

**The challenges facing European society
with the approach of the year 2000**

**The outlook for sustainable
development and its implications on
regional/spatial planning**

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The outlook for sustainable development and its implications on regional/spatial planning

Reports and conclusions of the colloquy
organised by the Council of Europe
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FOREWORD

The European Conference of Ministers responsible for Regional Planning (CEMAT) met for the first time in 1970, and has since been trying to contribute to the gradual implementation of a European regional planning policy. The European Regional/Spatial Planning Charter adopted in Torremolinos in 1983 defines the major Europe-wide objectives that should underlie policies for regional planning, improvement of the quality of life, and the organisation of human activities in Europe.

The increasing internationalisation of not only the economy but also all the other factors which shape our lives and prepare the lives of the citizens of tomorrow's Europe, is ruling out an exclusively national approach to the problems of regional planning.

At its last session in November 1991, CEMAT adopted a programme of activities directed towards an analysis of long-term trends and developments in terms of policies, economics, ecology, etc. In a constantly, rapidly changing world, forward planning is an absolute necessity for government officials, even if forecasts are sometimes wrong.

Implementation of this programme of activities should help to provide the people and bodies responsible for decision-making with the elements they require to take the right decisions for the future.

The quest for strategies to co-ordinate the various sectoral policies and actions which take into account the rights of future generations and the fact that many of our natural resources are limited and often irreplaceable, is the mainstay of the work of CEMAT and its Committee of Senior Officials, responsible for preparing its work.

The main theme of the next session of CEMAT is: "Strategies for sustainable regional/spatial development in Europe beyond the year 2000".

During the colloquy, emphasis was given to the international dimension of regional planning, as well as to regional planning priorities seen in terms of common economic development issues and their territorial impact.

INTRODUCTION

by Mr. Michel FOUCHER

General Rapporteur

The colloquy was opened by five outline statements:

1. The **President-in-office, Mr Hans Jacob NEUMANN**, said that, owing to the greater role of internationalisation, a change in the scope of the discussion was needed in order to take account of the problems which transcended the purely national aspect and at the same time, programmes for analysing long-term trends coupled with strategies making it possible to co-ordinate policies for sustainable development.

2. The **Chairwoman of the Regional Council of Nord-Pas de Calais, Mrs Marie-Christine BLANDIN**, stressed that the excessive concentration in the Ile-de-France of productive factors - executives and young employees, jobs, investment - was causing an unacceptable imbalance and adding to social dislocation, further aggravated by the disappearance of traditional social structures, which could not properly be replaced by poorly-paid professionals.

She argued the case for a strong controlled policy aimed at giving every territory an opportunity.

3. The **Deputy Director of the Directorate of Environment and Local Authorities at the Council of Europe, Mr Tarcisio BASSI**, situated the colloquy in the context of the Council of Europe's three areas of activity:

- * Human rights;
- * European cultural identity;
- * The challenges of contemporary society.

Europe was a fragile reality, since the concentration of activities heightened regional disparities and widened gaps which must be narrowed.

To achieve rational and sustainable regional planning in Greater Europe, a balance needed to be struck between economic development, the environment and the social,

demographic and cultural aspects, dealing with them on an equitable basis. On the basis of acceptable scenarios, the Council of Europe was aiming to achieve the major options of balanced and sustainable development. Linkage between short-term considerations and protecting natural resources, profitability and balanced development, maintaining the standard of living and also the quality of life, the "more" and the "better" were the desired aim.

4. **Mr Jean-Louis GUIGOU, Director of DATAR (Délégation à l'Aménagement du Territoire et à l'Action Régionale)**, demonstrated that there was no conflict between regional planning and European construction.

Geographical Europe was as important as the Europe of finance, institutions or security.

The Maastricht Treaty included two paragraphs relating to the territorial aspect in connection with the Cohesion Fund and the Committee of the Regions. It was therefore important to consider the following three areas of work:

4.1 **The discipline of geography** was a way of promoting European integration and sustainable development through a knowledge of other people and the attempt to reduce disparities;

4.2 **The European continent thrusts new responsibilities** upon us. This collective responsibility of the geography of Europe should make it possible to squarely confront three threats:

- the hegemony of economic ultra-liberalism, which was levelling out differences between cultures and denying diversity;
- the trend towards the concentration of populations;
- the hegemony of the short-term.

4.3 The **art of forecasting** needed to be rediscovered; it was a scientific attitude combining rigour and imagination, whose role was to "select the desirable ideals".

- **Discussion/action**, which defined the objectives and ways of achieving them;
- **pedagogy**, which was a school for training regional planners in how to think.

5. **Mr Michel Foucher, General Rapporteur**, presented a video, illustrating by means of maps the new geo-political context of the European continent since 1989 and the consequences of regional planning:

"Europe in time; Europe in space"

When history is in movement, places are transformed. At such times, regional planning falls into line with economics or diplomacy.

Let us suggest the principles of organising European space by declining the name Europe.

E as in EQUILIBRIUM
U
R
O
P
E

Quite apart from its efficiency, the free play of market forces concentrates decisions, wealth and information in focal points. If certain maps of the Community are examined, the following facts emerge.

* European space is in disequilibrium. A number of groupings can be distinguished, namely, an Atlantic, land-locked and island Europe; a Mediterranean Europe, a Central Alpine Europe and lastly, a Europe of capitals and conurbations.

In this golden polygon, stretching from the London Basin to the Ruhr and to the middle Rhine, from the Paris Basin to Randstad Holland, the great decision-making centres and headquarters are concentrated:

- major financial centres in London, Paris, Frankfurt and Amsterdam;
- powerful political capitals in Bonn and Paris;
- institutions in Brussels, The Hague, Luxembourg and Strasbourg;

- major airports, eg London, Paris, Frankfurt and Amsterdam.

These cities, which in future will be even better connected by a high-speed train network, will see their attractiveness enhanced despite the risks of saturation and social overburdening.

* The vast market and inter-city competition to attract European and global capital would favour the large metropolises to begin with.

This competition gives a lift to the Europe of the north west; Munich, Milan and Turin, Barcelona and Madrid are asserting themselves through research, high tech, innovation and solid regional roots.

Also, the major airports will stratify the space between areas situated within a radius of 200 kilometres and other areas less able to attract skilled jobs.

Fashionable Europe runs the risk of soon coming face-to-face with unfashionable Europe, for which European construction does not seem to offer any prospects.

* 35% of the EC's gross domestic product is now concentrated in the top 15 of the 176 Community regions in level 2 (NUTS 2). Whereas, in Italy and Germany, economic power is spread over a number of regions, it is much more concentrated in Spain, France and the United Kingdom, namely, in Greater London, Ile-de-France, Rhône-Alpes, Catalogne, Madrid, Latium (Rome), Emelia-Romagna, Lombardy, Piedmont, Venezia, Düsseldorf, Darmstadt, Cologne, Stuttgart and Oberbayern (Munich).

Through the structural funds and the Cohesion Fund, the EEC is probably helping to support the poorest regions in order to reduce the disparities.

But one aspect requiring urgent action is to balance the territory of the Community both towards the Atlantic and the Mediterranean.

E
U as in UNIFICATION

Unification is the order of the day:

- the Single Market in 1993
- monetary union by the end of the century
- the unification of Germany now.

The future of the EEC does not simply reside in the creation of a single market. One does not fall in love with a supermarket, as Jacques Delors put it.

German experience shows that it is easier to unify the currency and management methods than to bring together two societies separated for too long.

Regional planning cannot therefore be reduced to a technique; it is first and foremost a policy in the service of the city, in other words, of European union.

Whence the interest of transfrontier co-operation particularly in the education field, a key area for the future.

But the Europe of the Twelve is no longer alone.

Peoples in the East wish to participate in the unification of the continent. Europe will not know stability or security unless a considerable effort is made to achieve integration and unless its market is opened up. Migratory pressures are already appearing, accentuated by the political crises. How is what Germany has achieved, at great cost, with respect to the five new *Länder* to be duplicated in Eastern Europe?

There will be an increase in migratory pressure from the East at the gates of prosperous Europe, Berlin, Frankfurt-an-der-Oder, Vienna, Trieste or Salonika, just as pressure from the southern Mediterranean weighs upon Malaga, Cadiz, Palermo, Brindisi or Athens, and on the major airports of Paris, Frankfurt and Amsterdam.

It is in southern Europe that the pressure will be greatest, from Gibraltar or the Bosphorus.

** How is the reconstruction of Eastern Europe to be reconciled with supporting the fragile regions of Southern Europe? How can co-operation be maintained in the Mediterranean?

E
U
R as in RELATION

Relating people to one another by effective means of communication and transport is one of the conditions of European union.

For the first time, with the Treaty of Maastricht, the conditions exist for the development of a true trans-European blueprint of road and rail transport networks.

The high-speed network will include both new lines and adapted ones. The key links have already been identified. Moreover, these blueprints have been designed on a continental scale. In the longer term, the

network will be supplemented by three groups of east-west continental axes and six diagonal groups.

As one of the chief methods of connecting east and west, rail transport thus seems to be the only lasting answer to the congestion of the European skies in regions where there are already over 500 flights per day.

E
U
R
O as in ORGANISATION

European space needs to be organised, using the existing structures and establishing a proper hierarchy of powers. The administrative geography of Europe is diverse and will remain so, including as it does federal states, decentralised states, centralised states and emerging states.

Although the centralised systems are correcting the imbalances, the more decentralised ones often make for greater efficiency at the everyday level. Every model has its own strengths and weaknesses. So there is no single model but a need for a clarification of powers. A contractual approach is needed as between the various authorities involved - town, region, State and Community.

E
U
R
O
P as in PROTECTION

Economic activity is frequently accompanied by deterioration of the environment. To give just one example, the EEC produces over 750 million tonnes of carbon dioxide per year.

The anticipated increase in transport flows limits the efforts already made to reduce air pollution, just as excessive urban concentration requires stricter waste management.

Where air and water pollution are concerned, there are no frontiers: the Elbe Basin, which covers four States, is today the most polluted area in Greater Europe.

Europeans are beginning to understand that there can be no lasting growth without careful protection of the environment. Nor can there be any balanced growth without paying careful attention to sensitive areas: coastlines, mountain regions, areas of declining agricultural use.

E
U
R
O
P

E as in EVALUATION

E EQUILIBRIUM
U UNIFICATION
R RELATION
O ORGANISATION
P PROTECTION
E EVALUATION

The task of evaluating the impact of human activities and policies on the territory is one of public interest.

What will the European space of tomorrow be? Only a forecast can provide a coherent picture of the future and offer guidelines for action.

Six principles. Six conditions for a destiny controlled by Europeans.

THEME 1

**LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE
INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL
PLANNING IN A GREATER EUROPE**

**a) Socio-political changes in central and eastern European
countries: territorial and economic repercussions and
transformations in Europe**

CHAIRMAN: Mr. Victor RUFFY
Vice-Chairman of the Commission on the Environment,
Regional Planning and Local Authorities of the
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LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

SOCIO-POLITICAL CHANGES IN CENTRAL AND EAST EUROPEAN COUNTRIES: TERRITORIAL AND ECONOMIC REPERCUSSIONS AND TRANSFORMATIONS IN EUROPE

Mr. Peter SZALÓ
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Ministry for Environment and Regional Policy
BUDAPEST

INTRODUCTION

Central and Eastern Europe is in the process of socio-economic changes. All such changes are a continuous process, but we can however note some outstanding points: in 1989 Hungary let East German refugees cross its Western borders; later on the Berlin Wall was destroyed. But we can also situate the turning point behind the scenes - the summit meeting in Reykjavik.

Or it can be situated during an earlier period, since destruction of the monolithic socio-economic management model had already started and was formerly declared as a manifestation of renewability and surviving capacity of the system. The transformation process started in 1968 with the internal, domestic reforms in Czechoslovakia, Hungary and Poland. They could be held back for longer or shorter periods, but could not be totally suppressed.

The 70s were an early period of transformation when countries undergoing reform could make use of structural energies of change. It is true, however, that East Germany, Romania and Albania have survived even the 80s without changing the original model. The oil crisis also contributed to the ripening of the process; economic loss could only be financed from outside sources. This is the biggest burden on the present process of change: debts have greatly increased in most

of the countries, with the exception of East Germany where hidden financing of internal German turnover has not revealed the problem. Crisis of the socialist model is not simply pre-history, but a decisive factor. Structural outlines of the present crisis, as well as socio-economic problems and internal regional differences had developed at that time.

The first phase of the transformation process is over, but the process itself is not yet finished. Countries of Eastern and Central Europe are far from being unified in spite of the similarity of the chosen development models. The different conditions have not enabled a unified development. Together with closing-up there is a risk of failure, of reaching the peripheries, increased by instability in Europe.

The attitude of Western Europe towards the Eastern bloc has already changed; instead of being against it there is a definite effort to take responsibility. Responsibility for Eastern and Central Europe also serves self interests, since failure to realise changes may deeply shatter socio-political stability and the ecological situation of Western countries.

In the transformation processes, the comprehensive regional policy implemented in Europe can be decisive. The question is to what extent regional policy is able to influence real processes, and if the means to promote closing-up will be there.

GENERAL ECONOMIC AND SOCIAL PROBLEMS IN CENTRAL AND EAST EUROPEAN COUNTRIES

Economy on a macro scale in Central and East European countries became critical by the second half of the 80s. The indebtedness in most of the countries, the steady decrease of productivity in the productive sectors and the increase of budget deficit all urged towards a general change of economic structures. The structure of employment in Central and Eastern Europe is strongly biased towards the primary and secondary sectors. The employment share of industry is large by EC standards, averaging almost half of the economically active population. Heavy industry accounts for much of the industrial employment, notably in the engineering, chemical, textile and ferrous metals sub-sectors. Regional disparities in industrial employment are greatest in Poland and Romania, reflecting the continued importance of the agricultural sector.

The service sector in Central and Eastern Europe is comparatively underdeveloped. The third and fourth sectors were considered as "non-productive" sectors due to the marxist economic theory. Employment shares in the so-called non-productive sectors, combined with transport and communication and trade and commerce, are generally in the range of 30-40 per cent of total employment. (In Romania the service sector is extremely small; it does not exceed 30 per cent). At regional level, only in the capitals and major cities, for example Budapest, Sofia, Prague, Bratislava and Warsaw, does the share of service employment exceed 50 per cent.

The organisation of industry has featured a considerable degree of vertical integration in large production units. Industry has been almost entirely under state ownership, operated through centrally planned and directed "National Enterprises". In Hungary for instance, more than 80 per cent of manufacturing employment was accounted for by 1,100 state-owned enterprises with an average of more than 1,000 employees.

The spatial distribution of industry is based on major industrial urban zones or axes. For the most part, these equate with the availability of raw materials; Hungarian heavy industry is concentrated along an "energy axis" running from the north-east to the south-west of the country, corresponding to the availability of coal and other primary industrial raw materials. Polish industrial development is also based primarily on resource exploitation (coal and iron-ore mining), around Upper Silesia, Lodz and Walbrzych. Similarly, much of Yugoslavia's industrial development is in north Slovenia, Croatia, Bosnia and Vojvodina - depending on the availability of iron ores, oil and agricultural products, while the

geography of industrial development in Romania is dominated by the availability of oil in the central and south-eastern parts of the country. State planning attempted to distribute industry more evenly in the 70s; for example in Hungary away from the capital Budapest and southwards from the northern "energy axis" to several smaller and medium-sized towns.

Economic restructuring will foreseeingly affect all areas. The experience of Central and East European countries with more advanced economic reforms (for example Hungary and the Czech and Slovak Federal Republic), is that even comparatively "strong" industrial sectors may be affected by economic collapse because of uncompetitive processes and products. Some regions, which have a relatively diversified industrial structure, should be able to manage the transition better, enabling job losses in particular sectors and enterprises to be more easily absorbed. However, even diversified structures do not guarantee restructuring free from economic dislocation and hardship.

The impact is particularly severe where the large scale and organised division of industrial operations is based on individual or a limited number of heavy industrial sectors, that is monostructural regions without alternative job opportunities. Many of these sectors are now at risk from economic restructuring and associated major regional problems, notably in areas dominated by raw materials such as coal and metal ore, and industrial sectors such as heavy engineering, chemicals and textiles.

Further disadvantages arise from the cessation of armament production or the conversion of armament factories to civil production. The reorientation of trading relationships away from trade and barter agreements with the Soviet Union, and the breakup of the CMEA is also detrimental. It has been estimated that for some regions, this could involve a loss of production of up to 50 per cent.

Falling industrial output, high inflation, declining investment and domestic consumption, higher energy prices, the breakdown of supplies of material resources from the CMEA area and the negative impact of the liberalisation of imports have led to a very severe macro-economic situation in the Central and East European region.

It is obvious, however, that problems are very complex and varied in these countries. They are not at all a homogeneous bloc: their industrial structures and institutional mechanisms differ, as does the pace of transition to a market economy. The economic situation of Hungary for example, where the process of change began two decades ago, cannot be compared with that

of the CSFR or Poland, where the process of reform is not so advanced.

One of the most immediate economic and social effects of restructuring is rising unemployment. Evidence from Poland and Hungary, etc., indicates that the poorest segments of society are bearing the greatest burden of government attempts to overcome the economic crisis. Regions with industrial monostructures face the prospect of closing major enterprises, high unemployment and few alternative employment opportunities. Concentrations of major unemployment could entail significant socio-political tensions that might seriously hinder economic reforms.

The chief **micro-economic** problems are closely related to privatisation and building entrepreneurial capacity. Large state-owned enterprises are collapsing, there is low propensity to save, access to financial resources is problematic, there are poor transport and communication infrastructures on business locations. The lack of entrepreneurial spirit and managerial skill, technological awareness and ability to handle new technologies is hindering the quick recovery of the economy.

Besides macro- and micro-economic structural problems, the shortage of **infrastructure** is the major causal factor of most of the present problems in Central and Eastern Europe. Transport infrastructure in the region is generally of poor quality. Railway networks are extensive but significant parts of them are single-track, the load-bearing capacity is low and many sections are not capable of high-speed travel. With respect to the road network, in Hungary and the Czech and Slovak Federal Republic, less than one per cent of the total road network consists of express highways and many rural roads are not metalled. The main characteristic of regional infrastructure provision in the Central and East European countries is that infrastructure development relating to transport and telecommunication has been concentrated in the major urban areas and the axes of economic activity. This means that infrastructure and services in rural areas and connections with peripheral and border regions are secondary. This has in turn encouraged further concentration of the industrial location of economic activities and agglomerations.

One of the most severe problems in these countries is **environmental degradation** caused by the rapid expansion and massive development of urban industrial agglomerations on the one hand, and the low level of environmental sensitivity with underdeveloped infrastructure on the other. In general, the worst environmental problems are concentrated in the larger urban and industrial areas. The combination of industrial production, power generation and motor vehicle emissions causes serious air pollution with a concentration

of dangerous materials 3-4 times that permitted under West European standards. Besides atmospheric pollution, water pollution is a particular problem in several areas of Central and Eastern Europe. The lack of purification facilities has led to much untreated sewage and industrial waste being dumped directly into waterways, causing serious environmental harm.

Population growth in most of the Central and East European countries has been substantial throughout the post-war period. During the 70s, the growth rate in the region exceeded the rate for the European Community, but the national growth rates of Central and East European countries has slowed down considerably over the past 20 years, and there are substantial regional variations between and inside individual countries. Limited population growth is to be seen particularly in Hungary, where the fastest growing region had a growth rate considerably lower than the average of the whole region. The ageing of the population is also an important characteristic of demographic trends.

One of the most immediate social effects of restructuring is rising unemployment. This affects various social groups differently.

A sharp polarisation can be observed within society: the lower strata of the population is increasingly impoverished while some groups of the population are gaining a lot in the restructuring process. This results in a growing social tension which has to be dealt with by a selective and specific social policy in the transitional period.

REGIONAL INEQUALITIES AND PROBLEMS IN THE CENTRAL AND EAST EUROPEAN COUNTRIES

A distinctive feature of regional economic structures in Central and Eastern Europe is the predominance of primary and secondary activities. In the manufacturing sector, the spatial distribution of industry is often highly concentrated, which presents major challenges for regional economic restructuring, especially in monostructural regions.

Within the whole area of previous "socialist" countries, it would be difficult to outline the regional differentiation; roughly it can be said, however, that countries nearer to the western boundaries are more developed than those nearer to the territory of the Soviet Union. In each individual country there are:

- Growth areas: higher-performing territories which facilitate the continuing adjustment of business and

people to the constraints of competition and/or take advantage of all the potential areas for outside investors more attracted by the quality of human resources. In most of the countries the capital region is potentially the best from this aspect. In the following chapters we will call them "closing-up" areas.

- Declining areas, where marked structural change is needed. Restructuring and diversifying the economic base is unavoidable to rebuild an industrial fabric. Strong socio-political measures are also needed to preserve social cohesion against the growing risk of social marginalisation. We later call them areas of "partial adaptation".

- Backward areas which previously exported inhabitants through emigration into the more prosperous regions. They are later called "lagging behind" areas.

Regional problems are likely to be compounded by the difficulties that the region will face in coping in the short run with globalisation, and by difficult decisions to foster activity with higher value and to develop business services in big city areas.

THE POSSIBLE WAYS OF TRANSFORMATION BASED ON SOCIO-POLITICAL CHANGES

It is worth investigating three possible versions of transformation:

- successful closing-up
- partly successful adaptation
- and lagging behind.

All three versions are manifest in the countries undergoing changes, however chances of realisation are very different in the individual countries.

Closing-up is not the attainment of an ideal situation of a level of well-being, but the capability to continuously adapt to market processes, and be able to remain in competition. Its pre-condition is that the society of the given country should actively take part and not only suffer the reform processes. Another condition is that the economy should have stable elements, production should be more in balance with consumption and the infrastructural gap should not increase.

In the short term, partial adaptation may seem reassuring for Western Europe. Burdens of change are relatively small, and there is a possibility to gain markets. This version means that certain sectors and companies of the economy will remain competitive, national level unemployment will be acceptable, socio-economic

changes will only be concentrated in the more developed regions: poles where organisational, social and infrastructural conditions of innovation are more favourable. Economic structure will not, however, develop in the crisis regions; in mining and heavy industrial centres, local crisis points will remain with significant unemployment.

This is the situation in most of the countries today. Internal social polarisation is increasing, regional differences are growing and there is a higher migration.

The lagging behind version is characterised by economic disintegration, slowing-down of production, decreasing demand and consumption. Countries in huge debt are unable to accumulate; there are not enough sources for infrastructural development. The increasing social discontent will set wide social layers against changes, will strengthen paternalist and destructive political forces. Domestic, unsolved conflicts clearly lead to open confrontation with neighbouring countries, or in better cases to a strengthening of national borders, and degradation of mutual contacts. Schemes for a high standard of living together with the low level of well-being lead to higher emigration. In this case, Western Europe has to be prepared for the acceptance of a large mass of refugees.

REGIONAL EFFECTS OF POSSIBLE TRANSITION

Disregarding the internal division of Western Europe, in a simplified way the Central and East European region should be discussed as a hypothetical zone in view of its lack of homogeneity.

This regional hypothesis eases only the evaluation and analysing process. Identification of regions and countries may however encourage thinking, what is more, it presents the danger of making iron curtains out of national borders.

Let us call one of the hypothetical regions **the region of closing-up**, the other **the region of partial adaption**, and the third **the lagging behind region**.

Ex-East Germany clearly belongs to the closing-up region, even if the border line will still for many decades remain a separating line. In spite of the increase of financial well-being, élite and middle-class layers of society will lose their positions in respect of factors determining social status, such as the place taken in social labour division, social prestige, etc. Changes are not internal organic processes and this is a source for social conflicts.

Development of the countries of Eastern and Central Europe is interconnected, but on the other hand it is not independent from the development of Western Europe. Thus the common aim can only be that the whole of Central and Eastern Europe belongs to the region with prospects. Nevertheless, owing to the possible differences in changes of socio-economic and political structures, one should reckon with real processes, with uneven development. Hungary is mostly considered to be in the zone with prospects, in the zone with chances for closing-up, formerly together with Czechoslovakia and Poland, today already in a more restricted form with Bohemia and Slovakia.

It can be disputed if Ukraina and the Baltic states belong to the region of partial adaptation or not. What is not in question is that Albania, Bosnia, and Macedonia rather belong to the lagging behind regions.

National economic conditions basically determine chances of closing-up, while within the individual countries geographical differences further differentiate the picture. In Hungary the chances for closing-up extend to the banks of the river Tisza. Western Slovakia with Bratislava and developed regions of Poland also connect to this region. North-South regional slices represent Eastern expansion, the slight spatial projection of centre and periphery, and a transition towards the periphery in the case of the "Blue Banana" development trend. We think, however, that the "Mosaic Model" is more differentiated - and also more realistic - because it also draws city network elements and axes into the abstract economic reality and takes into account the possible development potential of Kiev and Riga as well.

FEATURES OF POSITIVE CHANGES

Gaining Central and East European markets may result in extraordinary development possibilities for the Western economy. Central and East European countries, however, are unable to create sources of economic changes and infrastructural development, and the expansion possibilities of Western companies are thus tremendous. Although capital investments of the United States and certain Far East countries in some cases exceed investments of certain West European countries, the total sum of West European capital is overwhelming.

This strengthens competitiveness of West European economy. A stable market can only be found in a working economy, thus the ratio of productive investments should increase in the future. Until now joint ventures have mainly been formed in the sphere of

commerce and services, due logically to the underdeveloped level of these areas. Decrease of production even in the short run, however, can endanger market sales possibilities.

Western Europe is mainly anxious about its agrarian market being faced with Eastern competition. This is a common fear, but one should be less afraid of a closing-up of Eastern Europe than of the economically lagging behind one, since this makes necessary the forced export of agricultural products in place of possible other export products. The present tendency is that Western agricultural products have gained significant market positions in these countries (for example Austrian beer and dairy industry in Hungary), or in the course of privatisation certain Western companies have gained a decisive share in industrial food sectors (cooking-oil production, sugar industry, tobacco industry).

As a result of these changes, new consumption layers have appeared in Europe. Not only on local markets, but also as a result of tourism is new demand present in the tourist zones and regions. Shopping tourism has practically ended with the opening of domestic markets, or it has moved towards the East. Demand is clearly manifested in the cultural and tourist sphere and in business tourism.

The building up of a very diversified social and institutional contact system can be forecasted, setting bigger demands on telecommunication and transport possibilities. In view of the restructuring of regional economic contacts, in the first place building up of East-West communicational relations can be envisaged. The internal economic relation system of Central and East European countries has collapsed. For example, the share of Czechoslovakia and Poland in Hungarian foreign trade has gradually decreased since the second world war, with a dramatic fall after 1983, together with the decrease of tourism.

In the case of favourable development, however, the strengthening of economic relations may also result. A number of measures will be introduced in favour of this in the near future, such as the building up of North-South transport relations.

Environmental effects of possible modernisation can be twofold:

- industrial restructuring may decrease average energy utilisation and environment pollution, especially in traditional industrial zones,
- a parallel significant increase in passenger and freight transportation needs, mainly the private vehicle and heavy transport.

Instead of the environmental problems of industrial society, we will be faced with the environmental effects of welfare societies: landscape-destroying effects of highway constructions, noise and air pollution caused by increased transit traffic.

It is the elementary interest of the whole continent to reduce industrial and energy wastes in Central and Eastern Europe. In Hungary, following the strict economic policy aiming to close down the majority of mines and metallurgical plants, emissions have significantly decreased in certain regions. There has also been a step back, however, since instead of new, replacement sectors, the government was forced to finance the non-profitable operation of two metallurgical plants because of the high local unemployment and social tensions.

The decrease of environmental burdens can only be solved by structural changes. Environmental sources are today only enough to cure the most critical situations. The condition of the success of transition is maintained development. In Central and Eastern Europe, severe air pollution in big cities can only be solved by the replacement of the vehicle park. This process has already started, mainly in the service sphere, while private cars can only be replaced by the more sophisticated layers of population.

Besides the increasing transit traffic, transitional processes have positive effects on the border zones, too. Thus development of the neglected eastern region of Austria (Burgerland) has increased and the neighbouring region in Hungary has also benefitted from a more favourable situation. The capability for renewal in Voivodina is proved by the fact that local unemployment here is considerably lower than the country average. On the eastern border of Hungary - most badly hit by the loss of eastern markets and with the highest unemployment rate - such an effect can only be expected if the economy of neighbouring countries is stabilised and the economic relations are re-established. Internal regional differences, underdevelopment and crisis situations can also be managed only in this case. This is also a reason why Hungary is interested in Central and East European development.

FEATURES OF NEGATIVE CHANGES

For hundreds of centuries, development of Central and Eastern Europe has been one-sided. The delayed modernisation and frequent interruptions in organic development have deformed the social structure and economic system. Unfortunately, this can happen even today.

There is also a possibility to develop a double industrial structure. Next to the very up-to-date joint ventures and multinational companies, there will still be certain traditional, out-dated plants and sectors, which cannot be renewed due to lack of internal resources. Besides this duality, a discrepancy between the sectors may evolve, such as for example the slowly modernising agricultural sphere parallel with the very modern services of banks and the business world. This is a real danger for a number of East European countries in social, economic and ecological respects.

Ineffective economy is also a competitor on the Western market. Faced with the constraint to pay back debts, and in view of the low level of value added, these countries will be forced to sell their resources in the form of cheap industrial and agricultural products. The obligation to export - in the absence of replacing for example the soil - will exploit resources. In countries poor in resources, environment protection is a luxury which is not allowed. Production burdens the environment with its external effects, thus keeping severe pressure on the environment.

Infrastructural supply will be built up unevenly, further deteriorating the chances of those stuck in the developing process. Temporarily, this duality in economy is unavoidable, and is even necessary, but permanently it may result in major social problems. The changing spheres clearly build on the existing innovative potential, involving the qualified manpower which can be renewed. A narrow venturing, manager circle may also be strengthened, and the less qualified, low-income, or unemployed layers may lag behind.

Social mobility may become restricted, the society will increasingly be polarised, and differences may grow according to the factors of social status factors.

In the declining regions, major and steady unemployment can be expected, which may lead to local crises, and ethical conflicts. In certain regions this conditional tense is no longer timely; we only have to mention Serbia and Moldavia.

Partly successful modernisation and dissimilar transformation would produce the social basis for politically turning back; this is another reason why the period of political change is not yet closed. In Central and Eastern Europe, economic restructuring should be carried out with social changes: the transition to a post-industrial period. The coming together of these two changes demands even more role-taking by Western European countries to control the transition.

This form of transformation creates growing differences between the countries. Differences between developed

centres and declining, crisis regions will increase, which will strengthen the role of the place of living in the determination of the place within the society.

This will increase internal migration towards the cities, meaning also upward and downward mobility. In this case we have to reckon with the appearance of a large number of homeless people in the big cities.

In the underdeveloped regions backwardness is conserved, manifested by low incomes, social mobility. The Western economy can even profit from the one-sided development, but only to a much restricted degree, both with respect to economic co-operation possibilities and market conditions. The relation system is much narrower in every field of economic life. Neither are relations developing within the Central and East European region; what is more, indifference towards other countries is increasing. Nor can common infra-structural investments be realised since stagnating and declining economies cannot create the conditions of convertibility.

If negative tendencies of transition gain momentum we can envisage a significant and steady flow of refugees. These waves will not only affect development of Western countries, but also the countries of Central and Eastern Europe being able to close-up.

CHALLENGES OF REGIONAL POLICY AND PLANNING

On a European scale, two types of regional, economic development processes seem to be in operation simultaneously. The first is based on a concentration model, the other on a mosaic model. Both of them create different spatial effects. Both are theoretically justifiable as bases for regional policy-making and economic planning, but policy-makers have to decide which model would be more advantageous from the aspect of sustainable development for the whole continent in the long run. If the concentration model was supported by the European Communities, Central and East European countries would remain on the periphery for a long time, resulting in a new iron curtain between the economically developed and less developed parts of the continent.

Central and East European countries have been in the grip of power policies for half a century. This historical situation has certainly distorted the natural development processes which evolved in this region in the first part of the century, moving towards a healthy development based on market relations. In the 1960s when sources of extensive development of centrally planned

economics - crushing real interest relations - were exhausted in many countries of the region, economic reform processes were starting which were suppressed by the Stalinist political structure, creating in this way newer ideological barriers to building up market mechanisms.

While in the social sphere the suppressing ideology was determining, in the economic sphere the central distributing and re-distributing role of the state paralysed natural development processes and the economic closing-up of the Central and East European region.

The State had a significant restructuring role through redistribution not only in the field of economy, but also in regional and settlement development. The centralised management system also weakened the effects of foreign economies. Thus the newly-born economic units of the region have not accommodated themselves to the international markets, but through the regulators to certain "quasi" markets, which in the long run has decreased their competitiveness. This can be traced back both to the lack of productional cultures and to the quality of produced products, and has worked against the intensive changes of the economy. Central and East European countries have increasingly become the sole markets for each other, and foreign trade transactions were motivated by political rather than rational reasons.

Central redistribution has distorted the price systems and, as a result, demand and supply structure. As a consequence of growing foreign debts, Western export has become of vital importance and export subvention have however conserved the product structure. The subventions have given coverage for losses, thus wasteful use of budget sources has broken down the economy itself. There were three kinds of company behaviour:

- a number of them were very "passive" in accommodating themselves to the central regulatory system,
- big companies have tried to get out of the grip of normative regulation, manipulating in this way the economy,
- a smaller number of them have tried to adjust themselves to the real market situation.

Spatial disparities within individual countries can be partly explained by the geographical location of state enterprises with different attitudes outlined above. But beyond sub-regional and Eastern Europe as a whole presents a highly differentiated map of development potential for restructuring processes.

Therefore - at least in this Central and East European region - the "Mosaic Model" seems to be a more realistic pattern for further spatial development in

Europe. Moreover, new developments in advanced transport and telecommunications covering the whole European space would change its "time geography" to the advantage of regions away from the congested agglomerations. Although all countries and sub-regions are suffering significant economic and social dislocation, some areas are better placed than others. There is a risk, however, that political and economic reforms will be obstructed by dissatisfaction and demoralisation among the population. The danger of the spatial variations in the state of economic transition and regional development is the negative impact on the relationship between individual countries and regions. This compounds the problems derived from the region's history of political instability, national and regional hostilities and socio-cultural differences.

There is an urgent need, therefore, that the Central and East European region be supported by the European Community. The efficiency of regional policy in Central and Eastern Europe could be significantly improved by the transfer of information and competence of Western Europe and the creation of East-West networks to promote the flow of expertise and experience. The countries of Western Europe have a lot of experience and expertise in the field of regional development under market economy systems. Strategies implemented over the past decades have addressed a range of regional problems on various spatial scales. Many regional instruments and policies have been tried and there is a wealth of evaluation knowledge on the efficiency and effectiveness of different mechanisms at the level of individual countries and of the European Community as a whole. This knowledge would be of great value for regional policy-makers in Central and Eastern Europe as they begin to address regional disparities. It is important, therefore, to develop structures and networks that can promote and organise the transfer and interchange of information, ideas and competence between Western and Eastern Europe.

We do not think that there could be any hesitation about the following alternatives:

- filling the gap between East and West or defending it,
- transforming the old structures or keeping them,
- providing solidarity for or competing with Central and Eastern Europe?

From many signs we have noticed recently that the European Community is sympathetic to the problems of the previous "socialist" countries and is ready to help. It is already broadly recognised that filling the gap between regional-economic development level and pace

between the Western, Central and Eastern parts of Europe is now in the interests of both sides. The question is only how to manage the transition period, how to accelerate processes that bridge the ineffective "commando system" with a market oriented but socially safe, new, competitive socio-economic structure, fitting into the global tendencies of the world economy.

Reliable prognoses of regional development requirements in Central and Eastern Europe are difficult to make at the moment. There is an urgent need, however, to set objectives for regional policy both for the short term (1-2 years) and for the medium to long term.

In the short term there are two potential areas for regional level action by policy-makers - firstly to support and strengthen national economic development with complementary regional measures, and secondly, to provide emergency aid to relieve the worst regional effects of restructuring.

It is evident that at this stage, the main priority is national economic survival during the transition phase. There is relatively little scope for policy measures aimed at the reduction of regional disparities and addressing the difficulties of problem regions. Furthermore, the difficulties of identifying and defining spatial disparities at a time of rapid economic change present major difficulties for the development of any regional policy.

In the short term, it will be necessary to employ some emergency measures to contain the worst effects of restructuring in the monostructural problem regions where unemployment could potentially be the greatest. In the context of Central and Eastern Europe, two main tasks for policy are urgent in the short term in the "Emergency Areas": to avoid the worst effects of national economic policies, notably unemployment; and to help to overcome the worst environmental disasters that have been created over the past 40 years.

MEDIUM- AND LONG-TERM REGIONAL DEVELOPMENT OBJECTIVES

In addition to the general task of industrial restructuring and environmental clean-up, medium- and long-term regional policies may consist of the following key elements:

- linking sectoral and regional conversion policies; that means combining the sectoral, social and regional dimensions;

- implementing an "integrated" regional policy approach and accommodating social policy. Among other things this has to be promoted by training programmes in new occupational skills, employment creation measures, programmes to encourage new technologies and innovation, the creation and renovation of industry-related infrastructures, energy supply and environmental measures. The latter involves the landscaping of vacant industrial sites and air and water pollution control, and an active land-development policy to provide housing for recession-hit communities and amenities to enhance the quality of life;

- introduction and implementation of selective regional development policies related to the

- declining industrial regions,
- border regions,
- urban regions,
- mainly rural peripheral regions,
- traditionally industrial regions, etc.

Lastly, regional policy research within Central and Eastern Europe should be encouraged to monitor, evaluate and improve any regional development measures employed. Research institutes in Central and Eastern Europe should be encouraged to work intensively on regional development and regional policy issues, ie. "help for self-help", by assisting the expansion of research facilities and the provision of technical equipment. Consideration should be given to the establishment of a pan-European forum that would sponsor applied research of practical value to regional policy-makers in Central and Eastern Europe and allow the transfer of ideas, knowledge and experiences from West to East.

CONCLUSIONS

Presentation of possibilities and effects of transition is mainly based on structural conditions and endowments. There is, however, a further factor which is able to influence the direction and speed of the process, and that is the willingness, the intention and the consequence in the realisation of the aims.

The Hungarian Government and Parliament are trying to be very consequent in realising the transformation. All basic economic laws necessary for the realisation of changes are formulated and property relations are clarified; we are in the process of executing the compensation law, compensation of ex property owners from state sources and wealth. We will soon finish the privatisation of state-owned companies, of co-operatives. Privatisation is accelerating, foreign capital is flowing into the country, and for the first time net debt has

decreased. Inflation has slowed down, the Hungarian forint is nearly totally convertible, and there are significant convertible currency reserves.

Nevertheless, there are grave internal problems, production is decreasing more quickly than expected and there is huge unemployment. Regional inequalities have grown and in north-eastern Hungary backwardness is further aggravated by major unemployment.

Foreign capital is mainly concentrated in Budapest and western Hungary. In spite of this, the Government does not plan to slow down transformation and intends to put the economy on the moving path as soon as possible.

Even if there are a lot of disputes in the Hungarian society on the questions of transition, there is consensus in one respect and this is that we feel ourselves part of Europe and want to live according to the European model.

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LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

SOCIO-POLITICAL CHANGES IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: TERRITORIAL AND ECONOMIC REPERCUSSIONS AND TRANSFORMATIONS IN EUROPE

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INTRODUCTION

The Colloquy "The Challenge facing European society with the approach of the year 2000" is, to my mind, a proper framework to present a report on the geography of the New Europe.

The European society is a deeply differentiated phenomenon in both time and space. It would probably be better to use the plural formulation and to analyse the European societies.

Naturally one can argue that the common historical and cultural roots are creating the European society and, in this sense, the title of our Colloquy may easily be accepted.

The deep spatial differentiation of the European society is the reason to apply in this report the geographical approach and to present some ideas related to the geography of the New Europe. My report will be organised in seven parts.

- I. The difficult road to New Europe of the 21st century
- II. Four models of socio-economic change in Europe
- III. Four foundations of pan-European integration
- IV. The territorial transformation in Great Europe
- V. The typology of European regions

VI. The new perspectives for regional planning in Great Europe

VII. The geography of New Europe -Research priorities

I. THE DIFFICULT ROAD TO NEW EUROPE OF THE 21ST CENTURY

The dream of a new United Europe has very long historical roots. But this dream was always successfully challenged by the reality of old divided Europe. The years 1989-91 - the years of revolution¹ in Central and Eastern Europe - the collapse of the communist system and the Soviet Empire - have created the hope that the biggest obstacle on the road to the new United Europe has been eliminated. This change is creating an opportunity that may successfully be used by the European society. There are still four barriers on the difficult road to New Europe of the 21st century:

1. the legacy of the communist past in Central and Eastern Europe
2. the legacy of nationalism in Central and Eastern Europe
3. the difficulties in developing efficient governmental structures to supply strong leadership in the transition processes in Central and Eastern Europe

4. the absence of large-scale historical and strategic thinking in Western Europe and North America in relation to the challenge created by the collapse of the communistic system and the opportunity to create a new United Europe.

