



Border, Midland & Western
Regional Assembly
Investing in Your Future

BMW Regional Assembly
Submission to the
EU Green Paper on Territorial
Cohesion: Turning Territorial Diversity
into Strength

January 2009



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union



EUROPEAN REGIONAL
DEVELOPMENT FUND

Introduction

The Border Midland and Western Regional Assembly welcomes the publication of the Green Paper on Territorial Cohesion and welcomes the opportunity to participate in the debate by responding to some of the debating points listed in the Green Paper.

This submission to the debate broadly follows the format of the questions for debate set out in the Green Paper. In the first instance, there are some general remarks on the Green Paper itself and this is followed by responses to the questions posed in section 4 of the Green Paper.

In our view, the Green Paper somewhat under-states the extent to which disparities and development asymmetries can be considered to be a ‘within’ Member State phenomenon, amenable to national strategies, rather than an EU level issue, amenable to EU structural actions. While the EU level actions are addressed predominantly to the latter, nevertheless the disparities within Member States should not be downplayed.

A greater recognition of the need to balance competitiveness and reducing disparities is needed. The Green Paper fails to acknowledge that the pursuit of competitiveness implies to many, a ‘*backing of winners*’ strategy in order to raise growth and employment prospects rather than a ‘*building of capacity*’ strategy. A more explicit recognition and reconciliation of these potential competing objectives (competitiveness and territorial cohesion) is required.

There is a clear risk that EU Regional Policy will become focussed on addressing the consequences and rectifying the distortions caused by inappropriate and failed sectoral policies. The principle of territorial cohesion must be applied to **all** sectoral policies that have a territorial impact, prior to implementation. There is also a risk that if the concept of territorial cohesion does not go beyond being expressed in broad, symbolic, rhetorical terms, it will fail to be implemented as it lacks a motivational and directional effect.

1. Definition

It is essential that there should be a single, widely accepted and clear definition of what is meant by the term ‘territorial cohesion’, otherwise it remains open to misconception and variable interpretations which poorly serve the intention of deepening understanding of it and commitments to it, by policy actors, at all levels. As the concept is set to become one of the fundamental objectives of the EU (subject to adoption of the Lisbon Treaty) and a cross-cutting policy objective with EU-wide application, it is inconceivable that it would not have a standard definition. The concept of territorial cohesion may have been implicit thus far in EU Regional Policy, but it needs to be made more explicit and widely acknowledged across all related public policies in order to avoid further polarization, depopulation, over-concentration and asymmetric development across EU territories.

By way of a suggested definition, it is perhaps about “*enhancing the capacity of all regions to make the best use of their territorial assets in a sustainable manner through appropriate public policies, investment strategies, spatial and governance frameworks*”

The adopted definition should reflect that the specificities and particularities of all territories in the EU, from cities to sparsely populated areas should be taken into account in proposing policies that will be flexible enough to adapt to these circumstances and enhance the capacity for development of all territories, in an appropriate manner. This necessitates an avoidance

of over-prescriptive programme guidelines or the imposition of excessive limitations on eligible activities in EU funded programmes.

The Border Midland and Western Regional Assembly would also argue, based on its suggested definition, that a key priority should be the continuation of Cohesion Policy post 2013 across the entire European Union and covering regions of all types. A reduction in Cohesion Policy funding would significantly hamper the effective application of territorial cohesion by taking away mechanisms that allow longer-term planning for intervention that benefit not just the regions but also support the overall development of the EU.

Additional Elements

The additional elements that it should bring to the current approach to economic and social cohesion, as practised across the territory of the EU are:

- A more explicit commitment to synergies and mechanisms that ensure horizontal coherence across all public policies that have a territorial impact;
- Practical expressions as to how the concept of territorial cohesion may be operationalised across all levels of governance i.e., through the territorial differentiation of sectoral policies;
- An elaboration of how the principle of equitable access to basic infrastructure and services of general interest should be provided and given practical expression at state and sub-national levels;
- A reinforcement of the need for policy issues to be addressed at the appropriate territorial scale and with appropriate partners, including local and regional actors; and
- An elaboration of how the benefits of science and innovation can be distributed to all territories of the EU - not just those in which science and research capacity are greatest.

2. Scale and Scope of Territorial Action

The primary roles for the EU in promoting the concept of territorial cohesion, is to elaborate the means by which it can be given practical expression, while respecting the principle of subsidiarity. This can be achieved by:

- Providing a clear unambiguous definition in order to consolidate the concept at EU level;
- Reinforcing territorial cohesion as a horizontal concept applicable to all governance levels and across all sectoral policies which have a territorial impact;
- Providing strategic guidance to Member States on its practical application;
- Presenting the tangible added value and the concrete benefits of the concept to all EU territories, through supportive measures which allow them to be both better understood and adapted via practical comparisons of circumstances (based on exploiting unique endowments) and collaboratively further developed (based on capacity for networked governance);
- Quantifying and presenting more clearly the economic, social and environmental costs of not pursuing the objective of territorial cohesion, through diseconomies and under-utilised regional assets;
- Demonstrating through concrete actions how the principle is already/becoming embedded in all EU policies e.g., through the territorialisation of EU research policy;
- Mainstreaming of the concept in further elaborations of cohesion policy;

- Facilitating enhanced policy analysis, measurement and benchmarking and the establishment of best practice networks on territorial cohesion; and,
- Providing a forum through which best practises can be demonstrated particularly through enhanced cross-border, trans-national and inter-regional co-operation programmes.

