

ESPON, Europe 2020 and
Austerity:
What research do we need for
territorial development in
Europe today?

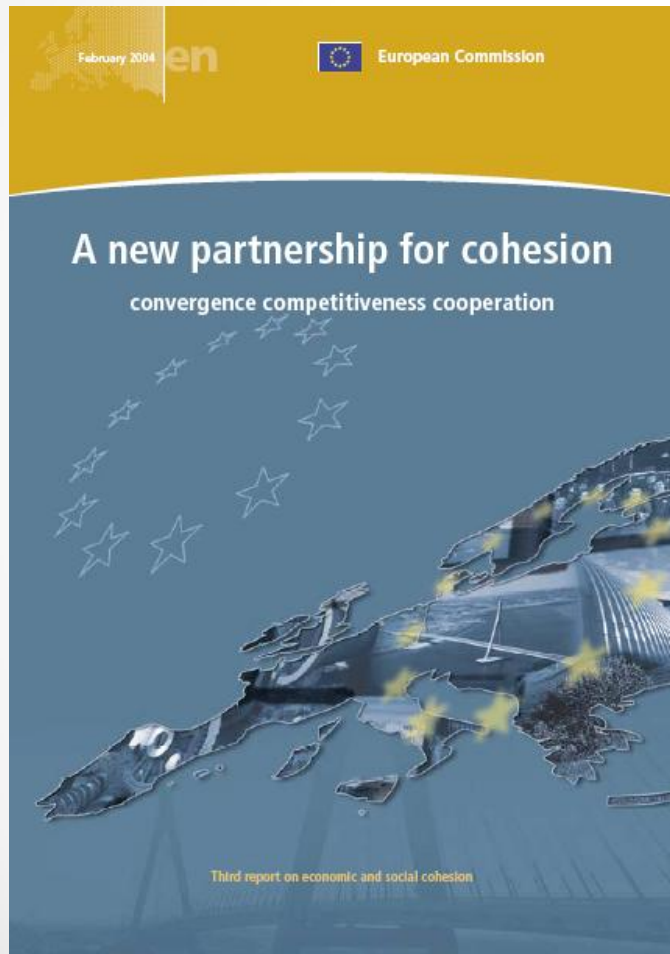
Cliff Hague,
Freelance Consultant and UK ECP

The territorial perspective



- Europe 2000 (1991)
- Europe 2000+ (1994)
- Compendium on Spatial Planning Systems and Policies (1997)
- ESDP (1999)
- ESPON 2006 (2001)

Feeding into the Cohesion Reports



A developing narrative on territorial cohesion

Territorial Agenda 2007 – 7 territorial challenges:

- Climate change
- Energy prices
- Regional integration
- EU enlargement
- Pressure on ecological and cultural resources
- Demography

Green paper on territorial cohesion (2008)

“Towards more balanced and harmonious development”

“equal opportunities irrespective of where people live”.

ESPON 2013



- Future Orientation of Cities
- Diversity and development of rural regions
- Climate change
- Energy – regions at risk
- Demography and migration
- TIA of CAP and of transport policy.

Crash! Shares tumble as Lehman Brothers collapses and fears grow for AIG: 16 Sept 2008