1. The legacy of the communist past in Central and Eastern Europe

This legacy is very heavy. We have to mention the material legacy of the quality and structure of the national wealth deformed by the Stalinistic industrialisation policies. Now a large part of this national wealth is not adaptable to the conditions of global economy. This is a loss of historical magnitude.

On the human side, we have the problem of "homo sovieticus". Communist rule has left some traces in the mentality and patterns of behaviour. So "homo sovieticus versus homo democraticus" is a real dilemma in Central and especially in Eastern Europe.

One should not, however, exaggerate in the broad application of the "homo sovieticus" argument. If, for example, the Polish miner is protesting against the closure of an obviously inefficient coal mine, he is not a "homo sovieticus" in his behaviour. The Polish miner is reacting in a similar way as the British, German or Belgian miners did in the sixties and seventies. Resistance to structural change is a general historical problem related not just to Central and Eastern Europe.

2. The legacy of nationalism in Central and Eastern Europe

The ideology and practice of nationalism are very deeply incorporated in different streams of European history. Nationalism is a pan-European phenomenon existing also in Western Europe. But in this report we will concentrate our attention on Central and Eastern Europe. Let us mention briefly the role of nationalism in the disintegration of three Federal States: Soviet Union, Yugoslavia and Czechoslovakia. The case of the Soviet Union is extremely complicated but, fortunately, much less dramatic than the pessimistic anticipations. Especially important is the very skilful and peaceful management of the relations between Russia and Ukraine. The tragedy of Yugoslavia is much greater than the most pessimistic expectations. It is a tragedy² generated by the very strong type of Balkan nationalism and - unfortunately - also by misjudgments of the West European and American diplomacy. The case of Czechoslovakia is definitely sad but it will - at the same time - be an example of an elegant divorce where

nationalistic feelings will be kept within the traditions of European culture.

The phenomenon of nationalism is multidimensional. The evolution of nationalism is much more complicated than that of communism. These two ideologies are very different in origin, motivations and prospects for the future. This should be kept in mind when both the legacy of communism and the legacy of nationalism are jointly mentioned as barriers on the road to New Europe.

3. The difficulties in developing efficient governmental structures to supply strong leadership in the transition process in Central and Eastern Europe

The countries of Central and Eastern Europe need governments that are democratic and strong at the same time. It is not easy to create and maintain such governments in the existing historical conditions.

The ideological and political climate in Central and Eastern Europe is a mixture of two ideologies - the ideology of populism and the ideology of the 19th century *laissez-faire* approaches.

It is a very peculiar mixture which lowers the efficiency of governmental structures and creates difficulties in the processes to formulate strong, at least medium-term, socio-economic policies.

4. The absence of large-scale historical and strategic thinking in Western Europe and North America in relation to the challenge created by the collapse of the communist system and the opportunity to create a new united Europe

It is easy to list the enormous number of activities generated in Western Europe and North America to deal with the historical change in Central and Eastern Europe. These activities of international organisations and national governments are very highly appreciated. The results are positive in many fields of particular importance. However, they have *grosso modo* a short-term character and are co-ordinated very loosely, if at all. There is no grand design for Central and Eastern Europe comparable to the Marshall Plan after the World War II, or to the well-planned activity of the European Community building the common future of 12 countries.

Following the charming article of Lord Skidelsky,³ it is worth while comparing the reaction of the Grand Global Establishments to World War I, World War II and to the collapse of communism as an equivalent of World

War III. Grand ideas, including the Marshall Plan, were generated after World War II. The reaction to the collapse of communism rather resembles the weaknesses of strategic thinking after World War I.

A recent warning of Joseph Antall,⁴ the Prime Minister of Hungary, should be quoted in this context:

"The Hungarian nation got only the historical chance to restore freedom and to join the happier part of European nations. The nation needs help to keep what has been already achieved.

If the West leaves the region of Central Europe to itself and the isolationistic way of thinking will get the upper hand - then some old negative reactions could be revived and the imperial thinking can find again the fertile soil."

The transition process in Central and Eastern Europe is just now in a very difficult stage of development. We are still convinced that the present crisis will not culminate in negative turning points in some countries of Central and Eastern Europe.

The main challenge facing European society with the approach of the year 2000 is to use the historical opportunity to start the process of integration of Western, Central and Eastern Europe and to create strong foundations for this process to be successfully accomplished in the 21st century. The present *modus operandi* is not good enough for this purpose. We need new approaches guided by long-term strategic thinking.

II. FOUR MODELS OF SOCIO-ECONOMIC CHANGE IN EUROPE

The dynamics of socio-economic change in Europe is a deeply differentiated phenomenon. The dilemmas of this differentiation can be formulated in the following way:

- positive versus negative change
- peaceful versus violent change
- spontaneous versus guided change
- economic growth versus social change
- globally- versus socially-minded regional policies⁵

In the framework of this report it is impossible to present a comprehensive review of socio-economic change in Europe. It is possible, however, to outline four models of socio-economic change which incorporate the characteristic features of this change in Western, Central and Eastern Europe.

To my mind, there are four models of this type:

1. the Brussels model
2. the Visegrad model
3. the Belgrade model
4. the Moscow model

1. The Brussels model

This is a future-oriented model of the modern capitalist society, economy and the state. It is a very attractive model. The membership of the European Community is growing from six states which signed the Treaty of Rome to more than 20 states which will be members of the Community around the year 2000. It is not impossible that within the next 30 years the whole Europe will be "brusselised". The Brussels model is a good example of the integration of spontaneous development, market forces and the guided institutional development promoted by the Community and the member states. The dilemma - efficiency versus equality - is solved via the joint promotion of economic growth and some rational versions of social justice incorporated in the philosophies of the Community in the fields of social and regional policies.

This sounds like an uncritical Laudatio of the Community. Naturally, the European Community is a human institution - so weaknesses and deficiencies are an obvious element of its performance. A well-balanced and comprehensive review of the Community's activities was presented in the July 11 issue of *The Economist*. There is no doubt, however, that the European Community has created a historical model incorporating characteristic features of socio-economic change at the international, national, regional and local levels.

2. The Visegrad model

This is a model of socio-economic change developed by three countries of Central Europe - Poland, Hungary and Czechoslovakia. Some features of this model are already clearly visible. The trio has accepted a clear definition of transition from real socialism to real capitalism. There is no discussion as yet about the so-called third way in Central Europe. This is a future-oriented model - in the sense that the trio declares full membership in the European Community as a fundamental goal. So adapting to the rules of the game established by the European Community seems to be the main agenda of the three countries in the nineties.

Unfortunately, the trio is, in some fields, more impressed by the abstract 19th century *laissez-faire* approaches than by the pragmatic 20th century experience of the European Community. The

underestimation of the mechanisms of guided change, of the rational interpretation of social justice and of the well-designed regional policies can be seen very clearly in the performance of the three countries, and especially of Poland.

I hope these obvious deficiencies will be corrected in the near future. The problem of long-term thinking and strategic planning must be solved in Central Europe.⁶

The success in the design and implementation of the Visegrad model is very important not only for these three countries but also for Balkan and Eastern Europe. The demonstration effect of the successes and failures of Central Europe is very great.

The present difficulties in Central Europe and the warning of the Prime Minister of Hungary should be taken very seriously. The success of Central Europe will be a pan-European success - failure will shift the hope to create a New Europe to a very distant future.

3. The Belgrade model

This is a model of the historical disaster generated by the cumulative effect of negative forces. All four barriers, outlined in part I of this report, are seen in the Belgrade model. The legacy of communism and nationalism - the inefficiency of the governmental structures and the absence of large-scale historical and strategic thinking - have contributed to the creation of the tragedy of former Yugoslavia. This experience is especially painful since, in the fifties and sixties, some exceptional achievements were seen in Yugoslavia; it was the first country in Eastern Europe to challenge the Soviet imperial rule and accept some patterns of global economy.

The Belgrade model should be studied very carefully as a case of political Tchernobyl. Let us hope that the eruption of the Balkan reactor will soon be stopped and that peace in former Yugoslavia will be re-established.

It will not be easy to deal with the consequences of the destruction of human life, material wealth and the political and psychological pollution of this tragedy.

4. The Moscow model

The future of Russia is a great question mark. Probably Russia is big enough and strong enough to develop its own model of development related to the original and complicated history of that country. The status of a

superpower - maybe a weak superpower - is both a positive and a negative factor from this point of view.

This idea of the original Moscow model may be challenged by a simple point of view that, sooner or later, the Moscow model will follow the pattern established by the Visegrad model and, finally, the pattern of "brusselisation" of Russia.

Another question mark of the future is whether Russia accepts the status of a normal state or tries to return to a new version of imperial traditions and build up new spheres of influence.

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In the present *Sturm und Drang Periode* an impression can be created that the Brussels model is the only valid model of socio-economic change in Europe of the 21st century. This may be the case, especially in the situation when the nineties will demonstrate the unquestionable success of parliamentary democracy and market economy in Central Europe - leading to the full membership of Poland, Hungary and Czecho-Slovakia in the European Community.

We should, however, examine very carefully the fundamental problem: is the "brusselisation" of Europe the only future for Europe of the 21st century? Naturally, the term "brusselisation" must be interpreted in an imaginative way. Brussels of the 21st century should be a new Brussels, free from overcentralistic and sometimes monopolistic tendencies that are sometimes visible at present. One could envisage a strong decentralisation of the European Community and the establishment of the Euro-City East, for example, in Minsk or Riga.

In this framework, an alternative highly negative scenario of the balkanisation of Europe of the 21st century should be discussed. According to all expectations it is a vanishing scenario, but this danger will not evaporate so easily from the political climate of Europe.

I hope that this second part of my report is an inducement for a challenging topic: The models of socio-economic change in Europe - The experience of the 20th century - The prospects for the 21st century.

When considering this topic, the imaginative collection of papers published by Prométhée in April 1992 could be taken into account. The search for a map of the New Europe should be continued.⁷

III. FOUR FOUNDATIONS OF PAN-EUROPEAN INTEGRATION - PARLIAMENTARY DEMOCRACY, MARKET ECONOMY, CLEAN ENVIRONMENT AND EFFICIENT INFRASTRUCTURE

Uniformity versus diversity is a permanent dilemma of European history. This dilemma will also be important in the 21st century. The power and charm of Europe is partly explained by the rich and inspiring diversity of European cultures and European landscapes as seen in the perspective of both natural sciences and humanities.

This pattern of diversity will not be destroyed by the integration of New Europe. However, this integration - the necessary historical process - will *ex necessitate rei* create some trends of uniformisation in important strategic fields. In new integrated Europe some common denominators must be developed and accepted. To my mind, there are four foundations of pan-European integration.

The first foundation is parliamentary democracy - a set of values and institutions responsible for the prevailing political climate.

The second foundation is a modern market economy promoting economic growth and human well-being.

The third foundation is a clean environment. The old divided Europe is responsible for the ecological destruction of many European regions. New Europe must create conditions for the ecological renaissance of our continent.

The fourth foundation is an efficient technical infrastructure supporting the movement of persons, ideas, services and commodities.

In general terms, we can observe two historical patterns of differentiation of the four fields mentioned above. The first pattern is created by the differences between the European centre and European peripheries. The second pattern concerns the differences between Western, Central and Eastern Europe. It is clear that Central, and especially Eastern Europe, is *grosso modo* a part of the European periphery.

The revolution in Central and Eastern Europe opened a great historical opportunity for an accelerated development of parliamentary democracy and market economy.

This acceleration has different levels in different countries but the general positive tendency is more or less clear. At the beginning of the 21st century, Central and Eastern Europe will *grosso modo* be dominated by parliamentary democracy and market economy if the

barriers, mentioned in the first part of my report, are eliminated or at least neutralised.

The process to create in Central and Eastern Europe a clean environment and efficient technical infrastructure is particularly difficult. Unfortunately, the *modus operandi* applied in the *Neue Länder* in Germany is not a general model for Central and Eastern Europe. The capital intensity of this model - as an example for Central and East European countries - is beyond the limits of reality or even imagination.

Nevertheless, one should design a long-term strategic plan on how to create a clean environment and efficient technical infrastructure in Central and Eastern Europe. Financial foundations of this strategic plan should have a pan-European or even global character. The countries of Central and Eastern Europe are just too weak to solve endogenously the problems of environment and technical infrastructure.

These two examples are - at the same time - indicating the importance of long-term strategic thinking on the future of the new integrated Europe. Integration means, *inter alia*, the construction of links between Western, Central and Eastern Europe. The already quoted Prométhée publication is providing some interesting materials on East-West intercommunication. Especially important is the idea to develop a network of development axes linking Western, Central and Eastern Europe.⁸

Naturally, the concept of the foundations of pan-European integration can also be seen in another perspective. We could, for example, analyse the concept of spiritual, institutional and material integration of the European continent. However, in the context of this report the four foundations have direct relevance to the geography of New Europe.

The development of these foundations can be analysed in the framework of comprehensive empirical studies, answering the question if the positive uniformity is really growing in these four fields.

IV. THE TERRITORIAL TRANSFORMATION IN GREAT EUROPE

The liquidation of the Iron Curtain is the most important territorial transformation in Europe of the second half of the 20th century. The near future will answer the question if this unique historical opportunity to create a really Great Europe is not wasted by the inefficiency of the governmental structures in Central and Eastern Europe and by the absence of large-scale historical and

strategic thinking in Western Europe and North America.

Great Europe must be an integrated Europe. It is again an open question to what extent the necessary uniformisation of European space, analysed in the third part of my report, can be really accomplished. The centre and periphery dilemma is as old as European history. So it is naive to expect that the concept of periphery will not be useful in the description of Europe of the 21st century. We can, however, formulate the following question - how deep will the differences be between the European centre and the European peripheries? In this logical sequence, we can finally ask whether the Iron Curtain - in the form of the Golden Curtain - will not emerge again on the map of Europe, dividing rich and poor countries, regions and localities.

Let us assume that European society and, first of all, the ruling élites of this society will be wise enough not to implement this negative scenario and that the real shape of Great Europe will start to emerge already in the nineties.

In this emerging Great Europe the following transformations will probably be of importance:

1. the growing diversification of the political map of Europe, paradoxically related to the growing political integration of the continent;
2. the changing relation among states, regions and localities - with the growing role of regions and localities;
3. the development of the spatial scope of the Single European Market - absorbing slowly but continuously the countries of Northern, Central and Eastern Europe. This is the territorial expansion of the European Community;
4. the restructurisation of European regions not adapted to the realities of global economy;
5. the development of the spatial scope of unemployment as an important social, economic, political and psychological phenomenon;
6. the growing spatial extension of a clean environment in Europe related to the ecological renaissance of our continent.

Naturally, this list of questions related to the territorial transformation in Great Europe is neither complete nor comprehensive. We need a separate study to outline the effective methodology of empirical research which will analyse the territorial transformation of Great Europe.

V. THE TYPOLOGY OF EUROPEAN REGIONS

There are many typologies of regions. However, in the process of thinking about the future of Great Europe the most important is the typology related to the theory of the creation and diffusion of innovation. From this point of view we should distinguish:

- innovative regions
- adaptive regions
- lagging regions⁹

1. Innovative regions

All industrial revolutions and great innovations were created in specific places, localities and regions. The innovative regions are pioneers of global change which, in this case, is first regional, then global. Maps should be prepared to show changes in the innovative regions in Europe and to explain the mechanism of their birth, growth and decay. The institutions responsible for regional policy must learn how to discover and promote innovative regions as the avant-garde of the given country and Europe in general. The promotion of innovative regions in Europe is against the old principle of interregional equality but is fully incorporated in the principle of regional efficiency as a vehicle to achieve the intercontinental equality.

2. Adaptive regions

Adaptive regions are the most important environments in the process of the diffusion of innovation. In those regions, the individual achievements of the pioneering sectors and pioneering regions are transformed into widely-spread structural changes which create new regional and, later, global realities. It remains an open question to what extent the processes of adaptation should be recognised as spontaneous phenomena, and to what extent these processes should be guided by different socio-economic policies including regional policies. Naturally, in real terms, we have to take into account that the difference between innovative and adaptive regions are not always quite clear - in many cases we have a situation of innovative adaptation. The region which is, in a given country, a pioneer in the processes of adaptation to global change is also a relatively innovative region.

3. Lagging regions

Lagging regions are unable to participate in the processes of global change. The economic, social and political barriers to developing an adaptive capacity in

those regions are so strong that not only in the short term, but also in the long term, the mechanisms of structural change are partially or totally paralysed. The socially-minded regional policy of the sixties assumed that the most important mission was to change, or at least to ameliorate, the situation of lagging regions.

This typology is especially important for comparative evaluations of the regional reality in Western, Central and Eastern Europe and for the discussion on the European centre and European peripheries. It is well known that the majority of innovative regions in Europe are located inside the geometric figure formed by the line linking Paris, London, Berlin, Rome, Paris.

There are very few really innovative regions in Central and Eastern Europe, both in the patterns of historical experiences and in the actual situation.

The difficult time of transition is reflected in the emergence of a large number of lagging regions where the barriers for socio-economic restructurisation are especially heavy.

Lagging regions also exist in Western Europe, but here many problems of regional restructurisation were already solved in the years 1950-75.

In the regional reality of Central and Eastern Europe the problem of lagging regions will be very important and very dramatic. Some of these regions should be seen in the European perspective because the scale of necessary transformation is beyond the means of the given national economy. The dramatic example of Upper Silesia in Poland can be quoted in this context.

In the diagnostic and prognostic studies on the regional reality of Great Europe, the typology of innovative, adaptive and lagging regions is the most important methodological approach. The success of transformation of Central and Eastern Europe will be reflected on the map in a diminishing number of adaptive regions. Let us also hope that the modern capitalist economy in Central and Eastern Europe will create the mechanism and conditions for the development of innovative regions in this part of Europe.

This methodological framework is also very useful in the discussions on the historically changing spatial scope of the European centre and the European peripheries. The present industrial renaissance of Mediterranean Europe is indicating that adaptive, and sometimes innovative regions, can make quick progress also in places which were recognised as classical examples of the European periphery where the lagging reaction was the dominating pattern of spatial behaviour. Will the success of Mediterranean Europe

be repeated in Central and Eastern Europe? Will the 21st century create a new shrinking pattern of European periphery divided from the centre by smaller differences?

VI. THE NEW PERSPECTIVES FOR REGIONAL PLANNING IN GREAT EUROPE

Europe of the 21st century will be a Europe of Regions. The region, and not the state, will probably be the fundamental unit of spatial behaviour on the European scene. This does not mean that regional autonomy will destroy the idea of national sovereignty which, anyway, will be very much restructured in favour of the growing competencies of international organisations.

This hypothesis of the rapidly growing role of regions as actors on the European scene should be developed in comprehensive studies, also outlining the tendencies which will support the status quo as far as the power of the national state is concerned.

I am convinced that the region should be the fundamental spatial unit in the new geography of New Europe.

The European Communities have already developed a comprehensive system of regions that is used in all published documents. Now we need a special analytical effort to develop a comprehensive regional grid covering the total area of Great Europe.

In this context, the questions concerning the new perspectives for regional planning in Great Europe may be answered.

1. For the development of Great Europe we need the integration of mechanisms for spontaneous and guided development.
2. In the mechanisms for guided development, an important role can be performed by the Grand Policy Analysis¹⁰ and by Strategic Planning.
3. Regional planning of the 21st century will be innovative, strategic and pluralistic planning. The experience of the allocative regional planning of the 20th century has a limited power of application in the conditions of the 21st century.¹¹
4. There is no doubt that, in the near future, a new type of strategic planning will emerge - this will be European regional planning.
5. European regional planning should - first of all - be studied as an innovative idea to be institutionally implemented around the year 2000.

6. A Study Group - on European Regional Planning - should start its activity by a comprehensive diagnosis on the regional realities of Great Europe. This diagnostic capacity will also create the advisory capacity for all European regions which are interested in finding comparative materials and information on innovative, adaptive and lagging regions in Great Europe.

This new type of strategic European regional planning will supplement the existing network of regional planning institutions which function in a more or less conventional way in almost all European countries. In Central and Eastern Europe we now have a deep crisis of regional policy and regional planning, generated by the general crisis of long-term thinking and long-term policies, developed by the over-confidence in the automatic blessings of the *laissez-faire* approaches. So the renaissance and restructurisation of regional planning institutions and regional planning methodology in Central and Eastern Europe is an important problem to be solved in the very near future.

The new perspectives for regional planning in Great Europe are based on:

- the anticipation of the important role of the mechanism for guided change and geo-strategic thinking in 21st century Europe
- the recognition of the fact that regional planning can be adapted to the conditions of 21st century Europe and will be an important and useful instrument of policy in these new conditions
- the hypothesis of the rapidly growing role of regions as actors on the European scene.

VII. THE GEOGRAPHY OF NEW EUROPE - RESEARCH PRIORITIES¹²

It is difficult to outline a comprehensive and valid list of research priorities on the geography of New Europe. I am convinced that several approaches in this field should be developed and tested in international discussion. Maybe after the critical examination of several lists a *sui generis* consensus will emerge.

So please look at my list of 13 topics which perhaps could also be the titles for consecutive volumes of a series - The New Geography of New Europe.

I. The difficult road to New Europe of the 21st century.

II. The institutional models of socio-economic change in Europe.

III. Democracy in Europe - transformation and diffusion.

IV. Market economy in Europe - transformation and diffusion.

V. The ecological catastrophe of divided Europe and the chances and barriers for the promotion of the ecological renaissance of United Europe.

VI. The geography of New Europe and the creation of an integrated European technical infrastructure. The experiences of the 20th century. The tasks for the 21st century.

VII. Innovation in Europe - the changing pattern of innovative, adaptive and lagging regions.

VIII. The changing hierarchy of metropolitan cities in Europe.

IX. The transformations of the European landscapes.

X. The patterns of local development in Europe.

XI. Great Europe as a competitive continent in the global economy of the 21st century.

XII. Great Europe in the framework of global geo-strategic change. The experience of the 20th century. The prospects for the 21st century.

XIII. The spontaneous and guided structural change. The experiences and prospects in Europe.

This is only a guideline for discussion - maybe an offer for creative destruction. There is no doubt, however, concerning the following four observations.

1. A New Europe is emerging as a fact of political and economic reality.

2. The academic community must meet the challenge of our times and create a New Geography of this New Europe. The Old Geography belongs to the history, jointly with the Old Divided Europe.

3. This new geography will not be created in a spontaneous way only. A new research programme and a new publication series are urgently needed to accelerate and promote this process.

4. The demand for this new geography is generated not only by the internal forces of academic and

educational communities. It is also generated by the public opinion at large and by the international business and banking communities very much interested in the geographical interpretation of the past and future of Europe.

CONCLUSION

This report, prepared for the Colloquy in Roubaix organised by the Secretariat General of the Council of Europe, is not an example of an elegant product of conventional wisdom. There are many weaknesses and inconsistencies in it. However, a modest hope is expressed that this report may be used as a brainstorming input to the Roubaix Colloquy - and also that it will promote the discussion of the geography of New Europe seen as the Research, Conference and Publication Programme.

NOTES

1. R. Dahrendorf, *Reflections on the Revolution in Europe*. Times Books. Random House 1990.
2. Compare: *Der Spiegel*, July 6, 1992. *Der Krieg in Jugoslavien*. *Der Westen wacht auf*.
3. Lord Skidelsky, *Keynes here, can I help you?* *Weekend Financial Times*, April 4/5, 1992.
4. In the Polish Journal *Rzeczpospolita*, June 15, 1992.
5. Compare: A. Kuklinski, *Efficiency versus Equality: Old Dilemmas and New Approaches in Regional Policy*. Research Paper No. 8. European Policies Research Centre. University of Strathclyde. *Regional and Industrial Policy Research Series* 1990.
6. Compare: F. Archibugi, *The Resetting of Planning Studies* (in) A. Kuklinski (Editor), *Science and Government Series*. Vol. 2: *Society - Science - Government*. Warsaw 1992.
A. Kuklinski, *The future of strategic planning in Central and Eastern Europe*, Palermo Conference, September 1992.
7. A. Bressand (Editor), *Project Prométhée Perspectives* No. 20. Prométhée, Paris, April 1992.
8. A. Bressand, *op. cit.* - the papers of C. Distler and A. Kuklinski.
9. Compare: A. Kuklinski, *op. cit.*, footnote 5.
10. Y. Dror, *Grand Policy Analysis*. Presidential Address Paper. Policy Study Association Annual Meeting. Washington D.C., August 1991.
11. Compare: *Regional Science - Theory and Policies*. *International Social Science Journal* Vol. 112, May 1987.
12. This is a new formulation of some older ideas developed in 1990, jointly with Dr. Wolf Tietze, Editor-in-Chief, *GeoJournal* Helstedt, Germany.

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL, POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

SOCIO-POLITICAL CHANGES IN CENTRAL AND EASTERN COUNTRIES: TERRITORIAL AND ECONOMIC REPERCUSSIONS AND TRANSFORMATIONS IN EUROPE

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BONN

1. INTRODUCTION

The Single European Market is planned to take effect as of 1 January 1993. On the one hand, the "Danish objection" to the Maastricht treaty, the French veto against a common value added tax, and the debate about the practise of the Cohesion Fund, among other things, are signs of the fragile nature of further steps towards European integration. On the other hand, the transformation of central and eastern Europe, the "enlargement" of the Community as regards East Germany and the alignment of the EC with EFTA member countries render feasible a common and, for a large part, united market - a situation unprecedented in history.

The reform process in central and eastern Europe is a major issue of social, economic and environmental concern. From a regional perspective it offers opportunities but it also involves risks and gives rise to fears.

Expanding European markets may contribute to growing wealth. However, it is often feared that the more wealthy regions increase their profits whilst the others continue to suffer from traditional weaknesses. If the positive effects of East-West integration were limited to regions which are close to the "centre of events", the position of most peripheral regions would deteriorate even further.

With regard to regional development potentials and bottlenecks in the Community, much will depend upon the nature of relationships between the EC and central and east European countries. If flows of capital, goods and services increased in an open pan-European economic space, all parties concerned could reap benefits. An implication of this process is, for instance, that regional restructuring will have to be accelerated in the Community and instigated in central and eastern Europe. Only on this basis can the existing prosperity gap be narrowed and massive additional migration into the EC avoided.

Against this background, the present paper first sets out the main issues of concern from a regional perspective, such as migration, the market, generation of wealth, transport, communications and the environment (chapter 2). Then scenarios of future prospects are discussed (chapter 3). Finally the results are summarised and prospective conclusions are drawn (chapter 4).

2. THE ISSUES

Globally, the issues and questions of concern from a regional perspective are:

Migration: will there be a massive inflow of population from central and eastern Europe?

Investment and the market: will investment shift away from the focal regions of EC structural fund interventions in favour of central and eastern Europe? Will the huge central and eastern European market compensate for losses in direct investment in EC regions by boosting exports of EC producers?

Generation and distribution of wealth: will additional wealth be generated as can be assumed from an expanding and increasingly homogenous market? How will the additional wealth be distributed among the regions of the Community and central and eastern Europe? Will there be new interregional competition or complementarity?

Transport, communication and the environment: can the networks needed in an integrated pan-European economic territory be made available in due time and be of a sufficient standard? Will the redirection of flows of goods and services which is necessary in the framework of an open East-West-European territory be to the detriment of the environment?

These issues will be discussed in more detail in the following sections.

2.1 Migration

The abolition in April 1991 of compulsory visas for people from Poland has led to substantial additional migration to West Germany. In the Federal Republic, East-West migration has not come to a halt; Italy experiences problems with regard to migration of people from Albania, etc. In a pessimistic scenario there will be massive migration from central and eastern Europe to the more prosperous countries in the West.

Basically, migration from central and eastern Europe will only diminish if economic and social conditions improve. Therefore, much will depend upon the scenario of future development.

Traditional neo-classical analysis suggests that the impact of immigration would be to force down wages and so increase the demand for labour. In the long run, the full employment which existed previously, which is the natural outcome of an economy operating on a neo-classical theory, will be re-established with greater employment and greater production.

However, the arrival of labour with no effective demand will not itself generate sufficient demand to ensure its own employment. In the light of the state of

dependency which characterises the work experience of migrants from central and eastern Europe, the latter is very unlikely.

In a global perspective, migration from the East to the West is a sensitive political issue. However, the real problems are mostly felt at regional and local levels. Additional massive immigration would put heavy pressure on regional labour markets and the socio-economic fabric. Therefore, all regions concerned must have a vested interest in an open pan-European space.

2.2 Investment and the market

The central and eastern European countries are in urgent need of direct investment. For EC producers, one reason to invest in the East is the low cost of labour. Another reason is the new market which, however, is in need of development. Incomes in central and eastern European countries must rise, otherwise direct investment will lead to shrinking production capacities in certain Community regions while market expansion will not lead to additional added value.

2.3 Generation and distribution of wealth

Even on optimistic assumptions, the existing prosperity gap will last for a long time. This can be seen from the table on the next page.

Depending upon the pace and the direction of future developments, the Single European Market and the reform process in central and eastern Europe may result in an era of growth and cohesion of the social and economic fabric, just as well as in a continent of aggravating disparities between the rich and the poor. From a regional perspective, a process of cumulative segmentation may occur, or - on more optimistic assumptions - a process of growing cohesion and wealth.

2.4 Transport, communication and the environment

An open economic space cannot happen overnight. The existing transport and communications infrastructure is not suited to the new orientation of communication and transport flows.

In the EC, France (and probably Spain) has the longest record of centralism and experience of the costs and efforts necessary to implement the infrastructure, the administrative capacities and policies needed to redirect

Annual growth rate in central and eastern Europe¹ which will ensure equal GDP per capita in EC countries and eastern Europe²

Initial GDP in central and eastern Europe ³	Period of adaption (years)					
	15	20	30	40	50	60
	- per cent per annum -					
50	7	6	5			
40		7	6	5		
30			7	6	5	4

¹ Excluding former Soviet Union, Albania and former Yugoslavia

² It is assumed that the growth rate in EC countries is 2.5 per cent per annum

³ Percentage of EC average GDP per head.

Source: Danish Institute, Empirica.

flows of investment and to ensure balanced economic growth.

Despite substantial efforts towards decentralisation, it is still easier to get from Limoges to Paris than from Limoges to Rennes. It takes six hours by train from Bonn to Erfurt in East Germany, while it only takes slightly more than three and a half hours from Bonn to Freiburg, which is about the same distance (450 km). These examples may illustrate the problems involved and the amount of time needed to construct or reconstruct, for instance, the traffic links and networks needed to connect eastern and western Europe.

Moreover, it seems unlikely that the necessary links can become operational on the basis of traditional logistics and means of transport. On the one hand, most transit areas are either highly populated or inaccessible. Additional transport links would therefore be very costly and time consuming. On the other hand, environmental concerns can no longer be ignored. While the restructuring process in central and eastern Europe may facilitate improved environmental conditions, increased quality transport may well be detrimental.

3. FUTURE PROSPECTS - SCENARIOS OF PROBLEMS AND POTENTIALS

Europe as a whole can only take advantage of the opening of central and eastern Europe if trade and the exchange of capital, goods and services increase; that is if there is growing reciprocity and integration between

the East and the West. Successful integration is not a one-way street. The cushioning of local producers on either side leads to serious distortions, not only with regard to the competitive position of those concerned, but also with regard to the social cost borne by them.

Growing integration must be based on the full utilisation of comparative advantages in the EC and central and eastern Europe. Only if full advantage is taken of competitive strengths can both parties benefit from the generation and distribution of additional wealth.

This implies, for instance, that production which can be achieved more cost-effectively in central and eastern European regions than in Community regions must be located there instead. To avoid painful adjustment processes in the long term it is wise to facilitate and accelerate restructuring and technical progress.

Without accelerated technical progress, the Community risks falling back into the position held long before the Single European Market, cushioning local producers in certain industries, thus re-establishing the Fortress Europe which has been reduced in recent years. Moreover, this implies that industries try to prolong the life cycles of their products. Thus necessary investments in innovation are reduced. As a consequence, the EC risks losing competitiveness and market positions in the medium to long term.

While it was, however, feasible in the past to internally stabilise the European Community on the basis of subsidies and protection of local producers, the present situation is somewhat different.

With regard to central and eastern Europe, the choice for the EC is one of protectionism with the consequence of massive inflows of migrants or of open integration with the underlying necessity to accelerate restructuring and technical progress inside the Community.

From a regional perspective the competitive position of the various regions is of crucial importance.

Regional competitiveness means more than mere export potential. It is determined by a host of factors. Following a broad interpretation of the term given by the German "Council of experts" (*Sachverständigenrat* - comprising the directors of the major German public economic institutes), competitiveness implies that:

- a region is able to make use of employment opportunities and to intensify employment in a process of development;
- the range of production and products diversifies;
- incomes and added value increase at least at an average rate and that, at the same time, trade relations (exports and imports) with other regions expand, contributing to the division of labour;
- the region, in line with its specific conditions, plays its particular role in the economy especially with the target of full employment.

Regional competitiveness must be seen as a process: regions with particular forms of dynamism, manifest through a number of very different factors, may maintain or attain a position superior to others. Regions may hold such a position by consolidating comparative advantages and creating an attractive setting, and by identifying promising trends and offering the conditions necessary for structural adjustment such as adequate infrastructure, skilled labour and value added services. Regions may attain such a position by ending the process of concentration and aggregation of obstacles to growth and by launching a dynamic and progressive development. To achieve this, it is necessary to overcome certain rigid, traditional patterns of behaviour, selectively to activate and mobilise initiatives which are apt to dissolve unwieldy and inadequate structures in the long term. Thus competitiveness implies adaptability in the process of economic development while basic objectives of economic policy are retained. (See Wolfgang J. Steinle: Regional Competitiveness and the Single Market, in: Regional Studies Vol. 26.4, 1992, p.311).

3.1 Problems: fragmentation and dualism

In the longer term, future developments in central and eastern Europe may range from disastrous poverty to

growing wealth. In this respect much will depend upon Community policies *vis-à-vis* these countries. However, *ceteris paribus*, developments in the East will affect to varying extents the Community and its regions.

Fragmentation and dualism will occur if central and eastern European countries take the path of development illustrated in the following paragraphs.

With regard to the East, in the case of economic isolation, developments towards a market economy would result in a zero score. Factors favouring this bottom line for future developments are for instance the persistence of previous structures. The socio-economic fabric lived and practised over a long period of time has led to certain patterns of behaviour and continues to characterise economic performance. For example, storage management has always been non-economic in western terms: due to sluggish production and distribution systems, all kinds of spare parts were ageing. Moreover, the lifetime of machines usually exceeded depreciation. While reinvestment was at a low level, machines were old and required expensive repairs. This in turn led to increasing costs, diminishing gross margins and hence reduced productivity. Re-learning a different economic style and adapting to the economic turn is a process which, in a "closed shop", may be jeopardised by persisting and perhaps growing influence of old political forces.

External factors favouring future developments towards isolation could be, for instance, the so-called Fortress Europe, that is the hindrance of free trade due to supply monopolies, regulated markets, etc. Consequently, the central and eastern European countries might monopolise export and import again to protect national firms. Adjustments would be painful, improvements would be achieved slowly and only in few areas, thus leading to sharp dualism. Economic impact might be characterised as follows:

- striving for self-sufficiency, freezing old structures, keeping production at low levels, neglecting comparative advantages;
- insufficient generation of added value and lack of specialisation and diversification;
- deteriorating competitiveness.

This scenario, on the demand side, implies relatively small purchasing power and slow adaptation to usual composition of demand (savings, long-term investment, nutrition and other everyday expenditure).

On the supply side, increasing deficits due to pressure on prices and, for instance, price dumping practices with

regard to foreign trade would occur as a consequence. Due to low demand elasticities for eastern products, prices on all markets might drop sharply for eastern producers. As is the case in the former GDR, the situation would be aggravated due to deterioration and abolition of the previous state-owned trading system. In addition, monetary problems and the consequential balance of payments ought to be considered. These might give rise to additional supply-related problems and serious bottlenecks on the demand side.

3.2 Potentials: the open economy

In the longer term, only open economic systems on both sides would generate benefits which outweigh risks.

The aim and necessity of self-sufficiency would disappear due to increasing trade links of input and output and thus unlimited availability of commodities. Structural changes might occur and favour vertical integration. Concerning agriculture, farm sizes would be adjusted, marginal land would be abandoned and crops cultivated in optimal locations. Regions would concentrate on products and branches in which they have a competitive edge internationally, and import products which are produced more cheaply in other regions.

If the path towards open economies is seriously followed by all parties concerned, the potential benefits accruing to central and eastern Europe and the EC would be greater than in a scenario of deteriorating cohesion and national or regional egoism.

3.3 Likely paths of future developments

It seems unlikely that either the optimistic or the pessimistic scenario will become true for the entire territory of central and eastern Europe. Moreover, it is not the function of scenarios to predict the future but to deliver coherent pictures of possible future developments. The following assessment of likely future developments, as a consequence, is to be seen as a statement in the light of analytical evidence rather than as the result of such evidence.

According to an expert study conducted during August and September, the situation of progress in political reforms in Central and Eastern Europe is as follows:

RANK	COUNTRY
1	Hungary
2	Poland
3	CSFR
4	Bulgaria
5	Romania
6	Baltic States
7	CIS

(source: Empirica)

Likely developments in the medium term will probably show three - partly overlapping - tendencies:

1. relative normalisation;
2. islands of positive climate and growing wealth;
3. other parts of central and eastern Europe which will continue to suffer from deprivation and political instability.

The extreme situation of former Yugoslavia may easily occur in other eastern areas. Critical regions are, for instance:

- the Russian-Romanian border region;
- several regions inside the CIS, eg. Königsberg.

In contrast, islands of stability and growth are most likely to remain, for instance:

- Hungary;
- the Lemberg region (Ukraine);
- Prague, the (Czech regions bordering Bavaria and Saxony and perhaps the entire Czech Republic);
- parts of the Baltic States, of the Ukraine, and of Bulgaria;
- Transylvania (Cluj) in Romania.

With regard to the Community, these possible trends lead to a situation of partial integration, with additional competition on product markets in some regions and new trade potentials in others. To illustrate some specific cases, the following table displays selected examples of interregional competition on product markets.

EXAMPLES OF INTERREGIONAL COMPETITION ON PRODUCT MARKETS

MARKETS	EXAMPLES OF EC REGIONS	EXAMPLES OF CENTRAL AND EASTERN EUROPEAN REGIONS
Agriculture		
sugar	Southern France	Czech Republic (outside Prague)
wheat	Northern Germany	Poland
goat's cheese	Greece, Southern Italy	Bulgaria
poultry	Netherlands	Poland, Southern Hungary
paprika, peperoni, olives	Greece	Bulgaria, Hungary
beer	Upper Bavaria, Düsseldorf	Pilsen (Czech Republic)
Manufacturing		
timber	Veneto, Detmold	Siberia
textiles	East Germany, Champagne-Ardenne, Toscana, East Midlands	Poland
iron, steel, charcoal	East Germany, Arnsberg, Lorraine, Nord-Pas-de-Calais	Krakow, Katowice (Poland)
cars/vehicles	Northern Spain, Piemont, Haute Normandie, Franche Compté, South West (U.K.)	Boleslav (north of Prague)

4. SUMMARY AND CONCLUSIONS

As a matter of principle, the pan-European integration process can only lead to growing prosperity if there is an acceleration of restructuring and technical progress in the EC regions. The vicious circle of underdevelopment could be broken if all parties concerned relied on their particular strengths.

A precondition for a successful pan-European economy is the full utilisation of comparative regional advantages. Artificial or politically-introduced barriers to an open East-West economy would lead to serious distortions with severe negative impact in the medium and longer term.

From a regional perspective, the opening of central and eastern Europe requires additional efforts to improve the competitive position of the less developed and declining regions.

Growing trade surpluses in the EC without simultaneous exports of capital and know-how would jeopardise the pan-European integration process. The export of capital will most seriously affect those EC sectors and regions which are in direct competition on product markets with central and eastern Europe. It will affect them directly because of their economic orientation which in many cases incurs direct competition with central and eastern European regions. It will also affect them indirectly by capital exports from the more prosperous regions of the Community which are transferred to the East, mostly so to the detriment of the less developed EC regions.

In this perspective, the EC risks cushioning local producers with massive immigration from the East as a consequence. The choice for the Community is one of protectionism, fragmentation and sharp regional dualism or of accelerated regional restructuring in an open pan-European economic space.

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

SOCIO-POLITICAL CHANGES IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: TERRITORIAL AND ECONOMIC REPERCUSSIONS AND TRANSFORMATIONS IN EUROPE

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I. BACKGROUND

The new political situation in Northern Central Europe has activated the discussion on new directions for co-operation between the states and cities bordering the Baltic basin. The primary reasons are economic - new markets are opening up. Along with this development a new regional structure of the Baltic basin is emerging. New connections between cities and regions will be established across the national borders. Cities and towns will adopt new roles in the framework of the international division of labour. Under these circumstances the need for international co-operation in the field of regional planning is evident.

On the environmental side, co-operation for the protection of the Baltic marine environment has longer traditions. At governmental level, this co-operation has been organised through the Helsinki Commission.

