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THE EU TERRITORY OF TOMORROW?

TOWARDS AN EU TERRITORIAL REFERENCE FRAMEWORK

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Territorial Thinkers is an independent platform of experts, highly experienced in European, national, regional and local policy development with a territorial dimension.

Territorial Thinkers aim to support on-going policy development processes by presenting arguments, evidence, ideas, options and recommendations to policy makers.

Territorial Thinkers are convinced from experience that a clear territorial dimension in policy conception and in programme strategies and implementation releases a new innovative and cooperative dynamism which should be captured and used positively to achieve European policy objectives.

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The idea of this Territorial Thinkers Briefing 4 is to stimulate debate on the 'EU territory of tomorrow' ahead of, during and after the elections among the upcoming, new decision makers.

Possible answers to the key questions about the 'EU territory of tomorrow' need to be addressed and debated by politicians heading for a seat in the next European Parliament, candidates for the next EU Commission, the current Romanian and upcoming Croatian, Finnish and German EU Presidencies and, importantly, by regions and cities as the actual players implementing an integrated territorial approach.

It is the hope that politicians will take interest in the following more detailed arguments and messages of this TT Briefing 4 and embark in the political challenge of delivering an EU Territorial Reference Framework – a new long-term policy ambition for the EU territory.

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THE EU TERRITORY NEEDS EXPLICIT POLICY ATTENTION

Currently the European cooperation process is facing many serious challenges: increasing international competition and integration in the global economy, significant social discontent among European citizens, immigration pressure towards the EU, climate change, socio-economic concentration and depopulation trends leading to increasing territorial concentration, inequality and fragmentation.

All these challenges have a strong territorial 'footprint', affecting citizens and enterprises in diverse ways depending on where they are placed. This means they cannot be dealt with effectively unless their territorial implications are an inherent part of the responding policies.

Moreover, in physical terms the European Union's territory will continue to change due to Brexit and the future accession of new EU member states in an era of an increasingly interdependent and rapidly changing world.

As most decisions and policies today in addition have a lasting impact on the territory, it becomes crucial to address the question: **What EU territory do we want to hand over to the next generations?**

EU policy innovation with more focus on the EU territory of tomorrow is now a necessity. More attention to the overall development of the entire EU territory is required at EU level as external challenges and impacts are increasing.

Key questions to focus on in the upcoming European elections and the new EU Commission coming into place in late 2019, are:

- (1) What overarching territorial development aims should EU policy makers work towards to ensure a balanced EU territory and avoid that inequalities between places drive people and Europe apart?**
- (2) What future urban and rural EU territories do EU citizens and enterprises want?**
- (3) How could EU policies better explore the diversity and assets within the EU territory in assuring well-being and integration, cohesion and competitiveness in all types of territories?**
- (4) How and where would EU policies, both the European Structural Investment Funds and EU sector policies, need to contribute efficiently to the long-term aims?**

To ensure that future policy making is integrated, coherent and efficient, **the EU needs to express overarching, long-term aspirations for the development of the EU territory**, for the overall balance and functionality, for the settlement structure, for cooperation areas, for the spatial patterns of activities, access, connectivity and flows, and for the prospects for the diversity of regional, urban and rural realities.

Given the mentioned challenges, the above questions are extremely important for the future of the EU, for competitiveness and cohesion, and for the broader acceptance of the European project by EU citizens. **EU policy must innovate to include a European Territorial Reference Framework that in respect of subsidiarity becomes a useful overarching policy reference for EU sector policies, member states, regions, and municipalities, and make future living conditions in different spaces and places desirable for the citizens.**

DEMAND FOR EU TERRITORIAL POLICY

An overarching perspective on the entire EU territory has not yet been part of the broader and comprehensive policy agenda and debate at EU level.

