamond” also features strongly in the efforts of project 3.3 in its Second Interim Report to conceptualise what the project calls “territorial capabilities” (for more details see the later section on Sustainable Development). Montgomery (2005), however, has noted that the Porter model does not explain why some cities are much better than others at exploiting the relationships that Porter’s theories commend. Montgomery speculates that the future lies with those cities where innovation is part of a creative milieu that encompasses modernity in the arts, fashion and architecture, together with a lifestyle and environment. On this basis he suggests that cities that define themselves through their history – a culture that is conserved, but in the past – will fail. The world cities of Paris and London should continue to thrive through a process of cumulative causation – indeed part of London’s global significance derives from its strong position in design, publishing and television – but the creative, up-and-coming cities in NW Europe spotted by Montgomery include Manchester, Antwerp, Dublin, and Bristol.

ESPON project 1.3.3 is concerned with culture, but if Montgomery’s arguments are right the project seems to be missing some important points. Fundamentally 1.3.3 is about cultural heritage, and its Second Interim Report shows that the research team has embarked on an extensive 29 country search for data on cultural monuments, landscapes, their degrees of protection, lists of museums, theatres etc. The aim then is to establish the territorial pattern of tangible reminders of the past. In contrast, if we follow Montgomery’s line of argument, the key questions are about creativity and experiment in cultures, the dynamics and flows rather than the inherited stocks. One might even suggest that the weight of packaged cultural heritage in Europe, and the ESDP and ESPON focus upon it, is indicative of a major weakness in relation to innovation and competitiveness. Montgomery says that “The cities that have most to fear are those with low levels of new wealth creation and who place too much emphasis on the past, to the detriment of the new.” Looking at Europe in the World (the brief for project 3.4.1) rather than

concentrating on patterns within Europe, Montgomery's characterisation of places with "most to fear" describes Europe as an entity when it is compared with Asia or North America, for example. ESPON needs to further probe the territorial relationships between creative cultures and competitiveness.

Diagram 1: The demography of regional polarisation



Migration can be a factor in fostering a culture of innovation. Social scientists have long recognised that voluntary migrants tend to be younger, more ambitious and more skilled than their counterparts who stay at home. Diagram 1, taken from the Draft Final Report of the ESPON project on Demographic Trends (1.1.4), explains how the migration process tends to favour urban areas and monocentric growth patterns. The research team on this project developed a typology of regions, based on a combination of age structure, fertility and migration.

In European terms, the maps of this demography-based typology show North West Europe in a positive light. With the exception of a few more peripheral and rural parts, these areas are not facing the challenges of depopulation that are a central theme of the project. However, a couple of short Belgian case studies in the Demography project highlight some of the issues outside the biggest cities. Sparsely populated rural districts in the south of Wallonia are repopulating following the arrival of families with young children or young pensioners. The summary of the case study notes that economic growth has been a cause and a consequence of demographic renewal. There are a lot of small firms and high levels of self-employment, and the labour force is very flexible, and the environment is also good. However, many of the wage earners here commute to work in the cities, and have been drawn to the area by its affordable house prices.

The second Belgian case study uses the old industrial part of Wallonia to present a vignette of the problems such regions face within North West Europe. These are areas that attract few in-migrants, while losing some of their own people, especially the young, to other regions. Poor environment (a legacy of the industrial era), poor image and a lack of entrepreneurialism underpin these old regions. Liege has the only French language university in the area. This helps to boost the numbers of young people, but the problems begin when they graduate and find that to get the best returns for their qualifications they need to move elsewhere. In the province of Hainault, the economic problems are even worse, but its proximity to Brussels allows people to remain there but commute to work. These all too brief case studies raise very important questions about the territorial parameters within which regeneration strategies should be designed and implemented. This is a topic where there could usefully be dialogues between practice and research. Do we consider commuting within more spatially extensive labour markets a key strategy to achieve economic, social and territorial cohesion?

For those in urban and metropolitan North West Europe one important challenge is going to be how to cope with problems of congestion and pressure on property markets? ESPON has paid little direct attention to the interactions between commercial floorspace, housing markets and territorial competitiveness. This is a theme we will return to in the discussion of sustainable development in a later section of this paper.

