

# THE STATE OF EUROPEAN SPATIAL DEVELOPMENT

Nordic ESPON Impressions



3 EDITORIAL

# **IN SHORT**

4 NEW REGIONAL PROGRAMME ADOPTED ETC.

# **RIGHT NOW**

6 REGIONAL CROSS-BORDER CO-OPERATION IN THE KVARKEN REGION

#### **FEATURE**

- 7 THE ESPON PROGRAMME
- 7 THE STATE OF EUROPEAN SPATIAL DEVELOPMENT NORDIC ESPON IMPRESSIONS
- 13 FOLLOW FINLAND'S GOOD PRACTICE IN RURAL DEVELOPMENT!
- 16 POLYCENTRIC VISIONS ON THE URBAN LANDSCAPE
- 19 NORDIC PERIPHERALITY IN EUROPE

# **BOOKS REVIEW**

23 EUROPEISKA BRYTPUNKTER



# IOURNAL OF NORDREGIO

HALLGEIR AALBU Director

JON P. KNUDSEN Editor

CHRIS SMITH Language Editor

MARGARETA DAHLSTRÖM Book Reviews Editor

Journal of Nordregio is owned and distributed by the Nordic Centre for Spatial Development (NORDREGIO). The journal appears quarterly and is distributed free of charge. All articles express the views of their authors. Subscription: liselott.happ@nordregio.se

Copyright © Journal of Nordregio

ISSN 1650-5891

# ADRESSES:

#### NORDREGIO

Box 1658 SE-111 86 Stockholm Sweden Tel. +46 8 463 54 00 Fax +46 8 463 54 01 www.nordregio.se JON P. KNUDSEN

Espevik NO-4780 Brekkestø Norway Tel. +47 37 27 56 90

E-mail jon.p.knudsen@nordregio.se

# MARGARETA DAHLSTRÖM

Nordregio Box 1658 SE-111 86 Stockholm Sweden Tel. +46 8 463 54 00 Fax +46 8 463 54 01



JOURNAL OF NORDREGIO EDITORIAL 3

# SPATIAL GYMNASTICS OR POLITICAL GUIDELINES?

aware of the fact should take a further glance at the current issue of the Journal of Nordregio, which is partly devoted to ESPON, with ESPON being short hand for European Spatial Planning Observation Network, which again is 'Eurospeak' for a community of researchers studying the basic spatial characteristics of the enlarged European territory.

These can be labelled the vertical and the horizontal challenges of this political process. Historically and theoretically the concept of nation building is associated with the growth and formation of the European nation states, a process that in itself lingers on as former parts of the Yugoslav and Soviet empires seek to find their place in a restructured scene.

What separates the present European integration process from a traditional scheme of nation building is that it hardly fosters a notion of European nationality. Hence the references to common values are much broader than those allowed for by such normal markers of a common identity as presented by ethnicity, religion and language.

Nor can the European integration process legitimise its progress through the execution of central institutional power over an obeying periphery. With some remar-

on to encompass both the spatial characteristics and dynamics of the continent as well as the strong bearing from sector policies on theses dynamics.

If there is a single lesson to be learned form recent planning experiences it must be that analyses and planning have to be tightly coupled to sector policies through binding institutional arrangements in order to have any impact. Where this nexus is missing, applied research and planning degenerates into mere spatial gymnastics.

With the European level in mind it must never be forgotten than even isolated chains of power may become rather indirect and unclear when viewed from below. Accordingly, the terminology of politics increasingly seems to be characterised by imprecise concepts. Take 'observation network', 'perspective' and, worst of all, 'governance' as telling examples. It may well be that the fabrics of politics are multilayered, but it is precisely at such times that we need for clear explanations on how politics works. Simply put, the citizens of any large or small city anywhere in Europe should have the right to know what the identification of their community as a part of a polycentric structure will eventually imply or entail.

Of course there is much politics to be accounted for in such a demand, but also a lot of pedagogy. Researchers have an obligation to respond to both demands, for if they do not, their role will soon be reduced to that of academic figure skating commented on by a political vocabulary of imprecision or deceit.

If there is a single lesson to be learned form recent planning experiences it must be that analyses and planning have to be tightly coupled to sector policies through binding institutional arrangements in order to have any impact. Where this nexus is missing, applied research and planning degenerates into mere spatial gymnastics.

Before ESPON there was ESDP, which was short hand for European Spatial Development Perspective, also having its specific Eurospeak connotation.

The first question to be asked then is, what does this all mean to us as European citizens? Will it ever make a difference? The answer is not easily arrived at, though some immediate reflections can be made.

At the moment Europe finds itself in the midst of a period with striking parallels to a process of nation building. The continent's territory needs to be structured with regard both to its institutional set-up and the continuous enlargement of its geography.

kable exceptions, the future cohesion of the continent fundamentally depends on a mosaic of regional integration processes to succeed, be they transnational or cross-border in nature.

The ESPON programme has thus explicitly been designed to further "...a better balance and polycentric development of the European territory". Whether it will succeed or not, it is too early to tell. But clearly, this overarching ambition of a better-integrated European territory does not rely on one limited programme alone.

Among the promising points of departure for the programme as a whole we should note its ambiti4 IN SHORT JOURNAL OF NORDREGIO

# IN SHORT...



# **New Regional Programme Adopted**

In their Stockholm meeting on 1 November the Nordic regional ministers adopted a new programme of cooperation for the Nordic regional sector. The programme is strongly influenced by the present EU enlargement and points to the need for strengthening Nordic performance and learning in a context of deepening international relations. Among the more salient features of the programme it should be noted are, an initiative to upgrade the so-called Northern dimension within the EU through the Norden Plus concept. The Norden Plus initiative will be used as a policy umbrella stretching from Northwest Russia and the Baltic Countries across Norden to the northern parts of the UK and Ireland. The idea here is to highlight the common challenges facing these areas when working out the schemes for future European structural and sectoral policies.



# **Reform Sparks Job Changes**

The implementation of the proposed structural reforms affecting the Danish councils and municipalities will cause a large number of employees to change employer, even if their actual duties remain unchanged. According to a study made by the county council in Nord-Jylland one out of every three employees will be transferred from county council to municipal or state employment, whereas the county council in Århus estimates that only one in ten of its employees will be thus affected.

# Municipalities More Involved with Regional Policy

The upcoming structural reforms necessarily mean that the municipal level will have to take more interest in regional development policy than has hitherto been the case according to the Association of Danish Municipalities. The reason for this is the proposed new division of labour between the regional and municipal levels. As many regional development concerns apply to areas stretching over several municipalities, the affected municipalities may have to identify new cooperative fora for dealing with such tasks.

# The Governmental Growth Policy Challenges

Addressing the think tank on national growth policy on 16 November the Minister for Economic and Business Affairs, Bendt Bendtsen, outlined the five priorities designed to enhance the Danish growth process. These are education, research, tax reductions, entrepreneurship and business skills. Thus all future policies designed to stimulate growth should have these five priorities as their base.



# Kainuu to Be Joined by Other Regions?

During the Nordic Regional Ministers session in Stockholm on 1 November, the Finnish minister of Regional and Municipal Affairs, Hannes Manninen, pointed to the experiment with an elected regional council in the region of Kainuu from 1 January 2005 and mentioned that the government might let other smaller regions in Finland follow suit. He was however rather evasive when pressed whether he had any particular region(s) in mind.



# Growth Agreement for the Eyjafjördur Region

In July 2004 a Growth Agreement for the Eyjafjördur Region 2004-2007 (GAER) in the northern part of Iceland was signed in Akureyri. Partners in the GAER are the following: The Ministry of Industry, The Municipality of Akureyri, The Industrial Development Company of the Eyjafjördur Region, The Institute of Regional Development in Iceland, The University of Akureyri, The Industrial Development Institute of Iceland, The Cooperative Society of Eyjafjördur Region, The Office of Economic Activities in Northern Iceland, The Trade Unions in the Eyjafjördur Region and The Export Board of Iceland.

The objectives of the GAER are to strengthen the region as an alternative for residence, to increase the number of inhabitants in the region, to increase the competitiveness and economic growth of the region, to develop employment with the potential for growth, to increase the number of competitive companies and jobs, to utilize the possibilities for international projects, and to attract foreign investment and 'know-how' into the region.

The growth agreement will centre around four clusters of specialization. They are, the education and research cluster, the health employment cluster, the tourism cluster, and the food production cluster.

The estimated budget for GAER is ISK 177,5 million for the four-year period. The Ministry of Industry provides ISK 90 millions, The Cooperative of the Eyjafjördur Region (KEA) ISK 35 millions and the Industrial Development Company of Eyjafjördur Region (AFE) ISK 35 millions, with the remaining ISK 17,5 millions coming from the other participants of the agreement.

The execution of GAER will be in the hands of the Industrial Development Company of Eyjafjördur Region (AFE).

By Gudmundur Gudmundsson

JOURNAL OF NORDREGIO IN SHORT 5



# Commission Report on Regional Policy

A public commission charged with analysing the challenges facing regional policy (Distriktskommisjonen) presented its recommendations on 12 October. Among the main conclusions were that the commission, by an overwhelming majority, advised that the present county councils be replaced by fewer but more powerful elected regions, which will coordinate major tasks such as communications, research and higher education, cultural institutions, environmental issues, regional development policy, resource management and planning. The commission advocates that the present regional policy regime mostly targeting the periphery be replaced by a policy regime encompassing all of the country but administrating different policy measures according to regional needs. The commission acknowledges the need for municipal mergers in densely populated areas, but acknowledges that municipal amalgamation is of little benefit in areas where distance and sparse population makes the creation of integrated labour markets impossible.

# Oslo to be SWOT'ted

To support an upcoming governmental report on the future challenges of the Norwegian capital region, a SWOT analysis will be conducted to map the various development aspects of the Oslo region from a comparative perspective. The work is to be undertaken in cooperation with a newly formed cooperative body comprising the municipality of Oslo, the county council of Akershus and a large number of municipalities in the larger Oslo commuting area.

# Heated Debate on Power Incomes

Following a governmental proposal on amendments to the regime regulating future incomes from hydroelectric power rights, a heated debate has subsequently arisen. The present laws regulating the rights to exploit waterfalls for hydroelectric purposes oblige private companies to return these rights to the state after a certain amount of time. For municipalities, there are no such laws operating. In light of EU and EEA non-discriminatory principles, the government has looked into the need for treating municipal and private interests on equal terms. This has led to a tense situation in several municipalities, most of them extremely peripheral, which have benefited greatly from vast incomes from hydroelectric power production in recent decades.



