Green Paper on territorial cohesion and the state for the debate on the future reform of cohesion policy

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The European Commission adopted **the Green Paper on Territorial Cohesion** signalling the start of a major consultation with regional and local authorities, associations, NGOs, civil society and other organisations, aimed at achieving a better and shared understanding of territorial cohesion and its implications for the future of the EU's regional policy.

The settlement pattern of the EU is unique. There are about 5 000 towns and almost 1 000 cities spread across Europe, acting as focal points for economic, social and cultural activity. This relatively dense urban network contains few very large cities. In the EU, only 7% of people live in cities of over 5 million as against 25% in the US, and only 5 EU cities appear among the 100 largest in the world This settlement pattern contributes to the quality of life in the EU, both for city dwellers living close to rural areas and those rural residents within easy reach of services. It is also more resource-efficient because it avoids the diseconomies of very large agglomerations and the high levels of energy and land use typical of urban sprawl, which will become more important as climate change.

More balanced and sustainable development, implicit in the notion of territorial cohesion, would achieve a more even and sustainable use of assets, bringing economic gains from less congestion and reduced pressure on costs, with benefits for both the environment and the quality of life.

According to the Commission, policy responses to these may lie in action on three fronts: concentration, connection and cooperation.

Concentration: overcoming differences in density. There are gains from such concentration in terms of the increasing returns from agglomeration and from the clustering of particular activities in specific locations, including the wide availability of health care services and relatively easy access to higher education institutions and training facilities. This is reflected in the high level of GDP per head, productivity, employment and research and innovation activity relative to the national average in capital cities and in most other densely populated conurbations. At the same time, there are also diseconomies from congestion and a number of inner city areas face acute problems of urban decay and social exclusion. The key challenge is to ensure a balanced and sustainable territorial development of the EU as whole, strengthening its economic competitiveness and capacity for growth while respecting the need to preserve its natural assets and ensuring social cohesion. This implies avoiding excessive concentrations of growth and facilitating the access to the increasing returns of agglomeration in all territories.

Connecting territories: overcoming distance. Connecting territories today means more than ensuring good intermodal transport connections. It also requires adequate access to services such as health care, education and sustainable energy, broadband internet access, reliable connections to energy networks and strong links between business and research centres. This is also essential to address the special needs of disadvantaged groups. However, in the new Member States, good road links are scarce and driving between cities takes much longer than in the EU15. Good rail links are also unevenly distributed, and in most Member States railway lines cannot handle high speeds and are often in need of repair. Reliable access to energy is equally important and the particular situation of networks isolated from the EU market. Access to services of general economic interest such as health care or education is often a problem in rural areas, where for example in remote regions, 40% of people on average live more than a 30-minute drive

from a hospital and 43% live more than a hour drive from a university. In 2007, household access to broadband internet at home is on average 15 percentage points lower in rural areas than in urban areas.

Cooperation: overcoming administrative borders. Environmental problems associated with climate change, flooding, biodiversity loss, pollution or commuting do not respect borders of any kind and similarly require cooperation. To tackle these and other problems effectively requires a policy response on a variable geographical scale, involving in some cases cooperation between neighbouring local authorities, in others between countries, and in yet others between the EU and neighbouring countries. Internal border regions in the EU15 countries have benefited from many years of cohesion policy to improve cross-border cooperation. On the other hand, border regions in the new Member States have only recently started to work together. Much remains to be done to develop coherent policies for infrastructure and economic cooperation.

The Green Paper also outlines the challenges faced by regions with specific geographical features such as mountain regions (10% of the EU population) or islands regions (3% of the EU population).

The Commission will provide a synthesis of this debate in late Spring 2009.