The importance of accessibility as a factor in city growth has long been recognised. Here again the integrative “Zoom in” project is interesting. Even though it is still at an early stage, it is combining and mapping data from previous ESPON projects that have been completed. This exercise involves developing an indicator combining accessibility by rail, road and air along with accessibility to markets at different scales by rail and by road

(in each cases related to a population figure). This exercise shows the highest scores are evident in a central part of the Pentagon that includes areas of France, Netherlands, Germany, Belgium and Switzerland, with nuclei outside this in London, Paris, Hamburg and Berlin.

So it may appear from a NW Europe perspective that all is well. However, the Final Report of project 2.1.1 made two particularly important points that the conference may like to consider. Firstly, it argued (on the basis of results from modelling) that “for regions in the European core with all the benefits of a central geographical location *plus* an already highly developed transport and communications infrastructure, additional gains in accessibility through even larger airports or even more motorways or high-speed rail lines will bring only limited incentives for additional economic growth” (p.140) Indeed the research suggested that overall the impacts of European transport policy on regional economic development have been small. Should national policy makers therefore adopt a stance of benign neglect when faced with the calls from the metropolitan regions of NW Europe for support for new transport infrastructure? Would such a policy be compatible with one that (tacitly?) encourages long distance commuting as the means to access and sustain the wealth creation engines of the major metropolitan centres?

The second, and related, point of significance from 2.1.1 is that access to the network is as important as the quality of the network itself. This raises some very fundamental questions about secondary networks and services within countries. For example, Peter Hall (2005, p.187) has noted that “England is effectively a very small space-economy, a bit more like the Netherlands than like its obvious big country European competitors: France, Germany or Italy”. This insight was sparked by his study of the new 2005 summer train timetables, which show that Birmingham, Bristol, Nottingham, Manchester, Leeds, Sheffield and Liverpool are all connected to London at peak business times by services of up to 2 hours 15 minutes travel time. However, as Hall pointed out, there is a huge difference between the accessibility of these core cities and places on their regional fringes. Thus while central Manchester is 135 minutes from London’s Euston station, Rochdale, some 15-20 kms from the centre of Manchester is about another hour’s travelling time, in part because it requires a change of stations and in Hall’s words “a clunky rail car” ride for another 30 minutes. The result, he argues, is that the investment made in reducing the journey times between the core cities and London has had the effect of making these cities the only places in which to invest within their regions, and creating a permanent competitive disadvantage for national and regional peripheries. The centres of these connected English provincial cities are thriving economically, while the “disconnected” towns within their regions still lag. Again polycentricity works at one scale, in this case national, but at the cost of undermining polycentricity at a more local scale.

In summary, ESPON has begun to demarcate some of the key factors that contribute to territorial competitiveness. While critics might argue that its efforts have concentrated overly at the European scale, and on indicators and data, the projects have contributed not only to an understanding of the patterns but also to some of the underlying explanations

for them. The on-going projects continue to do this. What emerges is a picture in which the urban and metropolitan areas of NW Europe are performing well in general compared to the norms in the 29 country ESPON space. However, there are major problems for old industrial areas and for places that are not connected to the core space economy. Equally important is the extent to which Europe's global competitiveness hangs heavily on the international performance of these core cities. The real comparators for the metropolitan areas of NW Europe should be Beijing, Tokyo, Los Angeles, not Tallinn or even parts of southern Europe (though it does look like we could learn some tricks from the Scandinavians!). The challenge in NW Europe must be to sustain and grow this network, and that is likely to mean looking at embedding a culture of innovation and modernisation in all aspects of policy making, whilst also building the network connections and removing barriers to access to networks. How this might be done should be a central concern for research and practice, and vital for the success of the regional co-operation process in the post-2007 Structural funds regime.

Cohesion

The discussion of competitiveness has already highlighted some of the issues of cohesion at different territorial scales. A key role of ESPON has been to state the statistical case for territorial cohesion policies and to provide DG Regio with the data from which it might be possible to make "objective" and "scientific" decisions about future eligibility for cohesion funding. At this European scale North West Europe looks relatively cohesive – the main gaps are between Pentagon and the periphery, especially after the Union grew to 25 members in 2004. However, as already indicated, within North West Europe there are important differences between metropolitan regions and rural fringes, and significant problems confronting old industrial regions undergoing restructuring.

