

**STUDY PROGRAMME IN EUROPEAN SPATIAL
PLANNING**

**THEME STUDY 2: TOWARDS A NEW RURAL-URBAN
PARTNERSHIP IN EUROPE**

SECTION 2.1: MAIN TRENDS SHAPING THE EUROPEAN TERRITORY

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CHAPTER 1 INTRODUCTION

1.1 Context and Aims

This report was undertaken as part of the Study Programme in European Spatial Planning, launched in 1998, under the auspices of the Committee of Spatial Development of member states of the European Union and funded by the EU and member states. The brief for the work was to review main trends shaping the European territory, in the context of the *European Spatial Development Perspective (ESDP)*¹. The specific focus was on trends affecting the opportunities for realising the ESDP's policy objective of polycentric development within the European territory, in the context of enlargement and global economic dynamics, and the relationships between urban and rural areas within Europe and significance of partnerships in promoting valuable dimensions of these relationships.

The increasing level of economic and social integration promoted by the EU has drawn cities, towns and regions into a wider and more complex nexus of relationships across Europe. This parallels the global economic thrust to incorporate production and distribution sites into international economic relationships. This process has strengthened the position of a broad growth zone (conceived in the ESDP as a 'pentagon' defined by London, Paris, Milan, Munich and Hamburg). This outcome not only leads to problems of non-sustainability, congestion, pollution and loss of bio-diversity in the buoyant core, and loss of competitiveness and social cohesion in areas on the downside of economic restructuring and cultural attractiveness. It also threatens the rich diversity of locales and regions built on long histories of urban and regional development, a key asset for Europe in the global context. Over-development of the central growth zone, if combined with increasing regional disparities, could undermine the competitiveness, sustainability and social cohesion of the European territory. It is in this context that the ESDP promotes a 'polycentric' development model for Europe, within which territorial cohesion through the strengthening of relations between urban and rural areas within territories is encouraged. But this is only one of the spatial divides characterising specific aspects of the spatial unevenness of European development.

[Figure 1: Alternative spatial divisions of Europe: see separate file]

The aim of this report is to review the main trends driving development dynamics within Europe, assess their implications for territorial differentiation and polycentric development opportunities, and draw out the issues relevant to a consideration of urban-rural relationships. In this way we illustrate the significance of the spatial dimensions of the trends examined and the importance of considering spatial or 'territorial' impacts in all public policy programmes.

1.2 The European Spatial Development Perspective

¹ The final version of the ESDP was approved in Potsdam in May 1999. Paragraphs are taken from this version

The *European Spatial Development Perspective* is intended to act as a policy framework identifying the spatial impacts of the sectoral policies of the Community and of Member States, as well as regional and local authorities. It identifies the following key factors influencing spatial development trends:

- *‘the progressive economic integration and related increased co-operation between the Member States*
- *the growing importance of local and regional communities and their role in spatial development, and*
- *the anticipated enlargement of the EU and the development of closer relations with its neighbours’*

Part B of the ESDP reviews geographical characteristics, demographic trends, economic trends, environmental trends, and a range of ‘spatial issues of European significance’, including trends in the European urban system, the changing role and function of rural areas, transport and networking, and natural and cultural heritage. To achieve this potential, however, the ESDP emphasises that major efforts in co-ordination will be required, between levels of government, sectors of government activity, between cities and regions in similar positions in different parts of Europe, and across borders (para 7/8). Specifically, the ESDP argues that this effort should be focused around two related objectives:

- The promotion of *polycentric development*, ‘to ensure regionally balanced development’ (para 67). These are understood as ‘dynamic global integration zones’. Several such zones, ‘well-distributed’ throughout the EU territory, should be promoted, ‘comprising a network of internationally accessible metropolitan regions and their linked hinterland (towns, cities and rural areas of varying sizes), to play a key role in ‘improving the spatial balance in Europe’ (para 70).
- The promotion of an *integrated conception of town and countryside*, in recognition that many of the critical relationships, which affect them, operate at a regional rather than a settlement level (para 100). This needs to be addressed at multiple levels of government, since the division between policies targeted at rural areas and at urban/industrial issues is significant right through the organisation of public policy across Europe (para 101-104). In this context, the ESDP promotes the idea of *urban-rural partnership* as a key mechanism for spreading the benefits of dynamic growth zones within their hinterlands (para 100).

1.3 Key Concepts

There are complex conceptual and definitional debates surrounding all the terms used above, which reflect core preoccupations of the ESDP. The richness of these debates is of value in itself. Therefore, we have only sought to provide indicative definitions of some of the main concepts used in this report, supplemented by definitions provided in glossary where terms may be

unfamiliar to readers, or highly contested. Figure 2 summarises four key concepts used throughout this report.

All these concepts lead to a concern with the analysis of the dynamics of change. They highlight the complex interaction of multiple activities as these play out in space and time. To conduct an analysis of such dynamics across Europe is a challenging task. Our approach has emphasised, as far as is possible, the networks of relations between different activities and the driving forces which shape them. In this perspective, in a 'dynamic integrated growth zone', there is a high density of dynamic networks, intersecting with each other. But dynamic growth networks are not necessarily always spatially concentrated. They are often fragmented, creating all kinds of opportunities for spatially dispersed and polycentric growth patterns. This network perspective allows us to consider the multiple ways in which activities in rural and urban areas are connected to other areas, either urban or rural, both adjacent and distant creating a complex mosaic of spatial fragmentation and overlapping of multiple relationships.

Figure 2: Key Concepts

Territorial differentiation – refers to the analytical challenge of describing the variety of *territories* within Europe, and the policy objective of strengthening the cohesion of the European economy and society through focusing policy attention on territorial development. *Territory* is here interpreted to mean the scale of the region or sub-region, in which there are significant labour market, product market, infrastructure networks, service industry and cultural linkages within a shared space. A territory is not necessarily co-terminous with an administrative region or sub-region. A territory could be a metropolitan region (as in the Randstad or the UK's South East Region), or an area based on agricultural production (as in the West of Ireland) or dominated by forest products (as in some Nordic regions). Theme 2.2 addresses ways of describing and mapping territories and territorial differentiation, in relation to measures of both interactions and homogeneity, at a range of different spatial scales.

Polycentric development – as presented in the ESDP, this presents a vision of European spatial organisation. It is valued because it promotes balanced development and the utilisation of the development potential across Europe as a whole. The concept is also used to imply 'dynamic global integration zones'. The ESDP argues that several such zones, 'well-distributed' throughout the EU territory, should be promoted, 'comprising a network of internationally accessible metropolitan regions and their linked hinterland (towns, cities and rural areas of varying sizes), to play a key role in 'improving the spatial balance in Europe'. This territorial Vision for Europe is complemented in the ESDP by a conception of territories with multiple growth nodes, as in the Randstad or the Ruhr/Rhein area, or in areas with a collection of small and medium-sized towns. The concept is used in this latter sense in the territorial typology developed in Theme 2.2. It has also been used in the Study Programme to refer to urban areas with multiple nodal zones. In all these senses (i.e. multi-nodal Europe, multi-nodal territories, multi-nodal cities), the concept emphasises that the image of development concentrated only in a core part of Europe, or of a territory or a city both undermines the dynamism of a much more complex reality of multiple linkages and nodal points and would be an undesirable outcome of the European integration project.

Urban-rural relationships – in the ESDP, this emphasises the promotion of an *integrated conception of town/city and countryside/rural areas*, in recognition that many of the critical relationships which affect them, operate at a regional rather than a settlement level. This presents a challenge to both the functional division of government at EU and nation state level and to divisions in public policy which target rural and urban areas through separate policy delivery structures. In this context, the ESDP promotes the idea of *urban-rural partnership* as a key mechanism for spreading the benefits of dynamic growth zones within their hinterlands, mitigating their adverse effects and strengthening local initiatives in rural areas. The concept of urban-rural relationships corresponds to actually operating functional linkages, while the concept of urban-rural partnerships refers to the undertaking of initiatives to formulate, adapt and implement policies.

Spatial impacts – this recognises that every functional activity has a spatial dimension. The ESDP concern is that the spatial impacts of different policy fields should be assessed in terms of their cumulative effect on territorial development, as opposed to merely in terms of the targeting and efficiency of each separate governmental function. The SPESP research programme has highlighted both the importance of the complex spatiality of the different activities examined and the need to complement more conventional geographical analyses of space with analyses which examine the way activities in any specific location are inter-linked with other activities in many different locations in the global

geography. [The measurement of spatial and 'territorial' impacts is discussed in more detail in the analyses undertaken for Themes 1.1, 1.4 and 2.2].

1.4 Approach

There have been many accounts of general trends affecting the European territory and their spatial implications, including those in the ESDP itself. In our analysis, we have sought to maintain an integrated conception of the dynamic interrelations of economic, socio-cultural and political dimensions of change, while working at two levels. The first is a broad overview of the major shifts in socio-spatial dynamics and patterns in Europe in the twentieth century [Chapter 2]. This highlights the extent to which the present period can be understood both as a multi-layered inheritance from the past and as an 'epoch of transition', associated with ongoing global changes in economic organisation, technology and culture. In the second, we look at seven integrating and mediating forces. These were selected as the transmitters of these changes into different dimensions of society, re-moulding relationships within and between territories. Our particular concern in each is to describe and understand their role and identify their implications for the relationships between activities in the context of the ESDP's polycentric development vision and the changing patterns of rural-urban relationships and partnerships. This analysis is contained in Chapter 3. In Chapter 4, we draw out overall conclusions, particularly as regards the opportunities for promoting the ESDP's spatial vision of polycentric development and the promotion of urban-rural relationships through partnership.

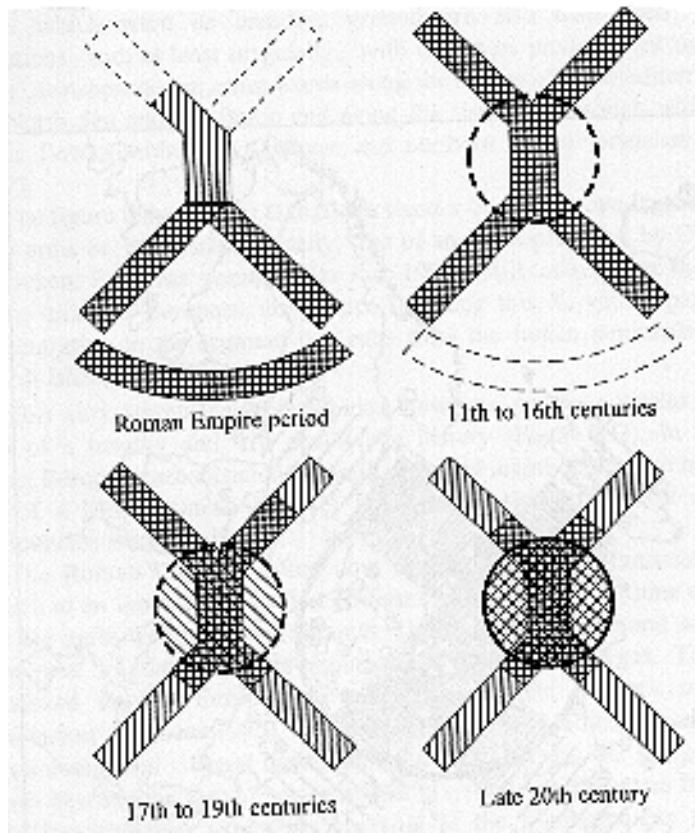
As other areas of the work in the Study Programme highlight, there is a major problem in representing such complex dynamics of change as these unfold in an interrelated way in particular territories. Part of the problem is the different ways in which, and scales at which, the same forces affect different parts of the European territory. It is also due to the lack of data to represent the new emphases which such an integrated approach highlights. But it is also a result of what is widely recognised as the inherent indeterminacy of many of the tendencies currently being experienced, and the sense that we are in a period of major change and transition. This means that it is very difficult to identify appropriate indicators to monitor what is often a dynamic and subtle process through which territorial futures are being invented by the key actors involved. Our approach has therefore been to review the considerable literature around each of our seven forces, to produce synthetic summaries, and to use team members and the members of the national teams involved in the Study Programme as a whole to check our interpretations.

CHAPTER 2: DEVELOPMENT TRAJECTORIES IN THE EUROPEAN TERRITORY

2.1 The broad perspective

Overall during the twentieth century, Europe has experienced major shifts in geo-political position and economic organisation. This has been accompanied by major social and cultural transformations, as well as widespread changes in landscape and bio-systems. There are many accounts of global and European economic change. Analysts often use rather crude polarities to express the changes, especially those between mid-century and the present: industrial/post-industrial, fordist/postfordist, modernist/post-modernist, welfare state/post-welfare(de-regulation), cold war/post-communism, etc. There is a widespread recognition that Europe is positioned economically and geo-politically very differently than in previous historical period. The result within Europe is that different areas are affected by different combinations of these trends, operating at different speeds. For example, while rural depopulation is still a marked tendency in many parts of Europe, in other areas, urban population from metropolitan cores is spreading out ever more widely, both within the same territory, and often to attractive niche locations well beyond (see Figure 3).

Figure 3: Schematic representation of European urbanization through the centuries



(from Dematteis, G 1999 Introduction: Cities as nodes of urban networks, in ed Bonavero P *The Italian Urban System: Towards European Integration* Aldershot, Hants; Avebury, p. 8).

In the twentieth century, economic and cultural trends have reinforced the pivotal position of cities in territorial organisation. They have been both centres and transmitters of economic, social and cultural innovation and have had to adapt to the new, more integrated territorial landscape thus generated. Geopolitical trends shifted the orientation of major cities from their key positions in global empires to capitals of nation states, with a big divide between the East and West of Europe. The globalisation of the economy in the late twentieth century, especially as reflected in financial services and logistics, has further strengthened territories with a key role in these sectors, notably London (a global financial node) and Rotterdam (a global freight gateway). These trends collectively lie behind the concentration of economic growth in the ESDP's 'pentagon' growth zone, although there are other growth centres. The post 1989 geo-politics of Europe and the prospects of EU enlargement now generate a new landscape of opportunity, with new gateways and regional nodes which in time could become globally significant (for example, the Berlin-Brandenburg or Baltic Sea regions.).

The general 'story' of spatial development trajectories in Europe presented in this chapter is built around a limited number of key themes in order to maintain simplicity without loss of comprehensiveness. The focus is the current EU territory in its international/global context. The

prospects of its expansion generated by the ongoing process of EU enlargement have specifically been taken into account. In this way we expect to understand both the observed spatial patterns of the past and the emerging spatial trends of the future. The three key themes are **Economic Dynamics, Socio-Cultural Shifts, and Role of Government**. The study of these themes is focused towards the examination of the tendencies of concentration vs. polycentrism and the changing rural-urban matrix. This treatment provides a synopsis of the principal spatial trends shaping the European territory, particularly as regards the potential for polycentric development and the nature of urban-rural relationships and partnerships.

2.2 Economic dynamics

The story of global and European economic change has been analysed in many different ways. Our particular concern in this section is with the implications of economic change upon the phases of 'uneven spatial development' of the European territory and its current situation in the global context. After the Second World War Europe was led into a major geopolitical divide between the 'East' and the 'West' that still characterises European spatial unevenness. In the 'West' the dominant mode of development was characterised by the more or less free operation of the market while the nation state was the primary focus of territorial development and regulation of the economy at the national level. The European Economic Community was part of the changing content of spatial unevenness in Europe. The hope is that a large market would help the economy to accommodate the risk of the ongoing structural changes and also to exploit whatever comparative advantages stem from size and diversity. Within this context, regions found themselves increasingly in competition across the European territory for inward investment, as their economies were affected by the re-structuring of once-national companies that have grown into trans-European and global companies and conglomerates. Nevertheless, it should be stressed that the national state continues to play a decisive role in safeguarding the overall context for these initiatives as well as by implementing policies with the aim to overcome any structural weaknesses existing within the national territory. These developments coincided with the collapse of the Soviet Union and the planned economies of the East. This was a major historical event that has changed dramatically the global geo-political situation. For Europe, it had a catalytic significance and created a whole new series of threats and opportunities. The major challenge has been the prospect of European enlargement involving all the formerly planned East European economies that have applied to become members of the EU and the overcoming of the spatial consequences of the WWII divide.

2.3 Socio-cultural tendencies

During the second half of the century, European society passed through a series of drastic transformations. A slogan-like description which captures significant characteristics of this shift is that European society moved from 'mass' to 'niche' in the search for both competitiveness and quality of life. The rest is the story of a movement, varying in its speed and nature from country to country, from inclusion to exclusion, from regulation to deregulation, from Welfare State to Market discipline. There are many conceptual pairs that reflect important aspects of the socio-cultural shifts of European society during the second half of the century. But all point to the same direction. Social life has become more fragmented, family ties are weakening, national pride or political party affiliations are less important and citizenship and human rights more crucial

factors in an increasingly multi-cultural context. The increasing social and economic polarization led to a rise of individualism in consumption and a recognition of the multicultural character of the contemporary European society. The spatial patterns of socio-economic differentiation have cut across the conventional boundaries of national territories, involving both urban and rural areas alike. They have acquired a more international or pan-European character parallel to the process of institutional unification of Europe. The need to change the patterns of production and consumption in favor of the protection of both the natural environment and cultural heritage of Europe is another strong force within contemporary European society. This shift however requires a much greater effort in terms of institution building and socio-economic restructuring within the weaker economies than they seem currently able to accommodate. Finally, the pace of the diffusion of the information society creates the preconditions for a new layer of spatial unevenness in Europe that together with the layers of the past will shape the spatial patterns of the immediate future. New opportunities for overcoming the peripherality of the East and the South are balanced against the ability of the northwest to exploit the potentialities of the new information technologies.

2.4 The changing role of government

In the political sphere the trends observed in the economy and the society are reflected in parallel transformations. These have varied from country to country, but in general represent a shift from 'command and control government-by-sector' to 'pro-active, flexible and participatory' modes. This shift is often described as one from government to governance². This includes various intermediate forms of pro-active and participatory governance such as networks of cooperation, citizen coalitions and mixed public-private initiatives. The question initially was seen as one about levels of government and especially the devolution of power from national governments. However, there has been a parallel movement towards involving stakeholders from the economic sphere and from civil society, with the emphasis on strengthening participation and accountability at all levels of a multicultural and democratic Europe. Once again these trends exemplify significant spatial and social unevenness. Nor should such moves be confused with any substantial increase or decrease of democracy or as substitutes for the national state and the need for regulating frameworks. However, it is becoming increasingly clear that the governance capacity of individual territories makes a difference to its ability to develop, capture and fix economic opportunities. As with the significance of knowledge, the quality of local and regional 'institutional capacity'³ becomes a decisive factor for exploiting the economic potential of regions. But there is no easy or self-evident causation leading from institutional capacity to success and prosperity.

2.5 Spatial impacts and the ESDP Framework

² See glossary

³ See glossary

In summary, these components of change have led to substantial changes in Europe's economic relations, socio-cultural ambience and practices and in politics and government. We summarise these below in Figure 4.

The result of these developments is that the distinctions and definitions used to describe and map the diversity of the European territory in the past no longer provide a sufficient vocabulary with which to identify the potentials and problems of territorial development. Forces operating at different scales layer over each other to produce a complex 'mosaic' of spatial differentiation and unevenness within and between territories. It is clear that the forces concentrating economic development and cultural innovation in the strong core region of Northwest Europe remain very strong. But there are other possibilities to be captured, particularly given the concerns for over-development in this core area. It is also clear that simple distinctions between 'urban' and 'rural' areas fail to capture the complex layering of relationships between urban and rural areas, as rural areas diversify and metropolitan decentralization spreads out across increasing distances. Nor do they recognise the urbanisation and globalisation of cultural referents. It is in this context that the ESDP strategy (ESDP 1999) attempts a major shift of focus in territorial development. The ESDP has adopted the idea of a polycentric spatial development and a new urban-rural partnership as a major policy option that constitutes also the basis for a sustainable spatial development model guaranteeing both better accessibility and an improvement of European competitiveness.