II. VISION AND STRATEGIES AROUND THE BALTIC SEA

Conference at ministerial level in Karlskrona, Sweden, August 20-21, 1992.

Aims of the Conference

In August 1992, the Baltic Institute in Karlskrona arranged a conference on behalf of the Swedish

Ministry of the Environment and Natural Resources, with the aim of starting a joint process of strategic development planning in the regions around the Baltic Sea. The expectation is that this "Strategic Baltic Planning" will be elaborated by the States and regional authorities in the area in co-operation with universities, business circles and other actors. The Swedish Minister for Physical Planning, Mrs. Görel Thurdin, has put forward the following aims:

"It is my hope that such a plan, when completed, will be of use to all decision-makers around the Baltic Sea as a tool for identifying priorities in the public as well as in the private sector, regarding the planning of the use of our natural resources and the need for investments for our future environment.

I would like to see this work carried out as a true joint Baltic project, involving partnerships between governments, regions, counties, municipalities as well as universities, organisations and the business sector. Together we should try to stimulate and participate in the gathering of information required in order to provide us with challenging scenarios of the physical plans needed for the development of our region." (...)

"Your presence at the Karlskrona Conference will be of the greatest importance to give this initiative the political backing it needs to become an instrument in the rehabilitation of the economies of the Baltic region,

and in particular those of Russia, Poland, Estonia, Latvia and Lithuania."

This planning work will concentrate on identifying the consequences that the integration of the EC countries will have in the Baltic Sea area and on developing a strategy designed to take advantage of the economic, cultural and social potential of the area. This planning shall be geared to corresponding work in the EC Commission, which has already resulted in the document "Europe 2000: Outlook for the Development of the Community's Territory". Strategic Baltic Planning will aim at the year 2010.

Denmark and Germany (Mecklenburg-Vorpommern only peripherally) have contributed to work on "Europe 2000". The experience of these countries could benefit the work on Strategic Baltic Planning. The fact that Denmark and Germany belong to both the EC and the Baltic region could facilitate integration between the other countries in the Baltic region and the EC.

Draft Conference Programme

The conference did highlight the connections between the countries and regions around the Baltic Sea, both in the past and for the future. Based on this perspective, it did suggest areas where concrete co-operation between the countries could be initiated, as an important step towards a common strategy of co-operation and assistance. The following structure was suggested for the conference.

1. Ideas and visions for the Baltic Sea region in the future

- Economic potential
- Cultural potential
- Social potential

2. Themes and issues for co-operation

- Basic demographic, economic and cultural conditions
- Environmental and natural resource conditions
- Infrastructural and spatial connections
- The urban system
- Regions with special conditions

Conclusions of the Karlskrona Conference

- There is a consensus among the participating countries and regions that a document "Vision and strategies for the Baltic Sea Region 2010" should be worked out in common. The basic document elaborated by the Baltic Institute in Karlskrona has been considered as a useful starting point for the drafting of a spatial development concept for the area.
- On the basis, *inter alia*, of the Conference in Karlskrona, a first report on the work should be presented as the basis for political guidance at a second Conference at ministerial level in Poland in 1993.
- Each country/region undertakes to furnish the necessary national spatial, economic and ecological plans of interest for the Baltic Sea region.
- Close contacts will be maintained with the Baltic Council, Helcom, the Conference of Transport Ministers of the Baltic Sea Region, the Commission of the EC, the Nordic Council and other relevant international bodies. Duplication of work should be avoided.
- A group of focal points from interested countries and regions is set up which will monitor the work on the final report. The Baltic Institute will organise a first meeting, where the group will decide on its own working methods.
- Sweden undertakes to assure secretariat functions of the group of focal points through the Baltic Institute in Karlskrona. Other costs for the work are in principle to be assured nationally.
- The special problems and needs of countries and regions in the process of developing social market economies will be borne in mind and efforts to facilitate their full participation should be made, for example through grants, special training programmes, co-operation in the field of national spatial development policies, etc.
- Countries and regions may undertake special studies in areas of interest to the Baltic Sea region and open for participation by other interested countries and regions. Information on this work will be shared with other countries and regions through the Baltic Institute.
- The importance is underlined of involving governmental and local authorities, economic circles and business administrations, universities, governmental and non-governmental organisations, etc, at all levels in the work.

III. THE BALTIC INSTITUTE: KARLSKRONA, SWEDEN: COMMENTS ON THE THEMES AND ISSUES FOR CO-OPERATION

Basic demographic, economic and cultural conditions

- Some 65 million people live within 300 km of the Baltic Sea coast. The Baltic region - defined as Denmark, Norway, Sweden, Finland, Estonia, Latvia, Lithuania, Poland, the St. Petersburg, Carelia and Kaliningrad districts of Russia and north east Germany (Schleswig-Holstein, Hamburg, Mecklemburg-Vorpommern and Berlin) - would contain around 95 million.
- Along the coast of the Baltic, nine languages (and many dialects) are spoken. There are notable language barriers in the region, but for centuries many cities have had multilingual traditions. Today English is often used as the language of communication in the region, although it is not one of the indigenous languages. A more widespread knowledge of the region's own languages - primarily German and Russian but also Polish and Swedish - would strengthen cultural and commercial exchange.
- Regions with different religious traditions can also be defined around the Baltic Sea: regions dominated by the Lutheran, Roman Catholic and Russian Orthodox traditions.
- The combination of cultural diversity and unity around the Baltic Sea offers an interesting potential for cultural exchange and co-operation within the region and a strong cultural position in relation to other European regions.

Environment and natural resource conditions

- The environmental and ecological problems in the Baltic Sea and its drainage area are most urgent. Effective measures must be taken in the near future in order to solve these problems, and it is self-evident that all development plans must be drafted with an ecological perspective. Ecocycles must be established to conserve natural environmental qualities, ensure sustainable development and maintain a balance between urban and rural areas. It is important to analyse the general conditions of the Baltic Sea as an ecological system as well as land use around the sea and in its drainage area.
- The Baltic Sea is surrounded by large agricultural and forest areas. Together with different mineral deposits, these have traditionally formed a base for

commercial and industrial life. Traditionally, shipping, trade and fishing have also been of importance in the region.

These foundations will also be important in the future, but they must be supplemented with competitive factors such as skills, a high level of education and socio-economic development and good infrastructure. Today, Germany, Denmark, Norway, Sweden and Finland have advantages in these areas, while Russia, the Baltic States and Poland will have good potential in the future.

Infrastructural and spatial connections

Infrastructural and spatial connections include transportation of goods and people by road, rail, air and sea, on the one hand, and information systems, telecommunications, energy and water supply, etc, on the other. The transportation system is of great importance in defining different kinds of regions, the "hinterland" behind harbours and the role of different cities in the urban system as a whole. It is important to identify "missing links" in the infrastructure system, such as the need for high-speed rail and road links along the coast of the Baltic Sea between Lübeck and St. Petersburg, new ferry links to the Baltic States and Poland from the Scandinavian countries and more effective telecommunications.

The urban system

- The urban system concerns the special potential of different cities in relation to each other, to the transportation system and to regions and countries. At local level the quality of life in cities together with infrastructure, education and research facilities and general conditions for commercial and industrial life determine the attractiveness of cities - and their regions.
- The quality of life includes such factors as cultural heritage, local identity, public transportation systems, urban design and architectural values as well as social services and the natural environment. Such qualities are also important for activities such as tourism and conferences.
- On the coast of the Baltic Sea today there are six conurbations with around one million inhabitants or more: St. Petersburg (the largest one with around 7 million inhabitants), Riga, Gdansk-Gdynia, Kobenhavn, Stockholm and Helsinki. The second rank of coastal cities includes Turku, Tallinn, Klaipeda, Kaliningrad, Szczecin, Rostock, Lübeck, Kiel, Malmö and Oslo. Other important harbour cities are Vyborg, Narva, Pamu, Ventspils, Liepja, Koobrzeg, Stralsund, Wismar,

Karlshamn, Karlskrona, Kalmar, Norrköping, Gävle, Umeå, Luleå, Olou, Pori and Kotka. Important inland cities like Schwerin, Vilnius, Petrozavodsk, Minsk, Warsaw, Berlin, Kaunas and Poznan are linked to the Baltic ports, and Hamburg is only 80 km away from Lübeck.

Different kinds of regions and centres

- Different kinds of regions can be defined around the Baltic Sea. On one hand, the different countries or those parts of the countries that are connected to the Baltic Sea. On the other hand, "hinterlands" behind the coast regions. Smaller regions can also be defined.

- The ports around the Baltic Sea have different roles. Larger ports are main gateways to European and overseas harbours, while other ports are of greater importance for the internal relations between the countries around the Baltic Sea or between the Scandinavian peninsula and the European continent. In many cases one port has several roles: for overseas and regional freight, for passenger ferries, for fishing fleets, etc.

- The Baltic harbours and cities both compete with and supplement each other. In Strategic Baltic Planning it could be useful to define special roles or niches for different harbours, cities and regions in order to make the best use of their special potential and to create dynamic co-operation between them. Strategic Baltic Planning should define aims of regional co-operation over national borders, where the special conditions of the different regions are viewed in a total "Baltic Sea region" perspective.

Regions with special conditions

Around the Baltic there are several small regions and districts with special conditions. Such regions include islands like Saaremaa, Hiimaa, Åland, Öland, Gotland and Bornholm, and frontier regions like Vyborg-Imatra, Narva, Valga/Valka, Frische Nehrung, Kurische Nehrung, Szczecin-Uznam (Usedom)-Wolin and the Öresund region.

Prospects

Strategic Baltic Planning will provide knowledge for planning at local, regional and national level in the different countries as well as for private enterprises formulating business strategies and for analyses of how

national sectoral decisions have an impact on land use in the Baltic Sea region. The future Baltic Sea region could be regarded as an economic and cultural group of countries, cities and districts that strengthen welfare development throughout the Baltic by means of a rich network of institutions, business circles, organisations and people at all levels of society.

IV. PLANNING CO-OPERATION WITH FINLAND AND KARELIA AND ST. PETERSBURG

The beginning of the economic restructuring in Russia is leading to a massive reconstruction of the infrastructure, to a change in housing policies and in land use management. To identify the major issues and concerns, the Ministry of the Environment of Finland engaged the consulting firm Soil and Water Ltd to carry out a study on the current situation of the housing and municipal services in the Republic of Karelia, Russia. The possibilities of Finland to help and find international support for plans made in the Republic of Karelia are being analysed. This work, carried out with discussions and interviews in Karelia, was ready in August 1992, and will soon be processed by Karelian and Finnish authorities. After this is done, the report will be used to set up possible common practical measures. The work is an attempt to find ways and means for locating the various activities in accordance with the environmentally best principles of land use.

Authorities of the Leningrad Region have initiated discussions on regional and environmental planning for the Isthmus of Karelia and St. Petersburg. Discussions are going on about the possibilities of Finland to support the implementation of such plans, as well as possibilities to exchange and compare experiences in regional and environmental planning systems. A good starting point for these discussions is the carefully prepared draft for an Ecological Plan for the Isthmus of Karelia, which has been done in the University of St. Petersburg.

New regional and local level contacts have also been established in the so-called "neighbouring-region" corporation. In the fourth meeting of the Co-operation Committee of the Provinces of Eastern Finland and the Karelian Republic, held in May last year, several subjects of co-operation and common measures were agreed upon. Both sides compare and exchange experiences in regional and local planning, building and housing issues as well as environmental questions, again taking into consideration the general European development.

V. HOUSING AND MUNICIPAL SERVICES IN THE REPUBLIC OF KARELIA

EXECUTIVE SUMMARY

Production and Services

Economic reform

Economic reform in the Republic of Karelia is based on applying the principles of a market economy. The process of preparing the necessary social and economic legislation is under way. The Karelian Parliament and Government have defined three main objectives for this economic restructuring: the role of Karelia as the most western part of Russia, the standard of living and the quality of life.

Karelia's development is guided by the Government's Seven Year Plan, 1992-1998. The main objectives are to be achieved by the following strategies:

- i. Improving the framework of the market mechanism
- ii. Striving for effective utilisation of existing productive resources and raising investment efficiency.
- iii. Improving environmental conditions
- iv. Improving social well-being
- v. Promoting productive, competitive and profitable private production, services and export.

Areas of co-operation

In the execution of these strategies, Karelia is emphasising privatisation of state-owned enterprises and organisations, reduction of restrictions on foreign direct investments and co-operation with the most promising foreign enterprises, investors and organisations.

Five areas of co-operation in the economic sector or private business opportunities are:

- i. Finland as an East-West gateway
- ii. Co-operation in environmental issues
- iii. Assistance in privatisation and both industrial and agricultural reform
- iv. Joint efforts in developing industries for the exploitation of natural resources

- v. Participation in the IMF's projects

Recommendations

Technical assistance is needed in the following areas:

- i. Privatisation and restructuring
- ii. Environmental issues
- iii. Production planning and execution including standardisation and quality control
- iv. Management training

Housing and Land Use Management

Housing

Housing production is decreasing, meeting less than half of the present need. The old-fashioned construction industry is unable to respond to the housing market's demands for a wider variety of housing types and a higher standard of quality in services and the environment. There is a need for improving the small-house industry, self-supporting construction and renovation. Privatisation will lead to the development of housing corporations and general management in housing.

Planning

A master plan and more detailed schemes are the main planning instruments. Planning problems are to be found in regional planning and in the change of urban development. The plans are subject to continual review. New strategic planning is needed for the use of natural resources, environmental protection, development of communications and the development of rural areas and land formation.

Land policy

There is a need to create new land policies, to improve real estate formation and registration and in general to develop land management. To create the basic structures for real estate management, the import of know-how is needed.

Recommendations

The main areas of co-operation and technical assistance are:

- i. modernisation of the construction industry

- ii. improvement of small-house production
- iii. renovation and protection of small-house areas
- iv. regional planning
- v. development of real estate management, maintenance and formation

Municipal services

Water supply

The major issue concerning the existing water supply systems is the poor quality of water, due mainly to the low level of purification processes and old equipment. An increase in ground water use would probably solve the problem in some areas. Although distribution network leakages were reportedly low, more emphasis should be given to the condition of the pipes. Financial management of water supply systems is poor. Water tariffs are far lower than production costs. Although many areas have a water metering system, these are poor and encourage the wasteful use of water.

Sewerage and sewage treatment

Sewerage systems and coverage closely follow water supply development. Construction is of a poor standard and it is obvious that sewer pipes have leakages causing the pollution of ground water. The lack of waste water treatment is, however, the major problem. Petrozavodsk, Sortavala and Kostamushka are the only centres which have biological treatment. However, none of them have any treatment to reduce nutrient content in the effluent. The sewerage system of Sortavala does not cover the old town and untreated sewage pollutes the nearby bay of the Lake Ladoga.

Solid waste disposal

The collection of solid wastes seems to function relatively well. Open collection drums, however, are a good breeding ground for various insects and rats, creating an obvious health risk. Disposal sites do not meet requirements and pose a major environmental risk to ground waters, surface and the environment at large.

Street network and drainage

Street network and drainage systems cover most of the intended areas, the major problem, however, being lack of maintenance.

Energy production

The centralised heating system is in principle a cost-effective and environmentally good solution. The quality of materials used and workmanship in the distribution network indicates that loss of energy through leakages and poor insulation may be a major concern. Small combustion units are not cost-effective and heavy oil is an expensive fuel. Combustion of heavy oil with high sulphur content in city centres without emission control equipment is a risk not only to the surrounding environment, but also to the population.

Recommendations

The poor standard of services is due to the lack of funds, proper materials and equipment. There is also a clear need for technical assistance (transfer of know-how) and support in the following areas:

- i. design of water and waste water treatment processes and solid waste disposal sites
- ii. use of ground water/artificial recharge of ground water
- iii. modern materials and equipment
- iv. quality of construction
- v. financial management of water and sewage utilities

Summary of proposed projects

Based on the review of issues and concerns, a total of ten projects and studies are recommended for urgent implementation. Their total value is US\$ 7.25 million. They are numbered from one to ten, but that does not indicate an order of priority. The headings of the proposed projects are as follows:

1. Campus of the University of Petroskoi
2. Human Resources Development Programme in Land Management
3. Land Management Development Programme
4. Development of Industrial Park in Sortavala
5. Renovation of the Old Towns in Sortavala
6. Water Supply Development in Karelia
7. Sewerage and Waste water Development in Karelia
8. Solid Waste Management
9. Improvement of Road Transport
10. District Heating.

CONCLUSIONS OF THE CHAIRMAN ON THEME 1 (a)

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

a) Socio-political changes in central and eastern European countries: territorial and economic repercussions and transformations in Europe

Overnight, the disappearance of the "iron curtain" has brought two completely disparate political and economic systems into close contact.

It has been or will be possible within a relatively short period of time to effect a rapprochement of the political but not the economic systems.

In the economic and environmental sphere we find:

a. in the countries of Central and Eastern Europe:

- a fall in industrial output mainly due to the collapse of the armaments sector of heavy industry; the traditional outlets have gone; Western products are preferred, despite the present tight financial situation;
- a badly damaged environment, requiring substantial investment in "de-pollution" (of soil, water and air) and a rethinking of current industrial practices; all these changes entail sizeable investment exceeding the financial capacity of these states at the moment;
- a radical overhaul of both the agricultural and the industrial production system is needed to contend with competition from West European products; unfortunately, ideas on improving efficiency, adapting to the market, taking the initiative and competing on the free market are hazy; there is, moreover a lack of modern infrastructure;

- unemployment, officially unknown before the changes, has appeared and is increasing rapidly;
- the service sector is weak, and there is hardly any basis for rapid expansion;
- the area in question is vast and national and regional situations vary greatly (with some areas catching up, and others still adjusting or lagging behind). These regional disparities resting on economic criteria are further complicated by the mosaic of ethnic groups;
- the population is growing and it seems likely that the lure of Western affluence may generate fairly large-scale migration.

b. In Western Europe:

- a pronounced slowing down of economic development;
- under-utilisation of industrial and agricultural production capacity due to a levelling off of consumption in Europe, difficulties in exporting to solvent countries and international competition;
- a worsening of unemployment with all its attendant ills;

- a tendency to become inward-looking, to take a more "regional" view of problems and attempt to solve them on that level (principle of subsidiarity);
- greater emphasis on environmental protection;
- real difficulties in reconciling the pressures of a free market open to international competition with the action needed to protect the environment more effectively.

In view of all this, what are the possible medium and long-term scenarios for the future of Central and Eastern European states:

- their integration in the European Community? This is at best a medium, but more probably a long-term possibility;
- their inclusion in a temporary transitional system, lying somewhere between the old one and free competition?
- a move towards a specific ad hoc system yet to be devised and set up? This scenario might perhaps be possible for a country like Russia.

During the transition, governments should be democratic - but also strong enough to come through this period, which will be long and arduous.

Any new balance in Europe will necessarily entail a transfer of wealth, unless current output can be increased substantially and fast. Can this be done, and is it compatible with the need to protect the environment?

Whatever the economic model chosen by the states of Central and Eastern Europe, it is important to avoid:

- isolationism in some states or regions, which is a particular danger after the break-up of the former USSR and the disappearance of COMECON;
- the exclusion of some states or regions from future economic development, since this would inevitably lead to migration and political tension;

- the predominance of states with strong economies, which might force other states to export their products at very low prices, undermining social harmony, environmental protection and fairness in the process.

Greater Europe will be able to live in peace in the next century only if it tries to distribute wealth evenly, if all its states are equally concerned to protect the environment, and if all its peoples agree to respect one another's culture, traditions and differences.

The more developed states will have to help the others, or at least do nothing to check their development. Unloading surplus goods from the west on their markets without contributing either capital or know-how would severely endanger the process of pan-European integration. The states which have opted for political and economic change will have to make a strenuous effort to repair the damage done in the past and set up a system capable of withstanding international competition in the future.

A long transitional period will be needed. The following priorities hold the best hopes for the immediate future:

- a. providing training for managers and future private businessmen, with special emphasis on the rising generation;
- b. pin-pointing regions where unemployment is a major risk (need to restructure arms factories rapidly) and regions severely handicapped by damage to the environment (emergency clean-up programmes);
- c. replacing central planning with sectoral guidelines and regional development programmes, and delegating powers to the regions;
- d. setting up economic and social structures based on partnership as a way of restoring that general trust on which the new regimes' stability depends;
- e. creating conditions conducive to citizen participation of all kinds and in all areas, in accordance with the principles of pluralist democracy.

THEME 1

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

b) The international dimension of European regional planning policies, particularly in North/South relations

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THE INTERNATIONAL DIMENSION OF EUROPEAN REGIONAL DEVELOPMENT POLICIES WITH PARTICULAR REFERENCE TO NORTH/SOUTH RELATIONS

Mr. Edgar PISANI
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President of the International Centre for
Advanced Mediterranean Agronomic Studies

Somebody's idea that East and South could be dealt with in the same way in terms of regional development, although the problems raised by the East and the South do not resemble each other in the slightest, is, I find, striking. Looking Eastwards, there is a unbroken stretch of land and thus a need for development that takes this continuity into account. Looking to the South, however, the continuity is broken by the sea, so that it is totally impossible to state the problem of regional development in the same terms. As this is the subject on which I am to speak, I would like to point out that, as a European, I feel just as much solidarity with my neighbours in the South as with my neighbours in the East. If the trend were to propel us towards greater solidarity with the East than the South, the ensuing risk for Europe would be not inconsiderable. I cannot imagine for a moment, the way I see things, Europe continuing to expand to the East as if the whole vast continent - which does not stop at the Urals - could one day be involved in European construction. European construction is a matter for twelve countries. It might stretch to fourteen or fifteen. I will state quite frankly that I have no desire for, and will put up a spirited fight against, the extension of European construction either as a Community or a union reaching beyond the Community's limits. Indeed, I think it is perverse that we are trying to introduce into our vision of the world and of ourselves the notion that the boundaries of the European Community might conceivably be shifted eastwards *ad infinitum*. Let me make myself clear. First, there is no political community, no human society that has only a symbolic and biological

relationship with its territory. Telling Europe that its territory is undefined, and that it can indefinitely be extended towards the east, is tantamount to depriving Europeans of their sense of territory. However, I would go even further and in doing so I would like to refer to a conversation I had, one that is not at all insignificant, with one of Mr Gorbachev's personal advisers. I gave him to understand that I did not agree with the notion of the "common European home", as I had the impression that the common home Mikhail Gorbachev had in mind could not possibly stop at the Urals as I could not imagine Russia giving up Siberia. To which my interlocutor replied: "But you haven't got it at all. The common home goes from Brest to New York via Vladivostok and not from Brest to Vladivostok as you seem to think." I then simply asked him whether this common home was not merely the North as opposed to the South, and whether the real explanation for the Gorbachev venture lay in this bid for Northern unity. Indeed, I think that Mikhail Gorbachev did what he did not so much in order to join the West ideologically, but rather to shift the East to the centre, as opposed to the "periphery" represented by the whole of the South. People who speak of Europe in an attempt to feign belief that there is no difference between the Community that is to be built and become powerful in the world - the world's battlefield - and the whole of Europe as a continent, are sowing confusion in people's minds and setting the stage for an extremely disagreeable future.

I will now move on to my second observation: if, on one planisphere, starting from the point where the American-Mexican border and the Pacific meet, we follow this frontier, then we pass through Detroit and Gibraltar, we cross the Mediterranean from West to East, we pass through the Dardanelles, we thread our way somewhere along the border separating the former Soviet Union from its Southern neighbours and if we include Japan as well as Australia and New Zealand north of this line, we end up with two halves of a world that are not totally out of balance. One would be called the North and the other the South for terminological convenience. But if we take this analysis further, we see that while the world's population has increased by one billion in the last 12 years, the increase has actually been 900 million in the South and a mere 100 million in the North. And if we continue the analysis, speculating about developments in the years to come, we see that the increase in world population will be another billion or so in the next 11 to 12 years, but that the increase will be 930 million in the South and 70 million in the North. Consequently, the problem posed by the East in terms of regional development and the organisation of relations and major infrastructure is posed by the South in terms of the movement of goods and people. The real problem that the Southern frontier has in store for our European future is whether we will take into account the co-existence, on both sides of a narrow lake we call the Mediterranean, of an ageing and wealthy population and a population that is getting younger and is poor. What choice will we make in the relationship we have with this other population, in the knowledge that the difference in the level of wealth is acceptable up to a point but that beyond that point it becomes unacceptable and leads to migration. It is the beginnings of this phenomenon that we are now witnessing. Italy, which did not have any immigrants as recently as 10 to 15 years ago, today has about one million immigrants from the Maghreb on its territory. Spain, too, with no immigrants 10 or 11 years ago, now has around 700,000 or 800,000, with a yearly influx of some 100,000. How are we going to cope - not with these immigrants, but with the phenomenon of contact between two great masses of people who have always been neighbours, who have always been partners and rivals? What stand do we intend to adopt on the problems of the development of the South, on problems of accommodating people from the South on our territory? On the one hand, the East presents us with a problem of regional development and on the other, the South presents us with a problem of opening up or not opening up our territory - a completely different problem. And I think that here we need to have the courage to deal with the problem not as though it were the result of the sum of individual migrations of people and families wanting to settle in the North, but in the knowledge that we are probably about to witness the development of a

phenomenon that is linked more to fluid mechanics than to the personal decisions of individuals. Whenever 100 babies are born in the world today, 13 are born in Africa. Whenever 100 babies are born in 25 years' time, in Africa it will be 22. This situation is thus problematic in political and human terms, as well as from the point of view of solidarity.

I would now like to turn to an area of reflection that is less fraught, less emotional, but just as serious, namely the Mediterranean seen as a relatively homogeneous natural environment exposed to the problems presented by the degradation of its environment. We are clearly witnessing climatic conditions that are not in keeping with the historical tradition of these regions. We have clearly been able and are still able to observe that the Sahara is currently spreading at a rate of several millions of hectares per year, through the progressive destruction of the natural cover. We are clearly faced with a serious predicament and, in many cases, the climatic changes we are witnessing are the result of the burden placed by man on the natural environment. When you think that people in the Niamey region had to go some 3 to 4 km to find firewood for cooking up until a few years ago, but that that distance is now 30 km, when you reflect on demographic developments in the Southern Mediterranean, consider the surge in urbanisation, in industrialisation, with the space it devours in tourist activity which in itself is destroying the natural environment, then it is impossible not to wonder about the future of the Southern shore of the Mediterranean and the burden human activities place on this region. The problem is, in a certain sense, one of regional development: how the situation is evolving, the foreseeable state of the plant cover, the likely condition of the natural environment in the Southern Mediterranean region by 2015 or 2025. To take a very specific example and provide figures: in 22 years' time, Egypt will have a population of around 100 million. Now Egypt's territory is 96% or 97% desert, only 3% to 4% of its surface area is or can be irrigated and urbanisation leads to the annual destruction of 1.5% of the Nile valley as a natural environment. How can we fail to take into account the implications?

I should also like to point out that the problems of the Southern Mediterranean are not a matter for the countries of Southern Europe alone. If Northern Europe shows no interest in Southern Europe and if this same Northern Europe does not show solidarity with Southern Europe in devising a policy for relations with the Southern Mediterranean, then Europe will erupt. We must convince Germany in particular that its destiny lies not only towards the East, but also in the South. We must convince Great Britain that its destiny is not only in the North or in the West, but in the South too. We have to recentre Europe on itself and ensure that the

whole of Europe shoulders the burden of European imbalances. If France were to lose interest in Eastern Europe and Germany in Southern Europe, European unity would be compromised for good. There would be no Europe.

Lastly, we must avoid regarding the Maghreb as different from the rest of Mediterranean Africa and the eastern coasts of the Mediterranean. Only if we think of the Mediterranean as a unit will we resolve the problem. The "5 plus 5" hypothesis, whereby five countries of Southern Europe would deal with the five countries of the Maghreb, is fraught with considerable risks.

A globalising approach to these issues must also be avoided: we cannot deal with the problem of the Mediterranean as though it were such in all sectors at the same time and in all geographical areas at once. The Arab world is not prepared to tackle the issue from this political point of view. When the Mediterranean is mentioned to the Arab world, it has the impression that it can detect the reemergence of Europe's ambition to dominate the Southern Mediterranean. On the other hand, when the issue is not globalised, when questions such as telecommunications or agronomic development are taken one by one, then the Arab world is drawn into the logic of co-operation without becoming politically blocked, seeing it as sectoral co-operation, free from political ambition, and not political co-operation.

To the East, the situation is different. Central Europe presents us, as men, citizens, Europeans, analysts, with a problem that is objectively different from that presented by the former Soviet Union. Why? Because the problems of Central Europe are culturally familiar to us, unlike those of the more distant Europe. It is therefore very tempting to say: "We must integrate Central Europe because it is culturally close to us." I would be inclined to reply: "But why doesn't Central Europe, especially now that Ukraine has broken away from the Soviet Union, form a community of Central Europe with which we might have privileged relations?"

It must also be said that Europe has to contend with managing a North-South imbalance on its own territory, which gives it a certain familiarity with the problem but at the same time presents a risk. The disparity between the richest area in northern Europe (Hamburg) and the poorest in southern Europe (Braganza in Portugal) in terms of per capita GNP is 1:14. It is thus apparent that the differences are already considerable within Europe and that ultimately we know very little about how to deal with this disparity: structural funds alone are not enough, despite the importance they are accorded, and we have witnessed and are still witnessing the emergence actually within Italy of Northern Leagues and the same tendency in Belgium. We are now faced with a

Europe that not only seems to be halting its progress towards unity, but also a Europe in which contradictions, mutual rejections, introspective tendencies, are resurfacing, no longer solely in the name of cultural identity but also in the name of avowed, declared, proclaimed economic and social interests. The problem is serious, and if we fail to solve it the crisis that the Community is currently undergoing cannot be overcome. Now, vague declarations of intent alone will not suffice. Very specific measures are needed. The North must come to realise that if it cares about Europe, then the Community tax levy must not remain at 1.5% but must go up to between 3% and 5% in order to make it possible to achieve a more balanced situation, without which there is no hope of harmonisation. For regional development means not only harmonising, but also narrowing the differences of destiny, attenuating inequalities in opportunities of access to comfort and to individual security. And I think this is a real problem.

I therefore feel - and I will close here - as much solidarity with the South as with the East. In my opinion, Europe cannot afford to be less concerned with - I am not saying concerned by - the problems of the South than the problems of the East. Nor will Europe become a true political and strategic reality unless it has a multidimensional capacity and has a presence in all directions. The issues are not, however, symmetrical; the problems with which we are confronted by our neighbour the East and our neighbour the South are not equal, especially in terms of regional development. We have to devise, out of the same concern for respect of the equilibrium we need, a solution tailored to the East and a solution tailored to the South in order to obtain balanced results between the East and the South.

Yet we should come to the assistance of Eastern and Southern Europe not out of generosity, but on the basis of a strategic and geopolitical calculation. I prefer aid that is based on objectivity to aid based on emotions. Secondly, I defend the right and duty to be selfish in politics. Let us exist, let us be strong, let us be calculating in helping, in creating, in avoiding the imbalances that threaten peace. That is a policy. But never let us be snared into basing a policy on generosity. I therefore plead my cause, something I feel very passionately about: I would be happier if the world were different, but it is not different, it is as it is. I say let us build a European Community which will make for equilibrium in the world, as the United States alone will not replace the strategic balance that used to exist between the Soviet Union and the United States, and in order to contribute to this equilibrium, encourage the development of our neighbours and eventually of others, let us build a world based on its own capacity to develop and organise, but let us not imagine that generosity is the solution to our problems.

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

THE INTERNATIONAL DIMENSION OF EUROPEAN REGIONAL PLANNING POLICIES, PARTICULARLY IN NORTH/SOUTH RELATIONS

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1. INTRODUCTION

The problem of the efficiency, effectiveness and optimality of regional policies and planning in an already widened Europe may be addressed from several angles. It is not inappropriate - rather it is highly advisable - that a technician's voice should be heard. It provides the opportunity to discuss the technical possibilities which now exist - be they statistical, econometric or mathematical - for better preparing and supporting our visions of a multiregional Europe with a very wide spectrum¹ and the decisions it is hoped will be taken, whatever the content of the choices made. Three major topics are covered below: regional policy analysis, its econometric translation, and finally its combination with policy option selection techniques.²

2. SITING FACTORS AND THEIR DYNAMICS

The multidimensional development of European regions - in which the dimensions are demographic, economic, and ecological variables, with their multiple sub-dimensions: age structures, activity structures, ecological systems - is based essentially on the presence - local, but relative (see below) - of what are

called location factors, or attraction-dispersal factors. This applies equally to population shifts (migratory, pendular), regional economic trends (creation and disappearance of businesses, employment trends, etc) and their ecological consequences. We shall not give a full list here: it is long,³ and includes, for economic activities, demographic factors (jobs on offer and qualifications required), accessibility to products, services and markets, physical factors (sites, energy, etc), but also institutional factors (regional policy and planning measures, ecological constraints) and sociological factors (attitudes of local authorities).

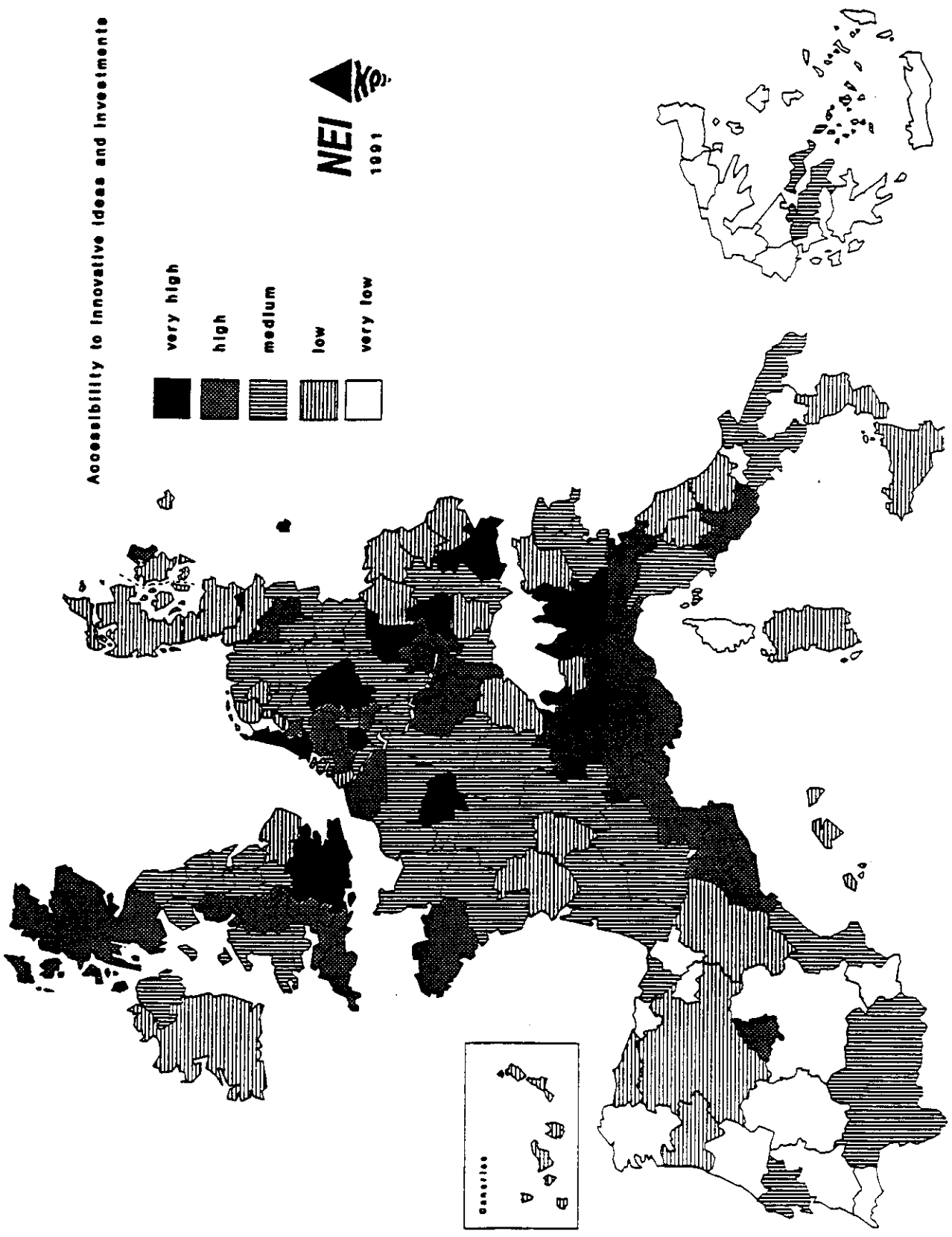
Table 1 and maps 1 and 2⁴ illustrate the uneven distribution of these factors in the regions forming the European Community, showing already an aggregation of factors that are of considerable importance when it comes to attracting high-tech activities: the distinction between "accessibility" and "receptivity" is borrowed from information theory, which says that a message can be conveyed only if there is a "line" to the information source and a "receiver" which functions adequately. Areas of concentration are clearly visible, and the report cited as a reference points to the dynamics of these factors,⁵ admittedly slow and long-term, but open to the influence of our regional policy measures - about which more will be said later.

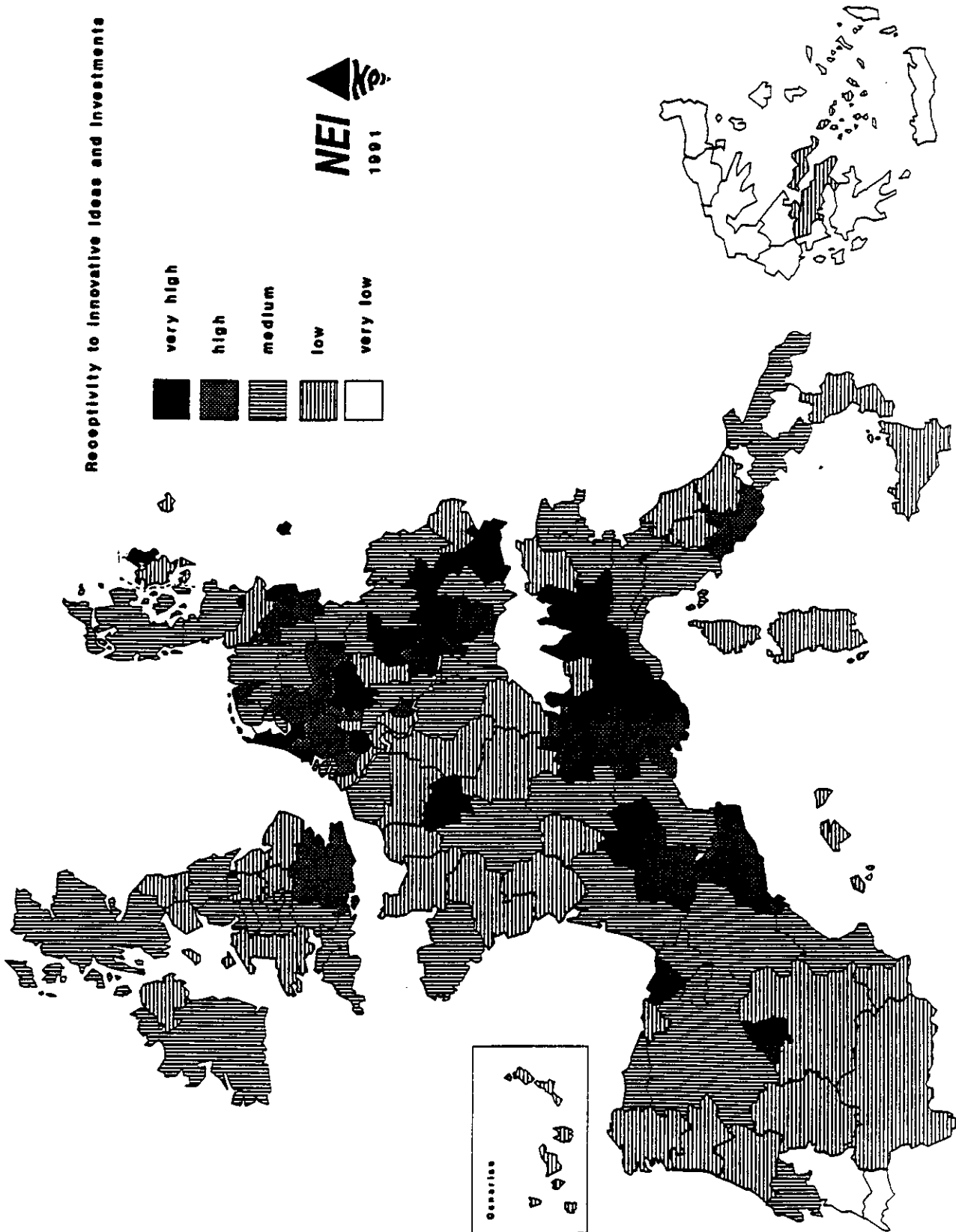
ACCESSIBILITY

	Very high	High	Medium	Low	Very low	
Very high	Köln Darmstadt Stuttgart Oberbayern	Hamburg Ile de France Noord-Holland	Bremen Utrecht Hovedstadstregionen	Mittelfranken		
High	Zuid-Holland Lombardia Düsseldorf Berlin South East	Rheinhesen Karlsruhe Hannover Rhône Alpes Provence A. Piemonte Lazio	Antwerpen Cataluna Madrid	Midi Pyrénées Gelderland Overijssel Groningen Luxemb. (GD) Amsberg Braunschweig Pais Vesco	Tubingen	
Medium		N. Pas de Calais Lorraine Alsace Bretagne Lang.-Rouss. North West West Midlands South West Scotland Liège	Liguria Emilia-Romagna	Weser-Ems Trier Munster Giessen Kassel Freiburg Schwaben Saarland Detmold Centre	Schleswig H. Oberpfalz Oberfranken Unterfranken Friesland Drente Flevoland V. Storebaelt Aragon Asturias Castilla L. Ireland	Navarra Rioja
Low			Koblentz Champagne A. Picardie Basse Norm. Haute Norm. Pays de la L. Bourgogne Namur Hainaut Limburg (B)	Luxemb. (B) Wales North East Midlands N. Ireland Andalucia Eastern Conti.	Luneburg Niederbayern Franche Com. Poitou Ch. Limousin East Anglia W. Vlaanderen Trentino AA Umbria Marche	Corse Cantabria Castilla M. Extremadura Murcia Galicia Centro
Very low					Central/ West Mac. Thessaly Eastern Mac. Thrace Peleponessos Epirous	Aeg. Isl. Crete Molise Basilicata Alentejo Algarve

R E C E P T I V I T Y

Map 1





3. REGIONAL ATTRACTION POTENTIAL

In pursuing this analysis, we do well to translate all location factors into terms of the chances, or probabilities, that economic activities will come to land⁶ at the various points in a reference area. This is where the use of econometrics in regional planning - which we have been advocating since the mid-1960s - plays a part, by "evaluating" location factors for various types of activities, since location requirements vary according to the activity examined, and may change over time (see for example CADMOS, 1991a, pp 28 et seq).