A major aim of project 2.2.1 was to see how much impact, if any, the Structural Funds programmes had on territorial cohesion and polycentric or balanced development (mainly through interaction between urban areas to create synergy and equity). The Final Report highlighted two ways in which cohesion and polycentricity have been influenced by Structural Funds programmes: through spending on particular measures; and in defining Structural Fund programme areas. The main source of data was the previous structural funds round (1994-99). The findings were somewhat mixed and qualified. Generally, the programme strategies were found to have a certain consistency with the objective of territorial cohesion. However the Structural Funds programmes have been drafted as regional economic development programmes. While spatial considerations inform their design and are explicit in many instances, a variety of approaches are apparent across different programmes. The degree of correspondence with the goals and concepts of European spatial development policies could be seen to be coincidental. In effect the programmes do contribute to polycentric development and territorial cohesion, but in an indirect manner. Similarly, the project that explored Structural Funds in Urban Areas pointed to the gap between the geographical targeting of the funds to a regional level and the targeting at a neighbourhood level within urban areas.

Relatively little Structural Funds spending had been in the cities and metropolitan regions of North West Europe. At a European scale these are mainly found to be areas where per capita spending on the Structural Funds has been low, but per capita increase in GDP has been high. Similarly, cross-border differences are relatively small within North West Europe, the main exceptions being the discrepancy between metropolitan Paris and its surrounding regions, and between Luxembourg and its neighbours.

Project 1.2.2 looked at telecommunications services and networks as infrastructure for territorial cohesion. This is an interesting area for two reasons. Firstly, there is a common assumption that IT in general and wireless technologies in particular has the potential to obliterate traditional locational disadvantages – e.g. remoteness. Secondly, this is an area that tends to be overlooked in spatial planning practice (except in relation to local attempts to restrict the development of masts etc.). So can we sit back and rely on the telecoms providers to usher in a new level of territorial cohesion across Europe, as we become a continent of tele-cottage workers? Well, probably not is the answer from the project.

The findings from 1.2.2 are difficult to summarise and easy to distort: the research team said that their “overall message” was that the supply and demand for telecommunications in Europe is “complex”. Nevertheless they did volunteer some comments that should be of interest to this conference.

There is a north-south divide in telecoms across EU 15+2, mainly because of the strength of the Nordic countries who lead the way in uptake of most of the technologies. This means that there is not a classic core-periphery pattern. Indeed, Spain and Portugal have outpaced the UK and France in broadband uptake. National policy and traditions, “national telecoms cultures”, are reflected in many of the patterns. This tends to mean that inter-country differences are more evident than inter-regional differences within any country. At the level of NW Europe, there is again a pattern whereby on a synthesis of factors, most of urban NW Europe is at the upper end of the European spectrum (“highly advanced” or “advanced telecom regions”), though again metropolitan Paris stands isolated in this category from the regions that surround it. However, at the micro level the research revealed disparities between metropolitan, urban and rural regions. Metropolitan areas have denser and better quality services, and these are also the places where new technologies get rolled out first. There is also evidence of a persistent urban-rural divide in internet use, though the UK is an exception to this rule.

In general regulation policy for all forms of telecoms was found to be “spatially blind”. So what can regional and local authorities do to increase access to leading edge telecoms for their area? The project advises them to get together with the private sector and public agencies to aggregate demand, thus creating the cost savings that can then be used to improve supply (and further stimulate demand). In effect the local and regional government has the potential to make itself the “anchor tenant” to a telecom provider. As a postscript, it is interesting to note that the National Spatial Strategy for Ireland has recognised the relatively weak position of the more rural parts of Ireland, especially in

provision of leading edge technologies. One result has been government efforts to assist the roll out of broadband infrastructure beyond the larger urban centres (Walsh 2005).

The challenges of moving towards greater territorial cohesion in telecoms are part of a much wider problem. Even if the concept of territorial cohesion was not so nebulous, and even though it is championed by DG Regio, and was written into the ill-fated Constitution, the fact remains that most policy making at European, national and regional levels remains “spatially blind”. In terms of ESPON results so far, for example, it is no great surprise to find that the Common Agricultural Policy (the focus for project 2.1.3) in aggregate terms does not promote balanced development or territorial cohesion. Significantly, the analysis in this Final Report also shows that the reforms implemented within CAP in recent years will still not change the existing uneven spatial pattern of spending. Thus spending in Pillar 1 in particular (i.e. market price support and direct income payments to the agricultural industry) is systematically and significantly higher in the more accessible and prosperous regions. In so far as North West Europe as a whole can be seen as a beneficiary from such agricultural policy there may be a temptation to leave well alone. However, from the point of view of the urban areas and metropolitan regions, this is clearly an unsatisfactory situation and one that contradicts cohesion aims at regional level, where the main concentrations of social need (a field not yet researched by ESPON) are in the cities, and where, as we have seen, the main European hopes for global competitiveness lie.