Figure 4: Development trajectories in Europe during the twentieth century

Type	From	To
Economic	<ul style="list-style-type: none"> • Mainly rural employment ----- mainly industrial and service employment • Primary industries and mechanical technology in national production relations ----- service industries and electronic technology in global production relations • Fordist mass production work organisation ----- flexible specialisation and technological innovation • National champions and multinational oligopolies ----- transnational production and globalisation of the economy 	
Socio-Cultural	<ul style="list-style-type: none"> • Cultural communities focused around the village and the city ----- spread of 'universal values' across all areas, encouraging multiple roles and identities for individuals • A relatively young age profile and a major source of emigration flows ----- a net receiver of significant immigration flows and increasing numbers of pensioners and older people • A traditional social structure based on fixed residence, large family and male workforce ----- a more open society with increasing participation of women, mobility and individualization • Low levels of income and consumption ----- increasing affluence but also increasing economic polarisation and social exclusion 	
Political	<ul style="list-style-type: none"> • A Europe of nation states, often in conflict ----- via the cold war ----- an 	

	<p>integrating Europe, enlarging eastwards</p> <ul style="list-style-type: none">• A struggle for welfare policies focused on general social rights and needs ----- a struggle for more flexible policies responding to multiple and specialized social and cultural claims• A politics of class struggle and massive social movements around production relations and distributive issues ----- issue-based politics around consumption qualities and concern for the environment• Expanding public sector budgets ----- austerity policies and severe pressures on public sector budgets• Primacy of national government intervention and international cooperation ----- resurgence of the locality, multi-level governance and strong trends for global regulation
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CHAPTER 3

THE SPATIAL ORGANISATION OF THE NEW EUROPE: MAIN ASPECTS

3.1. Introduction: Mediating and Integrating Forces in European Society

Chapter 2 emphasized the importance of the interaction between economic dynamics, social relations and political forces in shaping the qualities of territories and locales within them, and highlighted the significance of these spatial phenomena in turn in moulding these forces. This highlights two powerful tendencies on which there is much agreement. Firstly, economic integration tends to increase spatial agglomeration, particularly around already successful metropolitan regions⁴. However, the discussion illustrates that this conclusion must be counterbalanced by the evidence of a great diversity and complexity of forces acting in particular territories and creating opportunities for different outcomes.

Secondly, the relations between economic dynamics and social-cultural ones is not as tight as used to be assumed. The spatial consequences of economic change and social change thus may not always move in the same direction as regards the fortunes of territories. However, there is no scientific consensus on how to represent the interactions between economic and social dynamics as these play out spatially, still less on how to predict future trajectories. Nor is there agreement on what public intervention can achieve relative to the operation of market processes left to themselves. Where territorial dynamics are considered important, there is considerable variation in the relative importance given to different scales - the nation state in Europe, the region of political administration, or of labour market relations, the place of the distinctive locale, asserted in administrative jurisdictions and local identity movements.

It is also clear that there are cross-cutting forces shaping both economic and social changes which mediate between the worlds of business and of social life and which provide new bases for mobilisation and integration. These are: the concept of 'sustainability', understood both in relation to environmental systems and more generally; the rapid expansion of informatics capability; the development of knowledge resources and the issue of innovation and learning capacity in territories. These generic forces focus attention on the policy significance of the 'soft' social capital of connectivity in cities and regions, to complement the traditional emphasis on land, labour and capital, and the 'hard' infrastructures of transport and telecommunications.

There are therefore considerable problems in moving beyond broad generalisation to examine the ESDP policy agenda. We have approached this task by focusing on seven themes, representing different drivers of change in European society. Each emphasises cross-cutting relations in one way or another, in order to highlight critical ways in which the multiple dynamics shaping the European territory mediate and integrate the forces shaping the fortunes of territories and locales. These mediating and integrating processes not only affect economic relations, social life and

⁴ This point is also stressed in the report of Theme 2.1

environmental conditions. They also generate political dynamics which provide the concepts and mobilising forces which in turn shape the policy agendas and ways of working of public intervention. The seven themes selected are:

- Shifting patterns of economic activity
- Dynamics of innovation and learning
- Changing demographic profiles
- Social change and differentiating lifestyles
- New bases for culture, identity and citizenship
- Environmental sustainability as a motivating concept
- The challenge for government and policy-making

The discussion moves from a focus on well-recognised forces affecting material economic conditions (section 3.2), to the complex forces of innovation production and diffusion (section 3.3), the dynamics affecting social life (3.4 and 3.5), implications of the identity politics associated with the recognition of multiple identities in contemporary culture (3.6), the ways in which concepts of sustainability have entered the policy arena, linked to the pervasive influence of environmental concepts (3.7), and finally trends in the organization and style of government in relation to the capacity to deliver territorial development agendas (3.8). We then in Chapter 3 summarise the main findings and consider the implications for the ESDP objectives, the strategy of polycentric development, the nature of urban-rural relations, the significance of the spatial agenda, the role of spatial planning and future research needs.

A key task in our analysis has been to link the drivers of change to the spatial manifestation of their causes and consequences. In regional analysis, there has been a gradual replacement of a territorial organisation/differentiation paradigm based on concepts of centres and hinterlands, or cores and peripheries, in which ‘accessibility’ continued to play a significant role, by more variable geographies based on nodes and networks where the technologies for processing and transmitting information have become key influences in the extent and intensity of spatial intergration. Reflecting this, as indicated in Chapter 1, we have emphasised a relational approach in the analysis which follows. This focuses attention on the specific linkages which bind companies to each other, provide the social worlds in which people live their lives and connect biospheric causes and consequences through the operation of natural systems. Each network, or relational web, has its distinctive pattern of linkages and nodes, cores and peripheries, concentrating and dispersing forces. Each also has particular temporal emphases and spatial dimensions. The spatial patterns and physical forms in a territory are the result of the amalgam of networks which transact the territory in some way, layered over each other. Sometimes they are independent, sometimes they are interlinked, feeding off each other, sometimes one layer may dominate and crowd out the opportunities for other relational dynamics to flourish.

The zones we think of as ‘core nodes’ within Europe have this quality because they house the nodal focus of a very major economic nexus, and are nodal points for many other networks. London (a global financial hub and the administrative node of a highly centralised government system) has this quality. So too does Paris (a core node in administrative, cultural and business

networks). Rotterdam, a nodal global logistics centre, however, gives place to other centres within the 'polycentric Randstad' when it comes to business, cultural and administrative organisation. This highlights the important reality that, while strong nodal locations may contribute to measures of economic strength which indicate a powerful position in the European economy, this may be the result of some quite specific networks, and the benefits of this strength may not filter widely to other networks which co-exist in a city or territory. A node need not be synonymous with a spatial centre. Essentially, a node is a locus of intersection of network paths organised around activities that require exchanges within and beyond the locality containing the node. Some localities will contain several nodes while others will have very low densities. Any locality is likely to have considerable differentiation between those actively involved in dynamic networks, and those excluded from mainstream networks, sustained by marginalised networks, or altogether isolated from the relations of work, family, friends and state organisation. From this perspective, the crucial difference between localities or other territorial units lies in the variation in the density of nodes and paths to constitute networks.

A core ambition of the ESDP, in these terms, is to encourage such dissemination, while limiting the adverse effects. This emphasises the importance of government action in fostering those linkages between networks within territories which can both contribute to sustaining those networks which provide valuable assets and resources, and to making links between networks to spread the benefits. Such government activity may itself be seen in relational, network terms, both with respect to the linkages between different government bodies (multi-level governance, government networks etc), and between these and the networks of the wider society.

In each section of the present Chapter, we draw on the account outlined in Chapter 2 and focus the discussion on the ESDP agenda. In each area covered, there is a substantial literature. Rather than include references in the text, we have provided a selected bibliography of key references. This is to be found at the end of our report. We have also provide a glossary of key terms used in the overall report.

3.2 The changing spatial patterns of economic activities

3.2.1 Introduction

The evolution of the spatial patterns of economic activities, and especially of production and consumption, tells the story of European spatial development from a different perspective. Figure 5 shows how different are the profiles of the various European regions depending on the percentage of employment by main sector of economic activity (i.e. agriculture, industry and services). Primary activities are significant in most peripheral regions. Industry predominates in many economically-strong territories, though the source of value-added in production has shifted in many industries from raw materials and physical labour to knowledge resources and information processing capability, demanding inputs of mental labour. The service sector has expanded overall and has provided a basis for growth both within and beyond the areas of established economic strength. These patterns are also reflected in the complex flows of products, information and services between the places of production and the places of consumption. This movement depends upon the means of transport and communication and the various networks linking the two overlapping systems. Despite the benefits of clustering and proximity documented for a wide variety of products and sub-processes, the general trend, following globalisation and the opening of the world markets, is for increasing disengagement of the spatial patterns of production from those of consumption. As a result there is a continuous increase of the volume of transported goods over longer distances as well as of energy and communication flows. The pressure upon the environment and the carrying capacity of the existing infrastructure is also increasing. The policy options promoted by the ESDP, especially polycentric development and the spatial impact of the TEN and Pan-European networks are expected to intensify the overall trends⁵. However they are also expected to contribute to the lowering of peak pressures through the wider and more balanced distribution of activities over the European space.

[Figure 5: Employment by sector: 1997 – see separate file]

The dominant forces driving Europe's evolving economic geography are processes of economic globalisation and market liberalisation. These mean that firms, whether in primary, secondary or service industries, are increasingly open to world markets and to competition with production relations operating on a global scale. This implies that traditional economic linkages between rural areas and nearby towns are weakened, with a general de-coupling of the spatial patterns of production relations from consumption relations. This de-coupling is reflected in the increasing volume of goods transported across Europe and from Europe to the rest of the world, with some centres acting as key 'gateways' for this trade exchange. These tendencies tend to spread of development opportunity widely across the European territory, especially where good quality freight and communications infrastructure exist. At the same time, there are strong tendencies for economic growth to cluster in locales where agglomeration economies can be supplemented by qualities of business and residential environments. These trends partly reinforce the significance of metropolitan areas. However, the increased locational options open to businesses, combined

⁵ See the report of Theme 1.1 of the SPESP

with the congestion problems of metropolitan cores, create opportunities for other centres that provide appropriate bundles of enabling factors, so long as adequate technological availability and labour market qualities can be assured. Among these enabling factors, the quality of knowledge resources is increasingly emphasised, given the high knowledge content of new products. The economic fortunes of territories now depend a great deal on how these factors interrelate with the particular mix of firms (size, type, sector, etc), their innovative capacity and their experience in global processes of company mergers, etc. The prospects for rural areas present an interesting case of the changing patterns of production. In some cases, they may benefit from the intensification of production in their traditional core industries (agriculture and forestry). In other cases, economic futures will depend on diversification and pluri-activity⁶.

3.2.2 Agglomerating and dispersing forces in production and consumption activities

The decisions of individual firms as the primary agent for the location of production were taken on the basis of intra-firm strategies and often with very limited knowledge of the long term consequences of the future decisions of others. This has very important consequences for the rationality of the location patterns of production and constitutes in itself a force of their change even if all other things (i.e. technological innovation, consumer preferences, public policies, etc.) remain equal which of course is not the case. Polycentrism as a central policy option of the ESDP is very much dependent upon the cumulative outcome of the many individual decisions of investors to locate or re-locate production facilities, as well as on the relative spatial dispersion/concentration of disposable income for consumption. State and public policy frameworks play a decisive role in the regulation of the overall process, e.g. through the provision of the general institutional and physical pre-conditions for the operation of the economic system.

In Europe the current scene was set by the move towards greater integration and enlargement and the shift of the model of development from a nationally-regulated mass production welfare system to a Single European Market characterised by fragmented modes of regulation and flexible production processes. The fragmentation stems mostly from the fact that political integration and the emergence of regulatory state functions at the European scale have proceeded more slowly than European economic integration and the Single Market. The task of regulation was thus undertaken by inter-governmental bargaining and the various emerging forms of intermediate governance that gain in significance to the extent that national deregulation policies prevail. There is a certain symbiosis between the new model of flexible production and institutional fragmentation (accompanying European market integration and national deregulation) as they contribute to the effective competition in the European and global markets. The policy implications for the various territories point clearly towards the upgrading of the significance of endogenous initiatives and the search for new forms of partnerships both within and among territories, with particular attention to the nodes and network structures that underpin the emerging patterns of territorial organisation, as a means to cope with the challenges of competition within the new enlarged Europe.

⁶ This refers to the diversification of activities by a farm household both on and off a holding in order to sustain overall household income.

These trends have significantly changed the context of decision-making concerning the location of new investment and led to contradictory tendencies. On the one hand there is a gradual movement towards less central and new locations as new technology intensive firms seek to avoid the congestion diseconomies in the older growth areas and move towards new areas offering an attractive environment for the new flexible and knowledge base industries. It has been documented in many studies⁷ that new growth areas and zones have been developed away from the older growth centres, for example in the southern sunbelt. On the other hand the metropolitan areas provide diversified and adaptive milieu that attract a large number of activities and people looking for opportunities as well as new strategic functions of financial and information technology sectors. Associated with these trends are, for example, the multiplication of technology parks and the formation of entire technopolitan⁸ systems in some old metropolitan and some new growth areas.

Another significant trend linked with the shift towards more flexible production is the emergence of spatially contiguous industrial clusters consisting of large numbers of SMEs that tend to concentrate and exploit the benefits of networking. These clusters lead to the formation of system areas or industrial districts specialising in specific industrial branches. These trends thus promote both spatial concentration and dispersal. Different production processes and different sectors develop different spatial trajectories. As a result, locales and territories find themselves positioned in a range of spatially-differentiated economic relations. This then affects their future positioning options. For example, a large part of the new spatial unevenness corresponds to differences in technological and economic innovation and responsiveness/adaptability to the increasing competition in the Single European and global market. Another important aspect of spatial differences is reflected in the size of enterprises as shown in Figure 6. Portugal, Spain, Italy, Belgium and Greece show a strong presence of the small size categories (with less than ten employees), while the opposite is the case in all other EU countries. As these structural differences often measure the cumulative outcome of opposing tendencies the overall situation is favourable to both the adaptations of old and the emergence of new centres of economic activity over the European territory, provided the appropriate policy frameworks are in place at all levels of government.

[Figure 6: Persons employed by enterprise class: 1994 – see separate file]

Overall, the economic performance of different European regions depends upon the relative competitiveness of their productive systems in relation to the processes of integration and future enlargement of the European Union, and the more general trend towards globalisation of the economy. The integration and enlargement process entails the possibility of a convergence in the growth of regions through specialisation. On the other hand, it is possible that the core areas will benefit from their better accessibility and more diversified opportunity structure. Globalisation of the economy will entail shorter life cycles for successful products. This requires constant innovation and the continuous training of the workforce. The transition to knowledge-based industries is inherently connected to global markets. Large investments in research and development are only possible as part of global competitive marketing strategies, and the

⁷ See the analyses in *Europe 2000* and *Europe 2000+*

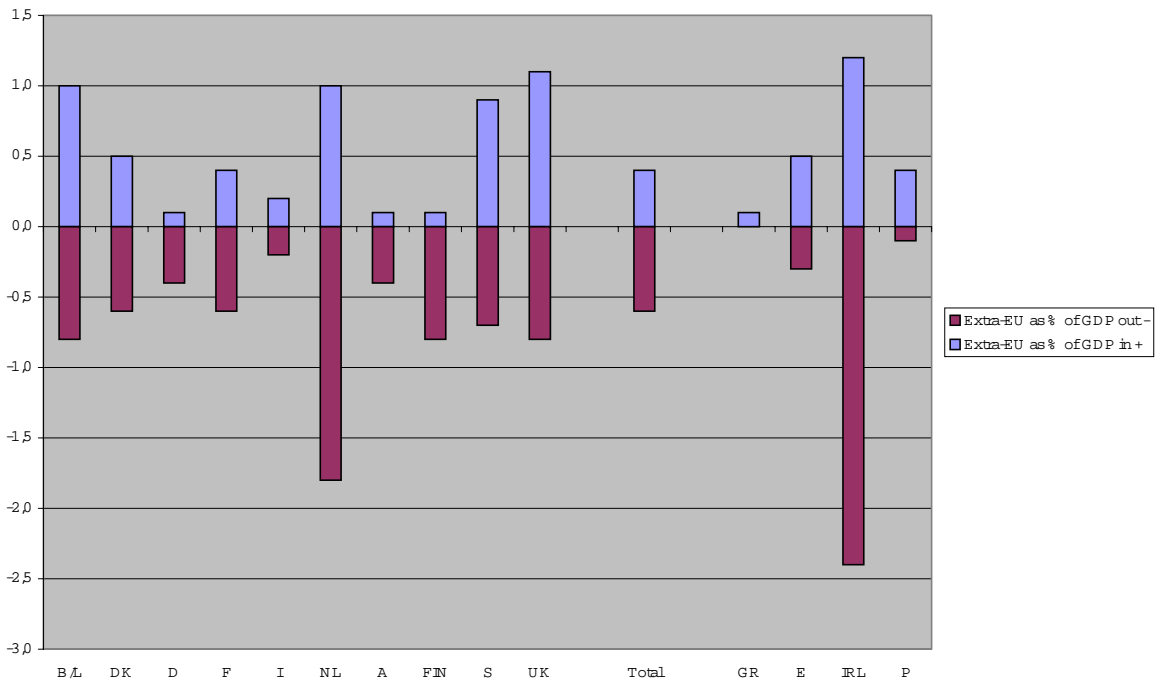
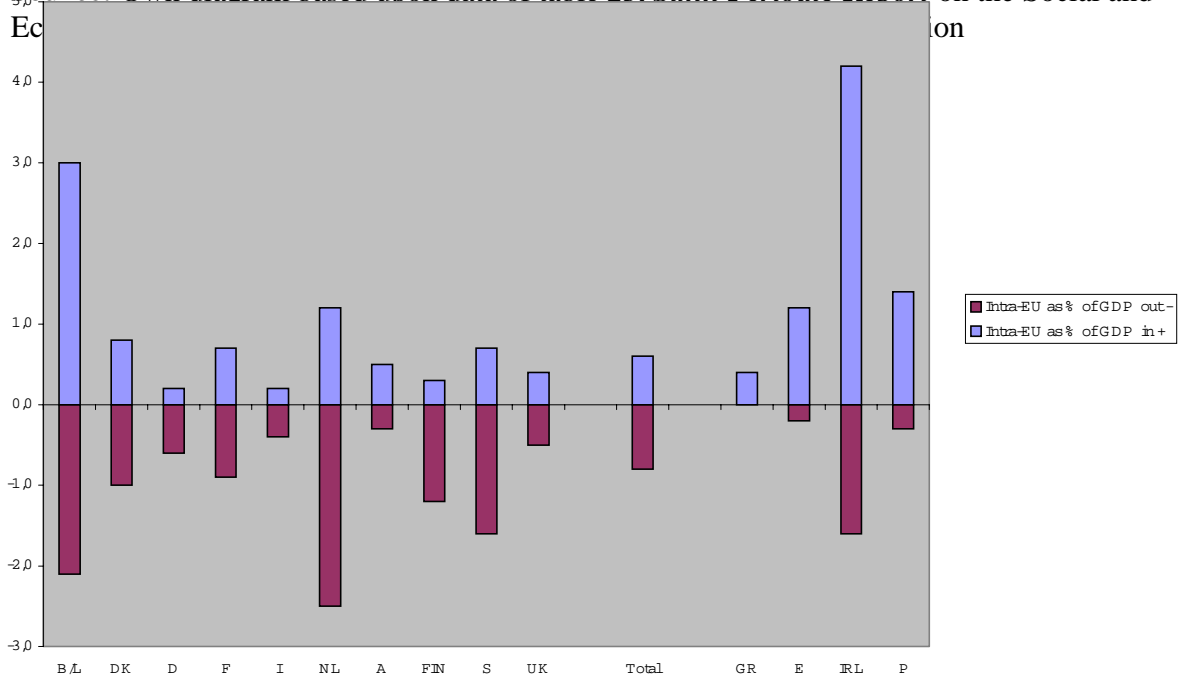
⁸ See glossary for the terms technopole and technopolitan development

development of the innovative capacity of local economies requires global competition. This further increases the need for the formation of networks and partnerships in order to increase the collective capacities of different territories to compete in global markets. A model of polycentric development in Europe is compatible with those trends which favour complementarity and transfer of technology and knowledge among regions and help to fully exploit existing human capital and other resources.

