



Institute for Development

**FOR AN ENHANCED
TERRITORIAL DIMENSION OF
THE COHESION POLICY IN
POLAND IN THE 2014-2020
PERIOD**

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FOR AN ENHANCED TERRITORIAL DIMENSION OF THE COHESION POLICY IN POLAND IN THE 2014-2020 PERIOD

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Abstract

This article presents a synthesis on origin and development of the notion of territorial cohesion and its application to policy making. In particular the concept of policy territorialisation is analyzed and discussed. Also the essence of territorial approach is examined and relevant typologies are proposed. Prospects from territorialisation of the Cohesion Policy in the new programming period are identified and assessed in the context of spatial development of Poland. The concluding part contains the authors' recommendations on a proper instillation of territorial cohesion issues in the reformed EU Structural Policy.

JEL classification: R11, R12, R58

Keywords: territorial cohesion, policy territorialisation, territorial approach, territorial dimension of policies, spatial development

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1. The birth of territorialisation of public policies and their territorial dimension profile

Territorialisation of public policies is a relatively fresh governance notion pointing at territory-related variations of public intervention. Its conception, at the end of the past decade, was ignited by a critical appraisal of development policies, which used to promote an undifferentiated approach to the areas (territories) with varied social, cultural, economic and geographical characteristics. A postulate of aligning the EU employment policy to the territorial specificities was raised already in 2000 by the European Centre of Employers and Enterprises (CEEP) providing Public services (Villeneuve 2004 , p.111).

The territorial denomination of the policies was infused into the public debate in the European Union through OECD territorial research. One of the earliest attempts to define the territorialisation of policies was given in the 1997's OECD (1977, p.143) regional competitiveness report as an outcome of coordination of local actions by the administrative and functional levels, which adds value to the efficacy of policies¹. The OECD territorial review series issued in 1990s and 2000s for particular countries, regions and metropolitan cities enriched the territorial basis for public policies. The reports offered analysis and guidance addressing the territorial dimension of public policies and governance as exemplified by the reviews for Poland in 1992 and 2008 (OECD 1992; 2008).

The territorial dimension of policies appeared as a debate issue as early as at the beginning of the 1990s. Following the adoption of the 'Delors package', the European Commission presented two reports: 'Europe 2000. Outlook for the Development of the Community's Territory' (EC 1990) and: 'Europe 2000+. Cooperation for European territorial development' (EC 1994), which build foundation for a discourse of the concept. The VASAB (1994) report highlights a need for spatial coordination of sectoral policies. The document of European Spatial Development Perspective (ESDP 1999), adopted by the EU Member States at the Potsdam Conference in 1999 , does not explicitly use the policy territorialisation term, but formulates a postulate of vertical and horizontal coordination of sectoral policies in order to

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pursue an integrated territorial development². Inspired by the ESDP results, in 1999 the European Commission requested an analysis of spatial impacts of Community policies to estimate their role in the implementation of goals and options set forth in the ESDP document (TERSYN, EURE-CONSULT 2001). Researching the territorial impacts of EU policies gained in importance in the 2000-2006 period with the establishing of the ESPON Programme (European Spatial Planning Observation Network), which classified this issue among the action priorities. Altogether, the Programme resources helped investigate eleven EU policies in that respect, including: the Common Agricultural Policy, the Common Fisheries Policy, and policies on transport, innovation, environment etc. (Böhme et al 2011). D. Hübner (2011, p.6) observes that while the territorial approach in the governance and policy-making is a recent issue in the official Commission documents, the very concept was already implicit in the cohesion policy through eligibility criteria, distribution of the financial resources or the organisation of the programming process.

Theoretical essentials for the territorialisation of public policies can be retrieved from the so called evolutionary theory of economic growth. In contrast with the neoclassical theory, which perceived the main driving force in capital and human resources, and to certain extent in research and development, the evolutionary models concentrate on processes and interactions between elements of the economic structure (Seravalli 2009, p.12-15). While in the neoclassical capture this economic structure is believed to be stable, the evolutionary theory assumes it constantly transforms, propelled by self-perpetuating local or regional processes. Such processes bear a visible local (regional) specificity and are therefore hardly replicative from one area to another. In effect, the very same sectoral policy will yield different outcomes even in akin territories. As stipulated by the new economic geography, the improved accessibility may result in either growth or stagnation of regional economies, respective of their capability of sustaining development resources (Zaucha 2007, p.87-88).

A better visibility of the territorial context in the development policies results also from the political process, in other words - from the social choice, which sets a framework for axiology-related aims. With the Reform Treaty, adopted in Lisbon on 13 December 2007, a third dimension was added to the objective of the EU Cohesion Policy, namely the territorial

² This calls for a broad cooperation between authorities responsible for sectoral policies and authorities in charge of spatial development at all governance tiers (horizontal) as well as between relevant actors at the EU, transnational, national, regional and local levels (vertical).

cohesion (Szlachta, Zaleski 2009). Article 3 of the Treaty of Lisbon stipulates that ‘the Union shall promote economic, social and territorial cohesion, and solidarity among Member States’. Yet, the operational definition of the territorial cohesion has never been coined (cf. Szlachta, Zaucha 2010, p. 153-171; Medeiros 2011; Dühr et al 2010, p. 188), despite an extensive communication process, which accompanied the Green Paper on Territorial Cohesion (EC 2008) and other related documentation. On the other hand, the concept of territorial cohesion was warmly received in the professional circles engaged in development policies (Camagni 2011, p.79). The European Council of Spatial Planners (ECTP–CEU) pointed at effectiveness benefits stemming from the concept implementation. The Council noted that ‘Territorial Cohesion is about the over-all effectiveness (and the uniting forces) of network relations, systems and flows, in and around territories’ (Vogelij 2010, p. 5; 2010a, p.41-42).

