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AND NATIONAL SPATIAL
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2018

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EDITORIAL: EU COHESION POLICY AND DOMESTIC TERRITORIAL GOVERNANCE. WHAT CHANCES FOR CROSS-FERTILIZATION?

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Abstract. Territorial governance is an extremely heterogeneous activity. Each European country is characterised by a complex system of legal acts, tools, discourses and practices that had consolidated through time, as a consequence of peculiar path-dependent processes. At the same time, since more than 30 years the European Union is developing territorially relevant actions and interventions, ultimately aiming at achieving the economic, social and territorial cohesion of the continent. The mutual relations entangling domestic and supranational territorial governance remain unclear: on the one hand, the European Union is required to produce a framework for delivering its policies that is flexible enough to accommodate domestic differences; on the other hand, domestic territorial governance and spatial planning systems should adapt in order to allow room for cross-fertilization with supranational interventions. This contribution builds on the evidence collected by the research project ESPON COMPASS to frame and explore this issue. In doing so, it serves as an introduction for this special issue that, in the following contributions, presents a number of concrete examples of interaction between EU spatial policies and domestic territorial governance and spatial planning.

Keywords: EU cohesion policy, territorial governance, spatial planning, cross-fertilization, ESPON.

Introduction

Since the industrial revolution, raising urbanisation rates, increases in personal wealth and car ownership, higher expectations regarding housing quality and the movement of population away from agriculture towards the industrial and services sectors have increased development pressures dramatically. The impact of these phenomena have been such that legislation has been introduced in each European country to empower public authorities to monitor and control territorial development and prepare plans, identifying what types of development will be permitted and where they would be most appropriate. This happened at different times in different countries from the late nineteenth century onwards, depending on political attitudes to the acceptability of such powers, which may be regarded as infringing individual rights to exploit private property, and diverse perceptions of the value of planning in different contexts. Also the European Union

(EU) has had an implicit territorial agenda since its inception. Since the late 1980s, the increasing need to consider the spatial impacts of sectorial spending programmes fostered the development of a heterogeneous set of spatial planning concepts, tools and processes at the continental scale. A EU territorial governance framework progressively consolidated, attracting the attention of academics and practitioners. Why the EU had necessity to intervene in spatial planning issues and how, the lack of formal competences notwithstanding, this is currently possible and even welcome by European countries are indeed not idle questions. Processes and practices promoted at the EU level have triggered a complex mix of intended and unintended effects in national territorial governance and spatial planning systems. This led, among others, to a progressive mutual learning among domestic spatial planning traditions and to a renewal of practices and institutions in most countries. However, domestic territorial governance and EU policies often proceed on parallel tracks, limiting synergy and cross-fertilization.

Focusing on unfolding and fleshing out the above elements, this contribution serves as introduction to the present special issue, that explores the actual chances for cross-fertilization between domestic territorial governance and EU policies on the basis of a number of case studies. It does so building on the evidence gathered by the ESPON COMPASS project and, in particular, on a detailed study of the interaction between EU cohesion policy and national territorial governance and spatial planning on the ground. The paper is structured in five sections. After this brief introduction, it discusses the complex landscape for territorial governance and spatial planning in Europe, on the basis of over thirty years of comparative research on the matter. It then gives account of the evolution and consolidation of a EU territorial governance framework, as a direct emanation of the economic, social and territorial cohesion objectives. Section four focuses on the interaction between domestic and supranational territorial governance, and on the processes of Europeanization that triggers as a consequence. Finally, section five guides the reader through the contributions that compose this special issue, in an overall reflection on the actual chances for cross-fertilization between the EU and the member states in the field of territorial governance.

Territorial governance and spatial planning in the European countries

Territorial governance and spatial planning activities occur within frameworks of legally established objectives, tools, and procedures which, in modern states, are usually derived from fundamental constitutional rights (Janin Rivolin 2012). So, territorial governance and spatial planning 'systems' (Healey & Williams 1993; Newman & Thornley 1996; CEC 1997; Larsson 2006; Janin Rivolin 2008, 2012; Nadin & Stead 2008; Stead & Cotella 2011a, 2011b) allow and rule, in various ways in all countries and regions of the world, the multiple and complex processes of vertical (between policy levels) and horizontal (between policy sectors and between public and private subjects) interactions that address the spatial organization of social life. They are dynamic objects, subject to continuous change as a consequence of a range of drivers to which Europe's domestic contexts are variously responding. These drivers include globalization, sustainable development, economic reforms and demographic change, all of which are helping to shape national (and sub-national) systems. Moreover, new needs of spatial reorganization driven by the reshaping of institutional frameworks, such as those occurring through European integration as well as the worldwide re-scaling process of relationships between territory, public authority and individual rights, are additional triggers

of change almost everywhere (Swyngedouw 2000; Sassen 2006; ESPON 2007). In this light, we can agree overall with Healey and Williams when they argue that the heterogeneity that characterises the European continent on the matter is the result of a range of related issues such as “the specific histories and geographies of particular places, and the way these interlock with national [and international] institutional structures, cultures and economic opportunities” (1993: 716).

The great diversity to be found within a wide number of systems in constant change has been increasingly recognised as a potential source of innovation and learning, as it is reflected by the vast academic literature that, since the end of the 1980s, had attempted to analyse and compare them (Nadin & Stead 2008). Whereas most studies limited themselves to compare a small number of countries, a number of them attempted larger scale comparisons (Table 1). These activities started by focussing on the exploration of the differences in legal and administrative families (Davies et al. 1989; Healey & Williams 1993; Newman & Thornley 1996; Balchin et al. 1999), in so doing providing insights into broad similarities and differences in planning between countries, at the same time not being able to fully reflect the variety that characterizes territorial governance and spatial planning in different places and times. This limitation was partially overcome by the “EU Compendium of Spatial Planning Systems and Policies” (CEC 1997), the first comparative spatial planning study to be commissioned by a supranational policy institution. The document also starts its comparison from legal and administrative elements but also addresses six other relevant variables: (i) the scope of the system in terms of policy topics covered; (ii) the extent of national and regional planning; (iii) the locus of power and competences between central and local government; (iv) the relative roles of public and private sectors; (v) the maturity of the system or how well it is established in government and public life and (vi) the apparent distance between expressed goals for spatial development and outcomes. Building on these variables, it explains the variation of systems by developing four ‘ideal types’ of spatial planning traditions – namely ‘regional economic’, ‘comprehensive integrated’, ‘land use management’, and ‘urbanism’ (CEC 1997: 36-37).

Table 1. Main comparative studies on spatial planning systems in Europe

| | | | | | |
|---|---|--|--------------------|--|----------------------------------|
| Davies et al. (1989) | – | Common law England | – | Napoleonic codes DK, DE, FR, NL | – |
| Newman & Thornley (1996) | Nordic DK, FI, SE | British IE, UK | Germanic AT, DE | Napoleonic BE, FR, IT, LU, NL, PT, ES | – |
| CEC (1997) | Comprehensive integrated AT, DK, FI, DE, NL, SE | Land use regulation IE, UK (+ BE) | – | Regional economic FR, PT (+ DE) | Urbanism GR, IT, ES (+PT) |
| ESPO Project 2.3.2 Farinós Dasi (2007) | Comprehensive integrated AT, DK, FI, NL, SE, DE (+ BE, FR, IE LU, UK) BG, EE, HU, LV, LT PL, RO, SL, SV | Land use regulation BE, IE, LU, UK (+ PT, ES) CY, CZ, MT | – | Regional economic FR, DE, PT (+ IE, SE, UK) HU, LV, LT, SK | Urbanism GR, IT, ES CY, MT |

Source: adapted from Nadin & Stead (2008: 38).

Through time, a number of comparative studies built on the methodological foundations laid by this Compendium (e.g. Böhme 2002; Othengrafen 2010). The most extensive of them, the ESPON Project 2.3.2 on the “Governance of Territorial and Urban Policies” (ESPON 2007), uses the Compendium’s four ideal types to compare as many as 29 countries’ territorial governance and spatial planning systems, and to explore how they changed over time. The project uses variables on administration type, distribution of competences, decentralisation and devolution, inter-municipal cooperation, all cross-tabulated with other variables including the constitutional structure and central-local relationships to provide a complex classification of formal territorial governance arrangements.

Despite the heterogeneity of the results, the Compendium and the subsequent studies have helped in both the understanding of variation in approaches to territorial governance and planning and in developing the methodology for comparison. These methodological advances have been the core business of the working group on comparative spatial planning research instituted by the Akademie für Raumforschung und Landesplanung (the German Academy for Spatial Research and Planning). The results of its activities are collected in a special issue of “Planning Practice & Research” (Nadin 2012), and provide extensive commentary on comparative planning methodology, including the recommendation to considering planning as an ‘institutional technology’ (Janin Rivolin 2012: 69-73). More in detail, the ‘institutional technology’ approach considers territorial governance and spatial planning systems as continuously shaped by social conventions, particularly concerning rights over land. It aims at overcoming any separation between the formal institutions of the system (i.e. rules and laws) and ‘planning cultures’, i.e. the concrete practices and mechanisms which determine ways of planning, and provides a unified analytical framework for the comparison of territorial governance and spatial planning, as well as to explain how they are influenced by EU policies (Cotella & Janin Rivolin 2011, 2015).

This approach sets the ground for the ESPON COMPASS research (ESPON & TU Delft 2018). Representing the first comprehensive comparative analysis of territorial governance and spatial planning in Europe since the publication of the Compendium, the project recognizes the value of updating knowledge of territorial governance and spatial planning systems because of the potential synergy with EU sectorial policies in a place-based approach (Barca 2009). Overall, the project compares territorial governance and spatial planning in 32 European countries (the 28 EU member states plus 4 ESPON partner countries), and differs from previous studies in that the accent is on identifying trends in reforms from 2000 to 2016. It seeks to give reasons for these changes with particular reference to EU directives and policies, and to identify good practices for the cross-fertilisation of spatial development policies with EU cohesion policy, this being the very focus of this special issue.

The evidence collected through the project shows how territorial governance and spatial planning in Europe has grown more and more fragmented, making it hard to individuate typologies or clusters of countries as it has been done by previous studies. Whereas all European countries control the right to develop or change the use of land using a hierarchy of instruments involving multiple levels of government, their detailed arrangements are however exceedingly varied. The general understanding of planning is as a process of steering development or the use of space, and managing competing interests over land so as to balance development with the protection of land in the public interest. At the same time, sustainable development, environmental protection, citizen engagement, infrastructure and economic growth as well as promoting EU territorial cohesion are commonly mentioned objectives. Moreover, the project shows how, since 2000, there have been considerable shifts in the allocation of competences among levels of government (Fig. 1). The most common trend is decentralisation from national to sub-national and local levels, but a small number of countries are increasing powers at the national level. There is also much reporting of a rescaling of planning competences in ‘functional planning regions’ to address

the reality of environmental, commuting, economic and other flows across borders. When it comes to the heterogeneity spatial planning instruments, the project has identified as many as 251 types, active at various territorial levels and often serving multiple functions. Whilst the strategic function tends to dominate at the national level and the regulative at the local level, this should not be taken for granted. Although planning is often criticised for its rigid regulatory approaches, visioning and strategy-making activities are increasing.

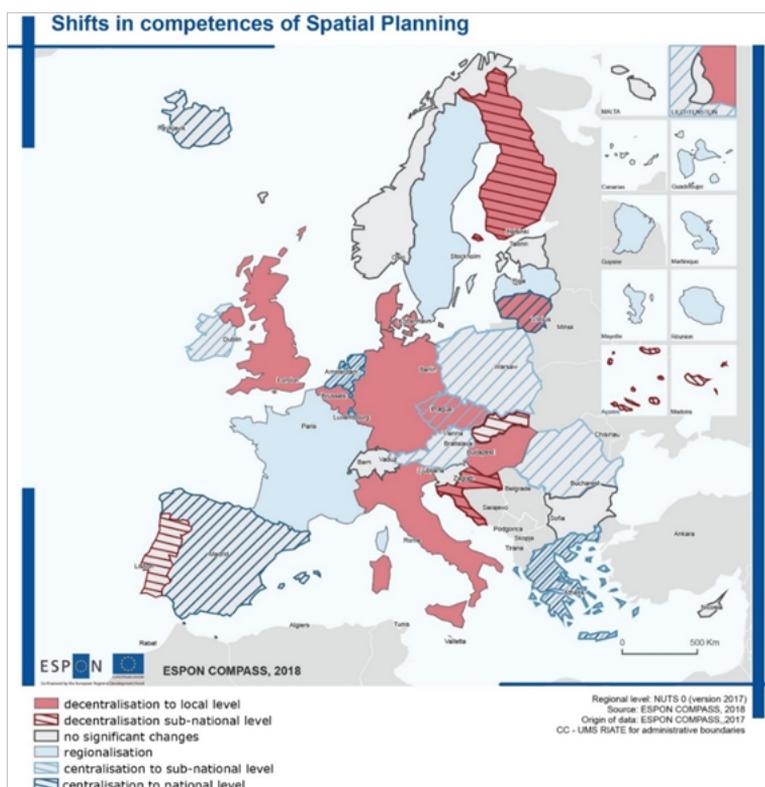


Figure 1. Shifts in territorial governance and spatial planning competences in the period 2000-2016
Source: ESPON & TU Delft (2018: 19).

The overall picture is of territorial governance and spatial planning activities evolving to address weaknesses and to better address contemporary issues. There is little evidence of 'deregulation' in the formal structure of planning systems, but rather multiple innovations in the form of governance structures, instruments and procedures. Whereas, in general terms, the various spatial planning instruments continue to have a more or less direct influence on guiding and controlling spatial development, there exists however countries which have experienced difficulties since the 2008 financial crisis, and where the influence of planning has declined. Finally, most countries reported a growing relevance of the EU territorial governance framework. However, as it will be further presented in the following paragraphs, a lack of integration of the EU policies within domestic territorial governance is still lamented.

The European Union's quest for social, economic and territorial cohesion

The progressive consolidation of EU territorial governance is not a direct outcome of the EU political will, rather the result of a number of more or less coherent responses to the development challenges that progressively interested Europe since the second half of the twentieth century (Adams et al. 2011). Whereas the EU has had a spatial agenda since its inception, its claims on territorial development matters were not satisfied until the second half of the 1980s (Williams 1996; Faludi 2001), when the progression of the European Economic Integration led to the development of some institutional preconditions to allow the EU to limit the unbalancing trends that could have resulted from it. As a consequence, despite the reluctance of some member states, the economic and social cohesion objective was introduced in the Single European Act in 1986, in practice affirming the need for a supranational action on territorial development as the political condition for integration (Williams 1996; Dühr et al. 2010). In the wake of the new objective, the structural funds were reformed in 1988, giving birth to the EU cohesion policy. At the same time, a complex discursive process was kicked-off that, in ten years' time, would have led to the publication of the "European Spatial Development Perspective" (CEC 1999), by some labelled European spatial planning's proudest achievement (Faludi 2001: 245).

During the preparation of the ESPD in the 1990s, EU territorial governance gained momentum; it was no longer only a framework for debate but an arena for policy-making. A few years after the document's publication, the terms European spatial planning and spatial development were increasingly replaced by 'territorial cohesion', an objective that progressively carved its way into the *acquis communautaire*. This formally occurred with the ratification of the Treaty of Lisbon in 2009: since then, territorial cohesion, alongside with its economic and social dimensions, figures as a shared competence between the EU and its member states, in so doing allowing for a further consolidation of EU territorial governance. As argued by the EU ministers responsible for spatial planning in the member states, the latter represents "a special and growing challenge", which implies the necessity of "integrating the territorial dimension into EU and National Policies, and not creating a top-down and separate EU Territorial Policy" (DE Presidency 2007: 8-9).

Despite all efforts, however, the exact boundaries of EU territorial governance remain rather blurred. As already intuited by Doria et al. more than a decade ago (2006), the latter resembles a hologram, an object composed by many different dimensions, each containing the almost total amount of information to describe it without being, in itself, self-sufficient. This is more clear when one considers that EU territorial governance originates from, and is composed by several policy fields, that very much differ in relation to their contents as well as their forms of intervention. To further share some light on this picture, Purkarthofer (2018) builds on Vedung et al. (1998) to define EU policy-making as working through "sticks, carrots and sermons" (2018: 20-21). This threefold classification results in a trichotomy of policy interventions – rules and regulations; economic means; discourse and information – each type determining a different relationship of governor and governee. Rules and regulations oblige the governee to do what the governor demands. Economic means do not demand a specific action from the governee, however, compliance with a suggested action results in gain of material. Discourse and information, in turn, do not oblige the governee to act in a specific way, but shape and frame attention as they affect what is considered worthwhile of knowing.

For each of these categories, a multitude of examples can be found in EU policy-making (Table 2). As far as the development of rules and regulations is concerned, the EU is allowed to act only in those fields where it retains competence either exclusively or jointly with its member states. Among them, environmental regulations have been developed since the 1970s, leading to an exponential increment of EU environmental directives and regulations (as for instance those running under the Nature 2000 framework, or those concerning Environmental Impact Assessment and Strategic Environmental Assessment). At the same time, relevant regulations that have an impact over spatial planning were produced in the field of energy (Cotella & Crivello 2016; Cotella et al., 2016a; Valkenburg & Cotella 2016), competition (e.g. the directive on public procurement, Colomb & Santinha 2014) and, in more recent years, maritime spatial planning (EC 2014; Walsh & Kannen 2019).

When it comes to economic interventions, beside the mainstream EU cohesion policy programming, the EU has progressively put into place a varying number of initiatives to finance territorial development in the member states. These initiatives are characterised by a rather heterogeneous scope. A first group is represented by those tools insisting on urban development, i.e. the first Urban Pilot programmes, the URBAN Community Initiative and, more recently, the Integrated Territorial Investments (Cotella 2019). Similarly, another strand of EU spatial policies focuses on territorial cooperation and, through time, led to the consolidation of the INTERREG Community Initiative into the mainstream European Territorial Cooperation objective (Dühr et al. 2007). Also the development of rural areas has been through time fallen under the scope of the EU policies and actions, at first through the LEADER Community Initiatives and, more recently, thanks to the so-called Community Led Local Developments (Servillo & De Bruijn 2018). Finally, an important share of resources has been devoted to the development of transport infrastructure and the completion of the so-called Trans-European Transport Networks.

Table 2. Examples of EU territorial governance, a trichotomy of policy interventions

| Type of policy intervention | Examples |
|---|--|
| Regulatory: regulations and directives | <ul style="list-style-type: none"> • Environmental Impact Assessment • Strategic Environmental Assessment • State Aid Guidelines • Nature 2000 (Birds and Habitats Directives) • Urban Waste Water Treatment Directives • Energy Directives • Maritime Spatial Planning Directive |
| Remunerative: funds and subsidies | <ul style="list-style-type: none"> • EU Cohesion Policy • EU Rural Development Policy (and LEADER Community Initiative) • European Territorial Cooperation • Urban Community Initiative • Integrated Territorial Investments • Community Led Local Developments • Trans-European Transport Networks |
| Discursive: strategic policy papers, concepts, evidence | <ul style="list-style-type: none"> • European Spatial Development Perspective • EU Territorial Agenda • EU Territorial Agenda 2020 • Lisbon and Gothenburg Strategies • Europe 2020 Strategy • EU Urban Agenda • EU Macro-regional Strategies • ESPON results and recommendations |

Source: author's own elaboration.

As far as the development of discourse and information is concerned, a number of policy documents followed the ESDP. A first “Territorial Agenda of the European Union” (DE Presidency 2007) was published in 2007, shortly followed by the Territorial Agenda 2020 (HU Presidency 2011), that is currently under revision by the Network of Territorial Cohesion Contact Points. However, none of these intergovernmental documents had been received as enthusiastically as the ESDP by planners across Europe. At the same time, a series of mainstream development strategies have been approved by the European Council, starting with the Lisbon and Gothenburg Strategies at the edge of the new millennium and eventually leading to the publication of the Europe 2020 Strategy. A number of other discursive documents complete the framework, as all the document framing the so-called EU urban policy (Cotella 2019), the growing number of strategies proposed by the Commission for selected macroregional areas (Ganzle & Kern 2015), and the stock of evidence, information and policy recommendations that has been produced by the ESPON programme since its institution in 2001 (Prezioso 2007).

The three types of policy interventions cannot be viewed as entirely independent from each other. Strategies and funds often emphasise the same objectives, as can be seen for instance in the Territorial Agenda 2020 strategy and the structural funds during the 2007-2013 programming period, both focusing on smart, sustainable and inclusive growth. Similarly, non-binding strategies are often – though not always – the first step towards the extension of EU competences and the enactment of binding regulations. The rules for the disbursement of funds and subsidies are stipulated in binding regulations. The same actors are involved in the preparation of all types of policies, suggesting a certain degree of convergence regarding themes, objectives and terminology. While it might be flawed to view all these policy interventions as planning policies, they nonetheless affect spatial development and territorial governance, thus making it important to take them into account when mapping the EU’s effects on planning. The actual mechanisms through which EU territorial governance exert an impact on domestic territorial governance and spatial planning will be further detailed in the following section.

Towards a progressive Europeanization of territorial governance?

Europeanization is not a concept solely relating to the field of planning studies. Born in the cradle of policy studies concerning the EU integration process, it builds on the evidence of co-evolution and mutual adaptation of the institutional contexts involved, as a meaningful component of integration itself. In spite of the many definitions and applications (see for instance: Olsen 2002; Featherstone & Radaelli 2003; Radaelli 2004; Bruno et al. 2006), in its broadest sense Europeanization describes a complex process of institutionalisation that includes both the increasing impacts of Europe on national polities, policies and politics (Knill & Lehmkuhl 1999; Borzel & Risse 2000) and the simultaneous domestic influences ‘uploaded’ at the EU level (Wishlade et al. 2003; Salgado & Woll 2004). It also includes forms of ‘horizontal’ influence between member states, whereas the EU operates as a platform for mutual exchange and policy transfer (Lenschow 2006, Cotella et al. 2016b).

The concept of Europeanization has progressively entered the field of planning studies as a consistent approach for interpreting the outcomes resulting from the progressive consolidation of EU territorial governance. As presented above, a general consequence of the progressive consolidation

of a EU territorial governance framework is that “planning for Europe is conditioned and at the same time changes the context (or system environment) of planning in Europe”, a phenomenon that can be investigated in terms of ‘Europeanization of spatial planning’ (Böhme & Waterhout 2008: 226; Stead & Cotella 2011a, 2011b; Cotella & Janin Rivolin 2011, 2015). When it comes to exploring the domestic impact of European policies, three mechanisms are commonly considered in literature concerning Europeanization: “First, and in its most ‘explicit’ form, European policy-making may trigger domestic change by prescribing concrete institutional requirements with which member states must comply; that is, EU policy ‘positively’ prescribes an institutional model to which domestic arrangements have to be adjusted. [...] Second, and somewhat more implicitly, [...] European influence is confined to altering domestic opportunity structures, and hence the distribution of power and resources between domestic actors. [...] Third, in its ‘weakest’ form, European policy [...] affects domestic arrangements even more indirectly, namely by altering the beliefs and expectations of domestic actors. [...] Hence, the domestic impact of European policies is primarily based on a cognitive logic” (Knill & Lehmkuhl 1999:1-2). As far as territorial governance is concerned, these three mechanisms translates in as many ‘downloading’ influences concurring to the Europeanization of territorial governance and spatial planning – namely structural, instrumental and top-down discursive – depending on which is the prevailing driver in transforming governance, among the three groups presented in the section above (i.e. rules and regulations, economic means, discourse and information).

More in detail, the structural influence describes the logic of the so-called ‘Community method’ (Nugent 2006), according to which the EU treaties allow for the promulgation of EU legislation (regulations, directives and decisions) in established policy fields. Member states are consequently obliged to adjust their respective legislations according to the so-called ‘transposition’ process (Dühr et al. 2010: 149-157). This is potentially the most coercive mechanism of influence exerted by the EU on its member states, since it implies a ‘legal conditionality’, meaning that sanctions in case of non-compliance are usually envisaged. As far as territorial governance is concerned, the lack of a formal EU competence in the field of spatial policies and planning implies that this kind of influence is largely ineffective with regard to the whole operation of national planning systems (Janin Rivolin 2010). Some indirect impact is however visible whereas the EU legislation may concern sector policies that are somehow related to spatial planning, such as the environmental, energy and competition. It is interesting to note that, despite their universal validity in the EU context, these directives or decisions do not have a standardised impact on each member state. Rather, impacts and effects depend largely on the ‘receiving context’ and, more particularly, on the proximity / distance between EU and domestic rules, as well as on the ‘reception capacity’ of domestic structures.

The instrumental influence is addressed “to altering domestic opportunity structures, and hence the distribution of power and resources between domestic actors” (Knill & Lehmkuhl 1999: 1), and its effectiveness is therefore based on forms of ‘economic conditionality’ rather than on legal power. The main example in this concern is provided by the EU structural funds, often defined “the pot of gold at the end of the rainbow” of European spatial planning (Williams 1996: 114), but an important role is also played by the other financial instruments and actions introduced in the section above. Through these are financial instruments, the EU invests an average of 80-90% of its annual budget to promote structural aid for economic and social purposes in member states. The so-called principle of ‘additionality’, establishing that EU resources have to be co-financed by domestic public or private stakeholders, ensures a high degree of domestic self-commitment to EU cohesion policy. In brief, the introduction of substantial and recursive

incentives addressed overall to more 'cohesive' regional policy, to systematic territorial cooperation in cross-border and transnational contexts, and to widespread application of a EU standard of sustainable urban development has progressively modified the cost-benefit logics of domestic actors and stimulated variations in the established customs and routines relating to territorial governance practices. Crucial here is the engagement of local actors in complex processes of economic convenience and 'social learning' triggered by goals and means shared at the EU level (Schimmelfenning & Sedelmeier 2005: 18-20). Domestic change in spatial planning under this kind of influence seems to occur ultimately according to a mixture of economic conditionality mechanisms and an interactive "socialization and collective learning process resulting in norm internalization and the development of new identities" (Borzel & Risse 2000: 2).

The top-down discursive influence is embedded in a circular process of exchange of ideas and perspectives labelled as 'discursive integration' (Böhme 2002; Waterhout 2008). This concept has emerged from the specific domain of European spatial planning studies, especially in relation to the joint elaboration of the ESPD by the ministers responsible for spatial planning in the EU countries (Faludi & Waterhout 2002). It denotes an "example of European integration by networking and policy discourses" that "can be successful when there are strong policy communities active at European and national levels and direct links between them" (Böhme 2002: III). A top-down dialogic influence may therefore occur whereas certain 'hegemonic concepts' prevail in this interactive process (Servillo 2010), which can alter beliefs and expectations of domestic actors according to forms of 'cognitive conditionality' (Radaelli 2004). Its possible effectiveness, however, is not strictly relegated in the policy arena of decision-makers, but can come also from a broader, increasing and much more articulated interactivity of 'territorial knowledge communities' developing in Europe (Adams et al. 2011). Overall, since changes in actors' preferences in each domestic context are this way based on persuasion, according to a 'logic of appropriateness' (March & Olsen 1998), intensity and quality of domestic change depends particularly on the degree to which the EU discourse is appreciated as appropriate in terms of legitimacy, collective identity, values and norms. Arguably, even more than in previous types of influence, "the likelihood of integration between domestic and EU discourse increases the more that public policymakers have institutionalised relationships with epistemic communities that promote EU rules and the more that domestic structures are conducive to the influence of new ideas" (Schimmelfenning & Sedelmeier 2005: 23).

In order to understand what changes in territorial governance and spatial planning systems may be attributed to the influence of the EU, the ESPON COMPASS project systematically explored how national territorial governance and spatial planning systems have been related, through time, to European territorial governance. The impact of EU rules and regulations – in the fields of environment, energy and competition in particular – has produced rather uniform impacts on domestic territorial governance and spatial planning and such influence has been increasing over time in almost all countries. The impact of EU economic means was more varied. EU cohesion policy is reported to have the highest influence; by contrast, other EU policy fields tend to have a moderate impact. The impact is generally geographically differentiated and appears, at least partly, correlated to the magnitude of financial resources delivered to each country. Finally, the impact of the EU discourse and information on domestic systems is highly differentiated, as it depends on the voluntary nature of the mechanisms behind this type of influence. EU mainstream development strategies are the most influential, having a direct impact on the development of EU policies and on funds distribution. Overall, Europeanization outcomes are highly differential and vary by country, by sector and over time, due to its 'filtering' through the numer-

ous substantive and procedural differences among the national systems (Stead & Cotella 2011a; ESPON & TU Delft 2018). This ultimately points to the need for formal clarification, in institutional terms, of the role of domestic territorial governance and spatial planning systems with respect to European territorial governance and EU cohesion policy. As it will be introduced in the following section, and then further detailed in the contributions that composes this special issue, despite the existence of shared competences between the EU and the member states of 'economic, social and territorial cohesion', the search for synergies and cross-fertilization between EU and domestic territorial governance is still ongoing.

In search for cross-fertilization: a roadmap for the reader

One of the assumptions behind the ESPON COMPASS project is that territorial governance and spatial planning at national, sub-national and local levels offers a means to strengthen the combined impact of EU policies. This however requires a broader 'spatial planning approach' focussing on the horizontal and vertical coordination of the territorial impacts of policies and actions. As the gathered evidence suggests, however, in the majority of the member states EU spatial policies and domestic territorial governance continue to proceed rather autonomously one from the other. The six contributions collected in this special issues aim at shedding light on this matter, by presenting as many examples of how EU cohesion policy and domestic territorial governance and spatial planning interact in the practice. These examples show in more detail the variability of relationships between cohesion policy and spatial planning. Cohesion policy often has a direct impact on physical spatial development through funded projects, and thus there is a strong indirect connection with spatial planning, especially where spending is high. The connection is weaker where there is less funding for infrastructure projects. Where there are impacts, they may support domestic planning strategies and policies – as in the case of infrastructure projects promoting increased densities, or they may undermine planning where spending facilitates suburbanisation. Overall, the effectiveness of spatial planning in steering EU-funded investments varies and domestic territorial governance does not seem well equipped to take on the task of steering such investments because of different timescales and priorities (ESPON & TU Delft 2018).

The first contribution, authored by L. Smas and J. Lidmo explores the role played by Swedish regions as intersection and potential field for cross-fertilization between EU and domestic territorial governance. The article focuses on the vertical positioning of the regions from EU to the local level, and sectorial integration with other policy fields. The results show that spatial planning is practiced both through statutory planning and through soft planning. These practices, in different ways, coordinate sectorial policies i.e. transport infrastructure, regional development and spatial planning. The authors also argue that regions can function as multi-level coordinators; however, their focus mostly remain on local actors rather than on EU policies. The proposed examples illustrate difficulties not only of external coordination between different policy fields and organizations but also internally within organizations. At the same time, they hint that the organization of territorial governance within a given institutional arrangement is crucial for how regions might function as multi-level coordination organizations and policy arenas within spatial planning.

In the second contribution, É. Perger discusses the impact of the EU cohesion policy on planning and development activities in functional regions in the context of Hungary. It explores the legal and institutional background of functional regions and focuses upon present challenges

concerning the management structures in territorial units crossing administrative borders. In doing so, it demonstrates that, despite the need for a place based, territorially sensitive and integrated approach has become one of the most highlighted issues over the last decade, the overall impacts of EU cohesion policy on planning and development activities in the country has been rather controversial, as it did not produce any significant contribution to the integrated territorial developments of regions crossing administrative borders. According to the author, the recent developments of the EU cohesion policy have led to controversial effect: on the one hand the EU legislation has provided more tools for integrated developments in functional regions; on the other hand, the thematic concentration and tight performance control have introduced less flexible, bureaucratic procedures. Since Hungarian functional regions do not fit into the general implementation structure, the central government increasingly takes concrete project-level decisions regarding the development in functional regions. In this situation, there is a high risk that local aspects and territorial coordination requirement would fade into the background.

S. Hans and K. Böhme explores the innovative features of territorial governance and spatial planning in Luxembourg in the third paper of the issue. They explain how, despite being relatively young, the territorial governance and spatial planning system of Luxembourg is used to digest and to distribute the socio-economic growth and push for a more polycentric territorial structure. This occurs through the development and implementation of a number of different instruments, that varies from traditional spatial planning tools to forward-thinking approaches, which give spatial planning in Luxembourg an innovative edge compared to other European countries. Among these forward-thinking approaches are e.g., national public participation processes, soft territorial cooperation or cross-border planning, that often integrates and exploits synergies with EU territorial governance funding instruments.

The contribution authored by T. Komornicki et al., focuses more in depth on the implementation of the EU cohesion policy in the regions of Poland in the programming period 2014-2020, aiming at unfolding the mutual interrelations between domestic spatial planning choices and the effectiveness of supranational policies. Overall, the paper presents the most important challenges, the adopted solutions and the effects of the implementation of EU funding programmes in Poland within three thematic areas (i.e. polycentricity and suburbanisation, transport infrastructure and accessibility and natural and cultural heritage). The authors clearly point out the basic planning conditions of policies implementation resulting from integration with the EU. They reflect upon the consequences of these conditions for territorial governance and for the implementation of cohesion policies, and argue that territorial governance is struggling with the punctuality of investments implemented with EU funds, partly due to the lack of a coherent vision of spatial and economic development of the region.

The fifth paper, by B. Williams and J. Varghese, explores the evolution of the Irish planning system and the impact of the EU cohesion policy aiming to reduce regional and social disparities within the EU with respect to recent developments in Ireland. The changing nature of the Irish planning system is presented as shifting from a market or local development led approach towards a more strategic regional and national approach. This trend has in part been influenced by EU policies, directives and initiatives with evidence of both difficulties and successful delivery of some major projects. The discussion is complemented by evidence from two case studies in the transportation area and interviews with key participants in the policy processes. Overall, the lessons from past Irish policy changes shows that a strong political commitment and dedicated resourcing is essential to support new directions in policy. The availability of EU funding and resources is both a necessity and a useful external reference framework within which strategic planning decisions for the regions of Ireland are adopted and implemented.

Finally the contribution by Z. Pamer provides a comparative analysis of the activity and funding patterns of Central European cross-border cooperation programmes, with particular reference to the Slovenia-Austria and the Hungary-Croatia cooperations. The authors underlines how European territorial cooperation plays a key role in promoting Europeanization, which is especially important in case of Central Europe that is dominated by small national states. After presenting the premises for cross-border cooperation and a brief outline of the programmes, a quantified analysis is proposed, based on primary ex-post programme data and conducted on LAU 2 level in order to show how different categories of the settlement structure contribute in terms of cooperation activity and absorption and how it is distributed between different types of beneficiary organisations. Overall the contribution shows how, due to recent public administration reforms, territorial governance structures in the countries at stake have become similar, and how this similarity reflects in terms of activity in cooperation projects and absorption of funding on different levels of the settlement structure.

The special issue is coherently concluded by a review of the new book authored by A. Faludi, "The Poverty of Territorialism. A Neo-Medieval View of Europe and European Planning" (Faludi 2018). Here J. Zaucha focuses on the alternative views of the EU presented by the book's author, as well as on the open-ended character of the European project, highlighting how the nature itself of the EU project requires to engage in continuous efforts to (re)conceptualize territorial governance and spatial planning both within and outside existing administrative containers.

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ORGANISING REGIONS: SPATIAL PLANNING AND TERRITORIAL GOVERNANCE PRACTICES IN TWO SWEDISH REGIONS

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Abstract. In some European countries, sub-national regions are important geographical arenas for spatial planning. However, in Sweden, statutory regional planning is rather limited and the regional level is often described as having a weak position in the spatial planning system. In this article, we investigate territorial governance practices in two Swedish regions, with a focus on their interaction with the EU and the national level, and with the local level, as well as how these regions function as organisations and arenas for coordination of different policy fields. The study is based on semi-structured expert interviews and document analysis. The results show that spatial planning is practised both through statutory planning and soft planning approaches, and that these practices in different ways coordinate sectoral policies i.e. transport infrastructure and regional development. Both cases also illustrate difficulties not only of external coordination between different institutions and policy fields but also internally within organisations. It is also highlighted that spatial planning at the regional level focuses on coordinating actors and policy fields but that spatial planning is also an instrument to implement regional policies. In conclusion, it is argued that the organisation and territorial governance practices within a given institutional arrangement and the perception of spatial planning are crucial in determining how regions might function as multi-level coordination actors and policy arenas within spatial planning.