In the context of the above processes, characterised by the increasing institutional and infrastructure integration, productive investment has more locational options. This fact produces more locational flexibility parallel to the introduction of more flexible production systems. Furthermore, public policies have also to increase their flexibility in order to cope with the new challenges. Increasing locational flexibility does not mean that space and place become less important. On the contrary, space itself becomes a critical factor to be determined together with the investment decision. Two distinct patterns are visible. On the one hand direct foreign investment becomes a key exogenous force that changes the competitive prospects of regions and affects the spatial patterns of production. The examples of Ireland and Scotland are quite instructive about the possible effects of FDI. The Figure 7 shows the intra-EU and extra-EU FDI flows for the period 1987-1996 as a percentage of GDP. It becomes clear that national economies differ significantly in relation to the relative importance of FDI. Belgium, Netherlands and Ireland seem the most integrated inside the EU territory, while the same countries plus Sweden and the UK lead the global integration of the European economy, which can, in part, be assisted by the stringent demands placed on local firms and institutions by the FDI sector. On the other hand the endogenous development of comparative advantages of regions provides the major force for the long-term improvement of the relative position of regional productive structures within the Single European and the global markets. However, over-reliance on FDI makes an economy very vulnerable to shifts in global production and investment patterns, while endogenous development may be hampered by local resource constraints, market size, etc. The combination of exogenous and endogenous factors is the driving force for the changing spatial patterns of production in the European territory. The evolution of spatial patterns towards a more polycentric development will depend upon the existence of favourable structural and contingent relationships between the external and internal factors affecting each territory.

Figure 7: Foreign Direct Investment: 1987-1996

Source: Own diagram based upon data of table 25. *Sixth Periodic Report* on the Social and



3.2.3 Territorial development opportunities

In order to affect this combination of internal and external factors towards the development of a more polycentric European territory, countries that are peripheral to the central areas of the EU, such as Finland, Greece or Ireland, are under pressure to develop strategies that are competitive in the global market (see Figure 8). The development of knowledge-based industries (such as high-tech electronics or high-design consumer products) or the shift towards highly specialised products and services such as organic agriculture and eco-tourism, present different opportunities. The former is less, and the latter more, dependent on location specific attributes. These options however, require a high level of education and an innovative cultural milieu. The overall objective is to upgrade the learning capacity of regional productive systems in order to increase their adaptability to the rapidly changing technological and financial environment (see Section 3.3 below).

Figure 8: Localising Foreign Direct Investment in Ireland

FDI has been the engine of Ireland's recent economic boom. The success in attracting FDI has been the result of strategic targeting in national policy. Key sectors emphasised have been: electronics and computing, healthcare, internationally-focused services such as the financial sector, the software sector and telemarketing. The success of the overall strategy is contingent on robust partnership arrangements at national level, strict adherence to macro-economic policies necessary to meet eligibility criteria for EMU, and investment in education since the 1960s. This last investment has also led to the increased participation of women in the labour force, with impacts on social values, fertility and dependency ratios. A further factor supporting the success of the FDI strategy has been the use of EU structural funds, particularly with respect to physical infrastructure, and investment in education and training. It was also important that the Single Market was approached as a source of opportunity rather than in terms of defensive strategies against perceived threats.

However, there remain unresolved problems. One has been the extreme concentration of the benefits of the strategy in Dublin, leading to congestion, very high house prices, deficiencies in social housing, etc. Another is the pressure for second homes in the remote rural areas of the country. The form of development has also sharpened social divisions in both urban and rural areas, and exacerbated threats to the environment.

What has been lacking has been a coherent spatial development strategy for the territory, a situation which is now being remedied with the production of a national spatial plan.

The spatial distribution of employment in R&D activities shown in Figure 9 provides a good proxy for the existing capacities of European regions. A significant difference is observed

between regions with a strong presence of the private sector and those regions (mostly in the south) where the public sector and academic institutions predominate. The increasing priority of such targets marks the shift from an exclusive emphasis on hard investment including transport and communication infrastructure to a growing concern with soft infrastructure investment in training, education, research and institution building as generic assets in all European regions. Successful regions seem to be those with access to knowledge (i.e. universities in partnership with the local economy). A good transport and communications network is also more and more essential. The relative lack of these critical factors serves as a hindrance to new activities. Since recent developments indicate that only a few global industries show substantive growth rates in employment (such as in Finland the electronics industry), the future of many of the diverse economies of the European territory may be at risk. In this game of increasing spatial competition, cities and regions are trying to exploit whatever comparative advantages they possess by redeployment of their assets and the formation of complex alliances among endogenous and exogenous forces. Their capacity to enter into multiple forms of partnership is an important factor in releasing these opportunities.

[Figure 9: Research and Development: Employment 1995]

The prospects of rural areas present an interesting case of the changing patterns of production. The two relevant options are an intensification of agriculture and forestry, with the respective decline of employment in primary production, and the diversification of rural economies. The latter option, however, requires innovation and the availability of financial assets, knowledge, and access to national and global markets. Again the role of generic assets such as the capacity of institutions and the richness of knowledge resources become crucial. In some areas, for example within territories with substantial economic strength and growth, the growth dynamic spreads from metropolitan cores to surrounding areas, both urban and rural. This is happening in London/South East England, and in the intermediate areas around the Randstad (see Figure 10). But the generic assets are exactly the factors missing from many other rural areas. With the present high unemployment figures in Europe, there is no easy way to absorb the social and economic cost of the necessary adaptation. Less capable or fortunate regions in terms of agricultural productivity will face dramatic changes - often decline - in their rural economies as a result of the reform of the Common Agricultural Policy and the GATT/WTO agreements. With the increasing integration of markets and the increasing flexibility of production (including spatial flexibility) both individual consumers and local enterprises are becoming less dependent upon the local market. The spread of housing markets around large cities, as well as the growth of agro-tourism and second homes in the countryside, also means that rural as well as urban environments are themselves seen more as consumer products. At the same time while the culture of consumption is becoming rather similar in the cities and the countryside, aesthetic and recreational values, as well as the ability to develop them into products, are becoming more important for rural areas, as well as for traditional towns and cities.

The spatial implications of these trends for urban-rural relationships are, however, still open. It is evident that the traditional hierarchical structure of the cities, the rural towns and their surrounding countryside no longer reflects either the spatiality of the production relations and the market range of firms or the administrative and service needs of citizens. Of special interest is the

new role of rural towns, which are no longer exclusively supported by agriculture and forestry, and which are also less important than before as local service centres. An increasing number of places can now provide the services once restricted to larger centres. The future of the small and medium market and service centres is largely based on innovative approaches and a supportive environment that will help to develop them into new activities, new partnerships and new businesses. A major spatial consequence of the project of European integration is that the relations which give rise to contemporary production and consumption patterns stretch across administrative boundaries, and connect firms and people in very different geographical positions in the European territory. The new situation resembles rather a complex choreography of competition and co-operation between places that result in spatial patterns consisting of all the above-mentioned elements of spatial unevenness. In this situation, partnerships in various forms and combinations and the polycentric vision of spatial development constitute valuable policy options for all European regions and the European space as a whole. This does not mean that they are self-evident and self-enacted options. On the contrary, they require extensive democratic debate in order to build up adequate consensus about their precise operational meaning and the distribution of costs and benefits that may arise from their implementation. Without such participation and democratic dialogue, able to provide the necessary political legitimisation and support, such partnerships could become conceptual caricatures of the more harsh realities lying ahead in the next phase of European spatial development. The polycentric development vision across Europe has the potential to inspire mobilisation forces in across Europe to promote their distinctive territorial potentials and thereby counteract the strong forces for concentration.

3.3 Dynamics of Learning and Innovation

3.3.1 Introduction

As emphasised in the previous section, the role of innovation for promotion of regional development is strongly present both in the theoretical discussion on regional development and in the making of regional policies. The ESDP emphasizes innovation as a key characteristic of growth zones and as a means to link all parts of territory so that the benefits of innovation flow around. There has been much research on innovation and learning, but primarily in the context of increasing economic competitiveness. However, social-cultural and political innovation is also important in shaping the fortunes of territories. Whatever the emphasis, innovations change processes and products. They may displace old products and practices and destabilise established economic and social relations. This tends to lead to spatial unevenness. Diffusing innovations to overcome this may require positive action on the part of government institutions and others.

In a narrow sense, innovation can be understood as a *result* of a development process, as a single product. In a wider sense, innovation is a *process*, the whole procedure of developing new products and processes. The nature of innovation is not always technological, as often understood in public debate. It is also social or organisational. According to the linear model of innovation processes, the innovation arises from scientific work gradually feeding applied research and the development of commercial products. The interactive model of innovation, in contrast, is based on small improvements during continuous learning processes, including communication between producers and users of products. Empirical research into innovation has provided considerable evidence to support this latter model, which has consequently gained ground in studies of innovation processes. This work has also stressed the significance of institutional and socio-cultural factors, and the role of locale and milieu in promoting innovation. Milieux which foster innovation are typically associated with urban locales which have a high density of research and development activity (see Figure 9 in Section 3.2) and a richness of interactions among their institutions and networks.

3.3.2 The dimensions of innovation

Innovation can be considered as one of the central factors in determining the competitiveness of a firm, since the development of innovative products and new technology can release production from the price competition of standard products for a certain time. There are several ways in which firms can promote their access to innovation, such as seeking for innovative surroundings in technology centres etc. However, innovations are only seldom of epoch-making importance – in most cases they are just small adjustments in developing different products and processes.

Territories which are able to sustain a competitive position in the global economy need to have local cultures which promote an orientation to continual adjustment and innovation. In order to make the link between innovative firms and the innovative capacity within territories, it is useful to see how the connection between a firm and its environment can be understood. Some theoretical approaches concentrate on analysing how the actions of firms influence their

environment, whereas others focus on the opposite, namely on how far the performance of firms is dependent on the characteristics of the local environment. Regional economic development theories have traditionally emphasized the latter approach. In conceptualising the environment, analysts not only refer to the material relations of space, but are also applied to immaterial relations, such as the exchange of knowledge. In studying the role of knowledge and innovation in competitiveness and regional development, a whole set of concepts has been elaborated. Those developed in the 1970s and 1980s include, for example, the notions of industrial districts and innovative milieux (see Section 3.2). The concepts of national and regional innovation systems, for example, have been developed in the 1990s (see Figure 12).

Figure 12: Concepts of innovation in regional development

- The concept of an *industrial district* stresses the competitive potential of agglomerations, the building blocks of which are the social links and networks among actors. These clusters consist of small, specialized and innovative firms building inter-organisational relationships based on cooperation, mutual dependence and trust.
- The concept of *innovative milieux*, introduced by the research group GREMI, pays more attention to the links between the innovation process and the local production environment. The production environment is seen as a spatial complex being able to generate synergetic processes. Here innovative behaviour is considered highly dependent on variables defined at the local level.
- The concept of *national systems of innovation*, draws attention to interactive learning, the diversity of sources of knowledge and the significance of the proximity of actors. The ability to combine all kinds of knowledge is considered crucial, and geographical, economic, organisational and cultural proximity is supposed to facilitate the innovation process. The focus on the national level derives from the traditional, and significant regulatory role of national policies, which has only partially been substituted by international or regional levels.
- The discussion on regional innovation systems or innovative regions has many similarities with the earlier models presented. The key idea is that the innovative performance of an economy is not a mere sum of its firms' performances, but is also dependent on interaction both in and between private and public sectors.

As the concepts presented above reveal, nowadays the debate focuses upon the (regional) innovation system in its totality. This brings to the fore the role of public policy in shaping the qualities of innovation systems. The notion of the cluster is being expanded in this context by introducing interventions that promote adaptability, learning and networking within the region.

The first signs of systematic translation of the "innovative region" concept into political action can be associated with technopolitan development strategies. A technopolitan strategy can include interventions in the technology transfer system, local linkages of the industrial system

and the environmental quality of the 'pole' of development⁹. Maillat (1997) has introduced the idea of successive generations of regional innovation policy. The concept of technopoles would probably belong to the second generation of regional policies in Europe in his classification. The first generation policies of the 1960s and 1970s were concentrated on distribution, but the object of the second generation policies of the early 1980s was to animate the territorial innovation process by stimulating the local entrepreneurship, network effects and regional technology policy. The present generation, influenced by deepening globalisation, has called for mobilisation of local players and consensus-based strategies. In brief, in the search to promote competitive innovation, regional policies have moved from a distribution to resource-creation emphasis. The notion of territory has shifted from the medium of passive and static resources to that a mobilisation arena for creating strategic and specific resources. The challenge is not to imitate what other regions have achieved but to prepare the preconditions for a dynamic adaptation of the regional economy to a constantly changing international environment. This provides a strong basis for the policy vision of polycentric growth zones in the European landscape.

3.3.3 Policy implications for territorial development

The promotion of innovation is strongly present in EU regional policy making, but also in an increasing number of sectoral measures. The Green Paper on Innovation, published in 1995, listed the strengths and weaknesses of Europe's innovation capacity and called for new EU initiatives and for the integration of innovation promotion into national sectoral and regional policies. Within EU, several new programmes have been launched since then. Many member states have also based their national regional policy on promoting innovation, as have many European regions in their spontaneous development strategies.

Clearly, the capacity to promote innovation is a critical quality for self-sustaining territorial development. In the ESDP, the diffusion of innovation is seen to be as important as access to infrastructure. It is presented as a central element in increasing the competitiveness of the EU territory. ESDP claims that the European capacity for innovation is spatially unbalanced, and that the regional economies need dynamic innovation systems, effective technology transfer and institutions for training. The goal is to develop such intermediating mechanisms, in order to cultivate innovative processes in all European regions.

There has been much emphasis in the regional policy and innovation literature on developing links between firms and universities, through technology institutes, science parks etc. However, the relation between innovation capability and territory, and between urban and rural parts of a territory is not straightforward. Different industries show different innovation patterns. Also, the dynamics of innovation diffusion are not necessarily the same as those of innovation as such.

When relating innovativeness and spatial cohesion, there are as many possible spatial distribution patterns of industries as there are types of knowledge. In some industries, the necessary information can be codified and the production performed over distances. In others, the innovation is bound up with tacit knowledge exchange, which is difficult or impossible to

⁹ see glossary for technopolitan development ideas

achieve over distances. As a rule of thumb, the more tacit the knowledge is, the more important is the spatial proximity. Empirical studies on the spatial distribution of knowledge-intensive industries show that, especially in the world of high-tech industries, the tendencies are to concentration rather than dispersion.

Urban regions, especially in the established growth areas, seem to be gaining from the potential concentration of innovative industries. Here the infrastructure is often called for to help in supporting the innovation base of areas outside established growth zones. This point is stressed in the ESDP, which calls for measures to encourage the settlement of companies in rural regions by offering incentives in the form of access to advanced communication networks. However the use of teleservices can be considered rather as a compensation measure than a move towards supporting regional innovative capacity.

An ESDP related issue is whether the role of territories, in general, is decreasing or increasing, when seen through the perspective of research on innovation. Many scholars have argued, that the process of internationalisation converts formerly valuable localised resources and capabilities into something present everywhere, since they are not only tradable but also available by increasingly uniform expenses. If all capabilities were omnipresent, spatiality would lose its meaning and make production completely footloose, breaking the bond between innovativeness and spatiality. However, it is more likely, that some capabilities still remain tied to spatial specificities and to the ways of acquiring resources and combining them in building competencies. In this way, the territorial scale would continue to play a role in the innovation process, making minor local specificities might become even more important in promoting innovation. Though the homogenisation of the economic structures has deepened in the EU, territories still compete in different categories and seek for a unique profile. This means, that the support for regional development would have to address these diversified needs.

The indicators used to measure innovativeness of an area often comprise of the spending on R&D activities, the number of internet sites, number of patents etc (see Figure 9 in Section 3.2¹⁰). The non-technological side is often forgotten, though the human resources, social and organisational skills are also necessary in guaranteeing the functioning of an innovation system. This is why 'innovative' can be a synonym for 'creative'. The spatial connections of creativeness can be traced in many discussions on regional development. The question of face-to-face contacts can be used as an example. Historically the face-to-face contacts have been shown to be important in the creation of vital scientific and artistic communities. At present, information and communication technology make it possible to interact intensively without sitting at the same table, but the mere interaction is often not enough for being creative. The extent into which the need for face-to-face contacts prevails remains unclear, as do the spatial implications of being creative/innovative over different distances. To the extent that such contact remains important for creativity and innovation, spatial agglomeration of creative forces will be a necessary ingredient of innovation strategies.

¹⁰ See also, the Theme 1.2 report

Thus it is difficult to avoid promoting spatial unevenness when fostering innovation capacity. However, the ESDP discussion on innovation is heavily focused on innovation diffusion, probably at the expense of supporting innovativeness itself. The measures aimed at guaranteeing equal access to the infrastructures which seem to support innovation are rather compensatory in nature. It is also evident that, even if the differences in physical infrastructure were eliminated, other differences crucial for the innovation processes would still persist. These aspects, which include organisational questions and spatial issues, such as the economies of scale, are naturally more difficult to be compensated by spatial development policy.

In conclusion, the ESDP concern with competitiveness requires the recognition that the rapidity of change in the globalising economy puts a premium on continual re-alignment and innovation in production technology and organisation. This is especially so given the high value-added of information and knowledge inputs in contemporary production. The dynamics of innovation promotes spatial unevenness, but it is widely acknowledged that a culture of flexibility, adaptability and learning is needed to support innovation not merely in companies, but in the milieux within which firms operate. Such milieux are associated in part with the existing strong European economic core zone, since its sheer scale means that such qualities are present. It is also present in locales and territories across Europe where historical experience or the capability of local actors provide appropriate conditions, for example, West Jutland and Tuscany. Inherently, the development of such milieux involves spatial concentration. New information technology facilitates spatial diffusion and supports more spatially remote innovation centres. It also promotes agglomeration, at hubs of socio-technical learning. However, the patterns of agglomeration and the qualities of learning and innovation needed vary from sector to sector. There is no single pattern for the promotion of innovation clusters.

This suggests that a critical role for territorial government is to promote the development of hard and soft infrastructures¹¹ which promote cultures of innovation and the learning capacity of territories. This could help spread innovative capacity across Europe, and support the vision of polycentric development. It could also help to spread economic opportunities within territories, across both urban and rural areas. But there is a tension between the concentrating requirements of innovative dynamics and diffusing innovation across a territory. The policies needed to promote innovation are likely to be different from those needed to promote diffusion. The approach needed to support innovation initiatives in rural areas may involve links with very specific product markets or tourist attraction strategies across Europe or internationally, while helping young people access high quality training may require linkages to local urban centres. Innovation requires organisational space and access to resources for creative developments within which new ideas can flourish. Diffusion requires making linkages which might well be neglected by market processes. Much public intervention targeted at innovation has in practice been more appropriate for diffusion (for example, access to the internet). Territorial governance efforts which aim to promote the overall position of a territory in the global economy and spread benefits around the territory thus face a challenging task.