The lessons learned from the current global economic slowdown underline the significance of territorial context for the development. An academic paradigm of resilience (Müller 2011) or evolutionary resilience (Davoudi 2012), which addresses deficiencies and constraints of the traditional development policy, if applied, may reformulate the framework by a stricter integration of sectoral policies at the regional level. Thereby, social, ecological, economic and spatial systems will accrue from greater complexity and self-organisation, and will become capable of performing well in unsteady, discontinued growth conditions (Berkes, Folke 1998, p.12), based upon specific development assets difficult to replicate in other territorial structures.

2. The territorial dimension of EU policies

The third cohesion report (EC 2004) dedicates an exclusive chapter to territorial cohesion (albeit confined to somewhat theoretical dissertation with one map on territorial diversity featuring degree of fragmentation of natural areas). The term is interpreted predominantly as a more balanced territorial development achieved with respect to specific spatial categories, like the availability of adequate public services. The authors’ reasoning derives from the evolutionary models of economic growth as exemplified by a territorial impact relation between pan-European transport corridors (TEN-T) and localisation of economic

activities. The conclusive proposal on a reformed cohesion policy underlines a need for the new generation of programmes to address specific characteristics of territories, particularly in case of regions with geographical handicaps, like sparsely populated areas in the far north of the Union or located adjacent to its eastern borders.

In the consecutive fourth cohesion report, the development analyses expose a territorial dimension context (EC 2007), with due attention given to the cities, rural areas, spatial concentration and dispersion processes of economic activities, accessibility or regional scale innovation. The document pioneers in attributing the territorial feature even to the EU R&D and innovation policies, classically regarded as non-spatial (spatially blind). The report also relates to territorial aspects of the Common Agricultural Policy, asserting it endows already the most developed agricultural areas and sustains their domination.

The fifth cohesion report (EC 2010) categorises the Community policies by the territorial dimension, in other words – by a need for their territorial differentiation, although the term of territorialisation has not been used (tab.1).

Table 1

The territorial dimension of EU policies

Policies with explicit territorial dimension	Policies with partial territorial dimension	Policies with no territorial dimension but with potential territorial impacts
Competitiveness Transport Environment Maritime policy Common Fisheries Policy	Research and development Innovation and entrepreneurship Information society and media Poverty and social exclusion Employment Education Gender perspective Health Common Agricultural Policy Climate	Single market Trade Energy Economic and Monetary Union Lisbon Strategy

Source: *Investing in Europe’s future: Fifth report on economic, social and territorial cohesion*, p. 197-198

The Commission's classification can certainly be disputed as the Common Agricultural Policy seemingly boasts a much broader territorial dimension than the Common Fisheries Policy or the one relating to competitiveness. Nonetheless, the cohesion report sets a precedent by examining territorial characteristics of specific policies or such policy issues as poverty or availability of public services. Further, it attempts to interpret the very notion by stating that the territorial cohesion reinforces the importance of territorial analysis and such aspects as: access to services, sustainable development and 'functional geographies' (EC 2010, p.24).

Setting aside any operational definition of the territorial cohesion, the fifth cohesion report penetrates the issue of territorial impact assessment, a modern research area benefitting from experience of environmental impact assessment methodologies. An exemplary table contains key questions on territorial elements of economic, social and environmental impacts (the latter tackling land use) for consideration in ex-ante impact assessments:

- Will the option have a specific impact on certain regions, for instance in terms of jobs created or lost?
- Is there a single Member State, region or sector, which is disproportionately affected (so-called 'outlier' impact)?
- Does the option affect equal access to services and goods?
- Does the option affect access to placement services or to services of general economic interest?
- Does the option affect specific localities more than others?
- Does the option have the effect of bringing new areas of land ('greenfields') into use for the first time?
- Does the option affect land designated as sensitive for ecological reasons? Does it lead to a change in land use (for example, the divide between rural and urban, or change in type of agriculture)?

In our view, this approach could be instrumental in breaking a deadlock in conceptualisation of the territorial cohesion by the EU Cohesion Policy and other public policies.

The fifth cohesion report lacks a proposition how to systemically translate the Lisbon Treaty objective of territorial cohesion to the public policy intervention. The Communication from

the Commission on the conclusions from the fifth cohesion report endeavours to resolve this issue by suggesting certain approaches to addressing the territorial cohesion aspects in new programmes. These are:

- Designing and implementing urban development strategies,
- Adopting greater flexibility by designing and managing programmes for functional areas (e.g. groups of towns or river and sea basins),
- Taking up development problems of areas with specific geographical or demographic features,
- Preparing a new generation of macroregional strategies.

These four approaches may, however, be discordant with the mainstream model of the EU Cohesion Policy as they imply other territorial intervention areas than the traditional administrative units. Apart from that, some of the propositions sound ambiguous as the value of providing macroregional strategies for all EU thirteen transnational cooperation spaces is questionable. Moreover, the report is deficient on the issue of networking, which is broadly acclaimed as one of the most effective instruments in stimulating regional growth, diffusion of development processes and reinforcing all cohesion dimensions.

