# What EU territory do we want to hand over to the next generations?



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Increasing divisions, diversity and disparities between different types of territories pose a major and complex challenge to Europe and its cities and regions. Moreover, development is increasingly dependent on external economic, social and environmental factors, such as trade wars, migration and climate change, that affect the EU as such, and our cities and regions in particular. The current challenges facing Europe, its cities and regions, will impact the EU territory in a variety of ways, and are more severe than before. They call for innovative policy action at all levels, including the EU. In its essence the burning question is: What EU territory do we want to hand over to the next generations?

Possible answers and long-term aspirations for the 'EU territory of tomorrow'

need to be thoroughly debated by European leaders, the next European Parliament, the next EU Commission, the upcoming Croatian, Finnish and German EU Presidencies and, above all, by regions and cities. They are, after all, the actual players implementing today what will become the EU territory tomorrow and will decide what will constitute the basic living conditions for future Europeans in cities and regions.

The EU needs to prioritise the territorial dimension in future EU policy and develop and agree a long term EU territorial policy. The demand for clarity on overall aims is there which, in an increasingly uncertain and interdependent world, has become more and more the responsibility of the EU level.

In their latest publications and debates, the Territorial Thinkers – as an independent platform of experts, highly experienced in European, national, regional and local policy development with a territorial dimension – have voiced questions, ideas and recommendations relevant for the necessary policy debate of the EU territory of tomorrow. The main points are outlined in this article, which is mainly based on Territorial Thinkers Briefing IV.

**The EU Territory Needs Explicit Policy Attention**

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

In Europe, divisions are becoming once again stronger and more visible. That is why we now need to refer to ‘fragmentation’, i.e. growing apart, rather than ‘disparities’. There is a re-emergence of territorial fragmentation, starting with the economic dimension, but now spilling over into the political one. There are rapidly growing disparities between those territories offering economic development and opportunity, and those that do not.

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

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

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

On the 9th of May the leaders of the EU Member States (excluding the UK) met in Sibiu (Romania) to discuss about future priorities of European policies. The overarching item was "preparing for a more united, stronger and more democratic Union in an increasingly uncertain world".

From what has been reported, the spatial dimension was absent in this discussion, as if the leaders would not acknowledge the territorial 'footprint' of major developments and policies and the role regions and cities play in shaping Europe's future. This is a big mistake. EU policy innovation with more focus on the EU territory of tomorrow is now a necessity. More attention to the overall development of the entire EU territory is required at EU level as external challenges and impacts are increasing.

Key questions to focus on in setting out policy priorities for future European policies, and the agendas of the next European Parliament and new EU Commission coming into place later this year, are:

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

To ensure that future policy making is integrated, coherent and efficient, the EU

needs to express overarching, long-term aspirations for the development of the EU territory, for the overall balance and functionality, for the settlement structure, for cooperation areas, for the spatial patterns of activities, access, connectivity and flows, and for the prospects for the diversity of regional, urban and rural realities.

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

**Demand for an EU Territorial Policy**

An overarching perspective on the entire EU territory has not yet been part of the broader and comprehensive policy agenda and debate at EU level, despite the fact that most policy decisions at all levels of government have territorial impacts. Such decisions involve, for example: where access to international markets and innovation should be improved, where international connections progress, where enterprises decide to locate or expand and new jobs are created, where social conditions and public services change, where new housing and business service facilities will be built, where immigrants will be invited to set up, where IT coverage improve, where pollution and climate change impacts will be adapted to, where green infrastructures and cultural assets would be promoted etc., just to mention but a few.

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

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

In addition, it would contribute to the integration and competitiveness of the EU

in the world economy. Clarity on places for global logistics and flows as well as urban and infrastructure networks would benefit location decisions and attract investors.

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

**Increased Responsibility at EU Level**

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

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

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

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

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

**Current Policies for the EU Territory**

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

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

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

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

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

During the last decades, EU member states have cooperated on shaping policy priorities for European territorial development. Several documents have over time been agreed at ministerial level. Basic principles for territorial development have been agreed in policy documents such as the European Spatial Development Perspective (ESDP 1999) and the Territorial Agenda (TA-EU, 2007), which was renewed in 2011. Unfortunately, the Territorial Agenda is neither widely known nor having an impact on major policies which would allow to successfully address the challenges of increasing disparities and territorial fragmentation in Europe.

Still, the Territorial Agenda could constitute an important political initiative for formulating an overarching territorial reference framework at European level. It

is currently up for an update which is supposed to be ready under the upcoming German EU Presidency in Autumn 2020. This offers the opportunity to develop it into a more widely shared policy document and more prominently put forward the question what territory we want to hand over to future generations.

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

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

**Building an EU Territorial Reference Framework**

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

- An integrated, territorial approach is on the European political agenda in relation to the future ESIF 2020-2027, which is very positive. The implementation however needs much clearer views than expressed hitherto on ambitions, and what should be achieved, to be helpful for all actors, including regions and cities.
- EU sector policies should be an inherent partner in pursuing an integrated territorial approach and in defining the EU Territorial Reference Framework. This would require an update of the legislative aims for many EU policies as well as a corresponding update of the European Commission impact assessment system. EU sector policies would benefit from this in future cooperation across sectors and with territorial actors.
- EU member states have shown consistent interest in overarching policy orientations for the EU territory by elaborating and agreeing a Territorial Agenda for the EU in 2011. The Territorial Agenda is currently in a process of being updated, which, it is envisaged, will lead to a political agreement among EU member states. The key challenge is here to ensure the full commitment of the EU levels and close cooperation with all EU

member states.

- The necessary European knowledge base on territorial development issues is established. The ESPON programme financed by EU member states and the European Commission as well as other bodies, is the key holder of this evidence, including world-wide outlooks and territorial visions/strategies. This evidence could be used more widely and further improved to inform the discussion of long-term EU territorial policy challenges, priorities and options.
- Many regions and cities have good and long-term experiences in implementing an integrated territorial approach and have adopted strategies and objectives for their respective territories. This is indeed positive. However, a wider European or global perspective is most often absent. This should be changed and improved, also through integrating regions and municipalities in the EU policy process on the EU territory of tomorrow.
- Involvement and participatory debates are crucial for ownership and implementation. The first step is to analyse and debate the challenges, needs and benefits of having a territorial reference framework at EU level. In a second step, all actors, including regions, municipalities, NGOs, civil societies, business representatives etc. must all be involved somehow in the formulation to ensure ownership and commitment to the long-term aspirations, principles and possible actions.

That said, the approach to, and level of ambition for, an EU Territorial Reference Framework must be realistic. Some EU member states are sceptical towards a European perspective on the overarching EU development, and the voices of the new batch of Eurosceptics and downright anti-Europeans in the European Parliament will have to be countered with rational, logical and strong arguments.

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

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

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

**About Territorial Thinkers**

Territorial Thinkers is an independent platform of experts, highly experienced in European, national, regional and local policy development with a territorial dimension.  Territorial Thinkers aim to support on-going policy development processes by presenting arguments, evidence, ideas, options and recommendations to policy makers. Territorial Thinkers are convinced from experience that a clear territorial dimension in policy conception and in programme strategies and implementation releases a new innovative and cooperative dynamism which should be captured and used positively to achieve European policy objectives. Find out more at: https://territorialthinkers.eu