¹¹ This refers to the distinction between the older emphasis of state intervention and public policies upon the provision of hard infrastructure in the sense of physical collective goods (e.g. roads, ports, buildings etc.) in contrast to the more recent shift of public policies to the provision of enabling structures promoting knowledge increase and organisational innovation (e.g. training, institution building, etc.).

3.4 Changing demographic profiles

3.4.1 Introduction

Throughout Europe demographic trends and migration patterns play a key role in shaping territory. Individual choice and economic necessity interrelate to produce complex patterns. Figure 13 provides a cogent summary of the accumulated impacts of economic and social development on contemporary European demographic structure. In recent years there has been very little growth in the European population as a whole, with some countries actually experiencing a declining or static population. One of the most significant demographic trends over the last ten years has been the ageing of the population and the decline in fertility rates. The share of those aged 65 and over increased between 1985 and 1995 from 13.5% to 15.4%. At the same time the proportion of people under 15 declined from 19.7% to 17.6%. The decline in the number of young people reflects the trend for fertility rates to continue below replacement level in the EU. As a result, the role of migration between and within regions, as well as transnationally, has taken on even greater significance in settlement trends. Links between age structure and migratory trends have the effect of creating complex spatial impacts and influences within and between territories across Europe, with different countries experiencing different phases of demographic transition.

A further major tendency is the increase in mobility, not only throughout an individual's lifetime but also on a daily basis. This is reflected in the increased incidence of commuting, which has resulted in large-scale suburbanisation and more recently in peri-urbanisation. This trend of settlement deconcentration is in contrast to the concentration of the global economy in major metropolitan cities and regions. These latter regions (attractor areas) attract younger well-educated workers as well as less educated immigrants from third countries. These groups are attracted by the wide variety of jobs on offer within a relatively compact and structured space but the socialisation of the groups within the metropolitan region can be very different. This reinforces the strength of the established economic nodes in Europe. A process of gentrification has occurred in many city centres often in parallel to a process of desocialisation (unemployed people, less well off). However, lifecycle mobility tendencies suggest that the pull of the metropolis may be counteracted later in life by the attraction of attractive medium-sized and small towns and rural areas.

This leads to counter-migratory movements. In particular, highly skilled workers (eg. consultants, IT workers) may locate in rural areas outside city regions and work from home, commuting into the city only on an irregular basis. Other movements from city regions involve a more structured approach with, for instance, a number of families moving to a predesignated area in more remote/rural locations in an effort to escape the negative impacts of urban life.

The spatial implications of these trends exacerbate territorial unevenness. The ESDP aims to promote social cohesion, environmental sustainability and economic competitiveness. The challenge is to provide a balance between these aims, to avoid extreme regional disparities while maintaining specific regional identities. The recognition of urban-rural interlinkages and interdependencies is important in developing a broader spatial picture not limited to town or

country but incorporating both. The polycentric model of development promoted by the ESDP can aid this but it will be challenged by the existing demographic trends. By promoting a more balanced urban system, interlinked with rural hinterlands, the ESDP vision has the advantage of helping overcome major urban concentration at the expense of medium and smaller towns and cities which serve as centres to rural regions.

3.4.2 Regional Migration

The growth of immigration from third countries is recognised as third major demographic trend affecting the European territory, along with the decline in fertility and the ageing population (Figures 11 and 12). The level of both natural growth/decline and immigration/emigration is unevenly distributed across Europe. In the Netherlands for example, total population growth is 6.5 per thousand in 1998 while in Finland the figure is about 3 per thousand. What is more important, however, is that there are major differences within as well as between Member States. There is a stark contrast between areas to which people are attracted for economic, social or aesthetic reasons and areas from which people are leaving. In the Netherlands, internal migration has been relatively stable over time and is not work-related¹². In contrast, in Finland, economic growth after the early 1990s recession has been concentrated in a few urban regions (Helsinki, Tampere, Turku, Oulu and Jyväskylä regions) and consequently work-related migration from the eastern and northern regions has been substantial. In the UK approximately 3% of the working age population moved between NUTS II regions in 1995. This is high compared to other countries, particularly those in southern Europe. For instance, Italy and Spain each had 0.5% of working age population moving between NUTS II regions in the mid-1990s.

[Figure 11: Population: annual growth rates by region: 2000-2005 – see separate file]

[Figure 12: Population growth and migration, 2000-2005 – see separate file]

The dominance of large metropolitan centres is exemplified in the UK by the strong migratory pull towards the SE and Greater London regions. This type of region provides a richness of high status jobs and in the provision of financial and producer services. Socially it provides an opportunity to advance while economically there is the linked opportunity to invest in the housing market. In this sense major urban regions such as the SE of England act as escalator regions¹³ for younger, well-educated and ambitious people, who often out-migrate as they approach retirement age. In the mid 1990s the ten travel-to-work areas with the greatest employment growth were almost all near Greater London. The Paris region may also be described as an escalator region in that it links social and geographic mobility for professional classes in France. New growth nodes in less-developed parts of Europe also display these escalator characteristics, for example, the Dublin region. While some numerical balance to the migration process may be achieved by out-migration approaching retirement age, there is the associated potential of exacerbating not only an age imbalance between regions, but also an economic imbalance as economically active migrants concentrate in particular regions in preference to others. Regions which have experienced net outward migration and little return migration suffer not only demographic imbalance. They also experience a decline services which

¹² See the review provided by the Netherlands SPESP team

¹³ See glossary for definition

can no longer be sustained by the remaining population. In contrast to this there are some old industrial regions that have experienced economic decline but which are now benefiting from the growth of centres outside their regions. An example of this type of region is Brabant Wallonia which is not only linked to development within its own member state but in which endogenous development is being encouraged by the growth of Aachen in Germany and the city of Luxembourg.

Most urban regions display some degree of cyclical volatility. Generally, in times of boom there is an increase in the number of people migrating to regions experiencing growth. But the wealth accumulated by people in these areas may also allow a larger number to migrate from the region. During recession there is a lower level of immigration but an even lower level of out-migration. Three major factors influence inter-regional migratory flows. The first of these, the housing market/business cycle, depends largely on the cost of housing at a particular phase in the business cycle. In times of boom house prices may act as an inhibitor to in-migration. For instance, Munich in the 1980s could not fill jobs in the lower qualified public service sector because the cost of housing was too high for family migrants. In times of recession out-migration is stifled as low house prices discourage the selling of property. The second factor is labour market restructuring. The demise of the Fordist mode of production in old industrial regions and the rise of the tertiary sector and information technology sector in particular has led to a new spatial division of labour. A result of this is that inter regional migration of well-educated and qualified people takes place albeit fluctuating with the business cycle, while mobility of the low qualified will slow down. High labour reserves in old industrialised areas are more likely to be reflected in high levels of unemployment because of the low skill levels. The third major influence is the underlying geography of the European space economy. This emphasises the continued dominance of metropolitan city regions on intra-national flows.

In several countries where urbanisation is relatively recent, such as Ireland, Portugal and Finland, inter-regional migration is evidenced by the tendency for migration flows to follow shifts from the interior to the metropolitan regions that are historically based along the coast. This presents difficulties for a polycentric model of development characterised by a balanced urban system. In 1997, 44 out of the total 75 Nordic regions experienced net out-migration. Larger centres in the more remote regions, which had until recently balanced the total population of the surrounding region, are now experiencing increasing migration. Similarly, in the 1990s in Portugal there has been an increasing trend of coastal settlement and migration to large urban centres, with poles of attraction focusing on the Algarve and the Setubal peninsula. It is the interior regions that are experiencing the exodus, leaving behind a demographically aged and increasingly less populated countryside. In contrast to this trend, there is some evidence that attractive environments in remote areas have the potential to draw in high-level knowledge workers such as consultants who can operate from home with the minimum necessity to travel to work. There is also a move by some people for alternative lifestyles that place a high value on the positive aspects of the more remote regions but there is a difficulty in quantifying the significance of this movement.

The scale of labour movement between EU member states has remained low. In most member states, net inward migration flows reached a peak in the early 1990s and a significant proportion of this immigration (average 30%) was of nationals returning to their country of citizenship. In

1996 they comprised over 60% of inflows in Ireland and approximately 40% in Denmark, Spain, Finland and the UK. Ireland is unusual in that its tradition of net outward migration, which was over 40,000 in 1988 and 1989, has been dramatically reversed, decreasing to 2000 in 1991. Since 1995, there has been net inward migration. In Germany there was an unusually high volume of migration in an east-west direction following political unification in October 1990 and in the year preceding that. By 1994 west to east migration levels began approaching those in the opposite direction. Nevertheless, there was a broad spatial distribution of growth to all Western German regions and a wide pattern of loss in the East as a consequence of unification. The spatial impacts of this legacy are likely to continue long into the future with regional population concentration forecast to increase in the unified Germany.

Migration from countries outside the EU has changed over time. Traditional destinations of the 1960s and 70s reflected the pull of industrialised countries such as Belgium, Germany, France and the Netherlands. More recently it is the south of Europe - Spain, Italy and Greece – which are the more popular destinations for migrants. The source of migrants has also expanded. While West Africa is still an origin of migrants, new countries such as the Philippines, Ethiopia, Albania and Cape Verde have become important. Most migrants are concentrated in cities, which not only offer the best opportunity for low skilled jobs but are also most likely to have an established migrant population. Over half of the UK Afro-Caribbean population lives in London. Jobs are concentrated in the secondary labour market of low-wage, unprotected and casual jobs. There is evidence of both suburbanisation and concentration of ethnic minority groups. In the UK suburbanisation is often associated with Asian populations which are economically successful and own their own homes. In France suburbanisation of ethnic minorities is more likely to be as a result of inner city slum clearance or gentrification and can lead to ethnic unrest. There has also been an increase in the EU in the influx of highly skilled migrants. For example, in the early 1990s in the UK, one quarter of foreign nationals working in the UK were professional employees and managers.

3.4.3 The economic effects of demographic and social shifts

In an increasingly global economy, the nature of employment has changed dramatically. The baby-boom generation that grew up with the welfare state has been able to acquire a strong position in society. In the next decades they will form the 'grey pressure' caused by the growing proportion of retired but wealthier population. The growth of tourism and free-time facilities, as well as health and recreation services will therefore continue in Europe, fostering still further the already visible transition to a service economy. More negatively, the greying of society will increase the dependency rate. This will exert strong pressure on government pension plans and schemes as well as the potential tax burden on workers in the near future. The growth in seasonal migration of the older generations from northern European countries to the holiday resorts of the Mediterranean such as Tuscany and the Algarve can stimulate local economic activity and local development within these areas. Similarly, return retiree migration particularly among the peripheral countries of the EU can have both positive and negative impacts, depending on the ability of a territory to provide for the needs of the retiring population.

Migration to urban agglomerations from all regions has a number of economic, social and environmental effects. One such effect is a dual impact on passenger flows. The first is the increased impact of weekend traffic flows generated by the high proportion of people who work in urban environments during the week but who opt to return to their family home at the weekend. There will also be reciprocal flows into urban centres from other regions for a variety of reasons including sporting events, shopping and to avail of specialised services. There is further movement in the case of day trips. This trend, which has been accommodated by the increasing affordability of the car, puts extreme pressure on the environment and on the infrastructure of scenic locations surrounding urban areas. Located on the outer fringes of urban sprawl, scenic areas are under pressure from one-off housing and up-market low density housing development. They are, therefore, having to cope with an increase in daily commuter traffic as well as leisure passenger flows with the resultant pressure on roads, sewerage, and housing infrastructure.

Within the EU there has been an increase in the number of women in employment. Eighty per cent of those with a third level education are economically active. On the other hand, the employment rate for single women with only basic schooling was about 60% in 1997 and even less in Belgium, Spain and Ireland. For single women with children the participation rate is even lower, under 40% in Germany, Ireland, Luxembourg and the UK. Partly in recognition of the needs of the modern workforce some firms have introduced more flexible work practices. In the Netherlands, 85% of women in employment who have children work part-time. There is increasing recognition particularly by large employers of the need to provide childcare facilities if they are to make full use of the available workforce. There is also the possibility of more networking between working parents with regard to their children's transport needs and availing of flexi-time.

There is a tendency for women's employment to be concentrated in a few sectors of activity. As a result, over 40% of women in employment work in just three sectors – health and social services, education and retailing. Approximately 60% work in six sectors¹⁴, the former three and public administration, business services and hotels and restaurants. Across the EU women are increasing their share in high-skilled jobs but the jobs they take tend to be more spatially concentrated than those of high-skilled men. This sectoral concentration of women's jobs, in particular, will influence their location decisions. Where a dual income couple have children they are most likely to live in an area which is within commuting distance of both parents jobs and which has a good recreational and cultural infrastructure. This reinforces the attraction of core regions for young families but unlike childless dual career couples, they are more likely to live in suburban areas than in gentrified areas of the city centre.

Policy decisions can be influenced by changes in the participation of females in the labour force. For instance, in Ireland, labour force projections up to 2010 anticipate that female participation rates will increase at an annual rate of 1.8% for those in the 25-35 age range and by 2% for the 40-50 year olds. If, on the other hand, female participation rates are maintained at their present

¹⁴ using NACE, the standard classification of economic activities

level (48%) the increase in the labour force by 2010 would be approximately 166,000 fewer than anticipated. In countries such as Ireland, which is seeking to increase its labour force skills and to attract inward investment, it is important that female participation in the labour force continues to increase. In an effort to harness this section of the labour force, foreign direct investment involving services (e.g. tele-servicing) is often located in peripheral regions which are outside the sphere of influence of urban agglomerations. To some extent this provides employment opportunities for areas often bereft of them but it can also have negative effects due to its transient nature and lack of long term commitment. However, this mode of development is very vulnerable to shifts in the production and investment patterns of global companies (see Section 3.2).

With the increasing incidence of divorce, the ageing population and the trend for young people to prefer to live alone, there has been a rise in the number of one person households throughout Europe. It is possible to identify certain transitory periods in an individual's life. Graduates are likely to be mobile until they find a desired job. Then they begin a second period where there is a strong probability that they will invest in property both as a place to live and as an investment. In Britain and France, owner occupation has replaced private rented accommodation as the most important tenure arrangement of one person households. Individuals at or nearing retirement age are more likely to move out of the city and into a more rural area or to return to their place of birth. These trends have repercussions for both private and public consumption patterns.

Changes in household composition have been reinforced by urban renewal policies throughout Europe which encourage the development of high density single and two bedroom apartments in city centres. A process of gentrification has taken place in many city centres whereby professionals often replace a less economically active population and as a result bring increased wealth and spending power to previously neglected areas. New retail units and services are encouraged to locate nearby and in many instances local families move out as housing becomes too expensive for them and the neighbourhood no longer caters for their local needs.

Those same urban regions that can act as escalator regions for skilled, ambitious young workers can also act as areas of social polarisation and deprivation. Large urban agglomerations harbour significant pools of long-term unemployment combined with youth and female unemployment. For instance, in Brussels where the GDP per capita is 163.3% of the EU average, the long-term unemployed is 61.9% of the total unemployed. Combined with the high cost of living encouraged by the gentrification of many inner cities, and the low pool of skills, this has the effect of creating a marginalised society. The result is often an increase in crime and addictive behaviour with very little opportunity of advancement.

3.4.4 Conclusions

This account illustrates the complexity of the spatial dimensions of Europe's demographic trends. Some trends re-inforce the attraction of cities and of well-established growth nodes. Young skilled people within and from outside Europe are attracted to the innovation centres for economic and cultural reasons. In areas where urbanisation has occurred on a large scale only recently, this is reflected in the pull of 'primate' cities – such as Dublin, Helsinki and Athens. In

highly urbanised areas, differentiation is occurring within and between territories as particular centres with high innovation capacity attract the energetic and highly skilled. This has the paradoxical effect of marginalising some urban areas that suffer from high unemployment and skill shortages within regions of recent economic dynamism. In large urban agglomerations, both the decline of old production relations and the generation of new dynamic economic relations are occurring at the same time. A common outcome is the production of highly differentiated residential areas, with polarisation between those experiencing poverty and marginalisation and those benefiting from the accelerating affluence generated by the new economic opportunities. This results in complex spatial mosaics at the scale of the neighbourhood and village. Nevertheless, the big and growing metropolitan clusters continue to act as 'escalators', attracting in people from elsewhere and providing a base for subsequent choice of residential location within the wider metropolitan territory.

These dynamics, driven by developments in the economy, are co-evolving with autonomous demographic effects. These demographic trends are linked to the increasing emphasis on the search to maximise individual opportunity. They result in both agglomerating and dispersing spatial effects. The 'grey pressure' results in increasing numbers of people independent of the location of work able to choose residential locations in a trans-European spectrum. This brings clusters of migrants to many rural locales and urban centres which can offer very attractive landscapes or urban qualities. Meanwhile, the time pressures on working parents encourage residential choices where a high density of quality education and health facilities, retail and leisure opportunities and rich job opportunities can be accessed. This encourages concentration in the existing dynamic innovation centres. Both tendencies suggest opportunities which could be promoted within a territorial development perspective. They also highlight the significance of the qualities of locales in sustaining the position of territories in maximising quality of life opportunities.

3.5 Social change and differentiating lifestyles

3.5.1 Introduction

These demographic changes highlight the complex nexus across Europe between changing work patterns and skills and the way people live. Layered over this are changes in social expectations. For many, there is more opportunity, more choice and more mobility. For others, there is less choice and only limited opportunity, often coupled with mobility and insecurity. Others are at the blunt end of economic and social change, discarded by old production relations, with little chance to connect to new dynamics, and holding onto memories of a lost production culture. The result is a complex social melange of opportunity and hardship, reflected in a fine-grained spatial mosaic of neighbourhoods and settlements of affluence and of poverty, manifest in both urban and rural areas. Over and above these changes driven by economic forces, there are cultural shifts which weaken other bases of social organisation, such as the attachment to family, to religion, to political parties and to labour organisations. The result is increasing individualisation, secularisation and the rise of many kinds of alternative bases of identity assertion. This is promoted by the availability of diverse models and opportunities purveyed through the media and the internet. These globalising communication resources have in effect produced the

‘urbanisation’ and ‘westernisation’ of everywhere. But within this, there is enormous potential for lifestyle differentiation, with complex impacts on political cultures and hence the capacity for governance.

3.5.2 The social effects of economic shifts

A major force driving social change are the economic dynamics discussed in Sections 3.2. and 3.3. Future generations of Europeans will have to get used to a very different labour market, characterised by high levels of unemployment, less-secure jobs and larger divisions between high and low earnings. The restructuring of firms and organisations, facilitated by new technology and stimulated by increasing global competition, is ushering in a fundamental transformation of labour processes which is altering the entire fabric of our societies. This is because of the centrality of work for our social lives and the continuing close connection between work, family and the community.

Labour practices and processes no longer follow the ‘Fordist’ industrial model with hierarchical chains of command and narrow divisions of tasks. The incorporation of automated production processes, the growth of sub-contracting and outsourcing as forms of externalising labour, in addition to changes in business working practices, which depend on market demand and labour costs, has promoted the growth of a more adaptable flexible labour market in which these changes can be met effectively. It requires task-orientated multi-skilled mobile workers with increasing autonomy and self-programming ability, as well as a wide array of working arrangements, including self-employment and reciprocal sub-contracting. New information technologies have played a decisive role in facilitating the emergence of this new labour market, by providing tools for networking, distant communication, storing/processing of information, co-ordinated individualisation of work, and simultaneous concentration and decentralisation of decision making. The consequence of these changes is that employment has become less stable and less certain. The concept of a guaranteed ‘job for life’ has become a relic of the past.