This even though most policy decisions at all levels of government have a demonstrable territorial impact. Such decisions involve, for example: where access to international markets and innovation should be improved, where international connections progress, where enterprises decide to locate or expand and new jobs are created, where social conditions and public services change, where new housing and business service facilities will be built, where immigrants will be invited to set up, where IT coverage improve, where pollution and climate change impacts will be adapted to, where green infrastructures and cultural assets would be promoted etc., just to mention but a few.

Current socio-economic, environmental and geo-political challenges are more demanding than ever. To be strategic in response to challenges and prepare the EU territory well for a more internationally dependent future, it is inevitable that EU policy makers address the long-term development of the entire EU territory in a comprehensive and cross-sectoral way.

Explicit, overarching EU territorial aims and objectives would benefit not only the coherence and synergy of EU policies, but also contribute positively to the development of the entire EU, and its regions, urban and rural areas.

In addition, it would contribute to the integration and competitiveness of the EU in the world economy. Clarity on places for global logistics and flows as well as urban and infrastructure networks would benefit location decisions and attract investors.

Policy making without clear answers to “where?” and “for whom?”, and without clear aims and objectives on what should be achieved, means loss of competitiveness, synergies, cohesion and resources.

INCREASED RESPONSIBILITY AT EU LEVEL

In times of globalisation the EU level should play an enhanced role to support member states.

The changing world and the growing fragmentation of European societies calls for clarity and vision among responsible policy makers. To guide decisions, policy makers need to articulate aims and objectives (and even some actions) for what should be achieved in the long-term, which policy makers and authorities could then in turn use as a reference in their day-to-day activities.

In today’s world it is necessary that policy makers address the future EU territory in this way. Many regions and municipalities, and a few EU member states, are using such a strategic and integrated approach.

Long term strategic and integrated considerations for the entire EU territory with clear and transparent aims and objectives would (1) deliver invaluable reference points for public spending and investments at all levels, (2) provide assurance for EU citizens on what future living conditions to expect, and where, (3) improve investment security for foreign and domestic investors and businesses, (4) support the coherence and synergies between different policy sectors by working towards common and transparent goals, and (5) benefit regions and municipalities by having a more international and long-term reference for the likely development of EU territory when working on bottom-up visions, strategies and actions related to their own territory.

In summary, enhanced responsibility at EU level means that **an EU Territorial Reference Framework should be part of the policy portfolio of the EU cooperation.**

CURRENT POLICIES FOR THE EU TERRITORY

The Treaty for the European Union includes the aim of economic, social and territorial cohesion already in Art. 3. Substantive EU funding is allocated to help territories lagging behind economically to catch up and reduce the existing imbalances within the EU territory.

The aim of territorial cohesion is further expressed as opting for a harmonious and balanced EU territory, where lagging regions and some specific types of regions would need special attention. However, it is more than this.

Territorial cohesion is somehow baked into the rules for receiving EU funds with a delivery mechanism largely based on socio-economic and not territorial priorities. Though, European Structural Investment Funds 2020-2027 seems to be improving on this point through more urban focus and promotion of integrated territorial development.

This is as such very promising, but delivering territorial cohesion requires concerted action from all relevant policy areas and all levels of government. It also requires much more territorial cooperation than hitherto.

Many EU sector policies have substantial direct or indirect territorial impacts. This is increasingly recognised, and the European Commission has taken the initiative to include the territorial component in their impact analyses of new policy proposals. However, a main deficit has hitherto been that no overarching EU territorial policy aims were available against which the potential impacts could be measured. Moreover, requirements of supporting territorial cohesion is so far not mandatory in EU sector policy legislation, which result in policy implementation based on a sector specific reasoning only.

During the last decades EU member states have cooperated on shaping policy priorities for European territorial development. Several documents have over time been agreed at ministerial level. Basic principles for territorial development have been agreed in policy documents such as the European Spatial Development Perspective (ESDP 1999) and the Territorial Agenda (TA-EU, 2007).