Chart 1 shows an example of how reaction to the "evaluation" works. We see that, for a given activity again, the probability of development increases with the value assigned to the various location factors. But it is important not to lose sight of one fact - and the difficulty here arises from the split between analysis and decision-taking -, namely, it is not just the factors actually present on the ground which matter (this was referred to above with the use of the term "relative") but also a number that are present elsewhere: availability of products, services, outlets for local production, research and development, skilled labour, etc. Hence the use of the word "potential", borrowed from physics, to describe all elements, the sum (of course weighted or, as we say, "regionally discounted") of elements of the same kind which are "accessible" from a given point. This leads on to an important principle in regional planning analysis, and the judgments that it involves: regional interdependence, which means that any action (and therefore regional policy and planning measures as well) taken in a given place will have regional repercussions "virtually everywhere" else. Hence - and rightly so - questions such as that asked by Houterman and others (1990) about the Randstad following developments noted in other parts of Europe: gateway or peripheral area?

The question arises again in connection with changes arising from the opening up of the single European market: we should expect concentrations rather than dispersals, which will certainly call for "corrective" regional policy and planning measures.

A word of clarification on this (L H Klaassen and J H P Paelinck, 1974). Regional planning - in the sense of "physical planning" - tends to change the

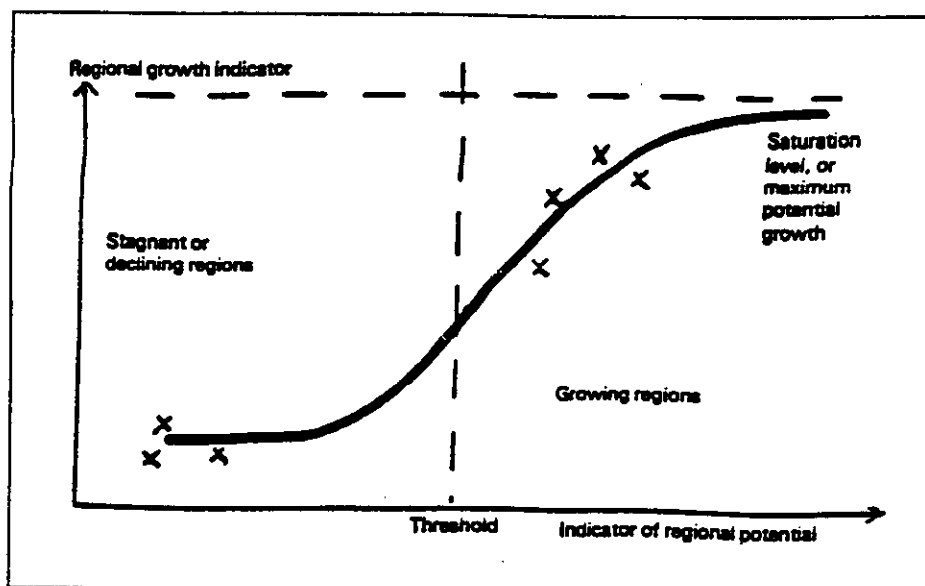


Chart 1

geographical distribution of certain elements in the composition of the planned geographical area (infrastructure, new towns, enterprise zones, etc); but in doing so, it modifies certain location factors and tends so to interfere with their natural interplay. The impact of regional policy measures is mainly felt in terms of factors that are economic and social, but - by influencing decisions that guide the geographical behaviour of human agents - will also modify reactions to location factors already present.⁷

This will eventually result in a complex set of regional dynamics which should not be allowed to drift off course; hence the following plea.

4. PLEA FOR OPTIMAL REGIONAL POLICIES AND PLANNING

Multiregional cohesion in the Europe of the large single market will require concerted, efficient and effective policy measures. This need became clear to us about a decade ago, and to meet it we developed a programme approach, based on the model briefly described above, designed to inform planning policy choices and decisions (J H P Paelinck, 1983).

Characteristic of this approach was the concept of a "regional growth threshold", which is incidentally implied by the model. This concept separates regions that are less well endowed with location factors (which are specific again to each type of activity) from more favoured ones. The idea was to design clusters of (regional policy and planning) measures which, at the lowest possible cost (this is the efficiency factor) would enable regions in the first category to cross the

Table 2

Regions	1950-60					1960-70				
	Infra-structure	Industrial supply	Supply of services	Regional policy	Urban-isation	Infra-structure	Industrial supply	Supply of services	Regional policy	Urban-isation
Valle d'Aosta	10.00	—	100.00	—	—	10.00	—	100.00	—	8.78
Trentino-Alto Adige	10.00	—	—	—	—	—	—	—	—	3.44
Umbria	10.00	—	—	—	—	10.00	—	—	8.10	—
Molise	10.00	—	100.00	—	—	10.00	—	100.00	—	7.52
Basilicata	10.00	—	—	—	—	10.00	—	—	—	5.92
Franche-Comté	10.00	—	—	—	—	10.00	—	100.00	—	—
Limousin	10.00	—	100.00	9.72	—	10.00	—	100.00	—	—
Corse	10.00	100.00	100.00	25.44	—	10.00	100.00	100.00	—	—
Fyn	10.00	—	—	—	—	10.00	—	—	10.92	—
Bremen	—	—	—	—	—	10.00	100.00	—	6.54	—
Saarland	10.00	—	—	4.86	—	10.00	100.00	—	—	—
Northern Ireland	10.00	—	—	—	—	—	—	—	—	1.74
Friuli-Venezia Giulia	10.00	—	—	—	—	10.00	—	—	—	2.10
Marche	10.00	—	—	4.86	—	10.00	—	—	—	—
Abruzzi	10.00	—	—	—	—	—	—	—	—	3.14
Calabria	10.00	—	—	—	—	—	—	—	—	2.44
Sardegna	10.00	—	—	—	—	10.00	—	—	—	2.44
Champagne	10.00	—	—	—	—	10.00	100.00	100.00	4.32	—
Basse Normandie	10.00	—	—	—	—	10.00	—	100.00	5.06	—
Poitou-Charentes	10.00	—	—	—	—	10.00	—	100.00	4.34	—
Auvergne	10.00	100.00	100.00	—	—	10.00	—	100.00	—	2.42
Languedoc-Rousillon	10.00	100.00	100.00	5.68	—	—	100.00	100.00	—	—
Nederland-Noord	10.00	—	100.00	—	—	10.00	100.00	100.00	—	2.78

threshold. The decision-influencing variables available for this demonstration exercise were as follows:

- infrastructure measures (improving accessibility);
- direct industrial investment;
- provision of services for economic activities;
- "traditional" regional economic policy measures (subsidies, loans, etc);
- measures to promote the creation of "urban" extensions (and hence receptivity).

Table 2 above shows the results of a simulation exercise. What is striking in this exercise, relating to two ten-year periods, is the predominance, in the first of these periods, of the "accessibility" instrument; the other decision-influencing variables are secondary, with the creation of urban extensions actually absent. In the second period certain infrastructure instruments disappear, and are mostly replaced by these extensions, which draw in technologically advanced activities in particular (J H P Paelinck, 1985). The general view - which still needs to be put forward cautiously, as further exercises are essential - is that measures to open up

"peripheral" regions (J H P Paelinck, 1981; J-P Ancot and J H P Paelinck, 1988) create the preconditions for their integration into the multiregional economic and social circuit. Only then can the conditions of receptivity to modern activities which draw in growth and development come about.

The model on which the exercise was based incorporated the multiregional potentials mentioned above, and so took account of the interregional integration of the system. Furthermore, given the nature of the planning model grafted onto it, the inclusion of ecological constraints (which had not yet occurred) should not in principle pose any problems; reallocations, and higher costs,

5. CONCLUSION

The above ideas are based on real figures, which shows that basic statistical information was available; it has incidentally improved since we conducted the exercise.

The problems of "North-South" cohesion will in future be accompanied by those of "East-West" integration

(H C Bos, 1991), but as yet the basic statistics are not quite suitable for tackling this problem with all the requisite subtlety and accuracy (CADMOS, 1991, pp. 69-70) and some caution is required in assessing shifts in the centres of gravity of economic activity (see R G A Koreneef and C L Turnhout, 1990, pp. 40 et seq).

Analysis tools exist, and techniques to aid decision-taking are progressing; constantly improving use of our policy instruments is in prospect for the Europe of the regions in the third millennium.

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NOTES

1. H de Keyserling, 1946
2. J-P Ancot and J H P Paelinck, 1990
3. See for example J-P Ancot and J H P Paelinck, 1986; NEI, 1992
4. Source: CADMOS, 1991, pp. 66-68
5. A comparison will be made between the data reproduced here, which applies to recent years, with older data; see J H P Paelinck, 1987
6. See examples in J H P Paelinck, 1991
7. T Padoa-Schioppa and others, 1987, p. 93

LIKELY REPERCUSSIONS OF THE REALITIES AND CONSTRAINTS OF THE INTERNATIONAL POLITICAL AND ECONOMIC CONTEXT ON REGIONAL PLANNING IN A GREATER EUROPE

THE INTERNATIONAL DIMENSION OF EUROPEAN REGIONAL PLANNING POLICIES, PARTICULARLY IN NORTH/SOUTH RELATIONS

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Through the Single Act, followed by the Maastricht Treaty, the Community has committed itself to stepping up the pace of European integration processes leading to the early creation of a single economic area. At the same time, it is seeking closer relations with its European neighbours through:

- the treaty on the "European Economic Area" with the EFTA member States
- association and co-operation agreements with central and eastern European countries¹
- the renewal of agreements with southern and eastern Mediterranean countries.²

The entire process is taking concrete form in the disappearance or reduced role of frontiers and will ultimately result in a restructuring of territories. After being fragmented for so many years by impermeable borders, Europe is being rebuilt along new lines.

1. THE IMPORTANCE OF TERRITORIAL DISPARITIES

From a territorial point of view, this restructuring drive reveals three types of problem:

- the scale of economic disparities, not only within the EC but also vis-à-vis many neighbouring countries in Europe and the Mediterranean basin;
- the barriers to the construction of trans-European networks resulting from the segmentation of procedures for creating and managing infrastructures;
- the growing importance of other disparities which are not economic in nature but also generate temporary or permanent imbalances.

1.1 Economic disparities

Within the EC, this problem is dealt with by the structural funds which channel two thirds of their commitments and three quarters of those available from the European Regional Development Fund to the poorest regions. The budget of the structural funds is the second largest after that of the Common Agricultural Policy (CAP). In the period 1989-93, the Community will have devoted over 63 billion ecus towards reducing disparities in development levels (with 41.3 billion going to the poorest regions, including former East Germany). At the same time, aid control policy aims to prevent disparities from reappearing at private investment support level.

The recent opening up of the countries of central and eastern Europe is revealing even greater disparities on

the level of "Greater Europe". Even the highly industrialised countries (Czechoslovakia, Poland, Hungary) have per capita GDPs which are less than half of that of the Community average. Today, the Strait of Otranto between Italy and Albania marks an incomes discrepancy which is one of the most blatant in the world. The contrast with southern and eastern Mediterranean countries remains substantial and is even growing in the western half of the basin owing to the progress achieved in Italy and the Iberian peninsula and the difficulties prevailing in North Africa.

1.2 Trans-European networks

The opening of frontiers, expanding trade and greater mobility of persons have highlighted the fact that infrastructure equipment has fallen behind substantially over the last two decades. While traffic rose by 25% between 1975 and 1984, investment fell by 22% at constant prices.

Despite brisk growth in international traffic, there is still a considerable gap between national planning and development strategies and the needs to be met, at a time when a growing proportion of our communal life is being conditioned by Community or European factors. The work carried out by the Commission within the framework of completing the internal market³ and the creation of European transport systems (TGV high-speed train, motorways, mixed transport, inland waterways) demonstrate the importance of this consideration in overall management.

Title XII of the Maastricht Treaty lays increased emphasis on trans-European networks and provides for the development of Commission initiatives, including those concerning European states outside the EC. New budget allocations will be provided to fund feasibility studies, loan guarantees and interest-rate subsidies for transport, telecommunications and energy infrastructures. The "Cohesion Fund", another principle laid down in Maastricht, will be reserved for transport (and environment) infrastructures in the four poorest member States.⁴ The Delors II package provides for new allocations in this area, both for European territory as a whole (900 million ecus in 1997 in the transport, telecommunications and energy sectors) and for the four member States which benefit from the Cohesion Fund (Spain, Portugal, Greece, Ireland, for transport and environment only).

The Community is also endeavouring to facilitate the overhaul or development of networks at continental level, taking in the needs of the countries of EFTA, central and eastern Europe and the Mediterranean basin. In accordance with the subsidiarity principle, the Community will concentrate its efforts on inland

transport (missing links, mixed transport), air traffic control, broad-band telecommunications networks and power distribution.

1.3 Other disparities

Analysis of territorial problems in Europe also highlights the growing importance of other disparities which are not economic in nature but also generate temporary or permanent imbalances. Handicaps stemming from geographical location (peripherality), relief (mountain areas) or the insular nature of the terrain are or used to be compensated for or balanced out under national policies which will be affected by the extension of competition rules connected with the completion of the internal market. The uneven spread of pollution is another source of disparity. The regions affected are not necessarily responsible (extent of pollution movement) and counter-measures are very expensive. The poor state of the environment acts as a brake on potential industrial conversion or coastal tourism.

To counter long-established or more recent weaknesses of this nature, the EC has already drawn up regional policy measures, in Community initiative programmes such as ENVIREG (environment), REGIS (the more remote regions) or under the CAP (measures in favour of mountain and hill farming). It also acts in a preventive capacity, stimulating transfrontier co-operation through the INTERREG programme, even before the completion of the internal market creates a Community without frontiers.

Clearly, then, the Community is already engaged, and not just through the structural funds, in territorially differentiated operations and is being urged to mount new ones, encouraging trans-European networks for example. These efforts are based on horizontal thinking and long-term views which go beyond the 1993 deadlines. Are they likely to result in explicit territorial strategies or point the way towards a European regional planning policy?

2. THE ABSENCE OF SPONTANEOUS ADJUSTMENTS - ANOTHER "COST OF NON-EUROPE"?

An initial response to this question would be to count on spontaneous adjustments induced by market forces. These forces are capable of funding major development operations where the latter are profitable, as demonstrated by examples ranging from the building of the railways in the 19th century to the Channel tunnel at present. However, they have tended to exacerbate rather than reduce the main territorial imbalances, although it had been thought that the "excessive costs of

concentration" would incite businesses to invest more profitably in less congested regions.

In fact, only one spontaneous adjustment factor has served to reduce disparities: population migration. But this has only occurred on a large scale in areas which were already homogeneous, such as the United States. It cannot play a similar role in Europe,⁵ where possibilities are limited, even by comparison with the 60s, when unskilled labour requirements in Northern and Central Europe encouraged population movements.

Furthermore, given that assets remain fixed and capital is written off over very long periods, the market cannot play the same regulatory role that it can have in other business sectors. Private operators find it difficult to take on long-term development work in a complex area where the conditions governing the profitability of the work to be carried out are highly erratic. Representatives of the private sector themselves, such as the round table of industrialists, believe that development is a matter for the public authorities which must exercise their prerogatives correctly so as to ensure that the economy runs smoothly. An economic policy study in the United States has reported that the productivity increase in the private sector would have been half as much again, had infrastructure investments in the 80s been maintained at the level of the previous decade. This could equally apply to Europe, which has experienced a comparable shift.

Without adequate policies, even the most developed regions cannot be sure of coping. They have enough funds, both to undertake the major development operations they need and to compensate for any negative effects in their problem areas using compensation and adjustment mechanisms, but they cannot easily solve problems of network inter-operability, pollution or congestion.

Peripheral regions need integrated networks more than other regions do, but they have far fewer means with which to create them, given the extra handicaps to be overcome (low budget allocations, the lost ground to be made up, excessive costs arising from low population densities, from relief or from the insular nature of the terrain). Implementation of the Community's environment policy might be considered as an unattainable luxury by the less developed regions.

"Second circle" countries,⁶ for which transit is a vital need, sometimes have difficulty in imposing their views in bilateral talks when, by definition, they are doing the asking and their needs are not priorities for neighbouring countries which have to accommodate their communications links.

Europe cannot be constructed as a major integrated whole without tough territorial strategies which ensure that regional/spatial planning aspects dovetail with economic development. If no joint efforts are made, Europe will lose an opportunity to develop the "nervous systems" needed by all its component states and to harmonise its objectives concerning growth and environment. It will have to pay - and pay dearly - for the territorial regulators which no major developed area, including the USA, has been able to do without to date.

3. THE FRAMEWORK FOR POSSIBLE ACTIONS

It would be logical, then, to pursue European construction in tandem with fuller consideration of regional/spatial aspects at Community level. Whether implicit (as in the USA) or explicit (in the form of a clearly defined policy), a European regional planning strategy reflecting a realistic blend of public efforts and reliance on the market must firstly take two major facts into account:

- the particular layout of Community territory and more generally the European continent makes these efforts more necessary but also more difficult,
- any Community policy will have to slot into the growing decentralisation process which has dominated regional planning efforts for over a decade.

3.1 The particular layout of Europe's territory

The combined constraints of geography and history pose the Community a unique set of integration problems: geographical segmentation; extensive peninsular and island areas; barrier effects of mountain ranges; nine linguistic areas (plus some ten further languages in general use at regional level). If the rest of Europe is included, linguistic diversity is even greater, increased by some 20 national languages.

Europe also presents numerous contradictions between how its territory functioned in the past and present and future technical and economic constraints. This issue is particularly crucial for the future of rural areas whose reshaping has to overcome planning and development problems which have no equivalent in the USA.

The EC cannot therefore follow the long-distance integration strategy which has engendered the cohesion and economic might of the United States. European territory is less open to adjustment than that of the USA or Canada where changes are made easier by the space available and the more recent state of development.

Europe's population densities are higher (a factor of 143 against 26 in the USA) and the impact of its heritage is more restrictive.

In view of the importance of the changes in progress or to come, it is therefore important that the authorities responsible make maximum use of the limited margin of manoeuvre open to them by equipping themselves as soon as possible with the instruments they need.

3.2 The impact of decentralisation and the diversification of protagonists

The European aspect of regional planning is also emerging in a context coloured by a greater number of protagonists, under the joint effects of decentralisation and the development of the partnership between public and private sectors. The way in which competences in matters of regional planning are divided out is extremely disparate within the Community, not only among national administrations but also among these administrations and local authorities. Although there are some points of convergence, particularly in regional development, the institutional framework is destined to remain heterogeneous on a long-term basis. It is not the role of the Community to interfere with this division of power.

It appears that the narrowing of the gap between the levels at which decisions are taken by users, citizens and businesses is not conducive to a high degree of involvement at supranational level. In fact, we must ensure that the European dimension is taken into account in the decision-making processes of the competent authorities, regardless of the geographical level at which they act, and that an area for Community action is defined in accordance with the subsidiarity principle and with our knowledge of the technical and financial conditions for supranational action.

4. COMMISSION INITIATIVES

These have been designed, with the above-mentioned constraints in mind, to form part of a gradual process. The regulations adopted in 1987⁷ called on the Commission to carry out pilot schemes and studies on three major aspects of regional planning, notably with a view to gathering the necessary data to form a picture of how Community territory was to be used in the future. The meetings held by the ministers responsible in Nantes, Turin, the Hague and Lisbon confirmed member States' interest in the approach taken by the Commission.

The objective of the "Europe 2000" research programme is to provide local authorities with the technical

information needed for the Community dimension to be taken into account in their actions. Knowing the future outlook, whether favourable or not, will make it easier to assess the margin available to operators and therefore define the actions to be undertaken on the basis of the competence granted to them.

The initial results of the research indicate the following trends:

- All member States are now destinations for immigration, mainly for third country migrants. A fairly high number of disadvantaged regions also have a positive migration balance despite continuing high employment.
- Increased company mobility is a factor which is both favourable (it can stimulate a wider spread of the industrial fabric) and a drawback (it can undermine the establishment of new businesses in disadvantaged regions, obtained in some cases with substantial public subsidies).
- A large part of the Community, suffering the consequences of inadequate investment in the 80s, will soon face problems in the operation of transport systems. There are not only the problems of opening up disadvantaged regions - central regions and also large suburban conurbations will become more and more congested.
- Environmental protection increasingly appears to be a major necessity for the whole of Europe's territory, with aspects ranging from the rehabilitation of polluted zones in traditionally industrial regions (particularly in the five new German *Länder* which were formerly East Germany) to the need for immediate action in the sensitive areas of peripheral regions (particularly coastal and mountain areas).

The next section of the "Europe 2000" work programme involves "transregional studies", carried out by groups of regions belonging to several member States in order to highlight the new opportunities resulting from the abolition of frontiers. An analysis covering 22 Atlantic regions in five member States will be available in the near future. Other studies currently under way (Mediterranean basin, North Sea, Alps and pre-Alps, centres/capitals etc) will gradually extend the study to the entire Community territory. A final set of studies will analyse the impact of changes in countries bordering on the Community (Scandinavia, Central and Eastern Europe, Mediterranean basin).

The development of an ongoing process of concertation may be envisaged in a second phase, once a solid technical basis has been defined from the study

programme findings. It will then be possible to select themes for which there would be a joint approach, to be negotiated among the parties concerned: member States, regions, groups of regions, each retaining its executive responsibilities within the framework of its competences.

With its existing commitment to this type of work, embodied in Community initiatives mentioned above, the Community will have to consider joint actions between regions belonging to several member States or joint programmes with a widespread regional impact, which would demonstrate the progress of European integration. Given the commitments made, particularly in the budgetary area, which take us up to 1993, these prospects will be open to consideration under the next

five year period (1994-98) and the arrangements which will be made by the Council to extend or reform existing texts.

Growing awareness of horizontal and in particular regional factors follows the logic of the Community drive relaunched in 1985. Europe's territory, which is increasingly perceived as a common asset to be enjoyed by all its inhabitants, is a relatively rare and fragile treasure. The development operations carried out in that territory are costly and the errors committed even more so. Oversights and inadequate investment are very expensive in the long term. That is why the Community must have the necessary means to take effective action in sensitive areas or assist the regions or States concerned to do so at the right moment.⁸

NOTES

1. PHARE programme
2. Decisions of 18 December 1990 aimed at redirecting the Community's Mediterranean policy, a 47% increase in financial protocols for the period 1991-96
3. Cf COM(90)585 "Towards trans-European networks, for a Community action programme", Brussels, December 1990
4. Spain, Portugal, Ireland, Greece
5. The mobility rate (population changing domicile each year) is nearly 20% in the USA and less than 10% in Europe. If we consider "inter-state" migration only, the disparity is even greater, this being partly due to the linguistic segmentation of Europe.
6. Ireland, Portugal, Greece and Denmark
7. Regulations Nos. 2052/88, 4253/88, 4254/88
8. The views expressed in this document are those of the author and do not engage the responsibility of the Commission of the European Communities.

THE DEMOGRAPHIC CHALLENGE POSED BY DEVELOPMENTS IN EASTERN EUROPE AND THE SOUTH

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1. INTRODUCTION

One of the several important challenges facing European society now and for the foreseeable future is posed by demographic change. Major alterations took place in both natural change and migration in Europe in the 1970s and 1980s, but current developments both within and outside Europe raise the prospect of yet more fundamental departures from past experience. The switch of several European countries from net emigration to net immigration, the change in emphasis from labour recruitment to various forms of involuntary movement, the upheavals in Central and Eastern Europe, and the build-up of demographic pressures from the southern rim of the Mediterranean Sea and beyond, all these are overlaid on - and have the potential for causing great disruption to - the patterns of differential population change and migration occurring already in Europe, with possibly major implications for regional and local populations and for issues of environmental sustainability, economic security, social cohesion and political stability.

These concerns are reflected in the title of this colloquy and in the theme chosen for the session at which this report is presented, namely the international dimension of European regional planning policies. The primary focus is to be on North-South relations and on the likely repercussions of the realities and constraints imposed by the international political and economic context. More

specifically, the brief given for this report by the organising committee is: "Forecasting the changes in the spatial distribution of the European population that may result from the political developments in the countries of Central or Eastern Europe and in the countries of Southern Europe."

At the outset, it should be stressed that there is no way that science can be used to make a sure prognosis about future patterns of population distribution and about the migration flows which will be largely responsible for them. They are subject to a great many factors which themselves are extremely difficult to forecast. The best that can be done in these circumstances is to describe recent patterns of population distribution and redistribution, outline the nature of the new sources of population movements and views on the possible volume of international migration, and to put forward research-based ideas on the likely spatial dimensions of such changes and on their impacts at regional and local scale. These are, at least, the aims of this report, though even these constitute a rather ambitious task in the current situation of poor data and great uncertainty.

2. RECENT TRENDS IN THE SPATIAL DISTRIBUTION OF THE EUROPEAN POPULATION

There are two justifications for this section of the report. One is that it is important to know what patterns of

population redistribution might have been expected over the next few years if there had been no new developments arising out of Central/Eastern Europe and the South, so that the impact of these latter events can be visualised in context. The second is to point out that, even before these new developments, there were already taking place some important changes which seemed to be leading to the dawning of a new era of migration and population distribution in Europe. These previously anticipated changes are partly political in origin - in the sense of being related to the completion of the Single European Market and other international agreements on trade liberalisation and labour mobility - but, more fundamentally, are related to a set of changes in economic organisation and socio-demographic behaviour which are sometimes loosely grouped under the heading of a shift from industrial to post-industrial society and lifestyles.

2.1 Migration and societal change

There are at least three broad groups of changing circumstances which have been leading to a remoulding of migration flows over the past two decades:

- i. A radical restructuring of economic activity and the organisation of production, which has radically altered the nature of the labour market and the labour requirements of employers. Changes include the growth of the service sector, the emergence of a core-periphery split in the internal labour market of firms, and the growth of various segments of the workforce such as the "service class", the self-employed, part-time workers, female workers and long-distance commuters.
- ii. A transformation in the socio-demographic context. This involves, among other things, lower fertility, increasing numbers of elderly people, the increasing importance attached to social prestige and cultural distinctiveness, and - most fundamentally - major changes in household-formation behaviour, such as more young adults leaving home to live independently, later age of marriage but more cohabitation, higher incidence of separation and divorce, more single-parent families, and more dual-earner (and dual-career) households.
- iii. Technological and infrastructural developments which have widened people's range of options in terms of residential location and also reduced their need for easy access to major urban centres. New technology is allowing households to become more independent of the so-called "central-place functions"; for instance, freezers and the private car reduce the number of shopping trips needed. Particularly during the period 1950-75, the geographical environment became more uniform in certain ways, as manufacturing and tertiary jobs decentralised

and urban-rural differences in schools and other facilities narrowed. More generally, people are tending to become more mobile, with a significant number travelling greater distances to work and spending more nights away from their primary residence (for example, second homes, holiday tours, work trips), thus opening up their range of residential location options.

Taken together and looking at the longer term, these changes are considered by many to form part of a set of revolutionary developments. It is customary nowadays to talk of "post-Fordist" methods of production, the emergence of the "information economy", the passage through the "second demographic transition", and the rise of "circulation" associated with the "super-advanced" stage of the mobility transition. If indeed all these are part of Daniel Bell's "post-industrial society" and Alvin Toffler's de-massified "Third Wave", then it is not surprising that recent years have seen a break with the types of settlement patterns, population movements and lifestyles engendered by the Industrial Revolution.

2.2 Patterns of population redistribution

The Industrial Era was characterised primarily by the urbanisation process, involving greater population concentration at all spatial scales apart from the most localised. Though individual urban centres have for a long time been expanding laterally through suburbanisation, regional patterns of population change have been dominated by the depopulation of more rural regions and the growth of urban places, with the largest metropolitan centres increasing at the most rapid pace. The last two or three decades, however, have provided much evidence of a change in these patterns, with a shift of emphasis towards deconcentration and the emergence of a rather complicated geographical mosaic of growth and decline.

At the risk of gross oversimplification, four principal dimensions of population distribution can be identified for the period of the 1970s and 1980s, broadly differentiated by spatial scale:

- i. Local metropolitan decentralisation has been continuing apace, representing the logical continuation of the suburbanisation process under conditions of greater individual mobility and the search for better and/or cheaper environments by both residents and employers. The most rapid growth has taken place beyond the traditional suburbs in satellite settlements (usually physically separate) within the commuting hinterland ("ring") of the metropolitan centre ("core"), and has been accompanied by the relative or even absolute decline of population in the urban core. During

the 1980s some cities, particularly larger ones, experienced some revival of their inner areas through gentrification and redevelopment, but only in rare cases was this process strong enough to reverse the decentralisation tendency and inner-area population decline.

ii. Medium-sized and smaller cities and towns have been growing at the expense of the major metropolitan areas, a process known variously as "counter-urbanisation", "metropolitan migration reversal", "urban-rural shift" and "rural population turnaround". At the margins this process is associated with a switch from rural depopulation to non-metropolitan growth, stimulated by retirement migration, the growth of leisure and tourism, and the increasing emphasis being placed on quality of life and environmental considerations. Its chief component, however, is population redistribution across the metropolitan/urban system from larger places to smaller ones (where "place" is defined as a relatively self-contained functional urban region). This process has been explained in terms of both the increasing numbers of people who have no need of easy access to metropolitan labour markets (e.g. retired, self-employed, drop-outs) and the longer-distance decentralisation of economic activity (e.g. branch plants, computer back offices, growth of tourism), but is also related to the narrowing of differences between places resulting from wider infrastructural investment.

iii. A re-orientation has taken place in the broader regional patterns of population change within countries from net periphery-to-core migration towards what are now generally called the "sunbelts". Above-average growth in more southerly regions has been characteristic of many European countries, with the most conspicuous effects being for countries like France and Germany where the traditional core region lies further north. As with (ii) above, this shift has resulted not only from residential preferences but also from business movements, the latter particularly involving high-tech industry and high-level white-collar work.

iv. Changes at international level across Europe relate primarily to continent-wide trends in North-South and core-periphery migration balances. During the 1950s and 1960s international migration within Europe was dominated by the South-to-North movement of "guest-workers", leaving countries with strong demographic pressures and weak economies and concentrating primarily on the manufacturing heartlands of Germany, Benelux, France and Switzerland. This pattern broke down in the 1970s, most immediately because of the oil crisis but more fundamentally due to economic restructuring in northern Europe and rapid economic development in southern Europe. The macro-geography

scenario writers now point to the emergence of two broad zones of more rapid employment and population growth - the "blue banana", curving from South East England through southern Germany to north Italy, and the "Mediterranean sunbelt", stretching from north Italy to eastern Spain - and contrast this with the poor performance of the "Atlantic arc". This process of Europe-wide reorientation has benefitted from the progressive removal of national frontiers which is due to be completed with the introduction of the Single European Market at the end of 1992, though the pace of change is affected by the strength of political support for the lagging regions.

In recent years, therefore, the geography of population distribution has been changing in several ways that are different from the trends of the 1950-60s. The outcome of all these processes, operating simultaneously, is a very complicated map of regional change: the broad Europe-wide patterns are obscured by much larger differences between individual regions, with strongly growing places often located close to regions in decline. This regional "mosaic" of growth and decline is considered by some to reflect the intermediate position reached in a continuing transition from traditional to new societies, but for others the regional variety constitutes a key feature of the "New Times" in which the fortunes of individual places are largely determined by a place's functional location in the economic system and by its responsiveness to new growth opportunities.

These observations relate to developments in what was, until recently, known as "Western Europe", i.e. Europe west of the former Iron Curtain. It is on to this pattern of considerable regional flux that the new waves of migration from Eastern Europe and the South are being superimposed.

3. THE NEW SOURCES OF MIGRATION

The prospect of large-scale emigration from elsewhere into Western Europe is very real, deriving from a combination of push and pull factors. Migration from Eastern Europe (including the former USSR) is prompted primarily by poor economic conditions and ethnic conflict, whereas migration from the "South" is, first and foremost, related to demographic pressures there. At the same time, though Western Europe is characterised by relatively high overall population densities, immigration can serve useful purposes in compensating for the effects of recent low fertility, principally by slowing down the pace of population ageing and by providing a new source of cheap labour. For the two main sources of this new migration, this section of the report examines the pressures for potential migration.

3.1 Eastern Europe

The term "Eastern Europe" is used here to refer to those countries in central and eastern parts of the continent that until recently were subject to central planning, namely the six Soviet satellites (including the DDR where relevant), Yugoslavia, Albania and the republics of the former USSR west of the Urals. This is a huge zone with a great variety of national groups, a generally rather low standard of living compared with Western Europe (made more problematic by the recent moves towards market-economy principles) and a tradition of westward migration (not so much in the period 1950-87, but a great deal around the two world wars and going back into the 19th century and earlier).

The potential migration from this part of Europe is very great, as the experience of the last four years has demonstrated. Though the rate of population increase is high by European standards in Poland, Romania and the USSR, the main reason lies in the large numbers of people being affected by economic hardship, as well as possibly many likely to be subject to ethnic discrimination and political instability. In terms of round numbers, the base populations from which migrants could be drawn will by the mid 1990s comprise some 100 million in the former Soviet satellites (excluding the DDR), nearly 30 million in Yugoslavia and Albania, and up to 300 million in the former USSR.

Economically motivated migration is likely to predominate in the (hoped for) absence of large-scale political turmoil. Until recently, this type of movement was almost non-existent, except from Yugoslavia, but with the opening up of these countries the pressures for migration are indeed strong. Any significant raising of the very low level of productivity (on average, currently only one-third of that in the rest of Europe) will lead to massive unemployment. It is not unrealistic to expect unemployment rates to reach at least 50% of the 15-25 age group and 10% of the rest of the working population, so the number of unemployed could, for instance, fairly soon reach 5 million in Poland and could exceed 40 million in the former USSR.

The extent to which this potential economic migration is likely to occur is very difficult to assess. It depends partly on the degree to which the economies of Western Europe can absorb these migrants into gainful employment, as well as on the level of investment which governments and private business put into economic development in Eastern Europe. The implications will obviously be different if most of this migration takes the form of temporary labour movement rather than permanent settlement, as Hungary's experience in the 1980s suggests that it could possibly do. The nature and

effectiveness of immigration controls are also an important factor.

Ethnic migration can be considered in the form of two alternative scenarios. One merely involves the continued regrouping of scattered communities, chiefly Germans, Jews and Armenians, for which the numbers involved are relatively small and predictable. At the current rate of emigration, the 1990 total of barely 3 million people of German stock in Eastern Europe (mainly in Poland, Romania and the former USSR) will all have left in the near future. The Jewish population is now very small in most of Eastern Europe, except for the estimated 1.5 million still in Russia, while there are thought to be some 3.5 million people of Armenian origin in the former USSR, three-quarters of them in Armenia itself but 0.5 million in Azerbaijan and 0.4 million in Georgia.

The other ethnic scenario assumes the intensification of nationalistic feelings, resulting in open confrontation and mass departures by certain ethnic groups. For example, a local explosion of xenophobia in Bulgaria has already driven out many of the 0.6-0.7 million Turks formerly resident there. Similarly, the gypsy population, estimated at between 2.5 and 4.0 million in the early 1980s and growing rapidly, could be one of the worst victims of rising discontent. But the main implications for migration under this second scenario relate to the political disintegration of Yugoslavia and, in particular, the Soviet Union. Events are already moving rapidly in former Yugoslavia, and, though few people in the former USSR have strong connections with Western Europe, similar large-scale refugee movements could begin to emanate from there.

3.2 The push from the South

The traditional emigration pressures deriving from within Southern Europe have left their mark on the countries of Northern Europe in terms of permanent settlers. In addition, there are an estimated 1.6 million Turks in Germany and 0.9 million Yugoslavs living in the main Western receiving countries. There is no doubt that emigration pressure from these sources and from the South beyond Europe will continue to grow.

This is, however, a very different situation both from the international labour migration of the 1950s and 1960s and from the current situation in Eastern Europe. The former was primarily demand driven, while the latter is chiefly related to economic push and ethnic conflict. The threat of mass migration from the South, however, is underpinned by demographic factors. Decelerating population growth in the countries of the EC and EFTA, alongside high rates of growth in the

South, has made the Mediterranean basin the steepest demographic gradient in the world, considerably sharper than that on the USA/Mexico border. During the 1960s the population growth rate of the countries on the southern and eastern rims of the Mediterranean was, in aggregate, 3.3 times that of northwest Europe, but through the 1990s it is anticipated to be 17.6 times greater.

In terms of absolute numbers, the Mediterranean rim states (excluding EC members) are projected to increase their populations by around 58 million between 1990 and 2000, compared with a growth of only one-tenth of this amount (5.5 million) for all the EC/EFTA countries combined. With a population doubling time of about 25 years in the Mediterranean rim states, the implications for individual national population size are impressive indeed, with Egypt approaching the 100 million level by 2020 and with Turkey, Algeria and Morocco all likely to have larger populations than France, Italy or the UK. Even if the level of growth in this nearby part of the South or the threat of accelerating desertification does not result in large numbers of "ecological refugees" (along Ethiopia/Somalia lines), poor economic performance there seems likely to push ever-increasing numbers of migrants northwards.

Both statistical and anecdotal evidence, of course, indicates that this process is already underway. It appears that the Mediterranean Sea is currently an even less effective barrier to migrants than the Rio Grande. Moreover, given the plans for the progressive removal of frontier checks within the EC (Schengen Agreement), there is the possibility that, having once arrived in Italy, France, Spain or Portugal or been given some right of stay in Greece, these emigrants could readily move to other EC countries. With the opening up of Eastern Europe, there is now also the possibility of migrants from the Mediterranean rim or beyond moving there or using it as a transitional stepping stone to another part of Europe, though a local backlash can be expected there if these migrants are seen as competitors for scarce jobs.

4. REGIONAL AND LOCAL IMPACTS WITHIN EUROPE

It is not possible to discuss the geographical implications of these new migration flows in any detail, but some general observations can be put forward on the basis of analyses of past migration flows and by reference to the nature of the migrations involved.

The first point is that the migrant flows will impact unevenly on the different countries of Europe. Some examples demonstrate why this is the case:

i. Migrants tend to stick to fairly well-defined channels, particularly after a stream has been started. Thus the majority of family reunifications involving Turks would be oriented towards Germany, while previous Armenian emigrants are currently largely concentrated in France. This process tends to reinforce the existing national patterns of migrant shares.

ii. Other things being equal, migrants will tend to congregate in their first country of entry into Europe, even if the initial move was seen as essentially a transition to another country. This has important implications for gateway countries like Austria in relation to migrants from Eastern Europe and Italy and Spain in relation to migrants from the South. Given that such gateways for migrants may also turn into places of exchange between different "worlds", as the northeast seaboard of the USA developed into Megalopolis, this could lead to some reorientation of the macro-geography of Europe.