Keywords: multi-level coordination, policy fields, regions, spatial planning, territorial governance.

Introduction

In many European countries, regions are important government institutions and policy arenas, not least in terms of territorial governance and cohesion policy but also for spatial planning. However, the significance and practical relevance of regional planning (or spatial planning at the regional level) varies significantly across Europe. For example, in the Nordic countries there are divergent trajectories regarding the role and function of the sub-national regional level within territorial governance because of shifting political conditions for spatial planning and changes in the government system (e.g. Galland 2012; Røiseland et al. 2015; Schmitt & Smas 2019). In this paper, we inves-

tigate the institutional context and organisation of regional planning in Sweden and consider how different forms of spatial planning are practised through the territorial governance of two Swedish regions. Also, the relationship between cohesion policy and spatial planning systems is analysed since the notions of soft spaces and soft planning have been proposed as ways to comprehend how European spatial policies are fitted into national planning systems (Purkarthofer 2016).

Regional planning or spatial planning at regional level might be understood (or conceptualised) as a sub-national mode of horizontal and vertical coordination to integrate various issues, policy fields or sectoral based interests (e.g. Neuman 2007; Neuman & Zonneveld 2018). The (city-) regional level is often recognised as an adequate scale for many contemporary problems (Rodríguez-Pose 2008; Hanssen et al. 2013), but in practice (in *realpolitik*) the regions are a marginal political level in Sweden and the Nordic countries (Hammarlund 2004; Lidström 2013). Consequently, spatial planning at the regional level is also rather weak in Sweden and the Nordic countries, but this also provides opportunities for policy experimentation, which is evident across the Nordic countries (Røiseland et al. 2015; Schmitt & Smas 2019). In relation to this, a potentially key role for the regional level in for example Sweden (and the other Nordic countries) within the current condition of multi-level governance is to be “a multi-level coordination actor” (Hanssen et al. 2013) where a key issue is “policy-integration” (Hovik & Stokke 2007). To put it differently, regions have in principle the potential of being key arenas for territorial governance practices to coordinate institutions and policy fields, to mobilise a wide arrange of stakeholders, to adapt to changing contexts, and to facilitate place-based development (van Well & Schmitt 2016).

In this article we investigate the territorial governance practices in the two Swedish regions of Stockholm and Östergötland (Fig. 1) with a focus on the vertical position of the regions from the EU to the local level, and sectoral integration or coordination between spatial planning and other policy fields, i.e. transport infrastructure and regional development. The article is a result of the ESPON project COMPASS: Comparative Analysis of Territorial Governance and Spatial Planning Systems in Europe, which aimed to compare territorial governance practices and spatial planning systems and policies across Europe. In the ESPON COMPASS project, territorial governance was conceptualised as comprising “the institutions that assist in active cooperation across government, market and civil society actors to coordinate decision-making and actions that have an impact on the quality of places and their development” (ESPON COMPASS 2018: viii). While “spatial planning systems are the ensemble of institutions that are used to mediate competition over the use of land and property, to allocate rights of development, to regulate change and to promote preferred spatial and urban form” (ESPON COMPASS 2018: viii). From this perspective, spatial planning is viewed and defined as a policy field in its own right, separate from policy fields such as transport infrastructure and regional development. Furthermore, it is important to recognise that the focus of the project was on the institutional structure of the spatial planning system and the practice of territorial governance.

The two regions were selected because they represent two different approaches to spatial planning at the regional level in Sweden, and their selection provides an opportunity to explore how territorial governance is practised and organised in different ways with the same institutional structure and spatial planning system. Empirically the case study is based on semi-structured expert interviews and document analysis. The latter included reviews of planning and policy documents connecting cohesion policy and other sector policies (transport infrastructure and regional development) with spatial planning. The former included semi-structured interviews with representatives from national and regional authorities. The interviews and document analysis were conducted during the autumn of 2017.



Figure 1. Map of Swedish regions and the case study regions
Source: Nordregio (Designer/Cartographer Julien Grunfelder).

The organisation of spatial planning in Sweden

In a European context of administrative and legal families the Swedish planning system has often been described as comprehensive because of the welfare state tradition and the focus on coordination of sectors through a spatial perspective, and because of the hierarchal formal and integrated public planning system (CEC 1997; Nadin & Stead 2008). However, in Sweden, statutory regional planning is limited and the regional level is often described as having a rather weak position in between national (sectoral) authorities and self-governing local municipalities (Newman & Thornley 1996; Smas & Schmitt 2018).

Spatial planning in Sweden is to a large degree equated with municipal planning. The Swedish municipalities have a sort of planning monopoly, since they have the mandate to decide what gets built where through regulatory detailed development plans and by granting (or not granting) building permits without any obligatory need of coordination with upper level plans or programmes. The compulsory municipal comprehensive plans outline the public interests, which often include both strategic development policies as well as land use guidelines, but which are not legally binding. Planning at this local level can be characterised as relatively comprehensive due to the numerous tasks related to the development and provision of public services that are under the aegis of municipalities. In addition, most of the 290 Swedish municipalities cover comparatively large areas, which are often of the size of planning regions in other countries (such as Germany, Italy or the Netherlands). This fact further demonstrates that municipal planning also deals with issues of more regional scope, such as urban-rural interactions, infrastructure provision, and ecosystem services. Last but not least, the so-called municipal planning monopoly is further enhanced by a strong local municipal autonomy through direct income taxes.

As in many other European countries, planning at the national level is mainly of a guiding character. It becomes explicit and tangible in politics and society when for example new transport linkages of national interest are being planned or when changes are being undertaken within the legal frameworks for planning (Schmitt 2015). The Planning and Building Act (SFS 2010:900), which in combination with the Swedish Environmental Code (SFS 1998:808) frame the Swedish planning system, was revised in 2010 in order to create a more efficient planning system and to underline the importance of strategic spatial planning.

There are regulatory national provisions specifying geographic areas of national interest, but there is no overarching statutory strategic or visionary spatial planning document for Sweden. National state agencies, such as the Swedish Transport Administration can thus designate areas of national interest. Both the mandate to designate such areas and the areas themselves have direct implications for local and regional planning. It should however be noted that Sweden has rather small national ministries with limited mandates and executive power in comparison with many other countries, and autonomous government agencies (Fig. 2). An agency in this sense is a statutory public organisation with some degree of autonomy from the ministry or department to which it is closely related but structurally separated from (Pollitt et al. 2005). However, there is a strong relation in Sweden between the central government and the regions through the national state agency at the regional level – the county administrative boards (Böhme 2002).

In the Swedish government system there are two main sub-national regional authorities (see Fig. 2). The first is the county administrative board, which is a national state agency that represents the national level at the region level and acts as a regional governing and coordinating agency for the state. Then there are the county councils, which are directly elected regional bodies responsible for health care and public transport. From January 2019, all county councils have the responsibility for regional development policy and consequently have been renamed as Regions. This will harmonise the sub-national institutional structure, which has been a complex institutional web in which different types of authorities have been responsible for regional development. For instance, in some regions the responsibility for regional development policy has been the responsibility for the directly elected county council. In other regions, inter-municipal (including the county councils) cooperation agencies have been tasked with regional development policy (which used to be the case in Östergötland). While in other regions, the county administrative board has been responsible for the regional development policy (which used to be the case in Stockholm). The division of responsibilities between the national state agency at regional level and the regional county

councils will probably be clearer in the future. However, the relations and coordination between different policy fields such as spatial planning, regional development and transport infrastructure are also determined by territorial governance practices, and dependent on how regional planning is actually organised in the regions. Furthermore, each of these policy fields is guided by different legislation and is the responsibility for different national agencies and ministries, as will be discussed below.



Figure 2. Swedish government institutions
Source: authors' own elaboration.

The main tasks for the Regions (former county councils) in Sweden are, as mentioned above, health care, public transport and regional development. With regard to the latter the sub-national authorities responsible for regional development are commissioned to lead and develop regional sustainable growth policies in accordance with the Regional Growth Ordinance (SFS 2007:713). The responsible regional authorities are tasked with drafting the regional development programmes and strategies, and coordinating their implementation. The regional development programmes and strategies should also guide local strategies in municipalities, related regional strategies and development processes. This was reinforced by an amendment to the Planning and Building Act in 2011, which stressed that the municipal comprehensive plan should take national and regional objectives into account (Boverket 2011). Another focus is on the implementation and management of EU cohesion policy. Thus, from a legislative structural perspective, spatial planning and regional development are two distinct fields

Spatial planning and two other policy fields

According to The Swedish National Board of Housing, Building and Planning there are 21 different policy fields that are of importance for spatial planning in Sweden, with 28 different national authorities responsible for the around 100 different national goals relevant for spatial planning (Boverket 2011: 17). The local and regional levels are emphasised as important to concretise these goals and for implementing them, which however is difficult because of the different character of the goals but also because they often derive from the national budget proposals (Boverket 2014: 10). Furthermore, there are, as mentioned, no comprehensive national planning directives in Sweden; although the national authority for housing and planning has on behalf of the government produced a Vision for Sweden 2025 (Boverket 2012), it is more of an inspirational piece than a strategic national planning document.

However, there is a national transport plan developed by the Swedish Transport Administration which is responsible for the national transport infrastructure. In turn, the regional authorities that are responsible for developing regional policy and the regional development programme are responsible for producing a county transport infrastructure plan through which the national funding for infrastructure is allocated. Transport planning is partly a separate system parallel to the spatial planning system, reflecting the sectoral organisation of Swedish governance in general, and the autonomous state agencies and municipalities and the decentralised planning system in particular. The responsibility for transport infrastructure is distributed among different institutions from the local to the national level, depending on several factors, for example, ownership of the roads, type of infrastructure and the daily operations and management of public transportation. However, although transport infrastructure planning and spatial planning are distinct in the institutional system they are intricately connected through territorial governance practices and in policy-making at the regional level.

In Sweden, according to the general findings of the ESPON COMPASS (2018) project, spatial planning is rather well coordinated with the policy field of transport infrastructure, i.e. there are visible efforts to align policies and measures at all policy levels (national, sub-national and local), but they are not integrated in terms of being targeted towards achieving similar policy goals. Spatial planning is also coordinated with cohesion and regional policy at the national and sub-national levels, but at local level spatial planning is only informed by regional and cohesion policies, which means that local spatial planning makes references to regional development programmes in for example planning and policy documents such as the comprehensive municipal plan, but without further efforts towards coordination or integration. In general, territorial impacts are comparatively well coordinated in Sweden horizontally, while the vertical relations are weaker. One reason is that the regional level is not able to absorb and channel the coordination of sector policies, either stemming from the national level or from the strong municipal level. However, another reason is the significant presence of the national state agency at sub-national level in the spatial planning system.

The regions are also important for the implementation of EU cohesion policy since in Sweden this is primarily related to regional development and growth issues. EU programmes (and EU-funded projects) are crucial in the implementation of cohesion policy but are organised in a variety of ways across Europe, and national, regional, transnational and cross-border programmes co-exist. The respective programming, management and monitoring arrangements form a complex and interrelated system of territorial governance. Sweden has adopted a centralised system of management for the national programmes but also with regionally decentralised management related to cross-border, transnational and interregional cooperation.

Overall, the general finding of the ESPON COMPASS (2018) project was that the EU discourse has had only moderate or little influence on Swedish territorial governance and spatial planning. Concepts and ideas in mainstream EU strategies (such as the Lisbon and Gothenburg strategies) have been included in domestic territorial governance and spatial planning documents but only with a partial impact in practice. For example, the EU 2020 strategy complies nicely with national approaches to regional development where growth and sustainability are at the centre but also seems to be applicable at the sub-national level. EU spatial policy documents have had little influence in practice. Although key concepts and ideas might be formally mentioned in spatial planning and territorial governance, they are not followed by any actual impact in practice. However, the European Spatial Development Perspective (CEC 1999) has without a doubt influenced the spatial development discourse in Sweden but other documents such as the Territorial Agenda

have had less impact. However, all these documents have been noticed and, they have certainly shaped the mind-sets of some actors in Sweden, which can also be seen in some strategic documents at the regional level, for example in the discussion on polycentricity in the Stockholm region in the next section. So the impact has been rather on the cognitive level and by integrating various notions from these EU documents implicitly, without any direct reference.

Stockholm: coordination through regional plans

Stockholm metropolitan area has a population of about 2.3 million people. The administrative region consists of 26 municipalities. Stockholm municipality is the dominating municipality with about 40 percent of the region's total population. The Stockholm region has a long tradition of regional planning and is unique in Sweden in this regard, since it is the only region in Sweden that is obliged to do regional planning. Region Stockholm (former Stockholm County Council) is the regional planning authority that has the mandate to produce a statutory regional plan according to the Planning and Building Act. Regional planning should, according to the legislation, coordinate inter-municipal spatial concerns but the regional plan, even if statutory (i.e. produced under the law), is only a guiding document. Region Stockholm is thus dependent on the municipalities implementing the desired spatial development. However, the former Stockholm County Council was not the regional authority responsible for developing regional policy nor for producing a county transport infrastructure plan. But from 2019 the new Region Stockholm now also has this responsibility for regional development policy, which previously (prior to 2019) was the responsibility of the County Administrative Board of Stockholm, which represents the national state at the sub-national level. In this section, we will explore the coordination and integration between policy fields of spatial planning, transport infrastructure and regional development in the period before 2019 when the Stockholm County Council did not have the responsibility for regional development policy nor for producing a county transport infrastructure plan.

Stockholm is a monocentric region that is striving to become more polycentric. Transport infrastructure has been crucial for the spatial development of the Stockholm region, which to a large degree has developed along its main radial transport corridors (main roads and railway network) where the protection of the green wedges (i.e. preserving the green structure) has been strongly influential. This has created a monocentric region where most transport infrastructure is directed through the central core of the municipality of Stockholm. The monocentricity of the region has however also become a prominent planning challenge, not least in terms of congestion and infrastructure development. To combat this and urban sprawl, as well as to foster sustainable development the regional spatial objectives of planning have become focused on promoting polycentricity with several regional urban cores. This has been the spatial objective at least since the 1990s (see also Stockholm County Council 2003; 2010; 2018), that is, even before Sweden joined the EU in 1995.

Since the regional plan is only guiding, which imply that key issues for regional spatial planning in Stockholm are to pursue active cooperation across government, market and civil society actors, to coordinate decision-making and actions that have an impact on the quality of places. The most recent regional plans (Stockholm County Council 2003; 2010; 2018) are as such outcomes of dialogues and coordination with municipalities rather than being top-down strategies directly from Stockholm County Council. A polycentric Stockholm region is perhaps best understood as a regional spatial idea that also has begun to have an effect locally as some municipalities relate their comprehensive plans and planning projects in accordance with the regional cores defined

in the regional plans, when suitable. There are additional barriers to implementing the spatial idea of polycentricity since for example, without involvement and investment from both public organisations and private actors such as developers, or investment by the state when it comes to infrastructure, the planning idea risks remaining just as an idea. A key issue for the region is thus to include and engage private actors and make them aware of the polycentric spatial strategy and communicate the regional cores as attractive sites for private investment. This regional spatial idea is therefore not merely dependent upon the coordination of public organisations (e.g. the municipalities) but also on the investment from private actors. Regional spatial planning is thus understood as a territorial governance practice of regional coordination activity and a policy arena where this is being coordinated, but how this is organised is also crucial, which becomes evident when considering the relations between two policy fields of spatial planning and transport infrastructure.

There are several public institutions involved in transport infrastructure in Sweden, and transport infrastructure might partly be seen as a parallel (planning) system (governed by different legislation) to the spatial planning system, which means that it is a challenging task to coordinate efforts between spatial planning and transport infrastructure development. However, there are some coordination issues between institutions at different levels and across different policy fields but also coordinating difficulties within organisations. Ideally, infrastructure policies or objectives could, according to the Swedish Traffic Administration, be used as means to achieve the spatial objectives of the region, and to some extent converge with the regional spatial objectives. It should however be recognised that these are two different types of plans with different rationalities and logics developed by two different agencies; transport infrastructure is developed when there is a need by the County Administrative Board, rather than steering the development as the intention is with the regional plan developed by the Stockholm County Council. The second coordination issue seems to be within Stockholm County Council, between the traffic office and the regional planning office, i.e. it concerns the organisation of infrastructure and spatial planning within the organisation. For example, the regional traffic office took the decision to reduce the frequency of commuter trains to a district that was strategically identified as a regional core by the regional planning office. In addition, the regional plan is customised to Stockholm's transport infrastructure plan rather than the opposite, and as such is dependent on it, especially with regard to its implementation. This means that regional planning in Stockholm can face difficulties in achieving its spatial objectives even at the planning stage as regional planning does not precede the county transport infrastructure plan. Both examples illustrate existing challenges faced by regional organisations in Stockholm in terms of policy coordination of spatial planning and transport infrastructure.

Furthermore, transport infrastructure is a policy field that is apparent on different government levels as well as important for other sectoral policy fields. It is a complex policy field as it involves daily operations and planning for public transportation, as well as investment in and implementation of transport infrastructure objects. In addition, it is a policy field with a strong vertical relation to the EU through different funds and programme (e.g. the TEN-T programme), which have rather limited impact on the spatial planning systems or territorial governance in general. The same applies here as with national and regional funds; the available European funds are not necessarily aligned with spatial objectives in the region. Yet these programmes and their co-funding are still useful to facilitate the implementation of some infrastructure projects. The importance of the EU, TEN-T and its financial resources has also been highlighted in a report by Stockholm County Council (2007).

Spatial planning at the regional level, and regional development policy have on the other hand been not only coordinated but also integrated since the regional plan includes the regional development programme. Up until 2019, regional policy development was, as mentioned, the responsibility of the County Administrative Board of Stockholm, not Stockholm County Council which was responsible for regional planning. Regional planning and regional development have thus been institutionally separated from each other but in practice integrated since the regional development programme developed by the County Administrative Board, has been included in the regional plan developed by the county council.

In Stockholm, regional development is also the policy field with the most obvious vertical interaction between the EU and the region, which is highlighted in regional development policy documents produced by the county administrative board (e.g. County Administrative Board of Stockholm 2016) for example. These documents often include strategies developed as the regional counterpart to national or EU programmes and contain how the responsible regional organisations should work to achieve the formulated objectives in those documents. This example illustrates a straightforward vertical relation from the region to the EU and the Swedish Government in the policy field of regional development which aims to support the local economy. The county administrative board thus acts on behalf on the Swedish central government to develop programmes for regional development and to allocate economic resources for specific enterprises in various sectors. As noted on its website, the county administrative board receives state funding, though limited, each year from the Swedish central government which should be used to support the local economy and different types of enterprises to stimulate the long-term business and economic growth of the region (see County Administrative Board 2017).

The key role of regional planning seems to point out spatial objectives for the future, and to convey structural changes in the economy and how these potentially will affect the geographical structure. Regional development, spatial planning and transport infrastructure are related policy fields but are not necessarily integrated in the territorial governance practices in the region. Rather, regional spatial planning and regional development exist partly in parallel, especially in terms of cohesion policy. On the other hand there is coordination of spatial planning and regional development policy in key guiding documents for the spatial development of the region (i.e. the regional plan). Transport infrastructure planning is a complex policy field where the responsibility is distributed among several actors both vertically and horizontally from the regional organisations' perspectives.

Even though horizontal integration between two important regional documents, i.e. the regional development programme and the regional plan, has been the case, the challenges remain of coordinating the two other policy fields, transportation planning and spatial planning, despite the involvement of the same regional organisations. This demonstrates that integrating or coordinating policy fields organizationally is as important as coordination through document integration in order to achieve the spatial objectives outlined in the regional plan. In sum, spatial planning in Stockholm is a policy field that partly stands alone, separated from regional development and transport infrastructure, despite the horizontal document integration between the regional plan and the regional development programme. There are obviously relations between the policy fields, and the regional level functions as a policy arena where different policy fields such as transport infrastructure, regional development and spatial planning to some extent are coordinated. However, different plans and policy documents have different rationalities and logics, which among other things turn the coordinating activity, between the policy fields, into a challenging task, especially as it needs to be coordinated both between regional organisations and within them.

Östergötland: coordination through regional strategies

Östergötland is a region in eastern Sweden, southwest of Stockholm (Fig. 1). The administrative region consists of 13 municipalities and has a total population of about 450000 (2017). The region has two core cities, Norrköping and Linköping, surrounded by smaller towns with different characters (Regionförbundet Östsam 2012). The organisation Region Östergötland was established in 2015 when Östergötland County Council was transformed into Region Östergötland. This was not only a change of name since it also included a significant institutional change when the mandate for regional development policy was transferred from a municipal and regional association to the directly elected regional authority (Hermelin & Wänström 2017). The new Region Östergötland now has three main areas, or policy fields, of responsibility: healthcare, public transport, and regional development (including culture). Even if Region Östergötland has no statutory spatial planning mandate, in contrast to Region Stockholm which is obliged to conduct regional planning, spatial planning is integrated in many of the governance practices and considered as a tool for regional development (Hermelin & Wänström 2017). At the regional level, the County Administrative Board of Östergötland, the national state representative, has the statutory position in relation to spatial planning with the responsibilities of governing and consulting the municipalities in their local planning processes and practices to make sure national provisions and areas of interest are considered and addressed properly. However, Region Östergötland also aims to guide and support the municipalities by providing them with important inputs and ideas for spatial planning at the local level, for example inputs to the municipal plans. This is further supported by the regional development and growth ordinance (SFS 2007:713), which states that regional development policies should take the spatial planning issues and the municipal comprehensive plans into account.

As stated above, spatial planning is considered as a way to implement regional development policies in Östergötland (Hermelin & Wänström 2017). Spatial planning is thus integrated into regional development policy (and not vice versa), in which the latter is one of the main tasks of Region Östergötland. This is partly visible in the regional development programme, which focuses on economic growth in the entire region (Regionförbundet Östsam 2012). The programme identifies six major challenges which are closely related to spatial planning. These challenges for example consist of attracting all types of people and enterprises to Östergötland, and ensuring good education for youths at the same time as elderly care is ensured despite issues with the population structure. Other identified challenges are for example related to promoting economic development and reducing the environmental footprint, where the economic cores (Norrköping and Linköping) may be strengthened at the same time as the outer region develops, based on their local assets, and thereby become better integrated into the main cores. As a consequence of the identified challenges and strategies in the regional development programme, Region Östergötland has also added a spatial perspective and has developed a non-statutory regional spatial strategy (Region Östergötland 2016a).

In the regional spatial strategy the regional development programme is translated into spatial planning at the regional level. An objective of the regional spatial strategy is to coordinate the regional development programme (Regionförbundet Östsam 2012) with the regional transport infrastructure plan (Region Östergötland 2014) and the spatial planning in the municipalities. In spite of being a non-statutory soft planning instrument, the regional spatial strategy coordinates different policy fields and is an important policy tool because it highlights spatial priorities, for example important spatial nodes and transport corridors. Adopting a spatial perspective

on regional development has become a national policy and all Swedish regions must have a spatial perspective on regional development policy before 2020 according to Sweden's National Strategy for Sustainable Regional Growth and Attractiveness 2015-2020 (Government Offices of Sweden 2015). This is something that Region Östergötland has already started implementing, which is most obvious through a non-statutory regional spatial strategy. In Östergötland, the regional spatial strategy thus coordinates different policy fields in one document and highlights both the regional development programme and the two regional traffic plans as important documents that influence the preconditions of spatial planning in the region.

Spatial planning is thus an integral part of territorial governance practices of regional development in Östergötland, where it is intended to coordinate regional development policies and the transport infrastructure. However, spatial planning is conceived mainly as one tool or aspect of regional development policy; a policy field which also includes other less explicitly stated spatial regional development issues such as business support and rural development. These tasks, on the other hand, have a clear vertical relation to the EU and the national level, which in turn influences the local level through various forms of economic support, i.e. the region functions as an intermediary and coordinating actor.

An important task for Region Östergötland is to develop programmes that (as in Stockholm) are the regional counterparts to national and EU programmes. For example, the regional rural development programme contains means or tools that can be used to develop or stimulate the local development, local engagement, but also the local economy in terms of promoting enterprises and entrepreneurship in the countryside in Östergötland (Regionförbundet Östsam 2014). Agriculture is another example of a specific category of the local economy towards which economic means are directed, for example from the EU and through its funds (Regionförbundet Östsam 2014). In some cases, the region allocates funding through specific funds, even though several of them are channelled through national agencies through application procedures. For example, there is a regional service programme in Östergötland (Region Östergötland 2016b) which points to the importance of commercial (and public) services in the countryside, such as supermarkets, in order to keep the countryside attractive for residents and small businesses (see also Regionförbundet Östsam 2012). In this regard, the Swedish Agency for Economic and Regional Growth annually allocates funding which local actors can apply for (Region Östergötland 2016b).

Since Region Östergötland is also responsible for transport infrastructure and healthcare it can steer spatial development in the region through for example where it locates hospitals and health care facilities as well as bus routes and transport networks. For instance, the regional service programme highlights the organisation's responsibility for public transportation as an important tool to make targeted areas in the countryside more attractive for commercial services (Region Östergötland 2016b). In other words, public transportation is an instrument for spatial planning and public infrastructure which are prerequisites for regional development policies in the regional spatial strategy (Region Östergötland 2016a). Transportation and accessibility in the countryside are regarded as essential for making both the countryside and also urban areas more attractive. This illustrates the significant relation between transport infrastructure and regional development and that both are highly interrelated fields for the development of the region. In Östergötland these two policy fields are integrated in several important documents produced by Region Östergötland, showing that the regional level here acts as policy arena where the policy fields are coordinated.

A significant difference when comparing the institutional structure for transport infrastructure in Östergötland in relation to Stockholm, is that in Östergötland the same regional organisation is responsible for both regional development and transport infrastructure (which was not the case in Stockholm until 2019), and can thus internally coordinate the two policy fields. Furthermore, Region Östergötland is responsible for both the county transport infrastructure plan and public transportation. This means that Region Östergötland, compared to Stockholm, is responsible for the county transport infrastructure plan through which the national funding for infrastructure is allocated, but also for the traffic provision programme that focuses on public transportation in coming years. In theory, at least, this means that Region Östergötland has the potential to coordinate the county transport infrastructure plan (an investment plan with available funding) with public transportation planning. Here, regional spatial planning and territorial governance play a key role:

“The intention of Region Östergötland is to develop strategies in collaboration with the municipalities that might function as support and guidance to incorporate the different plans and objectives into each of their respective planning documents and that all plans and objectives are consistent with an overall target. Through the strong link between the municipalities’ comprehensive planning and the county transport infrastructure plan and the traffic provision programme, the municipalities and the Region are ‘compelled to cooperate.’” (Region Östergötland 2016a: 7, authors’ translation).

In other words, the intention by the region is through processes that might be termed as territorial governance to coordinate these strategies with municipal spatial planning. This means that spatial planning has a significant role in coordinating policy fields such as transportation planning and regional development with municipal spatial planning. The key challenge in Östergötland lies in coordinating those issues with the municipalities and making sure that everyone is satisfied with the spatial objectives outlined in regional development strategies and in the regional spatial strategy. In Östergötland, as elsewhere in Sweden, the strong municipal self-government needs to be considered in the so-called coordinating activities which are being carried out with the region as the policy arena. And it is here that regional spatial planning seems to play a key role in Östergötland, i.e. in the activities where regional development and transport infrastructure are being coordinated, which needs to be done both within the regional organisation but, most importantly, horizontally with the municipalities since the region does not have a statutory planning instrument at hand.

Conclusion

Spatial planning, regional development and transport infrastructure are, in terms of institutional structure, distinct and separate policy fields in Sweden but not when the practices of territorial governance at regional level are considered. Regional development policy and spatial planning are governed by different types of legislation and national agencies. In Stockholm, regional development policy and spatial planning have also until recently been the responsibility of two different institutions; the directly elected Stockholm County Council (now Region Stockholm) and the central state authority at regional level – the county administrative board. However, regional development policy has partly been integrated into the statutory spatial regional plan, even if certain dimensions primarily related to EU funding and programmes have remained separate from spatial planning. Furthermore, even in Stockholm where there is a long tradition of regional planning, the statutory and mandatory regional plan is only advisory and thus dependent on other forms of territorial

governance for its implementation and relevance. In Östergötland, which does not have the mandate to produce a statutory regional plan, spatial planning is perceived as on the one hand a tool for implementing regional development policies, and on the other hand as a vehicle to coordinate infrastructure transport and regional development issues.

On the other hand, transport infrastructure might be a potential spatial planning tool to steer spatial development that can be used by regional authorities that in Sweden have a limited number of formal spatial planning instruments at their disposal, but which are responsible for public transport. However, even if related, spatial planning and transport infrastructure policies seem to be distinctly different fields. In regard to transport infrastructure in Stockholm, coordination difficulties can be identified since both the county council and the county administrative board have had different responsibilities within the policy field, but there have also been other coordination difficulties within the organisations, which might still persist even if the regional reform (in 2019) harmonises responsibilities and the division of labour between institutions. In Östergötland the same organisation has since 2015 been responsible for transport infrastructure, regional development and spatial planning at the regional level. Furthermore, there are ambitions to integrate or at least coordinate these policy fields in the non-statutory regional strategy. The interrelations between regional development policy and spatial planning in Sweden are dynamic and it is a continuously evolving landscape, and the future effects of the most recent regional reform are still uncertain. There have in addition also been joint initiatives by the National Board of Housing, Building and Planning, and the Swedish Agency for Economic and Regional Growth to coordinate regional development programmes with municipal comprehensive plans, and also proposals for mandatory regional spatial plans (Smas et al. 2012).

Furthermore, the regions are arenas for horizontal coordination of local, sub-national, national and EU policies. There are few direct and obvious linkages between EU cohesion policy and spatial planning in Sweden but through different territorial governance practices EU policies and programmes as well as EU funded projects influence and impact spatial planning in Sweden. In addition, the EU discourse (e.g. concepts such as polycentricity and transport corridors) permeate various spatial planning documents and practices, and although the casual relationship between EU policies and spatial planning in Sweden is indecisive, EU programmes are important in different plans, practices and projects.

Regional planning, or perhaps rather, spatial planning at regional level, in Sweden is practised both through statutory planning and through soft planning mechanisms. The regional level in Sweden seems to function as an arena for multi-level coordination of different policy fields. The regions engage in territorial governance practices and assist in active cooperation across government, market and civil society to coordinate decision-making and actions that have an impact on the quality of places and their development. This is done through both statutory regional plans and non-statutory spatial strategies. Furthermore, even where there is a long-standing statutory regional planning tradition as in Stockholm, the planning practice and implementation of plans are dependent on coordinating actors and policy fields, as well as on mobilising local and private stakeholders. So even if the municipalities are still the prime spatial planning institutions in Sweden, spatial planning is also practised at the regional level. Both cases also illustrate difficulties not only of external coordination between different policy fields and institutions but also internally within regional authorities. In conclusion, it is thus argued that the organisation of territorial governance within a given institutional arrangement is crucial for how regions might function as multi-level coordination actors and as policy arenas of spatial planning, and needs to be investigated further.

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PLANNING AND DEVELOPMENT ACTIVITIES IN FUNCTIONAL REGIONS – THE HUNGARIAN CASE

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Abstract. The paper provides a short overview of the legal and institutional background of functional regions in Hungary, analyses the impact of EU cohesion policy and presents dilemmas concerning the management structures in territorial units crossing administrative borders. The Hungarian case demonstrates that although the need for a place based, territorially sensitive and integrated approach has become one of the most highlighted issues over the last decade, the overall impacts of EU cohesion policy on planning and development activities in functional regions have proved to be controversial. The paper partly relies on the case study of Central Hungary developed in the framework of the ESPON COMPASS project.

Keywords: functional regions, EU cohesion policy, regional policy in Hungary, planning and management structures, Budapest Agglomeration, Lake Balaton Resort Area.

Introduction

The Hungarian case studies, which were developed within the framework of the ESPON COMPASS project, highlighted a general problem of the Hungarian spatial planning and territorial governance system, namely that it cannot really handle functional interrelations crossing administrative borders. It is especially true for the case of the Central Hungary Region. This recognition prompted the author to address the issue of planning and development activities in the functional regions of Hungary. The first result of this work is the case study presented in this paper. Its main goals are to give a short overview of the legal and institutional background, to analyse the impact of EU cohesion policy on planning and development activities in functional regions and to present dilemmas concerning the management structures in territorial units crossing administrative borders. In the interpretation of the study, functional regions are non-administrative territorial units in which settlements are connected by close and reciprocal links, either because of a similar common function (e.g. tourist resort regions, industrial regions) or because of their interdependent functions (e.g. functional urban areas, conurbations). The findings of the paper originate from secondary research, but also supported by the author's earlier researches and practical experiences¹. The paper also provides two case studies to underline its findings. The description

¹ Of 1998 to 2001 she was chief counsellor in the Prime Minister's Office State Secretariat for Public Administra-

of the Lake Balaton Resort Area case is the result of literature processing and document analysis. The description of the case of the Budapest Agglomeration is based on the case study about Central Hungary that was developed in the framework of the ESPON COMPASS project, and which also relies on semi-structured interviews and a focus group workshop.

Background

The need for a place based, territorially sensitive and integrated approach has become one of the most highlighted issues in the course of debates and consultations on the EU cohesion policy over the last decade. A number of EU-level policy documents² have also supported the idea of geographically tailored interventions and the creation of a territorially more flexible regulatory and institutional framework for EU cohesion policy.

There were sharp discussions about how to make this idea operational in cohesion policy. In the course of debate on the “Green Paper on Territorial Cohesion” (2008) several countries – including Poland and Hungary – emphasised the need to think in terms of functional areas rather than areas within rigid administrative borders. However, the country proposals did not elaborate the nature of governance arrangements that would be required at different levels and within different administrative areas. Moreover, some doubted the will and capacity of the member states and regional, local actors for building up effective planning and management structures for functional regions (Dąbrowski 2013, 2014; Brusis 2014). The consultation on the Fifth Cohesion Report clearly demonstrated that the idea of a more flexible management arrangement to support the targeting of functional areas received limited support either from the European institutions or the member states (Mendez et al. 2011). The official declarations simply underlined the importance of vertical and horizontal cooperation, the multi-level governance approach and the partnership principle. In the end, merely modest operative steps were taken by the EU legislation for the 2014-2020 programming period to provide a new framework for development activities crossing administrative borders. The regulation introduced new optional tools, namely the community-led local development (CLLD) and integrated territorial investment (ITI), to facilitate the delivery of integrated territorial strategies, increased the budget of the European Territorial Cooperation (ETC) and created a new regulation on European Grouping for Territorial Cooperation (EGTC) to promote cross-border cooperation.

The fear, that in the absence of a firm commitment from the EU, territorial cohesion or functional regions cannot be treated systematically (Mendez et al. 2011), seems to be justified. In case of Hungary, the positive effects of the new regulation have not been noticeable. Hungary has not applied the ITI tool and the CLLD tool has been only used in the framework of the Territorial and Settlement Development Operational Programme (TSDOP)³ for cultural and community inter-

tion and Regional Policy, from 1998 to 1999 the president of the Budapest Agglomeration Development Council and the head of its work organization, coordinating the elaboration of the first Development Concept Of Budapest Agglomeration. From 2000 to 2002 she was the member of the Development Council of Central Hungarian Region. From 2007 she has participated in several research programmes on national management systems of EU cohesion Funds and on regional policy issues. From 2011 she has coordinated projects mainly on rural development and cross-border issues. From 2012 to 2017 she was the member of the Monitoring Committee of the Convergence Regional Operative Programmes and from 2015 she has been the member of the Territorial and Settlement Development Operational Programme Monitoring Committee.

² Barca Report (2009), Territorial Agenda 2020 (2011), Report on Place-based Approach (2013), Report on the Assessment of Territorial Cohesion and the Territorial Agenda 2020 (2015), Cohesion Reports (2014, 2017, etc.).

³ The budget of CLLD interventions is merely 147 million euro, 3.7 % of the total TSDOP budget.

ventions in urban neighbourhoods. The geographical location of the country led to a widespread participation in ETC programmes, but even this has had controversial effects on territorial development on national level – as the paper will describe in detail later. Compared to other EU countries, the number of EGTs in Hungary was very high, but in the summer of 2016 their number declined and their activity decreased significantly. (Svensson & Ocskay 2016).