In 2008 the European Commission adopted a Green Paper on territorial cohesion in order to present viewpoints how to turn territorial diversity into Community's strength (EC 2008). The document envisions a more balanced and sustainable development of the entire European Union, which would contribute to a better use of assets, and would bring economic gains from less congestion and reduced pressure on costs. For that reason, four basic policy areas to the territorial cohesion challenges were put forward: (1) concentration, which implies overcoming of differences in density of economic functions; (2) connecting territories, which denotes overcoming of distance and adequate access to services; (3) cooperation, which means overcoming division; and (4) regions with specific geographical features. The consequent debate questions on the main issues described in the Green Paper bring up some aspects of high relevance for territorial cohesion. Among them are: (1) The scale and scope of territorial action (Q2) - How far should the territorial scale of policy intervention vary according to the nature of the problems addressed? Do areas with specific geographical features require special policy measures? Is there a role for the EU in

promoting territorial cohesion? (2) Better coordination (Q4) – How can coordination between territorial and sectoral policies be improved? Which sectoral policies should give more consideration to their territorial impact? What tools could be developed in this regard? How can the coherence of territorial policies be strengthened?; and (3) New territorial partnerships (Q5) – Does the pursuit of territorial cohesion require the participation of new actors in policymaking, such as representatives of the social economy, local stakeholders, voluntary organisations and NGOs? How can the desired level of participation be achieved?

The maritime policy is a relevant example of an EU intervention instrument with a distinct territorial dimension. As observed by J. Zaucha and W. Szydarowski (2011), it contemplates a comprehensive development of maritime space, echoing the EU Cohesion Policy for land areas. A sea basin is, in that respect, a particular target area for action aiming at the mitigation of functional conflicts and at setting conditions for sustainable growth, with harmony to be achieved between the preservation of maritime environment and resources on one hand, and the socio-economic development demands. This integrative context determines that the maritime policy becomes in fact a dedicated and all-inclusive tool, encapsulating various development aspects and specific development pre-requisites of a territory in question. Thus, it manifests all features of a territorialised policy.

A debate on territorialisation of Communities policies was invigorated by the Barca's report (Barca 2009) that postulated adoption of a place-based approach to the so far uniformised EU's regional policy. F.Barca argues for a public investment dialogue between local/regional stakeholders and higher level hierarchies. The essence of the Barca's approach is in tailor-made institutions and integrated public investments designed through the interaction of agents endogenous and exogenous to that place (Barca 2011). This view assumes that: different agents i.e. those responsible for development of the given place and those responsible for harmonization of development of several places are able to maintain evidence based dialogue. This means among others that should have knowledge on development context of a given place and all other places under their jurisdiction and that they are able to assess the consequences and impacts of their actions (see fig.1).

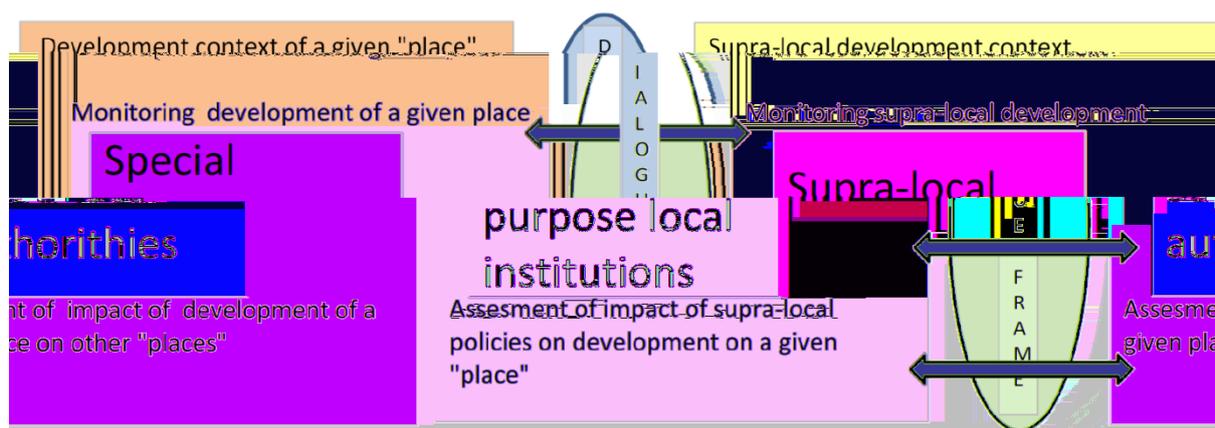


Fig.1. Components of the institutionally-based territorialisation from the comprehensive perspective

Source: own elaboration

Barca also underlines an importance of spatially determined drivers (e.g. economies of scale) for the tailoring of development policies and agitates for the networking of current and prospective endogenous potentials. In his view, the region, in order to grow, often requires strong 'network effects' so that it can benefit from the growth occurring elsewhere because of transport, energy, ICT and other connections. In Europe, where space for large agglomerations to expand is limited and polycentrism is high, economies of scale and growth can be generated by 'networking between major agglomerations and their hinterland' and by 'dense networks of big or middle sized cities'(Barca 2009, p.18).

The reasoning presented in the Barca's report hence leads to the pinpointing of two basic aspects of territorialisation: on one hand related to coordination and customisation of public policies to the territorial (geographical) characteristics, on the other – attesting better use of spatial categories (e.g. economies of scale, spatially determined drivers, spatial networks) in growth support processes.