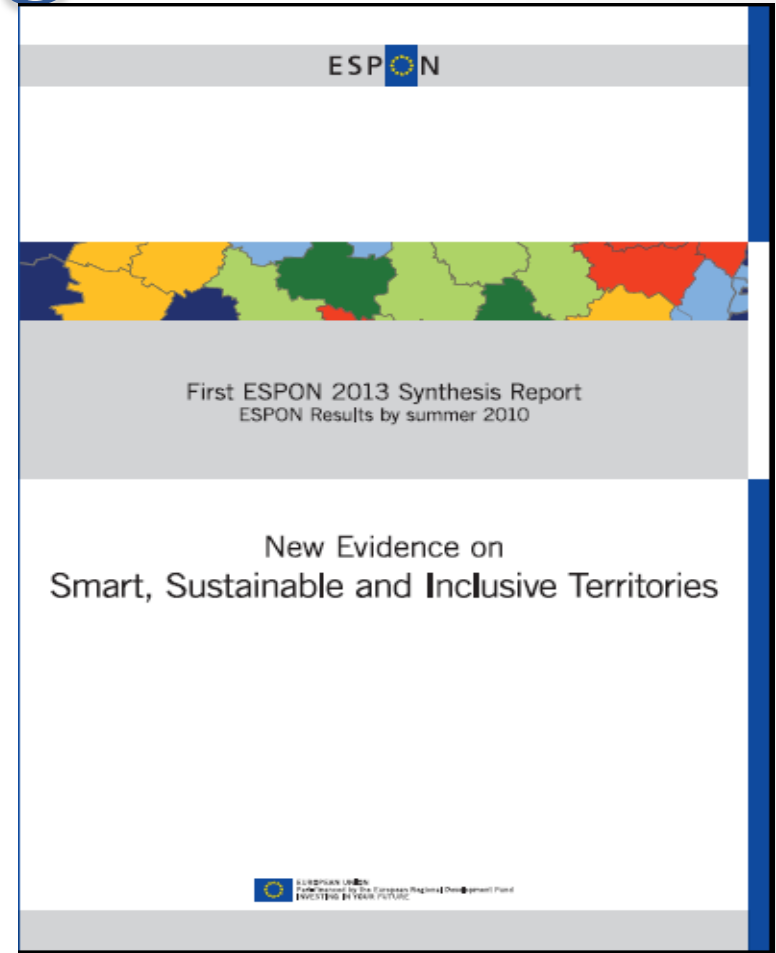
- The financial crisis changed the context in which territorial cohesion policy and the ESPON 2013 programme had developed.

Europe 2020

- Action has been taken “decisively and massively” to tackle the crisis,
- Fiscal policy has been “expansionary and counter-cyclical”.
- A “credible exit strategy” from high public debt is necessary.
- “support measures should only be withdrawn once the economic recovery can be regarded as self-sustaining and financial stability has been restored. The withdrawal of temporary crisis-related measures should be coordinated and take account of possible negative spill-over effects both across Member States as well as of interactions between different policy instruments” (pages 24-25).

Smart, sustainable and inclusive growth

- ESPON First Synthesis Report closely followed Europe 2020.
- How can place-based actions contribute to Europe's recovery?



The response: austerity

- 24.3M jobless across EU 27: 5.3M in Spain
- Zombie buildings and ghost
- Ireland: 14% unemployment, 1000 migrants a week, VAT up, welfare cut.

Smart growth?

Crisis bailouts and severe cuts in expenditure in Greece have been accompanied by reduced tax takings, higher spend due to soaring unemployment, and stubbornly negative growth for a 5th year.

Regional differences

- Jobs in the North of England are being lost on average four times faster than in the rest of the country.
- 7 of the 10 towns with most business closures in 2011 were in the North.
- The bail-out saved financial services centres, notably London & Edinburgh.

Territorial dimension of austerity policies

Banking centres

- Affected to an average extent in terms of jobs and GDP (5th Cohesion Report).
- Latest Greek bailout sustains capital cities and metro' regions in other EU countries.

“Weak” regions

- Loss of services, jobs and welfare benefits.
- Higher rate of business closures.
- Depressed housing markets.
- Record levels of unemployment.
- Migration of young.

Territoriality of the crisis

- Global trading in financial derivatives
- Strong Eurozone (but realistically weaker countries have an over-valued currency).
- Speculative and unsustainable property boom.
- CRASH!!!
- No devaluations possible within Eurozone.
- Governments of weak economies follow austerity as route to debt reduction.
- Weaker regions most badly affected.
- Diversity is strength BUT one exchange rate and one policy.