#### Favouring Trollhättan

In November the government decided to reinforce and concentrate certain infrastructure investments in order to enhance the competitiveness of the Västra Götaland region, with particular emphasis on the city of Trollhättan and its surroundings. Among the measures was a full scale upgrading of national road 45, connecting Trollhättan with the regional capital and port of Gothenburg, as well as a number of other road and rail investments, special labour market schemes and research programmes directed towards the needs of the automobile industry in the region.

These investments will be made, in part, by delaying planned infrastructure investments in other parts of the country. The concentration of public investments in the Trollhättan area must be viewed in light of the discussions taking place within Saab on the suitability of Trollhättan as a future location for its production and development activities.

# **Guide to Enhanced Growth**

NUTEK has just published a guide to the building of strong regions (Starka regioner – för ökad konkurrenskraft och välfärd), which highlights the crucial parameters in the strengthening of future regional development policy. The guide initially concludes that the growth component of Swedish regional development policy needs to be more robustly highlighted if future policy implementation is to have a positive impact on regions which today struggle

with declining populations and week business climates. The guide proposes several measures for policy consideration under three main strands: business growth, cooperation between state and regions, aspects of regional development.

# Skåne and Västra Götaland to Continue

Skåne and Västra Götaland have, since 1997 and 1999 respectively, been test regions for widened county council competence on various administrative and political issues otherwise handled by the county administrative boards or the newly formed municipal cooperative boards. The test period was originally to expire by the end of 2006, but has recently been prolonged to the end of 2010. The government argues that its own public committee scrutinizing the distribution of administrative and political competence (Ansvarskommittén) will conclude its work in February 2007. Political discussion of its conclusions should thus not be anticipated through a premature decision on the present administrative status of the two regions in question.

# **Finally Merging**

The Swedish Association of Local Authorities and the Federation of Swedish County Councils confirmed their process of amalgamation on 27 October leading to their formal merger on 1 January 2005.

6 RIGHT NOW JOURNAL OF NORDREGIO



# REGIONAL CROSS-BORDER CO-OPERATION IN THE KVARKEN REGION



By Kirsi Abrahamsson Secretary-General of the Kvarken Council

Future challenges and opportunities for all cross-border regions are described in the Nordic Regional Co-operation Programme for 2005–2008, which was adopted by the Nordic ministers for regional affairs on 1 November 2004. Challenges and opportunities will also be outlined in the plans for European territorial co-operation for 2007–2013, although the views of the countries have yet to be determined. Both of these programmes will be important tools used in shaping the future of the cross-border regions.

The Kvarken region has been home to regional cross-border co-operation in most social sectors for several decades already. The Kvarken Council, which is a regional cross-border co-operative body comprising Västerbotten County, the municipality of Örnsköldsvik and Österbotten region, was established in 1972 and is one of eight regions that is partly financed by the Nordic Council of Ministers via its programme for regional co-operation in the Nordic countries. In evaluations that have been conducted, the Kvarken co-operation has been praised for its focus on relevant content, effective organisation and for its owners' (municipalities and regional players') ambitions and commitment. There are signs that indicate that the

level of ambition and commitment continues to rise. Sweden and Finland's accession to the EU radically changed the conditions for regional cross-border co-operation. A considerable amount of new resources has been supplied to the co-operation via Interreg II A between 1995 and 1999 and from the current Interreg III A programme for 2000–2006. Thanks to its competence and high credibility, the Kvarken Council was commissioned to prepare and lead the establishment of the programme together with the regional development authorities. Later the Kvarken Council was also assigned responsibility for heading the operation's secretariat. The first Interreg II A programme was a success, and Interreg III A Kvarken-MittSkandia tops the lists as regards accomplishments.

Factors of success are firstly the level of ambition, willingness and preparedness of the local and regional players involved and the distribution of their own resources in this respect. Co-operation and thus also the Interreg programme are largely based on the municipality's involvement and commitment, backed by strong support from the regional authorities and other parties such as universities and university colleges, business organisations and environmental and cultural organisations. Kvarken-MittSkandia has proven that it can function well as a co-operative region within the Interreg framework. The problem of great distances and poor communications has been addressed with the aid of creative solutions and a high level of commitment. The independent programme with its own organisation in respect of preparedness and decision-making functions has motivated the region's players to cooperate in a rather special way. In the Kvarken region, preparations for the forthcoming programme period have begun. The region is used to being an early bird and formulating joint Finnish and Swedish statements of wishes at a local and regional level. These statements of wishes cover, among other things, the content, geography and organisation of the co-operation.

The Kvarken Council would like cooperation with Interreg to continue in the region. Common values, expertise and markets as well as communications will make up the content of a new programme for the region. Kvarken-MittSkandia's geography will be a separate area in a forthcoming Interreg programme, and one of the preconditions for continued successful work. Our experiences of the implementation and decision-making organisation in Interreg Kvarken-MittSkandia are so good that no new scheme is necessary. Furthermore, a new scheme would probably run the risk of inciting less commitment and motivation among local and regional players.

In future, the Kvarken Council will also be well prepared to initiate, plan and implement co-operative projects providing growth and Nordic added value in the region.

# THE ESPON – PROGRAMME

The ESPON (European Spatial Planning Observatory Network) Programme was launched after the preparation of the European Spatial Development Perspective (ESDP), adopted by the Ministers responsible for Spatial Planning of the EU in May 1999 in Potsdam (Germany) calling for a better balance and polycentric development of the European territory.

The programme is implemented in the framework of the Community Initiative INTERREG III. Under the overall control of Luxembourg, the EU Member States have elaborated a joint application with the title "The ESPON 2006 Programme – Research on the Spatial Development of an Enlarging European Union". The European Commission adopted the programme on 3 June 2002.

With the ESPON 2006 Programme and by addressing an enlarged EU territory and larger territorial entities the Commission and the Member States expect to have at their disposal:

- a diagnosis of the principal territorial trends at EU scale as well as the difficulties and potentialities within the European territory as a whole;
- a cartographic picture of the major territorial disparities and of their respective intensity;
- a number of territorial indicators and typologies assisting a setting of European priorities for a balanced and polycentric enlarged European territory;
- some integrated tools and appropriate instruments (databases, indicators, methodologies for territorial impact analysis and systematic spatial analyses) to improve the spatial co-ordination of sector policies.

# The State of European Spatial Development — Nordic ESPON Impressions<sup>1</sup>



By Kai Böhme²

The European Spatial Planning Observation Network (ESPON) was set up to support policy development and to build a European scientific community in the field of European spatial development. The ESPON programme commenced in 2002.

The main aim is to increase the general body of knowledge on spatial structures, trends and policy impacts in an enlarged European Union. Currently ESPON comprises 25 thematic projects, each of which investigates a specific spatial development issue and covers 29 countries, i.e. the 25 EU Member States, plus Bulgaria, Romania, Norway and Switzerland. As for the coverage of the Nordic countries, Iceland is not covered, as it does not currently participate in the ESPON programme.

ESPON projects are conducted by transnational project teams, involving researchers form more than 100 institutes across Europe. In this context it can be said that the Nordic countries are well represented among the participating institutes, both as regards the number of projects led by institutes situated in the Nordic countries, and in respect of their general level of participation in the projects as a whole.

Some of these projects presented their final reports in September 2004, while others will present their final reports in the course of 2005 and 2006. Based on the findings of those ESPON reports that have already concluded, this article will try to provide a brief overview on the ESPON research findings thus far, whilst also placing these findings in a Nordic context.

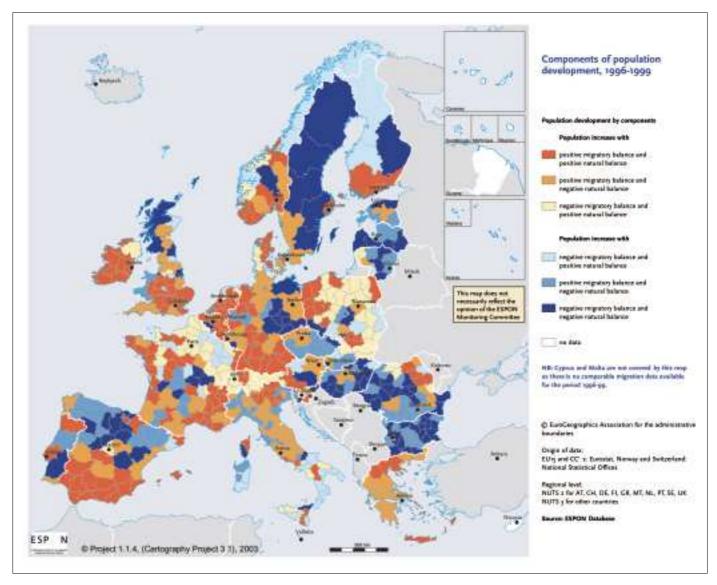
# Policy aims

Following the current debate in European spatial policies, the ESPON studies focus mainly on the state and trends of territorial cohesion. Territorial cohesion is currently becoming an evermore important point of reference, as it has been integrated into the European Constitution. Moreover, at the informal meeting of ministers responsible for spatial planning in the EU Member States, on 28th November 2004 in Rotterdam, territorial cohesion was a much-discussed topic.

Up till now however territorial cohesion has remained rather ambiguous in character and has, as such, been understood in a number of different ways. In this article, we understand territorial

'This contribution is based on a wide range of ESPON reports available at www.espon.lu and in particular the final report of ESPON 3.1 and the ESPON Briefing 1, both of which are co-authored by Kai Böhme.

<sup>2</sup> Kai Böhme works as project expert at the Coordination Unit of the European Spatial Planning Observation Network (ESPON), Luxembourg, and is visiting research fellow at the university in Sheffield, UK, department for town and regional planning. Prior to that he was a member of staff at Nordregio, Sweden. He was educated as a spatial planner at the university of Dortmund, Germany, and holds a PhD in management sciences form the university of Nijmegen in the Netherlands.



cohesion as a twofold concept, as it aims at strengthening endogenous territorial potentials in territories and thus at overcoming the imbalances between territories. Accordingly, on the one hand, territorial cohesion is related to the ideas of equity and balance, and on the other, it refers increasingly to territorial capital and development potentials. Given this twofold understanding of territorial cohesion, it might be argued that there is an obvious and indeed inherent conflict of goals here. This conflict, however, can be resolved by the operationalisation of territorial cohesion through the idea of 'polycentric development'. Indeed, polycentric development is a 'bridging concept' between the goals of 'economic growth' and 'balanced development'. When 'economic growth' is associated with centralisation and 'balanced development' with decentralisation, these two goals obviously have a very similar level of ambiguity compared to that implicit in the concept of polycentricity. Polycentricity thus promises to overcome the dichotomy between competitiveness and balance, which thus likens it to all other such ambiguous goals.