A place-based policy approach is palpable in the report (Böhme et al 2011) prepared at the request of the Polish Presidency of the Council of the European Union as a part of general reflection process on the future of Cohesion Policy, and backed by the issue paper (MRR 2011). The former document suggests a practical method to apply the territorial approach in strengthening effectiveness of EU policies. It contains a number of spatial categories (so called territorial keys), which shall be pursued in designing and managing development policies. The keys are instrumental in linking the 'Europe 2020' objectives and priorities of

the Territorial Agenda of the European Union 2020 (2011), and include: city networking, functional regions, accessibility, service of general economic interest, and territorial capacities/endowments/assets, often referred to as territorial capital (Camagni 2011, p.80). The report illustrates how the keys can be operationalised in adjusting policy directions to the features of a territory. The achieved policy mixes will vary by conditionality, thematic scope and financial instruments (returnable and non-returnable). Further, the principle of thematic concentration is suggested to be replaced by issue-based concentration, better suited to the territorial specificity. The authors deduce that the key of accessibility, while jeopardising the development of the Poland's territory at large, requires different policy measures e.g. in the north-western part (Szczecin area), and different ones in the capital region of Warsaw.

A fundamental challenge for enhancing the cohesion of the European Union's territory lies in the integration of individual Community policies, with the Common Agricultural Policy in the forefront. Rural areas of the European Union perform poor in terms of territorial cohesion, on account of dispersed settlement patterns and low transport infrastructure endowment. Should this diagnostic observation be processed in the CAP's second pillar priorities (dealing with rural development policy), consequently, considerable financial resources need to be transferred to the measures targeting territorial cohesion of the rural areas. This would require a re-delineation of competences between the EU Cohesion Policy and the Common Agricultural Policy. Also, following the recognition given to the territorial cohesion as the third cohesion objective in the Lisbon Treaty, standards in territorial accessibility to public services ought to be set. Safeguarding of such standards in the peripheral rural areas will be particularly demanding.

An urban dimension of Community policies has become a new ingredient of public debate in the European Union, as manifested by the Commission's communication on the urban contribution to growth and jobs in the regions, and the Leipzig Charter on Sustainable European Cities adopted at the ministerial conference in 2007 (EC 2006). It is noteworthy that large cities and metropolitan areas are not isolated from territorial cohesion challenges, borne e.g. by urban sprawl tendencies. Vigorous growth in the suburban areas elicits spatial conflicts, deteriorates the natural environment and drains public transportation capacities. Entrepreneurship benefits for the individuals pose at the same time hindrance to the local

and regional development. This may require some normative action to impose building standards and make the local spatial planning frameworks more effective. Yet, this competence is and shall remain with the Member States.

The territorial cohesion is significantly impacted by the EU transport policy. It steers the arrangement of trans-European transport corridors (TEN-T), which determine the territorial integration of the European Union by means of e.g. road and rail transport. The setup of trans-European transport corridors pre-destines investment priorities supported by the EU Cohesion Policy and provides for an uneven investment saturation pattern across the European territory. For that reason, tailor-made territorial analyses addressing such parameters as: the length of TEN-T corridors referred to the population and land area of the Member State; distribution of NUTS 2 regions not fed by the trans-European transport network; or the share of population located in a certain physical distance and travel time (isochrone) from the entry/exit node to the closest corridor, could help identify supplementary parts of the current network. Accordingly, such a routine could mitigate territorial accessibility drawbacks in case of some EU Member States, including Poland.

Consequential in that respect are also environmental and competition policies. The former directs locations of economic activities, and influences spatial planning and land use planning procedures. There, several administrative structures and stakeholders are required to collaborate in order to meet the set norms and manage the policy actions, as exemplified by the EU Biodiversity Action Plan and NATURA 2000 network. The competition policy, in turn, may determine the territorial distribution of economic activities by channelling financial aid to the most disadvantaged regions and customising support instruments to the scope and scale of the identified problems.

The issue paper appended to the report prepared at the request of the Polish Presidency of the Council of the European Union (MRR 2011) attempts to find equilibrium between integrated and sectoral practices in implementing public policies. The report presents three most essential policymaking modifications (so called windows of opportunity), followed by respective policy options:

1. Strategic programming based on territorial approach principles for a relevant priority setting:

- Policy option 1: Territorially-sensitive diagnosis for a more tailored policy response,
 - Policy option 2: Focusing on territorially-legitimised priorities to get actors of growth involved.
2. Coordination of policies for less costly EU-policymaking and implementation:
- Policy option 3: Europe 2020 strategy equipped with a territorial pillar for better performing EU policies (primarily associated with the use of the territorial keys in implementation of the Europe 2020 strategy),
 - Policy option 4: More territorialised analysis for a better configuration ‘who does what and where’ (dealing with improvement of the methodologies and instruments of analysis by inclusion of a territorial component in the impact assessment system of EU policies, policy impact monitoring routines etc.).
3. Institutions and knowledge to ‘make the things happen’:
- Policy option 5: Shifts in decision-making process to support efficient interaction of policies (institutional changes),
 - Policy option 6: Environment conducive to knowledge sharing for the best use of territorial potentials.

3. The territorial dimension of the Poland’s development policy

The policymaking model worked out in Poland promotes an integration of socio-economic and spatial policies. Such an approach is reflected in the country’s Long-Term National Development Strategy, which is to contain both socio-economic and spatial aspects. However, the implementation side still requires improvements and more coherent approach (Zaucha 2007).