Latest, the inter-governmental cooperation agreed a Territorial Agenda 2020 for the European Union (2011), which includes six key policy priorities for EU territorial development:

- 1) Promote polycentric and balanced territorial development.
- 2) Encouraging integrated development in cities, rural and specific regions.
- 3) Territorial integration in cross-border and transnational functional regions.
- 4) Ensuring global competitiveness of the regions based on strong local economies.
- 5) Improving territorial connectivity for individuals, communities and enterprises.
- 6) Managing and connecting ecological, landscape and cultural values of regions.

The Territorial Agenda 2020 constitutes an important political initiative for formulating an overarching territorial reference framework at European level. It is currently up for an update which is supposed to be ready under the upcoming German EU Presidency in autumn 2020.

However, the European level has so far not embraced this policy approach. To become a consolidated EU policy a strong commitment of the upcoming European Parliament, EU institutions (incl. the European Committee of the Regions and the European Economic and Social Committee) and the European Commission will be necessary, and beneficial for all policy actors involved.

It seems obvious to merge the European Commission concept of integrated territorial development and the Territorial Agenda into one process leading to one policy document. With the Territorial Agenda process, EU member states have taken the first step.

It is now the moment for EU policy makers to take policy for the EU territory to the next level.

BUILDING AN EU TERRITORIAL REFERENCE FRAMEWORK

The basic ingredients for a consolidated and updated EU policy for the entire territory are in place. In summary, several important elements exist that should be integrated into one policy process and deliver on the policy ambition:

- (1) An integrated, territorial approach is on the European political agenda in relation to the future ESIF 2020-2027, which is very positive. The implementation needs clearer views than expressed hitherto on ambitions, and what should be achieved, to be helpful for all actors, including regions, and cities.
- (2) EU sector policies should be an inherent partner in pursuing an integrated territorial approach and in defining the EU Territorial Reference Framework. This would require an update of the legislative aims for many EU policies as well as a corresponding update of the European Commission impact assessment system. EU sector policies would benefit from this in future cooperation across sectors and with territorial actors.
- (3) EU member states have shown consistent interest in overarching policy orientations for the EU territory by elaborating and agreeing a Territorial Agenda for the EU in 2011. The Territorial Agenda is currently in a process of updating, which is envisaged to lead to a political agreement among EU member states. The key challenge is here to ensure the full commitment of the EU level and close cooperation with all EU member states.
- (4) The necessary European knowledge base on territorial development issues is established. The ESPON programme financed by EU member states and the European Commission as well as other bodies are key holders of this

evidence, including world-wide outlooks and territorial visions/strategies. This evidence could be used more widely and further improved to inform the discussion of long-term EU territorial policy challenges, priorities and options.

- (5) Many regions and cities have good and long-term experiences in implementing an integrated territorial approach and have adopted strategies and objectives for their respective territories. This is indeed positive. However, a wider European or global perspective is most often absent. This should be changed and improved, also through integrating regions and municipalities in the EU policy process on the EU territory of tomorrow.
- (6) Involvement and participatory debates are crucial for ownership and implementation. The first step is to analyse and debate the challenges, needs and benefits of having a territorial reference framework at EU level. In a second step, all actors, including regions, municipalities, NGO's, civil society, business representatives etc. must all be involved somehow in the formulation to ensure ownership and commitment to the long-term aspirations, principles and possible actions.

That said, the approach to and level of ambition for an EU Territorial Reference Framework must be realistic. Some EU member states might be skeptical towards a European perspective on the overarching EU development including their territories.

Indeed, an EU Territorial Reference Framework fits perfectly into the multi-level governance model. It would therefore respect the principle of subsidiarity by leaving room for policy making at the respective levels of government. It might be necessary to stress a non-binding nature of the overall aims and objectives for national, regional and local actors.

It goes without saying that the EU level should lead the way, comply and contribute to the long-term territorial aspirations, aims and objectives embedded in an EU Territorial Reference Framework.

Member States, their regions and cities should then in turn by taking reference to the EU framework contribute to and benefit from the wider context expressed by the aspirations, aims and objectives for the long-term development of the EU territory.