The heightened casualisation of labour relationships has direct social and spatial implications. The lack of security and permanence of employment has made it difficult for many to settle down to fixed locations and local networks. In today’s society, the earning capacities and bargaining powers of workers are sharply differentiated according to their educational characteristics. Successful highly skilled individual entrepreneurs have acquired the mentality of a ‘hunter’ or ‘gatherer’,¹⁵ investing more on intangible and mobile assets not tied to localities and nation states e.g. higher education. Educated workers have therefore become owners of their own means of production (‘their brains are their best asset’) and proprietors of their own profit-making capacities. They have become highly mobile, moving within and between regions, constantly seeking new opportunities, updating their skills and increasing their bargaining powers. The mobility of labour not only concerns educated workers but also unskilled and semi-skilled ‘generic’ labour. While a core labour force is still the norm in most firms, part-time, fixed-time and fixed purpose contracts are a fast growing form of obtaining labour. The dynamic nature of labour challenges much of traditional thinking in land use planning and housing policy.

¹⁵ This term refers to the changed identity of contemporary citizens, who will have to construct their livelihood and social identity from different places and cultural sources, and be prepared to the changes inherent in this way of life.

The transformation of work and employment has resulted in a serious crisis in the relationship between work and society. The consequence has been a 'two edged sword', with 'winners' and 'losers'. Society is passing through a crisis of transition due to the contradiction between the new technological paradigm and the social organisation of labour. Workers and firms who are unable to constantly update their skills and to operate under flexible working conditions fall behind in the competitive race and are being gradually marginalised. These trends are multiplying the human and social costs of the globalisation process leading to inequality as regards the appropriation of wealth and bargaining power causing increased levels of social exclusion, marginalisation and polarisation within society¹⁶. Inequality, employment security and the profit-making capacities of different sectors of the economy and in the earning capacities of different types of workers have long been a feature of advanced economies. However, what we are seeing today takes place on an order of magnitude that sets it apart from any previous era. Never has the worker, regardless of skill level, been more vulnerable to changes in work organisation. Millions of people are constantly in and out of paid work with fewer wages, benefits and little job security. This loss of a stable relationship to employment, and the weak bargaining power of many workers, leads to higher levels of incidence of major crises in the life of their families including temporary job loss, increasing absolute numbers of families in poverty, feminisation of poverty, growing economic difficulties for single-parent families, personal crises, illness, and the spread of social ills, such as homelessness, widespread drug/alcohol addictions and rising crime causing loss of employability, loss of assets and loss of credit. Many of these crises inter-connect with each other, inducing the downward spiral of social exclusion. These pressures are not confined to particular territories, but are found throughout Europe, including in rural areas.

The ascendance of information industries and the growth of the global economy have contributed to a new geography of centrality and marginality. This has been complemented by a globalisation of cultural referents, which, thanks to the media and high education levels now extends to all parts of Europe, both urban and rural. These tendencies re-inforce the social and economic attraction of large metropolises as centres of cultural innovation as well as containing a rich mix of job opportunities. This tends to concentrate high-skill labour and associated lifestyles in large metropolitan territories such as London and South East England and the Paris region. Such cities also attract migrants from within and outside Europe (see Section 3.4). This tends to increase the discrepancy between wealth and opportunity between some urban and rural areas. But at the same time, the attractions of 'urbanity' co-exist with images of rural landscape, rural life and 'nature'. This disperses some of the high income/high skill households from metropolitan cores to surrounding areas and, facilitated by telecommunications infrastructure, to distant locations. Within urban areas, the result is a complex spatial 'mosaic'¹⁷, with areas of modernity and wealth alongside areas of severe economic deprivation. Whilst economic globalisation has afforded many city authorities with the exciting prospect of revitalising inner cities through property led urban regeneration, for example Canary Wharf, London, and the Dublin Docklands, in many cases these strategies tend to promote the colonisation of former working class areas by the expanding higher income workforce of the new economic relations, re-inforcing socio-spatial

¹⁶ See Theme 1.3 report.

¹⁷ This metaphor refers to the fine-grained socio-physical differentiation which occurs within urban and rural areas. These differentiations may be at a scale below even the neighbourhood or rural settlement.

segregation in cities. Within rural areas, the layering of the life-styles of ex-urban households, coupled with the ongoing re-structuring in the agricultural sector, may bring valuable opportunities for diversification in rural economies by increasing service sector opportunities. But it may also result in tensions between the values, lifestyles and interests of in-comers and long-established households and their networks. This not only fosters conflict over rural development strategies. It also helps to produce fine-grained spatial segregation in rural areas to parallel that in urban areas.

3.5.3 The significance of the institutions of civil society

Workplace organisation, and especially Trades Unions, political parties, family networks and the welfare state provided a strong underpinning of social support for individuals and households in twentieth century Europe. To a large extent, the role of these institutions has declined or changed. Through technological and organisational transformation of work, new processes have been triggered, reversing the historical trend of industrial society. The desegregation of work in the information age has ushered in what is sometimes called the 'network society'¹⁸. This process has profoundly affected the network of traditional social institutions on which our societies are based: family, community, and the state.

Over the past 50 years, governments in industrial countries have taken major responsibility for full employment and assuring that economic growth produces higher standards of living for their citizens. However, the welfare state has reached its financial limit in the highly competitive world economy. The welfare state was born out of social struggles and social pacts based on the aggregation of social interests around collective labour practices. The individualisation of workers relationship to their employers has led the fragmentation of such labour conditions, and a parallel weakening of collective bargaining agents, such as labour unions. The de-socialisation of labour has caused the gradual dismantling of the traditional welfare state, removing the safety net for displaced workers precisely when it is most needed. This has placed huge stress on the institutions of civil society: families, friendship networks and the 'communities'¹⁹ of neighbourhoods and settlements that help people in the transition period of their lives as they try to adapt to the new requirements of work life and the increased responsibility placed upon them. Some areas have been and remain rich in a wide range of communities of association, which provide all kinds of support and cultural satisfaction to individuals. Others however may find a poverty of social networks re-inforces their economic poverty. Once again, however, there is no easy generalisation which can be made about the richness of social networks and the type of locality in which people live. Nevertheless, there is increasing recognition that the social-cultural quality, as well as the quality of economic opportunity, of locales and territories, makes a difference to quality of life.

Globalisation and market-based economic reforms have weakened many of the institutions that in the past have assumed responsibility for human welfare. Political parties have experienced fragmentation of their core electoral support and are forced to rely on all kinds of alliances to remain politically viable. Today's 'floating' voters have little commitment to clearly defined

¹⁸ See for example, the work of Manuel Castells (see bibliography)

¹⁹ See glossary for meanings of community

principles or ideas and judge individual issues on their own terms. Thus, the old political order, based on varying forms of collaboration between the state, political parties, trade unions and big business, is giving way to something much more fluid. In these circumstances, individuals and families are having to bear more of the strain. The traditional family in the times of transition can be critical for psychological support, social stability and economic security. However, it has been weakened by changing household structures, high rates of marital breakdown and the welcome cultural drive for women's equal rights and their massive incorporation into the labour force.

The individualisation of work tasks undermines the importance of the most important social institutions: the work place. With the decline of the social relevance of the work place and of work based forms of social organisation, a greater demand is placed on alternative organisational forms of sociability. Local communities and voluntary associations are foremost amongst such forms. However, socio-spatial development in the last quarter of the century has been characterised by widespread territorial sprawl, suburban and ex-urban single family dwellings, suburban shopping malls and rapid rural de-population which are profoundly disintegrative of culture and communities.. The functional separation between residence, work, and urban services, the increasingly lower density of new urban forms, inter-regional migration and increased geographic mobility of people, in addition to individualistic values, time constraints, increased rates of divorce and dual income families disrupts the social and economic networks that bind societies together and making it increasingly difficult to rebuild local communities on a voluntary neighbourhood basis. As a result, voluntary residence-based communities as forms of social interaction are difficult to sustain in advanced societies, while new forms of electronic communication are still too limited and too elitist to allow for the widespread emergence of new virtual communities, except when they are anchored in professional activity or become the extension of family/friendship networks

As the capacity of broader organisations and institutions to respond to present challenges comes into question, the actual and potential roles of communities and other groupings receive increased attention. Certain aspects of globalisation greatly favour the creation of new associations and interest groups in societies. Individuals have formed new types of communities within the modernised society, based on traditional categories such as ethnicity, but also such as expertise, common interests, or common-lifestyles. There has been a mushrooming of new movements championing a diversity of causes such as ecology, feminism, ethnic recognition, religious fundamentalism and xenophobia. Worldwide networks of like-minded people, linked by modern communications, offer support and resources. This is particularly visible in fields like environmental protection, equality for women and human rights. There has been a significant expansion of private development associations and grassroots rural and urban initiatives to assist the basic needs, provisioning and empowerment of marginalized groups. They also include many kinds of localized associations - some of long standing, others very recent and possibly ephemeral - based on neighbourhoods, livelihoods, gender, religion, sports and other sources of self-identification.

3.5.4 Conclusions

It is a task of the highest importance to explore the political, social and economic configurations of new arrangements to articulate and implement an agenda of reform addressing the critical social problems facing the European Union. Some needs can only be met through action at the EU and international level. Some will require initiatives at the regional level. Many problems can be handled appropriately by states at the national level. There are also likely to be more opportunities for social programmes conceived and implemented at sub-national and grassroots levels. As Europe's population becomes increasingly fragmented, diverse and concentrated in metropolitan regions there will need to be corresponding diversity in the institutions vested with the responsibility for different programmes ranging all the way from international, national and regional organisations to extended families. Religious bodies, business corporations, charitable societies, neighbourhood associations, village committees and popular development agencies can all be appropriate vehicles for initiating such social programmes.

With urban values now more widely shared across territories, the pull of the dynamic urban centres is re-inforced. These are places which combine rich economic opportunities, high levels of physical, virtual and social accessibility, with cultural openness, dynamism, creativity and social and material support. It is difficult to imagine a synthetic indicator for the qualities of such locales, both because it would involve combining qualitative and quantitative information and because the cultural attraction indicators are inherently unstable. However, there is evidence to suggest that such centres can be of different types – dynamic metropolitan cores, medium-sized towns with a particular economic and cultural mix, even networks of smaller settlements. Some territories can also benefit by attracting 'grey' spending power and time resources and those whose 'virtual' connections to workplaces enable them to be footloose in where they live. A critical issue for territorial development is the patterning of intra-territorial differentiation. If the whole territory has a melange of social networks and a mosaic of neighbourhoods and settlements, and if there is considerable mobility across the territory among those with choices, a key issue is how the different parts of the melange/mosaic interconnect and co-exist. The danger is that the successful groups will separate themselves off, socially and spatially, from the rest, as symbolised in the American-style 'gated communities'. One dimension of urban-rural partnership is thus the capacity for partnership between different elements of the social mix within territories.

3.6 New bases for culture, identity and citizenship

3.6.1 Introduction

Beneath the social changes outlined above are deeper changes in cultural orientation in European society. In this sense, culture means more than the assets of cultural heritage and facilities. It refers to conceptions of ways of life and identity. It provides the reference point for people in developing their identities. Within Europe, there are historically deep and powerful traditions which shape a rich diversity of national and regional cultures. An important element of this diversity is the 'city' as a centre of cosmopolitan exchange ('urbanity') and a multiplicity of conceptions of 'rurality', linked to different economic and social geographies and histories. However, all these distinctive cultural resources are being re-cast by the cultural forces released by global integration. As a result, the historical cultures of places become viewed 'from the outside' and turned into commodities to be consumed through tourism or property values. This incorporates the once-stable bases of identity, bound to particular places, into the fluid and multiple identities which increasingly characterise the contemporary culture of Europe's younger generations. The desirable qualities of places and the meanings of 'urban' and 'rural' cannot therefore be taken as 'givens'. They are continually being re-negotiated, in a complex interplay between place-bound history and tradition and globally-available cultural referents. The result is a large potential range of conceptions of place. This provides a reservoir of attitudes, values, stakes and interests which become mobilised in relation to public policy interventions of all kinds, as any municipal politician knows all too well. Thus localities and territories can no longer be considered in terms of groups of people tied to their land and their fixed social relations. People are 'mobile subjects', continually constructing and shifting identities, using and generating cultural milieux and clusters of social dynamism in the process. These forces in turn both undermine the stable bases of identity upon which those not involved in the new economic, social and cultural dynamics depend and generate cultural qualities and mobilisation potentials that can become significant economic assets. The resultant instability of identity construction, coupled with the scale of economic and social change, in turn supports a widespread sense of the riskiness and vulnerability of life in modern society. This may generate a local politics of defense against change which may co-exist uneasily with strategies to promote innovation and economic competitiveness.

The cultural transformations in the age of urbanisation, globalisation, and European integration are, in a sense, evident but, on the other hand, not directly related to the overall economic development of the global market. The identity of individuals in relation to the nation state and to their locality, and thus to their citizenship, will inevitably change insofar as the nation state will lose part of its economic and political independence to the market forces and to the European and international organisations. Despite much rhetoric about economic driving forces of cultural change in a globalising era, there is no direct causal relationship between economic change and socio-cultural change. Cultural change is mediated through interpretations and new social groupings and local and individual strategies. Thus the determinism which infuses current assumptions that the globalised market and the information society will automatically cause certain changes and new cultural transformations (such as the "global village", fragmentation of society, or whatever) should be seen as one of the cultural productions of our present age, related

to the fear of distant and unknown forces, rather than a specific cause or autonomous phenomenon. It is a 'grand narrative' of our contemporary culture.

This is not to deny that these social and cultural changes could not, in their whole complexity, become the object of social analysis that would be relevant to the understanding of European spatial development. Rather, we should take seriously the essential reflexivity of the social and the cultural. Global developments are mediated through interpretations which define the available options and identities for citizens. The term "space" refers, in this context, not only to a specific location, region or territory, but to a combination of different norms and options and the respective social relations. Space is not only a metaphor of freedom, but as a social and cultural substance it can only be defined by referring to the freedom of opportunities, the norms and social practices that control its use, and the trust and risks related to the changes in these relationships.

3.6.2 Cultural transformations in contemporary society

One of the central ways of conceptualising general cultural trends in recent years has been the modern/post-modern dichotomy. The 'end of modernity' can be characterised, first of all, as the dismantling of the belief in the common set of values and mutual co-operation between the different spheres of modern culture, such as the state, market forces, science, and technology, in order to reach a more prosperous, socially just, and culturally enlightened society. Instead of a common objective ("the welfare of our citizens", "human growth", or whatever), and a common grand narrative ("progress", "the enlightenment", "the global village", etc.), post-modern culture is rather characterised by a shared, localised space, where different agents pursue their strategies in a challenged (i.e. potentially changing) environment of social and political norms. Instead of being positioned in an integrated society, focused on the nation state, individuals find themselves located in multiple spaces, reaching from the local to the global. Thus the dichotomies here/there and here/away which once were clearly understood have lost their original meaning in the global space of economic and cultural activities and environmental threats and need to be continuously re-negotiated. The world is one in a very concrete sense, although the romantic undertones have disappeared from this experience.

From the philosophical point of view, the 'end of modernity' means the losing of a common grounding, which could serve as the integrative element between scientific, social and political endeavours. Although modernity is critical and self-correcting by its very nature, its focus was on a never-ending search for fundamental underlying principles on which to base thought and action, be they biological needs of the human being, the functional requirements of society, or the necessities of the laws of nature or logic. In contrast, the post-modern attitude has to be satisfied with the contingency of different layers of knowledge and experience, where the "surface" is no less important or "real" than the "bottom" or the "origin". The post-modern researcher is not trying to dig deeper into the hidden secrets of the world, and post-modern artists are not trying to find truth or authenticity for their work from original sources, such as antiquity, humanity, or rationality. Instead of solid structures, post-modernity introduces radical perspectivism, which often entails relativism in the philosophy of science, and eclecticism in many other fields of culture. This produces multiple but unstable bases for projects in socio-cultural integration.

Defined in this way, the modern/post-modern dichotomy is clearly not a description of what has happened in the developed European countries during the last two or three decades. It is rather a theoretical distinction that helps to characterise some of the interrelated cultural transformations, and also to point out inconsistencies. There are certainly many contemporary strains of thought that can still be characterised as modern, in the aforementioned sense, and which show that modernity is by no means dead, but at most competing against post-modern challenges. The environmental discourse is a case in point: the original environmental critique managed to challenge the monopoly of knowledge of the technical and planning experts (and thus to create coexisting perspectives of knowledge), but the more recent concepts of sustainable development and ecological modernisation are, in their essence, very modern again, relying on natural-scientific, technological and socio-political analysis and a common consensus-seeking agenda (see Section 3.7). The same can be said of the policy concepts of the ESDP, such as the balance between economic growth, social integration and environmental protection. In its modernity, the planning philosophy of the ESDP is thus very similar to the majority of post-war thinking in planning and development.

3.6.3 The mobility and fluidity of identity

The very existence of the competing perspectives of modernity and post-modernity at the general level are, however, reflected as uncertainty and reflexivity for the individual citizen. It is fair to say that time-space relationships are changing dramatically, though not abruptly, through time-space distancing caused by modern technology, through the increased daily and lifecycle mobility and migration of individuals, and through the increased mobility of capital with no native country and very little time. Although these trends are by no means new but rather the result of long-term developments of industrialisation and modernisation, they can be said to have reached a more substantial level during recent decades, forcing individuals into a re-thinking of their position in society and in space.

The central position of 'fixed assets', that is, the house, the real estate, the neighbourhood, the region, and even the native country, have lost their original position as the symbols and providers of security, determining social position and social space, that is, the level of freedom of the individual. This is not to say that they no longer have any positive value for the individual, or that he or she could no longer trust in any of these assets, but the trust is optional. The individual has to invest in these things, more or less consciously, and also face the risk of losing his or her investment if, for instance, mobile capital chooses to invest elsewhere, and the individual must follow. Long-term staying in one place, though still possible, is by no means the natural or self-evident option that it used to be in traditional and early modern societies. This also entails that the individual has to have portable assets, such as education, communicative capacities, and the ability to adapt him/herself to new circumstances in order to secure his or her back. S/he cannot afford to risk losing his or her whole identity in case s/he would have to give up a fixed location.

The highly-educated 'hunter-gatherer' noted in Section 3.5 could thus be seen as an archetypal post-modern individual, satisfied with an environment as long as it can provide him or her with the necessary goods, but who is also ready and able to move along when things change. Only

some of us are 'nomads' in an extreme way, however, whose environment is in constant flux, and whose spaces are the non-places of international airports, hotels, and meeting-rooms. This is not to say, however, that the post-modern individual would be identity-less, 'nowhere-from'. Such a conclusion would be a perspective error, based on the moralism of the fixed, traditional or modern individual, who has always regarded mobile subjects (hobos, vagabonds, wanderers) as somehow morally suspect, dangerous to the social order. This has also resulted in legislation against vagrancy in many countries.

The meaning of the environment is, however, different for the gatherer than for the farmer or the traditional industrialist. For the gatherer, the features and the changes are reflected on, and the suitability of the environment for one's needs is constantly assessed. Since the identity of the individual is not wholly dependent on a specific locality or even region, s/he may even defend his or her identity by changing the environment, either temporarily by travelling, or permanently by migrating. The post-modern identity is, thus, a collection of assets that are regarded as valuable and essential, but it is not haphazardly collected or arbitrary, but even more consciously than before designed to construct a coherent individual. As might be expected, the post-modern individual is not always successful in this attempt to build a coherent identity, and consequently fragmentation is by no means an unusual feature of today's individuals. Equally problematic is that the strategic choices which some individuals make could seriously damage the ethical and cultural nature of the social fabric which others rely on or seek to construct.