# Question of scale

Another challenge inherent in these policy aims (territorial cohesion and polycentric development) is that they can be applied at any geographical level. However, their understanding and the consequences of their application may differ between levels and even contradict each other. For instance, the concept of polycentricity may mean different things depending on whether one looks at it on a European level or on a national or regional level. While it might even be contradictory in the sense that if one fosters more decentralisation on the European level one might need, to a certain extent, to support centralisation on the national or

regional level. Notwithstanding this, when one looks at the national level, polycentricity might have a different meaning in densely populated member states such as the Netherlands or Germany compared to sparsely populated areas, say in northern Scandinavia.

As a result of this, ESPON has adopted a 3-Level-Approach. This implies that the results are assessed on three different geographical scales, research objects have to be examined regarding their different (or similar) meanings on the European, trans-national/national or regional level. The idea, basically, to situate studies and compare the results on three spatial levels, has been very successful implemented in the ESPON programme as a whole. However, a truly multi-level approach requires more sophisticated analytical models, and this is, in part, the type of future research needed.

# The translation of policy aims into indicators

To be able to describe the state of the European territory in terms of territorial cohesion or polycentric development, such concepts need to be translated into their measurable aspects. It therefore goes without saying that there is no single indicator that would be able to describe such concepts. Nevertheless, in discussing the meaning of these policy aims, three fields of interest can be identified.

The most prominent dimension of spatial development relates to the distribution of "mass" or settlement structures, i.e. the distribution of population, buildings, and infrastructure over a territory. The location of smaller, medium-sized and larger cities is characterised by long-term stability and inertia, gradually influenced by location decisions and migration tendencies. This is also related to the question of economic hotspots and the pattern of GDP per capital

Such a static picture of nodes or hotspots in terms of "mass" is only interesting if we can also illustrate the "links" between them. In particular, the proximity to transport nodes and the accessibility of information determines the endowment of places and regions that enables specific activities, including cooperation and competition, between different regions.

Having a picture of the distribution of "mass" and the "links" between the different nodes, the question thus emerges as to why actors in the different nodes are using the links and thus building an integrated system throughout the territory. This leads us to the question of the "profiles" of specific territories, i.e. socio-economic or other specialisations that make it interesting for actors in other territories to co-operate or compete with actors in this territory.

By discussing territorial development in terms of "mass" distribution, "links" between different areas and "profiles" of areas, we might actually come closer to understanding the state of the European territory and what this means in terms of territorial cohesion and polycentric development.

#### Mass

Although spatial development goes well beyond physical planning, the physical, morphological elements of space and territories visible as settlement patterns, urban structure etc. form the fundaments form which spatial policies and spatial analysis can begin. For instance, these physical structures shape the core-periphery patterns that have dominated the debate for decades. Although these structures will only change slowly, indeed over generations, we need to be aware of the imbalances and disparities on settlement structures.

A number of these aspects are studied by ESPON, in the following we will briefly reflect on urban systems, ruralurban settings and changes in the demographic picture.

#### Polycentricity

The basic description of the European urban system developed by ESPON defines 1595 functional urban areas (FUA), delineated on the basis of national definitions of travel-to-work areas.

An analysis of the functional urban areas in Europe reveals a considerable concentration within the core of Europe. The 76 most powerful functional urban areas measured by demographic mass, competitiveness, connectivity and knowledge base are defined as Metropolitan European Growths Areas (MEGA). Many of the strongest MEGAs are situated in the core or Pentagon defined by London, Hamburg, Munich, Milan and Paris. Outside this core area, Madrid, Barcelona, Rome, Vienna, Berlin, Copenhagen and Stockholm can currently provide this high level of functions

Dense urban networks, which could subsequently develop into highly integrated regional polycentric systems are however also to be found in a wider area, circumscribed by Manchester, Berlin, Venice, Genoa and Paris, and stretching further east, in particular including MEGAs such as Prague, Bratislava and Budapest.

Outside this dominant area a number of functional urban areas have a certain potential to challenge the predominance of the Pentagon, including cities such as Athens, Dublin, Helsinki, Oslo and Gothenburg. Among the several important capital cities and major urban areas in the new Member States, Warsaw currently shows the best potential in this regard.

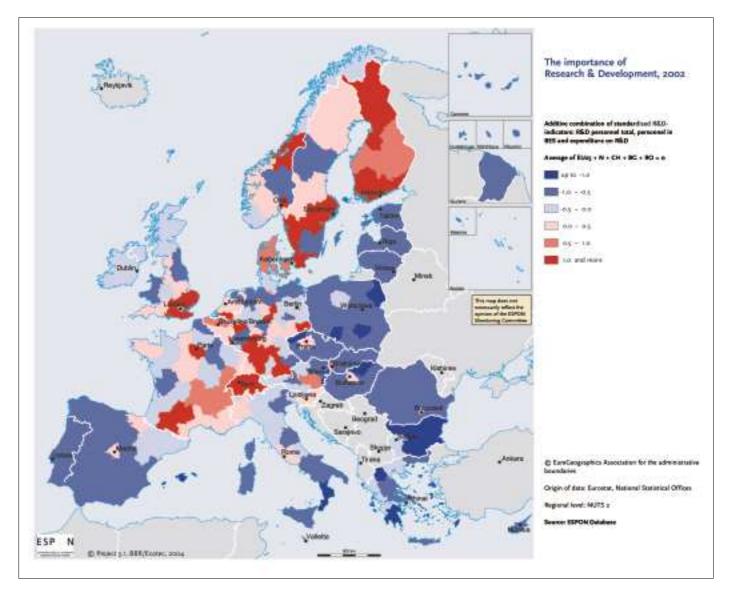
(For further information cf. ESPON 1.1.1 report - and partly also the 1.1.3 report - at www.espon.lu)

#### Rural-urban

The Morphological picture of Europe does not only consist of cities. For the first time, ESPON has established a European-wide classification of rural and urban areas that reflects the diversity of relations between rural and urban territories. This classification is based on two main dimensions reflecting the inter-dependence of rural and urban areas: (1) the degree of urban influence was defined according to population density and a European ranking of the urban centres according to their functional importance, (2) the degree of human intervention as defined by actual land use, i.e. the relative share of artificial surfaces and of agricultural land in a region. The classification includes 6 categories resulting from the intermeshing of these two indicators.

At the European level, predominantly urban areas of high human intensity can be seen to stretch along a corridor running from Northern England through the Benelux countries and Western Germany to Northern Italy and partly down the Italian coasts. A Second East-West oriented corridor stretches through Southeast Germany, along Southern Poland and the northern areas of the Czech Republic into Hungary.

The level of diversity across different types of rural areas is significant. In most parts of the EU15 countries and Switzerland, rural areas are mainly characterised by low and medium levels of human intervention. The degree of human intervention in rural areas is generally higher in the new EU Member States and Bulgaria, Romania, Eastern Germany and Denmark. Moreover, Hungary, Romania and Bulgaria in particular are characterized by having a significant expanse of rural



areas with low urban influence and high human intervention.

(For further information cf. ESPON 1.1.2 report – and partly also the 2.1.3 report – at www.espon.lu)

## Demographic change

As we all know, the European coreperiphery pattern, both in terms of urban agglomeration and current ruralurban settings, is currently undergoing significant pressure for change in the light of ongoing demographic developments. Demographic development is, in particular, related to three factors: (I) fertility rates, (2) age structure and (3) migration, each of which shows different spatial patterns.

Putting together the salient factors with regard to demographic development trends, we can then see that some areas are losing population due both to natural population change and migration as for example can be seen in large

parts of Sweden, Eastern Germany, Scotland, Estonia, Latvia, Hungary, Romania, Bulgaria or the Spanish inland area. On the other hand, some areas are gaining on both demographic factors as for example with Ireland, large parts of the Southern UK (predominantly England), Southern Spain, Benelux and Southern Germany. The majority of European regions, however, face increasing challenges as regards total population development.

(For further information cf. ESPON 1.1.4 report at www.espon.lu)

#### Nordic impressions

Regarding the distribution of "mass", we can surmise that the Nordic countries are rather sparsely populated and not well placed to benefit from demographic polycentricity. Indeed, Copenhagen seems to be the only exception here, with Stockholm perhaps also having the potential to show up in the

European rankings. Strengthening Nordic cities in order to improve their European ranking can be achieved through regional enlargement and increased travel-to-work areas. One has however to be aware that this will, at the same time, increase the existing imbalances within the Nordic countries, as the already nationally dominant capital cities will become even more dominant in future under this rubric.

This is related to low population density levels, which also become evident in the European analysis of rural and urban areas, where Finland and Sweden have a few urbanised areas but are mainly characterised by low urban influence and low human intervention, the picture for Denmark being a little more differentiated. When applying the same statistical analysis, but relating the data to national instead of European averages however, the picture comes more to reflect the domestic view on the rural-urban division. This illustrates

the fact that the rather rural impression of the Nordic countries is indeed a result of the European view, i.e. the Nordic countries are rural in a European comparison although one might experience them as urban according to Nordic views.

That low population density is becoming an increasingly important issue for the Nordic countries, and in particular for their Northern peripheries, is best illustrated by the demographic analysis that shows their absolute losses. This tendency will polarise Europe and make the issue of small demographic mass and relative 'rurality' even more of an issue for the Nordic countries in future

#### Links

However, size alone does not matter, while morphological patterns are only of interest when one is also considering the links between them. Thus the question of accessibility becomes an important element in establishing co-operation which allows actors of an area to network with actors in other areas and thus become part of a polycentric system. Of importance here are both the physical level of accessibility - i.e. how easily, and under which time and funding expenditures, can a place be reached - as well as the access to information and communication networks - i.e. various types of internet and telephony solutions. Furthermore, links in terms of co-operations are also interesting. These are however difficult to assess covering all 29 countries, therefore the reflections focus on transport accessibility and ICT endowment.

# Transportation

The quality of transport infrastructure in terms of capacity, connectivity, travel speeds etc., determines competitive advantage of location relative to other cities or urban regions. This can be measured as potential accessibility, i.e. based on the assumption that the attraction of a destination increases with size, and declines with distance, travel time or cost. Applied to European urban regions it describes their relative geographical position in the European transport systems as one of their most important competitive features.

The European accessibility picture certainly depends on the mode of transport. It is obvious that both road and rail transport show a clear core-periphery pattern, whereas air transport has a more polycentric pattern dominated by airports in the major agglomerations.