ESPON

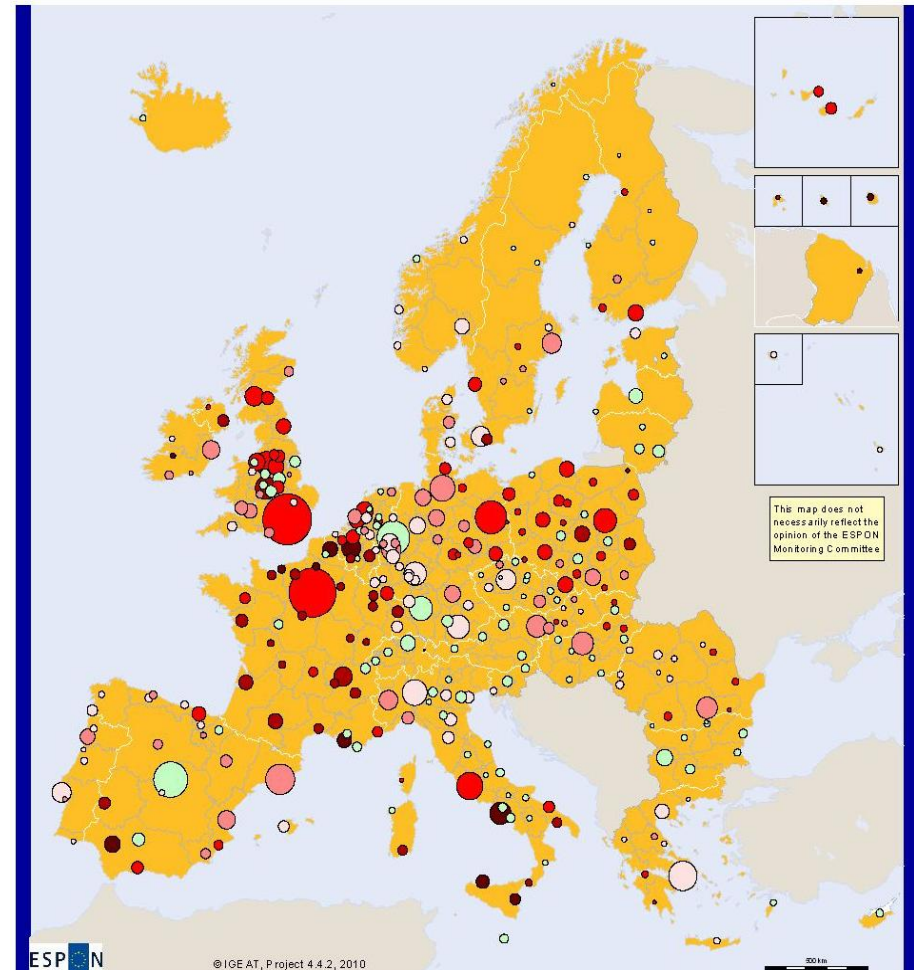
- 21 Applied Research projects – valuable but none directly addressing the crisis or the policy response.
- New project on “Economic crises: resilience of regions” soon to start.
- 22 priority 2 Projects – none directly about the crisis.
- No ESPON Observations publications about the crisis.
- Some attention to the crisis at 2009 Open Seminar.
- No “Eurozone” category within ESPON like EU15 etc.
- Time lags?

DEMIFER

- Anticipated labour shortages in EU after 2010.
- Saw climate change and aging population as the main developments.
- 4 scenarios 2005-2050 – combinations of economy / environment priority with social solidarity / global competitiveness.

FOCI

- The crisis will constrain urban policy making.
- Crisis will intensify social exclusion.
- Social cohesion indicators poorly correlated with competitiveness indicators. Importance of education and health policies.