One manifestation of this tension is in the contemporary policy interest in constructing place-identities for cities, towns and villages. This arises in part from the search for ways of positioning a territory or locale in wider economic relations. It is also a result of the commodification of the environment. When choosing the community, the housing estate, the working environment, and the place for vacation, the '- post-modern -' individual is essentially acting as a consumer. This is again a concept that is almost consistently seen in a moralistic and negative light by contemporary cultural critics, and there is admittedly much truth in this critique. The growth of marketing (including the selling of places) has pervaded modern consciousness to such a degree, that the whole rhythm of contemporary life is determined by different occasions to consume. However, since consumption is so determinant of modern life, it should also be made an object of closer scrutiny that refrains from moralistic implications. In the same sense as buying a good book is not necessarily a dismerit to the customer nor to the book itself, commodification or image-building of the environment does not necessarily mean that only artificial or cheap features would come forward. Being "professional" consumers, today's individuals have also become critical. They do not always buy mere images. What is 'real' or authentic (such as good design, good services or clean environment) may also have commodity value.

3.6.4 Conclusions

These changes in the identification of the individual naturally have their implications for the identification of cities and regions. Those responsible for their development (who, more and more often, are themselves professionals capable of moving from one place to another) have to take into account that localities are no longer made of groups of people tied to their land and to their fixed social relations, but that there are more and more mobile subjects around, searching

for qualities and opportunities for their lives. The locale and its unique characteristics has not disappeared - even the tourist wants to be photographed at the place, thus making it part of his or her identity - but as we are always potentially elsewhere, everywhere is always partly here. The only thing that has disappeared is 'away'.

What are the implications of the cultural trends, and the changing meaning of culture, identity and citizenship for tendencies in urban-rural relations and the ESDP's polycentric vision? It is first important to widen the rather narrow conception of culture in both the ESDP and SPESP²⁰. Culture should be seen more as the general context and pattern of human activities within social groups, territories and networks. Historical monuments and cultural landscapes are only a small part of the cultural assets of regions. They are important in providing the fixed reference-points that often become the symbolic centres of cultural activities (the role of historical towns and cities of Europe as cultural and innovative centres providing a good example) The cultural *activities* or the cultural *milieu* of a city or region are, although immaterial, not so easily transportable, but they often provide the "longue duree" of innovation and creativity in a territory, attracting young people and activities, whereas "dead" locales lose the very same people and opportunities. The quality of the cultural milieux thus is an important dimension of territorial differentiation. The mixture of identities and activities within a city or a region is a quality that could be promoted in the name of polycentricity, encouraging "dead" areas to combine their cultural heritage with new and innovative activities, by providing human and other resources, and investing in networking, education, research, dissemination of knowledge, innovative cultural activities etc.

Successful territories should therefore be able to provide both "safety-assets", such as cultural heritage and local history (i.e. authenticity, instead of artificiality), housing and public services, social security, and "opportunity-assets", such as various forms of education (provided not only traditionally, but also through networking and distance learning etc.), good connections to other nodal points also for face-to-face-contacts, access to various kinds of cultural activities, the availability of financial resources for innovative projects, etc. Many rural areas and small towns lack the second kind of assets, although traditional regional policy has provided them with the first kind (such as in Finland the primary school system, subsidised kindergartens, health care etc. in addition to the original cultural assets of landscape and the built environment). The post-traditionality of contemporary society entails that every potential living and working environment is continuously assessed with respect to these two kinds of assets. But since we are talking about local and regional *identities-within-networks*, this does not mean that every nodal point should be similar. On the contrary, some of locales may be quite happy as "sleeping and safe", while others nearby are "vital and dangerous". Since both individual and place-identities are socially constructed, the "design" of these constructions becomes critical, which calls for a new kind of professionalism within spatial planning (a cultural perspective for planning, instead, or in addition to, the traditional sectors of aesthetic, technical, economic, and social perspectives and professions).

²⁰ See the helpful Theme 1.7 report, which nevertheless takes a narrower view of 'culture' than is taken here.

It is evident that, in view of this potential integrative force of culture in planning, new types of government are required. There is a continuing role for democratic government in providing the “safety-assets”, where the new forms of flexible and partnership-forming governance are needed to provide the “opportunity-assets”. It is often the experience of local activists that the traditional forms of government with their fixed legal duties and practices may efficiently hamper innovative local initiatives, even without meaning to do any harm. Within this changing governance pattern, flexibility is needed, since many of the activities traditionally taken care of by sectoral government may be handed over to other actors or to public-private partnerships.

The cultural qualities of the territorial milieu may therefore be complex and contradictory. Yet within them are many cultural resources for building greater cohesion at the territorial and local level. Territorial development strategies may themselves act as generators of identities, and they can draw on established identities to mobilise people to design and develop qualities of territories. But at the same time, any strategy which seeks to promote the qualities of a place, whether a locale or a territory, must expect to encounter multiple conceptions of what those qualities are. Finding reference points for connecting one locale to another, as in linking issues affecting urban and rural areas, may involve difficult bridge-building work over old and new cultural divides.

3.7 Environmental Sustainability as a motivating concept

3.7.1 Introduction

Within this complex mixture of economic and socio-cultural dynamics and differences, there are some cultural forces which provide the basis for mobilisation across such fragmentation and socio-spatial divides. The most important of these is the environmental movement of the late twentieth century. This challenges the unfettered development of globalising economic forces and brings nature and culture into conceptions of development, along with the mid-century emphasis on the economic and the social. It also promotes consideration of long term effects, manifest through complex and interconnected causal chains, to counteract short term political and policy preoccupations. In conceptualising effects, however, there are difficult scientific challenges and, at least as significantly, tensions between the scientific assessment of cause and effect and people's anxieties about risk and hazard. This means that conceptions of environmental priorities are continuously contested and attempts to produce indicators are complex and politically charged, as illustrated in the work of Themes 1.6 and 1.7. Nevertheless, the power of the movement to produce policy changes with real material consequences is very evident at all levels of government across the whole European Union territory. In addition to the general upward tendency in regulatory constraint, which is a significant consequence of EU policy, there are increasing pressures to shift policy attention, for example in relation to demand management in physical infrastructure networks, policies of urban compaction, of waste management and the treatment of natural and cultural assets. More important at the territorial and municipal level are new ways of making policy linkages, using ideas of whole systems²¹, carrying capacity²² and footprints²³. These new policy concepts are accompanied by a strong emphasis on involving citizens in policy development, both to strengthen the legitimacy and mobilising power of policies and to encourage citizens and firms to modify their own behaviour.

At the level of planning rhetoric, sustainability has become generally accepted as a planning goal in Europe. However, the practices are very often far away from sustainability principles. Often the identification of sustainability in relation to economic issues has been subordinated to the targets of a sustainability understood in relation to economic issues. Some critics have even argued that the strategy of 'sustainable development' or 'ecological modernisation'²⁴ has become an ideology used to justify existing policies. These debates on sustainability policies are dominated by public officials, environmental experts and pressure groups. In part, they flow from treaty obligations, enforced by national governments internally, or are co-ordinated by EU directives. Beyond the official policies, however, is a much broader area of environmental ethics

²¹ This concept implies linking at all the elements and linkages in a system of relationships, such as an ecosystem, or a water system. It is also used in other policy fields, for example health services, to emphasise the 'whole person', rather than a specific disease.

²² This concept refers to the ability of natural systems to absorb resource extraction and waste production processes without damaging the quality of the resource.

²³ This refers to the spatial range of the inputs and outputs of settlements, from villages to urban agglomerations, and their direct and indirect effects.

²⁴ Both terms refer to the challenge of combining objectives of economic development and improved quality of life within limits set by the need to maintain critical natural environmental qualities.

and policies. The spectrum of ethics generates a spectrum of planning policies. Demand-led strategies often continue, cloaked in the rhetoric of sustainable development.

3.7.2 Environmental policy challenges at the EU level

The vigour of environmental politics has re-framed policy agendas across the European Union, at EU, member state and regional level. But these agendas are varied in their emphases and full of conflicting aspirations. The development of EU environmental policy and its future trends are described in this section by presenting four main aspects. These all have connections to spatial planning. Overall, the fundamental future message in the environmental policy field has been to emphasise new forms of regulation, limiting the economic demands for de-regulation. Four developments can be seen in evolving ideas about regulation: the pursuit of environmental quality objectives, integration of environmental policy with other policy objectives, widening the range of policy instruments and concept of eco-efficiency as an integrating goal.

Firstly, environmental quality as an objective has now been adopted as an explicit policy aim in many parts of Europe, including the EU. This trend is likely to increase. As a result, developing more precise ways of defining what is meant by 'clean air', 'clean water' etc is becoming more important. In this policy field, the 'sustainable indicators movement' is a rapidly strengthening activity. Indicators of sustainable region and community development seek to provide new ways to measure how well a community or a territory is meeting the needs and expectations of its present and future members. The sustainability concept requires multi-dimensional indicators that show the links between a territory's or community's economy, environment, and society. In order to be effective the indicators have to be relevant, easy to understand, reliable and based on accessible data. Critical questions centre on the problem of quantifying sustainability. It is evident that concept of sustainability contains various features that inherently require qualitative assessment. Until recently, qualitative indicators have been poorly developed. The work on indicators of natural assets in Theme 1.6 illustrates how difficult it is to produce and acquire data for appropriate indicators, especially where some degree of spatial differentiation is required.

Secondly, when environmental legislation and harmonisation of the laws of individual states started in the European Community in the 1970s, the impetus was mainly related to the functioning of the internal market. The Single European Act, adopted in 1987, gave EU environmental policy a much firmer basis through a full chapter in the treaty. That treaty introduced three fundamental principles: prevention is better than cure; damage should be rectified at its source; and the polluter should pay. The Fifth Environmental Action Programme (EAP), adopted by the EU in 1992, set the framework for action, stressing as key objectives the integration of the environment into economic policies and the broadening of the range of instruments. After the Fifth Action Programme, 'environment' has become increasingly important but this cannot obscure the fact that economic interests are still dominant on the EU scene in relation to environmental questions. In 1998, member states decided to strengthen the integration of environmental issues to other policy sectors.

Thirdly, the institutional discussions on the future of the European Union and the continued economic recession of the mid-1990s have led to a fundamental reflection on the nature of the Union's environmental legislation. Although progress has been greatest in areas covered by international legal instruments, there is now a search for new, flexible instruments. Part of this discussion relates to the question of whether and how the cost-effectiveness of environmental policy measures could be improved. Recent criticism has focused on two main elements: the cost-effectiveness and coherence of the legislation²⁵. The new environmental policy instruments can be classified as 'economic', 'co-regulation' and 'planning' instruments. In addition, the private sector has itself developed so called 'self regulation' instruments. The economic instruments includes several types of environmental taxes and charges, comprehensive ecological tax reform, tradeable pollution permit systems, government subsidies for environmental improvement and deposit/refund schemes. The economic instruments can also include instruments which try to alter liability and insurance rules in a manner which benefits the environment. The co-regulation instruments consist of voluntary agreements, eco-labels, eco-audits and conflict resolution models. New planning instruments include for instance environmental impact assessments, energy planning and Strategic Environmental Assessment (SEA, see below). The ESDP's concept of territorial impact assessment²⁶ could be a valuable addition to this battery of tools.

These new instruments are expected to serve many kind of policy tasks. They are intended to:

- promote the efficiency by using market mechanisms and target specified governing;
- reduce the regulatory burden on firms (deregulation);
- provide positive incentives instead of negative ones (win-win -option);
- harness the market power of 'green consumerism' ;
- rely more on consultations than open confrontation;
- open up the policy process for the third parties (openness, participation);
- develop the public legitimacy of environmental governing.

In practice, these varying objectives are largely pursued independently from each other and also frequently conflict. Moreover, different policy actors have their own expectations towards the new instruments. In addition, the use of these new policy instruments varies widely among the European countries and regions, as do the reasons for their introduction. The result is considerable territorial unevenness in regimes of environmental regulation.

Fourthly, eco-efficiency is coming to be an important concept in developing integrative policies. Eco-efficiency tries to merge ecological and economic goals. In practice, it involves improving the productivity of energy and material consumption and reducing pollution per unit of output - in essence, making more and better products from the same amount of raw materials and natural resources with less waste, and fewer adverse environmental impacts. Until recently, eco-efficiency has been used in industrial sectors, but the future challenge for spatial planning is to develop eco-efficient infrastructures and land-use plans. The important question concerns the

²⁵ See the Molitor Report, European Commission 1995a and Collier 1998

²⁶ see glossary, spatial/territorial impacts

relationship between concepts like economic strength and competitiveness and the eco-efficiency of regions.

3.7.3 Redesigning environmental instruments at the EU-level

There are three kinds of environmental policy instrument which are of particular concern for territorial development and regulation policy, environmental taxes and charges, voluntary agreements and strategic environmental assessment. Environmental taxes and charges on polluting activities can take many forms, and are designed to raise revenue or/and alter the behaviour of polluters. The most widespread use of charges in the EU countries has been simply to raise government cash or to cover the operating costs of treatment plants. In contrast to revenue raising taxes, incentive taxes seek to encourage environmentally-friendly production and consumption patterns. In the spatial dimension, these taxes and charges encourage activities to be located more environmentally-friendly situations. Taxes on fuel, CO₂ and SO₂ are particularly effective, increasing transportation costs and potentially decreasing car-traffic. However, the downside of such taxes impact especially heavily on rural locations.

New instruments can also take the form of Voluntary Agreements, whereby governments enter into negotiations with industry or municipalities over the extent and timing of feasible environmental improvement without mandating any particular regulatory measures. Also known as negotiated agreements or covenants, these instruments have been used in most member states - to reduce CO₂ and SO₂ emissions and to improve energy efficiency. In the Netherlands, where voluntary agreements have been used widely, they have been applied also at the regional level as a part of so-called region-oriented policy approach²⁷. The Dutch region-oriented environmental policy means 'external' integration in the spatial dimension, particularly in three policy fields: physical planning, water policy and the protection of nature and landscapes. In each participating region, extensive discussion sessions were held with a wide range of actors. Much emphasis was put on the development of a common perception of the problems at stake and the creation of common future measures. The process was to result in an action plan, signed by all actors but without a legal status. The results of the Dutch 'model' show that in several cases, innovative links between environmental and spatial problems were established and issues that had so far been neglected were taken up. The Dutch case of 'region-oriented' environmental policy illustrates how the integration of spatial and environmental policies could be done through negotiated agreements and systematic plans. It also shows the significance of territory as a basis for integrating policy initiatives. The need for this kind of integration exists in every member state.

Strategic environmental assessment (SEA) is an important environmental instrument when developing large scale infrastructure programmes and spatial plans. An increasing number of countries and international organisations such assessments of policies, plans and programmes, but their systems vary widely in their provisions, requirements, scope of application, procedures and methods. A current major SEA initiative of the European Commission is the development of a SEA system for the trans-European transport network (TEN) and its corridors. In the context of

²⁷ See Liefferink 1998

the Structural Funds, the European Commission has made a limited start in trying to assess the environmental impacts of the regional programmes and to identify environmental indicators for monitoring purposes. A critical issue in developing SEA practices, however, is the connection between sectoral and territorial SEAs. The ESDP concern with urban-rural relationships and a polycentric development vision requires a strong spatial dimension to SEA. This could be introduced via the ESDP's territorial impact assessment concept.

In practice, the implementation of the SEA is still variable across Europe. The Commission's study of SEA legislation and procedures in Member States in 1995 found that all of the countries studied had some elements of environmental assessment in their appraisal systems for policies, plans and programmes, but none consistently met all of the basic requirements for SEA systems. The study identified weaknesses in key areas including documentation of assessments, the information included in reports, public consultation, and the integration of appraisal into decision-making procedures. As a 'top-down' strategy, SEA helps to promote sustainable development by identifying the potential environmental consequences of policies, plans and programmes on par with, and at the same time as, consideration of their economic and social implications. As a 'bottom-up' strategy, SEA addresses the limitations of the Environmental Impact Assessment of projects. These limitations are due primarily to their site-specificity and to the relatively late stage in decision-making at which EIA takes place, when only limited consideration can be given to the need for projects and alternative possibilities, or to the cumulative effects of related actions.

There seems to be widespread agreement that the effectiveness of new policy instruments depends largely on their ability to harness market forces in favour of environmental protection. There is considerably less agreement, however, on what constitutes an acceptable level of pollution and the extent to which market forces should be entrusted to determine this for society. How one answers these questions fundamentally alters the optimal design of any instrument and in part determines the appropriate standards for judging its success.

Issues of economic competitiveness have always played a central role in the formation of environmental policy at both the national and the EU level. The inability to resolve distribution and competitiveness issues among member states, combined with unanimous voting requirements and considerations of subsidiarity, have prevented the adoption of environmental taxes at the EU level, the deadlocked carbon-tax proposal serving as the primary example. Unable to muster sufficient political support for supranational action, the Commission has explored ways of allowing member states greater latitude to implement their own new instruments. This is a major factor fostering the diversity of practices across the EU.

Advocates of ambitious environmental legislation and taxation have denied the presumed negative relationship between environmental standards and economic competitiveness. They suggest instead that stringent environmental laws and taxes, when properly designed, actually promote the competitive advantage of firms - the so-called 'win-win' thesis. Two of the fundamental arguments for the win-win thesis are the following. Firstly, well-designed instruments are more cost-effective than traditional regulatory tools, and therefore encourage more efficient use of resources and lower production costs. Secondly, their design also generates

incentives for investment in environmental research and development, the fruits of which can then be sold to competitors, enabling 'first movers' within the EU to capture the lucrative global market for pollution abatement technology and eco-efficient production / products. The win-win thesis is a central element of the 'ecological modernisation' paradigm.

The win-win thesis is an essential perspective when analysing the economic strength of different regions. The problem is that the perspectives of environmental competitiveness and eco-efficiency have been lacking from the traditional indicators of spatial economic strength. Anyhow, the future predictions show very often however that *environmental* competitiveness will be an important factor both in the local and global markets. Successful territories in the future could therefore well be those able to combine effective environmental regulation with competitiveness strategies.

3.7.4 The role of spatial planning and transport policy

Although spatial planning systems across Europe often share a common objective of 'sustainability', as do a wide range of other policy fields, in practice, such objectives are not as consistent with each other as is often presumed. In the environmental policy field, one of the biggest conflicts exists between transport and infrastructure policies generally and environmental policies. In recent decades, transport has become one of the most important sources of air pollution and a major cause of noise nuisance. In addition, there has been a rapid growth of road and air transportation, while the generally more environmentally friendly transport modes - railway and inland waterway shipping - have lost a great part of their former importance. Assuming that the current economic, technological, and political framework does not change significantly, the trend towards a further expansion of road haulage and aviation is likely to continue.

When discussing options for making transport more sustainable, a number of different strategies are developed. The first aims at an overall reduction in transport volume. As the development of transport demand is usually seen as deriving directly from economic growth and the spatial distribution of economic activities, it is clearly very difficult to achieve progress in this domain. Those businesses and regional development groups with a strong interest in freight movement and business travel typically provoke strong opposition against measures which aim to reduce of transport volumes at the expense of economic growth or competitiveness. In addition, efficient ways of land use planning, which could take into account these problems and reconcile economic as well as environmental needs, presuppose a high intensity of coordination and bring benefits only in the long run. A second option is to ensure that existing transport markets function in such a way that their environmental impact is minimised. This includes the use of the best available technologies and continuing technological development to reduce pollution and the energy consumption of engines. Thirdly, transport volumes can be shifted to less environmentally damaging transport modes.