The interesting picture emerges when combining the picture of the various transport modes into a multi-modal accessibility picture. Regions with a high level of multimodal accessibility, which is clearly above the European average, are mainly located in an arc stretching from Liverpool and London via Paris, Lyon and the Benelux regions, along the Rhine in Germany to Northern Italy. However some urban agglomerations outside the central areas, such as Madrid, Barcelona, Dublin, Glasgow, Copenhagen, Malmö, Göteborg, Oslo, Rome, Naples, Thessalonica and Athens, are also equipped with good or medium multimodal access, largely because of the existence of international airports. At the same time, poor access levels in European terms can also occur in regions usually considered to be central. Several regions in Germany, Austria and France face below average accessibility, while some can even be seen as extremely peripheral. Many regions in Portugal, Spain, Ireland, Scotland, Wales, Norway, Sweden, Finland, southern Italy and Greece have very low accessibility levels, mainly due to the fact that these regions do not have good access to international air links. In addition, nearly all regions of the new EU Member States, plus Bulgaria and Romania, have accessibility levels that are below average. The only exceptions here being the capital cities, and to some extent their surrounding regions, once again because of international air-

Considerable variations also however exist within countries. Indeed, in terms of accessibility there are two overlaying core-periphery patterns, a national and a European one. The national pattern is due to the fact that spatial interaction is much more intense within countries than between them. Hence, not only regions in the European periphery, but also regions in the periphery of their

respective national markets suffer from increasing transportation costs, because their interaction with the markets is more dependent on transportation than that of more central regions. This also explains why losses in border regions and coastal regions are above average.

The territorial effects of access to transportation are ambivalent.

Transport policies that reinforce polycentricity at the European level may also increase the dominance of capital cities within their national urban systems, and so contradict the stated goal of the ESDP, namely to achieve a balanced polycentric urban system. Indeed, all transport infrastructure examined here tend to accelerate the decline in the polycentricity of national urban systems because they tend to be directed primarily towards connecting large urban centres.

(For further information cf. ESPON 1.2.1 and 2.1.1 reports at www.espon.lu)

# Information and communication technologies

When it comes to information and communication technologies (ICT), the picture becomes more complex, as it is very different for each technical solution. Spatial patterns depend on technical solutions, which predominantly reflect national differences in telecommunication cultures. Indeed national specificities remain crucial in understanding territorial differences across Europe in this context

In general, it can be said that in the field of ICT, the core-periphery picture does not hold. This is due in the main to the strength of the Nordic periphery, but in the case of mobile telephony, the Mediterranean periphery also outpaces the core, and for broadband uptake Spain and Portugal have, thus far, outpaced some core countries. The one area in which the core clearly leads is in access to internet backbone networks for large corporate users and Internet Service Providers.

At the local and regional level there are disparities between metropolitan, urban and rural areas. Thus it is not surprising that the currently most commercially developed forms of broadband technologies follow a hierarchical rollout pattern, with areas of high density population being served first.

Last but not least, it has to be noted that telecommunications is an exceptionally fluid sector where things can change rapidly. Thus the picture presented today could be rather different tomorrow.

(For further information cf. ESPON 1.2.2 report at www.espon.lu)

#### Nordic impressions

With regard to accessibility, the Nordic countries are clearly below the European average. Indeed, only the Øresund region has a multimodal accessibility close to the European average. In Finland, Norway and Sweden not even the capital regions fall into this category. As for the rest of the Nordic countries, some regions in the most northerly parts are among the least accessible areas in Europe, and for other regions, only their regional airports help keep them in the game.

The disadvantages of long distances and sparsely populated areas are however counterbalanced by the leading ICT infrastructure endowment in the Nordic countries – at least for the time being.

# **Profiles**

The attractiveness of a place is to a large degree influenced by its specialisation. Thus the aspect of socio-economic profiling and the development of key competences and clusters needs to be considered. The mapping of this aspect poses one of the greatest challenges to ESPON.

# Between diversification and specialisation

Initial attempts have been made in this respect by analysing the territorial dominance and concentration of one type of industry or service. The first results show that in Norway, Denmark, large parts of Sweden, the UK, Ireland, the Netherlands, some parts of France, Spain, Germany, Austria and Italy, regional specialization is above the European average. The main areas showing specialization levels below the EU average can be found in Portugal, Spain, Greece, Eastern Germany, some areas of Finland, France and Italy and the New EU Member States.

Based on this initial typologies, taking into account these trends, have been developed. These seem to reveal patterns where regions with low specialisation and GDP (in Spain and Poland, for instance) are experiencing higher growth rates (GDP per inhabitant) and faster specialisation than the EU average, while for most of the UK the opposite seems to be true. These realities indicate that all regions might not respond equally to policies that promote specialisation or the differentiation of the economic base.

(For further information cf. ESPON 1.1.3 report at www.espon.lu)

#### **Research and Development Profiles**

Another attempt has been made here in respect of researching the spatial dimension of R&D policies. In general, R&D intensity varies across Europe. At a European scale, the regional figures for R&D intensity demonstrate the weaker position of the EU periphery, with the exception of the Nordic Countries. The areas with the lowest R&D intensity are to be found outside the core of Europe, e.g. in a number of Greek and Polish regions, South-East Austria, Southern Italy, and Northern Hungary, as well as in Bulgaria.

Denmark, Finland, Luxembourg and Switzerland are the only countries, in which all regions have a R&D profile above the average of the EU 25 plus Norway, Switzerland, Bulgaria and Romania). The entire territory of Switzerland and Luxembourg, as well as Northern and Southern Finland are clearly among the areas of the highest R&D importance. Other significant areas of the highest R&D importance are Midi-Pyréneés, Ile-de-France, South-Eastern England (except London), the North-Western Netherlands, large parts of South-West Germany plus some other scattered areas in Germany, large parts of Southern Sweden (up to Stockholm), Oslo and Mid-Norway.

Only three areas in the new EU Member States show an R&D importance above the average, these are the urban regions of Prague, Bratislava and Budapest. In Romania, Bucharest also exhibits an R&D importance level that is above the ESPON average.

(For further information cf. ESPON 2.1.2 report at www.espon.lu)

#### **Nordic impression**

The general picture of specialisation shows that the Nordic countries, in general, have a rather high degree of regional specialisation, with a few low figures for Finland. This implies that regions are, in general, more dependent on a specific sector than the average European region.

Looking more specifically into R&D, we find a similar picture with the Nordic countries being pretty strong here also. Indeed, all Danish and Finnish regions show a high R&D intensity. As for Norway and Sweden, the picture is also good, albeit more mixed, with both regions showing high and regions showing lower R&D profiles.

In general the positive picture in terms of regional specialisation seems to counter- balance aspects such as low population density and low accessibility. This may illustrate the fact that, at last, size no longer matters and even inadequacies in the transport infrastructure may only be of relative importance to regional development. Other factors — interesting socio-economic profiles being one of them — might actually be of greater weight then in respect of spatial development.

# Conclusions

From a European perspective, the ESPON results discussed above illustrate the peripheral situation of the Nordic countries in terms of settlement patterns and transportation. It subsequently becomes clear however that the Nordic periphery is rather distinct from other European-type peripheries, something that is not least illustrated by GDP per capita figures, or the good level of performance in the fields of ICT and R&D.

What ESPON has not been able to provide thus far however, are the explanatory factors in respect of why different types of territories are coming out differently in the various studies, i.e. why Norden is different. For this to be better understood more research into aspects such as territorial capital, governance, tacit knowledge etc., will probably be needed.

Apart from these overall aspects, the single studies and topics addressed also allow us to see variations within the Nordic countries, as well as placing Nordic regions in a broader context in order to see how they compare to other regions not only in their own countries but also to those across Europe.

Consequently, the material provided by ESPON thus far can serve as an input for illustrating the wider spatial context of Norden, the Nordic countries and their regions, and thus contribute to enriching spatial development debates enveloping all three levels.

It goes without saying then that the ESPON studies - all of which are available at www.espon.lu – can be used for this by anyone so interested, although one has to keep in mind that these are research reports which need to be adapted and re-interpreted by the various communities of practitioners.

The dissemination and translation of ESPON findings is one of the big challenges ahead for ESPON. An ongoing necessary here is the continuing dialogue with policy makers, practitioners and scientists on the final ESPON research results, as this is crucial to ensu-

ring that the ESPON results are of practical use to policy makers and practitioners. Only such a dialogue will allow us to exploit, interpret and translate ESPON findings so that they can inform policy-making at any geographi-

# Follow Finland's Good Practice in Rural Development! By Lars Olof Persson Senior Research Fellow, Nordregio



n all three Nordic EU member states, major remunerations on the membership fees are paid within the Common Agricultural Policy (CAP). Denmark receives more than 200 ff per capita annually from the Agricultural Fund, Finland 150 ff and Sweden 90 ff. Most of these resources are distributed to individual farmers without any geographical priorities - within the so -called Pillar 1 schemes for market price support to crop and livestock products, and for compensatory payments to farmers. In Denmark, Pillar 1 accounts for as much as 97 percent of CAP payments. In Sweden, Pillar 2, including various measures to enable farmers to contribute to rural development, accounts for 20 percent and in Finland, as much as 40 percent of total CAP payments.

#### **CAP** and Rural Development

The principal conclusion of the ESPON project entitled, "The Territorial Impact of CAP and Rural Development Policy" is that, on aggregate, the CAP works against the ESDP objectives of balanced territorial development.

CAP does not support the objectives of economic and social cohesion. This is not surprising however, as Pillar I has never been a cohesion measure. In terms of polycentricity at the EU level, Pillar 1 of the CAP appears to favour core areas more than it assists the periphery of Europe. At a local level, CAP favours the more accessible areas. In recent years the CAP has undergone a series of reforms. Some of these have begun to ameliorate these conflicts in objectives. For example, direct income payments to farmers tend to be distributed in a manner more consistent with cohesion than market price support. Similarly, higher levels of Pillar 2 payments are associated with more peripheral regions of the EU than is the case with Pillar 1 support. The rural development Pillar 2 may in some cases be more consistent with cohesion within countries, though it runs counter to EU--wide cohesion in the way it is currently structured. The Second Pillar is however still focused mainly on agricultural producers rather than on territorial rural development.