P. Żuber (2010) emphasises that the programming essentials of the new regional (National Strategy of Regional Development) and spatial policies (National Spatial Development Concept), with the created triad of competitiveness, cohesion and efficiency, assume the use of territorially diversified development potentials in attaining Poland’s development

objectives and earmark considerable financial resources within the framework of the EU Cohesion Policy to 'address spatial conditions'. The fundamental modification of the current policymaking manifests itself in:

- A new paradigm of development – from spatial diversities to territorial potentials,
- A remodelling of the state management model and provision of adequate coordination and cooperation mechanisms through multilevel governance approaches,
- More prominent role of strategic debate on the role and impact of spatially-related policies,
- Better quality in implementation of the public policies: integration of regional and spatial planning, multiannual financial planning frameworks, territorial monitoring and evaluation (MRRR 2010).

The expertise report, commissioned by the Ministry of Regional Development to help conceptualise the territorialisation, defines the term as: reorientation of public policies, which enables to capture territorially (regionally) formulated objectives or territorially visible impacts in their design and implementation (Matczak et al 2010, p.1). Hence, the public intervention ought to be set in a framework of ex-ante and ex-post evaluations geared at optimising their territorial effects. A pre-requisite for so comprehended territr sBTtterritr (gi.)7(b2)BTB2(r)

CEU reasoning defining the territorial Cohesion as *“The Connectivity of, and among Economic, Social and Physical Systems, which enhances their overall Effectiveness for innovative Sustainable Development”* (Vogelij 2010,p.2) .

Conceiving the territorial cohesion a new leading paradigm of the development policy, the subsequent functional-territorial approach would imply ‘a quest for new governance methods and regulation frameworks to really profit from theoretical opportunities resulting from pursuing of the territorially profiled development objectives’(Markowski 2011). This necessitates the territorialisation of sectoral policies.

4. The territorial dimension – recapitulating statements

The discourse on the territorial dimension featured in this paper pinpoints a lack of uniformity in denoting the very term. In the ongoing debates and produced documentation the essence is casually labelled as: spatial positioning of policies, territorialisation, territorial dimension of the policies, or territorial optimising of policy impacts. There seems to be no concordance whether these processes shall result in a better effectiveness of policymaking or in changed policy objectives, or at least in modified practices in their formulation, monitoring and evaluation.

The terminological redundancy requires to be clarified. The proposal below (fig.2) attempts at opening a scene for discussion on a methodised system of terms and definitions.

The territorial dimension of policies and development programmes materialises here as the most capacious denomination, somewhat synonymous to territorial approach. They both imply that a policy, programme or document in question address various aspects of the territorial context. In consequence, public policy actions either are spatially addressed or incorporate territorial structures (like: settlement patterns, accessibility, local development assets, ecological networks etc.). The territorial dimension is thus reversal to a spatially blind approach, which consists in a uniformised implementation of policies and programmes, irrespective of place and time, while their impact on spatial structures is meaningless.

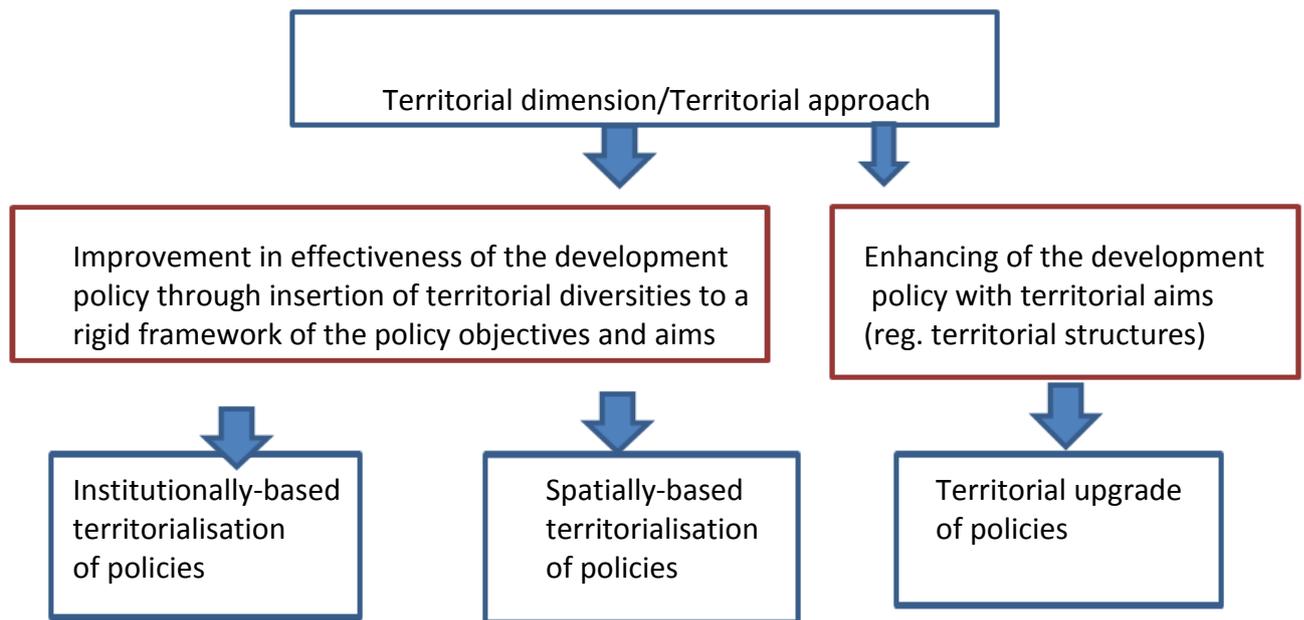


Fig.2 Components of the territorial approach

Source: own elaboration by Jacek Zaucha

The territorialisation of policies manifests itself as one of possible approaches to strengthening of the territorial approach in development actions. This can be achieved through spatial differentiation of policies based on specific reasoning. Provided the adoption of a territorial dimension serves higher policy effectiveness, two particular policy directions sound relevant. The first one, rooted in the institutional approach, exposes the role and mutual relations between local, regional, national and supranational institutions. The institutions are in this context understood as a wide array of public authorities, civil society, entrepreneurship support agencies, education sector, religion structures etc. The accumulated institutional capital needs to be triggered in the development policy through multilevel governance dialogue and division of competences based on a subsidiarity principle, as stated in the Barca's report (Barca 2009).