The wider point here is that there is a need for effective integration of policy across sectors, and also between tiers of government. Only through such efforts will the EU progress in the direction of territorial cohesion in the way that it intends to do. Increasing attention is now being paid in ESPON to issues of governance and to the extent to which policies are integrated vertically across different territorial scales. However these are very much areas where research needs to work closely with the policy and practice community. It is notable, for example, that the Final Report of the project on urban-rural relations (1.1.2) spent much longer on trying to define urban and rural than it did on demonstrating the kind of urban-rural harmony that the ESDP wished to conjure into being. Indeed the case studies done by the project tended to show that there were conflicts, e.g. as urban areas sought to locate housing or major facilities like water treatment plants in rural areas. Similarly national policies tended to accord urban-rural relations at best a subsidiary role in relation to the main aims of policy.

Sustainable Development

Only one of the first round of ESPON projects was centrally focused on environment, and that was the thematic project dealing with natural heritage (1.3.2). It laid the blame for the loss of biodiversity and semi-natural areas within Europe on to intensive agriculture (i.e. another unconsidered side-effect of the CAP) and urbanisation. Infrastructure development was also shown to fragment natural heritage. The main European policy to protect flora, fauna and habitats is Natura 2000, but this was found to be much less influential than Structural Funds, for example. The urban areas of North

West Europe show up as some of the least natural of any in Europe. Furthermore, the natural areas in this part of Europe were also deemed by the researchers to be under the most intense pressure.

A case study of the Thames Basin Heaths Potential Special Protected Area (pSPA) was undertaken to show some of the detail of environmental conservation practices in an area under pressure. It is an area that is recommended as a SPA under the EU's Birds Directive and therefore receives protection equivalent to European status. Furthermore, the area has experienced severe development pressure over the last 50 years, which has resulted in a fragmentation of important open heath habitats and a peripheral pattern of residential development. The site is in a part of South East England where there is a high demand for housing. The study shows how a government agency, English Nature, has been able to use statutory powers to achieve a strong level of protection in the face of development pressures. These kind of stories are the day to day practice of environmental protection work in North West Europe, though because of different national legal systems and institutions little coherent transnational sharing of good practice seems to go on. This is clearly an area that can be developed through INTERREG, but it is also something that ESPON should address more fully as we move to ESPON Mark II after 2006.

The problems posed by congestion and housing market pressures in the economically strong urban and metropolitan regions of NW Europe was alluded to in the section on Competitiveness in this paper. These problems directly challenge the ESDP wish for a new urban-rural relationship based on harmony. The UK, for example, has seen in recent years the growth of rancorous protests from self-styled "countryside" pressure groups, who allege that policy-making, not least in relation to urban and regional development, carries an "urban bias". There is also anecdotal evidence of an increasing urban-rural divide in the Netherlands focused around lifestyle and ethnicity. The aspiration to apply the ESDP, together with the strong pressure, e.g. from Scandinavian researchers, to highlight the issues of rural depopulation and peripherality, mean that these conflicts within the metropolitan regions of NW Europe have arguably been under-researched; yet the capacity to understand them and to develop evidence based policy and practice is vitally important to the overall aims of sustainable development.

The Urban-Rural Relations project reproduced a table summarizing some of the key issues. These included:

- Population and migration
 - improving preferences for urban living
 - protecting greenfield sites from development
 - encouraging the use of brownfield sites
 - tackling the isolation of less mobile rural residents
- Education and training
 - improving education standards in urban areas
 - improving access to education and training in rural areas
 - combining provision and use of buildings for educational and other services in rural areas

- Recreation, tourism and cultural activities
 - promoting joint marketing for main attractions
 - providing more sustainable transport services and facilities (for public transport, walking and cycling) between main attractions
 - promoting more sustainable tourism and recreation routes, not only for visitors but also for local residents
- Food, water and other natural resources
 - promoting self-sufficiency in the use of resources within the region and with near neighbours
 - promoting local markets for local produce to reduce food miles
 - promoting water efficiency in homes and businesses
- Waste and pollution
 - promoting waste minimisation and recycling as ways of reducing the demands for waste disposal
- Shopping and commerce
 - maintaining and enhancing the position of city-centre shopping areas
 - reducing the dependence on the car for out-of-town shopping
 - maintaining rural shops and commercial services
- Work
 - addressing the demand for new housing in accessible rural areas generated by new urban employment growth
 - introducing green travel plans for businesses
 - promoting sustainable transport routes for walking and cycling to work