The CAP is now increasingly encompassing agri-environment measures. These are found to better contribute to the prudent management and protection of the natural and cultural heritage by encouraging, a reduction in the use of non-organic fertilisers, the conservation of habitats, and the preservation of the cultural landscape. The provision of support for organic production is given a high priority in several countries among them Denmark - and this has the potential to contribute to balanced competitiveness through high quality food production targeted at niche markets. Agri--environment programmes can also make an important indirect contribution to economic and social cohesion through the provision of income support in marginal areas, thus contributing to the retention of the rural population on the land.

# LEADER

The ex-post evaluation of LEADER found the programme to be both efficient and effective. LEADER is a community Initiative pursued in a limited number of rural areas – currently 12 in Sweden – stressing local cooperation

and innovation. It proved to be adaptable to the different socio-economic and governance contexts and applicable to the small scale, area based activities of rural areas. It could therefore also reach lagging regions and vulnerable rural territories. LEADER activities induced and conveyed responsibility to local partnerships, linking public and private institutions as well as different interests of various local actors to a common strategy. It was found that in this way the change from a passive to a more active attitude could be achieved among many local actors.

In Sweden LEADER has recently been criticized for not leading to new employment in rural areas. This is however to misunderstand its purpose. as LEADER is not an instrument designed to change local economic structures or to revitalise the local economy in a direct way, but is rather an instrument designed to stimulate those processes in the local economy that it is hoped will lead to indirect but enduring benefits. Many core projects do preliminary work in activating rural actors, and this then provides a stimulus to further economic activities. The potential in LEA-DER lies particularly in its potential to impact on the improvement of intangible factors, in raising awareness, and in strengthening strategy and cooperation.

#### **Policy Proposals**

It is clear that a purely sectoral approach will be less successful in enhancing and stabilizing the performance of a region, whether rural or urban. Despite this, the notion that rural development goals widely overlap with agricultural policy is still characteristic of the CAP. An integrated, territorial approach, sensitive to the diversity of rural circumstances, rather than a purely sectoral approach, is thus needed to ensure regionally balanced development and territorial cohesion.

While tangible factors such as natural and human resources, investment, infrastructure and economic structure have traditionally been seen as the main determinants of differential economic performance, more recent research has highlighted the important role of 'less tangible' or 'soft' factors, including various kinds of social, cultural, institutio-

nal, environmental and local knowledge which constitute the basic capital for regional development.

In its policy proposals, the research team refers to the main conclusions of the Salzburg Conference organised by the European Commission in November 2003. There was consensus here around three broad objectives:

- I. the need for a competitive farming sector:
- 2. the need to manage the land for future generations; and
- 3. the goal of a 'living' countryside.

It is noted that the first of these objectives is inherently non-spatial, except insofar as the agri-food sector can find and add value to local and regional farm output. It should not however be expected that agriculture, even if it is diversified and innovative, will be able to continue in future to support previous levels of farm occupancy and income. In regions that lag behind despite the best efforts of policy-makers at all levels, policy attention directed towards territorial cohesion must shift even further towards alternative sources of economic activity and income. Objectives 2 and 3 are more capable of direct territorial interpretation in policy terms, but only if careful account is taken of relative territorial capacities and resources.

The Salzburg conference also concluded that rural development policy should apply in all rural areas of the enlarged EU; and that rural development policy must serve the broader needs of society in rural areas and contribute to cohesion. In other words, rural development should be more than just a sectoral approach linked to agriculture. It clearly then has an important territorial dimension.

The research team thus proposes, firstly that the Pillar 2 budget should be increased progressively. This proposal follows directly from the conclusion that Pillar 2 offers the best potential for amending agricultural and rural development policy to support territorial cohesion and other ESDP objectives. The more quickly support is transferred from Pillar 1 to Pillar 2 the more consistent the CAP will become with the wider cohesion objectives. Moreover,

the expenditure of funds under the CAP will be more defensible if they are directed towards 'public goods' such as the cultural and natural heritage, environmental benefits and sustainable rural communities.

The team also recommends that the new Rural Development Regulation 2007-2013 should contain a broader range of permitted measures, building on the lessons from LEADER and Objective 5b, by including more measures which address sustainable rural development beyond the agriculture sector and which have a territorial dimension. Encouragement should be given to innovation. More measures should be open to non-farmers. It is very likely that this recommendation will be on the agenda for discussion in the recently convened public investigation of rural development in Sweden. Directives?? are quite narrowly focused on agricultural farms and farmers as the primary actors in rural develop-

Turning to Pillar 1, it is likely that there will be further revisions of the Market Price Support arrangements as a result of the currently ongoing WTO negotiations. The more that WTO negotiations result in reductions in Pillar 1 Market Price Support, through reductions in border protection and a convergence of EU prices with world prices, the greater the resulting consistency of the CAP with cohesion objectives will become. As it is now, the Market Price Support element dominates the CAP and overwhelmingly benefits the richer, core regions at the expense of the poorer, declining and more peripheral parts of the EU.

# Learning from POMO and POMO+ in Finland

In the Final report of "CAP-ESPON" the Finnish experiences from POMO are highlighted as examples of good practice. The abbreviation 'POMO' stands for Rural Programme Based on Local Initiative. Both POMO and the current POMO+ have an integrated, multi-sectoral nature to finance a wide range of measures and activities as per the development plans of the respective Local action groups (LAGs). Most LAGs operate mainly through collective projects and indirect business development by building capacities and improving the operational environment. While there were differences in the implementation model between POMO and LEADER II, the new programmes are managed along the same lines: with the Ministry of Agriculture and Forestry as the managing authority and the Rural Departments of the Employment and Economic Development Centres as the paying authorities in relation to individual projects.

The evolution of POMO is viewed as a particular milestone within the LEA-DER mainstreaming process in Finland. The total number of LAGs in the period 2000-2006 was eventually brought up to 58, covering practically all of rural Finland. POMO has thus achieved its objectives to create or safeguard 800-850 jobs, to contribute to the creation of 200-250 micro enterprises, and moreover has proved particularly effective in terms of diversification, mainly through the encouragement of rural tourism. In addition, we can say that the established network of committed actors at all levels of rural development

work has constituted a major internal success factor in respect of mainstreaming. It was here primarily a question of communicative interaction between the administration and the civil society that was needed to carry through the bottom-up approach of the LEADER method.

Although the success recorded here is fundamentally related to context specific operationalisation, two critical areas can be highlighted in respect of the Finish case: First, the most challenging aspect of the LEADER method is that LAGs remain autonomous and empowered. Second, despite significant advances in terms of networking, a significant amount of unrealised potential in terms of the transfer of good practices and innovation in both national and trans-national contexts remains. As such, more attention should be given directly to upgrading learning processes, which should be seen as one of the key features of the LEADER method.

ESPON Project 2.1.3: "The Territorial Impact of CAP and Rural Development Policy" was coordinated by The Arkleton Institute for Rural Development Research, University of Aberdeen, with Mark Shucksmith as Project Leader. Andrew Copus, currently at Nordregio, was a member of the research team in Aberdeen, while Lars Olof Persson, also from Nordregio, was Project Special Advisor. The Final report is available for downloading from www.espon.lu





# POLYCENTRIC VISIONS ON THE URBAN LANDSCAPE



Erik Gløersen, Research Fellow, Nordregio



Carsten Schürmann, Spatial Planning and Geoinformation (RRG), Oldenburg – Germany.

The spatial organisation of our urban areas is changing: the extent of commuting areas increases, while industries, services and commercial offers spread out across the suburbs: the urban/rural dichotomy is in many cases no longer operational.

When analysing the potentials of urban areas as nodes in polycentric development, ESPON project i.i.i. has had to take into account this fact: Cities hardly exist as geographical objects. They are nonetheless relevant from a governance perspective, both as centres of political power and as territorial reference points structuring our perception of space. Cities count, but they're increasingly difficult to delimit from a social and economic point of view.

New approaches and methods are needed to assess the spatial develop-

ment potentials of cities with no clear boundaries. Their respective influence areas can expand or contract, depending on their economic performance and capacity to develop partnerships with neighbouring cities. They can be reduced to a mere satellite of an expanding neighbour, or assert their position as a strategic territorial node. ESPON I.I.I. describes the new territorial context of cities as a "geography of possibilities" – what does this imply for Nordic cities?

# The need for a polycentric vision of labour market areas

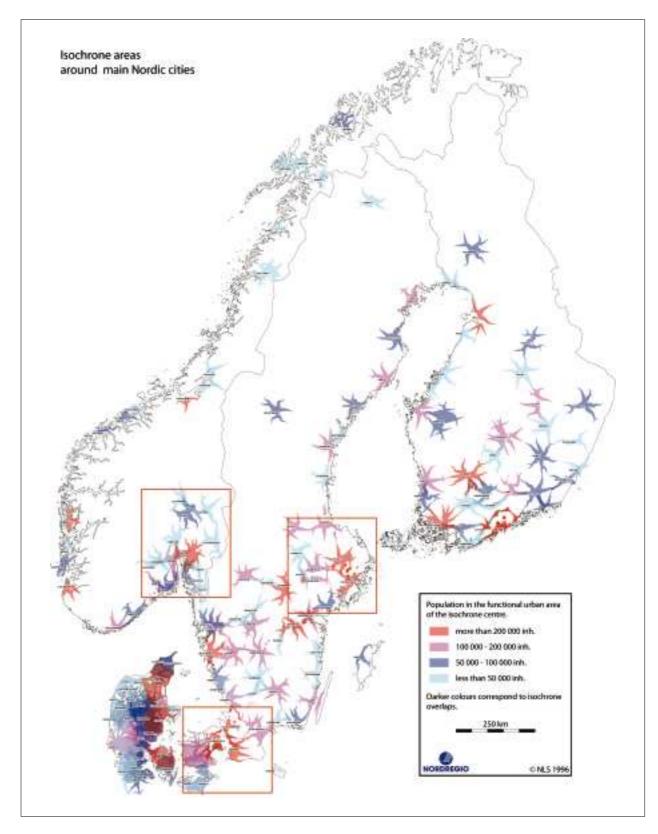
Functional urban areas are traditionally defined according to travel to work areas, each portion of the territory being assigned to a single city towards which most of the commuting takes place. As a consequence, in largely urbanised region, secondary nodes are either confined within a functional urban area with very restrictive boundaries (e.g. Moss in the Oslo region), or simply merged into the larger metropolitan functional urban area (e.g. Uppsala in the Stockholm region). Such territorial representations may be consistent with the prevailing balance of power between these cities, as well as with dominant commuting patterns. However, they're hardly in line with a polycentric urban development strategy, in which secondary nodes should be encouraged to develop their potentials as far as possible. Traditional labour market delimitations will at the contrary reinforce existing hierarchies, as statistics based on them underline the secondary role played by smaller nodes in a metropolitan area.