In order to maximise the subsidies, Hungary has always adapted to the rules and “expectations” of the EU, but the implementation of the EU cohesion policy has often followed specific national pathways, and mostly characterized by a predominantly formal compliance with EU norms (Perger 2010, 2016; Mezei 2016; Pálné Kovács & Mezei 2016). Thanks to competent national experts, Hungary has also pursued EU trends in planning activities including key themes, objectives, integrated approach, new instruments, design tools, procedures and appearance of new and often soft and fuzzy spaces of planning (Salamin 2018). This formally displayed positive image, however, can be questioned immediately if we look at the deeper content. This is also the case with regard to the situation of “soft spaces” like functional regions.

Functional regions in the decisions of the Hungarian Parliament

Functional regions have always enjoyed special attention in Hungary. In 1996, mostly as part of the preparations for the accession to the EU, the Act on Regional Development and Physical Planning (with significant amendments in 1999, 2003, 2004, 2011, 2013, 2016) created an institutional framework for regions that cross the administrative borders of the counties (NUTS 3 level administrative units). The formation of regional development councils was obligatory in “priority regions” (Budapest Agglomeration and Lake Balaton Resort Area at that time) and optional in other regions. According to the original intent, the councils were basically “bottom-up” mixed organizations that provided an institutional framework for cooperation between different development actors (ministries, local governments, chambers, NGOs, etc.). However, the facts that the law defined the possible founders, included provisions for the composition of the members and delegated tasks for “priority region” councils (especially the elaboration of the regional development concept and the contribution to the regional level physical planning) strengthened the top-down character of these organisations. The mandatory members defined by the law were the presidents of the founding county development councils⁴, up to 6 representatives of micro regional associations of municipalities, the representatives of the relevant ministries (9 at the time) and 1 representative from each regional economic chamber. In the case of priority regions, the representative of the Government was also a mandatory member. In the nineties, the number of central government delegates and regional actors among the members was about the same. Additionally, the regional development councils could also invite other organizations to the meetings without the right to vote.

The following amendments to the law changed these provisions several times. From 2000 the NUTS2 level regional development councils also became mandatory actors of the regional development institutional system. However, the institutional framework for organizations that did not fit the boundaries of the statistical regions also remained. The NUTS 2 level councils were included

⁴ These organizations were also created by the Act in 1996. It was chaired by the Chairman of the County Council and composed of representatives of the “cities with county rights”, the micro regional associations of municipalities, the responsible minister, the territorial economic chambers and employee and employer sides of the County Labour Council.

into the potential founders of these “special regional councils”⁵ and their delegates also became full members. At the request of the council or on their own initiative, different ministers could also delegate their representatives. The “special regional councils” could invite other organizations and persons to participate in their work, but their number could not exceed one third of the mandatory members. After the amendment of 2000, the Balaton Region remained the only priority region. In case of the Balaton Development Council, the inclusion of the representative of the Government and the delegates of 10 ministers was also mandatory. The number of representatives of central organisations, who was involuntarily or voluntarily involved in the council’s work, steadily increased. 2004 brought the reversal of this trend: the possible number of representatives of micro-regional development councils decreased to 3, full representation of chambers disappeared and the obligation of the Balaton Development Council to involve delegates of the different ministers was lifted. However, from 2006 till 2011 the representatives of the National Development Agency (NDA) and the managing authorities (different departments of the NDA) also became full members of the Balaton Development Council at the Council’s own discretion. In 2004 the law required the Central Hungary Regional Development Council and the Municipality of Budapest to re-establish the Budapest Agglomeration Council. In addition to the Mayor of Budapest and the head of the regional development council, the representative of the Government and 3 representatives of Budapest districts and the micro-regions of Pest County also became mandatory members.

After the transformation of the administrative and territorial development system in 2011, the county governments have become the main actors in regional development. The county development councils, the NUTS 2 level regional councils and the Budapest Agglomeration Development Council have ceased to exist, so the legitimate circle of founders of a “special regional council” has narrowed to the county assemblies. The number of the members of the regional development councils has reduced and only the county presidents and one representative from each county assembly became full members. The representation of the municipalities has virtually disappeared. Furthermore, territorial representatives of the Chamber of Commerce, the Head of the County Government Office, the State Chief Architect have to be and other business organizations, non-governmental organizations may be invited to attend the meetings. From 2011 to 2013 the representative of the Government, from 2014 the representative of the minister in charge of strategic planning of territorial development and representatives of the ministers responsible for implementing EU funded operational programmes also became mandatory members of the Balaton Development Council. The council of the new priority region established in 2014, the Tokaj Wine Region Development Council is very special one since its operation covers only part of a county. Consequently, it has a specific membership composition. In addition to the county president and the delegate of the county assembly, the Chairman of the Tokaj Wine Region Council, the Chairman of the Supervisory Board of a state owned wine wholesaler and importer company (Grand Tokaj Zrt), and a representative of the minister in charge of general policy coordination are the full members.

According to the law, the operating costs of the “special regional councils” have always been covered by members’ contributions or by means of tenders. Only the development councils of priority regions could receive central budget support. Without other resources, separate work organizations or development agencies could not operate in these special regions, with the exception of the priority regions. Although between 1999 and 2013 the special regional development councils could make arrangements with local actors to finance their regional programmes and devel-

⁵ Since the “region” term is interpreted in Hungary as NUTS2 region, hereinafter we use “special” flag for these “grass-roots” regional councils.

opments, nevertheless in the absence of local resources and management capacities we can hardly find such examples. Central resources for “functional region level” development programmes or projects have been only available to Balaton Development Council on the basis of direct governmental decisions.

Until 2011 a total of eight “special” regional development councils were created (in the Budapest Agglomeration and Balaton Region on mandatory and in the other six regions on voluntary basis). The personnel capacities and assets available to the councils, and in this context, the level of performance of their tasks showed great differences. Presently there are total of 9 Regional Development Councils (Fig. 1). 2 of them are “obligatory” (Balaton and Tokaj) and 7 are organized on voluntary basis. 5 of the councils operate in tourist regions, 1 operates in the “Homokhátság” (Sand Dunes between the Danube and Tisza), in a typically rural region which is particularly vulnerable to climate change, while the obligatory Tokaj Development Council operates in a wine region. 2 of the councils have been organized for the cooperation of settlements along existing or planned motorways. These councils are rather lobby-organizations to construct the motorway. Unfortunately, there is very little information available about current activities of the regional councils, apart from the Balaton and the Tokaj Development Council, which carry out mandatory tasks and receive central budget support.

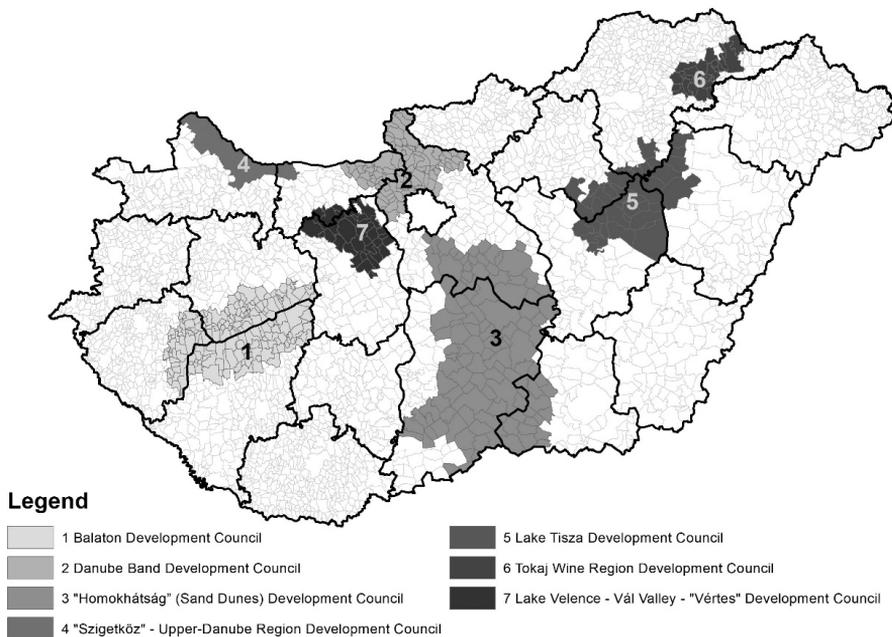


Figure 1. Regional Development Councils in Hungary
 Source: own design based on organisational and operational regulations of the councils.

National spatial development concepts adopted by Parliament decrees have also paid special attention to functional regions. The first National Spatial Development Concept (NSDC) in 1998 set up long-term development goals and priorities for some identified target regions like “backward regions”, “regions of industrial crisis”, “rural areas”, “border areas”, and “environmentally vulnerable areas”. The concept also highlighted the group of cities which operated as functional centres.

In the second NSDC adopted in 2005, there was a small shift in the spatial development objectives, as the competitiveness of the regions had become the first priority. Reflecting the changed logic, in the chapter summarizing the medium-term territorial goals, the “Metropolitan Region of Budapest” and the regional development poles (urban regions of regional centres like Pécs, Miskolc, Szeged, Debrecen etc.) got into the first line of priority areas. The category of “backward regions, external and internal peripheries” was still highlighted. In addition, a new category of the so-called “integrated areas of national significance” emerged, namely the “Lake Balaton Region”, the “Tisza Region” and the “Areas bordering the Danube” (Fig. 2). Furthermore, the distinct spatial categories of “border regions” and “rural areas” were also defined. In this latter category “areas that rich in natural and cultural landscape values”, “areas of scattered farmsteads”, the “*Homokhátság*”, “areas with small villages”, “areas inhabited by national minorities” and “regions with high proportions of Roma population” were differentiated.

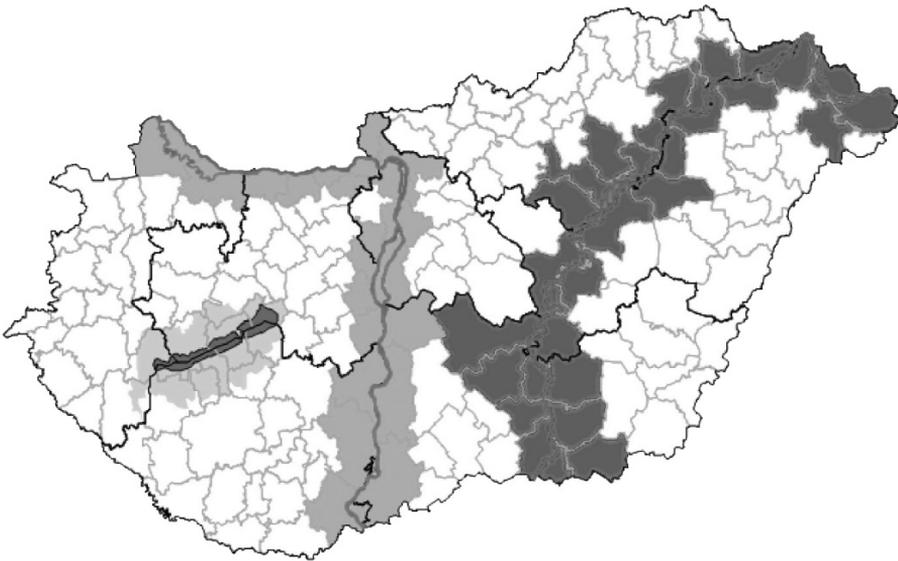


Figure 2. Integrated Development Areas of National Importance in NSDP 2005
Source: National Spatial Development Concept (2005).

The National Development and Territorial Development Concept (NDTC), which was adopted in 2014, has acknowledged that “the difficulties so far experienced in Hungary’s territorially based developments stemmed from the fact that those developments have failed to intervene in the actual spatial organisation processes. The practice has so far mostly been aimed at developing territorial units organised along administrative lines, which often did not really reflect the real spatial connections; these units were not characterised by cooperation between communities, by the identification of mutual benefits and compromises, or by a city’s responsibility for its territory” (NDTC 2014: 122). Consequently, the document dealt with functional areas at several points, and generally emphasized the role of “functional urban regions” in regional planning and development but without any concrete proposal. This concept also referred to specific functional areas but has classified them by national policy goals and directions. The result was a rather long list and an inconsistent structure of different categories of regions, or particular priority regions. Finally, a total of 20 categories were mentioned, including almost all of the regions which had been somehow included

in the previous concepts. Other regions were highlighted in an official concept for the first time (e.g. very small territorial units such as the “*Cserehát*” and the “*Ormánság*”, the so called “special economic zones”, and – as a reaction to new challenges – “areas most affected by climate change”).

After the review of the development concepts, we can conclude that the number of identified special region types and delimited regions has increased continuously, dividing them into more and more subcategories, displaying more and more specific areas. As the figures of the highlighted regions in the different regional development concepts illustrate, it is difficult to keep track of the changes because it was almost accidental which areas has been selected and why the content and the way of delimitation has changed.⁶

Functional regions in decisions of the central government

The main purpose of the designated representation of the different types of regions or particular functional regions in national spatial development concepts is to define territorially differentiated, specific development goals and interventions (more precisely “recommendations”) for the regional actors. However, in the absence of adequate local resources and tools, the key development actors throughout the entire period have been the central government and the different ministries. The decisions of these bodies have only in exceptional cases applied the spatial categories appearing in the national development concept “in force”. The decision-makers have often defined the targeted area based on current sectoral policy goals or on direct political objectives. These decisions on a specific region afterwards have often been inserted in the national spatial development concept approved by the Parliament.

Another typical aim of the nomination of specific areas by Parliament decisions is to ensure a coordinated and integrated development of functional areas that do not fit into the public administration system. However, the attempts of the Government to fulfil this goal have been unsuccessful up to this point. The preparation of the complex regional programmes of the New Hungarian Development Plan (the basis of the Common Strategic Framework for the 2007-2013 planning period) for example clearly relied on the NSDC adopted in 2005. The so called priority programmes included the Danube Complex Programme, the Tisza Complex Programme, the Balaton Complex Programme and the “Poles Programme”, which promoted the development of the regional centres. The sustainable development of the “*Homokhátság*” also appeared as a priority project. Designing and implementing of these programmes would have required their elements to be incorporated into sector-type operational programmes. Sectoral ministries, however, resisted against the use “their” resources following territorial logic and the Government also failed to find the optimal organizational form for the management of these complex programmes. As a result, these programmes virtually disappeared in the process of preparing for implementation.

Another common purpose of highlighting a special region in a national concept is to create a background for decisions on funding development programmes, or projects. In the first half of the nineties, in addition to a settlement-level support system, the Government supported individual counties (7 from the existing 19 counties), a large region (Great Hungarian Plain) and some smaller areas of industrial crisis (e.g. Ózd, Komló, Záhony region) with specific interventions. The regulation of the so called “business zones” in 1996 was fit to the sectoral logic. Since 1998, the allocation system of spatial development resources has provided support to backward regions

⁶ In some cases, the delimitation of the areas was based on settlement-level, in other cases relied on micro-regional (LAU 1) data, and sometimes there was a lack of explicit demarcation.

identified in the NSDC, which is the only system that, albeit in varying form and content has existed continuously, granting certain benefits in a normative manner to disadvantaged micro-regions (now districts). However, the allocation of funds on the basis of direct government decisions has not ceased either. Different counties, and certain special areas (e.g. “*Homokhátság*”, “Balaton Region”, “Tisza Valley”, Cseréhát Microregion) remained as target areas. The focus and support of the latter’s developments has often “slipped” into sectoral competences (such as the water management sector or the social sector) in practice. From the middle of the 2000s, in parallel with the increasing weight of EU subsidies, domestic resources became limited and the scope of *ad hoc* government decisions on specific areas also decreased. After 2010, resource allocation based on *ad hoc* direct Government decisions gained significance once again, this time assigning EU funds of different operational programmes to particular functional regions. However, these decisions did not consistently follow the priority areas in the actual NSDC or NDTC (such as the Ancient-Drava Programme⁷, Tokaj Wine Region). The development of the “Balaton Region”, the “Tisza Valley” and the “*Homokhátság*” was primarily treated as sectoral, namely water policy issue.

The 2014-2020 Partnership Agreement stated that “the management of territorial problems and potentials of national importance exceeds the resources of regional actors and regionally decentralized developments and will therefore be primarily addressed by sectoral operational programmes in the 2014-2020 period”(p. 222). The document mentioned particular regions with an indicative basis where the Government has been planning national regional development initiatives, namely the “disadvantaged areas”, “the metropolitan economic growth zones” and the “Lake Balaton Region”. Since most of the operational programmes (OPs) have essentially non-territorial character, and the Territorial and Settlement Development OP only provides resources for small investments within county or city boundaries, only *ad hoc* Government decisions remained as a chance for integrated development of a functional region. In everyday practice the already mentioned “Balaton Region”, “Ancient-Dráva Region” and “Tokaj Wine Region” have received special governmental attention and indicative development resources, but new spatial focus programmes such as the “KRAFT (Creative City – Sustainable Region) Programme” for the town Kőszeg and its surroundings or the “Mura National Programme” has also been approved. Furthermore there have been Government decisions on several so called “priority tourist regions”⁸, as a territorial aspect of a sectoral programme.

The Government’s report for the Parliament on the territorial processes in 2012 provided a good overview about the effectiveness of highlighting functional regions in spatial development concepts. It stated that the objectives of the spatial development policy were not fulfilled and analysed the development failures of the highlighted regions in detail. The NDTC text in 2014 also referred to these failures setting out that “the special region types and their respective targets defined in the NSDC were, for the most, not conspicuous in the sectoral policies and/or were practically not integrated into domestic development policy. Little spatial concentration and few special interventions tailored to specific areas were realised” (NDTC 2014: 12). The Parliamentary Report about territorial trends in Hungary in 2016 can be considered as a kind of revision of the existing NDTC structure of the spatial categories, as it did not strictly follow the NDTC system when presenting the intervention areas of the spatial development policy. It listed the following regions: “Budapest and its region – Central-Hungarian region”; “Towns and their regions” (including indus-

⁷ The territory of the “Ancient Dráva Programme” partly covers the territory of the “*Ormánság*”, which is a highlighted microregion in the NDTC.

⁸ Priority tourist regions are regulated by governmental decisions. They are: Balaton, Sopron-Fertő, Tokaj, Felső-Tisza and Nyírség, Dunakanyar, Debrecen-Hajduszoboszló and Hortobágy-Tisza Lake regions and other decisions are expected on Gyula-Békéscsaba, Velence-Etyek, Muraföld, Pécs-Villány Mohács regions.

trial crisis areas); “Rural areas” (including areas of scattered farmsteads, areas of small villages, and one specific micro region, the “*Ormánság*”); “Priority regions for territorial development” (Balaton and Tokaj Region); “Regions of economic and social convergence” (beneficiary districts, sometimes including areas of high Roma population and free-trade zones); “Border regions” (cross-border districts); “Areas most affected by climate change” (especially the “*Homokhátság*”). The summaries about the development of intervention areas reported very modest progress and – in some cases – even the accumulation of the problems.

Planning and development practice in functional regions

Being a local governmental competence, land-use planning usually does not extend beyond administrative borders. Although the national level physical plan and the county level plans (structural plan and zoning plan) determine the framework for settlement level plans and the regulation lays down a number of conciliation obligations, the fragmented administrative structure leads to a fragmented land-use planning regulation in the everyday practice. The priority regions can be considered an exception: in their case, the local level land use and regulatory plans are more strictly regulated by the Parliament. (Act on Spatial Planning in the Agglomeration of Budapest 2005, revised in 2011; Act on Balaton Special Resort Area Spatial Planning Plan and Balaton Spatial Planning Regulations 2000, revised in 2008). The preparation of these acts was the task of the minister responsible for spatial development, in consultation with the regional development councils, the affected counties and – in case of Budapest Agglomeration – with the capital. Although the Budapest Agglomeration is no longer a priority region according to the Act on Regional Development and Physical Planning, the amendments to the two above mentioned acts are currently on the agenda. Undoubtedly, the Development Council of the Budapest Agglomeration could not be involved in this process as it has ceased to exist in 2011.

Strategic planning in institutionalized functional regions is widespread and usually involves a wide range of local actors. The main purpose of the planning activity is to harmonize the regional actors’ conceptions, but the ultimate goal is mainly to secure the acquisition of funds for investments in the given area, i.e. to influence EU planning documents and *ad hoc* government decisions. Since the frequent changes of the nationwide strategy, regulation and central governmental decisions often change the framework for planning, the plans have to be reworked over and over again. Due to the lack of competencies and resources on local and functional region level, the strategic plans are often remained unutilised. Preparation of development concepts and programmes in priority regions determined by the law is the duty of the regional development councils, but must be approved by the Government. However, these plans have rarely been placed on the Government’s agenda (so far the only exception is the Development Concept and Strategic Programme of the Lake Balaton Region in 2015). On the other hand, the Government has approved the development concept or programme of several other regions that have not been highlighted as a priority area in the NSDC or in the Act (Development Concept of the “Lake Velence and Vértes Priority Recreational Area” in 2003, development programme for the same region – in 2005, the National Development Programme of the “Tisza-Lake Region” in 2013, the National Development Programme of “Tokaj-Hegyalja Wine Region” in 2013)⁹. These decisions have been probably due to the pressure of the political lobby of the regional actors.

⁹ Tokaj Region is a “priority region” by the Act since 2014 but wasn’t highlighted in the NDTC, which was approved in the same year. This example perfectly illustrates the inconsistency and *ad hoc* character of the Hungarian spatial development policy.

The impact of EU cohesion policy on planning and development in Hungarian functional regions

Hungary is one of the countries in which the share of EU subsidies in public development expenditures is very high. In the 2007-2013 planning period nearly 50% of public sector investment expenditure was granted by EU funds and this ratio reached 6-8% in the private sector as well (Boldizsár et al. 2016). Due to the fact that the absorption of EU subsidies has become one of the most important political ambitions, EU cohesion policy has had a significant impact on regional planning and territorial governance. The most robust influence of cohesion policy on national structures could be observed in the preparation period when Hungary tried to build up an institutional and planning framework suitable for the absorption of EU funds. This period was full of expectations concerning decentralization and the involvement of regional and local actors. Grassroots organizations were developed for the coordination of development and planning activities both on microregional and regional levels, which process was also supported by EU funds (PHARE Programme). New regional policy institutions based on the principle of partnership emerged (self-government associations, development councils and agencies on different territorial levels). As it was mentioned above, the Act on Regional Development and Physical Planning also placed emphasis on regions that crossed strict administrative borders.

While in the 1990s there was a strong political pressure on the member states to build up regional institutions, at the beginning of this century a shift happened. Due to the overall European problems like competitiveness, employment, environment, common currency, nationalities, etc., the scope of the regional policy was subordinated to the overall European effectiveness and efficiency. The pressure for decentralization ceased and the Commission started to favour concentrated and centralized management structures in the new comer CEE countries. Although the preparation phase initiated obvious decentralization tendencies, the utilization of EU structural funds – due to the EU Commission pressure assisted by the national governments – resulted in a temporary or persistent recentralization process nearly in all countries. In Hungary practically two parallel structures were created, one for developments financed by domestic sources and one for the EU cohesion funds. In the period of 2004-2006, the practice of domestic regional development became slightly decentralised, yet the newly established system for the management of EU funds followed a centralized bureaucratic model and special proceedings. The allocation of EU funds was mostly based on sectoral logic. The urge for creating bottom up institutions based on local partnerships diminished.

This situation has deteriorated further in the later planning periods. Domestic subsidies have reduced to a minimum level. The long lasting political debates have hampered strengthening secondary level local governments and the central governments have enforced their intention for a strong centralization. Under the circumstances of the increasing national scope of authority after 2006, Hungary was not necessarily prepared for multi-level and geographically flexible territorial governance. The country was characterized by strong traditions of centralized governmental systems, poor cooperation culture and weak regional and civil actors. Unfortunately, despite the preceding expectations, the EU cohesion policy has not contributed significantly to the decentralization process, the strengthening of regional actors, or the development of cooperation mechanisms. Although the principles of subsidiarity and partnership has been increasingly emphasised, the Commission created incentives for the national governments to focus on meeting with formal procedural obligations and ensuring timely absorption. The principle of shared management granted a relatively large freedom for the member state governments in designing

the territorial framework and institutional system of the implementation. And just like in the past, the Hungarian governments decided to follow a centralized bureaucratic model once again (Perger 2010, 2016; Mezei 2013). The resource-oriented, EU conform planning activity conducted by the central government got priority and the “traditional” types of territorial plans initially defined by the Act on Regional Development and Physical Planning (spatial development concepts and programmes at different territorial levels) withered. The regional institutions involved in the planning and implementation process were not given democratic authority and autonomy and have always operated under strict governmental control. In reality, meaningful representation of territorial interests and territorial identity has been absent from the Hungarian practice (Mezei 2016). The main coordination mechanism has always had a political character and the fulfilment of the principle of partnership has been formal and mostly initiated from above (Perger 2010, 2016). Although functional regions have enjoyed special attention in national territorial planning documents, they have rarely appeared in the EU planning documents. Planning experts have continued to keep the issue of functional regions on the agenda, but political decisions often did not take this approach into consideration. The missing local resources, competencies and management structures remained the main challenges for the complex development of functional regions.

With the strong and general centralization process is undergoing in Hungary since 2010, the country is getting further and further away from the multi-level governance model. The decision-making role of the central government authority has become much stronger and the decline of local governments’ role can be described as dramatic (Ladner et al. 2016). In this situation the local/territorial self-governments have tended to focus more on their own projects within their own administrative borders, instead of a wider area-based approach. Changes in EU cohesion policy have also strengthened the centralization trends. The thematic orientation and the strict performance review has affirmed centralized models of implementation since the member-state governments would hardly take the risk to delegate their responsibilities to the regions or other territorial bodies. In the absence of a multi-level governance model there is little hope for successful soft planning practices in functional spaces and even less so that programmes and projects crossing administrative borders can be realized. Practically the only chance for integrated development in a functional region is a development programme and/or specially assigned resources approved by the central government. Therefore, the regional development councils and other bottom-up organizations crossing county borders are mostly characterized as “rent seekers”.

In addition to enabling a highly centralized planning and management structure of EU funds, other features of EU cohesion policy regulation have also had controversial effects in Hungary.

First of all, the typical project based selection system for allocation of EU funds is disadvantageous for managing integrated territorial programmes. The case studies of the latest researches pointed out that in most cases, an *ad hoc* development policy exists on local level in Hungary (Perger et al. 2014; Perger 2016). The competition for winning the tenders has weakened the local actors’ propensity towards cooperation. The project-based planning and implementation practice and the bureaucratic procedures often work against local creativity and innovation. The projects rarely followed a clear regional concept and were implemented in a disorganized manner creating “development islands”.

Secondly the territorial framework for planning and implementation of cohesion policy has been mainly aligned with administrative borders. The NUTS 2 region based approach of the 2007-2013 development period laid out a framework that the domestic designers and policy makers did not want to overstep in Hungary. The cases of the Budapest Agglomeration and the Balaton Region, which will be described below, illustrate this controversial effect very well. There have been numer-

ous attempts to develop and implement integrated development programmes in other functional regions as well but they failed partly because of the fact that the territory of the functional regions belonged to different NUTS 2 regions (and to different NUTS 3 level administrative counties) which did not want to concentrate their allocated resources to a functional region partly outside of their borders. In some cases, the differences in the regional aid map have also led to contradictions.

In author's view, neither the cross-border programmes nor the European macro-regional strategies have had a clear positive impact on the development of functional regions, since there is an inconsistency between the perception of the target region in the national and EU-wide policy. The target areas of EU cross-border programmes are identified at NUTS 3 level. Since Hungary is a relatively small country with many neighbours, merely 3 of the 19 counties of Hungary are considered non cross-border areas. This classification works against the concentration of resources in the real cross-border functional regions and the most depressed peripheral areas, which cover a much smaller territory along the borders. In the case of Strategy for the Danube Region the target area is the whole country. As a consequence, the NDTC approved in 2014 did not distinguish the territory along Danube-riverside from the Danube Region and the projects contributing to the implementation of the Danube Strategy do not necessarily support the integrated development of the Danube riverside.

The same contradiction exists in the case of rural regions. In order to maximize subsidies, the Rural Development Programme covers the entire territory of the country, while LEADER is an intervention for settlements with less than 10000 inhabitants and outskirts of towns with more than 10000 inhabitants, if the proportion of the outskirts population exceeds 2% (the settlements in the agglomeration of Budapest are exceptions). The settlement-level definition per se would allow co-operation between rural settlements in different counties, but the new national regulations prohibit the crossing of county boundaries. In the NDTC, districts (administrative units on LAU 1 level) below the population density of 120 per km² are considered as rural regions. To determine more precise territorial goals for the very different rural areas rural subcategories were created in the concept, but special development tools for these categories have not been elaborated. The only exceptions are the "areas of scattered farmsteads", which were addressed by a separate parliamentary resolution and a nationally funded programme in the rural development strategy. For the implementation of this programme the budget laws have provided moderate domestic resources since 2011, allocated to the Ministry of Agriculture, i.e. under sectoral supervision.

Thirdly if we look at the rules and programming structure of structural funds, we also can find elements that have hindered implementation of programmes in "functional regions". Territorial cohesion got less attention than economic and social cohesion either on EU or on national level. Consequently, the allocation of EU funds in Hungary has mostly been based on sectoral operational programmes. The regional (or territorial) OPs have played only complementary role and the functional territorial interconnections were not taken into account. The dissension of the towns and its surroundings has been further reinforced by the duality of regional development and rural development programmes. In the current period NUTS 2 level regional OPs were not even developed in Hungary, only a single Territorial and Settlement Development Operational Programme. The programme applies a specialized territorial selection system based on the Integrated Territorial Programmes of the counties and the cities having county rights. However, the programmes of the counties and the cities was prepared in the framework of resources allocated by a Government Decree, according to a central template and output indicators defined by the ministry, and under strict government supervision. The system starkly separated the counties from each other and the county seats from their surroundings by setting up special priority axes for the counties and for cities having county rights.

Consequently, the Integrated Territorial Programmes does not support (sometimes even hinder) planning and development activities crossing administrative borders.

The case of Budapest agglomeration

The delineation of a functional region including Budapest and its surroundings is not an easy task, because it depends on what aspects we take into consideration. It is obvious that a suburban zone formed around Budapest, which is in many aspects strongly connected to the city. However, the functional urban region of Budapest stretches far outside the suburban ring and includes more loosely associated settlements too (Fig. 3). In case of the most strongly interconnected area of Budapest Agglomeration coordinated planning and development is essential. Without partnership, coordination and joint planning the process of urban sprawl, that has become one of the most significant phenomena characterizing the development of the region in the past 25 years, leads to transport, environmental, economic and financial conflicts. However, the coordination in this region is very difficult, as the administrative structure is extremely fragmented. The territory of the Budapest Agglomeration includes the City of Budapest and a part of Pest County, which are both second-tier administrative units governed by local governments. The capital has a special status with both municipal and county functions and has a peculiar dual self-government system. This means that in addition to the Municipality of Budapest, each of the twenty-three districts have their own local governments, with elected mayors and a body of representatives. The General Assembly of Budapest and the district bodies of the representatives are equal in terms of their basic rights, with no hierarchic relationship between them. According to the current delineation, 80 of the 187 settlements of Pest County belong to the Budapest agglomeration, although according to several experts, this area is bigger today. Despite their interconnectedness, each of them has full municipal authority.

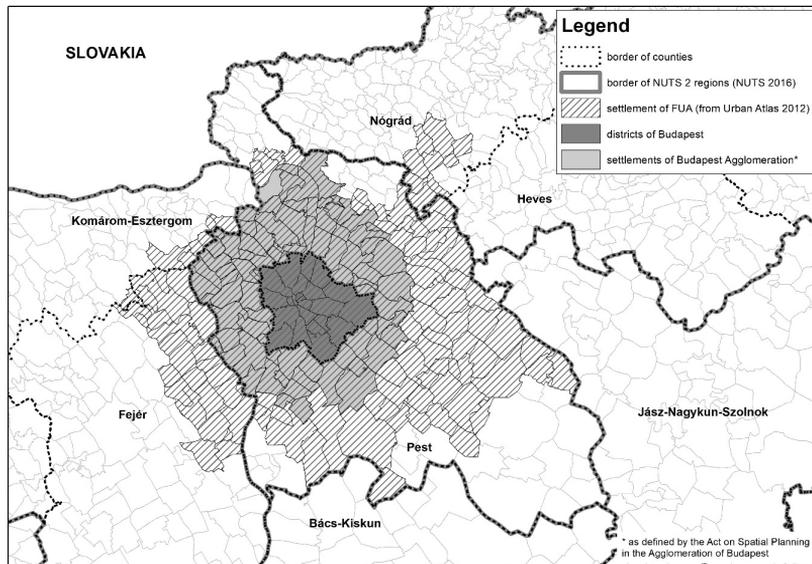


Figure 3. The Region of Budapest
Source: own design.

The coordination on spatial planning in the Budapest Agglomeration dates back to the late 1980s. As for strategic planning, the first development concept and the first development programme of the Budapest Agglomeration were developed in 1999 for the territory defined in 1997 by a Government Decree. These documents were worked out in close cooperation with the different stakeholders of the suburban region, and were coordinated and finally approved by the Budapest Agglomeration Development Council. However, these documents have never been on the agenda of the central government. The creation of the land-use plan for the suburban region adopted by the Hungarian Parliament in 2005 was also based on a region-wide consultation process with the affected local governments. Despite all the differences and debates between Budapest and Pest County, their experts were able to successfully cooperate in their spatial planning efforts. Consequently, planning documents on different levels (Budapest agglomeration, Pest county and Budapest city) have often set common goals, including promoting polycentric and more balanced territorial development in the suburban region.

In December 1999, in parallel with the creation of the Regional Development Council of the Central Hungary Region the amendment of the Act on Regional Development and Physical Planning disbanded the Budapest Agglomeration Development Council. With this decision, the only institution which provided a framework for reconciliation and joint planning for the actors (central government, city government, Pest-county government, municipalities, chambers, civil actors etc.) in the closely interrelated agglomeration area was ceased to exist. In administrative terms Central Hungary Region consisted of two NUTS 3 regions, the City of Budapest (1.8 million inhabitants) and Pest County (1.2 million inhabitants). The region was characterized by significant regional disparities between Budapest and Pest County. There were also major differences between two parts of Pest County. Nearly two-third of the county's population lived and nearly 80% were employed in the Budapest suburban zone. This "belt" could be characterized by similar social indicators as the city of Budapest. The "rest" of Pest County was less developed. Some territories of the county could even be considered as lagging areas.

The territorial framework for cohesion policy was quite different from the spaces drawn by real territorial connections and neither of them followed the territorial framework of the spatial planning system in Budapest Region. Due to its relative high GDP per capita value, the Central Hungarian Region was subject to objective 2 "Regional competitiveness and employment" in the 2007-2013 planning period, while until 2006 it belonged to objective 1, "phasing in" regions. The ERDF funding available for the region was planned and realised within a single operational programme, which included both sectoral and regional priorities. This situation gave even more chance for the bodies of the central government to determine the content and the implementation of the regional OP. Moreover, several so called priority projects based on governmental decisions were carried out in the region which were not always fully aligned with urban plans but directly influenced the development trends of the city. During the planning and implementation process of the Central Hungary Operational Programme, only mandatory formal consultations took place with the regional actors. Although the regional development agency was involved in the development of the programme and fulfilled tasks of the intermediate body in relation to some priorities, it clearly operated under strict central control. The programme itself did not really handle the problems occurring at the agglomeration level. Although the Budapest Agglomeration Development Council was re-established in 2006, it did not receive real competencies or resources. This council also worked out a middle term concept and programme in 2006, but these documents have never come into force.

Being an objective 2 region, the available subsidies per capita were minimised for the programming period of 2014-2020. As the preparation for the new planning period Pest County and Budapest have worked out their planning documents (development concepts and programmes). Budapest and the towns in Pest County also prepared their integrated urban development strategy. However, the planning process of the Competitive Central-Hungary Operational Programme clearly fell into central governmental competence and the implementation was the task of the managing authority operating in the Ministry of National Economy (at present Ministry of Finance). Since the structure of the programme is based on thematic priorities, territorial issues are not reflected significantly. Although the existing development planning documents were worked out within the administrative borders, Budapest City Government have involved the Pest County Government in the preparation of its four thematic development programmes, which are strategic documents with an entirely new perspective aiming to harmonise the development projects with respect to their subjects – such as development of Danube riverside, development of brownfield areas, social urban regeneration and promotion economic development and job creation in Budapest. However, the implementation of these programmes is hampered by the lack of resources and institutional background.