At the EU level, the strategy of promoting Trans European Networks for Transport (TENs) is the most important programme. This has a very important, if contradictory, role in the context of

ESDP²⁸. The ESDP, as well as transport policy strategies, emphasize the improvement of accessibility and high quality of traffic infrastructure. It is presumed that an essential key to international competitiveness is the flexibility of the transportation. It is very often argued that the TENs will bring employment and economic growth for the peripheral regions. The opponents of the TENs argue these benefits are unlikely to accrue and that the programme as a whole is environmentally very damaging, because the implementation emphasizes car traffic and road construction. Further, there are some areas which are unavoidably peripheral to the TENs, for example Ireland, Finland, Greece and Portugal. On the other side, proponents argue that the TENs are not so environmentally damaging as often argued, for three reasons. Firstly, the majority (about 80%) of the 90 Bn Euro to be spent on the first 14 priority TENs projects will go to rail and a further 9% to road/rail links. Only 10% is for roads. Secondly the TEN road system already largely exist. Most of the planned work relates to the upgrading of low quality existing roads. Thirdly, a wide strategic environmental assessment of the entire network will be made. Together with a socio-economic assessment this strategic assessment will be a basic element in the revision of the TENs project. Overall, the TENs programme is probably an important investment for the promotion of the Vision of polycentric development, so long as care is taken to minimise adverse environmental impacts and maximise local linkages, while the segments 'in between' the TENs are not neglected in EU, national and regional strategies.

One of the leading policy strategies European cities is to increase the density of the urban structure, in order to minimize investments in infrastructure, energy consumption and emissions from private car traffic. The ultimate aim is to develop a more efficient urban network. In one definition, urban compaction is a process which ensures that we make the fullest use of land that is already urbanised before taking green fields. Such strategies target both residential building and 'mixed use' projects, which bring jobs and services within walking distance of residents. An additional feature is the effort to support public transport by building densely within walking distance of terminals. Compaction, as opposed to invasion of virgin land for building, or 'urban sprawl', is very often justified on environmental conservation arguments, although, although other interests are involved as well. However, the areas to consolidate are themselves sometimes located in environmentally risky and problematic areas. Increasing density may also easily reduce access to green areas, which are significant not only for actual recreation, with its positive health impacts, but also for the status of the district. Further, the strategy of compaction, where combined with a strong demand for peri-urban and rural living, may lead to price rises in such areas, which lead to considerable social exclusion effects. This suggests that urban compaction should not be used as a strategy on its own, or in a formulaic way.

3.7.5 Conclusions

These new policy agendas not only add to the established economic and social dimensions of territorial development. They also weave together economic dynamics, social relations, cultural values and biospheric forces. They provide new bases for developing integrated conceptions of how territories do and should evolve. They emphasise the complexity of interactions and the assessment of how present actions play out in the long-term. They focus attention on the long-

²⁸ see Folke Snikkars 1999 On the gateway roles of the Randstad and the Malar region in the European Urban System, draft, obtainable from the author, KTH Stockholm

term sustainability or non-sustainability of current behaviours. They break apart distinctions between urban and rural areas and provide new ecosystemic and biospheric ways of conceptualising linkages. Inherently, they highlight the importance of analysing the multi-dimensional impacts of development, in relation to how they affect different parts of territories. But there are very considerable tensions within the various dimensions of environmental strategies. Nor is there any quick fix for arriving at 'sustainable development' strategies. These these new agendas require enormous shifts in the conceptions and practices of all those involved in government and policy-making. They also need to capture the shifting attention of citizens with their multiple and often contradictory bases of identity (see Section 3.6). The experience of 'bottom-up' initiatives such as Local Agenda 21 environmental audits and strategies has helped to focus citizens' attention within localities on the environmental agenda. This emphasises the importance of locale and territory as arenas for mobilising strategies which combine economic, social and environmental objectives in ways which are meaningful to citizens. This puts a premium on governance capacity for territorial development.

3.8. Government, policy- making and territory

3.8.1 Introduction

A key dimension of European evolution in the twentieth century has been the strong role of government. Complex government processes have penetrated into every niche and channel of social and economic life. Just as the form and relations of government are shaped by their societies, so societies are shaped by these forms and relations. Government is both generative of social relations and their spatial manifestation as well as responsive to theme. A recurring theme in the previous sections has been the important role of government in shaping the qualities of local milieux for business and for citizens. This means that the tendencies in government structures and processes will be critical for the prospects of achieving the ESDP objectives of a Europe of polycentric integrated growth zones and partnerships in rural-urban development. However, there are very significant differences in Europe between government cultures, at the level of nation states, regions and municipalities. There are also powerful tendencies re-shaping the remits and roles of the public sector in the various European member states and the enlargement countries.

The ESDP agenda presents a challenge to the traditional modes of government built up during the past century. It demands a capacity for a territorial focus, capable of interlinking functional activities, challenging the fragmenting forces which territories experience through the globalising forces affecting the economic realm. An important meaning of territorial cohesion emphasises the capacity for strategic, focused and integrated government at the territorial level. It encourages developing linkages within and between administrative jurisdictions at different scales. Rather than 'top-down' programme delivery, such linkages emphasise horizontal connections between equals, symbolised in the concept of 'partnership'. It emphasises the importance of a capacity for taking pro-active and strategic initiatives. This is a very demanding challenge, involving in significant shifts in the orientation and culture of government practices at all levels.

There is much contemporary experimentation in new approaches to government organisation, styles, networks and policy agendas underway across Europe which shows the potential for such shifts. However, the legacy of history lives on too. Much of this history provides a valuable resource, emphasising for example, concern for universal access to basic services and standards of living. But some modes of action developed in the past impede the adjustments needs now. The inheritance of bureaucratic government, bound by rules of correct procedure, dominates in much of Western Europe, while clientelistic practices relating to land use and development rights and to access to government contracts break out from time to time in most countries. The influence of national welfare state organisation, with its emphasis on functional sectors and service delivery, has embedded a top-down, hierarchical and divided mode of policy making and delivery in many nation states, which inhibits the development of policy agendas focused on territorial development. There are also crises in public finance. Rising welfare demands, for example, on pensions and continuously improved health care, create budgetary pressures which are difficult to meet. Within these general trends, the cultures of government institutions vary not merely between countries. They also vary between municipalities and between policy sectors.

Differences of approach may be jealously guarded. Initiatives to promote 'integration' and 'partnership' are not always easy to achieve.

3.8.2 Politics, policy and participation

Signs of changes in government can be identified through many angles of inquiry. One of these is the changing forms and significance of formal political organisation, of parties, elections, voter turn-out etc. Much research emphasises that old allegiances to class-based politics and parties are being displaced by other foci of political mobilisation. As discussed in Section 3.7, the environmental movement has re-cast policy agendas. It is also a major factor in the pressure for more integrated, place-focused policy agendas. Generally, however, political agendas at the end of the twentieth century are strongly influenced by issue-based politics, often promoted by pressure groups. It is sometimes said that we live in Europe in an era of 'policy' rather than 'politics'.

This has ambiguous consequences for the development of territorially-focused policy agendas. If the focus of issue politics is the locality or the region, then qualities of places may be given significant attention. The development of strategic spatial visions in many French cities following the decentralisation initiative in 1983 illustrates this. But issue-based politics can also take a narrow focus. Policy development with reference to territorial development could then be focused by a collection of policy issues and policy targets, maybe discussed through separate referenda or other participative mechanisms. Operationally, however, the policies may clash and undermine each other when they are realised in specific places. The search for indicators to monitor progress towards targets may merely serve to re-inforce fragmented rather than interconnected conceptions of the dynamics of territories. This potential, and the power of single issue lobby groups, may itself be challenged by other forms of citizen mobilisation. Whereas class allegiance remains a powerful influence on formal voting patterns, there is much evidence of additional bases of mobilisation, often related to local quality of life conditions, or protests against threats to local quality of place. This pressure is increasingly reflected in local policy development and planning practices which focus policy attention on the qualities of places. But, following the analysis in Section 3.6, these often encounter a complex politics in which multiple identities are asserted. They also encounter an increasingly evident citizen critique and distrust of politics, government and its practices. Developments in participatory planning practices may themselves be stimulated by political and official concern to overcome this distrust and reduce the 'democratic deficit'. The development of partnerships to bridge divides between policy sectors and between government, civil society and business is another response to overcoming this distrust.

3.8.3 Levels and competences of government

These shifts in forms of politics are paralleled by changes in the formal organisation of levels of government. In addition to the powerful influence of the EU, there is increasing evidence of the importance of the 'intermediate' scale of government, the territory/region or sub-region. It is at this level that there are realistic possibilities of balancing and counteracting the adverse consequences of the forces of economic globalisation by moderating them with objectives of the

sustainable development of local communities and environments. Rather than a competition between levels for control of policy agendas, resource allocation and regulatory power, there is much contemporary discussion of the phenomena of ‘multi-level governance’, in which there are several complementary arenas involved (for example, the French system of formal contract between government levels for specific programmes and projects). The focus on the ‘intermediate’ scale also encourages a shift from sectoral organisation to more integrated territorial agenda-setting (for example in Sweden, in the Irish County Development Boards, and the new regionalisation initiatives in the UK). The ESDP policy agenda of polycentric growth zones and rural-urban partnerships would clearly benefit greatly from such transformations.

However, these changes are not easy to achieve. This is partly because established ways of organising government have become deeply embedded in local politics and networks, in business expectations and in citizens’ conceptions. They are therefore defended by officials, politicians and interest groups, resulting in competitive rather than co-operative relations between jurisdictions. This may make it difficult for formal changes in structures and competences to make real changes in practices. Nevertheless, the pressure for alternative ways of organising government has meant that all kinds of informal experiments in co-operation, between sectors, between levels, and between administrations in a territory, have been breaking out. Informal alliances between territories or locales across the EU have shown what such networks can achieve in promoting new policy issues and accessing EU/member state funding (for example, Integrated Coastal Zone Management initiatives). EU regional policy with respect to the structural funds has been a significant force encouraging such arrangements. These trends are recognised in the overworked term ‘partnership’, which, in its most general meaning, connotes some kind of relation between parties in different organisational positions in which the relations are more ‘horizontal’ than ‘vertical’. But there are very many forms these can take, from formal constitutions with defined competences, to contractual agreements and informal arrangements for strategy development and/or the promotion of particular issues and projects. These informal arrangements add to the complexity of arenas in which policy agendas are developed and delivered. They also raise serious questions about legitimacy and accountability, an issue also of concern at the level of European initiatives.

3.8.4 Government and governance

Both the rise of these informal arrangements and the growth of all kinds of participative practices around the formal structures of government illustrate the a shift in the focus of attention from the formal organisation of the public sector to the way the public sector relates to the wider society, from ‘government’ to ‘governance’ (see Chapter 2). The term ‘governance’ is now increasingly used analytically to refer to the nexus of relationships through which strategies are developed, policy agendas delivered and ‘public interest’ projects identified and carried out²⁹. The shift is well-illustrated by the case studies of urban-rural partnerships collected as part of this Study Programme (see Theme 2.3). In some countries, such as the UK, there has been a deliberate shift towards drawing in business, communities and voluntary associations of various kinds into tasks

²⁹ There is a distinction to be made between the analytical use of the term, and normative meanings which attribute both positive and negative values to particular configurations of these relationships. See glossary for the government/governance distinction.

formerly undertaken by government itself. The pressures behind such a shift are partly a response to the demands of contemporary politics. They also reflect 'overload' at the national level, encouraging both 'downloading' to lower levels of government, and 'offloading' of remits and responsibilities to non-government agents and individuals, encouraging more 'self-regulation'. One consequence is that the division between the spheres of the 'public' and the 'private' becomes blurred.

How this tendency is developing is highly variable across Europe, reflecting very different traditions of political cultures and concepts. A significant effect is to add yet further complexity to territorial politics and the arenas of policy development. From the point of view of the ESDP agenda, of particular interest has been the development of horizontal networks across Europe, between municipalities, between partnerships and between interest groups of various kinds. All these new arenas provide important arenas for exchanging knowledge about policy concepts and options, and particular practical solutions. They also provide added strength to mobilisation initiatives to promote specific issue agendas, both within the European arena, and within individual territories.

The value of these new forms of 'governance' lies in their capacity for innovation, in the way they draw on new energies and capacities to re-think policy agendas, their potential for mobilising new resources, the wider range of knowledge they bring to government activity, including both formalised and tacit knowledge, and the capacity to build and mobilise networks around new directions. The complex web of almost chaotic possibilities for multi-level, multi-scale governance and partnership structures is a way of responding to the dynamic complexity of contemporary Europe.

But there are serious dangers in this proliferation. It is easy for informal networks to crowd out other interests, unless there are clear accountability checks and requirements for attention to all groups. Many of the exercises in collaborative partnerships in spatial strategy are heavily dominated by economic development interests. The emphasis on specific initiatives makes it difficult to identify wider impacts and longer term consequences. The innovations of one initiative may well destroy those of another. This re-inforces the significance of formal government structures and competences. The complexity of contemporary territorial challenges raises very difficult choices between priorities and trajectories. The dimensions and consequences of choice situations can be masked where governance activity is highly dispersed. The capacity of formal government to develop strategies to shape, sustain, promote, regulate and protect attributes of localities in politically-accountable ways remains an essential resource for territorial development and the realisation of the ESDP objectives.

3.8.5 The style of government

The changes in the forms of politics and the landscape of government highlight the significance of the way government is done. The traditional hierarchical 'command and control' style of the steering capacity of government systems is losing ground. Not only is the power to shape government more widely distributed than fifty years ago. So too are the resources of knowledge and the social networks on which government processes draw. New forms of intellectual, social

and political capital are developing to underpin government activities. The development of these resources are seen as increasingly important territorial assets in themselves. The role of government in shaping the evolution of these 'soft infrastructures' is being given increasing attention, in policy-making and in academic analysis.

The shift has been described by some commentators as a shift from 'managerialism' to 'entrepreneurialism'³⁰. A less dualistic description might express the change as from rule-bound bureaucracy and top-down 'rational' policy development, to forms of multi-level, multi-actor collaboration, which foster innovation, learning, inclusion, mobilisation and identity-formation. The new forms involve different ways of developing strategic frameworks and specifying policies; and different processes for allocating resources, undertaking projects and undertaking regulatory activity. To adjust to these shifts, politicians, officials and other stakeholders have to learn not merely new policy objectives and new organisational arrangements. They often have to learn to do their work in different ways, to 'live' the changes. Strategy and policy ideas need to become a 'living frame of reference' for local policy actors. New initiatives in co-operation thus involve changes in routines and manners as well as in organisational form. This is particularly important if new strategic ideas are to be translated into operational routines and practices.

However, there are no quick fixes in changing organisational styles and cultures. There are also potential dangers when policy ideas or organizational solutions are borrowed 'off the shelf' from other contexts, or from national or supra-national policy discussions. The ESDP policy agenda, if not treated with sensitivity, could be used as a 'standard package' rather than honed to local conditions. There are also dangers where the creation of government structures is driven by the demands of external funders. This tends to encourage a rhetoric and presentation of new practices which is merely an external cover within which established practices continue as before. This emphasises the importance of encouraging endogenous local capacity to develop locally-meaningful policy agendas and practices which draw on local specificities to develop locally-relevant opportunities for the future. The capacity for territorial government and governance needs to be built from the inside out rather than imposed from the outside in. What is needed from external sources is encouragement for locally-relevant, dynamic, creative and sustainable government initiatives.

3.8.6 Conclusions

Although national and supranational levels of government have a crucial role in defining directions and limits within which the objectives of the ESDP can be realised, their development depends critically on the capacity of sub-national government, and particularly the nature of the 'intermediate' government level. It is at the level of the territory that the combination of economic competitiveness, social cohesion and sustainable environmental systems takes on real meaning, with all its potential for conflict over objectives and between the ambitions and difficulties of local jurisdictions.

³⁰ This distinction was made by Harvey, 1989

Any progress on the promotion of the agenda of polycentric development in a European context will need a capacity for multi-level and trans-sectoral government. This will not be easy to achieve in many localities. A key challenge is to combine a plurality of initiatives with sufficient strategic framing to encourage initiatives to add value to each other rather than competing destructively. To counteract this latter tendency, a critical task is the development and mobilisation of strategic framing concepts, which are widely understood and supported by those involved in all arenas of government within a territory. This puts a priority on the development of soft infrastructures of connection, to balance the longstanding policy emphasis on providing services and building hard infrastructures of road, rail etc. The development of multiple arenas of government activity within a territory, formal and informal, with multiple connections both inside and outside the territory could help to reduce these constraints unless competitive pressures among the partners remain very strong.

The same applies to the prospects for linking urban and rural relationships and opportunities. Given the history of sectoral policy agendas and divided jurisdictions, building new relationships which span rural and urban areas will need capable and sensitive government processes, able to join up divided agendas, link separate cultures, develop skills in building alliances and forge consensus on critical issues. This requires strong government, which is also skilled in building horizontal, networking relations, and able to develop the soft infrastructures of government. As discussed in Section 3.3, a critical skill is the ability to combine the concentration of forces necessary to support creative, innovative initiatives and the range of relationships necessary to foster dissemination of, and accessibility to, opportunity.

Focusing on the spatial dimensions of the relations which affect both urban and rural areas could help to develop the appreciation of the complex and multi-layered ways in which what happens in rural areas relates to what happens in urban ones. Spatial planning systems and practices could provide a key resource for developing territorial government capacity, as these typically already provide arenas in which territorial relationships are considered, but these need to be re-invigorated by the new developments in 'governance'. They also need to absorb the new policy agendas. If this does not happen, they could well languish as part of the 'problem' rather than part of the 'opportunity' for building appropriate government capacity for promoting sustainable quality of life in places within Europe.

CHAPTER 4: SUMMARY AND CONCLUSIONS

4.1 Re-shaping Europe's geography: territorial mosaics and spatial complexity

Figure 13 summarises the seven, inter-related, integrating and mediating forces analyses in Chapter 3, in terms of their territorial impacts. These have been divided into those promoting spatial agglomeration and those promoting spatial dispersal. This clearly shows there are no simple spatial trajectories to be 'read' from contemporary tendencies.

The forces shaping the economic and social dynamics of the territories and regions of contemporary Europe are enormously complex. They are not just driven by the logic of the project of European economic integration or the position of the European territory in the processes of economic globalisation. There are also cross-cutting social, cultural and technological forces which layer over the dynamics of economic relations, integrating them into particular pathways and releasing forces of mobilisation towards a variety of trajectories. The emphasis on environmental fragility and on 'sustainability' is one of these cross-cutting forces, but so too is the 'demographic revolution', the shifts in lifestyle and identity, and the informatics and telecommunications 'revolution'. There are no simple scenarios for predicting the future and no 'quick fix' policy solutions for the challenges faced by Europe's territories and regions. A critical challenge for territorial policy is to grasp this reality of complexity, diversity and contingency. It is only with a fine-grain appreciation of the relationships of specific territories that the chance for improving economic competitiveness, social cohesion and environmental sustainability can be grasped.