This direction shall hence be defined as 'an institutionally-based territorialisation of the policy' or 'policymaking adjusted to the territorial specificity' (place-based policy). Such territorialisation does not refer to the pure substance of the policy but instead addresses specific implementation schemes, with comprehensive actions crossing limits of the sectoral

thinking and with implanted multi-tier dialogue. In effect, the policy takes into account development pre-requisites, contexts and ambitions accumulated at the local, regional, national and European levels, in order to arrive at spatially diversified targets, tools and measures (due to institutional differentiations). Moreover, such a policy is supportive to weaker (lower potential) actors in the multilevel dialogue. Across the governance tiers, the national development policy is harmonised with counterpart policies at the local and regional levels, while agreements between the dialogue parties are regulated through development contracts. So comprehended territorialisation is not equivalent to decentralisation of policies and devolution of competencies as the two latter do not, by obligation, feature an ingredient of vertical cooperation and harmonisation.

The other direction in enhancing the territorial dimension originates from the vast experience of macro-territorial planning and spatial management. As stipulated in the contemporary economic studies, the development policy shall recognise territorial structures (Szlachta J., Zaucha p.153-156). Some researchers even interpret such structures as a territorial capital, which encapsulates: economies of scale, polycentric settlement patterns, accessibility, natural resources, cultural heritage, regional identity, public services, social capital and several kinds of networks evolving in the space (Camagni 2011, p.80). Territorial drivers (economies of scale and accessibility) have been reckoned by the World Bank the most notable mechanisms at disposal of the public authorities to stimulate the development (World Bank 2009). This so called spatially-based territorialisation regards the territorial capital a fundamental part of development assets. In contrast to the institutionally-based territorialisation it relates to the substance of the policy, while the differentiation of development policies stems from the diversity of territorial structures and not from the multilevel governance processes. Instrumental to the spatially-based territorialisation are the territorial keys, which shall be applied at all stages of the policy design and management. This policy direction yields a spatial setting of sector policy objectives (e.g. combating unemployment shall be attained not only through a proactive labour market policy but also through facilitation of functional labour markets by means of changes in accessibility parameters).

On the other hand, if spatial aims are found autonomous to overall country's or region's policy development objectives – e.g. illustrated by European level complementarity of aims

by the Europe 2020 strategy (EC 2010a) and the Territorial Agenda of the European Union 2020 (2011), then the territorial approach would entail conscious modification of sectoral policies to make them produce the desired spatial impacts. Such an approach reinforces the two aforementioned policy territorialisation directions, as it focuses on readjusting the policy goals, and not merely on territorial differentiations in the policy implementation. It serves well the environmental policies, which – through regulatory framework – add preservation of ecological values to the commercial production of goods and services. In reasonable terms, the territorial dimension would provide a wider scope for the knowledge-based economy and promotion of innovation through raised awareness about consequences of such actions for the polycentric settlement structures and appropriate mitigation of disadvantageous effects induced by economies of scale. The new economy models provide evidence that such ambitions are feasible on account on a magnitude of possible equilibrium states (Zaucha 2007, p.87). The so demonstrated territorial upgrade of policies would be operationalised through territorial impact assessments and conceptually backed by a long-term national development strategy or any other strategic document that links economic, social, ecological and spatial aims.

5. The enhanced territorial dimension in the EU Cohesion Policy for 2014-2020: a prospect for Poland

A more widely exercised territorial dimension in the next multiannual programming period of the cohesion policy is likely to generate both opportunities and threats for the EU's and Poland's development policies. As such, they set a background for our recommendations on a proper instillation of territorial cohesion issues in the reformed EU Structural Policy.

A. We perceive estimation of repercussions the current socio-economic crisis has on the European cohesion policy to be a fundamental challenge for the territorial cohesion and an essential headline for the European debate in the upcoming months and years. It is evident that the ongoing downturn is deeper and lasts longer than all economic breakdowns encountered in the last 70 years. It has already put into question the validity of the neoclassical doctrine employed by the economies of the OECD and the European Union

countries since 1970s. Nonetheless, a comeback to any classical or refurbished Keynesian economics does not stand as an imaginable option as the present crisis does not literally mirror the 1929-33 decline. Strikingly, the Great Depression gave birth to the regional policy and further evolving forms of the cohesion policy in the successive decades as they won recognition as a significant intervention instrument of the market economy countries to steer territorial aspects of the development processes. This provokes a question, to what extent the EU Cohesion Policy ought to be calibrated so that it retains the structural character, but at the same time assumes a key role in the public intervention of the state in substantially new socio-economic circumstances. Presumably, the negative outcomes of the current crisis will extend into the long enough future to influence measures adopted by the cohesion policy in the new programming period. Low indices of economic, social and territorial cohesion will inflate transaction costs in economic exchange and grant the cohesion policy a place in an anti-crisis package. In consequence, the Community added value of the cohesion policy will have to be more visibly exposed. Paradoxically, the crisis situation may positively contribute to a better understanding of the cohesion policy and its modification patterns, with due attention given to the relation between the current (short-term) and structural (long-sighted) policy aims as well as their intervention qualities. On the other hand, however, it will generate severe cuts in budget envelopes of the Community policies. Still, EU investments improving the territorial cohesion are of structural nature and are beneficial for economic conjuncture. Further, they reveal a high Community added value both in the implementation and operational stages.