In December 2015, at the initiative of Pest County, the central government decided to split the statistical NUTS 2 region of Central Hungary into two separate NUTS 2 units (the more developed Budapest and the less developed Pest County) and initiated the process of separation. The decision was supported by both the Pest County Council and the Budapest Municipal Assembly. The EU Commission approved the request, so from 2018 Budapest and Pest County was separated by both county and NUTS 2 statistical region border. The separation was clearly the result of EU cohesion policy regulation. While the possibility of using EU funds for both mid-level administrative units might be beneficial, the coordinated development of the agglomeration area was further hampered. The even sharper borders between the capital and its surroundings would reduce the chance to counter the negative effects of the uncontrolled suburbanization.

The case of Balaton region

Balaton Region as an organically interconnected tourist region has also been a priority area for a long time. The territory of the “Lake Balaton Resort Area” (Fig. 4), according to the current demarcation, covers 180 settlements around the Lake Balaton that in administrative terms belong to three counties (Somogy, Veszprém, Zala). Due to the interrelations between them as well as their similar opportunities and problems, these settlements are more connected with each other than with their respective county seats. Local social and political movements already showed a close internal connection in the region decades ago, although often with the motivation of pursuing common interests rather than to create real partnership networks. The first development council type institution was established in the Lake Balaton Region in 1993, before the law on territorial development. Moreover, it was the first “regional” type development institution that crossed the county boundaries. Its operation was primarily based on the will of the local governments to cooperate, although the establishment of the council was eventually formalised with a government decision. The Ministry of Regional Development provided support to this purpose with the intention of introducing this new type of institution in the Hungarian regional development system. However, this also turned out to be the main obstacle to the council’s operation, because neither the legislative framework nor the practical techniques of financing or mechanisms of co-ordination with other actors had been developed yet.

In 1999, following the provisions of the 1996 Act, the council was re-established. From 1999 to 2004 the development of the Lake Balaton Region was financed from domestic central government sources. After 2004 support of the region from domestic sources did not cease, but its volume decreased significantly. In the National Development Plan for the 2004-2006 programming period priority regions were not mentioned. As a result, developments in the area of Balaton Region had to be implemented from the sources of sectoral operational programmes and the single Regional Operational Programme. In comparison with the funding arrangements of the previous period, this marked a very unsuccessful period for the region. It received less development resources than any other development region or county in Hungary. (Kabai 2012, 2016)

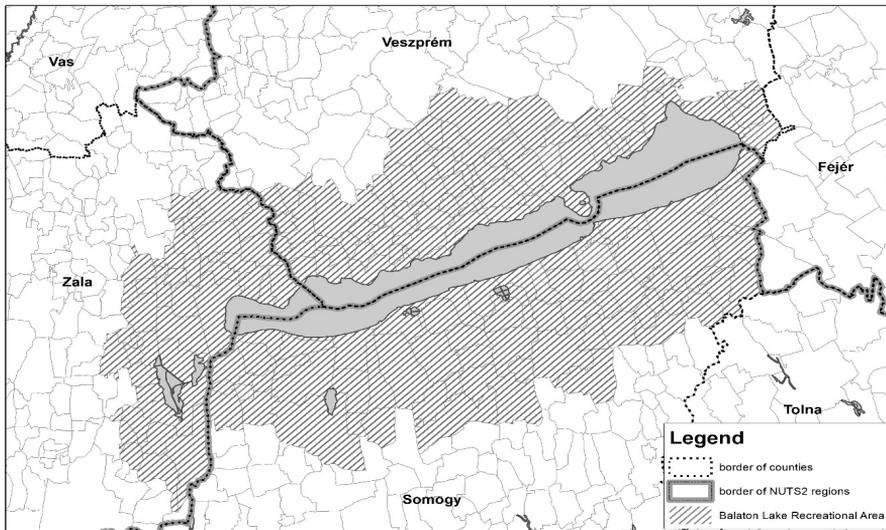


Figure 4. Lake Balaton Resort Area
Source: own design.

From 2000 onwards, with the establishment of NUTS 2 level regional development councils, the settlements of the Balaton Region belonged to three different NUTS 2 regions. (Central, Western and Southern Transdanubia). During the preparation of the 2007-2013 planning period, regional operational programmes were worked out for all the 7 Hungarian NUTS 2 regions. However, in order to address the financing needs of the harmonized development of the Balaton Region, the first versions of the national level planning documents also included a separate Balaton Programme. Therefore, the Balaton Development Council prepared and accepted a Development Strategy and a Complex Programme for the region. Since there was no decision about a separate programme till mid-2006, the council transformed the above mentioned documents into an allocation plan (detailed Balaton Plan 2006). In the end, the Balaton Region did not appear neither in a separate operational programme or a separate priority-axis in any OP. The decision-makers argued that the EU statistical nomenclature would not allow that. At that time, the preparation of the so-called Balaton Flagship Complex Programme was started, which did not have a separate resource frame. The financial background of its development was subdivided into sectoral and three regional OPs. The Ministry of Local Government and Regional Development was responsible for the coordination of the programme. However, in less than a year it turned out that the insti-

tutional system was unable to handle the support construction that such a complex programme would require. As a consequence, the regional actors were forced to submit proposals for calls of different sectoral and regional programmes. The applicants from the Balaton region were more effective compared to the previous years, but the strategic objectives set out in the regional level plans were barely fulfilled.

With the coordination of the Balaton Development Council and with the professional assistance of the Lake Balaton Development Coordination Agency (a non-profit organization established in 2000 by the Council) planning documents for the Balaton area were also prepared for the 2014-2020 planning cycle.¹⁰ This time the documents were approved by the central government in November 2015 which also made a decision about the specified investments financed by EU or domestic funds in this period. EU aid of 280 billion forint was separated in 17 priority axis of 6 OPs. In July 2016, the government abolished its decision referring to the government restructuring of the tourism sector, but in December 2016 adopted a new revised version, amounting to 365 billion forint (264 billion forint worth of EU funds and 103 billion forint from national funds). The decision listed different objectives and particular projects and resources allocated to each item (an indicative financial allocation assigned to different OP constructions or national budgetary source). The Lake Balaton Development Coordination Agency has got the task of managing the application of development funds appropriated by the central budget based on the council's decisions. As a result of the strong and direct central government intervention, the development projects are making good progress.

Conclusions

The optimal territorial framework for regional policy interventions that takes account of synergies between different types of public intervention, integrate developments in the different sectors and which are likely to bring about impacts adapting to the spatial characteristics are defined by real economic and social structures. These functional regions cross administrative borders, often change in their territorial dimensions, and vary according to the different functions or different territorial levels. However, the framework for implementing development policy, as with any public policy, is heavily influenced by the administrative structure which is quite inflexible. This is a difficult-to-handle contradiction at both European and national level. Although, over the last decade both experts and EU regional policy documents have supported the idea that there is a need to think in terms of functional areas rather than areas within rigid administrative borders, the everyday practice have shown that this is not an easy task. Planning and management of the development programmes in functional regions would require territorially more flexible regulatory and institutional framework, vertical and horizontal coordination between decision-making bodies, and the involvement of local and regional actors.

The Hungarian case demonstrates that the overall impacts of EU cohesion policy on planning and development activities in functional regions have been controversial. Neither EU legislation and management nor implementation at member state level has made a significant contribution to integrated territorial developments of regions crossing administrative borders. The regulation of EU cohesion policy has always had features that have encouraged the member states to adapt their development system primarily to their administrative structure. The recent developments

¹⁰ In the framework of the project called "Improving spatial planning activities in the Lake Balaton Resort Area 2014-2020", which was submitted by the Lake Balaton Development Council in the framework of the new Széchenyi Plan.

have led to controversial effects in this respect. On the one hand the EU legislation has provided more tools for integrated developments in functional regions; on the other hand, the thematic concentration and tight performance control have strengthened less flexible, bureaucratic procedures. The principle of shared management has ensured a relatively large freedom for the member state governments in designing the territorial framework and institutional system of the implementation.

Since Hungary was not necessarily prepared for multi-level and geographically flexible territorial governance, the management of EU funds has mostly followed a centralized bureaucratic model. Regional development institutions based on the principle of partnership have got limited role in planning and implementation of EU programmes. Although functional regions have been always highlighted in national development documents, central government decisions have not consistently followed the lines set out in the spatial concepts. The complexity and the lack of management structures have set back the implementation of complex programmes even if originally designed. Because of the general centralization process from 2011, nowadays there are neither local nor territorial level authorities with sufficient powers, financial resources, or adequate management capacity, so there is no chance for bottom-up construction at functional region level. Challenges for managing territorial units which do not fit to administrative borders have even confirmed recentralization processes in Hungary. Since functional regions do not fit into the general implementation structure, the central government increasingly takes project-level decisions regarding the development in functional regions. In this situation, there is a high risk that local aspects and territorial coordination requirement would fade into the background.

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PLANNING IN LUXEMBOURG: INNOVATION AND TRADITION UNDER ONE UMBRELLA?

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Abstract. For quite some while Luxembourg has seen an impressive socio-economic development, rendering spatial planning interesting. Although the spatial planning system in Luxembourg is relatively young, it is used to digest and to distribute the socio-economic growth and push for a more polycentric territorial structure. For this, policy makers have a range of instruments available. These include traditional but also many forward-thinking approaches, which give spatial planning in Luxembourg an innovative edge compared to other European countries. Among these forward-thinking approaches are e.g. national public participation processes, soft territorial cooperation or cross-border planning. Therefore, we argue in this article that supplementary to the traditional elements, spatial planning in Luxembourg has many innovative features, deserving more attention in the international planners' community. Indeed, policy makers from all around Europe can learn and capitalise from the Luxembourgish experiences.

Keywords: spatial planning, governance, Luxembourg, growth, innovation, participation, cross-border planning.

Introduction

Luxembourg has seen impressive socio-economic development over the past decades. The territorial development challenges coming with the high growth rates make the Luxembourgish spatial planning interesting. It relies on well-established strategies found elsewhere in Europe, but also implements forward-thinking approaches that defy comparison. We will showcase both, the traditional and innovative elements, their *raison d'être* and argue why policy makers from across Europe can learn from the practices in Luxembourg. This text builds on the work conducted for the case study on the Luxembourgish spatial planning and governance system for the ESPON COMPASS project (ESPON 2018) and the work conducted for the national platform for urban politics (CIPU)¹.

We will provide a short introduction to the Grand Duchy and important spatial trends. Then, we will highlight the specificities and challenges for spatial planning and governance. This showcases the system, underlying objectives and topics, which emphasises the challenges faced by the spatial planning system along with classic and innovative solutions.

¹ See: <http://www.cipu.lu/index.php/base-documentaire>.

The country of Luxembourg and spatial trends

National policy makers often mention that the domestic context in Luxembourg is too specific and thus obstruct comparison with other countries. Still are not all countries and their developments unique in some way? Below we highlight a few specificities and prevailing aspects that render the challenges the Luxembourgish spatial planning system has to tackle specific. First, we present the socio-economic development and their spatial structure within the country before we introduce policy objectives and challenges to the spatial planning system.

Luxembourg is the second smallest country in the European Union. It is e.g. about five times larger (2 586 km²) than the city of Warsaw but with about a third of Warsaw's inhabitants (602 000 in 2018) (STATEC 2018b). The country is about 80 km by 60 km, with the capital and major centres in the southern part. Land is a limited resource in Luxembourg.

Between 2010 and 2018, the number of inhabitants has increased significantly. The demographic growth is explained by people moving in. On average, the country receives 13 000 new residents per year. Over the past eighteen years the population has increased by some 40% (STATEC 2018b). In future, the population of Luxembourg is expected to increase from currently 0.6 million to 1.1 million inhabitants by 2050 or 2060 respectively (STATEC 2017).

Many foreigners and commuters are attracted by the economic development. Luxembourg's GDP is well known to be far higher than the European average. This attracts many companies, resulting in an ever-increasing number of jobs in the country, affecting the ratio between residents and jobs. Of four residents, three are economically active (STATEC 2018b). However, many employees do not live in the country and some 40% are cross-border commuters from France, Belgium or Germany (STATEC 2018b).

Population and employment distribution and growth is unbalanced. Luxembourg City houses about one fifth of the population (STATEC 2018b). Every third person in the country lives in one of the four largest cities; Luxembourg City, Esch-sur-Alzette, Differdange or Dudelange (STATEC 2018b). These are all in the centre and south of the country. The population is a little more equally distributed than employment for which the capital area prevails. 55% of all employment is in Luxembourg City and surrounding municipalities, attracting commuters from within and outside the country (Decoville & Feltgen 2018).

To address population growth, policy makers also want to implement a more polycentric territorial structure, allowing for more territorially balanced growth and relieving infrastructure systems across the country (MDDI 2016). Thus, spatial planning in Luxembourg has a twofold objective: (A) structuring existing territorial elements and (B) managing and actively shaping the socio-economic growth of the country. However, there are obstacles to national approaches.

Because of its geography and its growth, Luxembourg repeatedly reaches its limits. Development in the country has made considerable progress. Rapidly increasing numbers of inhabitants and economic growth are also taking their toll. Growth requires land, which is a scarce resource in the country. In the debate on spatial planning, decision makers realised that the small size of the country is a bottleneck. Therefore, Luxembourg has far reaching experience in political integration with its neighbours. This is because of historical links but also because of an early awareness that cooperation is a must and not a luxury. The large increase of cross-border workers is thus only one more recent symptom of many versatile cross-border relations. Long-lasting cooperation has also impacted the spatial planning system, with national strategies considering cross-border relations and joint planning efforts.

Spatial planning and governance

Strong growth and expectations towards spatial planning put high pressure on policy makers. This raises the question what instruments do planners have at hand to fulfil these expectations and tasks? The following paragraphs will elaborate on the layout and characteristics of the planning instruments system (Fig. 1).

Through spatial planning, Luxembourg wants to mitigate negative effects and shape growth. The national discourse on spatial planning is influenced strongly with discussions how to engage with demographic and economic growth. In a country where land is limited, public discourse about growth has quickly transformed into debates on the future quality of life and the role of spatial planning and architecture. This has led to the aspiration of mitigating negative externalities and actively shaping the country's growth. The spatial planning system is measured by the highest standards.

Luxembourg's current spatial planning and governance system is quite young. The existing setting for structuring Luxembourg has been introduced incrementally since 2003. The instruments have been significantly inspired by the European discourse on spatial planning, summarised in the European Spatial Development Perspective (ESDP) and the Territorial Agenda (Ministère de l'Intérieur 2003; Eser 2011; Eser & Böhme 2015). Since 2003, the system has been recurrently updated, changed and improved.

There are two main spatial planning levels. These involve state ministries at the national level with national strategic instruments (Table 1) and municipalities at the local level with municipal land-use plans (Table 2). The parties sometimes have different aspirations for spatial planning. This is a well-known conflict of local development *versus* the aspiration of national planning (Hesse 2013). The state has therefore adopted a direct role in planning and sometimes implementing national projects, overruling local interests.

The national level uses strategic and regulatory instruments (Table 1). The purpose of these instruments is to define development objectives for the future territorial structure of the country. These instruments also address fundamental questions such as how growth should be dealt with and what shall be the structure of the territory. The national level also features a range of regulatory tools (PDS). These should link to the strategic tools and support their implementation. Today, the regulatory tools mainly appropriate land for future national developments, such as large-scale housing projects.

At local level, the instruments structure land-use within municipalities (Table 2). The country mainly has tiny municipalities. In 2018, Luxembourg has 102, but the number is steadily decreasing due to municipal mergers. Nevertheless, 72 of the 102 had less than 5 000 inhabitants and only 10 had more than 10 000 inhabitants (STATEC 2018a). The PAG and PAP represent the only effective land-use planning instruments. To ensure significance of the other tools, municipalities developing land-use plans should respect the higher-ranking planning instruments. There are also 'Conventions', which are an intermediate tool bringing together municipalities, possibly with the state (CIPU 2018a). These were originally intended to achieve strategic objectives laid out in the PDAT but they can also be used for strategic cooperation between municipalities.

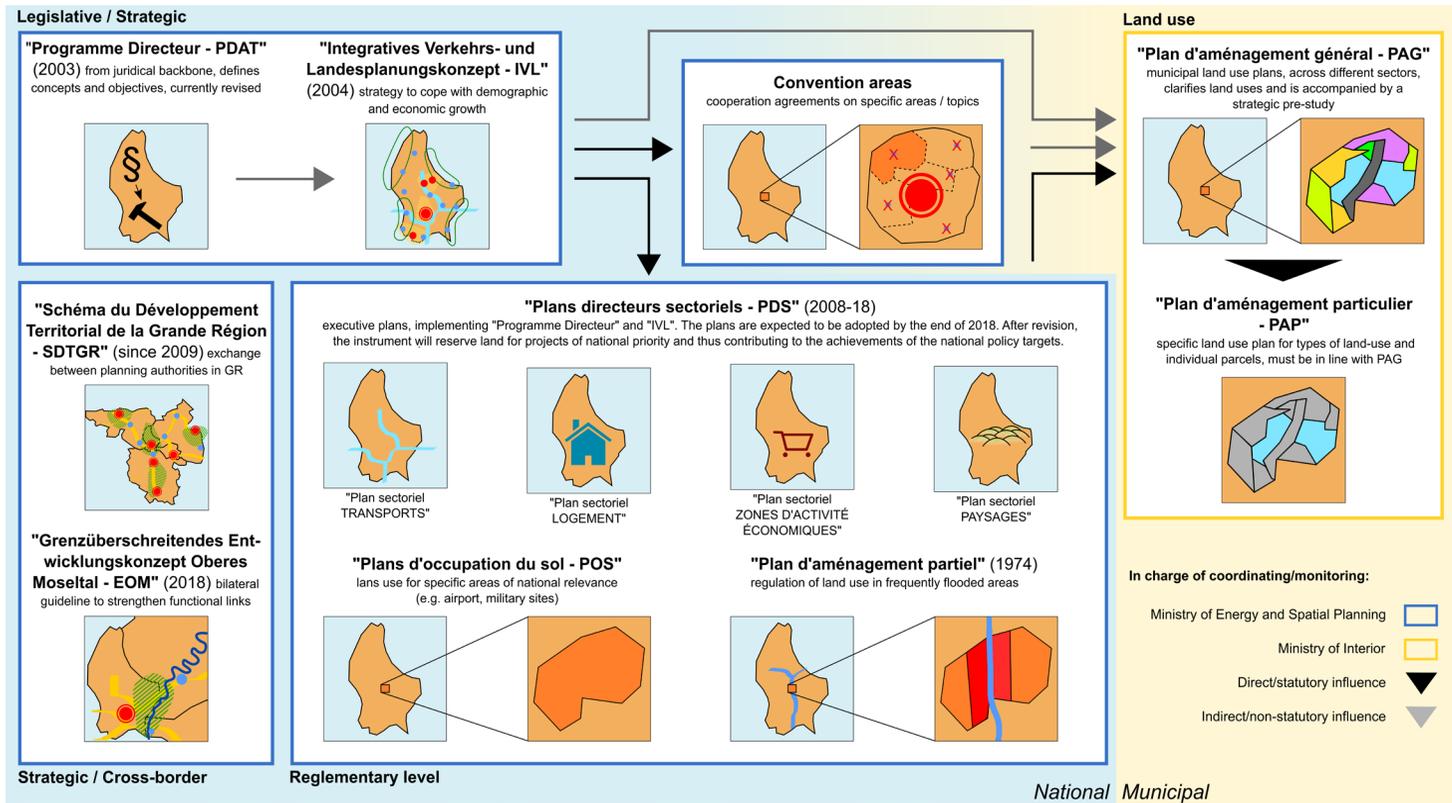


Figure 1. Main instruments and links of Luxembourg's spatial planning system.
Source: own elaboration, based on work conducted for ESPON (2018).

Table 1. National spatial planning instruments in Luxembourg

| Instrument name | Instrument characteristics |
|---|--|
| <p>PDAT (French: “<i>Programme directeur d’aménagement du territoire</i>”, English: Master programme for spatial planning)</p> | <p>The PDAT is the underlying strategic spatial planning concept and strategy, including objectives and visions for the territorial development of the country. This is inspired by the ESDP and is the primary strategic planning instrument. Published in 2003, the PDAT is an overarching strategic framework for spatial planning. It summarises development objectives for and through different policy fields. The PDAT can include reflections on territorial structures and functional integrations across the country. It also addresses policies for administering growth and reflects on prospective development of the country. In short, it is a ‘one-size-fits-all’ multi-sector planning document. Originally, it was planned to be implemented through the PDS (see below, MDDI 2018d).</p> |
| <p>IVL (German: “<i>Integratives Verkehrs-und Landesentwicklungskonzept</i>”, English: Integrated traffic and territorial development concept)</p> | <p>The IVL is a national strategic document addressing growth related challenges to spatial planning in depth.</p> |
| <p>SDTGR (French: “<i>Schéma de Développement Territorial de la Grande Région</i>”, English: Territorial development concept for the Greater Region)</p> | <p>SDTGR is a cross-border multilateral development concept that is currently under elaboration. Its objective is to implement a cross-border polycentric metropolitan region at the level of the Greater Region.</p> |
| <p>EOM (German: “<i>Grenzüberschreitendes Entwicklungskonzept Oberes Moseltal</i>”, English: Cross-border development concept Upper Moselle Valley)</p> | <p>EOM is a cross-border development strategy to sustainably develop the Upper Moselle valley.</p> |
| <p>PDS (French: “<i>Plans directeur sectorial</i>”, English: Directive sector plans)</p> | <p>PDS are national level directive plans. Their objective is to implement the PDAT through four sector approaches, namely transport, housing, economic activity zones and landscapes. These sector plans were developed to include the relevant ministries in spatial planning but had little cross-fertilisation between the sectors. This has led to incompatibilities between the plans, not least conflicting development objectives. Implementation was halted in 2014, as they would impair fundamental citizen rights and interfere with municipal autonomy. This also means that the 2003 PDAT thereby lost its statutory condition to the municipal land-use plans. The PDS were consequentially revised and are again at the final implementation step (expected to be adopted by the parliament in near future), though only as a sector instrument to appropriate or preserve land.</p> |
| <p>POS (French: “<i>Plans d’occupation du sol</i>”, English: Land use plans)</p> | <p>POS includes detailed provisions for areas of national importance such as airports and military sites.</p> |
| <p>Plan d’aménagement partiel (English: Partial land-use plan)</p> | <p><i>Plan d’aménagement partiel</i> is a plan including urban requirements for areas that are frequently flooded.</p> |

Source: own elaboration.

Table 2. Local spatial planning instruments in Luxembourg

| Instrument name | Instrument characteristics |
|--|--|
| Agreements on convention areas | As consequence of fragmentation, many municipalities in Luxembourg have small administrations and are often too understaffed to address aspects beyond their daily business. Convention areas are straightforward contractual agreements between several municipalities and/or the state that cooperate under the 'convention tool'. This approach enables players to engage in soft territorial cooperation across policy topics and governance levels (CIPU 2018a). Partners in a convention decide on all aspects, including the governance structure, topics for cooperation, instruments to be used and monitoring processes. Conventions implement national objectives of the PDAT when actions of single municipalities are not sufficient. |
| PAG French: " <i>Plan d'aménagement général</i> ", English: General land-use plan) | PAG are the local land-use plans drafted individually for each municipality. This is the equivalent of a zoning plan where municipalities lay down zones and detail preferential uses. PAG are created by municipalities and only reviewed by the state. This represents the central dilemma of the planning system: because with their land-use plans, municipalities possess the only executive land-use planning instrument, leaving the state unarmed. |
| PAP (French: " <i>Plan d'aménagement particulier</i> ", English: Specific land-use plan) | PAP are plans for individual parcels of land. These address specific characteristics such as building type, layout of public spaces, building height, roof form for plots, zones or smaller districts within a municipal PAG. |

Source: own elaboration.

The system includes two fundamentally different approaches to planning. On the one hand, the state ensures that land for large-scale developments is reserved or appropriated. These developments contribute to national strategic objectives. On the other hand, municipalities benefit from strong autonomy in planning. When planning beyond the large-scale state projects, municipal planners can get inspiration from the national strategic documents, allowing for rather indirect connections to national objectives. This means that despite the existence of strategic national plans, municipalities are not yet legally required to follow their provisions.

Core topics for spatial planning in Luxembourg

Beyond the structure of the spatial planning system are several topics that stand at its very centre. These are tailor-made responses and pathways based on the local specificities and challenges which significantly shape spatial planning within the country. These plans for decentralisation from Luxembourg City, national public participation for the PDAT and cross-border coordination of strategic planning documents are explained below.

Polycentric territorial structure

Luxembourg is highly centralised, with Luxembourg City having the highest concentration of jobs, housing and businesses. Scarce housing as well as traffic congestion around the capital and across the entire country are the consequence. The national body for spatial planning uses therefore the polycentric model as territorial vision. This aims to distribute future growth across the country in a more balanced manner which should decongest the capital area and support new regional

growth poles (Decoville & Klein 2014). CDA (French: “Centres de développement et d’attractions”, English: Development and attraction centres) is a classification of cities within a national hierarchy. By developing CDAs, polycentricity will be strengthened (Ministère de l’Intérieur 2003). But what does this mean in practice?

The country intends to break the current spatial structure. How does one transform a village into a city? Developing CDAs² should use highly concentrated developments, strengthening their urban character and limiting urban sprawl. This is important to the spatial planning discourse in Luxembourg as the division of people and jobs between CDAs is expected to introduce many improvements and sustain the quality of life for residents. Developing these intermediate and regional centres within the country requires significant effort. Luxembourg City is the superior CDA, but the 2003 PDAT mentions two intermediate and twelve regional CDAs. By developing these, Luxembourg is actively increasing the number of cities in the country. In light of this objective, there is a need for stronger inter-municipal cooperation.

Luxembourg participation process to revise planning strategy

The PDAT defining future development objectives for the country is currently under revision. This offers several opportunities: contemporary topics can be included and addressed through the PDAT. The body in charge of spatial planning has used this opportunity to organise a national participation process which has run for several months and was concluded in 2018. It was designed for participation by regular citizens as well as cross-border commuters, not living but working in Luxembourg, thus including a range of population groups. This is the only national participation process for spatial planning strategic objectives in the European Union.

The participation process allowed participants to become involved in spatial planning. It broke down the sometimes-complex subject of spatial planning for citizens involved creating a geographic and thematic division. Geographically, regional ‘laboratories’ were held in four regions (Nord, Centre, South, East). These were complemented by three cross-border groups from Belgium, France and Germany (MDDI 2018c, 2018d). Each laboratory consisted of about 50 participants, subdivided into five thematic groups. In addition, a parallel ministerial working group focussed on the governance of the new PDAT. The results of the participation process will feed into drafting the new PDAT from the end of 2019. Despite having little experience with such innovative and strategic participation processes, Luxembourg shows that they are possible at the national level.

Luxembourg cross-border thinking for spatial planning

Luxembourg is a member of the Greater Region³ covering Luxembourg and the neighbouring regions of Belgium, France and Germany. It’s a supra-regional institutionalised cooperation network for exchange and coordination between decision makers and practitioners. This cooperation has become crucial in the light of many cross-border links between members. Rather than solving issues through bilateral agreements, the Greater Region is a cooperation platform on political and technical aspects. Members also coordinate spatial planning. It has become a habit of Luxembourg authorities to consult and reconcile on territorial developments with neighbours at all levels (MDDI 2016). The following few paragraphs present implementation of the different initiatives involving cross-border cooperation in spatial planning – from the national to the individual citizen level.

² Due to their morphology, many CDAs today would classify in other member states of the European Union only as villages and not as urban centres.

³ See: <http://www.granderegion.net/>.

Greater Region members are developing a cross-border territorial strategy. Cross-border coordination for spatial planning has a considerable history in the Greater Region. Since 1971, the structure has been used for formal and informal coordination also for spatial planning. Several objectives were since defined to strengthen inter-institutional cooperation formulated in short and long term objectives. These are *inter alia* the development a strategic operational vision and scenarios for the Greater Region for the 2050 time horizon (STDGR). Outputs of this international process will be applied by Greater Region members as superordinate objectives, inspiring domestic spatial planning strategies (MDDI 2018b).

Luxembourg also coordinates planning with its neighbours bilaterally. Some territories require geographically limited approaches to planning as they are geographically confined. This includes the Upper Moselle valley, which covers much of the Luxembourg Germany border. EOM⁴ (Cross-border development concept Upper Moselle Valley) is a lower level cooperation approach to spatial planning. The long-term objective is to increase functional integration across borders to maintain this historic cultural landscape while not impeding its socio-economic development (MDDI 2018a).

Locally, there is institutionalised cross-border cooperation. The large-scale project of Belval in the southern fringe of Luxembourg is a brownfield development and part of the country's decentralisation programme. On the border with France, Belval has become home of the University of Luxembourg and other important research institutions and is, today, the economic motor of the South. During 2012, the EGTC (European Grouping of Territorial Cooperation) 'Alzette-Belval' was founded as a cross-border cooperation institution. It was created for the purpose of harmonising and stabilising cross-border relations of citizens and decision makers in the border area of Belval ensuring harmonious and joint development (Becker 2016; Alzette Belval GECT 2018). The country is also comfortable with using European instruments to cooperate across borders (Zillmer et al. 2018a, 2018b).

Non-residents participated in updating the planning strategy. Apart from the broad national process to update the PDAT, non-residents also participate. Three laboratories, for Belgium, France and Germany, involved 45 persons working in Luxembourg. National participation was organised through workshops enabling participation through co-creation, while the cross-border group was involved in a consultative process. This has provided cross-border commuters with the possibility of conveying their territorial needs and wishes for the future development of the country (MDD, 2018c, 2018d). Including non-nationals in a national participation process in Europe was previously unknown and acknowledges the role of cross-border commuters for the country.

Spatial planning in Luxembourg: between tradition and innovation

Describing the major driving forces, challenges and specificities offers some insights on the current trends and topics for spatial planning in the Grand Duchy. What else can we note about the country and what lessons can we draw from the Luxembourg case? Based on the previous descriptions, the following paragraphs will elaborate on the planning practices. Spatial planning in Luxembourg is practiced through top-down approaches but also through innovations found in the latest EU strategies. This renders the system traditional but also modern. To support our argument, we will introduce the elements and approaches that we consider as traditional and modern.

⁴ See: <https://amenagement-territoire.public.lu/fr/grande-region-affaires-transfrontalieres/eom.html>.

Tradition

Despite the youth of the Luxembourg spatial planning system, there are several traditional elements. These are the sector plans (PDS), the large-scale and top-down planning projects as well as strong municipal autonomy.

The PDS have a classical understanding of planning and structuring territory based on national development objectives. Implementing the 2003 PDAT involved introducing four PDS on housing, transport, economic zones and landscape. This is necessary for the state to acquire land to implement large-scale projects across the country. Such top-down projects (i.e. French: *“Projets d’envergure”*, English: Large projects) are the nation’s contribution to PDAT objectives.

Luxembourg is changing fast, not only in terms of economics and demography but also the built environment. During the past 20 years there have been many large-scale projects with the state or one of its institutions taking a pro-active role in planning. These projects sometimes challenge the structured planning approach and decentralisation objectives of the state. Examples are ‘Belval’, the never-ending expansion of ‘Kirchberg’ (CIPU 2018b), ‘Ban de Gasperich’, ‘NeiSchmelz’ (CIPU 2018d), the ‘Nordstad’ project, ‘Wunne mat der Wooltz’ (CIPU 2018c) and ‘Elmen’ to name just a few. The practice of planning top-down through large-scale projects is maybe a symptom of the development the country. To keep pace, spatial planning is forced into taking big steps. These projects are often seen as overruling local interests even though local autonomy is strong.

Municipal autonomy in land-use planning remains undisputed. Similar to other European countries, municipalities in Luxembourg control the only effective land-use planning instrument, the PAG. Effective statutory links to the primary national instruments, sector plans or the PDAT were not yet effective at the time of the analysis. This provides municipalities with a high level of independence from national objectives for zoning and land-use planning.

These aspects mean parts of the spatial planning system are traditional. Despite tradition being recognised as providing stability in spatial planning environments, it is not always easy to work with. An example is the revision of the sector plans, that are again in their final approval phase after being halted in 2014. In hierarchical systems, strategies are implemented by instruments and the actions of spatial planning instruments should be aligned with strategy objectives. In Luxembourg, it works the other way around. At least for the revised sector plans (PDS) where the strategy dates back to 2003 (PDAT). Meanwhile, a remake of this strategy is at full speed, and should become effective in 2020. So, when the instrument becomes effective, its underlying strategy will have just expired. Future municipal land-use plans (PAG) however then have to link to the updated strategy (PDAT post-2020). The crucial question is why municipal planning must respect provisions of new strategies after 2020 (new PDAT) and national planning (PDS) not.

Modernity

The system also features a range of modern aspects that we will introduce. These are the PDAT and the national participatory approach, the convention instrument and the cross-border reconciliation in spatial planning.

The PDAT is the modern counterpart to the PDS, thematically and conceptually. It is currently fit for the future with the inputs of a wide participation process, ensuring it is updated to structure developments across the country post-2020. The new version will become influential for future municipality land-use plans, allowing for cross-sector fertilisation from the strategic national level down to the municipalities. The PDAT is thus directly inspired by the ESDP, including across vertical and horizontal policy objectives. The participation process for creating the PDAT is also innovative

involving not only a large number of residents but also non-nationals. Many objectives of the future PDAT can only be implemented through cooperation between several municipalities who control the only effective land-use instrument.

Conventions in Luxembourg illustrate a forward thinking planning approach. Conventions are inter-municipal cooperation structures for strategic spatial planning through soft and informal approaches. They enable local cooperation focussing on local interests and development objectives in exchanges with national stakeholders. This highlights another innovative component of the instrument, conventions bring together municipalities and the state. One of their outputs is thus vertical integration across governance levels. In spite of the great flexibility, the tool was not picked up as initially expected. Therefore a participation process with municipalities and state players was initiated to draw further conclusions on the future perspectives of the instrument (Faber et al. 2018). The current debate on restructuring the policy setting around conventions proposes even further loosening of cooperation structures. A convention or other structure for municipal cooperation can only be implemented after a successful trial period.

The habit of cross-border coordination of spatial planning is another innovation. As described above, Luxembourg coordinates spatial planning across several levels with its neighbours. The country therefore uses its own governance structures, the Greater Region or bilateral exchange structures as well as European instruments. Because of the long history and various approaches, Luxembourg spatial planners are at ease with cross-border spatial planning coordination.

Traditional and innovative approaches under one umbrella?

The spatial planning system in Luxembourg provides a broad spectrum of instruments. These were developed in different governmental terms addressing different policy priorities and aspirations for spatial planning. It is therefore not surprising that instruments follow different schools of thought. Top-down approaches of the soon-to-be former PDAT, in conjunction with the corresponding PDS, and municipal autonomy draw a classical picture of how territory is structured. Today however, the understanding of the role of these classical instruments has changed. At the same time, the country follows new paths with the revised PDAT, the soft territorial development instrument of conventions and cross-border coordination. Traditional and modern planning coexist in Luxembourg and work in parallel (Fig. 2). Overall, this allows spatial planners to choose from a range of different tools increasing flexibility and adaptivity of the spatial planning system.

Conclusions

Luxembourg's development defies comparison, in terms of economics and demographics. Policy makers want to use spatial planning as an instrument to digest and distribute growth and also to implement a new territorial structure. These are high aspirations that have resulted in the emergence of various, innovative spatial planning approaches. As a result, Luxembourgish policy makers can use a spectrum of tools, ranging from well-known regulative instruments such as sector plans or top-down projects to innovative and new planning techniques and approaches such as PDAT and cross-border coordination. These traditional and innovative spatial planning approaches co-exist side-by-side. The innovative elements of the system show that Luxembourg is ahead in the European debate for implementing and testing new and innovative practices in spatial planning.

As it is frequently overlooked, spatial planning in Luxembourg has a wallflower-image in Europe. Policy makers and practitioners can however learn from Luxembourg practices. Still waters run deep.