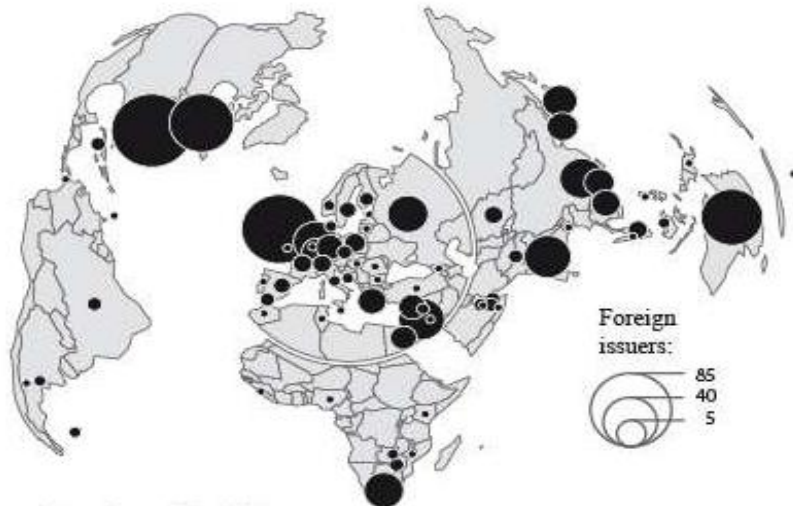
FOCI scenarios based on Europe 2020

- Green economy – sustained recovery with attention to climate change.
- Enhancing the European Potential – protectionism in face of on-going economic instability. Policy seeks to safeguard jobs and purchasing power. Weak Euro – p.744 of Scientific Report.



TIGER

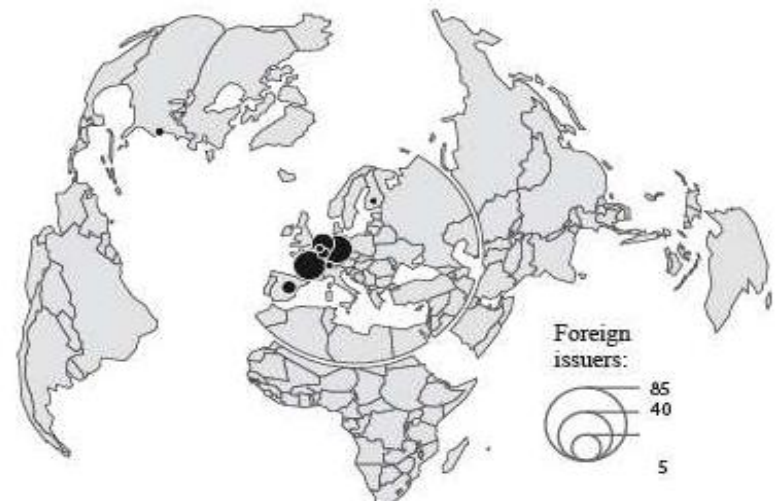
a. London Stock Exchange



Source: Listing LSE in 2007
Base Map : UMR RIATE
Sainteville, CNRS

Share of foreign issuers within
the listing of LSE : 19 %

b. Borsa Italiana



Source: Listing Borsa Italiana, 2007
Base Map : UMR RIATE
Sainteville, CNRS

Share of foreign issuers within
the listing of Borsa Italiana : 14 %

Targeted analysis

- Some projects look at territorial potential and so link to Europe 2020 aims.
- However, none are centrally about the crisis and responses to it.
- SURE – uncritical commentary of significance of construction boom in growth of Valencia before the crash, but highlighted corruption and tax evasion in Greece and Southern Italy.

ESPON and the New Economic Geography

- ESPON has been strong empirically at regional scale, underpinned by NEG (agglomeration economies, clusters, global cities, networks etc.)
- 5 scales – global to local – but they are treated as layers rather than connected to each other, and there is relatively little focus on the national, while European scale is prioritised.
- Policy mindset where “more co-ordination / better integration” is always the solution, without analysis of the processes involved.

A stronger focus on the national scale and policy

- Secondary Growth Poles project is doing some of this.
- 31 countries = a rich sample to explore how national policies impact on territorial cohesion.
- Stronger focus on national level would allow more up to date data – even if not all countries were covered.
- A real observatory for territorial cohesion: up-to-date evidence; scanning and in-depth research.
- Able to do the kind of multi-national work that is beyond a small research team.

Beyond the platitudes

- Yes, each place is unique and there is strength in diversity, BUT
- More attention to inter-scalar relations is necessary.
- Is monetary union advancing territorial cohesion?
- Which national policies advance territorial cohesion and which undermine it?
- What would a territorial cohesion guide for practising planners look like?