Secondly, the distribution of immigrants within countries has in the past shown some degree of regularity, as follows:

i. Immigrants are normally highly concentrated in both regional and subregional terms. Recruited labour migrants are tightly constrained by the needs of their employers, but other immigrants are influenced by the distribution of suitable job openings and by the availability of housing (the latter consideration being particularly important for those who move with their families). In general, large cities are preferred because of easier access to housing vacated as a result of residential decentralisation.

ii. Once established, a migration stream tends to build on itself, as at national level, because of the network of family and personal contacts and because of the support which these can give newcomers.

iii. For migration streams without any obvious points of contact within a country, the point of entry into the country (or processing centre, if different), is a very important determinant of a migrant's subsequent place of residence.

iv. The larger the migrant flow to a country, the wider the spread of migrants is likely to be across that country, because of the severe pressure which it puts on jobs and housing and because government authorities may be put under greater pressure to spread the load more evenly. Belgium and Sweden, for instance, have both implemented dispersal policies for asylum seekers, which have met with little long-term success.

Consideration of the spatial impacts of immigration, however, needs to include indirect as well as direct effects. These refer not only to the secondary movements of migrants after their initial settlement, but also the effects which their presence has on the migration patterns of the host population. Mention has already been made of the cumulative nature of migration (which can lead on to a cycle of economic change), but more complex examples concern the displacement effect, whereby the presence of foreigners in a neighbourhood accelerates the departure of natives to the suburbs or where the immigrants take jobs which would normally have drawn in migrants from other parts of the country or Europe.

5. CONCLUDING COMMENT

As concluded by the Council of Europe report "*People on the Move - New migration flows in Europe*", "No one can predict with any degree of certainty the type or volume of migration flows likely to take place on the eve of the 21st century." It is even more difficult to anticipate the implications of recent political developments for population distribution in Europe. It is necessary first to establish what would have been happening without such developments, then to get a clear understanding of the nature and scale of the migration pressures involved. Even then there remain complex questions about the channelling of migrants and the side effects on other population movements and the wider economic, social and political contexts.

ACKNOWLEDGEMENTS AND FURTHER READING

This is a revised version of the report presented at the colloquy in Roubaix. It takes into account the comments made at that meeting. I am also very grateful for the help of Russell King and Tony Fielding in revising this paper. I take full responsibility for any remaining errors and omissions.

This report makes use of a substantial and growing literature on the latest developments in international migration. The single most useful source is the set of papers in *People on the Move: New Migration Flows in Europe* (Council of Europe, Strasbourg, 1992). Also very comprehensive is "European migration at the end of history", by D.J. van de Kaa, presented at the European Population Conference in Paris, October 1991.

Other works drawn upon for this report include papers prepared for the European Science Foundation's project on Regional and Urban Restructuring in Europe, soon to be published as *Mass Migration in Europe: The Legacy and the Future*, edited by Russell King (Belhaven Press), and also papers prepared for the IAS/IIASA/IF Conference on "Mass Migration in Europe: Implications in East and West", held in Vienna, March 1992.

Section 2 of this report dealing with recent trends in the spatial distribution draws heavily on the author's report to the Council of Europe's 1990 Demographic Seminar on Present Demographic Trends and Lifestyles in Europe, entitled "Changes in the Spatial Distribution of the European Population".

THEME 2

REGIONAL PLANNING PRIORITIES SEEN IN TERMS OF COMMON ECONOMIC DEVELOPMENT ISSUES AND THEIR TERRITORIAL IMPACT, ESPECIALLY AS REGARDS TRENDS IN THE REGIONAL CONCENTRATION OF POPULATION AND ACTIVITIES

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1. GLOBALISATION OF THE ECONOMY AND COLLAPSE OF THE EXISTING TECHNO-INDUSTRIAL PARADIGM

Two recent interlinked phenomena are now decisive factors in the spatial redistribution of production activities, and have changed traditional approaches to regional planning:

- the globalisation of the economy, and
- the new techno-industrial paradigm.

1.1 The globalisation of the economy

Since the mid-1980s the development of economic relations has been characterised by a globalisation process going far beyond the traditional concept of internationalisation that marked economic trends in the 1960s.

Internationalisation was a way of organising of the economy whereby firms sought to conquer external markets by becoming part of one or more domestic economies and fostered the internalisation of production functions, with the international division of labour as the driving force (Michalet, 1988, Delapierre, 1990). With this approach, it was more important to reduce factor costs than to control transaction costs (Williamson, 1984, Coase, 1952).

By "globalisation" is meant a set of conditions in which an increasingly large share of wealth is produced throughout the world in the context of a network of companies, all linked to each other, with the following main features:

- substantial and growing direct foreign investment;
- an increase in worldwide trade involving common production norms and standards, particularly for intermediate goods;
- a pronounced trend towards the externalisation of relations between firms and transnational co-operation in the fields of research and development, production and distribution (OECD, 1992).

All these changes are factors making for the creation of worldwide networks, giving rise to a new global industrial structure which is no longer directly based on access to home markets and goes far beyond traditional international specialisation.

It should further be noted that these changes affect not only the big industrial groups but also, increasingly, small and medium-sized businesses which previously operated in close conjunction with the local market and demand from the major industrial sectors.

In addition, and somewhat paradoxically, globalisation strengthens a territorial and locally-based organisation of the economy in which firms seek to exploit the

relative advantages afforded by the characteristics of particular localities. This results in new spatial configurations which make a clean break with the traditional patterns of regional/spatial planning.

1.2 The collapse of the existing techno-industrial paradigm

To understand the profound interaction between globalised economic networks and the new forms of spatial organisation, it is necessary to highlight the emergence of a new techno-industrial paradigm which radically changes the overall functioning of highly industrialised economies: the growing predominance of the relations between science and technology in the production of goods and services.

The techno-industrial system which determined industrial progress in previous decades was dominated basically by the direct relationship between the transformation of material resources and their technical adaptation in order to create goods. The process was a linear one, from access to raw materials to the penetration of well-controlled markets, in a context of growth which was kept broadly under control by adjustments to meet temporary requirements and in which production techniques developed in an orderly way.

The spatial implications of this mode of economic functioning are sufficiently well known to need no further explanation. They have been admirably described in traditional regional development theories such as those of location (Weber) and polarised growth (Perroux, Boudeville etc). These theories served as the main basis for regional planning policies in the 1960s (priority for the development of multi-mode transport infrastructures, industrial estates and job-creation areas, the creation of new towns, the organisation of local authority responsibilities and the management of conurbations etc).

The new techno-industrial system is based on an entirely different paradigm, ie that of the relations between science, technology and production, in which material resources are becoming increasingly less important than non-material ones (skills, organisation, creativity etc). Economic activity functions primarily on the basis of the science-market relationship, and is permeated by two processes which are both interactive and constituent parts of the global economy: technological creation, whose applications penetrate all industrial sectors, and the rapid differentiation of products under the pressure of increasingly worldwide demand. In the previous techno-industrial system, major industrial sectors such as iron and steel and mechanical engineering dominated the production

process, acting with their "knock-on" effect as the driving forces of the economy. In the present system it is technological fields such as those of composite materials, biology and telecommunications which, due to the fact that they are intersectoral and transversal, determine the functioning of the worldwide industrial structure; their great unpredictability and changeability also create greater upheavals in the economic environment, thus calling for more flexible modes of organisation (Glaismeyer, 1991).

The effects of this techno-industrial system are many and varied. The most significant include the following:

- greater interactivity between industry and the tertiary sector (non-linearity);
- an economy dominated by the existence of several sectors;
- the growing importance of production services;
- a continuing increase in investment in research and development, and the creation of technological R and D structures;
- the strategic role of information sources and processing methods and of communication, in which speed and quality take precedence over quantity;
- the emergence of new knowledge-based occupations, etc.

Generally speaking, we are now witnessing a radical transformation of production activities in which non-material factors linked to knowledge and organisation are more important than the technical processing of raw materials and natural resources.

These changes in the techno-industrial system produce new repercussions on the spatial distribution of economic activity; combined with the impact of globalisation, these repercussions give rise to new forms of territorial structures which are also more complex, since they are based on external economic effects of proximity that are more directly linked to the technological paradigm itself.

Broadly, it is now easy to see that the determining factor in the process of locating economic activities is no longer the specific availability of material facilities such as infrastructures or direct access to natural resources, but increasingly the availability of non-material assets linked to local conditions, such as know-how, skills, entrepreneurial and organising ability, information processing, networking etc.

2. NEW FORMS OF TERRITORIAL STRUCTURES: THE LOCAL LEVEL AS THE FOUNDATION OF THE GLOBAL LEVEL

2.1 From bipolarity to multiterritoriality

In the former techno-industrial system it was relatively easy to keep under stable control the determinants of regional/spatial planning, since economic activity was located in the light of the bipolar logic of polarised growth. Space was divided up primarily between centres (having quantitatively high levels of development, high population density and concentrated industrial activities and services) and peripheries (having low levels of development, population density and industrialisation). In this pattern, interaction between centre and periphery was seen as a linear process in which regional/spatial planning policies gave priority to the rational organisation of the polarisation of development around strong urban structures extending out to peripheral areas as the need for space arose and when the negative economic effects of over-concentration became apparent.

The technological paradigm renders this approach highly complex, since it brings with it a fresh interaction between the global and the local levels, caused not as before by the immobility of production factors and the reduction of costs but primarily by the mobility of the technological component and the requirements of innovation linked to the external economic factors affecting organised territorial authorities. The result is a multiplicity of spatial situations which cannot be properly understood using parameters of spatial bipolarity, as attested by the decline of traditionally industrial regions and the emergence of development zones relying on a wider range of local advantages such as research potential, living conditions, local entrepreneurial tradition, specific skills etc.

From this point of view "local" is by no means opposed to "global"; it provides the latter with its basic social frame. Networking firms will emerge or seek locations combining the advantages to be derived from innovative and organisational capacities at local levels.

The result is the replacement of the bipolar linear distribution of space by a form of "multiterritoriality", with varying outlines, constituted by new forms of both concentration and decentralisation.

2.2 Diversified regional development trajectories

With the emergence of the global economy and the technological paradigm, very great uncertainty, not to say confusion, seems to attend the relationship between

the centre and the periphery - a relationship which can no longer be understood in terms of the conceptual frameworks provided by classical theories of regional development.

In the present state of the art of regional science it nevertheless seems premature, if not presumptuous, to outline a new theory of the territorial organisation of development, however necessary this may be in order to define regional planning priorities. In the light of recent studies by GREMI (Groupe de Recherche Européen sur les Milieux Innovateurs), it is however possible to identify empirical conceptual elements which may help in defining the new forms of territorial dynamics generated by the new techno-industrial system.

The concept of the regional technological trajectory proves to be relatively applicable to this approach, since it attempts to apprehend the diversity of the new forms of spatial organisation of production and also of the new relationship between science and the market (Pavitt, 1986, Aydalot, 1986).

By way of illustrating the various future forms of spatial organisation, it is possible to identify four potential trajectories which could be described as generic in that they bring about a specific type of link between territorial organisation, the science-technology-production relationship and the globalisation of the economy. They are also generic in the sense that they can accommodate a multitude of spatial variants and configurations (Aydalot, 1986, Quévit, 1990, Perrin 1992).

2.2.1 A spatial development trajectory based on science. This is a trajectory primarily founded on the relationship between science and the creation of generic technologies through externalised forms of co-operation between pre-competitive scientific research laboratories and high-tech production firms. The success of this trajectory depends on very precise conditions such as the proximity of scientific research centres, the availability of a potential work-force of university level, the existence of inter-firm networks for co-operation with a view to achieving technological targets, and substantial government assistance towards technological research and development.

2.2.2 A trajectory based on the strategic functions of firms or industrial groups in the globalisation process. This is chiefly a trajectory relying on external economic effects linked to the capacity to organise production on a world basis. Its success depends on the existence of factors linked to service activities, rapid and diversified communications worldwide, information control and metropolitan economies of scale.

2.2.3 A spatial development trajectory based on the logic of breaking links and forging new ones. This trajectory is based on an existing mode of industrial organisation and existing know-how which takes advantage of the spread of technologies to modernise the production structure and introduce diversification processes. It is a trajectory that is highly specific to traditionally industrial regions faced with restructuring, in the course of which technological innovation can re-orient the production apparatus towards new products directly linked to highly-developed skills which already exist.

2.2.4 A "diffuse" development trajectory based on endogenous local capacities, ie a trajectory based on a local entrepreneurial tradition firmly structured on a basis of common networks of services and inter-firm co-operation. While not oriented towards technological creation or high-tech production, these forms of territorial organisation seek to become integrated into the globalisation of the economy by using technological innovations and flexible ways of organising local production to develop high value-added economic activities.

2.3 Technological trajectories and new forms of spatial configuration

While the concept of a regional technological trajectory may afford greater mastery of the new spatial configurations produced by the new techno-industrial system, it does not necessarily coincide with a specifically territorial dynamic. Areas may be traversed by several types of trajectories whose interaction may give rise to new forms of spatial dynamics.

Below are three types of territorial dynamic which appear to be prevalent in the present context of the globalisation of the economy.

2.3.1 *Metropolitan dynamics*

It is undeniable that the process of globalisation of the economy has enhanced the attractiveness of metropolitan zones, as attested by the current growth of such European cities as London, Frankfurt, Milan, Paris, Madrid, Berlin etc. Admittedly these towns have always been centres of marked geographical concentration of economic activities designed to achieve urban-scale economies, but during the recession in the 1970s they also experienced decentralisation, chiefly due to the economic drawbacks of concentration such as pollution, congestion, crime, the high cost of living and high

wages. Technological changes alter the motives that attract firms, above all international groups, to cities today. It appears to be not so much the savings achieved by concentration with a view to reducing costs, as savings achieved by concentration directly linked to the very nature of urbanisation (first-class facilities, international airports, modern communications, cultural activities etc) which are decisive in producing this metropolitan dynamic. To be more precise, in the distribution of the different activities of the "globalised" behaviour of a firm, big cities polarise the strategic management and organising function. Some explanatory factors have been suggested for an understanding of this form of territorial dynamics (Sallez et Verrot, 1992):

- the presence of a "fertilising" environment: creativity, high-level qualifications, services addressed to the strategic functions of firms, proximity to national and supranational political and financial decision-making centres, etc;
- a central location giving speedy access to the major centres of industrial decision-making, ease of international executive travel, access to worldwide communication systems etc;
- the quality of life, as regards both cultural facilities and urban amenities, always provided that the adverse economic effects of centralisation are properly dealt with.

This type of dynamics is therefore based on a form of specialisation which is not necessarily to be found in the dynamics of all towns.

2.3.2 *"Technopolitan" dynamics*

"Technopolises" are a comparatively recent phenomenon and have not been an unmitigated success, judging from experience in North America where they first originated. This form of spatial organisation fits into a science-based development trajectory, but its success depends on a number of conditions which cannot be met everywhere. The purpose of a technopolis is to concentrate research and development resources with a view mainly to technological creation rather than to the industrial adaptation of existing technologies.

An OECD study on the evaluation of North American experience has shown that it is dangerous to create technopolises unless a number of conditions are satisfied; this seems moreover to have been the case both in America, where failures have been frequent, and in Europe. The main conditions to be met are:

- the existence of research laboratories which are competitive worldwide: simply to have a university is not enough to create a technopolis. Technopolises develop usually in connection with a specific technological field (for example telecommunications, biotechnology), not because there is a university nearby;
- the existence of long-standing research in specifically targeted fields. Building up a first-rate research team may take more than a decade, and research, which is by its very nature worldwide and cumulative, needs to be firmly integrated in scientific circles;
- substantial public investment, both to finance research and to provide high-performance equipment. A project such as the French Sophia-Antipolis complex could never have come about without long-term investment by the French Government;
- lastly, a local environment conducive to the organisation of intellectual output. Recent studies on the technopolis phenomenon show that merely aggregating high-tech activities by bringing together firms cut off from the local environment will not generate a lasting territorial dynamic, since it remains overly geared to external demand. It is necessary for the local environment itself to be capable of producing modes of spatial organisation which will promote networking of firms with endogenous local resources and enable them to adapt to the requirements of producing knowledge and skills (Gaffard, 1990, Gordon, 1990).

This being the case, few areas can aspire to development geared to the production of knowledge and technological creation, but this does not mean that they cannot enter into the dynamics of the new techno-industrial system, since technological creation represents only a very small part of the added value created by technological innovations. It is estimated that innovations in the field of technological creation represent only 20% of total technological innovations, the bulk of which emanate from the market rather than from a direct link with science (Amendola and Gaffard, 1988).

Lastly, it should be noted that the term "technopolis" is also misused to create a fashionable image or for regional promotion.

2.3.3 *Dynamics of organisation into "industrial districts"*

A recent form of territorial dynamic linked to technological innovation is based on Marshall's concept

of the industrial district. This concept connotes primarily a mode of spatial organisation geared to the creation of a production system which takes advantage of the facilities offered by the local environment (Marshall, 1920, Beccatini, 1990).

These include facilities for exchanges of ideas, the sharing of skills, the proximity of financing structures and savings, institutional support from local authorities, a tradition of co-operation between economic and social agencies, etc.

What is new in this form of territorial dynamic is that it integrates technological innovation in its system of organisation, chiefly by turning to account non-material resources. This makes it genuinely an "innovatory environment" (Maillat, Quévit, Senn, 1992, Gaffard, 1990). This kind of economic space is organised around networks of agencies so as to exploit technological innovation and integrate it in the structure of local production. It is an environment which is outward-looking and technologically geared mainly to the market and technological know-how (Maillat, 1990, Crévoisier, 1992). The dynamic of an "industrial district" is reinforced by the adaptability of local agencies and their ability to seize market opportunities, to adapt, to discard obsolete techniques and saturated products and to orient the production system towards a market covering several countries or even a worldwide market.

3. IMPLICATIONS FOR NEW REGIONAL/ SPATIAL PLANNING POLICIES

The territorial implications of the globalisation of the economy and the technological paradigm raise problems for regional/spatial planning authorities, since the theoretical frames of reference of the past no longer provide adequate benchmarks on which to base a sustainable development policy. At this stage, all one can do is to suggest policy guidelines for adaptation to the specific socio-economic situation in each area.

Here one cannot ignore the widening gaps between the central and the peripheral regions of the European Community, which are bound to be increased still further by the technological paradigm.

The forms of territorial dynamics briefly described above are both the outcome of, and responses to, changes in the industrial system, but they emerge most frequently in the Community's central regions, which start with a minimum of resources. The situation is different in peripheral regions.

Notwithstanding this disturbing situation, it should be noted that all regions are faced with the same challenge,

and that there is no reason to recommend that peripheral regions should adopt approaches to regional/spatial planning which would be out of the mainstream of current changes. Obviously, in the case of these regions planning policies should be adjusted to take account of their specific socio-economic situation, and each region should be given the means it needs.

Regional planning policies should give priority to the requirement of making the best use of non-material resources, linking this requirement with a fresh approach to the creation of infrastructures.

3.1 Policies designed to exploit non-material resources

We have noted the growing importance assumed by non-material factors in the new techno-industrial system due to pressure from both the market and scientific discoveries. From this point of view the organisational dimension of local development should be given special emphasis in regional/spatial planning policies.

3.1.2 A research and technological innovation policy

Development policies should include action to exploit capacities for technological innovation and research, taking account of the regional trajectory specific to the local production apparatus. However, care must be taken not to choose the wrong targets. Setting aside special cases of zones whose research potential entitles them to slot into a position of technological creation (the technopolitan dynamic), regional/spatial planning policies will usually give priority to promoting initiatives for technology transfers in specific innovative approaches by local agents. Here a distinction should be drawn between product innovation and methodological innovation.

Product innovation, whose economic effects are immediate as regards growth in local added value, should be the first priority for local firms working out their industrial strategies.

In the present unsettled context, reflected in an ever-shorter product life-cycle, the immediate corollary of which is the need for a fast product renewal capacity, the proximity of markets (customers, suppliers, technical and technological skills, services to firms, including market surveys) is a factor making for competitiveness, and one which is a handicap and a disadvantage to local firms in outlying regions.

Also necessary are **methodological innovation and the adaptation of the most recent technological**

improvements, in order to ensure that cost structures continue to be aligned with those of competitors. Innovations of this kind are still insufficiently integrated into the production processes of local firms, due to the lack of awareness by entrepreneurs of the tangible advantages of technology.

3.1.3 A manpower qualification policy

For a region to be favourably positioned in relation to the technological factor, it is necessary to provide training to cope with new technological fields and changing trends in the way new products are produced. In addition to a general type of open-minded attitude, the local work-force must acquire skills in handling the necessary tools and techniques, and above all the ability to adapt to changes in them.

Generally speaking, this mounting importance of non-material factors brings about fundamental changes in employment and qualifications:

- **the emergence of new types of skilled employment** in fields such as programming, organisation, design, management and engineering.
- **the disappearance of unskilled jobs**, with routine and repetitive tasks gradually disappearing as robotics and telematics are introduced into the production process.
- **the need to create high-level training programmes** at the interface between industry and research, in order to encourage technological company innovation.

Obviously, one of the main targets will be further training and retraining courses for employees, with emphasis on training policies which link technical institutes with local firms.

Innovating networks

Firms faced with the demands made on them by the globalisation of the economy can no longer act in isolation: they must join global innovation networks at both the worldwide and local levels. It is the local level that can best be catered for by regional/spatial planning policies, since it is especially suited to organise relations between those involved in territorial development.

In speaking of "global innovation networks", we have in mind not only opening up to technological innovation but also opening up to all organisational aspects of territorial development.

Particularly important new types of network include:

- **creation of networks between local firms**, with the priority aim of securing access to the world market and existing technologies (for example the creation of consortia, product marketing and technology transfer);
 - **organisation of backup structures**, above all in the field of company services, which are rarely available in non-metropolitan regions; such services include:
 - access to information about new products and processes;
 - internal company management and definition of its strategic choices;
 - financing of innovative projects (risk capital, seed money, participatory loans etc).
 - relations between firms and **the local education system**, with a view to a better match between (a) training and (b) economic, technological and social changes and the new needs of local firms;
 - relations with research centres and non-local institutions for technology transfer, the aim being greater openness towards information about the development of technologies geared to the market requirements of local firms and towards technological culture in general.
- the setting up of "**integrated support services**" for local projects, feasibility studies, technical supervision, project management, etc;
 - the development of "**technological guidance services**"; the making available on a temporary basis of competent R and D teams, technological audits, etc;
 - **vocational training teams**;
 - the creation of an **information system** on technical advances;
 - **further training facilities for entrepreneurs** (technological skills, management, marketing, etc);
 - the creation of **framework structures** for networks of economic agencies (the setting up of local decision-making "grids" of entrepreneurs, local and regional authorities, those in positions of social responsibility, schools, cultural institutions, etc);
 - the creation of **product marketing structures** by groups of firms at international level.
2. non-territorially circumscribed infrastructures such as for example link-ups with high-speed train networks (TGV) and motorways, the creation of regional airports, link-ups with integrated telecommunication systems, etc.

3.2 Linkage between choice of infrastructures and policies to exploit non-material resources

The mounting importance of non-material resources does not render policies for the creation of infrastructures unimportant.

However, by contrast with the situation in the past, when emphasis was laid on heavy infrastructures (chiefly communications) and on concentration, the technological paradigm calls for an approach geared to the "structuring" infrastructures of the new techno-industrial system (Quévit-Van Doren, 1992). These include two major categories of infrastructure:

1. infrastructures directly linked to exploiting the endogenous potential of the local environment, consisting mainly of facilities such as:

These infrastructure policies naturally raise the problem of the links between local development and the existence of an urban structure which will generate economies of scale for the services that are essential if the innovative potential of firms is to emerge. This question is especially vital for peripheral or rural zones which cannot rely from the outset on the existence of a productive service economy. It is obvious that in such areas more interventionist regional planning policies must be devised, involving in particular local public services (Quévit, 1991, Byden, 1991, OECD, 1991).

In conclusion, it is our view that the solution to the dilemma of concentration-decentralisation is to give priority to "qualitative" decentralisation in planning policies which will exploit specific regional trajectories and their interaction, not only at regional but also at the national and Community levels.

REGIONAL PLANNING PRIORITIES SEEN IN TERMS OF COMMON ECONOMIC DEVELOPMENT ISSUES AND THEIR TERRITORIAL IMPACT, ESPECIALLY AS REGARDS TRENDS IN THE REGIONAL CONCENTRATION OF POPULATION AND ACTIVITIES

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I. INTRODUCTION

Europe's political upheavals are bringing fresh challenges for the future spatial organisation of the continent. Disparities both in present living conditions and prospects for development between the centre of Europe on the one hand, and the countries of Eastern Europe and the South Mediterranean, on the other, are coming to far exceed all conceivable and acceptable proportions. These imbalances will lead to migration on a hitherto unknown scale unless the peoples of the East and South can be offered fresh hope of economic and peaceful development.

Europe is, therefore, compelled to rise to the challenge and meet it head on with a policy for long-term regionalised development or a regional/spatial planning policy.

This report outlines the crucial elements of such a policy: goals, instruments, information and institutional aspects.

II. OBJECTIVES OF SPATIAL DEVELOPMENT IN A NEW EUROPE

1. The virtual absence of spatial objectives in European structural policies

The first thing to note in the current climate of fundamental upheavals is that neither national governments nor European institutions have formulated visions for a new Europe. Obviously some countries, such as the Netherlands, have begun to plan their regional future¹ within Europe. The Council of Europe has drawn up a European Regional/Spatial Planning Charter,² the Commission of the European Communities has published several reports on regional development, most notably the "Europe 2000" document³ and the twelve members of the Community reached agreement first on the Single European Act and then on the structural modifications contained in the Maastricht treaty, both of which represent a progressive increase in the importance attached to regional issues.

This report was written at the beginning of September 1992, before the French referendum on the Maastricht treaty. The author is convinced that the ideas expressed will remain valid in principle, whatever the outcome of the referendum, although it is highly likely that the political machinery will be extensively modified in the event of a no majority.

In addition, the Community's structural funds also comprise significant elements of a spatial nature, particularly since the first reform was begun towards the end of the 1980s. However, not one of these texts offers a vision of what the spatial organisation of tomorrow's Europe could or should be in such concrete terms that it might serve as a guide in drafting a regionalised development policy. This policy has to be sufficiently consistent and well-thought-out to achieve greater balance between the regions of Europe.

Although these documents contain some significant propositions, they have not stimulated the political debate that is needed to reach compromises between conflicting interests, which alone will be able to bring about a European approach.

It will, therefore, be necessary to start virtually from the beginning to establish a minimum that can be used as a framework of reference for support and development initiatives. This is not only essential in order to devise a convergent policy for European countries, but also to justify the large budgets enjoyed by the existing structural funds.

2. Key elements of a programme of objectives for a European policy⁴

a. Priorities for European regional/spatial planning and future initiatives depend on the spatial elements of the principal objectives pursued by the peoples of Europe along the road to convergence. This report takes such a tendency towards convergence - which would not necessarily lead to integration - as the sole starting point for the following considerations, although other options can be envisaged and some would in fact take the view that other scenarios are just as likely: this draft report is being written at a point in time at which no-one yet knows the fate of the French referendum on Europe. In our view, any alternative to convergence is bound to lead to a new set of conflicts that would run the risk of undoing the peace policy whose foundations were laid by the great European statesmen of the postwar era - Schuman, de Gasperi and Adenauer.

The spatial objectives of a new European policy will have to feature certain key elements that meet requirements at European level.

b. The first of these elements should be the clear objective that the European community, in other words the countries that make up the Community at present and the countries that might wish to follow its approach and share in its success, should do everything in its power to create and maintain living and production conditions and thus development prospects in all its

regions that are sufficiently comparable to curb the trend whereby whole populations consider migration towards centres of wealth as the natural solution to their hardships.

It is perfectly clear that this objective can only be attained at the end of a long gradual process. Nevertheless, it would appear essential to set such a goal in order to take the relevant and congruous decisions, which alone will be able to inspire the confidence in people that it is worthwhile participating in efforts to reorientate, mobilise and develop, instead of abandoning themselves to vague hopes and the risks of migration to rich but unknown regions. The experience of western Germany, where such an objective is enshrined in the Basic Law (constitution) of 1949, shows that a judicious policy can produce interregional stability.

c. A second objective, which complements the first, should concern the system of public finances throughout European states and regions. From an economic point of view, it is quite clear that it would never be possible, and indeed scarcely desirable, for a policy designed to promote balance between different regions to lead to economic equality. The very different assets of the various regions with regard to raw materials and other natural resources together with their logical specialisation in different sectors mean that considerable differences in regional average incomes will persist. Indeed, this kind of differentiation contributes to the smooth functioning of market economies. At the same time, a region's production base determines its chances of participating in interregional trade and thus of achieving an optimal level of economic development.

The result of such a strategy is that there continue to be "rich" and "poor" regions and some disparities will go beyond what is acceptable: the authorities in poor regions will not be in a position to meet the needs of their inhabitants and their businesses, and vicious circles will continue to widen the gulf. Therefore, the authorities at European level, states and regions, must accept the responsibility for narrowing the differences in public bodies' financing capacities so as to give them, by means of a financial equalisation mechanism, the minimum of financial resources necessary to carry out their allotted functions.

A development policy that is not backed up by a corresponding public financing arrangement will not be able to fulfil its objective, at least as long as this objective is designed to minimise regional disparities.

d. The third key element that is necessary to transform the first two objectives into political initiatives is a vision of Europe's spatial structure, to the extent that it is in Europe's interest to guarantee or modify parts of

the existing structure. Establishing a final structure requires analysis and research in conjunction with a political debate in order to highlight which existing elements are, from a European point of view, more or less satisfactory, which elements need to be added or reinforced, and which development tendencies need to be curbed.

These elements are first and foremost the large urban centres, which are necessary as focal points for the secondary urban centres and the rural areas that surround them, the communication links that connect them and the areas that must be protected for ecological reasons; it is necessary then to define in practical terms the elements that make up these three categories at European level to enable the national and regional authorities to supplement the spatial vision with additional elements at their own levels.

This preliminary list of the decisions that must be taken to move towards a European blueprint - a list that we do not have time to expand upon here despite the significance of various other aspects - shows that we are dealing with a notion that is more complex than the traditional approaches of sector-based development policies, which have already posed major problems at supranational level. Determining the spatial objectives that need to be recognised at European level adds all the difficulties stemming from the disparateness of national objectives, which are themselves the result of often very fragile political compromises.

To mention just one aspect of particular significance, we might refer to the problem of determining, with a view to formulating effective policies, the degree of intervention that is appropriate and politically acceptable. There is a fundamental conflict between the need to ensure enough freedom to allow market forces to operate and help economies function satisfactorily on the one hand, and the responsibility of the political authorities at all levels to create and maintain the conditions in which they can actually function, in particular the essential infrastructure.

3. Action priorities

In order to draw up a blueprint for Europe that is sufficiently clear and politically acceptable, we must begin a meticulous preparation process that would establish, on the basis of multinational studies:

- a. a series of spatial planning objectives for all spheres in which Europe at one level - or perhaps two: one comprising Europe as a whole and the other countries that are members of the Community - has

or would have responsibility for guiding sectoral initiatives;

- b. a draft outline for spatial planning that defines the key elements of the final structure⁵ with regard to the large urban centres, secondary centres and ecologically protected areas.
- c. a proposal for the main orientations of sectoral policies and in particular of the structural funds used to support progress towards the spatial structure that is set out in the European blueprint;
- d. a draft of the institutional structure explaining the tasks and responsibilities entrusted to the various political and administrative levels in order to initiate political discussion of the appropriate structural modifications,⁶ and
- e. a concept for the reorganisation of the system of public financing that is directed towards the smooth functioning of the new institutional structure.

The complexity of this task and the fundamental decisions that will have to be taken before solutions can be found to the operational details have been clearly documented, albeit incompletely, in the report "Perspectives of Regional Development Policy in Europe" by the group of French and German experts mentioned earlier.⁷

III. DEVELOPMENT INSTRUMENTS

1. Requirements and solutions

It goes without saying that such a novel and complex task can only be successfully carried out as part of a well-structured process. The governments of all the countries concerned cannot be expected to agree on a new approach before there is a sufficiently coherent body of proposals. But it would be equally dangerous to await a consensus without documenting everyone's willingness and the acceptance by rich countries and regions of their responsibility for solidarity towards poor countries and regions. It is, therefore, vital, and of paramount political importance, to devise a transition policy that is capable of contributing to the growth of mutual confidence between all partners.

It would thus appear that the priority is to continue the reform of sectoral policies and in particular of the structural funds of the Community, enlarged by new partners from the former European Free Trade Association, and point them increasingly in the direction of the provisional objectives of an initial draft European Regional/Spatial Planning Strategy, although this will

remain incomplete. The above-mentioned report by the Franco-German group contains a map (see appendix to this report) that might serve as a starting point.⁸

The main thrust of the concept contained in this map lies in the fact that it shows - on bases that are admittedly still incomplete - a certain number of large cities, classed as "development centres of European importance", which it is deemed necessary to consolidate to complete the continent's urban framework on the one hand; and on the other, the map sets out the main transport axes linking the large urban centres to which the group has ascribed a European role. We think that the way in which this map is conceived and the proposals it raises will be able to stimulate analysis and debate. This will lead to an improved version that can be used as a basis for the necessary political decisions. Until then, the map can be used as a starting point for decisions to be taken in the near future.

2. Basic information

One of the basic problems that complicates the tasks described above is the still underdeveloped state of regionalised information, to which we should have access in order to draft the necessary conceptual outlines as reliably as possible. Consequently, setting up and implementing a European system of regionalised information should be viewed as one of the most urgent tasks. We should in fact be pleased that the Commission of the European Communities has begun to pay due attention to this enormous task, although truly satisfactory results cannot be expected in the immediate future.

It would thus appear to be an urgent necessity to step up the search for "intermediate" regionalised methods of analysis, which can be used pending the development of a methodology that is applicable to the whole of Europe.

One fundamental aspect is worth raising here in this context: the difficulty of delimiting spatial units that are sufficiently comparable to permit political interpretation of the analysis results. A mere glance at any of the "regionalised" information maps produced by the services of the Commission, or other European institutions, suffices to illustrate the basic obstacle of the incompatibility of the units currently employed, out of excessive respect for countries' internal boundaries. The way to ensure that European analyses can be adequately interpreted is to establish a new geographical basis that would be characterised, in some cases, by the aggregation of units used in national contexts. Here again, only an independent expert approach is likely to result in a draft that can serve as a reasonable starting point for the

political debate and the decisions that will have to sanction the new geographical framework.

Likewise, with a view to preparing an adequate basis for future decisions, it will be necessary to review and devise certain definitions and methods of data collection that will determine the nature and thereby the comparability of much regionalised information.

3. Implementation priorities

In order to support the development of existing policies, the priorities of initiatives to be launched in the near future should be determined:

- a. The first of the most urgent initiatives must comprise the preparation of a quantitative and qualitative analysis of the regional effectiveness and efficiency of structural instruments that are already used by national governments or by the European authorities.
- b. The second must be the basic reform of existing structural policies so as to bring them in line with the first outline of spatial structure, as preliminary as this might be, including initiatives in neighbouring countries in the East and South.
- c. The third comprises the creation of a European system for spatial analysis laboratories, which would produce the most reliable data for the preparation of the necessary decisions, not only for the services of the Commission of the European Communities, but for all those to whom it might be of interest. Given that such a system should include the existing governmental and para-governmental institutions in the member countries, Germany's experience with the Regional Planning Academy⁹ suggests that it would be practical to supplement the system of individual state institutions with a "European Regional Planning Academy" that might produce, on the basis of the competence and the independence of its members, analyses and recommendations that go beyond national borders, that are more "European" than the compromises reached by the representatives of national or even regional governments.

The priorities set out above refer, at first sight, to the European Community, to which we in fact ascribe the role of driving force behind the future of the whole of Europe. This viewpoint does not in any way exclude other European institutions, and particularly the Council of Europe with its associated institutions, from participating - either directly or indirectly - in the Community's activities, or acting as a substitute for the

Community when and if it does not accept the challenges and the responsibilities we have described.

IV. THE INSTITUTIONAL FRAMEWORK

1. Difficulties stemming from the incompatibility of political and administrative structures

Europe is characterised by the great diversity in its national and regional identities, its traditions and its institutional structures, which are responsible for both the richness of our continent and the barriers to comprehension and co-operation.

It is obvious that existing institutional structures, in individual states and at European level, do not correspond to the needs of a regional planning policy as outlined here. Likewise, it is clear, and completely natural, that politicians are more ready to defend the system within which they are working than to aspire to a better alternative that would run the risk of diminishing the importance of their present functions. Institutional conservatism, especially deeply rooted in the minds of the jurists who are always bound to derive their interpretations of the possible responses to new challenges from the existing framework, constitutes one of the greatest obstacles along the road to Europe. The governmental and administrative structures on either side of national borders within Europe give so many reasons for negotiations and dialogue and ultimately for a few progressive agreements that it is not likely that those responsible will easily abandon their grounds for existence.

Therefore, the strategy must target two intermediate objectives.

On the one hand, the various approaches for finding adequate provisional solutions must be speeded up, on a case-by-case basis, for states, regions, towns that want to promote transfrontier co-operation but still come up against obstacles inherited from the times when legislators could not predict the requirements of integration policy. In this way, what must be avoided above all is that such activities almost automatically reinforce the role and the weight of the European authorities; such a reinforcement of centralist tendencies will destroy, if it persists, all the goodwill and the confidence of those who still believe that European convergence is not a dream but the best prospect for evolution of the disparate whole, in peace and towards greater well-being for all. We call upon the officials to acknowledge the danger and on the politicians to take seriously their duty to guide and control the whole.

On the other hand, draft proposals for a new institutional structure are required, which will not only take into account all the main interests and the specific identities and traditions of the states and regions, but are also comprehensible to the citizens concerned. One of the lessons of the post-Maastricht period is that the incomprehensibility of this agreement among the Twelve - as in the case of many other texts - encourages political abstention and favours demagogic interpretations by radicals of all shades. If we want a convergent Europe, the peoples of Europe must be involved in the process; if we want a democratic approach, it must be made possible for people to understand at least the essentials of what is to be decided.

2. Potential for and necessity of regional programmes for European development

The existing regional development programmes, even in the few significant and laudable instances of a trans-frontier approach, are not yet real European programmes in the sense that they are not designed to contribute to the realisation of European spatialised development objectives. This is not a reproach, as both in the past and even today, there was no framework of reference that could have guided those who accepted to devise their programmes from a European angle.

The approach adopted by the authorities in Brussels to encourage transfrontier co-operation in the absence of a European reference framework, deserves to be strengthened as it offers the best possibilities of encouraging those who acknowledge the need for transfrontier programmes and makes it possible to obtain practical experience of potential obstacles and solutions, which should one day be incorporated into the drafting of a better approach.

Similarly, it would also appear essential to launch initial pilot programmes in areas on the external borders of the Community, which will extend the participation of Community funds in investments, at least in the public infrastructure sectors.

3. Priority groundwork

a. As far as priority initiatives in this crucial field are concerned, I am thinking first of all of the increase in the potential for direct co-operation at the level of politicians and public officials. What was begun a long time ago in many commercial enterprises, namely language training and staff exchanges, is not yet being practised to a large enough extent at the various levels of public service. The Commission's language service, however necessary, good and effective it may be, is at

the same time an alarming symptom of European stagnation and excessive centralism. If Europe does not achieve a situation whereby three quarters of meetings and negotiations take place without interpreters and translators, all its other efforts will be to no avail. It is not only up to our populations armed with their votes, but also to us as experts to make the politicians and civil servants understand that language learning has become as important as learning to drive.

The repercussions of this kind of fundamental reorientation will only be felt after a certain time-lag. We must therefore tackle this formidable challenge as early as possible, with a long-term overall view and immediate initiatives at the same time. The leaders of today will not have the time, but young people, the leaders of tomorrow can be encouraged to develop their talents and their interests to communicate more directly.

b. Secondly, the leading legal experts in public law from all European countries must be brought together, with a guarantee of independence, to devise a new common institutional framework, which will correspond both to the requirements of eventual integration and to the needs of individual states and regions. We might only hope to see the beginnings of a new solution if the experts abandon the principle of merely modifying, to the extent that this is inevitable, the existing structures in their respective countries. The uncertainties that are bound up in such an approach and the probability that it will be a lengthy process suggest once again that it must be begun as soon as possible.

c. Lastly, it would seem to us that priority should be given to increasing the funds available for the support of transfrontier development across both internal and external borders to create the necessary credibility to continue the convergence policy, first of all in those countries that are familiar with borders and their effects and which will be able to testify as to Europe's progress or failure.

V. CONCLUSIONS

European regional planning is not an objective in itself, but one of the necessary foundations for bringing the various sectoral approaches that have already been instituted to their desired successful conclusion.

At the same time, in order to become operational and effective, a European regional planning policy requires complex and laborious preparations, which does not augur well for rapid success.

In recognising the necessity of such meticulous preparations and the need for time to carry them through to a successful conclusion, Europe - both in the sense of the European Community and the wider sense of Europe as a whole - must take the pragmatic route of small steps and not ask national or regional governments to support theories and solutions that cannot yet be based on solid foundations.

Only the complementary relationship between the political will to achieve peace and stability in a diversified Europe on the one hand, and analytical and conceptional preparation that is more intensive and more securely anchored in basic research on the other will be able to lead us towards a real European regional and spatial planning policy.