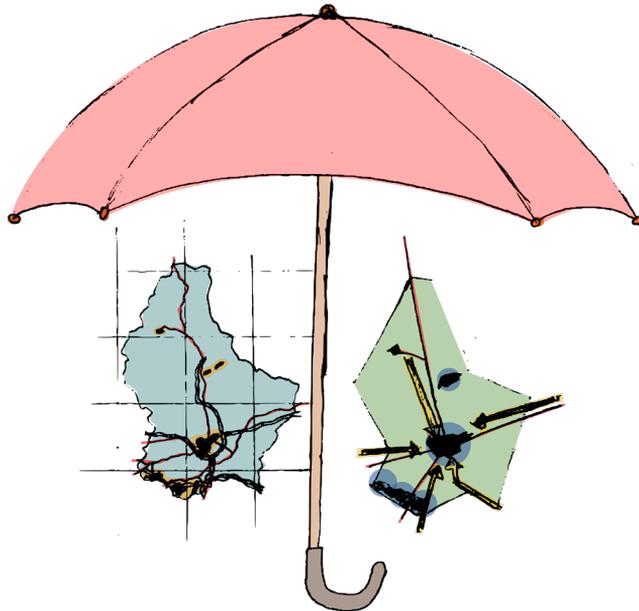


Figure 2. Luxembourgish spatial planning system as umbrella concept
Source: own elaboration.

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SPATIAL PLANNING DETERMINANTS OF COHESION POLICY IMPLEMENTATION IN POLISH REGIONS

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Abstract. The main objective of the paper is to present directions of mutual interrelationships between the state of spatial planning (at different levels of public administration) and effective cohesion policy, conceived as operational programmes carried out in Poland in the years 2004-2016. In the research study, the following results were attained: defining the basic planning conditions of development policies implementation resulting from integration with EU, indicating the consequences of these conditions for territorial governance and for the implementation of cohesion policy, as well as identifying the solutions adopted by Poland lying at the intersection between spatial development and investments financed by the EU funds. The paper presents the most important challenges, adopted solutions and effects of their utilization in Poland within three thematic issues: a) polycentricity and suburbanisation, b) transport infrastructure and accessibility and c) natural and cultural heritage.

Keywords: territorial governance, spatial planning, cohesion policy, Territorial Agenda 2020.

Introduction

Polish planning system becomes often the subject of criticism for not meeting the requirements of rapidly developing economy and for being unable to sufficiently prevent the negative processes, such as uncontrolled suburbanisation and spatial chaos (Kowalewski et al. 2018). Despite such strong stimuli as accession to the European Union (EU) and cohesion policy funds, spatial planning system in Poland was not able to instantly adapt to socio-economic transformation. Problems have arisen at all levels – national (large-scale planning inertia), regional (disorganized planning hierarchy) and local (land use policy pathology). The scale of these difficulties has been significantly differentiated in both sectoral and regional terms. These occur with varying strength in spatial units of diverse socio-economic functions and are particularly identified in dynamic metropolitan areas (suburbanisation zones), in newly developed transport corridors, but also in peripheral and border areas as well as the ones with important environmental functions. Polarization in economic development, strong migration processes as well as historically and culturally based differences have resulted in diverse spatial development issues to be faced

by regions of Poland. Intensification of infrastructure investments due to the influx of EU funds has resulted in new challenges for the planning system (ESPON COMPASS Final Report 2018).

At the same time, in Poland, scale and effects of EU support are deemed as highly positive – since Poland has been so far the greatest beneficiary of structural assistance (considering the size and low GDP of nearly all of its regions). Considerable part of the aforesaid assistance was distributed in a decentralized way (by way of 16 operational programmes). In the subsequent programming periods, these funds were fully and mostly rationally utilized. However, this success required sometimes special legal solutions (special acts enacted in the field of spatial planning, the so-called special purpose law), since the normal planning procedure made it impossible to effectively carry out large-scale investments.

In view of the above-mentioned reasons, Poland seems to be an adequate research field for evaluating the effects of planning circumstances on the EU cohesion policy. The research study was conducted under ESPON COMPASS project in the 2016-2018 period. Apart from the overview of planning systems and territorial governance, the project's objective was to investigate mutual interrelationships and cross-fertilization between these systems and EU policies (more broadly: see Cotella 2018 in the issue).

The goal of the paper is to show mutual interrelationships between the state of spatial planning (at different levels of public administration) and effectiveness of cohesion policy, understood in the sense of operational programmes carried out in the years 2004-2016. The paper deals with the problem concerning the process of spatial planning system adaptation, practice of territorial governance as well as the principles of development policy largely based on EU structural funds under the conditions existing in Poland. Moreover, the authors have undertaken an evaluation of changes going on in planning and programming of developmental policies in Poland, as well as of their effects on land-use planning and spatial order. In the further part, the paper presents research methods and system of spatial planning, as well as provide description of scale and structure of the EU cohesion policy in Poland. Against this backdrop, three thematic issues are discussed: polycentricity and suburbanisation, transport infrastructure and accessibility, natural and cultural heritage. Finally, conclusions and recommendations in the context of potential changes in the Polish planning system are presented, with reference to the cohesion policy principles in the future programming period (after 2020).

Materials and methods

The study carried under the ESPON COMPASS project concentrated primarily on the analysis of the relationship between cohesion policy and spatial planning systems/territorial governance in practice, on the one hand taking account the system of spatial planning as a foundation for an efficient and effective absorption of resources, and on the other – effect of cohesion policy on the shaping of the principles behind spatial planning system (more broadly: see ESPON COMPASS Final Report – Additional Volume 2 Methodology 2018).

In line with the project guidelines it has been assumed that the evaluation of the mutual interrelationships between spatial planning or territorial governance and EU policies should take place under the framework of the purposely defined thematic issues, indirectly corresponding to some of the priorities defined in the EU Territorial Agenda 2020 (2011). It has been assumed that in case of Poland the following topics are of particular importance: a) promoting polycentric and balanced territorial development (priority 1 TA EU 2020), b) improving territorial connectivity for individuals,

communities and enterprises (priority 5) and c) managing and connecting ecological, landscape and cultural values of regions (priority 6).

Altogether, the research study was conducted in 16 regions belonging to 6 European countries (France, Hungary, Ireland, Poland, Spain and Sweden) representing both various spatial planning models, as well as differentiated level of importance attached to instruments of cohesion policy (cf. Hans & Böhme 2018; Pámer 2018; Perger 2018; Smas & Lidmo 2018; Williams & Varghese 2018). As regards Poland, the case studies involved 3 NUTS 2 regions: łódzkie (thematic issue: transport infrastructure and accessibility), podlaskie (thematic issue: natural and cultural heritage) and mazowieckie voivodeships (thematic issues: polycentricity, suburbanisation together with transport infrastructure and accessibility). The selection of thematic issues was associated with specific developmental circumstances of given regions (Table 1).

In order to identify mutual interactions between development policy and spatial development the following measures were conducted: (1) desk research based on a review of policy documents, projects or programmes implementation and evaluation reports at the national and regional level, connecting cohesion policy and other sectoral policies with spatial planning, (2) semi-structured interviews (6 interviews with representatives of scientific community specialising in problems of spatial planning and programming of development policy and (3) focus group workshops (3 workshops with 47 participants from 3 case study regions discussing current dilemmas of regional and local dimension of territorial governance). Interviews and workshops took place in September and October 2017.

Table 1. Characteristics of case study regions

| Voivodeship (NUTS 2) | Description |
|----------------------|--|
| Łódzkie | Łódzkie is characterised by a moderate level of economic development and internal diversification of economic development that continues to grow. The economic potential of the voivodeship lies in its high level of industrialisation (the highest share of industry in GVA generation anywhere in Poland). Łódzkie is relatively well-served by its road network, and a further great advantage lies in a location on the crossroads of two core TEN-T corridors. A major shortcoming of the existing road layout is its bad technical condition. |
| Mazowieckie | Mazowieckie is the most diversified region in Poland in terms of socio-economic development. It has well-formed services, industrial and agriculture sectors, and the metropolis of Warsaw as a pole of growth. The settlement system is unbalanced in terms of demographic potential and supply-demand labour market, resulting in strong commuting. Divergence increases as a result of the outflow of population to Warsaw metropolis, though this does not apply to the large and medium-sized cities, endangered by severe depopulation. |
| Podlaskie | Podlaskie is situated peripherally in the north-eastern part of Poland. This region, characterised by the lowest population density in Poland. The agro-food industry is the main branch of its economy, and the region is unique even on a European scale as regards its natural and cultural assets. Podlaskie has experienced a very high emigration rate, with rural areas left considerably depopulated, to the point where disruption of demographic structure and further depopulation might ensue. |

Source: own elaboration based on ESPON COMPASS Final Report – Additional Volume 6 Case Studies (2018).

Systemic determinants of spatial planning, territorial governance and cohesion policy in Poland

Poland's accession into the EU had a significant effect on the processes of development management and spatial planning in Poland. As a result, following 2004 (and before 2004 under pre-accession measures) adaptation processes to EU standards were taking place with regard to acquiring and disbursement of funds, entailing systemic changes in territorial governance and spatial planning as well as changes in the logic of development programming towards territorial cohesion (Fig. 1). Undoubtedly, the EU policy was a determinant factor for these processes, due to which a considerable financial resources were allocated to investment projects in Poland, which in reality contributed also to pursuing the objectives of the Community. Among the preparatory measures in the pre-accession period one may also include, to a certain degree, administration reform of 1998. Empowerment of regional authorities was aimed *inter alia* at preparing them for the role of administrator of the part of structural funds. In this case one can say about top-down processes that influenced the re-orienting directions and priorities of national policy-making in response to Europeanization (cf. Börzel & Risse 2000; Dühr et al. 2007; Cotella & Janin Rivolin 2011). However Europeanization is not only one way process, but also, to a certain extent, vice versa – domestic situation in member states (in this case in Poland) inspired EU policy (bottom-up perspective). This concerned in particular regional and national challenges, which were important from the European perspective, and which were successfully solved at the level of member states (Börzel & Risse 2000).

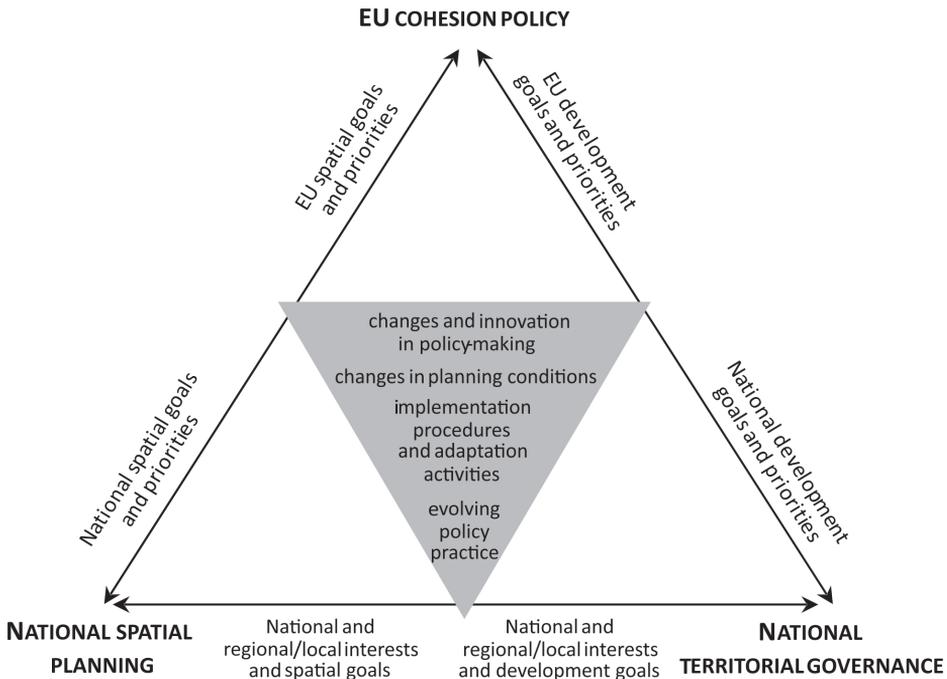


Figure 1. Relations and mutual influences of spatial planning – territorial governance – cohesion policy at the EU, national and regional level

Source: own elaboration based on ESPON COMPASS questionnaire for Poland.

Apart from mutual relationships between development policies carried out at the EU and member states levels, the system of territorial governance is influenced also by the particular sectoral policies as well as regulations concerning spatial planning. In Poland, law creation and policy-making competencies are concentrated at higher levels of administration (i.e., central or voivodeship), whereas competencies concerning spatial planning are largely shared between all levels of authority, and it is the local government's responsibility to shape proper local spatial development plans. Such situation may bring about conflicts between national and regional priorities. Thus far, these conflicts have concerned infrastructural investments and actions towards environment protection due to high intensity of undertaken activities.

Spatial planning and territorial governance practice

During the time of socialist economy in Poland, spatial planning was part of ideologically controlled social engineering (Węclawowicz 2002). At a time when the economic transformation began, the very word 'planning' became a negative symbol of the former socio-economic system. Simultaneously, the first local government reform took place. Municipalities (communes) received significant competencies in regard to spatial planning. Meanwhile, local authorities were under enormous pressure from land owners who strived for transformation of land into land for building purposes with intent to sell these sites as soon as possible. Institutional and political changes caused that the property rights over land were identified with the principle of freedom of construction. At the same time, spatial policy at the regional level was hampered by the binding territorial division (49 small voivodeships that actually still constituted delegation of central authorities). National spatial policy was practically non-existent at that time (documents coming from the pre-1989 period were in force; Komornicki 2018).

In 1999, second local government reform was carried out simultaneously with administrative territorial division reform of the whole country. The number of voivodeships was reduced from 49 to 16, instituting at the same time one additional intermediate level in the form of 379 counties (LAU 1). Three-tier territorial division of Poland was introduced with municipality (commune) (LAU 2) and county (LAU 1) as entirely independent local governments, and voivodeship (NUTS 2) as a region having both local government (local parliament), as well as central government aspects (voivod – representative of central government). Counties are lacking competencies in the field of spatial planning. Within voivodeship's competencies is among others preparing two basic strategic documents: a) voivodeship development strategy, and b) voivodeship spatial policy (in time also plans for potential metropolitan areas). The role of voivodeship's local government was strengthened after Poland's accession into the EU, when voivodeships authorities became administrators of a significant part of funds coming from the European Regional Development Fund (through 16 regional operational programmes). The voivodeship authorities have become since that time the evaluators of central and even European-level documents (Komornicki 2018).

The current Spatial Planning and Land Development Act has been in force since 2003. Pursuant to its provisions the entities dealing with spatial planning in Poland are as follows: central government, voivodeship and municipal (local) governments (Gorzym-Wilkowski 2013). Central government prepares the National Spatial Development Concept (the current one was adopted in 2011). The Act invalidated former local spatial development plans (adopted before 1994). Since only few municipalities managed to adopt the new plans after 1995, the invalidation could obstruct planned investments. Therefore legislators decided to facilitate investments in the areas that were not covered by local spatial development plans. This was possible on the basis of "decision on land development or building permission for public purpose investment" (an administrative deci-

Table 2. Spatial planning and implementation of programmes financed by the EU in case regions

| Voivodeship (NUTS 2) | Voivodeship area covered by local spatial development plans (%) | | | | Number of decisions per 10 thousand population | | Contribution from EU funds (FS, EFRR, EFS) in projects carried out in the 2007-2013 perspective (mln euro)* | | | | Plan of EU funds allocation (FS, EFRR, EFS) in the 2014-2020 perspective (mln euro) | | Contribution from EU funds (FS, EFRR, EFS) in projects carried out in the 2014-2020 perspective (mln euro) (as of 31 Dec. 2016)* | | |
|-------------------------|---|------|---|------|---|---|---|---------------------------------|---------------------|---------------------|---|---------------------|--|---------------------|---------------------|
| | in total | | of which on the basis of Act of 2003 in total | | building permission for public purpose investment | on land building conditions and development | total | total per capita (thousand EUR) | national programmes | regional programmes | total | regional programmes | total | national programmes | regional programmes |
| | 2010 | 2017 | 2010 | 2017 | | | | | | | | | | | |
| Łódzkie | 29.0 | 32.7 | 35.8 | 44.8 | 6.9 | 44.0 | 4403.9 | 1.8 | 5561.3 | 974.7 | – | 2256.0 | 778.5 | 261.2 | 517.2 |
| Mazowieckie | 28.9 | 32.2 | 42.4 | 54.4 | 6.9 | 33.9 | 4403.9 | 0.8 | 5561.3 | 974.7 | – | 2089.8 | 2522.5 | 2159.9 | 362.7 |
| Podlaskie | 14.3 | 16.8 | 58.9 | 64.2 | 9.9 | 49.0 | 1935.5 | 1.6 | 4578.7 | 623.7 | – | 1213.6 | 500.5 | 315.8 | 184.7 |
| Poland | 26.5 | 30.5 | 50.0 | 61.7 | 7.3 | 37.9 | 65228.2 | 1.7 | 49598.0 | 15630.3 | 76866.5 | 31276.9 | 17376.5 | 11481.9 | 5894.6 |

* data in Polish zloty converted into euro based on average rate for relevant period as stated by National Bank of Poland

Source: own elaboration based on Statistics Poland (GUS) data.

sion, later referred to as decision on land development). Coverage by local spatial development plans at the moment of passing the Act amounted to ca. 23%, and currently it is close to 30% of the Poland's area (it is markedly diversified, e.g., in podlaskie it is on average equal to 17%, cf. Table 2). This is the reason why the investments were carried out on a mass scale on the basis of decision on land development. This followed *inter alia* from tightened requirements which were imposed by legislators with reference to local spatial development plans. It is thought that exactly this mechanism of decision on land development (in 2017 on average close to 40 decisions on land development per 10 thousand population were issued) contributed to accelerated uncontrolled suburbanisation, as well as to dispersed development in the rural areas and to general deterioration of spatial order. As a consequence, these processes posed the threats to natural environment and brought about high costs of public utility infrastructure. Adoption of the above-mentioned solution caused that land reserves for high-level investments (including those designated for transport investments) were endangered. In this situation, a number of special purpose acts were passed that concerned *inter alia* road, rail, air, power industry investments, and separately even investments associated with the organization of European Football Championships held in Poland (2012; Komornicki 2018).

Cohesion policy implementation

An evolution in approach to cohesion policy in Poland may be attributed to the subsequent financial perspectives and broken down into the following periods: (a) pre-accession period 1990-2003, which concentrated on laying foundations for the system of management over EU funds and developing capacities for absorption of funds, with a particular attention to the period immediately before accession (2000-2003); (b) 2004-2006 – the first incomplete EU financial perspective carried out in Poland; (c) 2007-2013 – period characterized by changes in logic of management of EU funds toward decentralization, and (d) 2014-2020 – consistent development of the system worked out in the previous period.

Since the beginning of 1990s economic transformations in Poland were directly supported financially and technically by the EU, primarily by Phare Programme funds. Totally by the end of 1999, Poland obtained in the form of non-refundable subsidies approximately 1.2 bn EUR (yearly ca. 0.2% of GDP), allocated to the programmes pursuing the regional policy goals, transborder cooperation and activities of structural character, as well as supporting institutional development of administration and potential beneficiaries of structural funds. Directions and the level of pre-accession funding allocated for structural activities after 2000 was defined by Preliminary National Development Plan – contribution coming from EU subsidies amounted to 2.4 bn EUR (yearly ca. 0.4% GDP). Changes were introduced in the Phare programme priorities which were adjusted in line with the standards associated with EU accession. These changes concerned mainly institutional development, investments oriented towards socio-economic cohesion, and also towards development of infrastructure conditioning the economic activity. In that time also, two new programmes were developed for Poland that were additional instruments supporting preparations for EU membership, i.e., ISPA (investment projects helping to adjust infrastructure associated with natural environment protection and transport) and SAPARD (investments facilitating the quality of production of agricultural farms and local infrastructural investments in the rural areas).

National Development Plan 2004-2006 (NPR) was the document that defined implementation of EU funds in the years 2004-2006. Its strategic goal was development of competitive economy based on knowledge and entrepreneurship, capable for long-term development, ensuring growth in employment and improvement of social, economic and spatial cohesion with EU

at the regional and national level. NPR constituted the basis indicating directions and the planned contribution of resources stemming from structural funds, cohesion funds and national funding. Total sum of funding awarded to Poland by EU for the purposes of NPR amounted to 12.8 bn EUR. In order to meet the NPR goals, the special implementation instruments were devised which were managed at the national level by the particular government ministries. These instruments were as follows: Integrated Operational Programme for Regional Development (ZPORR), which was granted the largest portion of funding, Sectoral Operational Programme 'Human Resource Development', Sectoral Operational Programme 'Improvement of the Competitiveness of Enterprises', Sectoral Operational Programme 'Transport', Technical Assistance Operational Programme and programmes concerning agricultural policy and Community initiatives (EQUAL, INTERREG III).

It was only when programming and programmes of financial perspective 2007-2013 were developed that the change in logic of the utilization of EU funds took place. The National Strategic Reference Framework was in that period the most important document defining the basic goals of cohesion policy and indicating major directions/priorities of support carried out by means of instruments in Poland. Its strategic objective was to create appropriate conditions for growth of competitiveness of Polish economy based on knowledge and entrepreneurship, securing the growth in employment and increase in the level of social, economic and spatial cohesion. Poland in the years 2007-2013 was the greatest beneficiary of the European cohesion policy, under its framework Poland received in total more than 65 bn EUR (Table 2), therefore the overall scale of investment was markedly higher. On average contribution from the EU funds constituted approximately 3% of GDP (including national funding and own resources) and in economically poorer voivodeships the level of this funding was much higher than in well-developed voivodeships (3.5% in podlaskie vs. close to 1% in mazowieckie). The largest share of funds was allocated to 'Infrastructure and Environment Operational Programme' managed at the central level focusing on investments in energy, supply of water, waste and sewage treatment, as well as transport. ZPORR was replaced by 16 regional operational programmes, which meant that partial decentralization took place in management over funds of cohesion policy instruments, consisting in creation of programmes separate for each voivodeship in case of which the functions of managing institutions (defining the main priorities for the spending of the funds with particular reference to unique regional circumstances) were committed to voivodeship authorities. In order to support their implementation the funding was provided amounting to 15.6 bn EUR (Table 2), i.e., more than 30% of overall Community funds designated for financing all operational programmes in Poland.

The current financial perspective 2014-2020 in Poland constitutes continuation of investment logic carried out in the years 2007-2013 including further decentralization of expenditure (in total more than 40% of funding in the 2014-2020 perspective was allocated to regional programmes, Table 2). Development goals were indicated in the Partnership Agreement and made more coherent with priorities defined in the national medium-term strategy: Strategy for Responsible Development. The key aspect is adjustment of intervention to potentials and priorities of given territories (further territorialisation of developmental policies).

Key aspects of EU cohesion policy and spatial planning in Poland

Polycentricity and suburbanisation

Polycentric development is one of the important pillars of development in Europe. However, differentiated characteristics of settlement network in EU member states determines heterogeneous suburbanisation processes going on in the particular areas. Against this background, Poland's example is particularly worth noting, where expansion of areas designated for building purposes occurred in dispersed and chaotic way. Therefore the issues connected with the subject of polycentricity and suburbanisation are distinctly stated in planning and strategic documents. However, tangible and effective measures regarding suburbanisation and uncontrolled dispersion of built-up development are difficult to observe. The most significant condition – a defective legal system, clearly promoting and guaranteeing the constitutional primacy of individual property rights for development at the expense of the common good, has remained unchanged for years. The - so far undertaken - legislative initiatives have failed. This results in a strong, deepening crisis concerning land management, including the high costs of servicing dispersed, chaotic settlement on the outskirts of cities and tourist areas, traffic congestion, environmental damage, etc.

The impact of cohesion policy on polycentric development and suburbanisation increases along with transition into lower levels of territorial governance. It is closely related with the quality and functioning of the entire planning system in Poland. During transformation, a strong emphasis in the spatial development of Poland was placed on the largest urban centres (as a result of market mechanisms) or on rural areas. This has led to a situation, in which regulations formally concerning supporting polycentricity were robustly exposed (especially in the National Spatial Development Concept 2030, NSDC 2030 2012), but virtually not implemented, particularly at sub-regional level. As a consequence, spatial polarization of the country regarding various aspects (demographic, economic) has deepened. Even more pronounced disparities occurred at regional level – especially in the mazowieckie voivodeship. The basic document – National Development Strategy 2020 (NDS 2012) does not mention polycentricity at all, while another – National Strategy for Regional Development 2010-2020: Regions, cities, rural areas (NSRD 2010) - only casually refers to this concept in two places. Favourable changes occurred as a result of some infrastructure investments (after 2004), but these were selective in spatial terms. The Strategy for Responsible Development (SRD 2017), adopted in 2017, strongly supports medium-sized cities, so far highly underestimated in the settlement network of the country, offering dedicated support projects to these cities.

One may indicate numerous problems in the field of spatial planning with regard to cohesion policy and investments utilizing the available EU funding. Particularly at the local level in the studies on conditions and priorities of spatial planning, investment pressure in terms of excessive designation of lands for development purposes is noticeable, on the one hand due to significant developmental trends, and on the other owing to chances of becoming beneficiary of EU investment support. An implicit relationship between cohesion policy funding and the built-up areas dispersion can be thus observed. The example of such relationship is Warsaw suburban municipality Lesznowola. Due to opportunities offered by EU to acquire funds for technical infrastructure and education, the whole area has been equipped with technical infrastructure. As a result nearly the entire area of the municipality, in line with local spatial plans of spatial development, is designated for development, in spite of the fact that the population absorptive capacity of this plan is several times higher than the current population (Olbrysz & Koziński 2011; Kowalewski et al.

2014). Supra-municipal analyses financed by EU funds revealed the necessity of rational investment and economic effectiveness, however, they did not have obligatory status in implementation of conclusions and provisions in local spatial development plans that are binding acts of local law. EU funds do not allow for financing the very stage of preparations of local spatial development plans.

Planning circumstances of investments co-financed by cohesion policy had a negative resonance in the case of investment in the areas not covered by local spatial development plans. To carry through this type of investment, it was necessary to receive decision on land development, which because of lengthy procedure often made it impossible to request funding by EU within a given time period or which exposed a local government to pressure from investor's lobby and made it prone to issuing decisions on land development that are unjustified from the economic rationale point of view or by social welfare or by spatial order objectives.

In response to problematic questions related to rationality of investments financed by EU funds, Regional Territorial Investments (RTI) were identified as promoting good practices in regard to polycentricity. RTI are supposed to act as a tool for urban development, but in a functional sense, i.e. going beyond their administrative borders, within justified area, designated on the basis of relevant documents at supra-local level and studies. These instruments act a good example of integrated spatial planning. Their most desired feature is the promotion of investment location in connection with natural functional areas such as daily urban systems. This is crucial both in terms of polycentrism, improving the efficiency of areas with dispersed settlement as well as inter-communal cooperation. As an example of a successful RTI in mazowieckie voivodeship a bundled investment "Establishment of Integrated Multifunction Passenger Exchange Node in Siedlce. Expansion and modernization of the associated communication system of the city and the subregion of Siedlce" was considered.

Polycentric development as a spatial strategy to combat spatial chaos and uncontrolled suburbanisation is present in national/regional planning documents, defining the regional cores. Nevertheless, balanced territorial development is difficult to achieve in the case of a malfunctioning land development control system. In Polish case study the national- or regional-level documents set out common goals of promoting polycentric and balanced territorial development and preserving compact cities, whereas at the same time the land-use regulation development activities do little to assist the pursuit and achievement of these objectives. Moreover, investors tend to influence the determination of local spatial development plans, and previously or currently released state regulation reduces possibilities for urban sprawl to be prevented. Newly-introduced tools (supra-communal/regional/territorial development planning documents or agencies), notably compiled with the use of cohesion policy support, aimed at the harmonising of project development and emphasised the need for rational investment and economic efficiency. In practice, however, they mostly served in preparation for the programming period and development activities of local actors were not coordinated ultimately. Moreover, they could be characterised as a "struggle for development resources", resulting in local improvements instead of balanced, regional development.

In conclusion, the Polish planning system was not able to stop unfavourable excessive and uncontrolled suburbanisation. It was not favoured by the far-reaching planning autonomy of basic local government units (communes and municipalities). Under these circumstances, the availability of EU funds in some cases additionally compounded the problems. Some co-financed investments were created in areas without the legally bounding local spatial development plans (but based on a decision on land development), therefore in result they were contributing to the increase

of spatial chaos. Relatively easy access to financial resources sometimes caused rescaling of investments. Co-financing of water supply and sewage systems resulted in the reduction of potential costs related to the construction of single-family houses far from densely developed areas. In the context of development dispersion and suburbanisation, EU investments had an adaptive character (e.g. providing utility infrastructure) rather than mitigating. Analysis of the Polish case study proves that it would be advisable to modify the competition criteria, in some operational programs (especially in metropolitan areas), so that the co-financing of the investment depended on the existence of local development plans and on the analysis of the future use of constructed facilities (e.g. sport facilities).

Transport infrastructure and accessibility

In comparison to other Central and Eastern European countries, Poland has had an extremely prolonged gap in the implementation of significant transport investments. The stagnation started around 1980 and in fact lasted until the accession to the European Union in 2004. Under these conditions, the emergence of the European Union support for new large-scale undertakings (commencing with the pre-accession ISPA program) has resulted in a rapid, though often chaotic, intensification of investment activities. At the beginning of the second post-accession financial perspective (2007-2013), an increased attention was paid to the requirement of clearly defined objectives concerning given investment. In strategic documents formed at state level this was reflected while compiling the up-dated National Spatial Development Concept 2030 (NSDC 2030 2012). In spite of mentioned obstacles, the expansion of a road network has begun to take place (motorways and expressways) characterized by an increasing spatial cohesion. Considerably less spectacular successes have been achieved in terms of rail network development (mainly due to institutional barriers within railway companies). In 2007-2013 along with the current 2014-2020 periods the largest undertakings were implemented within the Operational Program Infrastructure and Environment. At the same time, other transport investments were carried out with the support of regional operational programmes for 16 voivodeships and the Operational Program Development of Eastern Poland. The overall value of transport projects in both financial perspectives (2004-2006 and 2007-2013) exceeded EUR 28 billion, of which vast majority were allocated for the purpose of road investments. The specificity of managing EU funds in the transport sector in Poland was reflected also by a significant share of agglomeration projects (e.g. metro in Warsaw, tram lines), ports (facilities in Gdańsk, Gdynia, Szczecin and Świnoujście) and also, by 2015, expansion of almost all existing airports in Poland, as well as construction and launching two new ports for regular flights (in Modlin and Lublin). As a result of described investments, there was a significant increase in the level of potential accessibility indicators across the country.

The spatial planning inertia and long procedures resulting from the Spatial Planning and Land Development Act (2003) contributed to the necessity of enacting new regulations to refine implementation of transport investments. Most of new roads, railways and other facilities have been based on these documents. Change in legislation has improved the investment process, but simultaneously “detached” the infrastructure planning from other forms of land management, in particular including development of housing and establishing new large traffic generators (shopping centres).

The impact of cohesion policy upon planning conditions of transport development was considerable. This emerged in the need of applying special acts, environmental regulations, as well as adapting planning documents to European policy objectives (changes in priorities). Generally, the impact of cohesion policy should be evaluated positively, especially at the macro-scale. How-

ever, according to experts' opinion after the accession to the EU, preservation of pre-determined linear investments has not been assured. This aspect is crucial as progressive settlement dispersion hindered new investment variants. Meanwhile, Natura 2000 sites for instance have often been delimited as conflicting to transport corridors planned for several decades (lack of agreement between ministries responsible for environment and transport). This has often resulted in prolonged conflicts between the General Directorate for National Roads and Motorways – local community – environmental organizations (e.g. eastern bypass road of Warsaw, exit route towards Gdańsk). The most probable outcome of such conflict was a delay in investment, considering that finding alternative routes is either impossible or very costly. The road and railway special acts have accelerated investments, but at the same time they have contributed to diminishing the significance of local plan while determining the final course of new routes. In the Warsaw agglomeration, such pattern results in conflicts, mainly socially based. There has been observed a typical NIMBY (“Not In My Back Yard”) effect on a regular basis. Residents' associations question environmental decisions, most often by seeking minor formal errors. The conflict involves active participation of local inhabitants directly affected by expropriation, residents affected by a given investment, the NGO's and often local government authorities. Two-stage judicial and administrative proceedings are in place, thus the possibility of blocking the investment is still high. As the special acts are in force, obstruction occurs at the initial stage when the environmental decision is being issued. Subsequent building permit is already subject to an immediate feasibility clause. Based upon the special acts a given property is under investor's ownership by law. The owner or user receives compensation later.

In the field of environmental protection strong influence upon transport investments has been exerted by the EU regulations, both at the stage of planning and developing environmental impact assessments. As a consequence, cases of changing previously planned routes (aforementioned lack of space for alternative routing) were marginal. However, the investment process has been essentially changed. Regulations of the EU have forced, i.e., construction of fauna passages, acoustic screens and other pro-environmental solutions. In Warsaw, this sometimes led to questionable (often criticized) consequences such as raising soundproof screens by the streets. This was an outcome of changes in national legislation, caused by the European law, but at the same time more stringent standards than in many other EU states have been imposed. Cohesion policy has certainly had a strong influence on the structure and quality of transport investments in urban areas. Undertaken actions were adjusted to recommendations of European transport and urban policies. This resulted in an increased preference for public transport, cycling infrastructure as well as intermodal solutions. A significant constraint for the implementation of transport projects (particularly in public transport) concerned difficulties in cooperation between big cities and other communes of the metropolitan area. Certainly a desired solution enforcing such cooperation has been the Integrated Territorial Investment (ITI) system applied in the current programming period. Moreover, in some voivodeships' authorities have allocated additional funds for the Regional Territorial Investment (RTI) within the Regional Operational Program.

In the current programming period (2014-2020), calls for road investments have been significantly limited. There has emerged a requirement that co-financed roads are now to be linked to TEN-T networks or investment sites. Numerous counties of the particular regions do not meet these necessities. Local planning is adapted to the operational programs in order to obtain the EU funding. Some of the experts interviewed claimed that as a result of such actions, the cohesion policy means allocated to transport were over-scattered. This was fostered by – among other determinants – political primacy of spending the entire budget (authorities are assessed on whether or not they wasted a single euro from EU funds).

As one of the most significant positive impact of cohesion policy on the process of spatial planning, both development of consultation and mediation procedures has been pointed. Comprehending certain terms along with undertaking actions has become similar to that commonly used in Europe (before this was an issue in the region). A major, direct influence of cohesion policy has also been exerted upon environmental issues (variants in transport investments, environmental impact assessment and social consultation at various phases).

Natural and cultural heritage

Cohesion policy as a main EU investment policy includes environment and landscape to its programmes and projects, significantly supporting both natural protection heritage as well as cultural heritage. Measures assisted by EU funds, apart from benefits for the indicated fields, may contribute *inter alia* to activating local entrepreneurship, generating new jobs, e.g., in tourism, to creating proper conditions for economic growth. This results from the fact that similarly as in previous programming periods, also in the current financial perspective (2014-2020) the sustainable development constitutes the key element of that policy. In the area of Poland, similarly as in other parts of Europe, regions linked by particular values of natural and cultural heritage, on the one hand, have a significant endogenous potential, and, on the other, are poorer economically. Cohesion policy by means of numerous programmes and projects, and particularly through financial support and recommended integrated measures addressing the environmental goals, leads to strengthening and protection of biodiversity as well as of landscape. Regions that are characterized by extraordinary values of natural and cultural heritage (including Natura 2000 network and other territorial forms of nature protection) have a chance to properly utilize their local potential, especially for the development of what is termed as “business & biodiversity”, *inter alia* in tourism and agrotourism and ecological farming. Regional endogenous potential following from valuable environmental and landscape resources, apart from creating developmental chances, generates however numerous limitations, concerning, among others, infrastructure, land development, agriculture. From one point of view, it requires paying greater attention to natural and cultural heritage in development programming, territorial governance, and primarily in spatial planning. However, from another standpoint, referring these questions to cohesion policy, this provides much greater opportunities of projects and funds acquisition.