In a polycentric development perspective, overlaps between influence areas of neighbouring cities must be taken into account. Just as capital cities extend their influence over other nodes in their region, secondary cities can exploit the proximity of major population concentrations in their development strategies. Considering space in terms of prospective and strategy, it's furthermore preferable to look at potential commuting areas, rather than looking at actual commuting patterns. In other words, one should try to identify from where commuting trips could take place towards a given city, if its economic development were to generate a sufficient demand for labour. The objective of lower ranging cities is to identify the extent of the labour market within which it could draw the specific professional profiles and expertise needed for their development strategies.

# The isochrone approach

This was the background for the "Isochrone analysis" in ESPON 1.1.1. The isochrone is an area which can be reached within a certain time from an urban centre. When calculating this time, we've considered individual car transport only, and used a transport network comprising all trunk roads. Taking into account collective transportation, and especially regional commuter trains, is an obvious further improvement to be considered. The time threshold used, 45 minutes, is generally accepted as a length for travel to work trips above which the number of concerned commuters drops significantly. Regional variations in this respect could be taken into account, by looking at enquiries on commuting trends in the Nordic countries.

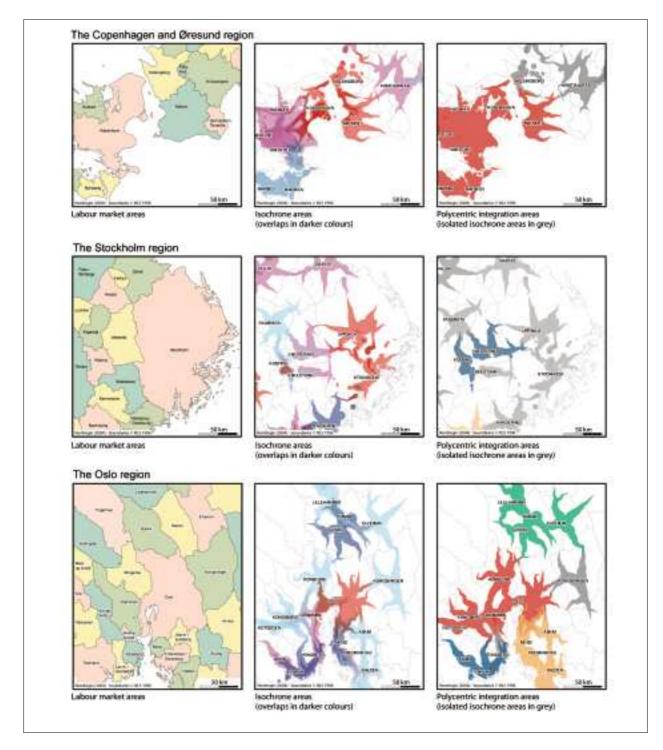
These 45-minute isochrones form what one could call a "strategic territorial horizon" for each city. The centres taken into account in the ESPON project were European relevant nodes only, with a population in the core (i.e. the continuous settlement area) of at least 15 000 and a population in the (natio-



nally defined) travel to work area of at least 50 000. At the national scale, this list of nodes is often too restrictive. Nonetheless, as illustrated below, complex patterns of overlaps appear between isochrones areas of the different nodes in the Nordic capital regions of Copenhagen, Oslo and Stockholm.. These areas of overlap are particularly interesting from a polycentric develop-

ment perspective. Smaller centres situated there can act as connecting points between the major cities; the multiple available labour markets create a wider array of choice for the local population; finally, when building strategic partnerships, local authorities in these areas can more easily play the greater nodes against each other, and make sure their local needs are taken into account.

From the point of view of the main nodes, significant overlaps between "territorial horizons" imply that there are common strategic development issues, and consequently a potential for polycentric integration. The space covered by these different territorial horizons could form the basis for a Polycentric Integration Area (PIA). We've tried to identify some of these



areas, by applying an arbitrary overlap threshold of 33%. This implies that each city which shares at least one third of its territorial horizons with a larger neighbour is merged with it. Using this method, larger entities emerge from the confusing mesh of overlapping isochrones. These Polycentric Integration Areas are not new commuting areas, but territories in which the overlap between commuting areas makes it necessary to agree on integrated planning visions. Their delimitation obviously needs to be adapted to relevant regional or municipal boundaries, if they are to form a basis for a cooperation area.

These areas are of specific interest for regional planning authorities, when decisions have to be taken on new housing areas, industrial sites or new public infrastructure facilities. If a polycentric regional development is to be achieved, basic public services and infrastructures must indeed be available within the isochrone areas of all nodes. The delimitation of Polycentric Integration Areas can furthermore help regional planning authorities identifying areas outside the PIAs. Different planning strategies may be required to compensate for their peripheral location. Identifying the peripheral areas

where integration between neighbouring cities is not an option is an important component in the design of polycentric regional development strategies. This is especially true in the Nordic countries, where the contrasts between core and periphery are strong.

#### Three Nordic capital regions

Looking at the Nordic capital regions Copenhagen-Øresund, Stockholm and Oslo, one observes three distinct patterns: In Copenhagen-Øresund, the dense urban networks allows for a wide polycentric integration area, covering

almost all of Sjælland and including the Malmö isochrone on the Swedish side. The cross-border Polycentric Integration Area results from he bridge across the Öresund; the cost of using this infrastructure has however not been taken into account.

In Stockholm, on the other hand, distances between the urban nodes are more important. The overlaps between the isochrones are consequently relatively limited, and only very few Polycentric Integration Areas appear. These are Västerås-Köping in the Mälar region and Linköping-Norrköping to the south. Taking into account regional train transport could however change this image, as Stockholm might then appear as a Polycentric Integration Area extending towards Uppsala to the north and parts of the Mälar region to the east.

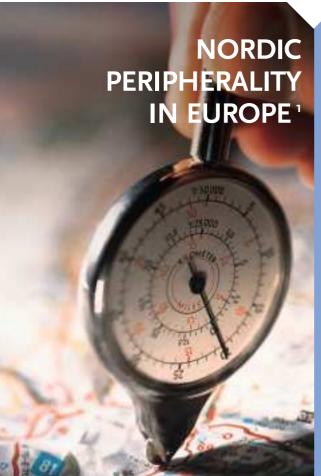
Around Oslo, finally, four different polycentric systems can be found. These include all cities in the area except two. The northern entity corresponds to Mjøsbyen, an already established cooperation area. The Oslo PIA extending to Notodden (as part of the Kongsberg isochrone) may seem less in line with currently envisaged cooperation areas, even if the high level of interaction between Kongsberg and Drammen, on the one hand, and between Drammen and Oslo, on the other, can hardly be questioned. Finally, concerning the non-integrated cities, Kongsvinger to the north east appears relatively isolated, while Tönsberg at the south-eastern end of the Oslo fjord could more easily join the Larvik-Skien polycentric integration area.

#### Conclusion

The spatial potential for polycentric integration varies considerably from region to region, from a unique major entity such as around Copenhagen and Malmö in the Øresund region, to multiple neighbouring entities as seen around Oslo, to fewer and more local

opportunities in the Stockholm and Mälar regions, if only individual car transport is to be taken into account.

This should however not be taken as a deterministic constraint on the possibility to develop regional polycentric initiatives: Not only can infrastructure projects change the picture significantly, but polycentricity can also be built on other types of interaction and networks. The isochrone approach is useful to guide the initiatives, identifying opportunities and challenges. It should also be used to challenge self-reinforcing images of the balance of powers between cities at different levels of the urban hierarchy, contributing to reveal opportunities for secondary nodes to develop autonomous development strategies.



# Recognition of sparsely populated areas

Territorial cohesion is, together with economic and social cohesion, one of the main aims of the EU - as stated in the draft Constitution (Article 3) and in the 3rd Cohesion Report unveiled by the EU Commission in February 2004. According to this report, the objective of territorial cohesion is,

"to help achieve a more balanced development by reducing existing disparities, preventing territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent. The concern is also to improve territorial integration and encourage cooperation between regions" (European Commission, 2004, 27).

Among the aspects of territorial imbalances relating to peripherality mentioned in the 3rd Cohesion Report are areas constrained by their geographical

features such as islands, sparsely populated areas in the far north, and certain mountain areas, where accessibility is listed as one of the issues (together with population ageing and decline):

"All of these regions, in whichever part of the EU they are located, have common problems of accessibility and of remoteness from major markets which tends to add to both travel and transportation costs and constrains their economic development" (European Commission, 2004, 33).

# Competition rules and regional policies

This recognition is important for two reasons, both of which concern the ongoing discussions of new regulatory regimes for the post-2007 period, when the current programming period for the EU Structural Funds, as well as the present State Aid Rules, expire. All Nordic countries are members of the

<sup>1</sup>This article is based on Nordregio WP 2004:2 Nordic Peripherality in Europe, by Klaus Spiekermann and Hallgeir Aalbu.

European Union and/or the European Economic Area, and are therefore subject to the common State Aid rules. For the EU Member States, the future of the Structural Funds is also on the agenda.

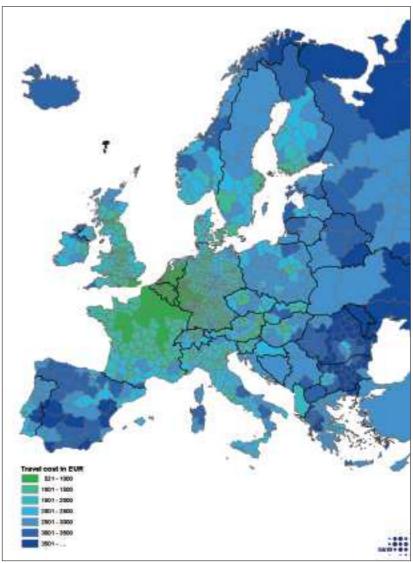
The consultation and negotiation process has already begun, with the question for all Nordic countries being whether they will in future gain pan-European support for special policy measures for the northern periphery of Europe: will it still be possible to maintain Objective 1 and Objective 2 programmes in Denmark, Finland and Sweden - and if yes, what will the financial envelope be? And: will it be possible to have a more flexible state aid regime for peripheral regions that gives the three Nordic Member States, as well as the EEA countries of Iceland and Norway the necessary flexibility for public intervention when specific challenges occur in these regions?

# Are Nordic regions disadvantaged?

One of the premier challenges facing the Nordic countries is their relatively remote location within Europe. This is usually described by use of the term 'peripherality'. From a conceptual point of view, peripherality can be seen as being synonymous with a relative lack of accessibility to economic activity, whereas accessibility is considered as the main 'product' of a transport system. In this way, accessibility determines the locational advantage or disadvantage of an area relative to all other areas considered.