NOTES

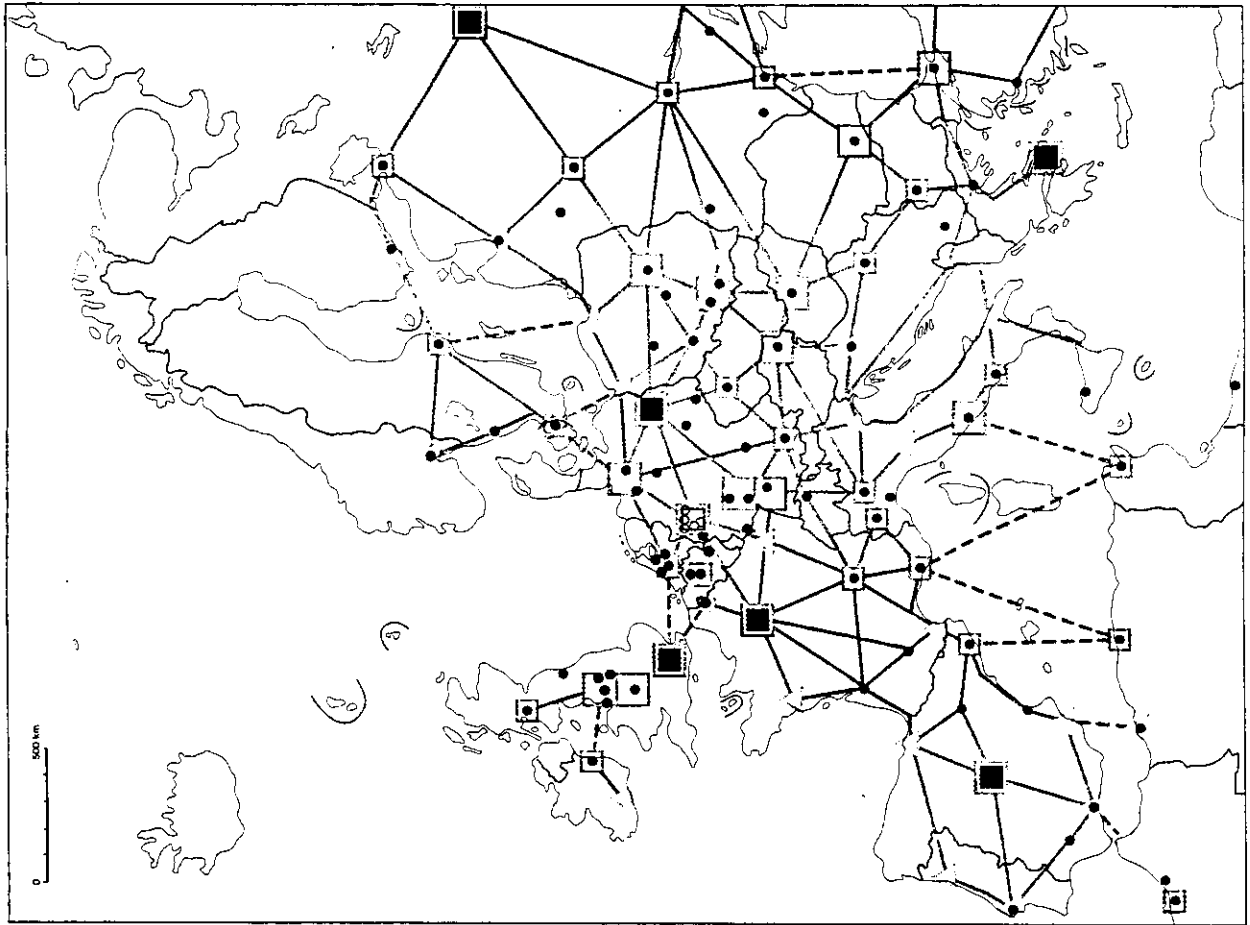
1. Rijksplanologische Dienst, Perspectives in Europe. The Hague 1991.
2. Cf. European Regional/Spatial Planning Charter published by the North Rhine-Westphalia Institute for Regional and Urban Development Research (Vol. 0.028). Dortmund 1984.
3. Commission of the European Communities, Europe 2000. Doc. COM (91) 452 fin. of 7 November 1991.

4. The following propositions refer inter alia to a report prepared by Joël Hébrard and Peter Treuner for a Franco-German group of experts created jointly by the Akademie für Raumforschung und Landesplanung (ARL) and the Délégation à l'Aménagement du Territoire et à l'Action Régionale (DATAR); cf. *Perspektiven einer europäischen Raumordnung/Perspectives de l'Aménagement du Territoire européen*, ARL and DATAR, Hanover and Paris 1992.
5. If we speak here of a "final structure", it is only a heuristic expression: in fact, this vision of what the territorial organisation of Europe should be one day will never completely come to be, but should be revised and amended in the course of its development in order to take into consideration the factors and objectives that comprise these visions.
6. Such a political and administrative structure should be governed by the principle of subsidiarity, which leaves political and administrative responsibility at the lowest possible institutional level, as long as development objectives and the maintenance of the social order are not called into question. This would also leave all the member states in the European system the freedom to devise their own customised solutions that take into account their country's specific characteristics, heritage and traditions.
7. Cf. *Perspektiven einer europäischen Raumordnung / Perspectives de l'Aménagement du Territoire européen / Perspectives of Regional Development Policy in Europe*, ARL and DATAR, Hanover and Paris 1992.
8. Cf. Illustration Table 12, *Perspektiven...*, p. A28/A29.
9. The "Akademie für Raumforschung und Landesplanung" is a public scientific body, financed jointly by the federal government and the Länder, which is self-governing and independent in its research and other activities. It comprises (a) some sixty serving members elected by a two-thirds majority of current members, (b) over 400 corresponding members and (c) some 500 other experts invited to take part in various study groups. The key to the respect enjoyed by the Academy is that about half of its members come from universities, whilst the other half is made up of "practising" experts; the dialogue organised between these two groups is reflected in the Academy's publications and recommendations.

Abbildung / Figure / Image 12
 Agglomerations, Entwicklungszentren und Hauptverbindungen von europäischer Bedeutung
 Agglomerations, development centres and main communication lines of European importance
 Agglomérations, centres de développement et grandes liaisons d'importance européenne

Symbol / Signature	Verdichtungen / Agglomerations / Agglomérations	Dimension Einwohner / Inhabitants / Habitants
•	Großstadt / City / Conurbation	> 500 000
◻	Mittelgroße Agglomeration / Middle-sized agglomeration / Agglomération moyenne	> 1 000 000
◻	Monozentrische Großagglomeration / Large monocentric agglomeration / Grande agglomération monocentrique	> 2 000 000
◻	Polyzentrische Großagglomeration / Large polycentric agglomeration / Grande agglomération polycentrique	> 2 000 000 et Conurbation(s)
◻	Sehr große Agglomeration / Very large agglomeration / Très grande agglomérations	> 3 000 000
◻	Ruhrgebiet / Ruhr district agglomeration / Agglomération de la Ruhr	5 Conurbations
◻	Entwicklungszentren von europäischer Bedeutung / Development centers of European importance / Centre de développement d'importance européenne	
—	Festländische Hauptverbindungen von europäischer Bedeutung / Continental main lines of European importance / Liaison d'importance européenne continentale	
- - -	Maritime Hauptachsen von europäischer Bedeutung / Sea routes of European importance / Liaison d'importance européenne maritime	

Quellen / Sources:
 1) Typisierung und europäische Verbindungen: J. Hébrard, P. Trauner, V. Wille
 2) Einwohnerzahlen: I.B.F. Kormoss, Brugge 1988/89



REGIONAL PLANNING PRIORITIES SEEN IN TERMS OF COMMON ECONOMIC DEVELOPMENT ISSUES AND THEIR TERRITORIAL IMPACT, ESPECIALLY AS REGARDS TRENDS IN THE REGIONAL CONCENTRATION OF POPULATION AND ACTIVITIES

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INTRODUCTION

Regional planning, regional policies and regional development seem to have reached a turning point. Recent changes in Europe have completely altered our traditional ideas of a stable continuous development towards further co-operation and integration. A thorough understanding of the problems associated with regional development will be a vital factor if we are to face the uncertainty and new problems of the turbulent years to come.

Presently it is difficult to foresee what will happen to further European integration within the EC. On the one hand we are on the brink of the introduction of the "Single European Act" but at the same time popular resistance and monetary problems are threatening further development. On the other hand, several countries have applied for full membership of the Community and negotiations with four of them are expected to start in 1993.

The last three years have seen more changes to the map of Europe than ever before in this century. As a result of the disintegration of old regimes of eastern Europe, nine new nation states have declared themselves independent and are recognised by the international community, and there are at least two more to come within the near future.

To most people of the post-war generation this development has come as a shock. The "honeymoon" of late 1989 and early 1990 is over and we have witnessed the disintegration of nation states that were a part of our earlier, stable picture of Europe. New nations and populations, whose names we thought belonged to history, have engaged in vicious civil wars, and we have to ask ourselves if there are still other forgotten conflicts which could surface. For instance, will the development in eastern Europe give new life to some of the at least forty minorities in western Europe which have survived and are still "fighting" for more independence (Blaschke, 1980)?

An immediate result of this development is that it has become clearer than ever that the destiny of all countries in Europe are closely tied together and that existing political institutions are inefficient and inadequate to cope with the problems.

The difficulties which any discussion on regional policy and regional development must take as its starting point under these new circumstances may be summed up as follows:

- The triple challenge of international competition, EC countries without internal trade barriers in 1993 and the globalisation of the economy
- Geo-political change in central and eastern Europe

- A continuing development of multi-level institutional structures

In this perspective the present paper firstly evaluates some general trends within the development of European regional policies, particularly with respect to EC policies. Secondly, it discusses the recent setbacks of further EC integration, demonstrating that the root of the problems should be found in the fact that the regional dimension has been underestimated. Finally, the problems of regional development within a framework of independently co-operating regions of Europe are discussed.

Regional policy at the turning point

In most European countries, regional policies were institutionalised during the 1960s. These policies were generally established to deal with the effects of increasing urbanisation and its effects. The rapid post-war urbanisation started in the northernmost developed areas of Europe in the 1950s, but later spread to the southern and eastern parts. As a result, regions with a large dependence on primary economic activities and a small industrial sector had to face severe structural problems and soon they showed a permanent negative net migration balance (Drewett & Engelstoft, 1990; Kunzmann & Wegner, 1991). The tendencies were unequivocal and the solution thus seemed straightforward: to initiate industrial development in the disadvantaged regions. Policies for regional development often took the idea of establishing an economic "growth pole" as their starting point. But in the Scandinavian countries, for instance, regional policies were also an important element in redistributive policies. During the 1970s the policies gradually changed and widened their scope. The focus changed from the structural element and gradually policies have become a passive aid maintaining the status quo (Nilsson, 1991).

Recent years have seen a significant change in regional policies and they now serve the far broader purpose of making each region able to play its individual role as a part of an entity. This is true at national as well as at European level, and the development of EC regional policies in many respects demonstrates this change. Being the oldest, closest and best established institution of European integration, it is worth while taking a closer look at the situation here.

The basis of EC policies has, from the very beginning, been on the one hand a protectionist (almost "command economy") type of agricultural policy with fixed prices, and on the other hand an industrial and trade policy based on competition: one free market with no

interventions and subsidies (Lemberg, 1992). There have however, always been huge spatial differences in economic structure, technology, income etc., within the EC. Exceptions to the idea of no state intervention have been made in order to make it possible to promote economic development in lesser developed regions, ie. regions with, for instance, a high unemployment rate or particular structural problems. In the early days, EC structural funds were primarily used to support national policies, but gradually a more consistent and co-ordinated regional policy has been established. This fact is demonstrated in the last periodic report on regional development in the European Communities (CCE, 1991a). Among other things it mirrors this fact and a clear distinction is made between "Community assistance to problem regions" and "Regional disparities and cohesion" where the explicit use of the word cohesion is important to note. Another recent report is "Europe 2000: Outlook for the development of the Community's territory" (CCE, 1991b). This document is particularly interesting as it demonstrates the changes in the scope of EC regional policies introducing a spatial element to manage the dual purpose of spatial policies: to secure economic growth and at the same time make sure that the poorest regions get their share of the wealth. The dual purpose demonstrates a classical contradiction in spatial policies as it raises questions requiring decisions with respect to at least four major dimensions of policy, ie:

- Economic efficiency
- Social and spatial equity
- Control of negative externalities
- Budgetary constraints

After years of stable development where economic and political integration have been at the top of the agenda, recent developments have clearly demonstrated the problems associated with these contradictions.

Increasing criticism of European integration

As mentioned in the introduction, the future of the development of the EC is a key factor for the ability of the Community to play a central role in the development in Europe. The next section will consequently take a closer look at the problems which further integration have faced.

The well-established EC is in crisis. When the Danish population rejected the Maastricht treaty, it proved to be the first serious warning that European integration within the EC might have gone too far too fast. It might therefore be interesting to take a closer look at the Danish situation.

To the Danish politicians the result of the referendum came as an uncomfortable surprise, and immediately after the referendum several commentators tried to explain the result as a sign of domestic political protest rather than an actual rejection of European integration. Much the same can be said of the recent French referendum and its "ou.....i". Even if the politicians heaved a sigh of relief after the result of the referendum was known, it has been difficult to conceal that the Danish "no", the narrow French "yes", the problems with British ratification and the difficulties of the ERM have been a major drawback from the point of view of increasing integration and co-operation.

The truth is, however, that careful studies of various Eurobarometer surveys would have already revealed considerable reservations amongst the populations of the EC countries. At least when it comes to actually surrendering national sovereignty.

The table below shows that, even if Denmark proves to be the most reluctant of all EC countries to give up national sovereignty by being at the top of the list in five out of ten selected areas, there are serious reservations in several other countries. The Eurobarometer survey furthermore indicates that there is a close and consistent connection between the Danish "no" and the attitudes expressed in the survey. In fact

the "no" could have been much more pronounced. From the point of view that the Danish no is a general "warning" rather than a traditional Danish "reluctance", the following points attempt to analyse the background further:

- Danes are increasingly pro European (more than two-thirds of the population find European integration as "something positive" and the number is increasing).
- There are however, limits to how close integration should be. When it comes to integration Danes are very reluctant on matters such as defence and foreign policy (only one-third is "pro" and the figure is decreasing). Almost sixty per cent of the population opposes that any further integration should be pursued by a possible "EC government" responsible to the European Parliament. In general it seems more acceptable to give up economic rather than political influence.
- A comparative analysis of the factual knowledge on the EC, carried out by the European University Institute in Florence (I), shows that, of the various European populations, the Danes are the most interested. According to the analysis the Danes are furthermore the best informed, and the general level of knowledge is higher than, for instance, in Germany or the UK.

National sovereignty: Percentage of population in favour of national decision-making (10 selected areas).

Foreign policy vis-à-vis non EC-countries	Protection of individuals' rights with respect to data registration	Co-operation with third world countries	Social and health sectors	Education and vocational training	Scientific and technological research	Level of VAT	Defence	Environmental protection	Currency
Denmark (42%)	Denmark (76%)	Denmark (31%)	Denmark (85%)	Denmark (76%)	Germany (27%)	Luxembourg (63%)	Eire (65%)	Eire (44%)	UK (63%)
Greece (35%)	Luxembourg (68%)	Greece (23%)	France (71%)	UK (75%)	Denmark (25%)	UK (61%)	UK (59%)	Luxembourg (43%)	Luxembourg (46%)
UK (30%)	UK (62%)	Netherlands (22%)	Luxembourg (69%)	Eire (69%)	UK (23%)	Denmark (51%)	Denmark (54%)	Denmark (42%)	Germany (44%)
Germany (27%)	Eire (59%)	Germany (29%)	UK (68%)	Germany (67%)	France (19%)	Germany (44%)	Greece (53%)	UK (31%)	Denmark (39%)
Eire (24%)	Netherlands (58%)	Luxembourg (20%)	Eire (67%)	Luxembourg (66%)	Luxembourg (17%)	Greece (44%)	France (52%)	France (29%)	Eire (39%)
Luxembourg (24%)	France (54%)	Eire (19%)	Germany (64%)	Netherlands (64%)	Eire (17%)	Eire (39%)	Luxembourg (44%)	Greece (29%)	Netherlands (39%)
EC-12 (23%)	EC-12 (50%)	EC-12 (16%)	EC-12 (61%)	EC-12 (62%)	EC-12 (20%)	EC-12 (41%)	EC-12 (47%)	EC-12 (28%)	EC-12 (39%)

Note: Belgium, Italy, Portugal and Spain are not included in the rating

Source: Eurobarometer No. 36, December 1991, here quoted from "Ugebrevet MANDAG MORGEN"

The attitudes illustrated by the table are thus founded in a consistent attitude and actual factual knowledge and they seem to demonstrate that the yet unknown fate of the Maastricht treaty can be seen as a result of popular reluctance to surrender national rights to self-determination. Present European instability and the breakdown of traditional well-known institutions only adds to any anxiety of the unknown.

Unless politicians realise the implications of this development and act accordingly, we may experience still further setbacks in European co-operation.

The development of EC institutions so far has taken its starting point as the co-operation between nation states. But the question is whether this institutional framework is the most appropriate. Many scholars find that what we are currently experiencing may only be the first steps towards what is sometimes referred to as a "renaissance of nationalism". But the fact of the matter is that only few European nation states are constituted by one well-defined national population (cf. the introductory remarks to this paper).

Simply because we must co-operate in order to solve mutual problems, and ultimately to survive, it is difficult to perceive a situation where nationalism, as we currently experience it in its worst traditional form in the Yugoslavian civil war, will "re-establish" itself. On the contrary, it is imperative to develop the human resources and capacities as they express themselves at the local level. This is only possible if we develop the peoples' right to determine their own future, but within a framework of mutual respect, solidarity and co-operation. In this respect two concepts must be discussed further, namely that of "the region" and that of "subsidiarity".

What is a European region?

One of the most important discussions in connection with shaping the Europe of the future is the so-called "Europe of Regions" versus the well-known "Europe of Nation States" (the politicians sometimes attempt to avoid this contradiction by using the term "fatherlands").

From a historic point of view, the creation of modern centrally governed nation states dates back to the late 15th century. The concept is founded in the prerogatives of the state, i.e. the fact that the state has the exclusive right to take decisions on behalf of its subjects. Nation states are consequently defined by their spheres of power, i.e. their national boundaries.

Contrary to "the nation state", the concept of "the region" is much more volatile. Because of its ambiguity

the regional concept is often used politically and it is relatively easy to use it with a positive connotation. As the foundation for a redefinition of regional policies in a European context, however, a more precise definition of the possible content is needed.

A region is defined by its territory as well as by its functional and institutional framework. Within this framework several different types of regions may be found. Each type has its own characteristics and particularities (Hedegård & Veggeland 1991).

Administrative regions may be the types of region which most often are associated with the administrative level between the municipality and the central state. Even though these regions are commonly founded in historical delimitations, their main importance is as the framework for a range of sectorial functions, often education, health and transport, but always within limits defined by the (non-federal) state. Administrative regions are well defined spatially, administratively and institutionally and it is within the various administrative regions that the structure of local government in Europe is functioning (Harloff, 1990).

The *sociocultural region* is often known and identified by the name of a particular "landscape". Historically the region and its delimitation is usually characterised by physical geographical features such as rivers, mountains, etc. Natural hindrances and sheer distance to neighbouring sociocultural regions has led to the evolution of similar languages or dialects as well as a similarity of ways of life and economic structure of the particular region. The institutional framework in this type of region is very varied, sometimes even non-existent, and sometimes comprises several or even parts of administrative regions.

Peripheral regions and regions of dominance may be portrayed as two sides of the same problem, i.e. uneven development.

Peripheral regions are regions dominated by other regions. They are characterised by an imbalanced economic structure which is often biased towards primary activities such as agriculture, fishery or mining and consequently they are weakly urbanised. Their economic structure is vulnerable and dependent on other regions. Peripheral regions almost always have a negative migration balance. The peripheral region is the classical target of the traditional redistributive regional policies.

On the other hand many urban regions and their hinterland represent examples of regions of dominance. Metropolitan areas are often closely related to the functions of the national state. They also contain vital economic and financial functions and represent

important centres for culture, science and technology. Furthermore they are often seen as centres of innovation. As such they tend to dominate at the national and sometimes even at the international level. It is interesting though to notice that economic and social differences are often more pronounced within some of the urban regions themselves than between the dominant and peripheral regions. Being functional giants, the dominant regions, however, are often administrative midgets. Distributional problems are often serious, and it seems paradoxical that various metropolitan councils, for instance the GLC in London or the "Hovedstadsrådet" in Copenhagen, have been abolished. There is no doubt that some of the most serious problems of today's redistributive policies are to be found within the dominant regions.

The types of regions and the problems involved as they are described above, are known to most of us. One more type of region to be mentioned is, however, the *environmental region*. The concept of an environmental region arises from the fact that environmental problems can seldom be contained and dealt with in any of the types of regions described above; in fact environmental problems are basically global. Moreover, ecosystems are defined by their own spatial organisation. Nevertheless environmental problems are dealt with as sectorial problems within the administrative framework at regional or national level. However, in order to cope with environmental problems in an efficient way, we must create new institutional frameworks within the various levels of environmental regions.

Consequently it is difficult, if not downright impossible, to draw a picture of "The Regions of Europe". Each type of region either differs from or overlaps the others. The task we have to solve is complex, because how do we apply local self-determination within this complicated mosaic?

The principle of subsidiarity

During the continuation of the process of integration within the EC, the so-called principle of subsidiarity has been presented as a key element. The problems in connection with the ratification of the Maastricht treaty and the reasons for the popular opposition to the treaty have further stressed the importance of decentralised or local support.

In its original form, the principle of subsidiarity is the catholic philosophical principle according to which the world is hierarchically divided and each institution has its own tasks according to its position within the hierarchy. Immediately this definition is open to various interpretations and it is hardly surprising that this highly

ambiguous concept, when applied to European policy, becomes much more equivocal.

If the principle is interpreted as the right of a central government (national or supernational) to delegate authority to a subordinate administrative level (and thus reserve the right to redraw it), there is nothing new. But if we base the principle of subsidiarity on the assumption that any democratic political system exists because its people want it to exist, and that it has this authority only because it has been endorsed by the people, then a more radical interpretation of the principle of subsidiarity would emerge. A consequence of this interpretation would be that no government, even if democratically elected, should have the right to prevent populations or regions defining and pursuing common goals (Hedegård & Veggeland, 1991).

But let us for a moment turn to the proceedings of the Jacques Delors Colloquium in order to define and understand the concept (EIPA, 1991). The central point seems to be in accordance with the above-mentioned "radical" definition, ie. the repartition of the tasks between the different levels of political power and the willingness to acknowledge the complete (national, regional or even local) freedom to determine internal structures. There are however, several reservations because subsidiarity should certainly not mean less solidarity and less integration. This once again points to the schism between the policies designed to improve economic efficiency by co-operation and common rules and the right to local self determination. There are for example numerous EC directives which were originally conceived centrally in an attempt to reduce restrictions on free trade and competition, but which locally are seen as unnecessary bureaucracy. This can only be avoided if we create various possibilities of bottom-up approaches from the lowest competent level.

Subsidiarity should thus encourage local approaches and protect the grass roots. But there are several risks involved in speeding up "paradiplomatic" policies which induce regions to conduct negotiations parallel to the state.

First, there is the risk of territorial polarisation, ie. rich regions getting richer and poor ones getting poorer. Second, there is the risk of fragmentation if parallel or even contradictory policies are simultaneously pursued. Third, from the wish for immediate results, the short-term gain may conflict with long-term goals. Finally, there is a definite risk that social and cultural considerations will succumb to economic reasoning (Dommergues, 1992).

To cope with these risks it is necessary to clarify the relationship between the regions and the supernational

level when strategies for international and interregional competition are devised. Intraregional and interregional co-operation should optimise each partner's comparative advantages and the individual right to self-determination should be developed within the limits of mutual responsibility.

Concluding remarks

In order to develop and sustain a European regional development, which on one the hand favours economic development and growth, and on the other hand promotes the right of local self determination, several sets of inherent contradictions must be addressed. For instance, how are we to handle questions like:

- solidarity versus individuality?
- co-operation versus competition between regions?
- sectorial versus holistic solutions?
- bureaucracy versus democratic development?
- competitiveness, working costs and profits versus general living conditions and environmental problems?
- integration versus nationalism and regional separatism?

These are some of the important questions we have to ask ourselves when the regional policies of tomorrow are being devised, and if the principle of subsidiarity shall ever become anything more than just an abstract idea assuming the principle of subsidiarity should ever work as an appropriate framework for decision making.

The concept of subsidiarity may be one of the answers to the problem, but subsidiarity presupposes the separability of responsibilities and it is hard to see how this condition can be fulfilled in a situation where various tasks relate to various spatial groupings. So far it seems that the principle which might be clear in its abstract form is very difficult to apply to practical situations. So far subsidiarity and the idea of regionalism have mainly been used in a "divide and rule" game by central governments of the nation states.

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REGIONAL PLANNING PRIORITIES SEEN IN TERMS OF COMMON ECONOMIC DEVELOPMENT ISSUES AND THEIR TERRITORIAL IMPACT, ESPECIALLY AS REGARDS TRENDS IN THE REGIONAL CONCENTRATION OF POPULATION AND ACTIVITIES

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INDUSTRIAL DISTRICTS AND SUSTAINABLE DEVELOPMENT Analysis and methodology for action

1. The development of industrial districts and environmental issues. Is there a specific relationship? Which factors should be considered now and in the future?

1.1 Industrial districts undoubtedly represent a unique form of development "concentration". They play a significant role in the economies of some countries, including Italy, and particularly of certain regions. Although their characteristics do, of course, differ in terms of time and place, they are nevertheless found in numerous economic and social structures in various countries.

1.2 For some time now, ENEA has been developing its own methodology for innovative action in industrial districts, designed to give these "systems" and the small and medium-sized businesses that distinguish them the technological and organisational innovations they need to face up to new competition from abroad. Several initiatives have been launched over the last few years in close co-operation with the various local partners, institutions and companies concerned. The most significant of these have been in the districts of Prato (textiles), Sassuolo (ceramic tiles) and Como (silk), and in the furniture industry. Their main purpose is to combine the synergies and network of interdependence found at local level with the skills of an organisation like ENEA in order to provide these industrial districts

and the businesses concerned with the infrastructural, technological and organisational innovations that would otherwise remain the sole preserve of big companies or better developed sectors.

1.3 This methodology has been developed from a tradition of theoretical analysis and practical experimentation which is quite well established in Italy, particularly in certain regions. This mainly focuses on two aspects, development and innovation, and no analysis of the "sustainable limit" of development taking account of the specific conditions of industrial districts has yet been made.

1.4 The strength of industrial districts mainly lies in the level of integration/co-operation between social, economic, political, cultural and even environmental factors. At least initially, easy "access" to environmental resources was therefore the key reason for the development and rapid growth of many industrial districts. This often led to "overcrowding" (excessive concentration) in these zones and to serious impoverishment of the environment. Because of its origins, the latter could not be overcome by means of isolated measures applied to individual firms or production processes. At the same time, restrictions on the "environment factor" could trigger off major crises affecting the entire economic system.

1.5 Environmental and energy aspects often play a major role in ENEA schemes, although the environmental aspect was originally considered as a specific subject in relation to the production patterns or characteristics of each zone. The responses developed thus covered two aspects, ie specific solutions for local emergency situations, or the introduction of "clean technologies". At a later stage, however, a growing emphasis on environmental issues led to greater awareness of the need for more thorough analysis in order to determine whether there was a specific link between the nature of such industrial districts and the environmental problems arising in them. In some cases this phenomenon could be seen particularly clearly, for instance in the Sassuolo-Scandiano district, where the bulk of Italy's ceramic-tile industry is concentrated. In this zone, which is among those declared by the government to have a "high risk of environmental crisis", the environmental problems are so closely related to the nature of the district and the problems of growth there that future development is now compromised because of the increasing inadequacy of the "environmental resources" that had been the main factor behind the district's original development.

1.6 On the basis of ENEA's experience in other districts, it was decided to conduct a specific study on "The Environment and Industrial Districts". As the project is new, the main objective is to develop a specific methodology for the environmental analysis of industrial districts through the implementation of a pilot study in one of the districts where ENEA is active. The ceramics industry zone, where ENEA has been involved in system modernisation activities for many years, was therefore chosen (ISTRICE project). This choice took account not only of the strength of the sector in Italy, owing in part to the significance of the mechanical ceramics sector, but also of the environmental characteristics of the zone whose nature and position make it more vulnerable than other zones to a real ecological crisis.

2. Industrial districts as a specific "ecosystem": characteristics of the analysis methodology; environmental, technological, social, economic and institutional aspects

2.1 In view of its innovative nature, the project has been developed in several phases, beginning with a preliminary study to establish basic hypotheses, set objectives and make methodological choices, this being followed by on-site experiments in Sassuolo-Scandiano.

2.2 The two basic project hypotheses are as follows:

- The fundamental characteristic of the industrial districts and the strongpoint of their development as specific economic and social zones and contexts is represented by the level of integration/co-operation between the relevant social, economic, political, cultural and even environmental factors. At least initially, easy "access" to environmental resources was therefore a key factor behind the establishment and rapid growth of many industrial districts.

- Industrial districts generally suffer "overcrowding", often resulting in serious "degeneration" of the environment that cannot be overcome by adopting separate solutions for the problems of individual firms or production processes.

2.3 Industrial districts should be regarded as specific ecosystems, whose key elements are the area concerned, its inhabitants, the existing production systems, the relevant authorities and the "social partners" involved, whose life depends primarily on these factors being properly balanced.

Consequently, a measure affecting only one type or factor of an ecosystem is likely to be ineffective, if not dangerous for the other parts. In order to safeguard the specific industrial district ecosystem, it is therefore essential above all to determine how balance can be achieved and how it can be restored or maintained. In this case, harmony between the environment and development is no longer a mere wish or desire, but an obligation. It is not a matter of controlling development in order to protect the environment: on the contrary, only by protecting the environment will it be possible to continue development (it is not coincidental that there are often demands for "ceilings", limits, etc. to be set).

2.4 The main objective of the project is to produce a tailor-made system of measures, given that positive action, prohibitions and possible links are not intended to solve the environmental problems by scaling down or eliminating one or other of the "actors", but are designed to create new opportunities and generally modernise the technological/productive and socio-economic/institutional "system".

2.5 As regards methodology, the main choices made for the operational phase are as follows:

- Existing environmental analysis/action methodologies are inadequate for industrial districts. Since industrial pollution problems are generally analysed as being the result of specific, individual factors, the measures and solutions adopted include such things as purification systems, filters, etc. In the case of industrial districts, the specific, individual problems represent only a small, and often not decisive, part of a greater whole,

while in the analysis of the industrial-district ecosystem and its individual components and their interrelations, the system analysis criterion is taken as the central element and appropriate methods are used for each of the specific components. The latter are thus progressively integrated and continuously monitored.

- The key element of the project lies in identifying the logical chain that links the different components of the system and underlies the environmental issues so as to determine the causes from the economic, organisational and institutional points of view. To this end, the traditional analysis methods must be supplemented by the latest instruments in the environmental field developed over recent years at national and international level, particularly with regard to the relationships between environment and society (greater environmental awareness, economic-environmental analyses, etc).

2.6 The preliminary study is followed by detailed analysis of each component of the industrial district ecosystem. The following elements are analysed: the physical system (resources, environmental parameters, the vulnerability factors of the zone, the environmental situation inside/outside the companies, etc); the production and technology scenarios, working conditions and innovation, official environmental policies, public perceptions of the environment and their evolution. At the same time, methodological studies of economic-environmental analyses have been conducted as a means of assessing types of action and analysis that could be employed in the medium term to solve the most urgent environmental problems.

2.7 Work also began on developing a methodology for preliminary measures to minimise the waste produced by ceramics manufacturers. Here too, the sector served as a pilot study for the development of a methodology that could be applied to all small and medium-sized businesses and industrial districts.

The objective of this planned and systematic procedure is firstly to determine the possibilities for waste minimisation through in-depth analysis of the process and of material and energy flows and, secondly, to identify possible innovations and analyse the potential for their implementation from the technical and economic points of view. All this was designed to provide companies with information and instruments enabling them to take the environment factor into account at all times in their decision-making and company planning. The results could be used by other institutions or environmental associations in order to promote the introduction of more advanced and "cleaner" technologies.

This procedure is very similar to another method developed by ENEA, namely "energy auditing", to which it can be linked. It is based on experience of relations with small and medium-sized businesses, where a reduction in financial links through conventional incentives seems useful but not decisive in its effect, whereas the provision of real services, with the development of appropriate methodologies, technical and organisational aids, training and the optimum exploitation of the innovative processes that exist in the industrial districts would be much more effective.

3. Ceramics industry pilot project and first results

Analysis methodology for industrial districts

3.1 The analysis results explained in detail above were obtained by experts from various disciplines in the course of on-site studies lasting over a year. These results were combined with the data from other parts of the ISTRICE project in order to provide a comprehensive and up-to-date overview of the prospects for the sector and of the environmental situation of the district. Details are given below.

- *Economic/production aspects*

Following the crisis and restructuring of the early 1980s, the sector is now going through a phase of development and consolidation, featuring concentration processes and, after allowances are made for sector-specific cyclical factors, positive production trends. At the same time, the mechanical ceramics sector, most of which is based in the same district, has achieved positions of absolute dominance at international level and, remaining extremely dynamic, now plays a leading role as regards development choices in the sector. This latter factor means that Italy's international leadership in the field is not under threat, and the sector is sufficiently strong and healthy to face up to the implementation of the Single Market.

- *Relations with markets, services and the tertiary sector*

Although these are the most difficult points, they also offer great opportunities for making economies of scale and increasing the sector's competitiveness. Action in these areas is even more difficult because of the nature and origin of the companies, requiring changes in the traditional relationships within the districts and between the districts and external factors in "network" structures.

- *The environmental situation*

The environmental crisis mainly relates to the following factors:

The progressive reduction in groundwater levels because of the mismatch between requirements and resources, boron pollution of groundwater; the presence of dumps holding toxic and harmful sludges that have not yet been identified or cleaned up; and transport-related environmental problems. In the long term, other factors will also have to be considered, for example the increased and widespread use of imported raw materials, the shortage of other essential resources, in particular land itself, doubts about the results of the necessary clean-up measures, the possible consequences of increasingly restrictive environmental and town-planning regulations, and reduced public acceptance of an "invasive" economic production system that has such serious effects on the environment.

- *Institutional aspects*

The environmental policy adopted by the institutions in the district in the 1970s, when the signs of an environmental disaster were already very clear, is undoubtedly an example of active involvement and at least partial "success" if compared to other cases in the country. The environmental measures here were of the first-generation type, mainly involving "damage repair", whose effectiveness was related to the emergency situations then existing. Other factors were the early introduction of a sectoral policy, the setting up of qualified and highly motivated technical bodies, the level of co-operation and consensus between the various partners in the district, and the co-ordinating powers of the institutions. Nevertheless, the most important aspect was the creation of a real "centre" of environmental policy, as a consequence of all these elements.

The ending of the emergency situations, the inadequate structures of some of the parties involved and a deterioration in their relations resulted in the loss of momentum and capacity for expansion as regards public action. The environmental policy "centre" subsequently produced several separate and diversified initiatives which no longer reflected a comprehensive and organic vision, but rather the specific interests or vetoes of the individual parties.

Methodology for preventive waste-minimisation measures

3.2 It is only recently that a number of countries have begun studying the problem of developing waste-

minimisation methodologies for local and regional systems and small and medium-sized businesses (European PREPARE Project, PRISMA in the Netherlands, etc). Previously there had been separate, major company experiments concerning different possible methodologies (the EPA "Waste Minimisation Opportunity Assessment Manual" is particularly significant).

These remain valid for small and medium-sized businesses and local/regional systems if adapted to take account not only of the relations between small businesses but also of the entire range of complex relations with the environment.

3.3 Preventive waste-minimisation methodologies share a number of common features. Their primary purpose is to overcome the factors which prevent companies from taking measures to minimise waste, ie inadequate know-how about waste products and their direct and indirect costs, inadequate correlation between environmental values and current and future regulations, the isolation of competent technical teams, insufficient awareness at management level, etc. Their secondary purpose is to provide companies with data and instruments enabling them to introduce waste-minimisation objectives in overall company planning. The various phases are as follows: company auditing, assessment, proposal and reinforcement of possible measures in order to determine and quantify all the benefits of waste reduction in terms of:

- investment costs and assessment of economic advantages;
- relationships with internal and external environmental plans;
- relationships with company investment plans.

3.4 The methodology developed for small and medium-sized business systems provides for an auditing process to analyse in detail incoming and outgoing flows of materials and energy, intermediate processing, the principal waste categories, storage facilities, disposal methods. Possible solutions are then worked out on the basis of the data recorded during the second phase. These solutions fall into two main categories: reduction at source (divided into three sub-categories: changes in the technologies, processes or materials used; improvement of existing technologies; organisational/operational changes) and recycling (inside or outside the company). The third phase involves assessment of the direct and indirect costs of the chosen solutions and of the benefits resulting from the reduction in the environmental risk and energy consumption levels, as well as in the health risks for the workforce, the costs of eliminating, treating and removing waste, industrial waste levels in general

and hence the quantities of material used in production. An estimate is also made of the benefits in technological, competitive and image terms, as well as the reduced risk of infringing regulations, the increased opportunities for the present and the future, including improved dialogue with, and greater acceptance by, local communities, etc.

3.5 This procedure may be employed for all companies however small. It has been applied to the ceramics industry district, taking in the entire system of companies and involving the following:

- Definition of the sample of companies and production activities to be covered by the tests;
- Analysis of the results and assessment of the various possible solutions, in relation not only to the individual companies but also to the companies as a whole and the characteristics of the area (opportunities for economies of scale, integrated solutions for the district, etc), as well as other distinguishing features of the district (innovative processes, the presence of equipment sectors interested in assuming the role of innovative "sponsors", the role played by the authorities and public opinion, etc).
- Dissemination of the results to all the companies and parties concerned.

3.6 As the project is still under way, no comprehensive assessment can yet be made in respect of methodology or the specific results obtained. We hope to be able to provide a sufficiently detailed, if not definitive, assessment at the forthcoming colloquy.

4. Further development of preventive action methodologies aimed at "sustainable" development in industrial districts

4.1 Since some analysis and control data are not yet available, it is currently impossible to make a definitive assessment of the on-going pilot project. In view of the nature of the project, it can already be seen that both adjustments and refinements will be necessary. The first results show characteristics specific to the ceramics sector, and more generally to industrial districts, thus confirming the particular usefulness of environmental action methodologies for this type of district ecosystem.

4.2 Although not yet complete, the findings regarding the ceramics industry district raise questions about the practical limits of industrial expansion, the dynamic forces affecting interrelations and corresponding costs, and hence the very competitiveness of the system in the longer term. Besides the more immediate environmental

problems, this particular district and other industrial districts are still faced by the question of how to resolve the structural problem of compatibility between the delicately balanced environmental system and a soundly-based, highly competitive and dynamic economic production system with possibilities or needs for subsequent periods of growth.

In view of these forces and the soundness of the ceramics sector, more general public aid is likely only to accelerate the existing dynamism and the processes which are at the root of the various environmental crisis situations, whereas the vitality of the industrial districts offers the conditions for more far-reaching innovation and "sustainable development" programmes which could provide an organic solution to the structural problems we have discussed.

The various elements of this industrial district ecosystem, eg the strength and dynamism of the sector, the technological capacities it shares with the mechanical ceramics sector, the experience gained and "successes" achieved in the past in the environmental field by the various institutions and companies, and the economic impetus apparently ascribable to the realisation that the environmental framework can restrict or hinder growth if it is not properly managed, have all combined to make a new approach to the problem of development essential.

4.3 In order to move on from the mainly analytical phase conducted to date to a more operational/experimental phase, it is therefore proposed to further develop the project through measures to be taken at three different levels:

- **Technological field:** preventive waste-minimisation methodology, technological observatory, development of "clean" technologies and reduced consumption of resources, etc.
- **Regional/infrastructure field:** environmental rehabilitation measures, transport system, etc.
- **Policy and decision-making field:** methods for adopting the "best available technologies", the demand factor in the environmental field, public monitoring and control system, development of regulations, assessment methods and allocation of public funds, etc.

A proposal has also been made to set up an environmental policy "centre" based on a new conception of the situation of the district, this being updated and shared by the various parties with the direct involvement of the most important partners in the district and in close co-operation with the actions and policies of the various local and regional institutions.

4.4 These proposals are currently being examined by ENEA and the other interested parties, in particular the authorities of the Emilia Romagna Region, with whose co-operation all the previous phases of the project were developed.

At a more specifically scientific level, ENEA is analysing the results of the project as a whole. For the time being, the results have been published separately in specific studies, but they will be compiled for distribution when all phases are completed.

INCORPORATING SUSTAINABLE DEVELOPMENT IN REGIONAL FORECASTING

THE EXAMPLE OF LIMOUSIN

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"LIMOUSIN 2007"

When Limousin set out in 1987 to study the prospects for its future over the next 20 years, it confirmed its position as a pioneer in regional forecasting. Although the term "sustainable development", which originated in the Brundtland Report, did not appear anywhere in the 850-page "LIMOUSIN 2007" study, the germ of the idea was there. It could be read between the lines and was reflected in some of the assessments and proposals contained in the report.