Of key importance for the Polish regions of high landscape and natural values were programmes such as: ‘Operational Programme Infrastructure and Environment’, ‘Operational Programme Development of Eastern Poland’ and 16 regional operational programmes, but support was provided also from other instruments, such as, for example: LIFE Nature, LIFE+. Thanks to significant assistance offered by cohesion policy, a number of plans for protection schemes and other documents connected to nature protection were worked out, mainly linked to Natura 2000, as well as carrying through many programmes and protective measures. Under operational programmes, in addition to measures and actions towards protection and promotion of bio- and geodiversity, a wide range of measures were implemented concerning improvement of environment, including curbing negative climate change and adaptation to climate change. As regards cultural heritage, the main areas of support underwent reorientation. Initially, i.e., by 2013 these areas were oriented towards protection and cultivation of cultural heritage, development of cultural infrastructure and support for services linked to culture, but since 2014 they were refocused on the use of investments in cultural heritage towards development and assistance for creative clusters, creativity and digitalization.

Concerning agri-environmental schemes operating within the Rural Development Programme, of greatest significance for natural heritage was a package of measures dealing with protection of endangered birds and natural habitats within the Natura 2000 area. To protect a landscape, also of high importance were actions promoting systems of farming designed to protect and shape a traditional landscape and to improve ecological awareness of rural population. A crucial barrier to greater effectiveness in the use of these funds is optionality in implementation of agri-environmental programmes. Environmental packages for this programme are very often introduced on too small areas, or only randomly, being directed towards packages with moderate nature protection requirements. Insufficient coordination regarding protection of the whole ecosystems in number of cases weakens the factual protection of environmental habitats. Exclusion from the programme some of the valuable habitats, which initially were covered by subsidies (e.g. high and transitional bogs, reeds), reduces possibility of their protection. Programmes and measures supported by EU funding still have a dispersed spatially or random character. Therefore it is necessary to change the approach by refocusing the efforts on systemic approach, and also on creation of mechanisms supporting integrated measures.

Funds, apart from measurable effect, also have an impact on new ways of actions coordination and communication between administration levels and/or agencies both on a horizontal as well as vertical planes. It may result from the fact that, as regards management, competencies and obligations, they are characterized by a marked separation between management over natural and cultural heritage. Nature protection and cultural heritage constitute two different areas of sectoral policy and two separate management centres both at the regional and national level. Competencies of representatives of government administration in voivodeships and regional government administration are oftentimes ambiguously defined or in parts coincide with each other, which hampers coordination of actions, management and planning. Similarly, there is often a lack of coherence between documents elaborated at different levels of governance and spatial planning. Strategic documents of general character at the national and regional level are usually characterized by a relative coherence. However, regional and municipal strategies have usually lower coherence, both between spatial levels as well as with sectoral documents.

Despite growth in number of regulations and entities linked to natural and cultural heritage protection, and despite introducing the requirement to prepare strategic environmental assessment (SEA) for all policies, studies and local spatial development plans, in many aspects of the analysed matter the situation has been worsened, which is caused by deficient spatial planning system. There is scarcity of spatial development plans prepared for groups of municipalities within functional areas, which is particularly important with reference to areas with high natural and cultural values (especially around large cities). These plans could be an instrument supporting better coordination between protection of natural-cultural heritage and spatial planning, due to concentration of natural or natural-cultural values and protection of important natural structures, such as, for example, green rings or ecological corridors. However, still too often local spatial development plans are prepared for small fragments of municipalities and have usually investment character. In the case of lack of local spatial development plan, land development under new investment project is carried out on the basis of decisions on land development, which do not have legal requirement of compatibility with the study of conditions and directions of spatial development of a given municipality, but constitute basis for obtaining building permission.

Despite numerous programmes promoting education and ecological awareness as well as a significant increase in the participation of local communities in the spatial planning process, social participation, apart from advantages, has sometimes certain disadvantages. This follows from the gap between putting individual's benefit much higher than the public good.

There are cases where regulatory-protective character of local plans is disapproved by local communities. For example, in podlaskie voivodeship, there were situations when local spatial development plans that were well coordinated with protection plans for Natura 2000 were rejected because of the opposition from local population. In the face of serious restrictions concerning development within the area of Natura 2000 and its surroundings, many municipalities resigns from drawing up local spatial development plans, carrying out land development based on administrative decisions.

Among major benefits one may consider: (a) introduction of strategic environmental impact assessments for all categories of spatial development plans as well as setting up other documents that contribute to paying ever greater attention to natural and cultural heritage issues in the process of spatial planning; (b) growing ecological awareness and social participation; (c) adopting the landscape law as a basis for introduction of landscape audit. In spite of attempts to ignore environmental requirements in the planning process (e.g., an attempt to construct bypass road passing through the Rospuda river valley), environmental and sustainable development issues are taken into account to an ever growing extent already at the stage of planning and preparing investment, which results from introduction of requirement to carry out environmental impact assessments (EIA, SEA). Environmental decision forced *inter alia* the construction of crossings for animals under and over the express road and other ecology-friendly developments. Ecological corridors and green ring roads are becoming an ever popular element of plans. Due to new concept of eco-system services, gradually one can observe a change in approach to valuable nature areas in spatial planning.

The level of coordination of relations between cohesion policy and spatial planning in regard to natural heritage protection is better evaluated than with reference to cultural heritage. Local planning shows a little interest in protection of the cultural landscape as a whole which concerns in particular protection of valuable historical spatial arrangement, both in urban and rural areas, and broader vicinity of monuments. Two main reasons can be indicated. First of all, the opportunities provided by the local plan for the protection of such areas are still too seldom used. Secondly, from the small interest of municipalities in the creation of cultural parks (in 2016 there were 36 cultural parks in Poland, established in 2002-2016). A cultural park is an important instrument for the protection of the cultural landscape with monuments and the surroundings of these objects, as well as historic spatial layouts. In addition, there is a statutory requirement to draw up a local spatial development plan for such an area. Unsatisfactory situation is a result of low social interest in this problem and long-term lack of effective tools. The situation concerning the protection of cultural heritage is characterized in most cases by point effects, because support is provided usually to singular objects or sites, and thus is spatially dispersed. There is no coordinated and systemic approach to spending of funds. However, as regards protection of monuments and documentary-inventory works, support from EU funds significantly improved state of the art and availability of information concerning cultural heritage sites and, above all, improved their condition.

To sum up, it needs to be highlighted that with respect to natural and cultural heritage, in spite of still existing weaknesses, there occurs increasing integration between cohesion policy and spatial planning, though the system of spatial planning generally maintains poor level of preparation in terms of projects' coordination and more effective utilization of funds. In order to increase synergy effects between cohesion policy and cultural-natural heritage protection, the projects and activities must be even better coordinated spatially already at the stage of granting the funds, and oriented towards long-term vision of regional spatial development. It is necessary to develop more effective mechanisms promoting projects which firstly combine two fields: natural heritage with cultural heritage, secondly, protect natural and cultural heritage with the simultaneously development of tourism and other activities based on the endogenous potential.

Conclusions

Poland, including the regions analysed, obtained significant funds from the EU cohesion policy in 2004–2016. Their utilisation is generally rated high. The strong relationship between the implementation of cohesion policy objectives and spatial planning and territorial management was observed. This relationship was related to various problematic areas, which corresponded to individual operational programs. It was clearly visible especially in:

- planning conditions (including barriers) for the implementation of EU investments in the national space;
- adaptation activities (including the so-called “special acts”) changing the system in terms of the needs resulting from the efficient spending of EU funds;
- dependence of certain investments on the implementation of European law directives.

Furthermore, there was also an indirect influence on the discussed relationship, among others related to general economic development and the enrichment of local societies (partly as a result of Poland’s accession to the EU). It is not without significance that in the period directly preceding the EU membership, significant institutional changes, partly related to the planned accession, took place in the Polish planning system. These included the reform of the administrative system (1999) and the new Spatial Planning and Land Development Act of 27 March 2003.

Implementing cohesion policy aiming at polycentric settlement development faced many challenges related to inefficient Polish planning system. The far-reaching planning autonomy of basic local government units joined with the process of issuing building permits based on administrative decisions in case of a lack of the local spatial development plans results in excessive and uncontrolled suburbanisation. Under these circumstances of a malfunctioning planning system, the availability of EU funds in some events additionally compounded the problems. This was a case for some co-financed investments, created without the local spatial development plans and in the end contributing to the spatial chaos; the rescaling of the infrastructure investments due to the pressure to allocate more land for development purposes; and later on the dispersed settlement occurring due to the accessible infrastructure. Analysis of the Polish case study proves that it would be advisable to include in the co-financing criteria the compliance of the prospective investment with the existing planning documents, as well as its operational and economic legitimacy.

The role of the planning system as a barrier to efficient implementation of cohesion policy transport projects was most evident in the urbanized areas, especially in the vicinity of Warsaw and other biggest cities. The suburbanisation process, related to the drawbacks of the planning system has directly affected the difficulty in conducting transport projects. Due to enacting special acts, the investments were successfully completed in line with the EU policies (especially in terms of environmental protection, but also in terms of mobility changes - mobility plans). A very positive aspect was the introduction of the ITI and RTI instruments and coercion of local governments to cooperate, particularly in public transport projects. In case of investments implemented at minor scale, including those located more peripherally, project selection may often raise doubts. Planning transport investments should ultimately be re-integrated with local planning. In case of selected large linear investments (for which implementation of route variants is practically no longer possible) and spatial (such as NIMBY) conflicts indispose their accomplishment (e.g. the eastern bypass road of Warsaw), it is necessary to maintain a dedicated implementation path. In the areas located further away from large metropolises, funds allocated for the modernization of regional roads and railways were sometimes overly dispersed (which was the result of a kind of egalitarianism,

according to which each part of the province should get some investment...). Thus, access to cohesion policy support for major transport projects in metropolises must be flexible. This applies both to the criteria of profitable units (cities with high nominal GDP per capita may not be able to realize large investments themselves, especially in public transport), as well as rigorous preferences only for specific modes of transport (intermodal solutions are often the only ones that can increase the system's efficiency).

Interactions between spatial planning and territorial governance with the protection of natural and cultural heritage are very complex. Regional government documents are characterized by a relative coherence. They are also consistent with documents at national level. However, there is much less consistency to be observed by regional and communal strategies. In this case, such interactions cannot be clearly assessed. Programmes, supported by EU funds, too frequently have a spatially dispersed and point-type character, there is a necessity to change the approach by directing the actions toward systemic programmes, as well as to elaborate the mechanisms of supporting such actions. This concerns especially the entire ecosystems, ecological corridors and cultural landscapes protection. Common plans of spatial development for groups of communes within given functional areas can be viewed as an instrument supporting the accomplishment of better coordination and cohesion in combining the natural and cultural heritage protection with spatial planning, due to concentration of natural or natural and cultural values.

In summary, it should be emphasized that in the period 2004-2016, cohesion policy played a significant role in Poland in the area of infrastructure development, polycentricity and suburbanisation processes as well as in the natural and cultural heritage protection. The existing planning system did not fully support the achievement of these goals. This applies in particular to spatial planning system, which was reformed directly before the accession to the EU by, among others, cancelling all local spatial development plans established before 1994. As a result, it was necessary to pass special purpose acts. In addition, in some cases access to EU funds indirectly favoured undesirable transformations of space (dispersion of development). Spatial benefits related to cohesion policy were greater on the national scale and in the peripheral areas. At the regional level, especially local (including metropolitan), redistribution of funds was not sufficiently anchored in the planning system.

Moreover, since the beginning of EU integration, there has been, partially induced by cohesion policy (as well as dependent on this policy), the process of learning and improving the territorial management, which is also related to the quality of the management and human capital at the regional and local level of self-government units. Territorial governance is struggling with the punctuality of investments implemented with EU funds, partly due to differences in a coherent vision of spatial and economic development of the region (despite the appropriate documents at the strategic and operational level), as well as the willingness to use available structural funds, despite the lack of significant effects for the region. Nevertheless, it should be emphasized that with each subsequent EU financial perspective, integration of territorial governance and cohesion policy is more efficient.

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EXAMINING THE IMPACT OF EU COHESION POLICIES AIMING TO REDUCE REGIONAL AND SOCIAL DISPARITIES WITH EXAMPLES OF POLICY IMPACTS IN IRELAND

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Abstract. This research describes the evolution of the Irish spatial planning system and explores the impact of EU cohesion policies aiming to reduce regional and social disparities within the European Union with respect to recent developments in Ireland. The changing nature of the Irish planning system is seen as movement from a market or local development led approach towards a more strategic regional and national approach. This trend has in part been influenced by EU policies, directives and initiatives with evidence of both difficulties and successful delivery of some major projects. The discussion is complemented by evidence from two case studies in the transportation area and interviews with key participants in the policy processes. In conclusion the implications of such trends for future planning policy in Ireland and the EU are explored.

Key words: EU, Ireland, spatial planning, transport infrastructure, peripheral regions.

Introduction and planning context

This study assesses trends in spatial planning in Ireland, changes in territorial governance and spatial planning systems and reforms from 2000 to 2018 and reasons for these changes with specific reference to EU directives and policies. In particular, the research examines critical regional development projects/case studies assisted by EU cohesion funding and policies. This research is intended to assist in developing a stronger relationship between priorities and measures of EU operational programmes and local and regional planning policies and instruments in Ireland, including a regular ex ante, ongoing and ex post evaluations of the territorial impact of a programme. The basis for our policy analysis and recommendations is to improve spatial planning practice in Ireland and Europe based on emerging evidence of best practice and to achieve a more effective EU relationship with spatial planning. Ideally spatial planning practice intends to become more transparent and cost-effective maximising the social and economic benefits of investments made.

Irish physical planning has previously operated in a highly localised manner with a passive ambit of operations with planning powers were legislated for and a regulatory system which evolved based on a development led approach. This system in common with common law jurisdictions such as the UK, Australia and parts of the USA emphasises common law property rights. This local land use planning typology has three principal elements: a local plan-making function, a developmental function involving issues such as land servicing, and a regulatory or control function. These functions are often carried out in distinct departments of a city, regional, or national authority, leading to fragmentation in both the evidence upon which decisions are based and actual decision-making (Tosics et al. 2010; Williams et al. 2016).

In Ireland, the structures within which the planning system historically operated is the fragmented local authority system largely unreformed since the nineteenth century. As the system has moved in recent decades towards considering the planning futures on a regional basis this needs considerable integration of data and analysis of trends to understand trends on a regional basis.

Statutory planning in Ireland has largely acted as an indirect policy measure in terms of facilitating the development of new commercial and residential urban areas. Due to resource limitations planning functions are dominated by development control functions. Spatial planning activities therefore are a secondary factor in development activities, playing a facilitative rather than a causal role. Following the great financial crisis and the property market collapse there has been a significant breakdown in trust and failure of participatory democracy as it relates to planning and development issues.

The weaknesses of the planning system in Ireland in the past can be categorised as an example of passive land management which was flexible and facilitative rather than active land management. There is a need now to move from a sole emphasis on local physical planning and land use rights to consideration of broader development impacts now and in the future. This necessitates development of capacities for policy makers and development actors to consider the future impacts of today's development decisions in the context of future development outcomes and scenarios as outlined in the National Planning Framework (NPF).

The planning system in Ireland involves a legally based process, with conflicting views potentially contested at plan adoption, application, or appeal stages by interested parties. Central administrative control is an entrenched feature of the regional policy framework in Ireland. Financial and administrative powers are essentially centralised and local government acts as agent of national government rather than autonomous.

Existing resources and infrastructure is relatively fixed in the medium-term and the need for effective urban management is consequently greater than before. In particular, the negative effects of rapid growth are quickly felt in the Dublin Region as infrastructure constraints led to congestion and affordable housing problems. As the long-term future of the urban region is intrinsically linked to urban environmental quality, it is essential that a co-ordinated and integrated response be developed to the city region's infrastructure, land-use and economic development pattern. A number of problems have persisted through attempts to reform the planning system including the following:

- the absence of effective co-ordination amongst principal stakeholders;
- competition for resources and revenue amongst the individual affected local authorities who remain the statutory planning authorities for the region;
- the under-estimation of the scale, pace and immediacy of the economic growth experienced in Ireland.

The role of EU policy and directives in Irish planning

Cohesion policy, EU directives and European Spatial Development Perspective strongly influence Irish spatial planning and territorial governance during the period 2000 – 2016. This can be immediately seen as the changing priorities of regional investment in Ireland match thematic objectives of cohesion policy for each period, for example between 2007-2013 the themes were innovation and knowledge economy, environment and accessibility and support for enterprises. However implementation can be problematic or time delayed as the economic crisis in Ireland over that period stymied the priority of ‘sustainable urban development’ due to a lack of financing (Southern Regional Assembly 2017a). The National Development Plan (2000-2006, 2007-2013) which included national road networks and regeneration programmes was funded in part by cohesion funds. In addition, European structural funds have contributed to projects such as Dublin’s light railway system, bus corridors, re-use of buildings for public use and broadband technology (Smyth 1998). Many local development programmes and projects continue to be funded by PEACE, LEADER and INTERREG facilitating diverse rural communities to develop and implement projects suited to their needs.

It is in the area of national and regional strategic planning that the EU influence is pronounced; the first planning strategy on a regional basis, the Strategic Planning Guidelines, dates from 1999. The planning system was reformed by the Planning and Development Act in 2000. Moreover, sustainable development has taken a more important part during these years in the Irish public policies.

The National Spatial Strategy (NSS, 2002-2020) adopted and adapted concepts from the European Spatial Development Perspective such as ‘balanced regional development’, ‘gateways’ and ‘hubs’. This developed from the Strategic (regional) Planning Guidelines. This developed the role of spatial coordination to include concepts such as balanced spatial development, urban rural relationships, polycentric development, and spatial level coordination of public policy. It also included linkages with national development planning and investment decisions. The regional spatial plans developed included multiple gateways hubs in an attempt to prioritise regional balance and promoted such alternative growth centres as counter acting of the development occurring in the Greater Dublin area.

Political commitment to the NSS was immediately in doubt in 2003, when in a politically motivated decision, the then central government selected multiple urban and town centres for decentralisation of government offices and functions without relating such policies to the official selected centres as set out in NSS. This proposal (partially completed only) was to shift over 10000 public service jobs and their offices to over 50 urban centres. Other indicators of conflicts with key strategies of the plan included the continued favouring of dispersed housing through rural housing guidelines in 2005 and extensive land rezoning on green field areas. When the speculative housing bubble eventually crashed in 2009 with the great financial crisis the NSS was effectively abandoned by the incoming new government.

The replacement for that national planning strategy is the National Planning Framework (NPF) launched in February 2018 which is outcome and target based e.g. brownfield and vacant sites targets have been set nationally and locally. Targets stated include 40% of new housing to be built within existing built up areas but to date it is unclear what sanctions if any exist where targets not achieved. The NPF promotes a more compact urban form now moving the debate on urban and regional development form to national objectives in place of purely local growth issues. This represents a significant change in ambition from the historically highly localised form of planning

where local political interests were often strongly pro-development and directly encouraging or facilitating housing, retail and service development in peripheral or ex urban areas.

Significant pressures remain on any the implementation of proposed changes with a continuation of construction industry lobbying to boost quantities of development and pressures to reduce specific standards and requirements such as in the official new apartment design guidelines (Department of Housing, Planning and Local Government 2018). Such pressures are also seen in moves towards flexible performance based design standards to give greater regulatory flexibility and away from fixed development standards and regulations.

The aim of rationalising regional planning structures is seen in regional levels of administration being reduced from 8 to 3 authorities who are now responsible for Regional Spatial and Economic Strategies which are being developed with a 50/50 distribution of economic growth between Dublin and the other two regions to counterbalance development pressures on Dublin.

The NPF makes a direct connection between infrastructure and regeneration projects funded through the National Development Plan (NDP) published along with NPF to stimulate the wider regional economy the Urban and Rural Regeneration Funds that were launched in July as part of Project Ireland 2040.

This increases the role of central government with the National Development Plan to the fore and the NPF operating in tandem with its proposals. This sees planning activities as development enablement and facilitation rather than balancing the conflicting interest of society.

Some additional resources are clearly indicated such as the provision made in the NDP for 2 bn euro to 2027 for the urban fund and 1 bn euro to 2027 for the rural fund, to support implementation of the NPF. These plans are overseen by the Department of Finance and Public Expenditure and Reform taking a direct and proactive role in national spatial planning.

The non-compliance of local authorities with regional policy in the previous National Spatial Strategy was acknowledged after a High Court case (McEvoy & Smith vs. Meath County Council 2002) which challenged the action of a local authority that failed to ‘have regard’ to the strategic planning guidelines when adopting their local plan.¹

As the documents did not have sufficient regulatory compliance order, all-government support, leadership and the legal basis for implementation was very weak. The Strategic Planning Guidelines (1999) preceded the Regional Planning Guidelines and will be followed by the Regional Spatial and Economic Strategy (RSES) being developed by the new co coordinating regional authorities. This process is underpinned by the Planning and Development Act 2016 and for the first time the word ‘economic’ is used alongside ‘spatial’ in a regional planning strategy in Ireland². The present government hopes to get the new National Planning Framework 2040 (draft phase – public consultation stage) and supporting regional strategies passed so that it becomes the statutory basis for managing future development in Ireland (Coveney 2017). Both the draft national and regional strategies are rich in statistics and evidence-based data and represent a shift to more evidence-based policy making.

¹ Section 27 (1) of the Planning and Development Act of 2000 provides that: “A planning authority shall have regard to any regional planning guidelines in force for its area when making and adopting a development plan”. The High Court ruled in favour of the local authority as the judge stated that “To have regard to” did not mean “slavishly to adhere to”. It requires the planning authority to consider the development plan, but does not oblige them to follow it. Subsequently in the Planning and Development Act 2010 the wording was changed and the concept of core strategy was introduced, requiring compliance of local development plan with regional plans and national strategy (<http://www.lwig.net/Research/Legal/Quirke-Judgement-McCoy-and-Smith-vs-Meath-CoCo.pdf>).

² Before there were two separate documents – Regional Planning Guidelines and Regional Economic Strategy.

and advise the Assembly generally on matters in relation to regional spatial and economic strategy at a sub-regional level (Southern Regional Assembly 2017b).

The regional assemblies focus on preparation and implementation of RSEs, integration of Local Economic and Community Plans (LECPs), management of EU operational programmes, EU project participation, implementation of national economic policy, and working with the National Oversight and Audit Commission (Eastern Midland Regional Assembly 2017). They also assist to “source European funding for regional operation programmes, promote coordinated public services, monitor proposals that impact on their area and advise public bodies of the regional implications of their plans and policies” (Department of Housing Planning and Local Government 2017).

Regional assemblies prepare operational programmes⁵ in the context of the:

- Europe 2020 goals of smart, sustainable and inclusive growth,
- cohesion policy 11 thematic objectives, in particular 4-7⁶ due to funding conditions,
- Strategic Framework for European Structural and Investment Funds 2014-2020,
- EC regional policy priorities.

Table 1. New NUTS 2 regional structures for Ireland and dissolution of NUTS 3 authorities (January 2015)

| New structure | Old structure | Implications of the structural changes |
|--|---|--|
| <p>Regional assemblies (NUTS 2) create RSES and manage EU funding for EU projects.</p> <p>RSES preparation is instructed by the Minister of Housing Planning Community and Local Government.</p> <p>Information about its form and content is included in the Planning and Development Act 2016.</p> <p>RSES works with Local Economic Community plans of local authorities within its region.</p> <p>Regional authorities (NUTS 3) dissolved and staff transferred to regional assemblies (NUTS 2)</p> <p>Regional Assemblies create Metropolitan Area Strategic Plans for regional cities within their region.</p> | <p>Regional assemblies (NUTS 2) administer regional operational programmes.</p> <p>Before 2015 the role of regional assemblies was to consider “from time to time, the reviews of the development plans of local authorities in the region as carried out by the relevant regional authorities” (Grist 2012).</p> <p>Before their dissolution in June 2014, regional authorities (NUTS 3) produced regional planning guidelines which until 2010 had very weak compliance order with local authority development plans.</p> | <p>RSES – the first time that spatial strategy and economic strategy are merged into one regional planning document.</p> <p>All RSES programmes are synchronised to cohesion policy thematic objectives for growth period 2014-2020 and to ERDF funded main priorities 1-4.</p> <p>There appears to be progress towards more compliance between national, regional and local level, if the draft National Planning Framework 2040 is adopted and if it is supported by real economic budgets, political leadership and an ‘all-government’ buy-in.</p> |

Source: authors’ own elaboration.

⁵ The operational programme is a document which sets out the approved investment programme for the region which is co-funded by the EU and includes among other things investment priorities, financing plan and implementation arrangements (<http://www.southernassembly.ie/resources/faqs>)

⁶ See: http://ec.europa.eu/regional_policy/en/policy/how/priorities.

The new clustering brings the Midland region and a Border county into the Eastern Midland (Greater Dublin) region. The rationale for the new way the regions are grouped is not clear (Riordan 2017). One of the regional assembly websites state "...together the regional assemblies form a strong regional structure that strengthens the development of Ireland's regions in a coordinated, strategic manner..." (Northern and Western Regional Assembly 2017a). A noticeable change is the much improved accessibility to relevant content on EU funding on their websites – that show the connection between EU funds regional operational programmes.

Within the regions the characteristics from one county to another differ widely, apart from the Northern and Western region which is predominantly peripheral as a region with the exception of Galway city. Within the other two regions (Eastern Midland and Southern), there are pockets with characteristics of peripherality which include declining and aging population, lack of access to good quality infrastructure and new technologies and in particular to Ireland, an absence of a mechanism to remove bureaucratic barriers so that unique local programmes can be delivered to specific communities (O'Keefe 2017). Both the Eastern Midland region and the Northern and Western region contain areas with the lowest average disposable income per person⁷.

The overall urban structure in Ireland is weak and the balance of growth between the three regions is very poor. Regional cities like Cork and Galway are growing but at a relatively slow pace (Department of Housing, Planning and Local Government 2017). Both Cork and Dublin have well educated, young thriving population, employment in IT, financial services or high tech industry with global recognition and reach. However each also has areas of deprivation with population dependent on diminishing public and civil services, housing under-provision, underemployment or unemployment confined by long standing geography of poverty (Cork Equal and Sustainable Communities Alliance 2015).

As an island, the international airports and ports are key nodes of connectivity with Europe and the world and play a crucial part in the country's competitiveness and future prospects. The key ports and airports are state owned commercial entities with the capacity to raise their own finance including loans directed through cohesion policy such as European Investment Bank and Connecting Europe Facility (CEF). Tier 1 ports like Dublin and Cork account for 80% of national port freight traffic, and their significance is indicated in the National Ports Policy and RSES (Department of Housing, Planning and Local Government 2017). Following the National Development Plan (2000-2006) through cohesion funds, connectivity to Dublin from most regions improved considerably (McHenry 2017). Connectivity between other regions requires strengthening to reduce dependency on the Dublin region.

Main areas of EU cohesion policies impact on spatial planning

Transport infrastructure and accessibility

The thematic issues are:

- traffic congestion in the Greater Dublin Area in particular the ring road (M50) on the periphery of Dublin;
- public transport – rail, metro, and bus;
- connectivity to rest of Europe and world through airport and ports;

⁷ The Border (19233 euro) and Midland (19345 euro) regional authority areas fared worst among the eight regions (<http://www.southernassembly.ie/regional-planning/statistics>).

- active transportation – cycling and walking and health;
- connected issues of urban sprawl, GHG emissions, and quality of life.

Through cohesion policy and the National Development Plan 2000-2006 (NDP 2000-2006), Ireland invested in road infrastructure connecting the different regional cities with Dublin and improved accessibility to rural areas. During the economic boom, despite county and city councils' policy of clustering new development within or in close proximity to existing towns and villages, many new housing estates and individual houses were built on the outskirts of urban centres or in the neighbouring countryside. The landscape has been altered by urban sprawl in mainly low densities at various locations (Teagasc 2014).

As Dublin continues to grow as a major economic engine the issues of dispersed development of the region, low density cities which are uneconomical for high capacity public transport and inconsistent funding (due to the economic crisis) for public transport developments are ongoing challenges. Traffic congestion and trips increase as the economic recovery improves (Graham 2017). In response to the transport issues in the Dublin and eastern regions, the National Transport Authority was formed in 2009 to produce transport strategy for the Greater Dublin Area.

Monocentric development of other smaller regional cities echo similar issues in Dublin at a smaller scale. Market led residential development in the suburbs leads to movement of labour force from dormitory towns to cities leading to traffic congestion at peak times and increased GHG emissions. Long term challenges exist in terms of retrofitting sustainable design into existing developments and roads and how to change behaviour towards more sustainable private transport.

Delivery of public transport and improving networks, narrowed in scope during the economic crisis, creating a significant lag in its implementation as it is demand forecast led and relies on economic capacity. Currently there are completed residential and commercial developments awaiting infrastructure such as Metro North, Dublin (Fallon 2017) or incomplete developments with public transport infrastructure such as Adamstown, South Dublin. The legacy of the economic boom (urban sprawl) and transition to a more service-oriented economy (located in urban centres or urban fringes) contribute to longer commuting distances and a car dominated transport system (EPA 2011).

Rail connection Cork – Dublin – Belfast was implemented through TEN-T and national motorways through the NDP 2000-2006. However, there are high costs of connecting inter-regional rail and bus services with rural towns due to the low populations served. An estimated 45% of rural district electoral divisions in Ireland have a minimal level of scheduled public transport service. In particular, a dispersed settlement pattern and one-off housing exacerbate the issue (EPA 2011).

Major investment and expansion were undertaken in Dublin airport and upgrading of Tier 1 ports directed through cohesion policy in the form of loans from European Investment Bank and CEF. Issues regarding the environment, habitats and biodiversity dictated their scale of expansion. During the economic crisis there was a shift in attitude towards active transportation. This was matched by National Transport Strategy and local authority led bike share schemes, cycle lanes and inclusion of the concept of green infrastructure and the connected (walkable) city in the development plans of Dublin, Cork, Limerick and Galway, which aligns with cohesion fund objective 7⁸.

The National Spatial Strategy (2002-2020) and Regional Planning Guidelines were not seen as effective in implementing balanced regional development or creating critical mass outside the Greater Dublin Area (EPA 2011). The newly proposed RSEs for the new NUTS 2 regions and the National Planning Framework 2040 provide more evidence based data and mapping that links regional investment priorities with capital investment (Northern and Western Regional Assembly 2017b).

⁸ Objective 7 – Promoting sustainable transport and improving network infrastructures.

Peripheries and other specific regions

Ireland is the most rural of the EU27 countries for both population and land area⁹ under the OECD definition. Northern and Western Region, Southern Region and Eastern Midland region under different definitions of rural (Central Statistics Office – CSO, National Planning Framework – NPF and Commission for the Economic Development of Rural Areas – CEDRA) showing the Northern and Western region as the most rural region between (66.1%, 82.7% or 90.9%) in Figure. 2 as argued by McHenry (2017). This can be compared with the OECD values for rurality which can be revised over time and include interpretations such as: predominantly rural (more than 50 % of the population live in rural areas); intermediate (20-50 % living in rural areas); predominantly urban (less than 20 % living in rural areas) (Brezzi et al. 2011).

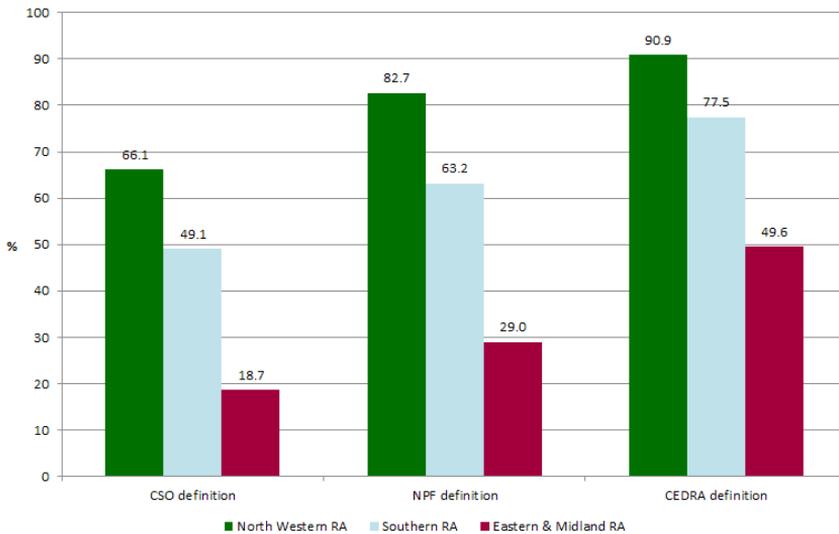


Figure 2. Comparison of percentage of the population living in rural areas in the three regions
Source: McHenry (2017).

Communities in peripheral, remote areas in Ireland historically suffered extensively from a major decline in both population and economic activity during the nineteenth century. Since independence from the UK in the 1920s these areas have lagged behind economically in comparison to the Mid-West and eastern parts of Ireland. Many peripheral areas in the Midlands, Western, Northern (Border) regions did not directly benefit from the economic boom of the 1990s. While the population¹⁰ of the state has grown 3.7% from 2011-2016, rural and peripheral areas in every county continued to experience significant population decline (Gleeson 2016). These factors give rise to issues such as reduction of service delivery (post offices, police stations), a high old age cohort, fewer young people and reduced transport connectivity contributing to isolation.

⁹ The OECD methodology classifies local administrative units level 2 with a population density below 150 inhabitants per km² as rural. For more information on the definition http://ec.europa.eu/eurostat/statistics-explained/index.php/Urban-rural_typology).

¹⁰ Population of Ireland is 4.76 million (CSO 2016).

The Pobal Deprivation Index reveals that the places worst hit by recession and post-recession (2006-2016) years were small rural towns (population of 1000 to 5000) (Ni Aodha 2017). Past patterns of shortcomings in state support, funding and political representation towards these areas exist. Decades of marginalisation have prompted several rural communities to take charge of their own development fortunes. As a result, there are high levels of innovation, entrepreneurship and a 'can-do' attitude and Ireland is characterised by a high number of community-led or bottom-up initiatives (Teagasc 2014). The region is therefore characterised by local independent cultures with a sense of self-reliance and 'necessity' entrepreneurship¹¹ (Brennan, Flint & Luloff 2009).

Key challenges are employment and re-skilling, and re-structuring the nature of employment (Commission for the Economic Development of Rural Areas 2017). SMEs tend to be small with a high number of microenterprises and a high percentage of one-person businesses. Management skills in human resources, marketing and finance tend to be poor. Therefore, support networks and rural enterprise policy specific to these types of enterprises in peripheral areas are important (Teagasc 2014).

The Irish government set up *Údarás na Gaeltachta* to promote industry in the Irish speaking areas and the Industrial Development Agency to promote the region as environments for FDI and multinational hubs that support a good quality of life. Quasi-governmental/independent agencies such as the Western Development Commission support grass roots development, place-based projects through research and development along with EU programmes including LEADER – an EU initiative to support rural development projects initiated at the local level in order to revitalise rural areas and PEACE – an EU programme supporting peace and reconciliation and promoting economic and social progress in Northern Ireland and the Border Region of Ireland. Other supports include Enterprise Ireland, Shannon development, Science Foundation Ireland, Teagasc, Failte Ireland, Local Enterprise Offices¹², Community Enterprise centres; Bord Bia – Food Board and Bord Iascaigh Mhara – Irish Seafood Development Agency (Bord Iascaigh Mhara 2017).

One of the latest government backed programmes is the Rural Economic Development Zones (REDZ) emerging from the Commission for Economic Development of Rural Areas (CEDRA). These are functional areas rather than administrative geographic areas. The zones are defined at sub-county level where people live and work reflecting spatial patterns of local economic activities and development. By focusing on functional areas, bottom up integrated zones are created. This facilitates locally prepared plans which leverage government support through government taskforces and agencies. 52 projects were allocated a total 3.7 million in 2015 and in 2016 – 5.3 million was invested in 41 projects.

Another recent initiative is establishment of a national taskforce to improve broadband and mobile coverage in the short term until the roll out of the National Broadband Plan. This support is vital for rural SME expansion in terms of network activity and connectivity of rural Ireland to Europe (Irish Government News Service 2016).

In 2016 as part of the restructuring, a new intervention, the LECPs were launched (Fig. 3). They work alongside the city and county development plans (LAU 1) in a "shared but separate process". The LECPs shall also relate to measures under the Action Plan for Jobs, report of the CEDRA. The regional assemblies access the projects and programmes of the LECP to relative to the high level EU2020 targets¹³ laid out in the National Reform programme for Ireland (Department of Environment 2015).