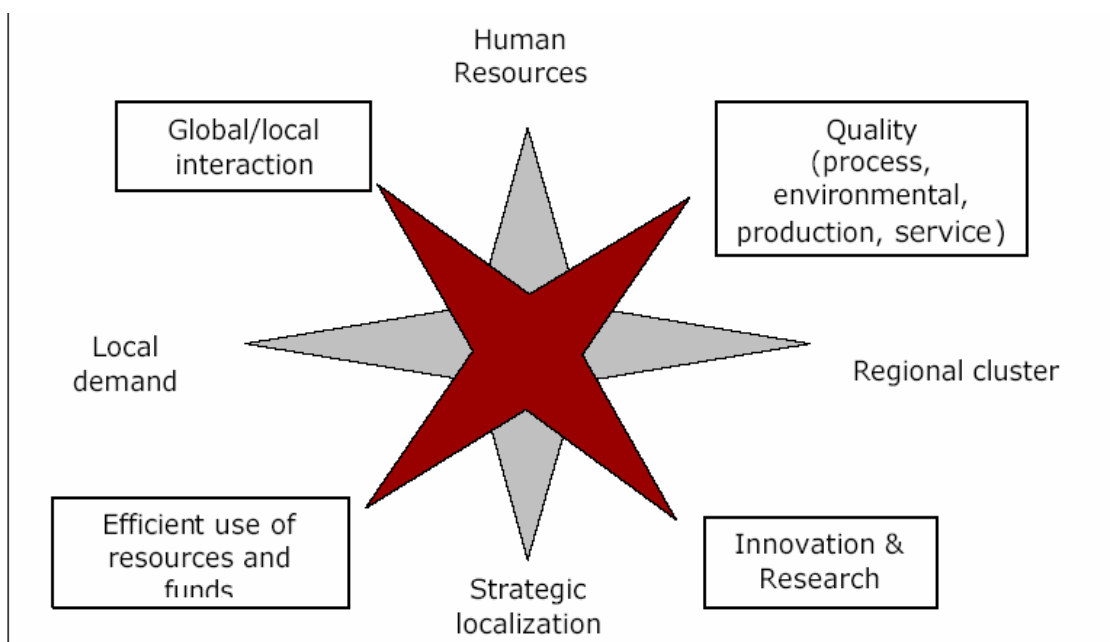
In setting out this list of positive actions that could be taken to develop urban-rural relations towards sustainable development, the project also took a firm stance against “urban sprawl”. In general planning policies in NW Europe have endorsed the idea of urban containment and these policies have been implemented, so that the most extreme examples of urban sprawl in Europe are not to be found here. However, development patterns in Belgium are very different than those in the Netherlands, for example, as the former tolerates much more ribbon development.

Perhaps more fundamental is the need for some international comparisons that project 3.4.1, “Europe in the World” is planning to conduct. In particular, in looking at the Global Economic Integration Zones in the USA it is clear that in California especially, what Europeans would call “urban sprawl” has been a sacrosanct form of development. Of course this very low density spread is associated with high car dependency and high levels of fossil fuel consumption. This is not the “compact city” favored by the ESDP, rather it is an urban form that is generally regarded as the antithesis of sustainable development. Against that one of the strengths of the region has been its enduring capacity rapidly to absorb more urban development without creating the kind of housing

shortages that characterise more rationed European housing land supply systems. Is it significant that the rapid growth achieved by Ireland in the 1990s was also accompanied by substantial peri-urban growth that looks suspiciously like “sprawl”, accompanied by heavy commuter flows and a growing congestion problem? More research is needed in this field, and so are more dialogues between practitioners from different countries.