B. Expedient identification of directions, scope and profile of the territorial dimension in the EU-level policies. The recognition of the territorial cohesion in the Lisbon Treaty entails that macro-spatial Community actions shall be defined, with due respect given to the subsidiarity principle, legal competences of the member states (with an inherent question whether the future spatial policy will remain their exclusive domain) and a general differentiation of national spatial policy models. In this context the understanding of spatial features borne by respective sectoral policies will be beneficial for the better use of the EU's territorial potential. Parallel, the EU Cohesion Policy will need to address an issue of spatial order in the supra-local scales. A key dilemma in that respect is if any specific framework solutions for local land use planning adoptable by the member states (alternatively, at the EU level)

would suffice or if spatial order provisions shall be developed for the entire European Union, its member states and the regions. Also, spatial aspects in respective Community policies need to be formulated, in particular in: the structural policy, the Common Agricultural Policy, and policies addressing infrastructural development (transport, environment, energy).

C. Reversal of the disintegration process faced by the EU structural policy. A higher level of the territorial cohesion in the European Union depends upon the amalgamation of manifold policies that address the same geographical areas. The Green Paper on Territorial Cohesion (EC 2008), building on the OECD work, specifies three of such areas: urban, intermediate and rural. Reasonably, both they and their mutual relations shall become an intervention target of the structural policy. However, with the shift of the European Agricultural Fund for Rural Development (EAFRD) to the Common Agricultural Policy in the year 2007, the EU Cohesion Policy lost a grip on financing structural investments in the rural areas. In the 2007-2013 period, the EAFRD budget envelope for the rural areas development was dwarfed by the farm-related subsidies. Meanwhile, the rural areas are fundamental to the territorial cohesion of the EU, on account of their area and population shares as well as infrastructure endowment deficits in respective member states. In turn, the upgrading of the urban policy from an analytical category to a fully-fledged cohesion policy intervention instrument may lead to a risk of its autonomous operationalisation in the member states and inconsistent support schemes. In case of Poland, a fundamental importance is attributed to an effective integration of the cohesion and rural areas development policies. Tackling of cohesion deficits in Poland's rural areas requires high quality multiannual programming documents, and considerable and well streamlined public resources. Further disintegration of the EU Cohesion Policy would result in diversified territorial cohesion standards within the Poland's administrative borders.

D. Identification of territorial standards in public services. Recognition of the territorial cohesion as the Lisbon Treaty's dimension of the cohesion implies a need to set minimum standards in accessibility to public services – guaranteed to all Community citizens irrespective of their habitual residence. The ESPON Programme estimates a reasonable access time to higher order services at 45 minutes, with medium to large cities (about 100,000 inhabitants) to supply a full service offer. Such a postulate necessitates supplementary and modernisation investments in transport infrastructure (road, railways,

bridges etc.), while in case of territorially isolated and peripheral areas the auxiliary measures shall lead to a better provision of such services. Particular focus shall be placed upon rural areas, in order to counteract social exclusion and rising cost of public services in effect of a dispersed settlement structure. A cardinal challenge in that context is the ominous trajectory of demographic processes in the European Union. Shrinking population in several countries and regions may hamper efforts to provide adequate public service standards in more and more sparsely inhabited areas. For Poland, in strategic terms, such a policy shift would induce adjustment of the national territorial access parameters to the Community standards. In practice, it would accelerate the modernisation of Poland's transport infrastructure, strengthen the network of powiat (district-level) urban centres as provision areas of elementary public services, and would boost measures to rationalise a much dispersed rural settlement structure. Such policy actions need to be complemented by designing a model of rendering public services in the diminishing population conditions.

E. Pursuing a sustainable and durable socio-economic development model. An approach, which embeds environmental aspects in the EU's structural policy, comes out as one of pre-requisites for territorial cohesion across Europe. Environmental issues form an indispensable component of the sustainable policies as the rising awareness about the state of the environment results in more and more comprehensive actions mitigating its deterioration. The European environmental policy addresses the issues of air and water quality, noise abatement, waste management or nature protection in a proactive manner, having replaced the past action targeted at negative effects of human activity and industrial production – with preventive measures curbing excessive and undesirable changes in the natural environment. This, however, instates a tension with development and investment plans, which on their part clearly contribute to a strengthened territorial cohesion. Such a dilemma becomes evident for lagging behind countries and regions, interested in better infrastructure and new jobs, and at the same time favoured with rich natural resources. Here, an economic growth policy encounters expansion barriers, attributed to both protection needs of environmentally sensitive areas and a depth of investment resources needed to stabilise the development. To that end, a territorial cohesion practice adds to sustainability of the progress initiatives as it offsets the limiting factor of environmental considerations with other important spatially-related goals and dimensions. If put into the framework of

sustainable development, the environmental policy shall effectively detect feasible options for locating economic activities. Further, it may energise spatial- and land use planning, as two vital territorial cohesion instruments, for the sake of environmentally and socially sustainable growth and jobs in all EU regions(EC 2006).