"In a world that is going to change fundamentally over the next 20 years, why should there not be a real transformation of attitudes and behaviour in both the West and the Third World countries? Better understanding of the realities could contribute to this and raise questions that would encourage debate" (general report, p. 201).

"In view of the issues at stake (...) and the challenges involved, Limousin cannot afford the "everyone-for-himself" approach, as this would be suicidal. Only by giving this up can we reconstruct a network of service centres and create an environment capable of attracting activities and people and keeping them in the region" (general report, p. 361).

"Along with Auvergne, Limousin is the only region with the lowest pollution in both toxic and organic waste. Being a "green" region today, with unpolluted water supplies of the type required by activities such as

electronic components manufacturing, means an economic advantage for tomorrow" (report of the working party on productive activities, pp. 162-163).

Nevertheless, none of this was particularly audacious. Apart from some comments on the role of water, space and air as industrial raw materials, the report regarded Limousin's environment and quality of life only as advantages possessed by the region for generating development of a type that could be described as "classical" or "neo-classical" in reference to activities using new technologies.

The next phase, which was completed in summer 1992, updated the study and went into greater depth. It was a methodological innovation in its own right, and attached much greater importance to sustainable development. The experts quickly recognised this as a point of convergence in terms of the region's concerns or expectations. Limousin began to redefine its future, taking account of the two key factors for the future, namely the emergence of a world economy and the need to implement sustainable development on a worldwide scale.

The emergence of a world economy greatly enhances Limousin's geographical position. By French standards, the region's communication infrastructures are less highly developed than some. But the situation is quite different as regards world standards, and this is the area concerned by the reflections on future activities. In the

eyes of Japanese or American investors, Limousin's existing infrastructures place it in the wider region centred on Paris - a region that has all the advantages of Greater Paris close at hand, but none of the disadvantages. Limousin is thus a region of both economic efficiency and quality living. It is rapidly improving the parameters for the former and striving to preserve and further improve those for the latter. For instance, it has the chance of turning weaknesses, such as a population density that is less than half the national average and the constraints involved in confronting the difficult transformation of existing economic activities (agriculture, defence or manufacturing industries, etc) to its advantage.

There are three areas of investigation on which a resolute policy for promoting Limousin as a region of excellence in sustainable development can be based. The outlook study has allowed these to be examined so that the region can go down this road with confidence.

The very quality of the environment and living conditions used to form the necessary basis for confirming Limousin's position as regards the new emerging model. While sustainable development is needed everywhere and will, therefore, eventually be introduced everywhere, it is like all other activities in that some regions are better suited to it than others. Limousin has realised that it is one of those which are best suited.

The second area is the ability to accommodate new activities, whether these are new in themselves and to all locations or simply new to a region to which they are being transferred. This latter category includes all activities whose concentration in one geographic area has resulted in problems of industrial congestion. As sustainable development gains ground, Limousin will provide a prime location for relieving such pressures. It will be a region that welcomes new inhabitants and new economic activities. The future does not necessarily belong to the "blue banana".

The third aspect of sustainable development is that of activities which are directly related to such development and which will permit its implementation. Geography is less important here. Water purification equipment can be manufactured on the banks of the most polluted rivers. Limousin could well have had no businesses involved in the implementation of sustainable development, but luckily this is not the case. Some companies in the Limoges ceramic industry complex have already extended their production to include "environmental equipment". One of the many examples is a sanitary ceramics company which has developed a sink and W.C. grinder that will probably be used in systems for eliminating solid urban waste.

Attention should also be drawn to the crucial advantage offered by the location in Limousin of the International Water Board and the existence of a water studies department at the University of Limoges. A growing number of students and trainees from all over the world will come to the region and learn about all types of appropriate equipment.

Beyond the concerns of the Community, Limousin has initiated a vocational training programme in the waste treatment sector. It has just signed a general environmental co-operation agreement with the Autonomous Community of Valencia, which will be the first of its kind signed in Europe. Negotiations are under way in Bavaria and also in Gdansk in Poland.

Sustainable development in the context of long-term regional forecasting is thus bringing back hope to a region to which the 20th century has not been kind. Even the condemnations of cattle breeding by Rifkin and American ecologists seem like an opportunity waiting to be seized, since it is not the activity itself that is under fire but the way it is conducted. The message can be received positively in areas where the extensive form of cattle breeding is practised.

Although sustainable development will not, of course, solve all the region's problems, it will enable it to approach the future differently. While indicating inevitable changes, the outlook study also underlines the modernity that can be derived from an ancient province.

In an introductory text on the "Changer de Cap" (Change direction) manifesto, the French industrialists who signed the manifesto rightly maintained that company managers who succeed in taking on the dual challenges of economic development and environmental conservation at the right time will enjoy major competitive advantages on the international market.

This applies to regions, too, provided they understand the challenges, and it is up to such forecasting to help them do so. Tomorrow's urban patterns, life-styles and economic structures will differ from those of today. The Council of Europe colloquy rightly focuses on these changes and challenges for European society. With these changes facing the world as a whole, every region must redefine its own position. And for some regions, sustainable development is an opportunity they must learn to seize.

THEME 3

DISTRIBUTION OF REGIONAL PLANNING POWERS AND RESPONSIBILITIES BETWEEN DIFFERENT DECISION-MAKING LEVELS – EUROPEAN COMMUNITY, STATES AND LOCAL AND REGIONAL AUTHORITIES: THE CORRECT BALANCE BETWEEN DECENTRALISATION AND THE NEED TO ENSURE COHERENT DECISION-MAKING IN ORDER TO SECURE SUSTAINABLE – AND THEREFORE CO-ORDINATED – DEVELOPMENT IN EUROPE

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DISTRIBUTION OF REGIONAL PLANNING POWERS AND RESPONSIBILITIES BETWEEN DIFFERENT DECISION-MAKING LEVELS - EUROPEAN COMMUNITY, STATES AND LOCAL AND REGIONAL AUTHORITIES: THE CORRECT BALANCE BETWEEN DECENTRALISATION AND THE NEED TO ENSURE COHERENT DECISION-MAKING IN ORDER TO SECURE SUSTAINABLE - AND THEREFORE CO-ORDINATED - DEVELOPMENT IN EUROPE

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REIMS

In the last two years Europe has shown itself to be firmly committed to transforming regional policy into a genuine policy for regional planning in Europe as a whole.

The process of reflection has made a good start with the production by the Commission of the European Community of the "Europe 2000" document on the outlook for Community regional planning.

The French Government authorities (DATAR) and the Akademie für Raumforschung und Landesplanung in Germany have produced a joint study on the outlook for European regional/spatial planning.¹

A number of provisions of the Maastricht Treaty, concerning for example the creation of the "Committee of Regions" and the definition of the principle of subsidiarity in the sharing of competences and responsibilities, serve to organise a system of institutions.

The creation by D.G. XVI of the spatial planning committee to carry out forward-looking studies has the same purpose in mind.

The organisation of regional planning in Europe may be based on a number of principles.

Horizontal equalising: work must begin on a redistribution, not only between the rich and the poor, but also between developing localities and those in decline. This means reducing inequality and making a greater effort to seek coherence.

Differentiation: the globalisation of the economy strengthens the need to maintain differences, including different cultures. The peoples of Europe are different, and regional cultures call out for self-expression. We must therefore reject any temptation to impose a single economic and social development model.

These principles can provide the foundation for new Community fields of competence and responsibility, provided we clearly define the ways in which European space is to be organised and the mechanisms which will ensure that the institutional system operates as a coherent whole.

I. THE WAYS IN WHICH EUROPEAN SPACE SHOULD BE ORGANISED

Europe is characterised at present by heterogeneous institutional systems. It is in its interest to make these systems work together, not to level them out to fit a pre-established model.

The new role to be played by the Community as regards regional planning results from the provisions of the Single European Act. The aim assigned to European regional policy is to strengthen the social cohesion of the Community. Regional disparities within the Community will have to be rectified so as eventually to give the citizens of all its component nations approximately equal development opportunities. The Community's task is therefore not only to take compensatory and redistributive action but also, from the wider viewpoint of European regional planning, to promote a deliberate organisation of space which will be conducive to economic development and will keep costs to a minimum.

1. DATAR; ARL: Perspectives de l'aménagement du territoire européen, Hanover, Paris, 1992, 196 p.

States play a basic role in the organisation of space. Since they are responsible for applying treaties and secondary law, they provide the driving force for the construction of the Community and have paramount authority for land use planning. In the eyes of their peoples, they have the main responsibility for spatial planning within their territories; it is on states that it is primarily incumbent to create the conditions in which their territories can be harmoniously integrated into Europe as a whole. Any weakening of their competence would therefore result in transferring to the Community responsibility for taking action as an expression of solidarity towards localities which are backward, experiencing difficulties or actually in decline. States cannot abandon their role of bringing about financial, social and political equalisation.

Regions, or rather "region-town" duos, aspire to have an influential role in the dynamic process of European regional planning. Many of them have already acquired a kind of "European personality", due more to their own strengths than to institutional machinery. This movement should be encouraged, since Europe needs powerful public protagonists who will contribute projects for the future. However, regions and towns will have to accept both the advantages and the constraints of regional planning: participation in a Community economic and social development project, with all its attendant positive aspects, but also participation in the equalisation and solidarity machinery made necessary by any kind of regional/spatial planning policy.

For the respective roles of these three organising authorities to be defined, their field of intervention must be made clear.

With the Single Market, the achievement of which attests the determination of Europeans to procure the means for developing with a view ultimately to achieving economic and monetary union, consideration of the future of European spatial/regional planning also means that each local authority must ask itself questions about the future of its territory and of its responsibilities in a wider context.

The twofold driving force at work, both economic and political, calls for thought about the overall concept of acceptance of responsibility for spatial development by all the local authorities concerned; it also invites us to clarify the competence of the Community in this field in relation to states and sub-national authorities. Such a concept must take account of the main characteristics of the European Community, in particular the fact that the degree of Community integration seems already in many fields to have gone beyond that of a simple confederation, even if it lacks a confederation's responsibilities for defence and foreign policy.

As a free association of states and nations distinguished from each other by the diversity of their cultures and by their legal and political systems, the Community has also a great diversity of situations as far as spatial development is concerned.

To regional disparities should be added the varied range of administrative structures, the diverse concepts of spatial development itself, and the widely varying degrees of importance accorded to development by each state.

European regional planning should complement the economic approach, and should reflect the desire to integrate the spatial dimension into the search for inter-regional forms of solidarity. If all the European regions are to develop harmoniously, and to achieve greater economic and social cohesion, account will have to be taken of the spatial aspect of the organisation of interregional relations.

Decisions in the general interest relating to economic and spatial development make it necessary to consider the division of powers between Community institutions, and to define new ways of sharing responsibilities which will go hand in hand with the establishment of a genuine political union.

The sharing of responsibilities must be based on the yard-stick of efficiency. Where a question can be dealt with at the regional or local level, the authority responsible should be the authority at that level.

The construction of the European Community has come about in stages through an association of states. States remain sovereign, but both in their own and in the general interest they have jointly agreed to take decisions in common; this is the case for example in the Council of Ministers. Internal relations within each state are the sovereign responsibility of the state.

The inclusion of Articles 130 A and C in common policies, and the co-ordination of national policies, are good reasons why a Community policy for European spatial development should be associated with structural policies, as proposed at the Rome meeting in December 1990 by the Ministers responsible for Regional Planning; this is all the more desirable in that such a policy becomes necessary in order to orchestrate the various activities referred to above.

Orchestration calls for consideration of the organising authorities' machinery for vertical and horizontal co-operation. Each local authority must find its place in a system of relations operating on a basis of partnership and respect for the responsibilities of each partner.

II. UNDERLYING PRINCIPLES FOR ACHIEVING A COHESIVE INSTITUTIONAL SYSTEM

A heterogeneous but harmonious institutional system means that we must take another look at vertical co-operation with a view to achieving flexible cohesion based on the principles of subsidiarity, compatibility and recourse to contractual procedures.

Horizontal co-operation includes transfrontier and inter-regional co-operation. It will have to be organised in an institutional framework common to all European states.

Functional co-ordination implies the alignment of sectoral policies for transport, agriculture, towns etc.

1. Cohesion and vertical co-operation

In order to prevent or remedy any possible aggravation of regional disparities which might be caused by the Single Market, and soon after it by monetary union, support must be given to all development initiatives and development capacities must be strengthened; this must be done at the local and regional levels, since it is at these levels that the real decisions are taken on land use, and that the necessary investment is made.

An approach of this kind, based on the principle of subsidiarity, will make it necessary, concurrently with the contributions from interregional solidarity expressed in forms of financial assistance, to strengthen competences and responsibilities in respect of regional planning at all decision-making levels, including that of the Commission of the European Community, in order to avoid dispersing resources through disastrous competition between towns and regions.

The strengthening of the institutions responsible for regional planning should respect two principles.

On the one hand, the competence of higher-level bodies - above all those of European bodies and national authorities - should make it possible to secure a coherent framework for development; at the same time, this should not mean setting any new limits to the consideration of the proposals, initiatives and specific decisions by lower levels, in particular by municipalities and groups of municipalities.

On the other hand, the development principles to be adopted, and the framework regulations to be drawn up for the higher planning levels - chiefly European bodies and national authorities - should leave to lower-level bodies sufficient freedom to appraise the basic facts relevant to each territory and to take on board the

practical situation, traditions and hopes specific to each population.

These comments suggest that the rules to be drawn up for consultation within the future European regional/spatial planning system should take account of the various governmental decision-making levels and should bring about their interdependence, combined with the twofold obligation of (a) integration as far as possible of higher-level plans and programmes in those of the lower levels and (b) consideration by higher-level bodies of the situations and development objectives in each of their lower-level units.

Lastly, the organisation of consultations, particularly where it is obligatory to consult the representatives of neighbouring spatial planning units and obtain their active participation, should be reflected in working structures which operate both flexibly and efficiently, with due respect for differences between the status of small region-states and large countries comprising several regions, and for the specific nature of transfrontier co-operation.

Recourse to the principle of compatibility (which is not the same thing as standardisation) should act as a stimulus to coherence and negotiation, and guarantee a margin of freedom in the reference frameworks defined at the levels of the Community and the states.

2. Horizontal co-operation, interregional and transfrontier co-operation

Throughout Europe many and varied forms of co-operation are developing not only between regions but also between towns and other local authorities. These institutional forms of co-operation are governed by the legislation of each state.

At the Community level it is necessary to define a legal framework adapted to this type of co-operation and common to all states. Local authorities must have available to them a whole range of tools in order to pool the tasks of management and give a structure to joint initiatives.

Even today, more than thirty years after the decision to set up the European Communities, the requirements of the existing situation, which force the authorities of frontier regions to have their national governments approve all projected agreements with the border regions of a neighbouring country, do not correspond to the intention behind the Single Act. They run the risk of negative discrimination against frontier regions, which are in this way restricted as regards opportunities for real co-operation, far more so than regions in the

interior of a country, all of whose neighbours belong to the same state, hence to the same common legal and administrative system.

As a general rule, frontier regions will only be genuinely in a position to take advantage of European integration if the obstacles at present standing in the way of co-operation are removed.

These obstacles consist in the first place in the variety of public law systems and the multiplicity of interpretations of national sovereignty; these will have to be changed as necessary in order to harmonise legislations and bring them into line with the objectives of European integration. New legal institutions should be set up. Recourse to European economic interest groupings would be a possible solution, requiring only a simple adaptation to be made by each parliament.

Continuation of a situation in which municipalities situated on opposite sides of a national frontier are not empowered to organise themselves as intermunicipal associations under ordinary law, or to take directly enforceable decisions on land use, or to draw on adequate financial resources in order to solve neighbourhood problems in urban areas located in the territory of two or more states, would perpetuate an incomprehensible form of discrimination.

Among the tasks having priority is the need for the representatives of frontier regions, and European and national representatives, to prepare jointly a code for transfrontier co-operation which will provide solutions to all the real problem situations of transfrontier co-operation.

In the case of agreements to be concluded for associations situated on the Community's external frontiers it might be useful to take as a reference the framework agreement prepared by the Council of Europe.

Only participation at all regional and local levels, above all participation by local authorities, regions, states and the European Community in the search for the best type of agreement on joint activities coming under the responsibility of each level, can create a genuine political union. Here a fundamental role will be played by spatial planning organisations at all these political levels, which should command the resources they need to shape their future.

To that end a study should be conducted on the setting up of a permanent body, such as for example a European Regional/Spatial Observatory, which would be independent and equipped with adequate technical

facilities provided by the European Community and member states.

III. COMMUNITY RESPONSIBILITIES

The Single European Act confirmed and clarified the path to be followed in strengthening regional development policy in the European context. The aim explicitly assigned to regional policy as such is the strengthening of the economic and social cohesion of the Community.

Thus the task of the Community, and that of both its Parliament and its Commission, is on the one hand to engage in compensatory redistributive action in order to remedy regional disparities within the Community, and on the other to promote the creation of better conditions for the development of backward regions so as to offer equal development opportunities to the citizens of all European nations and regions.

The search for Community coherence in achieving the objectives defined in Articles 130 A and C would be made easier by the preparation of a *document on the future of regional/spatial planning throughout the Community*, identifying trends and clarifying the implications.

Such a document should:

- . list the policy options and programmes in each state likely to have an impact which will go beyond the state's national frontiers, and
- . state priorities for intervention by the Community. The Community has already paved the way by its publication "Europe 2000", though this does not include national programmes.

The document would take the form of recommendations on which member states might draw in producing their own plans for regional/spatial development.

The Community bodies would have two main tasks.

The first would be to prepare and review at regular intervals an "outline blueprint" for European regional planning which would contain the spatial development objectives of states and regions considered to be of importance at the European level, such as for example focal points for development, zones for transfrontier integration and priority transport infrastructures.

As a reference framework for all public and private decision-makers, in particular national governments and regional and local authorities, such a blueprint would be an aid to long-term decision-making.

In order to make the blueprint clear and comprehensive, states and regions should supply detailed information on the localisation of components which are of European importance, and be responsible for adding at their level and for their territories, the components considered to be of national or regional importance in the light of the recommendations of the Commission of the European Community.

The second task of the Community would be to translate the objectives of the blueprint into decisions regarding programme and action priorities in the political fields coming within the competence of Europe as a whole.

Obviously, such responsibilities entail conferring a more important role on the European Parliament, equivalent to that of the Council of Ministers, and also devising and instituting a body which will be genuinely representative of the regions and will express and make known the regions' viewpoints publicly, at the highest level, give the necessary opinions, and put directly on record the overall desiderata for interregional co-ordination.

The Committee of Regions to be set up under the provisions of the Maastricht Treaty should of course be entrusted with this new role.

DISTRIBUTION OF RESPONSIBILITIES FOR REGIONAL DEVELOPMENT BETWEEN DIFFERENT DECISION-MAKING LEVELS - THE EUROPEAN COMMUNITY, STATES AND LOCAL AND REGIONAL AUTHORITIES

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INTRODUCTION

The dilemma of how to consolidate democracy in a civil society while building a supranational state - the state of Europe - calls for close scrutiny of the division of powers within that state, in order to determine who is responsible for certain policies which require a broad, firm, democratic basis in decentralised states. We shall tackle this subject by studying regional planning and the way in which the Community deals with it.

BUILDING THE EUROPEAN COMMUNITY

Perhaps most of our basic, underlying concerns about building the Community could be overcome if we could solve the question of how to effect the transition from democracy in a national state to democracy in a transnational state. It is no answer to say that we should simply reproduce what already exists at national level on a larger scale. The historical parallels are not close enough to allow us to draw this simplistic conclusion, as the countries where polyarchy is appearing already possess a strong social fabric and national identity, whereas there is little identification with transnational societies with their weak political structures which will not grow any stronger in the next few years.

As we all know, for a state to exist, it must have three vital attributes: territory, population and sovereignty. In a democratic state sovereignty resides in the people, the

source of all the state's powers. Thus legislative power is exercised by parliament which represents the people. The government in turn is accountable to parliament for its management of state affairs. Justice itself emanates from the people. Nevertheless, democracy as a system of government has suffered from the ravages of time, as has mankind who produced it. The development of advanced societies and the recent internationalisation of society have led to the adoption of increasingly complicated policies.

The placing of specialist knowledge at the service of democratic government has been a valiant and generally successful attempt to adapt democracy to the bewildering complexity of public policies. But what happens if the appalling intricacy of key public policies means that citizens can no longer discern which of them serve their interests best?

In this situation, we cannot say that advanced democracies are the product of adding the "tutors'" wisdom to the people's sovereignty, but rather the product of adding the symbols of democracy to the *de facto* tutelage of the political elite.

Will democratically advanced countries be able in future to stop themselves from sliding towards a government that is in fact run by virtual tutors? Would it not be much easier to prevent this slide if the transition were made from an advanced national democracy to an advanced transnational democracy?

There is a likelihood that the metamorphosis into a transnational democracy, instead of prompting an extension of the idea of democracy beyond the national state, will actually mark the victory of tutelage.

The fundamental mistake lies in believing that we can create a European Community without providing it with the wherewithal to exist in reality. In effect, the "democratic short-fall", which is the subject of much comment, is caused by the lack of appropriate democratic institutions.

In a truly democratic society, any power must be shared among the largest possible number of individuals, the application of this principle being the best way to gain and maintain freedom and guarantee that all can fully develop and exercise their rights. On the other hand, at the level of the European institutions, too many powers have been given to the Commission in Brussels and to its President, while the Council of Ministers represents national governments and not Europe, that is to say Europeans.

The previous points are intended to illustrate the crucial issues for the democratic consolidation of society in a supranational state. In this context, it is interesting to make a detailed comparison of the division of powers in a technological system resting on a narrow democratic base and the powers held by national governments, regions and local authorities in a state founded on constitutional principles and presenting a broader democratic base.

RESPONSIBILITIES FOR REGIONAL PLANNING

Of all the powers and responsibilities flowing from national sovereignty, I will restrict myself to those connected with regional planning and development, which have a bearing on two of the vital attributes which a state must possess in order to exist: territory and population.

In principle, the European Economic Community has no regional planning powers, but it does have responsibilities in the field of regional policy. This point must be stressed, because there is a tendency to confuse these two notions, or at least to blur the distinguishing line between them.

The purpose of regional policy is to redistribute income, basically by channelling it from one set of regions to another. Originally, it was a purely financial mechanism operating according to the principle of economic and social solidarity and cohesion. The use of these funds is a further stage which might or might not be the concern of the body providing them.

In contrast, responsibility for particular areas of land lies with local and regional authorities. Regional planning and development has more to do with the means of directly influencing space or territory and with links between areas; that is to say deciding how and where funds generated by a given local, regional or sectoral policy are to be used. Two opposite examples make this clear.

The EEC channels funds from the Community budget towards regions of Europe which display specified characteristics as regards income and population. Not only does it do this, but it also participates in the selection of specific projects which states or regions submit for financing. Thus the Commission intervenes to some extent in regional planning through the priority it accords to different projects.

The Spanish Government has an Interregional Compensation Fund financed out of the national budget which is approved by the Spanish Parliament, the purpose being to improve social cohesion at national level. Unlike the Community, the Spanish Government does not tell the regions how to spend these funds, it simply transfers them. The political justification for this is that, under the constitution, the regions have exclusive jurisdiction over regional planning and development and regional governments have a wide democratic basis.

Whereas, in the first instance, the EEC carries out regional planning and development without first consulting the citizens of Europe, through a regional policy starting out from the "centre" in accordance with a downwards strategy, in the second, regional planning and development is decided by institutions which have been set up democratically at regional or local level and which formulate an upwards strategy. The Spanish Government merely distributes funds, but is not involved in the selection of projects, as this is done at the lowest decision-making levels by institutions with a broad democratic basis, which are directly affected as they are close to the local population.

In the final analysis, who should establish the regional planning strategy of the autonomous community of Madrid, for example - the region itself, through its democratic organs, the Spanish Government or the EEC? The answer depends on whether an upwards or a downwards strategy is wanted. The Spanish Government has opted for the former, ie the decentralised model, where regional planning and development is the entirely the responsibility of the regional authorities. Working out the final details is ultimately not a job for the Commission, but for the strategists.

DISTRIBUTION OF REGIONAL PLANNING POWERS AND RESPONSIBILITIES BETWEEN DIFFERENT DECISION-MAKING LEVELS - EUROPEAN COMMUNITY, STATES AND LOCAL AND REGIONAL AUTHORITIES: THE CORRECT BALANCE BETWEEN DECENTRALISATION AND THE NEED TO ENSURE COHERENT DECISION-MAKING IN ORDER TO SECURE SUSTAINABLE - AND THEREFORE CO-ORDINATED - DEVELOPMENT IN EUROPE

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**"Is decentralisation an obstacle to consistency in decision-making on regional planning?
Can federalism make a contribution to reconciling decentralisation with effective
decision-making? The Swiss model."**

I. INTRODUCTION

While Europe is busy writing a fresh page in its history and attempting to set up new organisational structures, it is essential to examine how it intends to conduct its planning. This prerequisite is all the more vital as crucial decisions are bound to have a greater or lesser impact on the interests - and indeed even determine the future - of the populations affected by those decisions.

The construction of Europe gives rise to a number of discussions on how the institutional problem should be solved, and in this context a great deal is said about centralism, decentralisation, federalism, subsidiarity, etc. We are convinced that the solution or solutions adopted will be crucial to the future of European citizens. That is particularly the case in regard to regional planning, as the decisions taken in this domain are likely to have a direct impact on the lifestyle of each individual citizen, indeed even on the identity of the peoples which go to make up this Europe.

Our intention here is to describe the Swiss experiences. May we state at the outset that, owing to this country's

historical framework, the Swiss model cannot be transposed to European level. But it is none the less of some interest owing to Switzerland's decentralising traditions.

II. THE FEDERALIST SYSTEM INSTITUTED BY SWITZERLAND

1. Power-sharing in general

1.1 The origins of the system

In order to understand the system instituted by Switzerland, a few historical facts need to be mentioned. The Swiss Confederation, which was set up in 1291, was initially a very loose association of communities, in which relations between cantons were governed by a considerable number of treaties. With the Federal Agreement concluded in 1815, the cantons decided to attribute wider powers to the central authority: those were essentially restricted to the safeguarding of public

order, foreign policy and diplomatic relations with foreign countries.

On 12 September 1848, the Swiss Confederation became a federal state with the adoption of a **Constitution**. This Constitution was **completely revised in 1874** and it governs Switzerland today. One of the chief consequences of the adoption of this basic Act has been to attribute much wider powers to the central authority.

1.2 Ways in which powers are shared under the federal Constitution

It should first of all be made clear that the **cantons** are regarded as **organs of the Confederation** and also as **communities endowed with powers**. They are therefore not merely administrative districts. Their powers are restricted only where the Constitution expressly attributes powers to the central authority, that is to say the Confederation. In other words, this means that the Confederation is unable to intervene, particularly in a legislative capacity, in domains in which the federal Constitution has not expressly attributed powers to it. The cantons are therefore fully autonomous in all the domains which are not listed in the basic Charter of the Swiss Confederation.

Hence two distinctive features are apparent, that is:

- firstly, power-sharing is in reality decided by the federal Constitution. It is not, in fact, the cantons which have delegated powers to the central authority, but powers are attributed to the latter under the Constitution;
- secondly, the sharing is based on an **exhaustive list of the central powers**. The other powers continue to fall within the purview of the cantons. An essential prerequisite to attributing new powers to the central authority is a revision of the federal Constitution.

1.3 Present-day power-sharing

In concrete terms, power-sharing is as shown below, although in this context, mention is only made of legislative powers (excluding administrative, judicial and fiscal powers) in domains which are closely associated with regional planning:

- a. exclusive powers:
 - general defence and civil defence;
 - railways;
 - postal, telephone and telegraph services.

- b. shared powers, restricted to basic principles:
 - regional planning;
 - use of water power;
 - supervision of dams and forests;
 - hunting and fishing.
- c. shared powers which are not confined to basic principles:
 - road traffic, river and air navigation;
 - management of transport;
 - atomic energy;
 - protection of flora and fauna;
 - protection of the environment.
- d. parallel powers:
 - federal subsidies for the road-building;
 - completion of public works of national or regional importance;
 - establishment of a network of main roads (construction itself falls within the purview of the canton);
 - assistance with the construction of housing.

2. Power-sharing in regard to regional planning

2.1 The constitutional article on which power-sharing is based

As indicated above, information on power-sharing is contained in the federal Constitution. In regard to regional planning, Article 22 quater (adopted by the people and the cantons on 14 September 1969) is applicable. It reads as follows:

- "1. By legislation the Confederation shall decree the principles of the spatial planning to be established by the cantons for an expedient use of the ground and a rational land settlement.
2. It shall encourage and co-ordinate the efforts of the cantons and collaborate with them.
3. In carrying out its functions it shall take into account the needs of planning at national, regional and local level."

The scope of this constitutional article is clearly apparent: the central authority, ie the Confederation, does not have the competence to determine land use for the national territory as a whole. That is the responsibility of the cantons, through the intermediary of regional plans. On the other hand, in drawing up those plans, the cantons are under an obligation to respect the planning principles laid down by the Confederation. As for planning co-ordination, this logically falls within the purview of the Confederation.

2.2 Federal law on regional planning

Under the terms of Article 22 quater of the Federal Constitution, on 22 June 1979 the Federal Parliament (Federal Chambers) adopted a Federal Law on regional planning. In view of the fact that no referendum had been set in motion against it - a first law of 1974 having been turned down by the people subsequent to a referendum - this law came into force on 1 January 1980. It accordingly defines the principles which the Confederation is obliged to enact under the terms of the Constitution. One of the basic principles rooted in this law is the following: The Confederation, cantons and municipalities are under an **obligation to draw up plans** for those of their activities which have an impact on the organisation of the territory; this obligation is discharged by drawing up regional plans requiring subsequent harmonisation. So as to make this obligation more specific, under the terms of the law planning responsibilities are allocated to the central authority and the cantons respectively. Those responsibilities are as follows:

a. As we have already ascertained, it is up to the cantons to draw up the plans. Those comprise, first and foremost, the **master plans**. The essential purpose of such plans is to demonstrate, by providing various types of information, how far all the activities affecting the organisation of the territory are co-ordinated. In drafting such plans, the cantons have previously to determine the broad outlines of the approach to be adopted in planning their territory. These data are contained in the so-called basic studies.

It should be noted that the **basic studies** mentioned above must, in any event, cover the following domains: urbanisation, transport and communications, procurement of supplies, public works and installations, agriculture, protection of countrysides worthy of such protection and sites which are ecologically important, pinpointing of sectors threatened by natural forces or likely to suffer substantial damage.

After the drafting stage, the cantonal master plans are approved by the central government, ie the Federal Council. The latter primarily examines whether all the essential principles governing regional planning, as expressed in legislation, have been complied with, and whether co-ordination has taken place, on the one hand between the Confederation and the cantons, and on the other between the cantons themselves. Naturally, co-ordination with adjacent countries is also taken into account.

A cantonal master plan approved by the central authority is compulsory for all authorities, ie federal authorities, those of the adjacent cantons, and also the

municipalities of the canton in question. On the other hand, this master plan is not opposable to private individuals.

b. The cantons are also responsible for determining how land is used. This is accomplished by dint of **land use plans**, which are at any rate required to establish building zones, agricultural zones and protected zones. The forests, on the other hand, enjoy special protection under federal legislation.

In most cantons, it is up to the municipalities to draw up land use plans defining the various land use zones. Such land use plans have to be in line with the cantonal master plan. Within those limits, the municipalities have a certain amount of discretion - depending on the degree of autonomy conceded to them by the canton - in defining the nature and density of the various types of proposed usage. Finally, such land use plans are opposable to private individuals.

Certain cantons are entitled to draw up land use plans themselves, but the latter are geared to objectives of general and supra-municipal interest (for example, the protection of regional sites or the construction of infrastructure which is of cantonal or regional importance).

c. Apart from defining the principles applicable to regional planning, the Confederation is also under an obligation to shoulder planning tasks. Like the cantons, it is responsible for activities which have an impact on the organisation of the territory. That is the case when the Confederation takes action in domains which come within its province, namely: general defence, civil defence, railways, postal, telephone and telegraph services, use of water power, supervision of dams and forests, road traffic, river navigation, air navigation, transport management and atomic energy.

For all those domains, the Confederation is under an obligation either to carry out **basic studies**, or to establish **projects or sectoral plans**. It obviously has to harmonise all these planning measures and, before adopting them, to consult the cantons.

3. Principles underlying power-sharing in regard to activities having an impact on the organisation of the territory

3.1 Power-sharing criteria

In Switzerland, the establishment of power-sharing criteria does not conform to rigid, hard-and-fast rules. The approach has, on the whole, been highly pragmatic, depending on circumstances. It is none the less true to

say that the legislator has been guided by logic and common sense. Hence it is possible to deduce a certain number of relevant findings.

So as to simplify the presentation in connection with the activities having an impact on the organisation of the territory, we shall draw a distinction - to keep to the Swiss example - between the **delimitation of the various land use zones** (on the basis of land use plans) and the **granting of ordinary building permits** on the one hand, and the **realisation of major infrastructure projects** on the other.

a) **Delimitation of land use zones and building permits**

Firstly, in regard to the **delimitation of land use zones** within the territory, the main planning tools are in the hands of the cantons. That is in line with the spirit of the Constitution. In fact, the Confederation is a mosaic made up of very different cantons; the following are some of the factors contributing to this diversity: substantial topographical differences, in particular as between the table land on the one hand and the Alps and the Jura on the other; differences of climate between the cantons situated to the north and the Tessin to the south of the Alps; four national languages distributed as follows: 18 German-speaking cantons, 4 French-speaking cantons, 2 French-speaking cantons with a large German-speaking minority, 1 Italian-speaking canton in which Romanche, German and Italian are spoken, depending on the region; cantons with different religions, namely protestant and catholic ones; the existence, on the one hand, of cantons where the chief towns exert a powerful influence, such as those of Zurich, Geneva, Berne, Basle and Lausanne and, on the other, cantons where the towns play a less important role as in the case of central Switzerland, Grisons, the two Appenzells and the Jura.

Under these circumstances, it is hardly conceivable that the central authority would be able to impose one single model of development on all the cantons and regions of the country, together with a narrow assessment of prevalent interests: in short, a standardised way of life. That is why the cantons have been allowed to lay down the main guidelines for organising their territory. But in the interests of some measure of harmony at national level, in their day-to-day affairs, the cantons are obliged to respect the fundamental principles established by the central authority such as preservation of the countryside, a harmonious distribution of sectors reserved for habitats, a judicious layout of public buildings and installations or those which are in the public interest. Furthermore, the cantons have no option but to accept that the central authority is responsible for co-ordinating their planning measures with its own activities, as well

as with the planning measures adopted by other cantons, or even those contemplated by adjacent states.

Detailed decisions on land use in the light of the choices made by the cantonal authorities generally fall within the purview of the local authorities. That is why, in Switzerland, it is the municipalities which in principle draw up plans for their areas. Here too, co-ordination must not be left out of account, and it is naturally up to the canton to ensure that this takes place.

Building permits, which are primarily required for dwellings and buildings used for economic activities, also fall within the competence of the cantons. Hence each canton has its own building legislation. Naturally, a mosaic of this kind may be conducive to solutions which are incompatible at national level. It is none the less true to say that this system is the only one which enables the specific regional characteristics constituting the inner wealth of a country to be taken into account.

b) **The major infrastructures**

In Switzerland, the layout of most major infrastructures is encompassed by federal law, ie motorways, railway lines, high voltage electricity cables, oil pipelines, high pressure gas pipelines, nuclear power stations, air navigation infrastructures, installations for transport by cable. The main justification for attributing powers to the central authority in connection with these infrastructures is the need to ensure co-ordination at national level, which could not be guaranteed by a lower-level authority. Furthermore, there can be no question of security criteria depending on local circumstances; it is therefore perfectly legitimate for the central authority to exercise close control over such installations.

However, this centralisation does not exempt the Confederation, within the context of its attributes, from taking into account the interests of the various cantons as well as those of the population. That is why federal law generally stipulates that prior to any decision on a project submitted to it, consultations should be held with the cantons concerned. It also lays down that the cantons affected by a project should in turn consult their municipalities and, through them, the people concerned. This participation is intended to make projects more acceptable in areas where they are likely to be introduced.

3.2 The principle of subsidiarity

In an attempt to divide up the powers judiciously, recourse to the **principle of subsidiarity** undoubtedly constitutes an appropriate solution. It should be borne in mind that by virtue of this principle, any task which

exceeds the scope of a lower-level authority ought to be entrusted to a higher-level authority.

Where the subdivision of the various types of land use and their delimitation within a given territory is concerned, this task is usually entrusted to the local authorities. "Zoning" is not, in fact, an abstract step. It is always conducted with respect for the wishes of the population residing in the area and with due regard for local circumstances. Ultimately, it is the destiny of this population which is at issue, and it is consequently hard to visualize how a higher-level authority could impose its will unilaterally, at any rate under a democratic regime. It is, however, self evident that the initiative taken by the local authorities has to comply with certain rules which can only be established by the higher authority, with a view to ensuring relative equality of treatment among all these authorities, as well as some balance between the latter.

There is, moreover, another consideration in addition to this, ie that of ensuring the co-ordination of local authority projects with those of the higher-level authorities, in this case comprising both the cantonal and the federal authorities.

There are other circumstances in which the intervention of the higher authority is justifiable; for example, in delimiting **industrial zones**. It is nowadays no longer conceivable that local authorities should be empowered to decide on the establishment of such zones single-handedly. Present-day circumstances require this type of operation to be carried out in the context of a wider concerted action, generally at regional level. Furthermore, a regional concerted action will very frequently form part of a national strategy, or will at least be subject to pressure exerted by the central authority.

The same is true of the pooling of **certain resources** of importance to local authorities which, in the interest of rationalisation, have to be integrated into a supra-municipal strategy. We are thinking in this context of installations supplying drinking water, as well as water treatment and waste disposal plants. In certain circumstances, local authorities may be induced to cede their prerogatives to a higher authority, in the form of a regional or even cantonal authority.

In order for the principle of subsidiarity to be applied in the best possible way, it is essential to grant sufficient financial autonomy to the various levels of competence. In Switzerland, this financial autonomy takes the shape of a **sharing out of fiscal competence**, which is moreover the logical consequence of the existence of federalist structures. Thus each of the levels of competence - the Confederation, cantons and municipalities - is entitled to levy direct and indirect taxes. Hence in

Switzerland, *inter alia*, personal income is subject to taxation by three levels of authority.

3.3 Instruments of co-ordination

As soon as a more or less complex form of power-sharing is instituted, it becomes essential to ensure co-ordination between the various levels of competence. Where regional planning is concerned, the federal law on regional planning has instituted highly specific instruments.

Co-ordination is in fact achieved by means of **cantonal master plans**. Under the terms of the aforesaid federal law, each cantonal master plan - there are in all 26 cantonal master plans corresponding to the number of Swiss cantons - has at any rate to define the following:

- a. how activities are to be co-ordinated which have an impact on the organisation of the territory, with due consideration for the development they have in mind;
- b. the order in which it is intended to exercise those activities and the ways in which they are to be implemented.

Those requirements inevitably presuppose that each canton has all the necessary information at its disposal. With this end in view, the Confederation is required to provide full details of all the projects it intends to implement. The adjacent cantons, for their part, are obliged to take the same steps, in so far as their projects have an impact on regional planning in the canton in question. Finally, the municipalities also have to inform the canton of their intentions.

Once the cantonal master plan has been drawn up, it is submitted for approval to the Federal Council, the executive power of the Confederation. This authority accordingly has an opportunity to check whether co-ordination of the activities affecting the organisation of the territory has in fact taken place.

While cantonal master plans are being devised, it is possible that conflicts will break out, that authorities will fail to agree among themselves (one canton with another, or Confederation and cantons) and that co-ordination will then become difficult. In such cases, the federal law on regional planning has made provision for a **conciliation procedure**. For the duration of such a procedure, there is a ban on any intervention which is likely to have an unfavourable impact on the outcome of the discussions. In the event of failure to reach an agreement, the Federal Council adopts a final decision. It should be noted that this procedure is also applicable when the Federal Council is unable to approve a cantonal master plan, because the latter fails to comply with federal law.

II. INTEGRATION OF THE EUROPEAN ECHELON

1. Consequences of the introduction of a higher level of decision

In order to illustrate the consequences which the introduction of a higher level of decision may entail for a federalist system such as that of Switzerland, we shall confine ourselves to the domains dealt with under paragraph 3.1 (criteria for power-sharing).

a. Firstly, in connection with the delimitation of land use zones, the attribution of powers has to remain unchanged, as there is no possible justification for depriving **local authorities, that is to say the municipalities**, of their prerogatives. Of course, European unification will have more or less substantial repercussions, affecting even the municipal land use plans. But it none the less remains true to say that the municipalities have to retain sufficient autonomy to determine their future.