¹¹ 'Necessity' entrepreneurs have a different perception of entrepreneurship or business ownership than do 'opportunity' entrepreneurs. They pursue enterprise opportunities, out of necessity rather than opportunity (Teagasc 2014).

¹² Funded through cohesion policy ERDF.

¹³ Ireland's EU2020 targets¹³: Employment; Research & Development; Climate Change and Energy; Early School Leav-

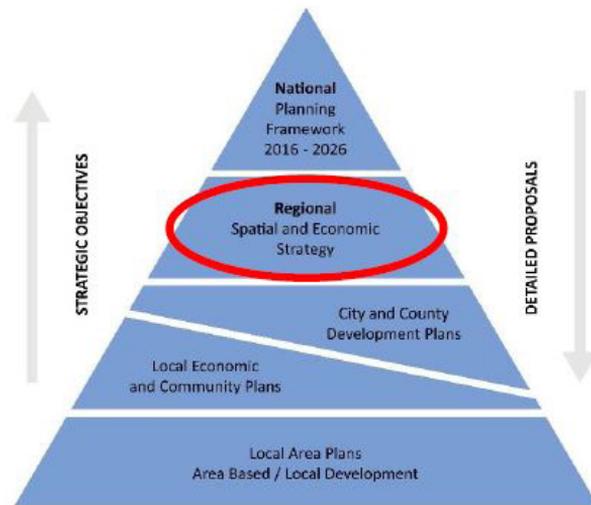


Figure 3. New structure, spatial planning instruments and position of RSES, LECP and proposed National Planning Framework
Source: Eastern Midland Regional Assembly (2015).

The Local Government Reform Act 2014 provided for a more central role for local government in economic and community development – contributing to achieving the aim in the Action Programme for Effective Local Government, “... that local government will be the main vehicle of governance and public service at local level, leading economic, social and community development” (Fingal County Council 2015a).

The LECPs are prepared by the local authority and the Local Community Development Committee (LCDC). The economic element is developed by the local authority and the community element prepared by the LCDC. Through collaboration between the local authority and community committee, the plan sets out “...objectives and actions to promote and support the economic development and local community development of LAU 1 territories. They include themes that align with cohesion policy (ERDF and ESF) priorities and are Enterprise and Employment; Learning, Training and Working; Well-being and Social Inclusion (also in line with the National Action Plan for Social Inclusion); Leadership and Community Empowerment; Tourism, Environment and Heritage; Urban Towns and Rural Communities (Fingal County Council 2016).

The LECP however, is not an operational plan. It is designed to work between and across strategic and operational plans of other agencies by identifying and implementing integrated actions, ensuring coherent actions between agencies (Fingal County Council 2015b).

Therefore the LECP is delivered by those agencies and the local authority. It is intended to be consistent with the core strategy and objectives of local development plans, aligned with the Strategic Environmental Assessment (SEA) directive and article 6 of the Habitats Directive. The relevant regional assembly ensures the consistency of the LECP with the local development plan. The responsibility of local development strategy, LEADER programmes and Social Activation Programme rests with the LCDC.

The wide range of policy areas and types of initiatives assisted by EU cohesion and regional development initiatives is indicated below and case studies are then discussed from the Transport infrastructure and accessibility theme areas (Table 2).

Table 2. Project examples related to the main thematic issues

| Thematic issue | Transport infrastructure and accessibility | | Peripheries and other specific regions | |
|----------------------|---|--|---|----------------------------------|
| Project name | International Port Redevelopment and Extension | International Airport | Bioenergy deployment | Community Development |
| Years of realisation | 2015-2018 | 2010 | 2012-2014 | 2001 |
| NUTS 2 region | Southern Region | East Midland Region | Northern & Western Region | East Midland Region |
| Type of region | City Harbour | Global City | Remote Rural | Post Industrial-Rural |
| Source of funding | Cohesion Policy through National Development Plan in tandem with Connecting Europe Facility and TEN-T | Cohesion Policy through National Development Plan in tandem with European Investment Bank- EIB | Cohesion Policy through INTERREG IVB Northern Periphery Programme | Cohesion Policy through LEADER + |

Source: authors' own research.

Example of EU role in key transport and infrastructure projects

Plans, implementation and relationship between cohesion policy, spatial planning and territorial governance on an example of the Ringaskiddy Re-Development project

Cork harbour, located in the south west of Ireland, is one of Ireland's three largest regional ports with a turnover of 29.8 million euro in 2015. Cork City is the second largest city in Ireland and the Greater Cork Area and is described by the Cork Area Strategic Plan (CASP 2001-2020) as one of the most dynamic areas in terms of education, research and development, internationally traded services and high-technology manufacturing. The region contains many multinational corporation manufacturing and European headquartered companies, particularly in the electronics, software, food pharmaceutical, bio-pharma and associated sectors. The Port plays a significant role in supporting the export led economic development of this region and the country, with traffic amounting to 11.2 million tonnes (in 2015). CASP describes the Cork City-Region as "punching below its weight" in economic development terms, despite its significant assets. One of the key issues is maximising the economic potential and continuing to attract foreign investment and skilled labour. Described the importance of the development not just locally, but regionally and nationally an interview respondent stated:

"The Development of the Port is considered regional level infrastructure. The development of the port is a problem due to peripherally, especially for the region (Southern Region: Cork, Limerick, West region) to develop economically. If you can't develop the capacity of the port you restrict the growth and development of the region as a whole. big change since 2000, Port of Cork was stuck, refusal would limit regional growth – export a lot from Limerick and Kerry, huge difference to Munster and regionally".

The Redevelopment Project, within Cork harbour (Cork Harbour Project) is located in Ringaskiddy, 13km southeast of Cork city centre. The project involves the transfer of major port activities from the existing Cork city port to this new site where most of the region's economic activity is based. The area surrounding the site contains pharma industrial clusters of including, Pfizer, Centocor, Novartis, Johnson & Johnson and GlaxoSmithKlein. The re-development is the first in a series of phases that will lead to an investment of approximately 100 million euro to allow for the extension of existing facilities operating in Ringaskiddy which aim to enhance the Port as a major economic area for the city and region. The project will mean the accommodation of larger container vessels in the terminal. The expansion comprises a 200 m-long berth and new container yard which will become operational in 2018. A respondent interviewed as part of this research indicated that there was extensive political support for the project given its importance in economic terms to strengthening the region.

Planning approval for the redevelopment was granted to the Cork Harbour Port Authority in May 2015. This was a second-round application for consent approval from the Irish Planning Appeals Board (*An Bord Pleanála*) who had determined that the project was Strategic Infrastructure Development under the Strategic Infrastructure Development Act of 2006. The first application was previously refused on the grounds of lack of proximity to the national rail network. The transport report on the application described the project as "representing a retrograde step in terms of sustainable transport planning (noting references to the potential for rail freight in the Regional Planning Guidelines for the South West Region 2004-2020 and the Cork Area Strategic Plan 2001-2020)" (*An Bord Pleanála* 2014). An interviewee stated that the application was successful because a Mobility Management Plan had been put in place by the applicant to traffic control measures "*but the 2nd phase of the Port development was conditioned to be restricted until the Dunkettle Interchange (a major road junction) was upgraded*".

Chapter 7 of the National Development Plan 2007-2013 (supported by cohesion policy) recognised the economic importance of commercial ports to the economic strategy of the entire country. The plan specifically notes the need for relocation of the port to facilitate the Docklands area development in Cork. The NSS, which set out the framework for spatial planning in Ireland at the time of the application, identified Cork as a 'Gateway', the highest level in the NSS regional planning settlement hierarchy. As a Gateway it acts as an economic base to lever investment into the southwest region of the country.

The Southwest Regional Planning Guidelines (2010-2022) identifies the Port of Cork as a key component of its economy and its regional infrastructure and placed onus on the Local Authority to facilitate its expansion by identifying appropriate locations for port activities served by road transport. The objectives of the Cork Area Strategic Plan (CASP) to re-locate the existing port, while facilitating the rejuvenation of existing port area adjacent to the city for residential and amenity purposes, specifies the move is critical to securing the objectives of the NSS. The NSS emphasises the need for balanced regional development and interconnections between transport networks to enhance international access from all parts of the country and interchange between the national transport network, international airports and sea ports. The NSS also recognised the importance of sea ports and shipping services, including sea access from Cork.

Ireland's National Climate Change Strategy 2007-2012 which aims to deliver on Ireland's international obligations to reduce GHG emissions emphasises the need for modal shift through the infrastructural provisions of Transport 21, the then State Transport Investment Plan (now 'Transport for Ireland'). In addition, the Department of Transport's Policy 'Smarter Travel' (2009-2020) strategy makes reference to the need for the maritime transport sector to use less polluting fuels to meet international obligations.

The National Port's Policy (Department of Transport, Tourism and Sport 2013) has a core objective to support a competitive maritime sector and identifies Cork as a Port of National Significance (Tier 1) and is included in the European TEN-T core network. These are described as ports that have the potential for high international connectivity which should be connected to the wider European rail and road network by 2030. The National Port's Policy envisages that the revised TEN-T programme will enable funding through the CEF. The policy outlines that the Ireland will need additional capacity post-2030 and Tier 1 ports must have the necessary capacity to ensure access to regional and global markets. While connectivity to rail is an objective of the policy it also notes that the majority of freight transport in Ireland is via road and will remain so for some time to come.

The South West Regional Planning Guidelines 2010-2022 while acknowledging the transport connectivity issues also identifies the Port of Cork as a key element of the regional economy and infrastructure. It regarded that there was an urgent requirement to identify and develop a new deep water port while helping to secure the redevelopment of the Cork City Docklands under the CASP.

This research indicates/suggested that the impact of regional spatial planning and governance was significant in achieving the project commitment as guaranteed by the range of local and state actors involved. The project therefore had the necessary fit in spatial planning terms within the national planning hierarchy (NSS) at the regional level. In addition, the project would facilitate the freeing up of a city land bank.

There is one TEN-T 'Core Network Corridor' in Ireland. It runs from The North Sea – Mediterranean Corridor, which stretches from Belfast in the north of Ireland (in the UK), to Cork and Dublin, through the UK, Belgium, Luxembourg and France. The Inspector's report on the 2nd planning appeal made specific reference to the EU TEN-T Regulations 1315/2013 and noted that the TEN-T network needs to ensure efficient multi-modality for more sustainable modal modes of transport for both freight and passenger travel. In the context of Cork as a Core Port and the adjacent N28 national primary road, as part of the Core Network of roads within TEN-T, it was noted that Article 41 of TEN-T Regulations provides that maritime ports within the core network must be connected with rail and road networks by December 2030, except where physical constraints prevent this occurring. These issues proved to be of paramount importance during the planning consent process and had a bearing on the deliberations and stakeholder consultations on the Port re-development. The interviewee commented that the issue of port-freight-rail linkages was therefore a key issue of concern to the Local Authority when considering the first application for the development and the initial application was refused on traffic generation grounds due to a lack of a rail link. The Draft Strategic Framework for Investment in Land Transport (Department of Transport, Tourism and Sport 2014) outlines that regional distribution of port traffic will influence future transport investment in Ireland. The report acknowledges a shortfall in funding for heavy rail with the result road transport will remain the principal mode for air and seaport access. It states however that port capacity should not be constrained by this fact. The interviewee suggested that the 2nd planning application had succeeded because it had been able to argue that the necessary plans were in place to manage traffic generation and linkages and this was accepted by the consenting authority.

The research and interviews indicated that the Strategic Infrastructure Development (SID) Act acted as a key piece of legislation that facilitated this particular project but interviews indicated major issues remained:

"Yes, the SID has made things easier but it depends on the project – the Cork Incinerator was difficult. The Cork port project had political backing, the SID was meant to speed up planning

but this is not the case because applicants have now to go to various stakeholder/agencies and Prescribed Bodies [the bodies listed in the planning legislation that must be consulted for their views on particular planning cases] for consultation in advance to get their viewpoints and address them at pre-planning (consultation) stage”.

Other issues raised included conflicts between spatial planning objectives and other compliance requirement for nature protection. The Habitats Directive and the requirements of AA (Appropriate Assessment) were seen by this interviewee to have: *“complicated things ... EIA and AA focus for Local Authorities. Local Authorities have to do EIA screening for AA. It is very resource intensive now you have Europe; the Courts etc...”*.

In terms of funding the EU cohesion policy has a major influence but once the project becomes active in planning terms it is the local development plan and processes which are of most importance. Such projects are obviously reliant on significant funding and are unlikely to happen in the absence of such support.

The above all highlight the significance of the project in supporting regional and economic development and delivering on EU cohesion policy to reduce imbalances across European regions, in particular peripheral regions where transport accessibility continues to be an issue of importance. The influence of EU cohesion policy on spatial planning structure is evident as the spatial hierarchy and territorial governance underpinned the EU funded project. As an exemplar, the project demonstrates how joined up planning from national, through regional and local level plans can enable the actualisation of projects. It also illustrates new ways in which stakeholder consultation in planning processes are more managed within the Irish SID consultation framework but from a local perspective they still can remain cumbersome due the resourcing constraints of the Irish public service who participate as key consultees to planning.

It is evident that for transport and accessibility projects of this nature national planning investment agencies should plan the necessary requirements for inter-modal connections in advance of planning approval. This would reduce exposure to delays in the delivery of projects due to planning constraints based on projects being premature. The importance of having political support locally as well as priority recognition for the project within the various regional and national level documents is essential. This project was clearly referenced across numerous key documents and strategies in terms of spatial and national planning. This provided the necessary weight for the regional scale project and helped to secure planning consent.

Plans, implementation and relationship between cohesion policy, spatial planning and territorial governance on an example of the Dublin International Airport – Terminal 2 project

Ireland’s Dublin Airport is an international connecting point on the TEN-T and therefore eligible for finance under one of European Investment Bank’s priority lending objectives The development of Ireland’s International Airport second terminal project (T2) in 2010, aimed to enhance the infra-structural capacity and consolidate the airport’s international gateway status within the context of transport agencies, airlines, third parties and environmental policies. It was established under the NDP 2007-2013 (The Stationery Office 2007) supported by cohesion policy and the National Spatial Strategy 2002-2020.

Spatial planning in Ireland supports the implementation of operational programmes (OPs) and regional and sub-regional strategies provide the framework for their delivery and supports individual projects funded by OPs. Ireland has three regional assemblies. This practice case study is located in the Eastern Midland Regional Authority in the Greater Dublin Area. Local level 1 gov-

ernance of planning in this region is managed by the Fingal Local Authority, the most northerly of Dublin's four local authorities.

Cohesion policy directed through the NDP pointed to the need for investment in Ireland's three state airports (Dublin, Cork and Shannon). To this end national funding was allocated under the NDP to upgrade road transport networks under Transport 21 (the M50, M1 and M3 roads) and other investments to support the expansion of the airport (i.e. Metros North and West and national and non-national roads). The decision to approve the expansion also had regard to Regional Planning Guidelines (RPGs, 2004-2006), the strategic transport policy for Dublin (Dublin Transportation Office, 2000) and the Fingal Local Authority Development Plan 2005-2011 and previous plans which had as their objectives to provide for east-west expansion and the Local Airport Local Area Plan. The Local Authority – Fingal in their Community Development Plan made provision for the airport expansion in line with the RPGs and outlined a comprehensive roads programme serving the airport and set aside lands specifically for the development of Metro North, the then planned (not yet delivered) first Irish 'underground' rail line.

Irish aviation policy has been described by an interviewee as somewhat "protracted", given that there was no overarching policy prior to 2015. Spatial planning policy documents did recognise the importance of the airport but only "low level policy" was available in the form of Local Area Plans and Development Plans at local level 1 to underpin its development. This meant that the consultation with key stakeholders in connection with the proposed expansion was never clear cut. A new national aviation policy was put in place in 2015 (Department of Transport, Tourism and Sport 2015) and is important to the development of T2 as it provides an overarching aviation policy or "superstructure around aviation" that hitherto was absent in Ireland.

The enabling Irish planning legislation, the Planning and Development Act (Irish Statute Book No. 30, of 2000) provides a number of opportunities for consultation with stakeholders and public participation in line with the Aarhus Convention on the right to public participation in planning (UNECE 1998) and the Directive on Public Participation (2003/25/EC). Pre-planning consultation with stakeholders and with local government is afforded on proposed developments under the Planning and Development Act. Public participation in planning is facilitated by means of making submissions on planning applications prior to development consent and both first and third-party appeals are allowed against planning decisions made by local authorities. An interviewee was of the view that participation can be problematic however, in some instances: *"Aarhus (Convention and Directive on the right to public participation in environmental decision making) – in Ireland you don't need any locus standi to make a submission"*.

This interviewee explained that the Irish planning process can be seen by applicants to be cumbersome and sometimes mired by delays due the high level of participation and consultation afforded: *(As part of standard pre-planning process) "The proponents of applications must consult with national bodies, transport bodies (e.g. National Transport Authority, Transport Infrastructure for Ireland) and sit down with them (to discuss the project), not necessarily at speed. The intent is good but they (proponents) could be caught by different perspectives, it just takes time e.g. surface access (i.e. transport linkages), getting approval or alignment is a lengthy process"*.

In the case of T2, public transport access was a key issue that the Dublin Airport Authority had to address with relevant stakeholders during the planning consent process. The Inspector's report on the planning application (An Bord Pleanála, 2006/PL06F.220670) reviewed the adequacy of the Environmental Impact Assessment (EIA) in this regard. The final preferred site was selected on the basis of road access and proximity to the (then) proposed underground, a Ground Transportation Centre, bus terminus and car parking. The transport elements of the EIA were

considered adequate and robust by the Inspector; however several stakeholders including Ryanair, An Taisce – The National Trust for Ireland, and residents, raised concerns about transport and traffic generation issues arising from increased passenger numbers, as well as concerns about conflict with national and international commitments to reduce GHG emissions. There is a need for pre-planning consultations with transport stakeholders, to discuss how surface access would be facilitated and to discuss modal split options. Transport issues proved to have a key influence on the planning case as conditions were attached to final consent approval placing a cap on passenger numbers to 35 million passengers per annum.

Stakeholder consultation can therefore lead to significant alterations in outcomes for project delivery and can create time delays which can be costly for proponents. The introduction of the Planning and Development (Strategic Infrastructure) Act (SID) 2006 (No. 27 of 2006) can be viewed by industry sources as a positive measure to address the delays associated with planning in Ireland. Section 37(a) 2 of the SID Act requires that developments in the categories listed in the Seventh Schedule of the Act¹⁴ that are deemed (a) 'strategic' in nature (i.e. of economic or social importance to the country or region); (b) would contribute to national spatial and/or regional planning objectives or (c) would have significant effect on the area of one or more planning authority, are sent directly to the Irish Planning (Appeals) Board, *An Bord Pleanála*, for planning approval, rather than to the local authority. In effect the process limits the possibility of third party appeals but maintains the right for pre-planning consultation and public submissions on SID applications. In the case of T2 the application was deemed to be a SID project. Prior to the application, Dublin Airport Authority carried out pre-planning consultations with various stakeholders including Fingal Local Authority (local level 1) and the Department of Transport (national level) and the Irish Rail Procurement Agency (RPA)/Transport Infrastructure for Ireland (TII) (national level), to discuss issues around modal split and growth in passenger numbers. In terms of cooperation between agents an interviewee stated: *"Don't think there is a difficulty (with the process of cooperation and consultation per se) but there is a significant time difference between how long it takes for each agent to make a decision (during pre-planning consultations with the various agents involved) – (it's a question of) efficiency of resources (within the various agencies, which might be stretched). Dividing the project up into work streams (is good). There will always be stumbling blocks, once you get into planning (it's more efficient) but pre-planning consultation can take up to 2 years"*.

In terms of models of good practice in Ireland the interviewee also indicated that aligning the NPF (Government of Ireland 2017) with the (proposed) National Investment Plan (NIP) and specific planning strategies would facilitate more joined up planning and ensure that projects could come to fruition more seamlessly. In the last twenty years European Investment Bank loans have been used for aviation in tandem with the NDP that was supported through cohesion policy.

Conclusions

The examples and practices demonstrate the impacts of cohesion policy at the strategic level and civil society level as:

- Cohesion policy was directed through the National Development Plans for large projects in tandem with other EU funding.
- Legislation changes were enacted to enable fast track delivery mechanisms for strategic infrastructure projects

¹⁴ Energy, Transport and Environmental infrastructure.

Examples on the strategic level, to improve parity and connectivity at the EU regional level on National Transport projects are the Cork Port tier 1 and Dublin International Airport. They demonstrate cohesion policy projects directed through the NDP working in tandem with European Investment Bank and TEN-T policies. National legislation was adapted to fast track such strategic projects with the Strategic Infrastructure Development Act 2006. This top down mechanism for delivering large scale projects have worked well and are in contrast to other major infrastructure projects such as the Corrib natural gas pipeline, over ground pylons for Eirgrid and the restructuring of water infrastructure and associated charges controversies. These experiences indicate the importance of the focus on engagement at civil society level and value of including communities at the strategic level earlier on in the process.

The connectivity between regional and local would be particularly important now that the regional assemblies have a stronger role in the management of EU project participation such as INTERREG, LEADER and PEACE. While cohesion policy thematic objectives and priorities work well at regional level, a less centralised, flexible approach that allows local communities autonomy to propose their place based requirements is essential in developing local economies and encouraging competitiveness.

Spatial policies rather than sectoral, seem to work best where the local development agenda require flexibility of approach. It remains to be seen if the new regional spatial and economic strategies will provide this with sufficient political leadership and understanding. The lessons from past Irish urban policy changes shows that both a strong political commitment and dedicated resourcing are essential to support new directions in policy. In addition this support must be long term and across the political spectrum as the cyclical nature of development patterns means that delays and time lags are inevitable. The availability of EU funding and resources is both a necessity and a useful external reference framework within which strategic planning decisions for the regions of Ireland are adopted and implemented.

It is clear that the availability of EU cohesion policies assisted the investment in planned regional infrastructure and developments. As a peripheral economy in the EU this can be argued to assist economic and social development at a national level. Within the regions of Ireland significant problems in terms of economic and social development in rural areas remain and significant further attempts at addressing such imbalances are clear in evolving planning policy as represented in the new NPF. Even with a major economic recovery, clear deficits remain in infrastructure, housing and the provision of broadband IT for rural areas.

Ireland by comparison with other EU states provides an interesting comparison of the operation of a development led spatial planning policy framework. This approach can be identified as a contributory factor to the previous property market collapse and major economic recession of 2008 to 2012. This period saw sustained high levels of speculative development activity linked to questionable zoning and planning decisions contributing to a subsequent property market collapse. This necessitated the rescue of the Irish owned and managed banking sector and property market at a major cost to the exchequer.

While other EU states move towards a more localised spatial planning approach, the new urban and regional policy ambition in Ireland as expressed in the NPF of 2018 is to move towards a comprehensive approach. This involves integrated rational planning and linked public sector investment in transportation and infrastructure. Past EU funding has played a significant role in ensuring that long term infrastructure and development planning at a strategic level developed a more coherent organised approach. The influence of EU policy can be seen in shifting the national planning system towards a more strategic and regional approach from the previously

local development led approach. In addition, the financial planning central to EU support has made the initiation and implementation of major strategic infrastructure investments more realistic in terms of both initiation and implementation

Endnote

The material for this article was developed from research carried out on the ESPON COMPASS Project – Comparative Analysis of Territorial Governance and Spatial Planning Systems in Europe under the direction of Brendan Williams and Zorica Nedova Budic at UCD, the ESPON COMPASS Case Study Ireland report by Johanna Varghese and Deirdre Joyce and a conference presentation by Brendan Williams on the ESPON COMPASS project at Regional Spatial Strategies: the Architecture of Effective Regional Development at the Department of Housing, Planning and Local Government, Custom House, Dublin in May 2018.

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HOW GOVERNANCE COUNTS? COMPARATIVE ANALYSIS OF ACTIVITY AND FUNDING PATTERNS OF CENTRAL EUROPEAN CROSS-BORDER COOPERATION PROGRAMMES

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Abstract. Cross-border cooperation – as objective 3 of cohesion policy since the 2007-2013 programming period – plays a key role in promoting Europeanisation, which is especially important in case of Central Europe that is dominated by small national states. Target areas of cross-border cooperation are the NUTS 3 units located along the state borders. As project generation, decision making and implementation is overwhelmingly done on regional level, territorial governance structures are decisive from cross-border cooperation point of view. The paper focuses on two programmes – the Slovenia-Austria and the Hungary-Croatia – whose target areas are lacking large urban centres, middle-size and small towns make up the backbone of the settlement network. The involved countries are very diverse in regional governance structures. Austria is a federal state with strong regional governments. Croatia and Hungary are unitary states with limited capacities on regional level. Slovenia is, again, a unitary state that lacks medium level of government, therefore the local level is the carrier of cross-border cooperation. Aim of the paper is to identify how different systems of territorial governance are reflected in the implementation of the programme and the allocation of funding. After presenting the premises of cross-border cooperation and a brief outline of the two programmes a quantified analysis will be presented based on primary ex-post programme data of the 2007-2013 Slovenia-Austria and Hungary-Croatia cross-border cooperation programmes. Analysis is conducted on LAU 2 level in order to show how different categories of the settlement structure contribute in terms of cooperation activity and absorption and how it is distributed between different types of beneficiary organisations.

Keywords: cohesion policy, territorial governance, cross-border cooperation, Central European countries.

Significance of cross-border cooperation

Border areas are usually considered as peripheral regions being isolated from the hinterlands and lagging behind in terms of economic and social development. Europe with its fragmented structure of national states means most of Europe's regions are border regions. The European integration process, from its very beginning, triggered the border issue: integration of the European national economies in line with comparative advantages. The role of border regions has even been strengthened after accession of new member states to the European Union (EU) in 2004 when coun-

tries of below-average size and land-locked position have become members. This growing interest towards border regions is also reflected in the geographical literature, the shift in approach towards cross-border issues. In the early 1990s, instead of focusing on cross-border flows of economic activities and their discontinuity, the “cross-border cooperation approach” (van Houtum 2000: 63) rather focused on different forms of cooperation within the single market in a policy-oriented way, that provides border regions opportunities and access to networks (van Houtum 2000).

European cohesion policy – dating back to the setup of the European Regional Development Fund in 1975 – put a clear stress on catching up of the regions lagging behind. In 1984 the tool of Community Initiatives was introduced, opening up to interventions of community significance (Manzella & Mendez 2009). One of them, the INTERREG Community Initiative introduced 1998, targeted border regions (Harguindéguy & Bray 2009). In the first programming period (1990-1993) dominantly border areas of the objective 1 cohesion regions were preferred (AEBR 1997). The Maastricht Treaty was an important milestone in establishment of the legal background of cross-border cooperation, through the promotion of the subsidiarity principle, enabling that development programmes – including cross-border ones – shall be designed in line with locally defined objectives. The INTERREG II initiative (1994-1999) set up the pillar system of INTERREG, separating cross-border cooperation from wider, transnational cooperation schemes. Parallel, for regions along external borders of the EU tailor-made schemes such as PHARE CBC and TACIS were launched (Perkmann 2003). The pillar system has been more fine-tuned in the 2000-2006 programming period, where cross-border cooperation (pillar A), transnational cooperation (pillar B) and interregional cooperation (pillar C) were distinguished (INTERACT 2015). In this period role of the subnational level has been strengthened (Harguindéguy & Bray 2009): representatives of border regions have been more operationally involved in programming, project selection and monitoring, however in case of transnational and interregional programmes the national states dominated. In this programming period already the 2004 accession new member states could participate, albeit in a limited timeframe and somewhat limited financing. In order to ensure transition from rigid pre-accession assistance to more flexible INTERREG funding, so called Neighbourhood Programmes have been set up, with participation of member states and candidate countries (VÁTI 2004). Since 2007 European Territorial Cooperation (ETC) has been declared as ‘objective 3’ of cohesion policy, cross-border cooperation – instead of Community Initiative – has become part of the EU structural policy’s mainstream (Pámer 2011). Further novelty of the period was that cooperation along external borders has become part of the general regulation, emphasising that its role in coping with regional imbalances (EC 2006: Preamble 21). Such harmonisation of pre-accession assistance with ERDF funding makes comparison of different programmes feasible.

Cross-border cooperation has been an important tool in the Europeanisation of the peripheries (Scott & Liikanen 2010), already prior to the 2004 accession. Euroregions established on peripheries of the EU (Perkmann 2007) were a tool practicing multi-level governance, exchange of practices and reducing regional disparities (Popescu 2008). For the sake of involving regions located on peripheries (Bojar 2008) or outside the EU, tailor-made tools have been developed including the CARDS programme for the countries of the former Yugoslavia. PHARE and CARDS were in the 2007-2013 programming period replaced by IPA (Instrument for Pre-Accession) that had a particular component for cross-border cooperation (Dubarle et al. 2011), aiming at both intensifying cooperation between the states of the Western Balkans and these states with the EU member states.

As Scott (2013) highlights, cross-border cooperation, in general, is considered as a special tool of transmitting European values, part of the progressive identity of the EU, however it might be criticised as cooperation is interest-driven and substitutes other funding sources (Scott 2013).

In the target area of the paper several scholars highlighted added values of part cross-border cooperation programmes, including Lados (2005) for Austria-Hungary, Csapó et al. (2015) for Hungary-Croatia or Zimmermann and Kubik (2003) for Slovenia-Austria.

System of territorial governance in the investigated countries

The four investigated countries – Austria, Croatia, Hungary and Slovenia – have significantly different systems of territorial governance, which dates back to historical circumstances and the self-definition of two newly independent post-Yugoslav countries.

Austria, being a federal state, has strong regional governments on NUTS 2 level, which is responsible for spatial planning and regional development. Even if the national state does some sort of coordination through the Austrian Spatial Planning Conference (Österreichische Raumordnungskonferenz – ÖROK), the single states follow slightly different approach in their spatial policies (ÖREK 2010). NUTS 3 level in Austria is the “group of districts”, which does not have an elected body, but are composed of one or more units of state administration. Regional development, as manifestation of territorial governance, takes place on regional level, below the NUTS 2 regions, through locally and regionally funded *Regionalmanagement* bodies, responsible for management of EU funding, project generation and information (Bundeskanzleramt, ÖSB Consulting 2004).

Slovenia has no politically elected regional level, however there were attempts to create them (Delo 2008). According to the law of regional development on NUTS 3 level (statistical regions) the community of local governments sets up regional development councils (Zakon 2011). Besides the council, local governments may set up regional development agencies as well (Zakon 2011), however their territorial coverage varies: some operate on NUTS 3 level, some below, with significant differences in capacities (Lindstrom 2005). The development of Pomurje, on northeast of the country bordering with Austria, Croatia and Hungary – as the least developed region in Slovenia – is promoted by a special law and multi-annual state funding scheme for improvement of competitiveness and employment (Zakon 2009).

Although the territorial structure of counties in Hungary is considered as a thousand year old heritage, regionalisation of the country had been an issue on the table since adoption of the 1996 regional development act (Pálné Kovács 2009). Regionalisation, besides promotion of cooperation between the counties through setting up of regional development councils on NUTS 2 level resulted a growing influence of the state as well, as number of state-delegated members in the councils has been constantly risen (Rechnitzer 2012). The new regional development act seized the regional councils in 2011 and the counties (NUTS 3) have become responsible for regional development. The transformation was accompanied by a local government reform: counties have lost their competences and properties in public service provision (secondary education and health care) and “regional development, rural development, spatial planning and coordination” (Törvény 2011: 27. § (1)) has become their sole competence.

In Croatia the current county system has been introduced after independence (1992-1993), being a local body of the central government. Since the constitutional reform in 2000 it has become a politically elected regional government (Ivanišević et al. 2001). Due to the significant damages caused by the war, Croatia has introduced different tools and assistance schemes for various lagging behind areas (Pámer 2007; Đulabić & Manojlović 2011). Currently applicable regional development law has been enacted in 2014, defining the county as the coordinator of regional

development on regional level, through its assembly and the public institution established by the county (Zakon 2014). On level of the two NUTS 2 regions delegated partnership councils have been set up, that are coordinated by the government (Zakon 2014) and have no structures.

As to compare the analysed countries, their territorial governance structures and practices are very different. NUTS 2 regions with own structures exist only in Austria – not counting the Hungarian experience with the development regions until 2011, in the other countries this level exists for statistical purposes only, with minimal coordination functions (Table 1). On the other hand NUTS 3 is operational in all analysed countries, however with different structures. While Hungary and Croatia has politically elected bodies, in Slovenia and Austria bottom-up local development bodies exist, owned by the local governments.

Table 1. Overview of decision making bodies in the investigated countries

| NUTS level | Slovenia | Austria | Hungary | Croatia |
|------------|--|-----------------------------|--|--|
| NUTS 2 | Cohesion region (delegated council) | Province (elected assembly) | Until 2011: development region (delegated council) | Statistical region (delegated partnership council) |
| NUTS 3 | Development region (delegated council) | – | County (elected assembly) | County (elected assembly) |

Source: own edition.

Institutionalisation of cross-border cooperation in the investigated area

Cooperation of Austria and Slovenia is based on a historical heritage of the Habsburg Empire: current Slovenian territories had been integrated into the economic space of the monarchy; collaboration between these regions was an everyday practice until the World War I.

As for the period of the Socialist Federal Republic of Yugoslavia (SFRY), cooperation dates back to the signature of the Trigon Cooperation Agreement in 1965, between Slovenia – as a republic within SFRY – Carinthia (Kärnten) and the Italian region of Friuli-Venezia-Giulia. This cooperation – which was later accessed by Croatia in 1969 (Quadrigon) – served as precursor for the Alps-Adriatic Working Community (AAWC) (Nadalutti 2015: 9). Even if AAWC played a key role in promotion of regional level cooperation, it has lost its position after the EU enlargement in 2004. As for socialist Slovenia, participation in these cooperation initiatives has opened space for positioning as a Western-oriented sub-state actor. 1991 independence and nation state building process has resulted a “newly centralised Slovenia” (Nadalutti 2015: 5), without any medium tier of governance, thus very reluctant about cooperation schemes on regional level.

Besides AAWC various further forms of Slovenia-Austria cooperation have emerged. The Euroregion Styria-Slovenia was founded in 2001, based on the historic Maribor-Graz cooperation (Zimmermann & Kubik 2003), with institutionalisation ambitions (Land Steiermark 2016). The “EU Future Region” (*Zukunftregion*) concept was based on various INTERREG projects (e.g. Conspace, Matriosca) (CADSES 2006), however institutionalisation efforts have not become successful, partially due to the strict Slovenian approach, as they stuck to the involvement of the national bodies (Nadalutti 2015).

As for Hungary and Croatia, in the 1950s when Yugoslavia and the Soviet Union opted for a different model of socialist system, the border between Hungary and the SFRY has become a strongly guarded dividing line, part of the Iron Curtain (Hajdú 1996). The 1970s brought a significant ease

in the situation, resulting intensive cooperation in various economic sectors and intensive shopping tourism between the two sides (Bali 2012). War events in the early 1990s generated a pro-Croatian attitude in Hungarian officials, which was expressed by the early acknowledging of the sovereign Croatian state (Rácz 2016). This was followed by a period of intensive economic cooperation dominated by large corporations and several acquisitions from Hungarian side. In spite of these positive events interaction along the still heavily dividing border, as that are mostly the rivers of Drava and Mura, has remained minimal, infrastructure development suffered significant delays, being this border are the least permeable one of Hungary, with an average distance of border crossings being at 50 km (Rácz 2017). Institutionalisation attempts were manifested through the establishment of the Danube-Drava-Sava Euroregion in 1998, involving – besides Hungarian and Croatian counties – cantons from Bosnia and Herzegovina and observers from Vojvodina, Serbia and Montenegro (later Serbia) (CESCI 2016). Although the Euroregion is still existing, it is not operational anymore. In the recent years initiatives for setting up European Groupings for Territorial Cooperation (EGTC) have emerged, so far two such institutions operate in the Croatia-Hungary border area (Svensson & Ocskay 2016).

The investigated cross-border cooperation programmes

The Slovenia-Austria Cross-border Cooperation Programme running in 2007-2013 provided an ERDF co-financing of 67 million euros (CBC 2007: 66), generating a total investment of 79 million euros. Programme coordination was carried out by joint management structures led by the Slovenian partner.