Accessibility indicators measure the benefits that accrue to households and firms in a given area in respect of the existence and use of the transport infrastructure and the available transport services relevant to that area. A lack of accessibility, on the other hand, often coincides with problems relating to economic performance and with problems of population loss through out-migration.

Previous accessibility studies have been mostly concerned with measuring the accessibility levels of the large European centres as well as with differentiating between the European core and remote regions. There remain however few examples in which the



Map 1. Travel costs of a business trip to Brussels

European periphery has been differentiated internally with respect to accessibility or indeed with respect to the wider European context. This lack of knowledge pertains to all peripheral areas in Europe including the Nordic countries, and makes it difficult to see whether the Nordic area is different enough from other parts of Europe to be the subject of special attention.

#### Travel costs

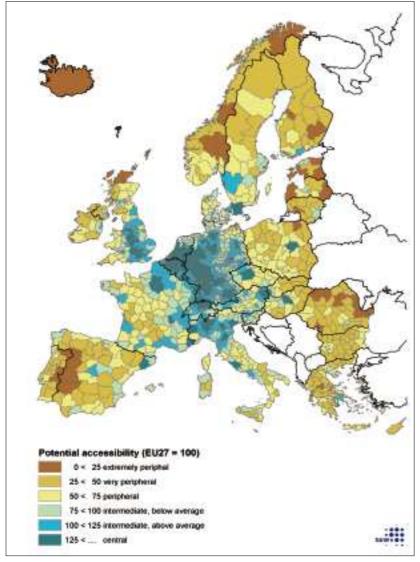
Two interrelated though different approaches can be used to assess the degree of peripherality of Nordic regions within the Nordic countries, and within Europe. A travel cost survey (map I) illustrates the peripheral drawback in rather precise, monetary units, and illustrates that the Nordic countries face a double disadvantage. On the one hand, business travel to central European locations is much more costly than the European average, while on the other hand, business travel costs to Nordic destinations are much higher

than to central locations. Seen strictly from a cost point of view, and neglecting other attraction factors, both cost structures illustrate that Nordic locations shoulder a competitive disadvantage as compared to others.

There is a clear disadvantage to Nordic regions due to their peripheral location if the factor to be minimised in travel behaviour decisions is travel time. This is true for most businesses today. However, if the factor to be minimised is travel cost as is the case for conference trips or for city tourism etc., such a clear Nordic disadvantage does not exist, as long as the destination is one of the capital regions.

# Potential accessibility at the regional

Accessibility modelling can uncover more detailed evidence as regards the degree of peripherality of Nordic locations. We have done this at two levels, with the first being at the NUTS 3 level



Map 2. Potential accessibility of Europeans regions

(regions) for the whole of Europe, and the second at the NUTS 5 level (municipalities), where we have data for four of the Nordic countries.

Map 2 presents the spatial distribution of central and peripheral NUTS-3 regions in Europe. The accessibility indicator is standardised to the average of the enlarged European Union (EU25+2). Regions with indices of more than 125 are classified as being central; regions with indicator values between 75 and 125 are on or about the European average and classified as being intermediate. Regions with values below 75 are considered peripheral to different degrees.

Regions with above average accessibility are primarily located in an arc stretching from Liverpool to Northern Italy. Here, the major agglomerations are central, while the remaining parts are intermediate (above average). In the Nordic countries, Copenhagen and Malmö belong to the group of central

regions in Europe. Gothenburg and Helsinki are slightly above average, the latter mainly because of its links to St. Petersburg.

Intermediate regions (below average) are located around the central regions in the European core. Those regions usually have relatively good road and rail accessibility, but lack access to flight services. In the Nordic countries, most regions of Denmark, and the agglomerations of Oslo, Stockholm and Uppsala are slightly below average.

The European periphery then actually begins in regions that are usually considered to be central. Some regions in Germany, Austria and France should thus be considered peripheral, while some may even be viewed as very peripheral, i.e. having an accessibility index of less than 50 percent of the EU27 average. Many regions in Spain, Portugal, southern Italy, Greece, Ireland and the UK are peripheral. Most parts of the Nordic countries belong to this group.

Moreover, Iceland and the northern regions of Norway, Sweden and Finland are seen in this context as very or even extremely peripheral.

# Potential accessibility at the municipal level

To get a more detailed picture, and one that also differentiates between the main regional cities on the one hand and their surrounding municipalities on the other, the transport model has been refined to analyse the NUTS 5 level in four of the Nordic countries. Map 3 displays the results when the potential accessibility of Nordic municipalities is compared with the EU27 average at the NUTS 3 level.

The most important difference between NUTS-3 based and NUTS-5 based analyses is that the increase in spatial detail leads to higher percentages of population in very peripheral and extremely peripheral areas. Whereas the NUTS-3 model allocates 23 percent of the Nordic population to very peripheral areas and about 4 percent to extremely peripheral areas, the NUTS-5 model has 35 percent in very peripheral municipalities and 11 percent in extremely peripheral municipalities.

There is also a considerable difference to be found between the Nordic countries. Denmark has only I percent of its population in very peripheral areas, while Sweden has 28 percent, Norway 51 percent and Finland 59 percent. Denmark does not have any extremely peripheral municipalities in an EU27 context, while 4 percent of the Swedish population lives in such municipalities, 16 percent of the Norwegian population and 20 percent of the Finnish population. Finland and Norway have as much as 5 percent of their populations living in municipalities with less than 15 percent of the average accessibility of the EU27.

# Many Nordic regions are extremely peripheral

The Nordic countries have accessibility values that are clearly below European averages, however they are defined. Moreover, Norway and Finland have an extraordinarily high share of their populations living in very periphe-

ral and extremely peripheral locations. However, the accession countries have an even lower average than the Nordic countries, though they have less population shares in the extreme categories of peripherality.

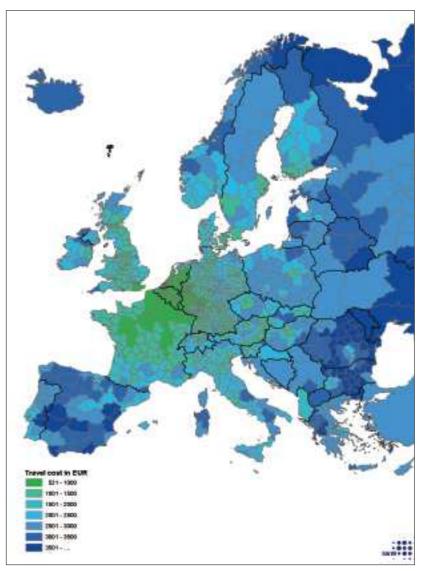
The spatial resolution of such indicators has an impact, not on the overall spatial distribution, but on the results in detail. In particular in countries that have such large NUTS-3 areas as the Nordic countries, spatial detail is an absolute necessity if we are to get the picture right. Gothenburg and Helsinki are good examples of areas representing a large NUTS-3 area of good accessibility, an area that clearly diminishes however if the analysis is done at NUTS-5 level.

This study clearly illustrates the points made: the northernmost part of the EU and EEA is extremely peripheral in a national, Nordic, and in a pan-European context. The lack of accessibility is also most prevalent in the business sector, which is the most important sector for economic growth. Unlike the situation pertaining in some areas of the New Member states, this handicap cannot be radically alleviated by future investments in infrastructure. Policy discussion centring on motorway density, as for example in the Third Cohesion Report, will not substantially improve the situation in Nordic peripheral areas.

# Implications for policy development

What then can be done to alleviate this handicap? One important aspect here is of course the fact that everyone must simply 'get by' within the context of prevailing circumstances. In a regional policy context, this means that extremely peripheral regions will have to focus primarily on aspects where they are competitive, notwithstanding this handicap, and can thus maintain long-term sustainable production. However, supporting policy measures are necessary, both on the national and the European levels.

Regional policies have traditionally concentrated most of their activities on these extreme peripheries. This situation is however gradually changing, as regional policy in the Nordic countries is becoming ever more focused on eco-



Map 3. European potential accessibility for Nordic municipalities standardised to the EU27

nomic growth in all regions rather than on territorial balance within the country. A clear compensatory pattern in governmental spending on regional policy however still remains, with more instruments and generous aid levels in peripheral communities. This study has confirmed the significant differences in the preconditions for economic competitiveness in the Nordic region, and the need for policy measures with a focus on the peripheries.

At the European level, the northernmost parts of Finland and Sweden are, until the end of 2006, eligible for structural support under Objective I. Moreover, the poor accessibility of these regions should, together with their extremely low population densities, provide good arguments for their continued special treatment within EU regional policy.

The European and national levels are brought together under the common

EU/EEA competition rules, which both limit the use of state aid to businesses and the size of the population living in areas where state aid is legal. These competition rules define the limits under which national regional policies operate. After enlargement, we can expect significant pressure towards further limitation of the areas where member states can implement regional policies. This study has illustrated that the peripheries of Finland, Iceland, Norway and Sweden remain in an extremely disadvantageous position, even in an enlarged EU/EEA of 27/30 countries. As such, the fundamental point should be continually underlined, that these regions do have permanent geographical handicaps that can never be fully and adequately addressed or compensated.

JOURNAL OF NORDREGIO BOOKS 23



Arvidsson, Håkan & Persson, Hans-Åke (red) (2003)

Reviewed by Pontus Tallberg Analyst, Region Skåne

ow should Europe be formed in the future? What part can regions play? Could there be a European regional policy in the future? These questions are to the fore in a new anthology, itself based on a seminar held in the autumn of 2002. This anthology consists of a collection of papers on issues such as "individual, nation and federation", "European perspectives", "European crossroads" and "the regions of Europe".

The integration of Europe is in many ways a challenge for the states of Europe. One reason why this is so relates to the creation of the internal market, which has spurred a more mobile market and more mobile citizens. The mobility created by this free market is probably the main reason for the success of integration though it also has the potential power to create other less welcome political realities, or to put it in the words of Anders Ehnmark, "the citizen is on the run". As a result of this we can see that the power of the state can potentially be eroded. It is necessary to maintain a constant constitutional vigilance, if not the state may become, by stealth, increasingly powerless. Other challenges in this respect include the question of how Europe is going to face up to the issue of immigration, and how immigration will play a part in the new Europe. Here we can see, depending on the outcome of such a debate, a significant threat to traditional internationalist views, such an issue - if badly handled politically - could act as a recruiting sergeant for those who wish for a return of nationalism in Europe.