F. Identification of a role the economy of flows plays in shaping the territorial cohesion of the European Union. The recent years brought a principal change in the global economic doctrine through insertion of spatial elements to the existing palette of social, economic and environmental drivers. Subsequently, this induces an understanding about the significance of locations for the socio-economic growth of the European Union's countries and regions. The territorial cohesion responds to these tendencies through a support given in the EU Structural Policy to the objectives and priorities aimed at a better use of the endogenous potentials represented by individual territories. However, with expanding research evidence on an impact of flows, the Community policies shall become more attentive to enhancing socio-economic networks. To exemplify, the latest Territorial Review for Poland (OECD 2008), emphasises the role of high quality connections between the country's metropolitan areas for the socio-economic growth. For that reason, an introduction of flow-stimulating instruments in the EU Structural Policy, irrespective of potential backwash effects – dislocation of resources from the poorer towards richer regions – (cf. EC 2008) has a key importance for Poland.

6.Concluding remarks

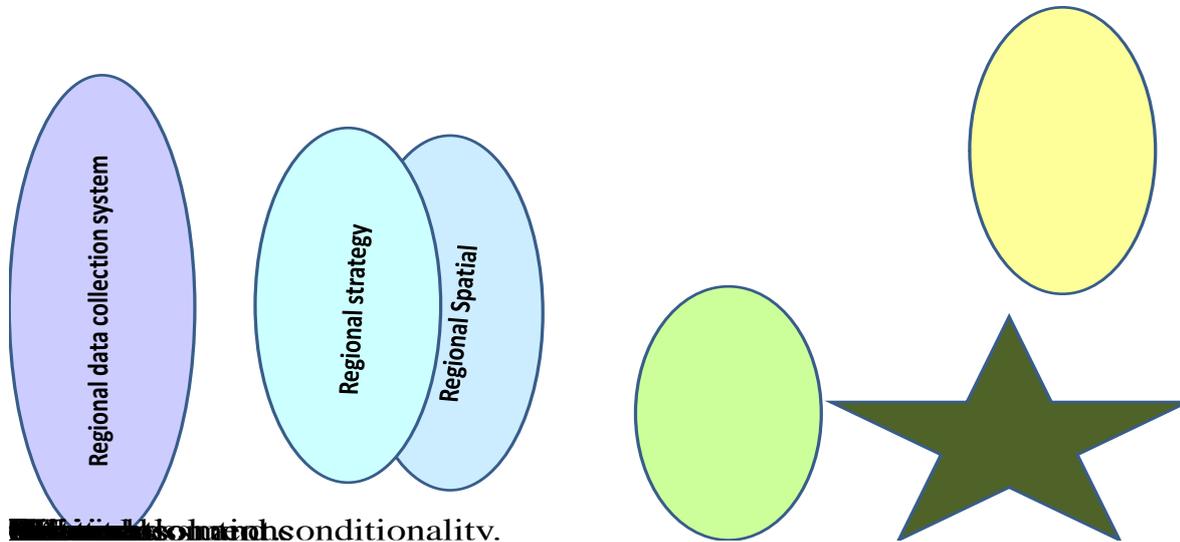
The current Bill on *Principles for Conducting Development Policy*, the *Poland's Spatial Management Concept* (adopted in December 2011) as well as ongoing work on the *Long-Term National Development Strategy till 2030* set up a relevant fundament for actions strengthening all three territorial dimension aspects in the Poland's development policy.

The EU Cohesion Policy shall subscribe to a positive trajectory by supporting the development in its integrated economic, social, spatial and environmental complexity. It is difficult to ascertain how far the EU member states will push the territorial dimension of the development policy, however, more likely is its territorialisation, as postulated in the Poland's EU Council Presidency Report (Böhme et al, 2011), rather than the territorial complement. Irrespective of the outcomes, provided that Poland's stakeholders broadly

recognise efficiency benefits associated with the territorialisation, it is a high time to test it within the framework of the EU Cohesion Policy.

Pursuing the spatially-based territorialisation would designate the territorial keys to perform manifold functions. First, they would be expected to help diversify priorities in operational programmes (at the design and implementation stages). Second - with attributed result indicators – they will serve the purpose of monitoring, evaluation and reporting of the programme outcomes. Third, they would be applied to a wide array of information action, project generation or securing the stakeholder involvement. In some cases, the priorities laid down in the *Poland's Spatial Management Concept* might be directly adopted as goals and aims of the relevant operational programmes, although on account of a limited number of the priorities requested in the EU regulations, the territorial complement of the EU Cohesion Policy in Poland may turned out not feasible.

On the other hand, implementation of the institutionally-based territorialisation would necessitate multilevel partnership contracts spanning from the EU level, in order to integrate and induce synergies between the addressed operational programmes. Such contracts shall be obligatory for all programmes at both the national and the regional levels, yet, they would require strengthened competences of the regional tier authorities to enter such relations. The regional governments (see fig.3) shall be proficient in monitoring the spatial development in the administered territory (through regional observatories), be able to direct well-reasoned arguments to sectoral policies managed by the EU and state authorities, and to properly assess impact of such policies on the regional development, including the regional territorial structures. They need also to provide well-grounded rationale to debate the principles of concentration, conditionality and territorial differentiation of financial schemes (e.g. returnable and non-returnable financing).



~~Regional data collection system~~ conditionality.

Fig.3 Components of the institutionally-based territorialisation from the regional government's perspective.

RSMP – Regional Spatial Management Plan, TIA – Territorial Impact Assessment

Source: own elaboration by Jacek Zaucha

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