The Lisbon-Gothenburg project, 3.3, clearly has to give central consideration to the sustainable development agenda. Though its work is on-going, some interesting ideas are emerging. In particular the project is seeking to develop the notion of “competitiveness in sustainability” and is trying to apply ecological concepts such as carrying capacity to economic, territorial and environmental systems. The idea of territorial capabilities is central to the methods being developed in this project. The research team defines territorial capability as “the capacity of a territory to produce value and to own competitiveness / rank in sustainability at different levels.” The concept is expressed in the diagram reproduced here as Diagram 2. It basically supplements Porter’s “diamond” (local demand, human resources, regional cluster and strategic localization) with four new, but integrative concepts from sustainability: global/local interaction; quality; innovation and research and efficient use of resources and funds.

Diagram 2: Porter’s Diamond modified to link competitiveness and sustainability



Source: Project 3.3 Second Interim Report (2005).

Potentially this can be used as a check list by spatial planning practitioners in developing their approaches at a local/regional level. However, it is important to note that the ESPON research applying these ideas is not yet complete.

Finally, it is important to mention that ESPON has shown that the urban and metropolitan regions of North West Europe are exposed to a number of hazards. Project 1.3.1 has

reviewed the territorial dimension of a number of natural and technological hazards across the 29 ESPON countries. By combining 15 natural hazards and 4 technological hazards on the basis of the most recent comparable data, an aggregated hazard map was produced. This highlights the hazard “hot spots” running from the north eastern coastal areas of France through Belgium and into the Netherlands, and a similar stretch down the east coast of England. The statistical analysis identified a cluster of NUTS3 regions that were coastal areas threatened by storm surges/winter storms and floods. These were mainly in North West Europe. Water management will be an important element in a sustainable development spatial planning approach to this part of Europe.

Conclusions

ESPON shows North West Europe’s metropolitan and urban areas to be leading forces in the territorial development and competitiveness of Europe as a whole. Many of the reports depict a situation where the capital cities of the new member States will become increasingly connected into the networks of the NW Europe urban system, and will continue the fast growth that they have exhibited in the run-up to accession. However, an argument can be made that the competitive advantage enjoyed by the cities of the core may be eroded if investment is steered elsewhere in the name of polycentricity and cohesion. Conversely, the less regulated the mode of provision then the more likely the market is to “back winners” and concentrate on places like Paris, London and Brussels. This is evident, for example, from the roll out of leading edge technologies and the patterns of migration into and across European space.

The very largest metropolitan areas seem to be threatened from a number of different directions. There is global competition, particular from similar centres in North America and Asia. There is a European challenge to their current dominance that calls for more balance and cohesion. There are national calls also (but also opportunities) for better connections and secondary transport networks so as to share the access to the metropolis. Also significant are the problems of affordability on housing and threats of congestion and pollution and loss of open space and biodiversity to “urban sprawl”. All these could be interpreted as the price of success. However, the need to move towards more sustainable forms of development is one that cannot be ignored in urban North West Europe. ESPON shows why this region needs effective evidence-based spatial planning.

Spatial planners still aspire to a higher rationality that can transcend the divides created by sectoral planning, different scales of governance and market forces. The vision of balanced and harmonious development remains a siren call. The challenge for ESPON now should be to probe more critically the processes that underpin the statistics, the conflicts at the heart of policy options. The challenge to practice is to engage with ESPON in a process of mutual learning.

Finally, here are some questions that might help to focus discussion and debate over the coming sessions of the conference:

- Are metropolitan areas of NW Europe threatened by policies recommended in some ESPON reports to transfer investment and EU institutions to more peripheral countries? Would the growth of new zones of global economic integration outside the Pentagon undermine the strength of major urban centres within the Pentagon?
- What have been the practical applications of polycentricity policies in NW Europe and how might these be evaluated? In particular, how has the advocacy of polycentric development through spatial visions impacted on development?
- What institutions can help forge a milieu within which innovation is likely to flourish? Given that innovation is now seen in much less linear terms, and that tacitness and networks are recognised as being important, can policy makers do much more to encourage innovation other than creating science parks and wishing for regional clusters to form?
- What can be done to increase the competitiveness of the older industrial towns where there is poor environment and out-migration? Can they provide an attractive living environment for the 21st century?
- What are the research and practice questions that we need to tackle to capitalise on the potential spin-offs from a creative cultural milieu? Are territorial interventions themselves driving such change in the world cities of North West Europe?
- Can we achieve more joined-up government to pursue the aims of territorial cohesion at all levels?
- Is the compact city and European notions of sustainable urban form undermining competitiveness? What should be the spatial planning strategies in metropolitan regions?

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Note all ESPON reports referred to are on the ESPON website: www.espon.lu. None are published in hard copy.