Figure 13: Agglomerating and dispersing forces: Summary of tendencies

Integrating and mediating forces	Tendencies to spatial agglomeration	Tendencies to spatial dispersal
Changing spatial patterns of economic activities	The pull of the economic infrastructures and relations of strong territories Strong clustering tendencies within territories	Many opportunities where communication infrastructures limit the friction of distance Drive for economic diversification in all territories
Dynamics of innovation and learning	Strong clustering of innovation dynamics within territories; forms highly variable	Innovation capacity widely spread across Europe. Facilitated by rich knowledge, culture and business networks
A new demographic profile	Powerful attraction of economic and cultural innovation zones for younger, time-poor/money rich households and immigrants to Europe.	Expanding 'grey' spending power attracted to high quality environments of all kinds
Social change and differentiating lifestyles	Dynamic urban centres exercise strong attraction (cosmopolitan urbanity) Within settlements, socio-spatial concentration of similar life-style groups	Urban values spread everywhere Attraction of nature/rurality Avoidance of urban social tensions
New bases for culture, identity and citizenship	Large agglomerations foster exploration of multiple identities	The search for particular locales which express identity
Environmental sustainability as a motivating concept	Encourages use of resources within existing agglomerations	Promotes rediscovery of nature and the rural cultural inheritance
The challenge for government and policy-making	The complexity of building governance capacity in large agglomerations fosters strategic planning with a spatial focus	High levels of governance capacity achievable in any location. Smaller, less complex jurisdictions (eg in medium-sized towns) may be able to transform capacity more easily than large complex ones.

It is no longer possible to understand territories as integrated economic and social units. Instead, they need to be analysed through the multiple relations which layer upon and transect them. Each relation has its own pattern of networks and nodal points. A territory may therefore have many nodal points and be connected to many places, both within Europe and internationally. But these relationships are not necessarily connected to each other, though they may affect each other. Spatially, they result in complex mosaics of differentiation and unevenness within and between territories. Within these multiple and dynamic mosaics, there are clearly strong forces of concentration in a number of core zones and corridors, prominent among them being the 'pentagon' in Northwest Europe. It is also clear that simple distinctions between 'urban' and 'rural' areas fail to capture the complex layering of relationships occurring as rural areas diversify and metropolitan decentralisation spreads out across increasing distances. As a result, it is difficult to capture the qualities and dynamics of territories in traditional aggregate measures such as GDP per head or unemployment rates, especially where these are calculated for territorial units that are defined on the basis of administrative boundaries.

This analysis emphasises the multiple dimensions of change affecting territorial differentiation within contemporary Europe. Each adds a layer of uneven spatial consequences to the historical patterns inherited from the past. The driving forces of the current changes are a mixture of economic globalisation, geo-political re-alignment, new technological capabilities, and cultural mobility. While the trends towards spatial agglomeration around already-established core nodes in the global economy continue, other forces open up alternative possibilities, both in different spatial nodes in the new geography or more widely dispersed. This creates a real basis for pursuing the ESDP vision of polycentric development. But the realisation of the ESDP idea of a more balanced territorial development across Europe, both between territories and between urban and rural areas, is demanding to deliver and requires considerable capacity for EU or national and the various tiers of territorial government.

4.2 Critical tendencies of relevance to the ESDP

4.2.1 Agglomerating versus Polycentric tendencies at the European scale

The development of European economic integration has tended to re-inforce the position of already strong areas, recognised in the ESDP concept of a 'pentagon'. Some of these nodes, particularly those associated with global financial services, are particularly highly concentrated. These agglomerating forces generate powerful economic benefits for the European economy in a global context but they also carry environmental and social costs within the territories affected. However, there are opposing forces which create the potential for other growth zones within Europe. The model of polycentric development in Europe is compatible with economic trends which favour complementarity and transfer of technology between regions and emphasise the importance of exploiting fully Europe's rich resources of human capital, infrastructure and environmental quality. It is also promoted by the economic and social prospects opened up by

EU enlargement and by increasing socio-spatial mobility. Productive investment has more locational flexibility in the present context. People have more locational choices. The constraints of physical distance are less impeding than before. This means that the qualities of place itself becomes a critical factor in determining investment decisions, as it is in where people live and how they select tourist destinations. For both production and consumption dynamics, the driving force for changing spatial patterns in the European territory will be the capacity to combine exogenous factors (foreign direct investment, new technological opportunity, new knowledge resources, new cultural referents, etc) with endogenous ones (historical traditions and landscape, quickly-adapting companies and workers, innovative development of local resources, high quality welfare services, positive attitudes to the maintenance of natural and cultural inheritance, etc).

4.2.2 Mobility, Multiplicity and the Significance of Place

Increasing affluence, the encouragement of economic and cultural exchange within Europe and the forces of economic and cultural globalisation and social 'individualisation' have encouraged mobility, both in daily/weekly time and lifespan time. This has reduced attachment to place. These forces have also weakened the traditional bases of socialisation. One side of this can be seen in the serious social problems faced by people displaced by old work relationships in agriculture and industry. The upside can be seen in new forms of association, based on both traditional ties, such as ethnicity, and new movements centred on different causes – ecology, environmentalism, religious fundamentalism and xenophobia. Modern communications technology facilitates the growth and mobilisation power of these movements. Yet there are many types of localised association, some long-standing and some ephemeral. As a consequence of these multiple bases of association, individuals have many options for developing identities and typically combine several, at one time and over a lifetime. These affect aspirations and locational choices. The associational life of territories is a complex amalgam of transecting relations and multiple identities, in which exogenous influences intermesh with endogenous ones. Localities are no longer made up of groups of people tied to their land and to their fixed social relations. Instead, people are increasingly mobile, searching for qualities and opportunities for their lives. In this situation, the locale/place and its unique characteristics have not disappeared. But they are imagined from multiple points of view and conflicts are likely in the ways these points of view are asserted.

4.2.3 The governance capacity of territories

A consequence of these tendencies is that territorial government has a key role to play in providing the soft infrastructure, the 'connectivity' of economic and social life. It is at the level of territory that the combination of the economic, social and environmental goals of the ESDP takes on real meaning, with all its potential for conflict over objectives and the ambitions and difficulties of local jurisdictions. This potential for conflict is exacerbated by the multiplicity of relationships which provide a basis for mobilisation and the assertion of interests. Traditional divisions between sectors and functions and between rural and urban areas can also remain a barrier to a territorial development focus. There is a great deal of innovation going on in territorial governance, but there are difficulties transforming from old ways to new ones. Because

territories are highly diverse in their relationships and the opportunities and problems they face, policy initiatives can work out in very different ways in different territories and in locales within territories. There are therefore no 'quick fix' solutions or 'blueprints' for policy development and implementation. Even the objective of 'sustainable development' needs very careful specification if it is to be relevant to the dynamics, opportunities and challenges of specific territories. A critical capability for territorial governance will be the capacity to grasp the diversity of relations and qualities of locales within a territory, to hone policy interventions to real opportunities to make a difference without damaging the critical finegrain of economic, social and environmental relationships. Policy concepts developed in European arenas (about spatial organisation, about funding eligibility or about targets, for example) have a value as thinking tools, but their use as standard formulae could crowd out local appreciation of local realities.

This puts a premium on governance capacities which can both foster multiple opportunities for economic and socio-cultural innovation, while sustaining those adversely affected by polarisation tendencies and regulating activities which could threaten valued material resources, symbolic assets and environmental limits. The way in which governance is undertaken is as important as the organisation of structures and competencies. The relations and networks involved in governance are part of the relational mix within a territory and a key resource for promoting interconnections between activities, and hence accessibility. Governance actions help to build social, intellectual and political capital, and to reduce tendencies for lobby groups, pressure groups and elite networks to capture opportunities and limit access. Informal governance initiatives (such as partnerships in various forms) are valuable ways of overcoming the restrictions of formal structures which are not relevant to current circumstances and for taking initiatives and promoting co-operative governance. However, formal government structures and competencies are essential to sustain the accountability, legitimacy and inclusionary requirements for democratic politics.

4.3 Polycentric development and urban-rural partnerships

4.3.1 The polycentric vision as an opportunity (see Figure 14)

The evolution of spatial patterns towards a more polycentric development in Europe, in a context of powerful concentrating forces, will depend upon the existence of favourable structural and contingent relationships between the external and internal factors affecting each territory. A trans-European effort to upgrade the educational and cultural bases for innovative milieux and to improve the learning capacity of regional productive systems should enhance these opportunities. But the result is and will be a diverse mixture of competition and co-operation between networks within and between territories. Further, because each territory has its own historical resources and potentials for development, the development trajectory of each is therefore likely to be very different. This implies that, rather than imposing a particular pattern of polycentric growth zones in advance, territories should be encouraged to develop their own dynamics, engaging in forms of co-operation as appropriate to their circumstances. Polycentric development may thus be a result of a strategy adopted at all levels but not a 'plan' to be implemented from either above or below.

The concept of polycentric development needs to be understood not merely in terms of the spatial patterning of economic activity and innovation. It can also be enriched by analysis which adopts a relational, network approach. This focuses on the multiplicity of relations, economic, - socio-cultural and biospheric, which are to be found within and between territories. Each has its own nodes and linkages. The various economic networks, and the capacity for multiple social identities, provides a rich resource for territorial development and positioning. A strong growth zone is thus one with multiple nodes in global economic linkages. A well-integrated territory is one where the different relational nodes and networks link to each other. A strong territory in the European future could therefore be understood as engaged in multiple but overlapping polycentrisms. There are of course various expressions or degrees of such characterization. The strategy of polycentrism should identify the possible criteria which might be used to assess the evolution and the positioning of the various territories within European space.

Figure 14: Key findings with respect to the Polycentric Development vision

- Avoid prescribing a specific pattern of polycentric spatial organisation for Europe. Instead of a top-down blueprint, a more bottom-up approach is more appropriate. Polycentric development should be encouraged to emerge rather than mapped out in advance.
- The focus of policy attention should be on promoting strategic, multi-dimensional frameworks within which the complex linkages within a territory and between a territory and other territories can be identified and priorities/measures for fostering beneficial linkages identified.
- This is likely to lead to the promotion of multiple growth nodes within a territory. It could also encourage multiple ways of disseminating growth around a territory and connecting people and places to the opportunities available in the territory as a whole.
- The vision of polycentric development could provide a mobilising force for multiple initiatives which could contribute to territorial development.
- Developing and realising such a vision requires a focus on territory, and the social-spatial connectivity to be found within a territory, as an alternative organising and mobilising device to traditional sectors.
- The capacity of territorial and municipal governance is as a crucial force in grasping the opportunities for territorial development, in relation to both positioning a territory in the wider European and global space and disseminating the benefits of growth dynamics around a territory.
- Developing this capacity requires as much attention to the ‘soft infrastructure’ of governance (relations and networks; knowledge resources, etc) as to the ‘hard infrastructure’ of physical investment.

4.3.2 New conceptualisations of the rural and the urban (Figure 15)

The analysis in our report sets a new context for conceptualising urban and rural relations. It is widely recognised that it is inappropriate to consider urban and rural areas as distinct territories with distinctive relationships and cultures. They are linked to each other, contiguously and discontinuously, in all kinds of ways. The complexity of these linkages is increasing and the spatial reach of the connections widening. With the increasing integration of production and housing markets, as well as the growth of agro-tourism and second homes in the countryside, individual consumers are becoming less dependent on local markets and both rural and urban environments are themselves often treated as consumer 'products'. The traditional hierarchical structure of cities, rural towns and their surrounding countryside lives on in some relations. But it is overlain by the new spatialities of production and distribution relations, the market range of firms, and many of the new service needs of citizens. New perspectives are needed which account for the flexible and multi-layered geographies of the present period as these inter-relate with the particular local inheritance. Each territory may therefore have to evolve its own way of describing the relations within it. This puts a premium on evolving new forms of government which can build relations to span rural and urban areas and help localities and territories position themselves in the complex and dynamic new European geography. New initiatives in government arrangements, including various forms of partnership, are being experimented with across Europe and provide valuable reservoir of ideas and experiences in promoting more appropriate approaches.

Figure 15. Key findings with respect to urban-rural relations and partnerships

- No urban or rural area is self-contained. The linkages between them are complex and multi-dimensional, with different activities within an area linking different areas in different ways.
- Sectoral ways of dividing up policy responsibilities can get in the way of understanding the complex ways in which activities in urban and rural areas interact. A territorial focus is likely to be more helpful.
- The qualities of places and the way people identify them is an important resource for mobilising action.
- Partnerships to promote relationships which could foster and disseminate innovation among rural and urban areas within a territory could be a valuable tool for promoting territorial development.
- These are probably most effective if they are situated within a broader strategic framework focused on territorial development, which emphasises qualities, opportunities and possible positions within national and European geography.

4. 4 The need for further research

Although there is a rich vein of research studies across Europe on which this study has been able to draw, it is clear that there is a very real need for more systematic research on the new relations of territorial development, and in particular on the complex networks which create linkages between one locality and another. Without this, the ESDP and its future development will continually encounter major knowledge gaps. An important emphasis in such research should be on the inter-relations between economic, social, cultural, environmental and political dimensions as they unfold spatially. Without this, it will be difficult to assess how different kinds of interventions build linkages between urban and rural areas and promote sustainable and cohesive development within the context of a polycentric strategy.

Our recommendations of priorities for further research are:

1. Intensive case studies of development dynamics in a range of territories in different geo-economic positions within Europe, undertaken in ways which examine the complex connections between the different relations which shape the overall territory in terms of its economic and socio-cultural opportunities and the relations between the various locales within it, including both rural and urban places. A critical issue in such an analysis should be the networks and locales in which innovation and 'motor' activities are situated and the kinds of support these need/ will need. This could be undertaken using qualitative analyses, complemented by quantitative analyses using different kinds of data sets, if possible down to NUTS 5 level. Undertaken to a common specification, these could provide a demonstration of many of the concepts in the SPESP and the ESDP. To be productive, such research should be focused by precise specification of research framework and objectives, hypotheses, research strategy and methodology, prior to embarking on actual cases.
2. A study of different approaches to support and sustain territorial development, with the aim of exploring the relative significance of physical infrastructure (transport, telecommunications, land supply, etc) and direct service provision versus the 'soft infrastructure' of connectivity (for example, promoting social and cultural access to opportunity, providing business advice services, building participatory governance forms, increasing the richness or 'thickness' of institutions, etc.) in developing strategic frameworks and development packages to sustain innovative milieux, fostering environmentally-sustainable practices and improving social cohesion in locales and territories.
3. A review of current efforts in developing territorial development scenarios and strategic spatial frameworks and visions, to assess both their content (in terms of how they address the territory's potential in a European context, how they link urban and rural development), and the processes of their production (in terms of the extent to which they build new governance resources for territorial development, through shared ownership, new partnerships etc). This could draw on the experience of INTERREG 11c, the LEADER programmes, and the considerable experience within regions in several member states.

4. An assessment of the appropriate criteria and data needs (for information, analysis and monitoring) of the new understanding and practices of territorial development, in relation to the kinds of data sets currently available and those which could be developed, especially as regards monitoring the emergence of polycentric development patterns and changing urban-rural relationships over time. This should incorporate data on environmental and cultural conditions and assets, alongside established economic and social data. It should focus on the capacity for spatial differentiation at the finegrain. It should also explore the way different data sets and studies, both qualitative and quantitative, but not necessarily compatible from member state to member state or study to study, can be used to illustrate the issues examined in the SPESP. With the prospect of enlargement, the opportunities for developing consistent data sets at the European scale with a high degree of spatial differentiation, on all the issues explored in the SPESP, is likely to be limited.

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GLOSSARY

Clusters, industrial clusters, and industrial districts:

The term 'cluster' refers to the grouping of firms in a locale among which there is a high density of local transactions and exchange of knowledge. Similar terms are 'system area' or 'industrial district'. This concept is these days widened out to include socio-cultural and political qualities of the 'milieux' within which economic activity occurs. [See Figure 12, section 3.3.2]

Community

This is a widely-used term, with different clusters of meaning around it. In sociology, it has traditionally been used in distinctions between social relations strongly-integrated within a particular place and those integrated around particular interests or identities (communities of place versus communities of association). In policy analysis, it may be used to refer to the public at large ('in the community') or to citizens. It is also used to refer to 'policy communities', the officials, professionals, politicians, pressure groups and business interests which cluster around a specific field of public policy. In this report, we use it primarily to refer to communities of interest and identity outside family relations.

Escalator region

This refers to the way dynamic metropolitan cores attract migrants in search of both work and cultural richness and opportunity from different regions and countries, and the way these immigration processes link to decentralisation within metropolitan regions, as existing core residents and new migrants seek out attractive living and working locales across the whole space of the region.

Government and governance

There is some debate about the nature of this distinction. In our report, we distinguish between government, as the formal institutions of the various levels of government and associated public agencies, and governance, as the various arrangements through which collective affairs are identified and managed, whether in the public sector, the private sector or the voluntary sector.

Institutional Capacity/ 'institutional thickness'

This refers to the governance relations through which activities are accomplished. Amin and Thrift, in their work on the qualities of economic milieux, provided more specificity to the idea. They were concerned with how local governance could get to play a role in reducing the vulnerability of local economies, societies and environments to damaging external pressures while at the same time promoting local economic health and quality of life. Drawing on a rich Italian literature, they argued that localities which could deliver this beneficial nexus were characterised by four factors: a plethora of civic associations, a high level of interaction between social groups, coalitions which crossed individual interests, and a strong sense of common purpose. These four factors generated a quality of 'institutional thickness', or richness, within which firms and households were embedded, and an institutional capability to mobilise to sustain supportive conditions for both (Amin and Thrift 1995, p.101).

Networks and nodes

In regional analysis, there has been a gradual replacement of a territorial organisation/differentiation paradigm based on concepts of centres and hinterlands, or cores and peripheries, in which 'accessibility' continued to play a significant role, by more variable

geographies based on nodes and networks where the technologies for processing and transmitting information have become key influences in the extent and intensity of spatial intergration. Reflecting this, as indicated in Chapter 1, we have emphasised a relational approach in the analysis which follows. This focuses attention on the specific linkages which bind companies to each other, provide the social worlds in which people live their lives and connect biospheric causes and consequences through the operation of natural systems. Each network, or relational web, has its distinctive pattern of linkages and nodes, cores and peripheries, concentrating and dispersing forces. Each also has particular temporal emphases and spatial dimensions. The spatial patterns and physical forms in a territory are the result of the amalgam of networks which transact the territory in some way, layered over each other. Sometimes they are independent, sometimes they are interlinked, feeding off each other, sometimes one layer may dominate and crowd out the opportunities for other relational dynamics to flourish.

Polycentric development

This concept is promoted as an alternative to spatial models of core-periphery relations. It presents a normative vision, but is also used to describe some current realities. It is used at three scales in European spatial planning and regional geography.

- *At the scale of Europe as a whole* (inter-regional); ie multiple growth zones across Europe
- *At the scale of the territory* (intra-regional); ie multiple nodal points within a territory
- *At the scale of the urban agglomeration* (intra-urban); ie multiple nodal points within a city/urban agglomeration

[See Figure 2, section 1.3]

Soft/hard infrastructure

This refers to the distinction between the older emphasis of state intervention and public policies upon the provision of hard infrastructure in the sense of physical collective goods (e.g. roads, ports, buildings etc.) in contrast to the more recent shift of public policies to the provision of enabling structures promoting knowledge increase and organisational innovation (e.g. training, institution building, etc.)

[See section 3.3.3]

Spatial impacts (see also territorial impact assessment)

This recognises that every functional activity has a spatial dimension. The ESDP concern is that the spatial impacts of different policy fields should be assessed in terms of their cumulative effect on territorial development, as opposed to merely in terms of the targeting and efficiency of each separate governmental function. The SPESP research programme has highlighted both the importance of the complex spatiality of the different activities examined and the need to complement more conventional geographical analyses of space with analyses which examine the way activities in any specific location are inter-linked with other activities in many different locations in the global geography. ????

Technopoles and technopolitan development

Technopoles are urban development projects which focus on creating a high quality infrastructure of new technologies and promoting high level technological innovation. Technopolitan development represents a strategy promoting such development.