Having said this, it is important to stress that the "dialogue" between the European level and the municipalities cannot be exclusively conducted through the intermediary of federal state representatives. The cantons will continue to fulfil an essential role in translating the European options to the municipal level, as they alone are able to grasp the implications arising at this level. They are in fact much closer to the local authorities and are therefore in a better position to defend the latter's legitimate interests.

b. In regard to the cantonal master plans, the reasoning applied to the delimitation of land use zones has to be brought to bear again by analogy. The cantons have to continue to control the implementation of those instruments which the federal state would have difficulty in handling, in view of the substantial differences between the cantons. On the other hand, they will have to bear in mind the new data furnished by the European options. The latter will consequently have to be brought to the attention of the cantons by the Federal Council, as the legitimate representative of the Confederation. In this context, it is therefore essential to make the position as clear as possible.

c. The major infrastructure projects adopted at national level will inevitably be influenced - depending on the nature of the projects or their location - by the infrastructure planned at continental level. The attribution of powers in this domain is not affected; but there again, this implies that the federal government is appropriately informed by the European bodies, so that the new data can be integrated into the cantonal master plans.

2. Application of federalist principles in regional planning at European level

In principle, the building of the European house ought not to provoke major upheavals in the attribution of powers in connection with regional planning. Naturally steps will have to be taken to ensure that major projects adopted at continental level can be carried out as anticipated. But the creation of instruments designed to implement these projects must not in any way be allowed to undermine the attribution of powers in regard to land use. In other words, the regions and municipalities must retain their prerogatives, although they will in future be obliged to make allowance for the new European facts.

Centralisation in this domain is all the more inappropriate, in that it would simply lead to the elimination of all the specific features which constitute the richness of Europe. It must be borne in mind that a great many measures in the field of regional planning are likely to have a profound impact on the traditions of a people, the lifestyle of individuals themselves, and even on mentalities. It is accordingly essential to leave the distribution of activities within a territory in the hands of those who are closest to those activities: the regions and local authorities are obviously best placed to engage in this exercise.

With regard to the implementation of **major infrastructure projects**, the problems are of a totally different dimension. Owing to the complexity and wide-ranging scope of such projects and their impact on the environment, the lower-level authorities are very badly equipped to control the decision-taking process. And it naturally falls to the higher-level authorities to accomplish the demanding task of carrying through such projects. But there again, a subtle form of power-sharing will have to be devised between the highest level and the various central state authorities; for to deprive various national governments of certain prerogatives amounts to annihilating the efforts which the latter will be expected to make within their own countries in support of the projects adopted at the pinnacle of the decision-taking process.

In order for a project to have some chance of success, it has to be accepted in some form or another by the populations which will be affected by it. However, with this end in view, the holding of mere consultations will not be sufficient, but a genuine **concerted effort** will have to take place. This presupposes inter alia:

- a. an announcement of intentions within the shortest possible space of time;
- b. participation, in the preliminary phase of the projects, on the part of the authorities at the level

directly below the one launching the project. Local authorities would not be directly involved in this phase;

c. that all the lower-level authorities (regions and local authorities) are sufficiently well informed, as well as the populations concerned. The circle of recipients of such information ought to be as wide as possible;

d. integration of projects into the planning process at the lower levels, that is to say incorporation of the projects set forth in the context in which certain planning instruments used at national or regional level (revision of master projects, master plans, sectoral plans...) are continuously being adapted.

This process obviously implies an extension of the time required to complete major infrastructure projects, with inevitable financial repercussions. But it must be fully realised that, in view of their impact, large-scale infrastructures cannot nowadays simply be imposed without further ado on the populations concerned; all the more so in that the number and scale of such projects is on the increase, in line with the demographic evolution of the continent. If the European bodies, however legitimate they may be, were to decide on such projects in a sovereign capacity and without appeal, that would inevitably provoke a negative reaction of outright rejection on the part of those populations; the latter might even be induced to use unlawful methods in defence of their interests. The financial damage which this would entail would then far exceed the expense involved in lengthy consultation procedures.

There are however certain domains, associated with regional planning, where a greater degree of centralism might be envisaged. Would it not be advisable to encourage the adoption, at continental level, of minimal uniform regulations on environmental protection? Is it not true to say that physical tolerance thresholds as regards atmospheric pollution or noise control, for example, are identical, regardless of the region in which one lives? Such regulations can only be drafted at the highest level, subject to the prerequisite that their adoption has been preceded by a phase of consultation.

More consideration should be also be given to combating regional disparities due to future European tactical steps in the economic sector. The initiatives to correct such disparities ought to be launched at the highest level. A joint European strategy on regional planning might contribute to reversing the negative trends which have been ascertained.

III. CONCLUSION

With the approach of the year 2000, European society is called upon to take action to meet the challenges which it will have to face. Those challenges include the advocacy of a form of regional planning enabling it to pursue a policy of **sustainable development**. With this end in view, it is obliged to equip itself with appropriate instruments.

By their very nature, planning measures are likely to affect each individual citizen. Particularly close attention should therefore be paid in selecting the authority which is to adopt those measures. In making this choice, it is, in our view, essential to have recourse to the **principle of subsidiarity**. Working on the assumption that the farther removed an authority is from the citizen, the less the latter will be willing to accept the decision of that authority, the task of defining the citizen's life framework must, as far as possible, be entrusted to a lower-level authority. But in order to ensure that this task is not carried out in an inconsequential manner, those authorities are obliged to tolerate supervision by higher authorities; this is on the one hand to ensure harmonisation of all the measures taken in this context and, on the other, conformity of those measures with the choices made at higher levels, in so far as provision had been made for some prior consultation on those choices.

Certain activities, by dint of their scope and complexity, go beyond the capacities of lower-level authorities. That is obviously the case with the realisation of major infrastructure projects. It is therefore up to higher-level authorities to pilot such projects. However, those authorities will have to ensure that, to the greatest possible extent, a concerted effort is made with the authorities below them, so as to obtain a sufficient degree of support on the part of the citizens affected by those projects. Any unconsidered action should be avoided in this context. Projects, however urgent they may be, will only be successful if initiatives are adopted by consensus.

In the light of such considerations, we are undoubtedly bound to argue strongly in favour of some decentralisation in implementing decision-taking processes; in fact, we are coming round to the view that federalist structures would be particularly appropriate in enabling Europe to promote sustainable development, while simultaneously preserving the specific characteristics which constitute its richness. Does European society ultimately have a great deal of room for manoeuvre in the way it approaches its institutions and the types of public intervention it intends to introduce? In any event, if it is to move forward, it has no alternative but to set up mechanisms conducive both to the effectiveness of its decision-making and to respect for citizens' rights.

DISTRIBUTION OF REGIONAL PLANNING POWERS AND RESPONSIBILITIES BETWEEN DIFFERENT DECISION-MAKING LEVELS - EUROPEAN COMMUNITY, STATES AND LOCAL AND REGIONAL AUTHORITIES: THE CORRECT BALANCE BETWEEN DECENTRALISATION AND THE NEED TO ENSURE COHERENT DECISION-MAKING IN ORDER TO SECURE SUSTAINABLE - AND THEREFORE CO-ORDINATED - DEVELOPMENT IN EUROPE

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THREE CHARACTERISTICS OF EUROPEAN REGIONAL PLANNING

Three characteristic tendencies of regional planning are significant in considering the distribution of powers and responsibilities. These are:

First, that regions are commonly unstable, and no perfect or permanent pattern is possible.

Second, that flexibility is needed in the way in which planning is arranged, because regions and the principal issues in regional planning change.

Third, that although need for regional planning recurs repeatedly, the need for major reviews of regional strategy is irregular and infrequent. There are advantages in separating the responsibilities for strategic planning and implementation, provided the latter is financially linked to the former.

If these conclusions are generally true, it is impracticable and undesirable to attempt to develop a uniform system of regional planning and administration within Europe.

ARE THESE CONCLUSIONS JUSTIFIED?

I will illustrate my conclusions by four examples - the United Kingdom in general, the Strathclyde region in

particular, the Ruhr and the shifting alliances of authorities in the EC.

i. The experience of the UK and the current condition of UK regional planning

In the past 13 years, Britain has sworn against the European tide of regionalism. It has fought for subsidiarity for Whitehall within the EC, but has curbed it for local government and the regions of the UK. Local government has been deliberately fragmented and the metropolitan councils abolished. The Government is wholly opposed to any regional government or devolution of central power; regional affairs are claimed to be Government matters and not for local decision.

Yet, since 1945, the United Kingdom has taken often sophisticated, and sometimes significant and influential initiatives in regional planning and administration. The initiatives have been discontinuous and have too often achieved less than might have been wished for. They have frequently had unanticipated side-effects creating new strategic problems; for example, the decongestion programmes for United Kingdom cities from 1946 to 1976 certainly improved inner city housing, but may have exacerbated aspects of inner city unemployment and social stress at the same time.

The Conservative government's politically-motivated abolition of the Greater London Council was excused by

the claim that regional planning was a "fashion of the 1960s". But an unpolitical appraisal of British experience in the past 40 years could conclude that:

- a. It has had sufficient success in particular cases and conditions to be worth developing for the future;
- b. Regional planning is coming back to significance in the 1990s, but it is more than ever in the hands of Government, which acts within a fragmentary and confused strategic framework;
- c. Although in the 1990s the Government was again offering a hand to local government to share in regional physical planning, resource, economic and transportation planning were firmly declared to be Government responsibilities;
- d. Local government has itself been to blame for being generally unambitious or slow to seize opportunities to initiate regional planning, or to execute it. Even the Scottish regional councils have been satisfied to depend upon Government to institute some of the most notable major physical and economic initiatives of strategic significance;
- e. While local government in Scotland has had some capacity for regional planning, the English system has contained serious defects. The now-abolished metropolitan councils were inadequate for effective strategic planning and execution at regional level;
- f. Major regional policy inconsistencies have persisted between Government departments - long standing differences between the Departments of Trade and Industry and of the Environment have recently been paralleled by differences between Agriculture and Environment.

This experience has shown there to have been a recurrent need for regional planning, although this has commonly been recognised or acted on too late. And disappointments over regional planning in the UK have been commonly due to weaknesses in the structure for planning and implementation, and not to the basic concept.

But the context for strategic planning has greatly altered since its most vigorous period in the 1960s, when it was dominated by problems of urban congestion. Local economic regeneration has become central to urban strategy; new towns, clearance and urban renewal no longer dominate metropolitan regional strategy; government agencies have become integral to strategic planning and development, as notably through the Scottish and Welsh Development Agencies, the Urban Development Corporations, and Urban Regeneration Agency for

England; central-local relations including financial have changed; and the EC has come to expect that regions should have a political as well as a planning status.

The accentuated issues of the 1990s include economic priorities and the environment. The first is no concern of local government in the view of the Government, which has to turn a blind eye to regions like North West England where a Business Leadership Team has become keenly involved in regional planning. And environmental issues are potentially costly for government, which is as equivocal about this component of regional planning as about an economic one.

Despite outward appearances, the Government has introduced a regional dimension to some of its administration. Although without any coherent or new-found enthusiasm for regional administration or planning, a flow of regionally significant government initiatives did arise after the mid-1980s. By the early 1990s, although its quality was criticised by local authorities, regional planning guidance had been adopted as a government duty, and local authorities themselves had formed regional planning consortia throughout England. While certainly short of perfection, the consortia created a more comprehensive basis for regional physical planning than had previously existed. But the pattern of regions was not redesigned for the 1990s, and the Government preferred the authorities to confine themselves to a limited role which excludes economic and resource policy issues.

ii. The changing context for planning in Strathclyde

Since the 1975 reorganisation of Scottish local government which was largely designed for better strategic planning, Strathclyde Regional Council has been the most complete regional administration in the UK. It has been superior in most respects to any other strategic administration ever established in UK local government. Under it, conditions for effective strategic implementation have been substantially more robust, and action has commonly been faster and more direct.

But Strathclyde and most other Scottish regional councils are likely to be abolished by 1996. Motivated by party politics, the abolition can nonetheless be justified on other grounds. The regions have been less suited to contemporary circumstances than hoped for. The regional councils have not been the sole initiators of strategic policy as envisaged. They have been partnered in strategic planning by several previously unforeseen government agencies. And some strategic issues have outgrown regional boundaries.

So even Strathclyde Regional Council has been overtaken by the changed context for strategy-making. And in three respects particularly:

First, new government agencies have been given new responsibilities for economic development, environmental action and urban regeneration. They have become progressively more involved in strategic initiatives, and they have been able to significantly modify the councils' structure plans. So the Government has become more than ever involved in directly stimulating and managing strategic growth and change.

Secondly, easier travel and new social and commercial tendencies increasingly transcend regional boundaries, raising more strategic issues above the level of the planning regions. Regional boundaries in Central Scotland have been overridden by Glasgow's and Edinburgh's housing markets, by retail megacentre developments, by public and private administrative functions and by spreading journey-to-work and labour markets.

Thirdly, there is a growing emphasis by the EC on urban networks and strategy. This is reinforcing the Scottish Office's interest in the complementarity of structure plans, and in their relationship to EC policies as implied in the Europe 2000 framework adopted by Regional Policy and Planning Ministers in 1991.

These changes have coincided with the reluctant acceptance of many in Scotland that neither Glasgow nor Edinburgh are in the highest flight of European cities. Both are being outreached by more prosperous cities with faster-growing economies, despite EC research showing that - over the past twenty years - Glasgow was sixth best of all European cities in bettering the performance which might have been expected from its economic characteristics. And despite Glasgow doing best amongst cities in the bottom third of the European performance league.¹

The research is worrying for regional planning and development in Scotland. It suggests that Glasgow is perhaps only countering a generally worsening situation better than other cities with long standing difficulties. It also suggests that relative to other cities, Glasgow was improving faster in the 1970s than it did in the 1980s, when it was doing less well at the end of the decade than earlier on. Other European cities seem to have been

progressively catching up on Glasgow, and the most expansive and prosperous city regions have been pulling further ahead.

So, although regional planning for Strathclyde has combined regional policy-making and many factors of implementation in a more complete way than ever before in Britain, it has not been enough. This begs the question as to whether planning of Glasgow and Edinburgh together in the context of Central Scotland might benefit both cities, reinforcing the metropolitan region in which both now share? In a European context, a new metropolitan region may have to arise to maximise economic potential.

iii. The Ruhr

The Ruhr is further evidence of the impermanency of regional planning organisations. When 50 years old and the longest-lived regional planning organisation of significance in all of Europe, the *Siedlungsverband Ruhrkohlenbezirk* (SVR) fell victim to changing circumstances.

Economic and political circumstances had much changed by the 1970s, when the SVR was being squeezed between the *Land* government and the city authorities of its region. The government of North Rhine Westphalia chose to divide the Ruhr between the three *Regierungsbezirke* of Dusseldorf, Munster and Arnsberg, rather than to establish a single region for the Ruhr with a status which might vie with that of the *Land* itself. Some of the principal cities of the Ruhr had an equivocal relationship with the SVR, and the economy of the Ruhr had changed and its former common interests of coal and steel were fading.

Caught between jealous administrations, the SVR's planning powers were cut and in 1979 it was replaced by the KVR (*Kommunalverband Ruhr*). But although the larger authorities had reduced the SVR to gain themselves greater independence, their view shifted again in the 1990s, when most preferred that they, rather than the *Land* government, should be recognised as the agents for regional planning for the Ruhr. So, only fifteen years after having reduced the SVR, local politicians became willing to increase their commitment to the KVR on the basis of a regional interest in the Ruhr.

So, while interests in the Ruhr tried to steal status from North Rhine Westphalia as the EC reviewed the map of European regions, the *Land* government was trying to reinforce itself through the ZIN initiative of linkages with chambers of commerce, intensifying its patronage over an underlying and more fragmented pattern of

1. Cheshire P. (1990) "Explaining the Recent Performance of the European Community's Major Urban Regions" *Urban Studies* Vol. 27, No. 3.

smaller regions for economic development. And five of these regions covered the Ruhr, which the *Land* had previously cut only three ways!

iv. The shifting mosaic of super-regional alliances across Europe

The tendency to shifting relations and flexible boundaries is also seen in the super-regional alliances spreading across Europe. The metropolitan regions driving the European economy and dominating the "Europe of Regions" have been increasingly organising development programmes together with other regions in their metropolitan network. For example, although the Nord-Pas de Calais and Rhone-Alpes regional development programmes cover regions of 4 and 5 million people respectively, both collaborate in transborder international regions of vastly larger population.

Much collaboration in these super-regions is superficial, but the potential for strategic planning and new regions is great. This may help ensure that the economies of the larger urban regions adapt more readily than those of the smaller, peripheral regions, which will continue to be generally outrun.

The EC has enthusiastically broken and reassembled Europe into new supra-national groupings, dividing nations and creating new spheres of common political interest. Sub-national regions have been re-combined in overlapping patterns for different purposes. The Regional Policy Directorate's report on Europe 2000 (European Commission, 1991), defined eight supra-national regional groups:

Atlantic Regions (UK, Ireland, France, Spain, Portugal)
Central Capitals (London, Bonn, The Hague, Brussels, Luxembourg, Paris)
Alpine Regions (Germany, France, Italy)
Central Mediterranean Regions (Italy, Greece)
North Sea Coastal Regions (UK, Netherlands, Germany, Denmark)
Inland Continental Regions (France, Spain)
East Germany

But there are other linkages. Article 10 of the European Regional Development Fund enabled support to pilot schemes or studies for regional development, establishing twelve special interest networks amongst European local authorities:

Regional Development Agencies
Mediterranean Tourism and Transport
Atlantic Regions
Application of Communications Technology

Co-operation between Community Regions and Eastern Europe

Co-operation between Universities and Regional and Local Authorities

Public Transport Interchange

"Commission des Villes"

Eurocities

Urban Areas being brought out of Decline

Motor Industry Cities and Regions

Polis network

Following these pilot projects, the RECITE programme was created to fund networks of up to ten regional or local authorities carrying out joint economic projects, provided each authority had a population of over 50,000 and at least two Community countries were involved. Early projects under the programme involving authorities in the United Kingdom included COAST (Co-ordinated Action for Seaside Towns); EURO CERAM (ceramics industries); EURISLE (isolated islands); FINATLANTIC (risk capital funding in the Atlantic Arc); DEMILITARISED (regions affected by the end of the Cold War); IDEE (employment training); and EUROSUNETT (public procurement and small and medium sized firms).

Other EC schemes with regional implications are RECHAR (conversion of coal mining areas), ENVIREG (the environment), STRIDE (research and production), INTERREG (cross-border co-operation), REGIS (extremely remote regions), REGEN (power networks), TELEMATIQUE (data transmission services) and LEADER (rural development).

In addition to the Europe-wide linkages formally recognised by the EC, there are many self-selected groupings of special geographical or social and economic interests. Sometimes the groupings seem likely to benefit only the self-importance of politicians, but agreements have been progressively struck for inter-regional co-operation for economic, education, research, cultural and other objectives.

The Conference of Peripheral Maritime Regions and RETI (*Régions Européennes de Tradition Industrielle*) were two of the earliest groupings. But as the economic geography of Europe reshaped, so did the groupings. The most enthusiastic of RETI's members at its formation in 1984, the Nord-Pas de Calais reoriented itself in the 1990s when its perspective was changed by the Channel Tunnel, the TGV and the modernisation of its regional industrial base. An agreement in 1991 linked the Nord-Pas de Calais to Kent in England, and to Wallonia, Flanders and the Brussels capital region in Belgium. A Euroregion of 15 million people was created, spanning three countries and possible programmes of co-operation in economic and

technological development, land use and transport planning, the environment, and promotion and exchanges.

Elsewhere, the Saar, Lorraine, Luxembourg and Belgium's most easterly region were associated. Three prosperous regions bordering Switzerland - Rhone-Alpes, Baden-Württemberg and Lombardy - stretched their association to include buoyant Catalonia. The EC sponsored other new linkages between full member regions like Strathclyde and regions in Eastern Europe.

So Europe is latticed with networks, sometimes overlapping and sometimes discreet. The old rigidity of national frontiers has been broken for a new pattern of regions better reflecting the continent's cultural and economic geography. And new interest blocs have formed which are larger than many nations. But the mosaic is unstable and much of the pattern is likely to constantly shift.

WHAT DECISIONS AND ACTION IN REGIONAL PLANNING MAY BE REQUIRED IN THE FUTURE?

We might consider decisions and actions in regional planning to relate to four broad fields of policy:

i. Economic restructuring; problems of regional economic restructuring have accentuated in the past 20 years. Strategy turned in the 1970s from extending the number of economic growth points to helping regenerate the economies of sick city regions. And as agriculture was revived in the Mediterranean countries it met increasing difficulties in northern Europe.

The UK Government ignores all experience of regional planning and administration by pretending that regions cannot help their own economic regeneration. Self-help regional projects cannot be sufficient, but they can do things which national economic policy and measures cannot. The EC is disadvantaged by governments which ignore this through ideological blindness or centralist arrogance.

The priorities of regional plans in Western Europe have shifted greatly since 1945. Post-war urban reconstruction and satellite communities to relieve metropolitan congestion were the centrepieces up to the late 1950s, when came the widespread advance of economists supporting politicians' plans to exploit the potential of peripheral regions. Growth centres soon studded regional plans in both Europe and the developing countries. Later, growth centres fell into disrepute. Economists found them to be of variable and often

disappointing performance, and sociologists found them to work against the best of liberal ideals.

We know better than in the 1970s that helping urban renewal and relieving urban deprivation needs economic prosperity, above all. The urgent policies of the past fifteen years to stop the outflow of people and activities from the cities, may not be the best way to maximise economic growth in the next century. There will be continuing dispersal of certain metropolitan activities. This means capitalising on economic potentials which surmount older regional boundaries.

Out of the turmoil of experience and progressive understanding of the developing impacts of the international economy, new priorities for regional planning are still being formed. And the scale of metropolitan regional planning is increasing across Europe. It is clear that economic restructuring requires a regional dimension at the scale of extended metropolitan areas, and it is also clear that this is a sound level for autonomous planning and action through regionally-based agencies rather than devolved national administration.

ii. Social conditions; for most of the years since the second world war, regional planning in metropolitan regions of Europe has been dominated by problems of housing, urban regeneration and economic development. Urban congestion has been largely eliminated, except of cars, but too much housing remains in poor condition. The peripheral housing schemes built in the initial post-war drive to bring new life to urban Europe have spread poverty and social deprivation from the inner to the outer cities.

In the 1990s, there is a consensus about strategy for regenerating the cities and a strong array of agencies to support it. But there will be a persistent need for planning and action to reduce the gap in the rate of growth of incomes and living standards between central and peripheral regions, metropolitan and marginal rural areas, and between Western and Eastern Europe. Regional action will require redistribution of revenues through programmes which understand local conditions, and which have political direction. The kind of redistribution from suburban areas to rural and inner city schools and social services which has occurred in Strathclyde, requires an elected administration covering a metropolitan area together with an extensive rural hinterland.

iii. Environmental management; the private sector took a rising part in urban revival from the early 1980s, and landscape renewal, urban periphery management and woodland and recreation projects sought to consolidate the best qualities of greenbelts. But the costs of improving excessively polluted environments - as in

forthcoming member countries in Eastern Europe - cannot be met from local or even regional resources. Environmental programmes requiring regional action have commonly been hindered by a lack of regional agencies - or by lack of government support. And EC standards and policy require larger scale planning and action. The tendency is likely to be - as in the UK and France - for government agencies to be established to implement environmental programmes, sometimes tied to defined regions but not to established administrative systems.

iv. **Energy conservation;** regions appropriate to energy conservation policy will be primarily of national scale in so far as general household and industrial use is concerned, and of metropolitan scale where daily work and domestic travel is concerned.

DOES THE CURRENT PATTERN OF REGIONS AND OF DEVOLVED RESPONSIBILITIES FIT FUTURE NEEDS?

The four fields of interest of regional planning and action described above are to an extent arbitrary, and they are only crudely summarised. But they confirm that no uniform pattern can be drawn to serve all the purposes of regional planning in Europe equally well.

Any pursuit of a systematic level and pattern of regions is further complicated by political and cultural factors; pressures on pattern-making come from four directions:

i. **From previous regional systems designed by the EC;** the 66 regions at NUTS 1 level, 174 regions at NUTS 2 level and 829 regions at NUTS 3 level; or the regions defined for Structural Funding; or the number of regions appropriate to the forthcoming EC Committee of Regions and Local Authorities, to which the United Kingdom, France, Germany and Italy will each contribute 24 of a total membership of 189;

Only Germany amongst EC nations has a system of elected sub-national government at the NUTS 1 level; Belgium, Spain, France and Italy have elected councils at NUTS 2 level. The highest level of elected UK council is at NUTS 3 level, where there are around 100 county, regional and metropolitan district councils. This helps the UK Government's wish to marginalise elected local government representation on the new EC Committee of Regions and Local Authorities. Although it is true that there is a basis for representation in the eight regional conferences of local planning authorities covering England, they have a poor record of establishing realistic programmes of regional priorities.

ii. **From the powerful forces asserting cultural and ethnic identity prevalent in many parts of Europe in the 1990s;** these have been translated into regional administrations in several countries, but others remain volatile while cultural identities are denied.

iii. **From the inheritance of historic administrative arrangements still stamped on several EC countries;** the impression of Napoleonic administration remains indelible in parts of Europe.

iv. **From the forces of socio-economic dynamics often overrunning traditional regions, creating larger or even new regions;** the spreading nature of UK metropolitan regions has been reflected in the way in which governments have progressively redefined the region centred on London. In 1939, the region included 7 million people. After 1945, this London region was combined with four adjoining counties into a London and South Eastern region of 11 million people. In 1992, the chairman of the Standing Conference on Regional Planning in South East England arranged a meeting between his region and all adjoining regions, discussing the spillover of interests from South East England. The spreading overlap of interests between English regions became even more obvious in July 1992, when the Government announced that it supported the need for a national strategy for the coast.

These pressures press and pull against each other. The EC presses from above and inherited administrative systems press from below; cultural and socio-economic forces pull from the sides. The possibilities for resolving these pressures in a systematic way differ greatly in different countries.

Reassembling a system of strategic and regional planning and development faces many political issues. The issues with which we are most concerned are local participation in regional policy, and fuller harnessing of regional potential in national economic and social development.

There have to be two major components in a system of strategic and regional planning incorporating fuller participation. There has to be a readjustment of the central/local relationship, and there has to be both a functional and an areal reorganisation of the local base for planning and administration. These essentials can be sought in a number of possible ways, all of which involve much more than a marginal tinkering with the patchwork system which countries like the UK possess.

There are good grounds for regional and strategic planning to be more closely linked. Regions are a significant level at which integration of government activities remains weak in many countries, perpetuating

departmentalism and contradictions in strategic policy. Fragmented local government diminishes local influence in strategic planning. A regional interface offers more discretion to local authorities and the opportunity for governments to extend subsidiarity, but questions immediately arise as to the appropriate machinery. First, what areas are appropriate? Second, what should be the powers and resources of regional planning machinery?

Achieving near perfect implementation of regional plans and policies does not require a near perfect model of regional administration. But regional planning needs to be supported with powers and resources and given political weight. Co-ordinating committees simply lack the political clout of ministers and elected bodies, rarely succeeding in transcending the interests of their constituent bodies or in becoming more than the sum of their parts.

Some people are led by their belief in administrative rationality to favour comprehensive regional administration. But others interpret that rationality quite differently, suggesting that those who pursue territorial rationality in planning and administration seem to show the influence of simplified theory - like that of a Christaller's central place studies. The rationale of strict efficiency in designing administration is insensitive, because it neglects; the need for adaptation after rapid change; the conflict between natural areas for administrative functions and those of existing political units, as well as with areas of cultural identity; the different areas natural to different administrative functions; the inertia of bureaucracies which may supersede geographical rearrangement.

Regional planning amongst EC member countries is handled in different ways:

- by elected strategic planning authorities with legislative authority, as in Spain and Germany

- by elected strategic planning authorities without legislative authority, as in France, Scotland and Italy
- by standing conferences of local planning authorities, as are now widespread in England, or as exist in areas of Germany
- by regional devolution of Government functions, as in the Netherlands and for Scotland, Wales and Northern Ireland
- by governments reinforcing their role in strategic planning. This denies the principle of subsidiarity, but has the merit that regions can be easily redefined as circumstances change. It can be done in alternative ways:

1. government staff preparing regional planning guidelines, in consultation with staff and politicians of local government;
2. by periodic major policy and strategic planning reviews commissioned from consultants or *ad hoc* teams;
3. a planning commission on the model common in the US.

A major problem in the past has been the establishment of policy-proposing machinery without powers to ensure implementation of its plans. But where competencies for both planning and implementation have been combined in regional authorities - as in Strathclyde or Andalusia - there have often been acute internal tensions suppressing the strategic role. Regional strategy and policy-making has a different time-cycle to the tasks of implementation, whose insistent rhythms tend to drown out the rarefied message of strategy. A separate planning body financing implementing agencies to comply with its regional strategy can be the most flexible and effective means of progressive regional development.

CONCLUSIONS

by Mr Michel FOUCHER

General Rapporteur

The papers and exchanges of ideas make acknowledgement of the diversity, in Europe, of practices and models for regional action and planning unavoidable.

This general summary focuses on the following three aspects:

1. Regional/spatial planning policy should be based on **four fundamental concepts**, namely, time, space, planning and priorities;
2. **Greater effort should be made to define and identify** a number of fields, eg with respect to the true state of certain places in Central and Eastern Europe, as well as scenarios, subsidiarity and the environment;
3. **Concrete proposals** had been made, namely, the twofold necessity for a comprehensive European blueprint and a European network for studying the territory of Europe.

1. Four fundamental concepts:

1.1 Time: the dialectic of the long-term and the "just-in-time"

If sustainable development was the aim, it was natural to prepare and formulate regional/spatial planning in the long-term, contrary to practices surrendering to the hegemony of the short-term. Lasting trends should be identified, and it should be reasserted that the principal task of politics was the management of the long-term.

One of the essential objectives which could be achieved, by means of the gradual adaptation of the territory to the economic constraints operating at the global level, was to maintain the place of the European continent in

the world on a long-term basis. Rational planning must therefore focus on long-term trends.

Among these trends, it was strongly emphasised that the ability to control time was becoming vital to the efficiency of the productive apparatuses and also that the European space tended to be structured according to criteria of accessibility and receptivity: the former implied policies for the development of infrastructures, and the latter supposed action on external urban features, which needed to be assembled to form networks.

The European territory would thus progressively and sustainably be structured according to various kinds of economic logic, which placed the emphasis on "real time" or the "just-in-time" in data processing, the transmission of purchasing and manufacturing orders and access to the end markets.

That posed an awkward dilemma for planning officials, requiring an effort to equip the less receptive regions in order to curb centralisation and the concentration of activities and human resources in the metropolises.

1.2 The European space: a geography of contrasts, concerted global responses

The geopolitical divisions since 1989 were altering the scale of reference, widening it to include the whole continent. Hence, it was being rediscovered that European construction, in the context of the EEC as in that of the Council of Europe, involved an essential geographical dimension, the physical basis of a new interdependence.

Now that it had been widened, the European reference space also seemed even more differentiated. The obvious contrast between the West and the former East was heightened by internal dynamics in each sub-

grouping, making the European space into a "complex whole".

* A number of regional types had been presented for Western Europe:

- administrative, socio-cultural, central-dominant or peripheral regions, regional ecosystems;
- accessible and receptive regions or regions which were not;
- regions which innovated, which adapted or which lagged behind.

The capacity for innovation - creation, dissemination, reception - seemed to be the principal criterion for defining regional dynamics and hence inequality.

* Where Central and Eastern Europe were concerned, the central criterion seemed to reside in the varying impact of the transition to the market economy: what was found, therefore, ranged from areas of growth, to problem areas and areas lagging behind, or islands of growth (regions and metropolises), areas of declining industry and agricultural areas in a state of crisis.

The scenarios for transforming these areas were sharply contrasted:

- successfully catching up, through the ability to constantly adapt to market processes and to keep pace with the competition, or;
- partially successful adaptation, certain branches of production and certain geographical areas being able to maintain their competitiveness, while others would be characterised by rising unemployment (mining and areas of one single heavy industry), or lastly,
- falling behind, through the unremitting decline in production, resulting from the loss of COMECON markets.

To these differences, internal to each of the two principal European sub-groupings, were added the matters specific to the two other regional sub-groupings:

- on the one hand, the States and regions of Northern Europe were integrated into the European economic area but were confronted by a series of particular constraints, namely, the effects of opening up the former East - such as migrations, the high cost of co-operation with former COMECON States on the Baltic - the development of a sub-grouping around the Baltic, problems specific to maintaining farming

activities and a population in Arctic and sub-Arctic areas;

- on the other hand, the regions of Southern Europe, themselves in the process of catching up through transfers from the EEC, were now finding themselves subject to growing migratory and economic pressures from States on the southern shores of the Mediterranean. Spain and Italy had become countries of immigration. The burden of the immediate South weighed heavily on the weakest regions of the EEC - a gap of 14 to 1 between Hamburg and Bragança. As a result, the cost of North/South interaction on the southern periphery of Europe could only be met by comprehensive community action and could not be delegated solely to European States in the western Mediterranean and to Greece.

1.3 The return of planning

Regardless of the name used - plan, planning, schéma, framework, strategy, "planification régionale" - the usefulness of indicative but strategic planning was clear, once the necessity for sustainable planning was acknowledged.

An economic body was not enough to ensure that long-term needs were taken into account. The speakers from Central and Eastern Europe attending the colloquy emphasised the role of States and institutions - the virtue of maintaining a mixed economy in the transitional phase, the need for strategic planning and for co-ordination of sectoral policies.

An effort of this kind on the continental scale could founder on the diversity of administrative structures. The "regional" administrative reality was absent in 7 out of the 12 EEC States. In Central and Eastern Europe, administrative geography was in a state of flux: there were 5 centralised States, where the municipal or departmental reality was stronger than the regional one, as well as many centralised "new States".

It was therefore illusory to think in terms of single models, each with its historical reasons and its virtues. What remained difficult was to develop global policies applicable to administrative systems which preserved their variety.

From that standpoint, development was not a matter for specialists; it was the implementation of an interdisciplinary method using a variety of approaches. For the EEC, that amounted to integrating planning within the total framework of all the joint policies.

1.4 Sustainable development as a choice of priorities

Agreement was reached as regards drawing up an order of priorities, at the risk of upsetting a number of popular beliefs. Hence it was illusory to pursue the goal of total equilibrium between States and between regions. The concept of equilibrium stemmed from the economic and socio-economic sphere, whereas the concept of disparity was what characterised territories.

On the other hand, a concerted effort to reduce disparities and make them bearable, a desire to give each territory a chance, seemed realistic. The cohesion of European societies was at stake, particularly when, in a situation of widespread decelerating growth, intra-regional disparities gained the upper hand over inter-regional disparities. Concentration in metropolises worsened as much as it expressed this strong trend of the European area. What required action was not so much the dual economy as the dual society.

A first priority was the development of machinery for transferring resources, or for equalisation - in other words, for increasing fiscal pressure with a view to redistribution to the weakest parts of the territories - and of such a kind as to curb the development of unacceptable inequalities and the triggering of uncontrollable migrations.

The experience of German unification - the only recent example *in vivo* of a massive operation to reduce disparities - showed the extremely high cost (over 170 billion DM per year) of "re-planning the territory" and its limitations, when not accompanied by an overall strategy. Without an overall plan, massive transfers led to heavy unforeseen costs.

A second priority was to consider planning projects in the context of a wider Europe, one not limited to the EEC area:

- in the former eastern bloc, the raising of the iron curtain was leading to a new interdependence. In the economic sphere, the choice would be for a regulated and contractual, ie staggered, opening up of the markets and for concerted management of migrations;
- similarly, the EEC could not ignore the links of solidarity between territories, particularly in the EFTA countries, whether Switzerland and Austria (transport corridors of European significance; experience in mountain policies), or those in the countries of the North (experience of regional policy to support rural areas and small towns; fishing, the environment, farming in a hostile environment).

2. Realities requiring better understanding, principles to be determined

2.1 Realities requiring better understanding

The high cost of German unification was partly the result of an over-estimation of the productivity of the former GDR by as much as 5%. A comparable phenomenon had also occurred with respect to Central and Eastern Europe.

There was also little information as yet on the economic, migratory and regional effects of the transition to the market economy in these countries, as well as of its impact on the economies of Western Europe. It was difficult to draw up scenarios for migration. The first studies were already under way (the analyses by Empirica, DATAR and the European Observatory of Geopolitics).

Apart from this, disparities in statistical systems in Western Europe and the absence of a common analytical basis complicated the adaptation of weighting systems.

It would therefore be beneficial:

- to consider the development of comprehensive assessment methods capable of reflecting the complexity of the various different approaches by firms and also to provide a solid basis for the scenarios;
- to organise transfers of information and skills through networks between the two European sub-groups.

2.2 Scenarios for comparison

Various different processes were operating at once on the Continent, ranging from integration to disintegration, even if the "Brussels model" remained the most attractive one. In Central Europe the "Visegrad model" was an additional regional alternative.

The respective virtues of "concentration" models (promoted either by the former centralised state monopoly system or by a market with nothing to counterbalance it) and "mosaic" models (with diffuse growth and facilities) were also under discussion.

In Western Europe, the deterioration in intra-regional and inter-regional disparities caused by increasing competition between towns, regions and firms, could lead to a breakdown in solidarity within regions or even states hitherto thought to be solidly constituted.

Such possible developments, following which European construction, whether enlarged or not, would lead to excessive internal tensions, needed to be thought about in advance.

2.3 Subsidiarity: one principle, multiple interpretations, practical hypotheses

This single principle, reaffirmed during the debates on the Maastricht Treaty, in fact suffered from differing and sometimes divergent interpretations depending on the nature of the national administrative organisations concerned.

Its spatial application had not yet been clarified. In one case, the local authorities would have to short-circuit the State by turning to the EEC or else the State would have to by-pass the regions, basing itself on the lower administrative echelons. In another case, the Community powers would have to be taken back from the EEC for the benefit of a particular capital city. In a third case, the powers of the central power were clearly, exhaustively, but sometimes also too restrictively delimited in relation to planning needs in a European context. In short, clarification or adaptation of the distribution of powers was needed in all cases.

The question of the linkage between planning and implementation levels was one which could usefully be discussed, in other words distinguishing between the why and the how, between the definition and the operation, between the programming stage and the implementation stage. The attempt to properly situate planning responsibilities within a multi-dimensional policy must be given detailed consideration.

Accepting the administrative organisations as they were while seeking to move closer to the level of the basic decision seemed to be a realistic approach: giving precedence to the "bottom-up" over the "top-down". Programming would thus be dissociated from responsibility for implementation, since the respective powers would be clarified. For the spatial responsibility of the EEC or the Council of Europe was not comparable to that of States or regional authorities, which directly managed the space. This led to a view of planning practice, a shared power, as being the result of a co-decision, prepared by co-ordination of the programmes: getting those involved in a complex system to work together.

2.4 The environment: social costs and decisions

The environmental aspect needed to be taken into consideration when considering the state of certain

places in Central and Eastern Europe: a serious, sometimes tragic situation which necessitated costly investment in preventing air, water and soil pollution and a review of the present role of industries. The related financial burdens lay beyond the budgets of the States concerned and implied a policy with a European dimension. Furthermore, the process of meeting western European standards led to the closing down of industries, as observed in the five new *Länder*.

Was that a development which was acceptable everywhere?

The environmental aspect also required consideration in Western Europe - metropolises, coastlines, infrastructures, the future of rural areas. Increased mobility due to the Single Market, the primacy of road transport and the anticipated doubling in traffic over the next 15 years could lead to difficult situations, such as the saturation of major European roads, conflicts between authorities over routes, growing pressure from public opinion and from users. How were the environmental constraints to be turned to account as regards sustainable development?

Lastly, the environmental aspect could positively contribute to discussions on the criteria of regionalisation, since the infra-state levels had to deal with such problems, which were both global and sectoral, and whose variety was equalled only by the diversity of landscapes and natural environments (mountains, coastlines, more arid regions, metropolises, valley-corridors, ...).

At what level should environmental problems be dealt with?

Consideration of the gradual incorporation of the real social costs into rating systems for certain types of transport and also of types of consultation and arbitration relating to decisions concerning facilities of European importance could not be avoided. It formed part of the discussion on links between the programming and decision-making stages.

3. Proposals: a comprehensive European blueprint and a programme for developing it

Many participants in the colloquy expressed the desire for a working programme and procedures to be drawn up capable of determining the broad outlines of a "comprehensive European planning blueprint", based on a clearer view of present realities and medium/long-term prospects.

A joint enterprise, involving the Council of Europe, which already had a plan for Greater Europe, the European Community, a qualified player in this process, and a permanent, representative and effective "task force", consisting of a European network of experts (be it an academy, an observatory, or a network, ...) seemed highly desirable.

When the continent was undergoing such a historic awe-inspiring and exciting period of change, effective and co-ordinated tools needed to be developed for understanding and controlling it with a view to designing a programme which mobilised the forces involved.