To this picture we should also add the return of Eastern and Central Europe to the wider European fold. This inevitably provides a new dimension to the integration of Europe and is undoubtedly an important crossroad in the development of a future Europe. Barbara Törnqvist-Plewa has in her

discussion of the different history of this part of Europe a number of interesting things to say on these matters. Primarily, this separate historical experience has created a different mentality in this part of Europe, which is on occasion manifested in an apparent distrust of Western Europe. It is not difficult to assert that the development of this part of Europe, and in particular how they perceive the integration process in Europe is often rather different from those views pertaining in much of the Western half of the continent. This in itself is an important area of contention. As such, one question emerging from this is whether these new EU members will seek to actively defend their new independence, and thus attempt to slow or indeed halt further integration? The tax policies of some of the new member states have irritated both Germany and Sweden. Indeed it is now a pervasive view in some quarters that the main reasons for joining the Union now relate predominantly to security policy rather than economic or indeed political integration.

In addition, there is undoubtedly a lack of discussion over how the economic effects of free movement influences European integration. Moreover, there is currently intense discussion over the question of whether there should be an attempt to move towards a higher degree of harmonisation regarding taxes across Europe. If this move continues it will entail a profound influence on tax income of the current Member States, presenting Europe with an even bigger crossroad in terms of future cooperation and development in Europe, perhaps more difficult to negotiate than what may emerge within the context of many of the factors that the anthology itself discusses. This tendency for negative spill over or for the unintended causes of various policies to develop into significant integration breakers can already be seen, and we will undoubtedly see more of this in the future.

Further cooperation in Europe should not be taken for granted, the main questions relating to what forms future European integration will take when it comes to institutions, politics and economics. In the anthology three future scenarios are postulated. First, the increasing strains on the European Union - among them the pressure on taxes - engender a renaissance at the national state level, which is increasingly seen as the best guarantor of security and stability. A second scenario sees the Union beginning to construct some kind of federation in which the regions are the most

important building blocks. The third and the final scenario raises the prospect of the emergence of some kind of fragmented regionalism developing across the national states, which provides an obstacle to the development of regions.

A fourth scenario is however plausible, where regionalisation occurs but where the cities are the lead actors, potentially leading to the emergence of new city regions. In Christer Persson's contribution he discusses the Oresund region as an example of the building of a European region. Even, he claims, if the Oresund region to begin with exists only as a social construction, several mechanisms exist that can lead to the emergence of a transitional region. This development is in line with other tendencies relating to large cities and is supported by the continuing process of inmigration to these cities.

This anthology skilfully presents a number of these important issues, even if the problems are well known there is always need to discuss them. The internal market and its huge significance for the development of the integration project should be seen in this context. The pressures posed by the internal market are thus going to have a decisive influence on the future of the integration project, while the process of harmonisation will be crucial for the process of integration. We can already see that, in the Nordic countries at least, this pressure is probably one of the reasons for the emergence of a number of commissions tasked with reviewing the local authority structure and the division of responsibilities between the central state and local or regional authorities. Denmark is perhaps ahead of the game here, and with the White Paper on the new geographical structure of the public sector (Strukturkommissionen) (reported in 2004) and the commission on welfare we can see the ongoing transformation of the Danish state. One particularly interesting question that emerges from this is then why this process is taking place in the Nordic countries and not in the other countries of the EU?

Europeiska brytpunkter is a good introduction to the important questions surrounding the issue of the future of European integration. It can thus be highly recommended to everyone that is interested in following this discussion in the years to come.

# **NORDREGIO**

produces Books, Reports and Working Papers.
The Library also distributes publications from former
Nordplan, Nordic School of Planning, and NordREFO.

Prices are exclusive VAT 6% and postage. Payment against invoice. Orders to library@nordregio.se

www.nordregio.se

# 2004

CROSS-BORDER COOPERATION IN THE BALTIC COUNTRIES AND NORTH-WEST RUSSIA. Nordic Council of Ministers Information Office in Lithuania, 2004. 28 pp. English version or Russian version

STADSPOLITISKA UTBLICKAR I EUROPA. Karin Bradley, John Jørgensen & Erik Gløersen, Boverket, rapport juni 2004. 150 s.

NORDREGIO ANNUAL REPORT 2003. 24 pp. Free of charge

LABOUR MARKET INTEGRATION IN THE BALTIC SEA REGION: BEFORE AND AFTER EU ENLARGEMENT.

Turku 2004. 35 pp. (Institute of Migration, Web Reports No. 3)

#### **REPORTS:**

SPATIAL DEVELOPMENT TRENDS: NORDIC COUNTRIES IN A EUROPEAN CONTEXT. Editors Susan Brockett and Margaretha Dahlström. (Nordregio Report 2004:6) 217 pp. SEK 275 ISBN 91-89332-44-8

FUTURE CHALLENGES TO SMALL MUNICIPALITIES: THE CASES OF ICELAND, FAROE ISLANDS AND ÅLAND ISLANDS. Hovgaard, Gestur, Eythorsson, Gretar Thor and Fellman, Katarina. (Nordregio Report 2004:5) 78 pp. SEK 100 ISBN 91-89332-44-X

#### INNOVATIONS IN THE NORDIC PERIPHERY.

Edited by Nils Aarsæther. (Nordregio Report 2004:3) 264 pp. SEK 350. ISBN 91-89332-42-3

TOOLS FOR SUSTAINABLE REGIONAL DEVELOPMENT: EXPERIENCES AND PROSPECTS. Tuija Hilding-Rydevik et al. (Nordregio Report 2004:4) 203 pp. SEK 200. ISBN 91-89332-43-1

PLANNING FOR SUSTAINABLE DEVELOPMENT - THE PRACTICE AND POTENTIAL OF ENVIRONMENTAL ASSESSMENT. PROCEEDINGS FROM THE 5TH NORDIC ENVIRONMENTAL ASSESSMENT CONFERENCE...2003. Edited by Tuija Hilding- Rydevik and Asdis Hlökk Theodorsdottir (Nordregio Report 2004:2) 324 pp. SEK 325. ISBN 91-89332-36-9

MOUNTAIN AREAS IN EUROPE: ANALYSIS OF MOUNTAIN AREAS IN EU MEMBER STATES, ACCEDING AND OTHER EUROPEAN COUNTRIES.

(Nordregio Report 2004:1) 271 pp. Not for sale. ISBN 91-89332-35-0 Electronicly available at Inforegio

# **WORKING PAPERS:**

NORDIC ICT SPACES: A POLICY-ORIENTED OVERVIEW OF REGIONAL ICT.

Mariussen, Åge, (Nordregio WP 2004:3) 50 s. SEK 50

#### NORDIC PERIPHERALITY IN EUROPE.

Spiekermann, Klaus and Aalbu, Hallgeir, (Nordregio WP 2004:2) 30 pp. SEK 50.

STADSPOLITIK I NORDEN - FALLSTUDIER KRING HÅLLBAR STADSOM-VANDLING: - FÖRTÄTNING MED KVALITET.

Malin Hansen et al. (Nordregio WP 2004:1) 72 s. SEK 80. (2,6Mb)

# **ELECTRONIC PAPERS:**

REGIONALPOLITIKKEN OG EØS-AVTALEN .- MULIGHETER OCH BEGRENSNINGER.

Aalbu, Hallgeir og Yuill, Douglas, (Nordregio EP 2004:1) 23 s.

# 2003

LOCAL RESPONSES TO GLOBAL CHANGES: ECONOMIC AND SOCIAL DEVELOPMENT IN NORTHERN EUROPE'S COUNTRYSIDE.

Lars Olof Persson, Ann-Mari Sätre Ålander and Hans Westlund (eds). National Institute for Working Life, 2003. 292 pp. Purchase or download from Arbetslivsinstitutet

VÄGAR TILL HÅLLBAR REGIONAL UTVECKLING: PROCESSER FÖR HÅLL-BARHET I TRE LÄN.

Naturvårdsverket, 2003. 103 s. Contents Köp eller ladda ner från Naturvårdsverket

THE NEBI YEARBOOK 2003. NORTH EUROPEAN AND BALTIC SEA INTEGRATION.

Editors Lars Hedegaard and Bjarne Lindström. Berlin: Springer-Verlag, 2003. 498 pp.

NORDREGIO ANNUAL REPORT 2002.

24 pp. Free of charge

# **REPORTS:**

ENVIRONMENTAL ASSESSMENT OF PLANS AND PROGRAMS: NORDIC EXPERIENCES IN RELATION TO THE IMPLEMENTATION OF THE EU DIRECTIVE 2001/42/EC.

Edited by Tuija Hilding-Rydevik. (Nordregio Report 2003:4) 200 pp. SEK 200 ISBN 91-89332-34-2

INNOVATIONS, REGIONS AND PROJECTS: STUDIES IN NEW FORMS OF KNOWLEDGE GOVERNANCE.

Edited by Bjørn Terje Asheim and Åge Mariussen. (Nordregio Report 2003:3) 348 pp. SEK 350

NY KURS FÖR NORDEN – PLANERING OCH HÅLLBAR UTVECKLING. Bjarnadóttir, Hólmfrídur och Bradley, Karin (Nordregio Report 2003:2) 145 s. SEK 150 ISBN 91-89332-32-6

SUSTAINABLE REGIONAL DEVELOPMENT: LEARNING FROM NORDIC EXPERIENCE. Clement, Keith, Hansen, Malin and Bradley, Karin (Nordregio Report 2003:1) 121 pp. SEK 150 ISBN 91-89332-31-8

# **WORKING PAPERS:**

TRANS-NATIONAL NORDIC-SCOTTISH CO-OPERATION: LESSONS FOR POLICY AND PRACTICE.

Kai Böhme et al. (Nordregio WP 2003:3) 88 pages. SEK 100.

ARBEIDSPROGRAM 2004-2006.

(Nordregio WP 2003:2) 26 pages. No charge.

Knudsen, Jon P.: FUTURE CHALLENGES AND INSTITUTIONAL PRECONDITIONS FOR REGIONAL DEVELOPMENT POLICY - SUMMARY FROM THE FIRST PHASE OF A NORDIC RESEARCH PROGRAMME.

(Nordregio WP 2003:1) 28 pp. SEK 50

# **ELECTRONIC PAPERS:**

ETAMPERE: BUILDING AN ELECTRONIC PATHWAY TO THE FUTURE? EVALUATION OF ETAMPERE. Lähteenmäki-Smith, Kaisa and Jon Moxnes Steineke (Nordregio EP 2003:4) 64 pp. (1,29Mb)