The appropriate territorial scale at which to address policy issues should logically correspond to the scale of the policy issue – supra-national, national, regional, local. Appropriate partnerships and governance arrangements should be introduced to collectively engage and identify appropriate solutions.

The question with regard to the need for special policy measures for territories with specific geographic handicaps is perhaps superfluous. If the principle of territorial cohesion is properly applied as per the suggested definition above, then policy measures would be applied differentially to all regions of a scope and scale necessary, consistent with budgetary provisions, in order to enhance their capacity to make the optimal use of their territorial assets. It would be a matter for the EU and Member States to agree the shared competences for resourcing the different regional investments.

3. Better Co-operation

Territorial co-operation is of enormous potential benefit to all regions of the EU and notwithstanding the major advances that have taken place to remove and reduce the effects of borders on territorial governance, there is still a requirement for specific programmes to address common issues.

Many of the strategic challenges facing EU regions and States are not delimited by existing institutional, geographic and political boundaries. Issues related to environmental resource management and climate change for example, can only be effectively addressed on a trans-boundary basis. Further to this is the added advantage of pooling expertise and resources to address challenges that are commonly faced e.g., depopulation, building regional research bases in underdeveloped regions, maintaining viable public services, raising the entrepreneurial capacity of non-traditional entrepreneurs etc.

The Commission is in a strong position to facilitate and support enhanced territorial co-operation on a cross-border, transnational and inter-regional basis. This implies that sufficient resources are made available in the future to give effect to this. The Commission can play a valuable role in supporting best practise, establishing networks and disseminating the positive outcomes. However, there should be a greater emphasis on ensuring that only added value and genuine inter-territorial initiatives are supported. Greater use could be made of the open method of co-ordination to facilitate exchanges of experiences between Member States on inter-territorial co-operation.

4. Better Co-ordination

Improved co-ordination between sectoral and territorial policies can only be achieved through enhanced territorial governance at Member State and at regional levels. This implies a ‘territorialisation’ and improved co-ordination of sectoral policies at Member State level, and enhanced governance structures at regional level. One mechanism through which territorialisation of sectoral policies can be achieved at Member State level is through enhanced engagement with regional interests in sectoral policy specification.

New tools such as territorial impact analysis tools should be developed and applied to all sectoral policies having a territorial impact.

Within the framework of the (Lisbon) Growth and Jobs Strategy, there should be an extension of the National Reform Programme process through the Open Method of Co-ordination to include an obligation on Member States to engage in a peer review of the application of the territorial cohesion principle at Member State level. As a basic step, each Member State should provide a precise expression of its territorial policy goal(s) and the modalities it applies to achieve that goal. This could also assist in ensuring coherence between the overall EU convergence goal and intra-state spatial and cohesion goals.

The complementarities between rural and regional policies are often acknowledged but rarely exploited. It is falsely assumed that the solutions to the many problems facing the agri-rural sector are to be found exclusively within agri-rural policy.

There is a strong argument for a re-integration of some funds – EAFRD and ERDF and the ERDF and ESF – to develop a combined regional funding allocation. The current artificial divide between funding streams prevents regions from developing comprehensive and integrated interventions that link the needs of all and not just part of their territories.

Agreement should be gained at EU and Member State levels, on extension of the principle of universal access to a broader range of services of general economic interest and public service obligations

The approach to promoting research and development generally follows a ‘*competitive research excellence*’ rather than a territorialised ‘*balanced excellence*’ model. This is entirely contrary to the principles of territorial cohesion in that it serves to perpetuate disparities. All regions need improved systems for technology transfer and innovation, but weaker regions are usually hampered by poor research bases.

The differential territorial impacts of transport policies are rarely considered. New economic geography models are available which can predict the likely spatial impacts of major transport infrastructure projects. For example linking weaker and stronger urban centres may disproportionately favour the stronger urban centre.

Territorial policies that seek to address the digital divide in ICT accessibility and uptake are required. The universal provision of sophisticated telecommunications infrastructures which match those deployed in urban settings have the potential to eliminate the ‘tyranny’ of distance for peripheral areas.

Better coordination will also require suitable responses from the European Commission, with a Member State liaison within each relevant Directorate-General to allow Community sectoral policies to have a deeper understanding of the circumstances and structures in each Member State, and their regions, and enable better informed policy.

5. New Territorial Partnerships

One practical means by which the EU can facilitate new territorial partnerships is to simplify and improve the way in which inter-regional co-operation programmes are managed

Improved inter-regional co-operation ensures not only a co-ordinated approach to shared problems, but also recognises that innovative solutions are not delimited by existing territorial boundaries.

The EU could also facilitate new territorial partnerships through agreed joint spatial planning frameworks across national boundaries.

6. Improving Understandings of Territorial Cohesion

As stated earlier, the EU can make a valuable contribution to enhancing understanding of the concept of territorial cohesion. There has been a tendency to use uni-variate and over-simplistic indicators to capture territorial characteristics and trends (e.g., GDP per capita) where a more integrated perspective based on multiple variables might be more appropriate.

There should be greater use made of the following indicators:

- Composite indices (e.g., Gateway Development Index in Ireland);
- Use of trends in 'relative share' indicators (e.g. trends in relative share of national output, income, population);
- Measures of dispersion (e.g., co-efficient of variation in Regional GDP within states)
- Composite accessibility indicators (including access to and usage of public transport);
- Access to healthcare, education and other services;
- Business start-ups and patent applications