Target area of the programme was composed of nine NUTS 3 regions of Austria from three regions (Burgenland, Carinthia, Styria – *Steiermark*) and six statistical regions from Slovenia. Austrian part of the target area lags behind the Slovenian side in terms of population density, as both of the two large urban areas of Slovenia (Ljubljana, Maribor) were involved, while in Austria the urban areas of Graz and Klagenfurt were accompanied with dominantly rural areas. The programme had two priorities: competitiveness, knowledge and economic cooperation; and sustainable and balanced development. In terms of beneficiaries, project size and nature of projects there were no differences: beside non-profit organisations private small and medium sized enterprises were also eligible. Project size varied between 30 thousand and 3 million euros.

The 2007-2013 Hungary-Croatia IPA Cross-border Cooperation Programme consisted of 54.8 million euros of co-financing and a total investment of 68.8 million euros (CBC 2013: 94). Joint management structures were set up, led by the Hungarian partner.

Territorial coverage included the three Hungarian and the four Croatian counties along the border, and further four non-directly bordering counties from Croatia. From both sides of the border target area is characterised by low population density and lack of large urban areas. Although on both sides we can find a city above 100 thousand inhabitants (Osijek, Pécs), backbone of the settlement structure is dominated by small cities and larger towns. Similarity is the abundance of protected, nature conserved areas that are lagging behind. The two programme priorities included sustainable environment and tourism; and co-operative economy and human resources development. This programme funded only non-profit making organisations, and the two priorities differed significantly in terms of project size. Priority 1 for environment and tourism allowed projects between 50 thousand and 3 million euros, under the different measures, including investment elements; while priority 2 funded in a range of 50 and 500 thousand euros, with very limited or no investment activities in case of the single measures.

Although the two programmes were very similar in their size – both financially and in their thematic focus – implementation-wise they were very different. While the Slovenia-Austria programme applied to all priorities and beneficiaries the same conditions, the Hungary-Croatia programme was more a composition of differently tailored measures, with different target groups and different financial conditions.

Hypotheses and methodology

The paper comes out from the hypotheses that governance structure of the given countries is reflected in the implementation of the programme and the allocation of funding. As the projects had to follow a joint objective, but had to be implemented in cooperation – with involvement of at least one partner from each side – cross-border cooperation provides an excellent test for comparison of governance practice.

The conducted analysis is based on primary project data taken from the final reports of the financed projects made available by the programme management bodies of the two programmes (Joint Technical Secretariats in Slovenia and Hungary). For cooperation activity the number of “projects parts” was taken into consideration. Project part (PP) is understood as part of a project implemented by a certain beneficiary within the partnership. A project is made of as many project parts as many partners are in the partnership. To proxy absorption of funding the amount of realised funding (reported, verified and reimbursed co-financing) has been used. Although these two figures are significantly correlating, their relationship is very important: if activity is higher than absorption, projects dominantly lack heavy investments (soft projects). While if absorption is higher than activity, hard projects, including investment elements, prevail.

In order to tackle geographical patterns of governance, for location of a project part the seat of the beneficiary organisation was considered. Generally, beneficiaries were eligible from the programmes areas only, however both programmes allowed exceptions under certain circumstances. The Slovenia-Austria programme allowed participation of partners from regions outside the target areas, with proper justification. The capital city of Vienna (Wien) – due to state level bodies – participated in two projects, while Nordburgenland – the location of Eisenstadt, the capital of Burgenland – with eight partners. Eisenstadt – due to its important role and proximity to the programme’s target area – has been remained in the analysis. On the other hand, the federal capital city of Vienna proved to be an outlier from both aspects (high population, low activity in projects and absorption), therefore it has been eliminated from the analysis. In case of the Hungary-Croatia programme participation from regions outside the programme area was possible if the beneficiary maintained branch office in the programme area. If such office was available its location has been taken into consideration. In case of several such offices the one, which was geographically and thematically more connected to the project was considered. In case of no such branch office, the location where the project actually took place was taken into consideration. In the two latter cases the projects had to undergo additional data collection.

Finally, for the Slovenia-Austria programme 482 project parts (after exclusions), for the Hungary-Croatia programme 526 project parts have been included in the analysis, making up a database of 1008 records.

Analysis of activity patterns on different levels of the settlement network

In order to carry out the analysis on local level, data on project partner level has been aggregated on LAU 2 level (municipalities, towns or cities). This approach enables the consideration of large urban centres together with their local direct neighbourhoods. On the other hand through this approach, efforts of the local administrations of small multi-settlement municipalities might be tackled (first of all Slovenia, but Austria and Croatia as well).

In order to define an applicable set of settlement categories suitable to the four countries, the following principles were taken into consideration:

- functions in the settlement network and population were treated equally;
- avoiding categories being empty in some countries;
- number of local units in the different categories should be proportional.

Finally six categories have been made: category 5 units include the existing (or potential) NUTS 2 centres that are in all cases cities with a population above 90000. Municipalities below 2000 have become category 0, that are having a very different significance in the analysed countries, due to their settlement structure particularities. The applied categories are seen in Table 2 and the three highest categories are mapped on Figure 1.

Table 2. Composition of categories of settlement in the analysis

| Category | Criteria | Austria | Slovenia | Croatia | Hungary | Total |
|----------|--|--|---|--|---|-------|
| 5 | Strong NUTS 2 regional centres, cities with population above 90 000 | Graz Klagenfurt | Ljubljana Maribor | Osijek | Pécs | 6 |
| 4 | Functional co-centres of NUTS 2 regions, strong NUTS 3 regional centres, cities with population above 40 000 | Villach | Celje Kranj | Bjelovar Varaždin | Kaposvár Nagykanizsa Zalaegerszeg | 8 |
| 3 | NUTS 3 centres below 40 000 | Deutschlandsberg Eisenstadt Leoben Oberwart Spittal an der Drau Weiz Wolfsberg | Murska Sobota Slovenj Gradec | Čakovec Koprivnica Virovitica Vukovar | – | 25 |
| | Further towns above 20 000 inhabitants | Kapfenberg | Jesenice Kamnik Ptuj Škofja Loka Slovenska Bistrica Velenje | Križevci Vinkovci | Keszthely Siófok Komló | |
| 2 | Further towns, municipalities with rights of a town (AT) | 14 | 13 | 11 | 16 | 54 |
| 1 | Municipalities with a population more than 2 000 | 13 | 22 | 22 | 1 | 58 |
| 0 | Municipalities with a population less than 2 000 | 15 | 3 | 4 | 22 | 44 |
| Total | X | 53 | 50 | 46 | 46 | 195 |

Source: own edition.

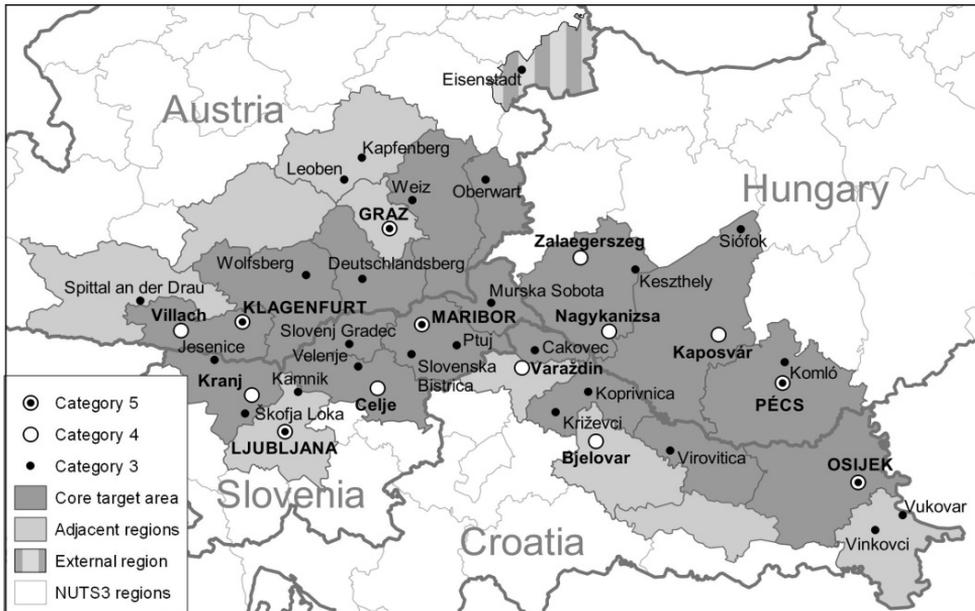


Figure 1. Location of the category 1, 2 and 3 LAU 2 units in the analysed programme areas
Source: own edition.

Interesting to point out that although Obersteiermark West (Austria) and Požega-Slavonia (Croatia) have a potential category 3 town (Murau and Požega, respectively), these regional centres failed to get involved in any project. In these regions cross-border cooperation was carried by lower level local units.

Sorting out the most active LAU 2 units in case of the analysed countries, category 5 cities are *per se* among the most active ones, in Slovenia and Croatia category 3 and 4 cities are close behind, while in Austria and Hungary we see a somewhat more mixed pattern (Table 3).

In order to compare performance patterns of the pair countries (Slovenia – Austria, Hungary – Croatia) cumulative graphs, similar to the concentration curve, have been used that well visualises the contribution of the single categories to cooperation activity and absorption of funding.

In case of Austria and Slovenia (Fig. 2) a significant difference can be seen in the role of the different centres. In Austria the regional centres dominate both activity and funding: more than 50% is generated on this level. Lower category centres play a proportional role, even the smallest municipalities have a share of 10% from activities and a slightly less from funding. In case of Slovenia generally we can see a proportional concentration (parabolic) towards the higher categories, having a particularly strong category 3 concentrating about 25% in each variable. On the other hand category 5 concentrates only about 36.5%. This strong role of the small urban centres might be due to the polycentric approach promoted by the Slovenian spatial policy. As for project size, activity and absorption run along each other, there are no particular differences in project sizes. Some below-average investment-orientation may be noticed in case of the small settlements in Slovenia, but in general no different approach may be detected in the different categories.

Table 3. The most active LAU 2 units in the analysed countries, by number of PPs and realised funding

| Number | LAU 2 | Category | Number of PPs | Realised funding (euro) |
|----------|---------------------|----------|---------------|-------------------------|
| Austria | | | | |
| 1 | Klagenfurt | 5 | 55 | 7 141 829.26 |
| 2 | Graz | 5 | 51 | 9 426 167.37 |
| 3 | Eisenstadt | 3 | 8 | 1 013 209.13 |
| 4 | Villach | 4 | 7 | 397 427.39 |
| 5 | Großweikersdorf | 0 | 5 | 1 085 146.61 |
| 6 | Spittal an der Drau | 3 | 5 | 689 813.76 |
| Slovenia | | | | |
| 1 | Maribor | 5 | 54 | 6 234 918.56 |
| 2 | Ljubljana | 5 | 46 | 4 171 901.35 |
| 3 | Murska Sobota | 3 | 26 | 2 775 859.28 |
| 4 | Kranj | 4 | 17 | 1 860 583.02 |
| 5 | Ptuj | 3 | 15 | 2 123 670.72 |
| 6 | Slovenj Gradec | 3 | 13 | 1 085 170.92 |
| Croatia | | | | |
| 1 | Osijek | 5 | 86 | 9 550 153.50 |
| 2 | Čakovec | 3 | 39 | 3 777 773.72 |
| 3 | Koprivnica | 3 | 34 | 1 277 701.84 |
| 4 | Virovitica | 3 | 22 | 1 653 268.49 |
| 5 | Križevci | 3 | 15 | 1 708 971.93 |
| 6 | Varaždin | 4 | 11 | 166 293.04 |
| Hungary | | | | |
| 1 | Pécs | 5 | 86 | 10 757 085.02 |
| 2 | Zalaegerszeg | 4 | 26 | 1 108 233.78 |
| 3 | Kaposvár | 4 | 25 | 1 369 108.35 |
| 4 | Nagykanizsa | 4 | 18 | 1 668 136.40 |
| 5 | Szigetvár | 2 | 10 | 491 535.88 |
| 6 | Tótszerdahely | 0 | 7 | 1 210 698.04 |

Source: own edition upon programme data.

Comparing Hungary and Croatia differences are, again, very visible (Fig. 3). In Hungary the relatively strong contribution (around 15%) of the small municipalities (category 0) is noticeable, also the outstanding performance of the small towns (category 2), which represent a nearly 17% share from activity, and a nearly 23% share from absorption. These lower categories in Croatia play a proportional role. Even a more definite participation is represented by the small NUTS 3 centres in Croatia, responsible for about 40% of the activities and 36.7% of the funding. This result may be caused by the strong role of the county seats, even the smaller ones, in territorial governance that are the engines of cross-border cooperation. NUTS 3 centres in Hungary, on the other hand, play a much weaker role. Similar performance is detected on level of the two large cities, however Pécs seems to have a somewhat stronger concentration role than Osijek. In terms of project size, for Hungary smallest municipalities and category 2 and 3 towns preferred heavier projects, while larger cities (county centres under category 4 and 5) were dominated by soft projects. For Croatia these patterns are similar, however project size was in general lower than in Hungary, especially category 3 and 4 centres preferred relatively soft activities.

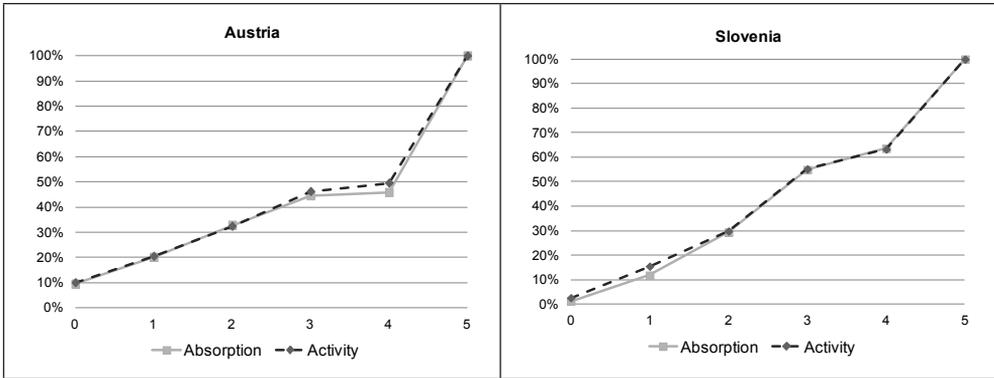


Figure 2. Concentration curve of Austria and Slovenia
Source: own edition upon programme data provided by JTS.

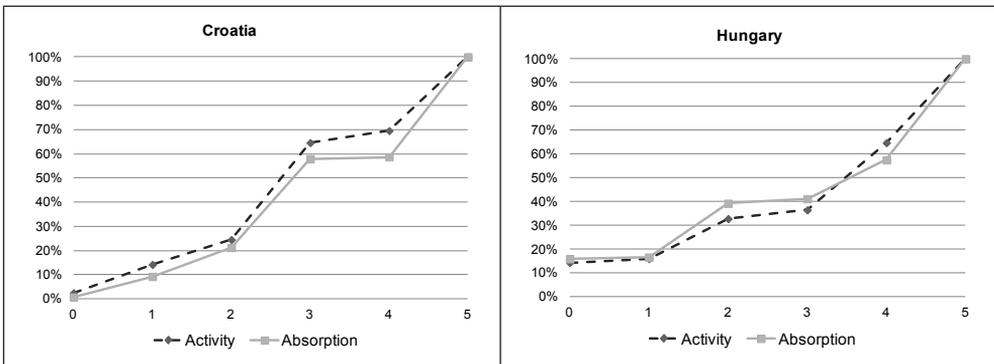


Figure 3. Concentration curves of Croatia and Hungary
Source: own edition upon programme data provided by JTS.

Comparison of the two indicators for all four countries (Fig. 4), in terms of activity on the lowest level (category 0) Hungarian municipalities are the most active, but categories 0-2 play more or less an equal role in each country. Judged upon the middle categories Croatia is the most decentralised, followed by Slovenia that are characterised by their strong network of small towns, which are the engines of cross-border cooperation. In general Hungary and Austria seem to be the most centralised, however Austria clearly stands out. The same comparison for absorption shows similar patterns, however the strong investment-orientation in Hungary under category 0 and 2 are particular. Similarities of Croatia and Slovenia are more apparent: low absorption on lower level and a strong concentration in the smaller regional centres. On the other hand category 5 centres exercised more concentration in all countries in financial terms, except for Ljubljana and Maribor in Slovenia.

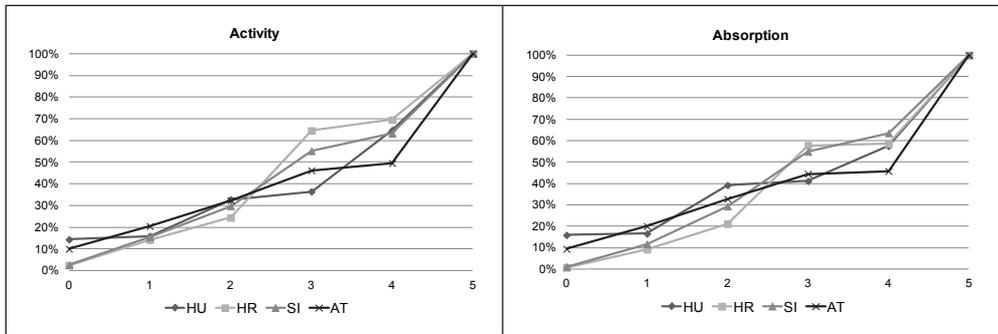


Figure 4. Comparing concentration curves of activity and absorption
Source: own edition upon programme data provided by JTS.

Comparison of organisational types of cooperating beneficiaries

In order to tackle territorial governance practice more in detail it is worth to investigate the organisational forms of beneficiaries participating in cooperation projects. Both programmes' monitoring system classified the funded beneficiaries in slightly different ways that had to be harmonised, in order to apply categories referring to legal status (public, private, civil) and the different levels of governance (local, regional, national). As each beneficiary had to be classified into one category, the following categories were defined:

- NGO: non-profit civil organisations (association, foundation) established by non-public actors;
- non-profit company: bodies established by public authorities operating as non-profit companies or public institutions that may be local, regional or national;
- public administration on local, regional or national level;
- private companies: involving both for-profit companies (in case of the Slovenia-Austria programme) and private non-profit companies (Hungary-Croatia programme);
- research institutes established by public bodies, dealing with research, development and innovation;
- universities or other public high education institutions;
- other education and training institutions, including public primary and secondary education institutions.

In case of the Slovenia-Austria programme the analysis shows the outstanding role of enterprises and NGOs: these two types are responsible for more than half of the total activity. In Austria regional public administration is another key player, on the other hand – both as public administration bodies or their non-profit organisations – the local level plays a minor role. In Slovenia partnership is dominated by regional non-profit organisations, local governments and the academic society (Fig. 5). In terms of project size, in Austria private companies tend to be more investment-oriented, similar approach is detected in case of regional governmental bodies. On the Slovenian side similar clear investment-orientation is not visible, however regional non-profit companies are standing out.

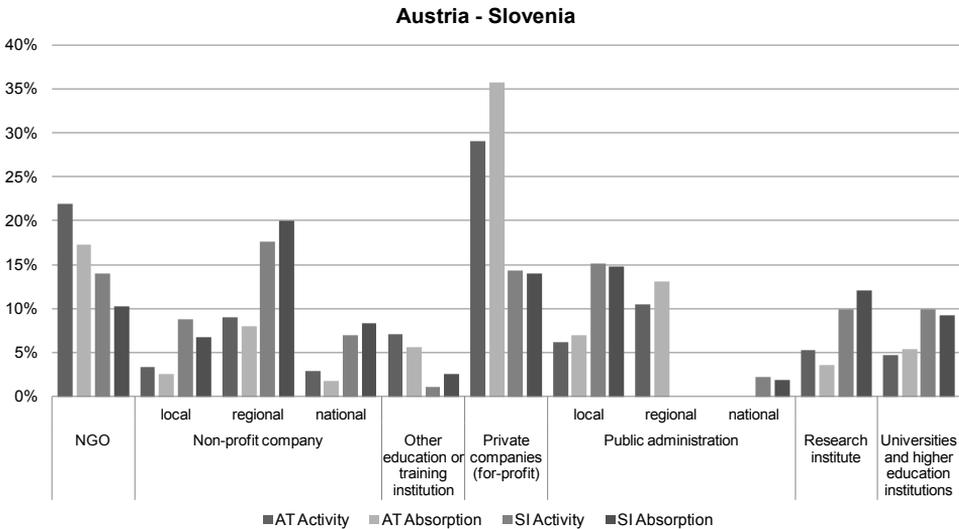


Figure 5. Distribution of activity and absorption by organisation types in case of the Slovenia-Austria programme

Source: own edition upon programme data provided by JTS.

In case of the Hungary-Croatia programme generally the local (local governments) and the national public authorities have the highest absorption: their share in funding overdoes their share in activity. However, while in Hungary local governments are funded significantly above their activity ratio (32% vs. 20.5%), in Croatia this gap is minimal. Conclusion is that in Hungary local governments tend to use cross-border cooperation funding for realisation of their local investment projects, while in Croatia hard and soft activities are more balanced. National bodies play a more symmetric role (Fig. 6).

Regional bodies show a very different activity pattern. The Croatian side is more active on regional level, both as public administration or their non-profit bodies. On the Hungarian side lower activity is accompanied with smaller project size. In Croatia they are not only more active, but their projects are more investment-oriented. Therefore, activity of the national non-profit companies in Hungary is higher, as usually infrastructural projects are addressed to national non-profit bodies. Similar Hungarian particularity is the activity of private non-profit companies and a higher involvement of NGOs.

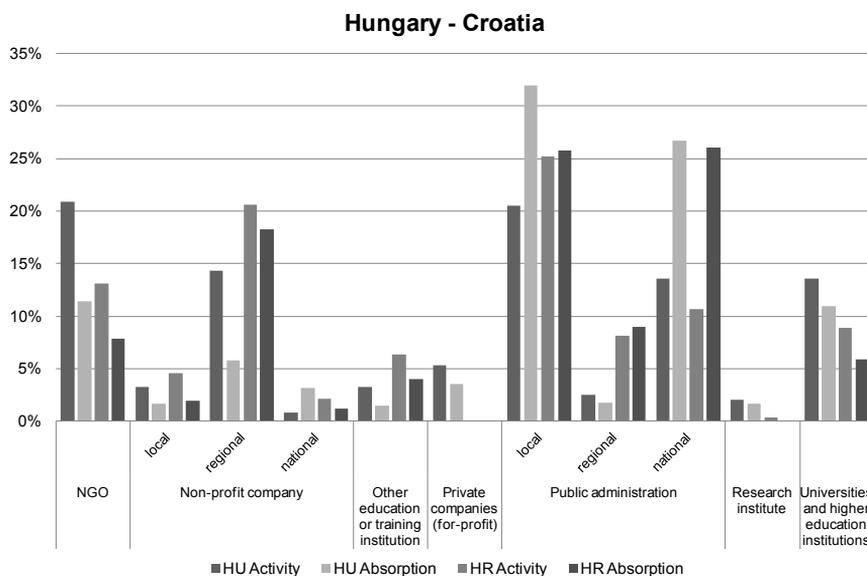


Figure 6. Distribution of activity and absorption by organisation types in case of the Hungary-Croatia programme

Source: own edition upon programme data provided by JTS.

Conclusions

Cooperation between Slovenia and Austria has a strong historical background: ties of Slovenia to the neighbouring regions of Austria and the West have been an important linkage in the history of regional cooperation in Central Europe. The status of republic within SFRY brought Slovenia the opportunity to open, however independent Slovenia retained centralised administrative structures: sub-national units are only statistical with limited development capacity, therefore local units and their development bodies must be the key players in cross-border cooperation. In case of Hungary and Croatia – in spite of similar historical background – cross-border cooperation was hindered during the cold war, later war events put it to minimum. Recovery of cooperation has been speeded up by accession to the EU in 2013, but strong historical and physical division still exists. Due to recent public administration reforms territorial governance structures have become similar: the counties have become the key players, however Croatia systematically developed its counties institutions, while in Hungary putting counties into focus of regional development was a result of failed regionalisation.

These differences and similarities are very well reflected when analysing cross-border cooperation in terms of activity in cooperation projects and absorption of funding on different levels of the settlement structure. Strong regional centres in Austria dominate cross-border cooperation the most out of the four countries. Similar relative concentration is visible in case of Hungary, however the relative strength of Pécs – home of several state agencies and a large university – is coming from the weaknesses of the other county structures. On the other hand Slovenia and Croatia

are more decentralised on NUTS 3 level, again, with different background. In Slovenia the locally founded development bodies operate in the smaller towns, while in Croatia even the smaller county seats host active development bodies that are standing out as well.

Analysis of the institutional structure of beneficiaries shows the same conclusion, from a different angle. While in Austria carriers of cross-border cooperation are the private companies, in Slovenia and Croatia regional bodies seem to have the driving force. In Croatia role of the state is stronger, especially in heavy projects, while Hungary brings the example of a stark state involvement, due to recent reforms in public administration. Similarity of the three post-socialist countries is the strong involvement of the local level, providing a tool of financing local development actions through cross-border cooperation.

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BOOK REVIEW

THE POVERTY OF TERRITORIALISM. A NEO-MEDIEVAL VIEW OF EUROPE AND EUROPEAN PLANNING

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In his recent book¹, Faludi – one of the most innovative and non-schematic contemporary researchers and observers of the European spatial realm – summarises and shares his experience on key issues related to space, and the latter's role and significance in governance in the European context. At first glance, this book might appear to be a routine task for a scholar of such calibre, but it is far from a typical scientific resume. On the contrary, this book is a breathtaking read, full of smart anecdotes and unexpected real-life examples that greatly illustrate the author's thinking, rich with historical parallels and universal parabolae. Each page and chapter speaks to the reader and contains such passion and strength that one might very well gain the impression of participating in a real-time personal chat with the author. Of course, this is on purpose. Through this dynamic and seemingly interactive narrative style, Faludi tries to convey significant information regarding space, as well as the future of the European project itself. He looks ahead into the coming decades, identifies potential key frictions and inconsistencies and horns a warning bell, challenging, not only our stereotypes, but also several crucial axioms underpinning the spatial sciences.

And who, if not Faludi, has the right and intellectual capacity to do that? Born in Hungary, brought up in Austria, sharing his professional life between universities in the UK and the Netherlands, Faludi belongs to the new category of global citizens who identify themselves more with ideas and issues than with the territory or power of nation-states. He is quite aware of his uniqueness in this regard (Faludi 2010: IX-XI), being part of a "roving band of planners", who put an immense amount of effort into the progression of European-type thinking and Europeanisation. As a propagator of a European Model of Society (Faludi 2007), as formulated by Jacques Delors and others, Faludi is aware of the key informal mechanisms and syndromes constituting and sustaining the EU as a mental process. His main message in the present book can be sum-

¹ The eBook version is available at Google Play, ebooks.com and other eBook vendors, while in print the book can be ordered from the Edward Elgar Publishing website (<https://www.e-elgar.com/>).

marised as follows: “Read my lips, no more territorialism” (Faludi 2018: 65) and “territorialism is the opiate of the masses” (Faludi 2018: 21). In particular he warns against territorialism ‘writ large’, at EU level.

Indeed, Faludi puts the entire concept of territoriality under question. By doing so, he echoes a famous poem by Zbigniew Herbert, entitled “Meditation on the National Problem” that summarises the dilemmas experienced by Poles in regard to territoriality. Herbert raises serious doubts in and around the idea that “the use of the same curses and similar love entreaties leads to overbold conclusions. Sharing the same reading list in school also should not be enough of a premise to justify killing. The same thing is true of land...”.²

Faludi questions territoriality even though, or perhaps because, he is aware that “territorialism shapes our very perception of the world” (Faludi 2018: 35). Territoriality, in Faludi’s interpretation, refers to “states securing their borders and executing jurisdiction within them” (Faludi 2018: 43) i.e. a “mosaic of spatial containers”, delimited by the formally approved or arranged borders and the space that fills them seamlessly (Faludi 2018: 3). Those containers form hierarchical structures of territorial constituencies on various geographical scales (from local to national), which produce and provide democratic legitimacy for the exercise of power. No territory is without authority. The result is the monopoly of a territorial representative over the production of democratic legitimacy (Faludi 2018: 128). Territorialism implies “a unique set of policies suitable for the territory concerned and its inhabitants in their unique geopolitical and historic settings” (Faludi 2018: 48). By extending this reasoning, one can easily arrive at the conclusion that the only way forward for sustaining the EU is *via* representative democracy at the level of the Union, or in the shape of a unitarian or federal state. However, as Faludi warns us, this might represent a dead end for the European project.

Territory is an imminent attribute of a nation, in economic, political and symbolic terms. Faludi underlines this in his book, in line with the Herbert’s reasoning, i.e. the historical contingency of nations and nationalism (Faludi 2018: 46). Thus, Faludi (2018: 54) argues that “territorialism has its downsides, with ownership, representation and framing implying exclusion”. It also fits poorly into the essence of the network society that acts through different functional relations on various geographical scales. Moreover, territoriality diminishes the efficiency of implementation of key EU concepts and values, such as subsidiarity and functional relations, which do not fit into administrative borders (Faludi 2018: 65). Territorialism is dysfunctional, since the home ranges of people do not coincide with constituencies as delimited geographically.

Faludi is aware of all this, but he also knows that change will not be easy. He has a great deal of sympathy for the “Copernican revolution” proposed by Zielonka (2014), as a useful trope for the change of thinking about the EU from a nascent federal state to a new, postmodern type of organisation. But in fact Faludi argues for more subtle, i.e. evolutionary rather than revolutionary changes. In several places, he acknowledges the benefits of the territorial approach in terms of securing international order, as well as providing security and a sense of identity (Faludi 2018: 21). Therefore his main suggestion includes the setup of zones of authority with overlapping boundaries that resemble a medieval type of governance functioning more *via* incentives and rules than *via* fixed boundaries. Functional interdependency seems to lay the foundations for this proposal, which overlap territorial units. Thus, the essence of the idea here lies in the combining of territorial and functional representation. The results are territories with enclosing borders (absolutely

² Polish version: *Z faktu używania tych samych przekleństw i podobnych zaklęć miłosnych wyciąga się zbyt śmiało wnioski także wspólna lektura szkolna nie powinna stanowić przesłanki wystarczającej aby zabić podobnie ma się sprawa z ziemią...*

lute spaces), complemented by numerous overlapping relative spaces. It is in this way that Faludi subscribes to the proposal from Zielonka (2014: 48) whereby more Europes are to be created, rather than more Europe. The EU should become a meta-governor which provides rules and room for negotiations for its active agents within various networks. European agencies may take care of pan-European problems, but do not need to work under hierarchical supervision. Faludi uses several metaphors to describe such an arrangement, comparing Europe to the space occupied by islands in an archipelago, to ice floats drifting in the Arctic, or to swirling clouds.

While Faludi has no ready-made blueprints, he remains convinced that political institutions are past the age of territorialism. The key message is that the existing institutional set up should be adapted to the functional reality, and the current global network, though this may seem difficult (even being described by Zielonka as a “vale of tears”). Here, spatial planners might play an important role by embracing and promoting the functional realm as they do now, on a smaller scale. Their know-how as regards the facilitation of complex processes might prove to be of key importance with this aim in mind.

While all this information is very appealing, the reader remains puzzled as to the exact key mechanism that will ensure that such a negotiation does not ultimately turn into a mere power exercise for well-organised vested interests. It is unclear what this “Holy Grail”, that will make people concentrate on “generality, a kind of immanent truth”, will be. Faludi most definitely raises an important question that needs more conscious examination. The present governance system does not match up to current dynamic changes in society, as is evident in many spheres, not least the economic division of labour (globalisation), climate change, and limits to growth. Space is part of this picture since, by definition, it is constituted by natural and human interactions, the latter having changed entirely by taking on a more functional character.

Faludi challenges our schematic thinking, but this inspiration is not without caveats. First of all, to my way of thinking, the parallel with the Law of the Sea (UNCLOS), as a framework governing the life of the archipelago remains largely uninformative. Being a maritime spatial planner, I observe territoriality even of the High Seas. This is not because of greedy coastal states, but rather reflects the acceleration of those spatial conflicts that the general rules of UNCLOS do not prevent (Altvater et al. 2019). Such conflicts and failures can easily sink the entire archipelago. Who should prevent that? Can spatial planners play an important role here? The issue of High-Sea maritime spatial planning remains open. It is probable that it will be based on negotiations between sovereign states, visionary statements and general principles (in some form of the agreement), but one can easily imagine here, at the end of the day, some quasi-territorial borders, in terms of permits and licences. Thus, a key question for an archipelago metaphor is rather how to provide a kind of democratic legitimacy for fair access to marine resources, and how to define this fair access in practice. The case of the Nord Stream gas pipeline shows how difficult this may be both under territorial and functional arrangements (when huge money ends up talking).

Secondly, an imminent feature of a networking form of governance is the sharing and managing of information. And nowadays this creates some serious problems, such as irresponsible information release, information manipulation and the influencing of dispersed human decision-making through the targeting of groups of people with information zombies. Neither territorial nor non-territorial governance arrangements can cope with this. Thus, for the sake of the future of the European project, we need other mechanisms that will prove able to prevent aggressive or short-sighted, rent-seeking information-related actions. Otherwise, the European Archipelago will be lost. It is unclear to me to what extent the weakening of territorialism might help. Perhaps it might, but only if conducted on a global scale. But even in that case, the power of the major eco-

conomic players will remain intact. Will islands be able to oppose their dominance? Perhaps Faludi's ideas should be continued with, and extended in that direction, by other social-science scholars?

Thirdly, Faludi's ideas might be difficult for some East European nations to swallow, and the author is aware of this (2018: 137). In Poland, national sovereignty is still very much appreciated, since thousands of Poles have paid a high price for it. In a potentially harsh economic situation, the majority of Poles would expect to be rescued by the nation state. Although this may not necessarily be rational, it remains a fact that Poles appreciate the presence of their own territorial containers. They can accept better linkages between them, as well as a territorial impact assessment of their actions, but their dominant governing position seems to be an axiom. Territorial governments are considered part of the great success of Poland's transformation, which denotes simultaneously the successful elimination of the legacy of central planning. But perhaps a reasonable compromise is knocking on the door, in the form of a quote from Timmermans that is close to both my heart and that of Andreas, namely: "You can be proud of something – like one's language and culture – but still be cooperative, and this precisely because you have something to be proud of".

While Faludi proposes a combination of territorial and functional representation, it would seem that each European society might have such a combination all of its own, in line with its values and historical experience. How, then, would this work for all? Are we ready to absorb the risk that testing out this plan denotes? In other words, do we have a contingency plan to alleviate potential negative consequences of an action possibly proving to be of the same magnitude as the establishment of the Eurozone which, because it did not rationalize the decisions of certain nations, ended up pushing the latter into a corner? The risk is high, i.e. diminished trust in the EU and eroded legitimacy of decision-making at European level. Neither national territorialism, nor functional representation offers the right answers to such dilemmas. However, usual suspects, like education and research, might perhaps help.

Fourthly, Faludi argues against territoriality in what is seemingly a well-justified concern. However, by the same token, the book might erode sympathy for such concepts as policy territorialisation or territorial cohesion, since a territorial component is also crucial there. And since such notions would seem to be of key importance to any transformation of the EU in the direction of a relational archipelago, the book may serve to weaken the foundations upon which the whole transformation concept is built up.

In conclusion, I would like to convince those who care about the future of our continent to read Faludi's book, as a truly great source of inspiration and fresh thinking on the spatial domain. Faludi is absolutely correct in his claim that space invokes governance, with territorial cohesion having a clear governance dimension. So this book will definitely initiate a Europe-wide discourse, and – in contributing thereto – I would like to join Zbigniew Herbert in his concluding stance. The poet is unable to give precise advice as to what to do, but merely confirms the severity of the problem by saying: "so at *last* in the *form* of a testament that it might be known: I rebelled but I think this *blood-stained knot* should be the last one that he who struggles to break away, tears apart."

Having said that, I must admit that I do have a great deal of sympathy for Faludi, when he likewise indicates the problem, without necessarily insisting upon an immediate and radical solution.

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