This policy brief is based on the work of Work Package 2 and provides theoretical evidence on the relation between spatial justice and economic growth, and more concretely, on how a deepening of spatial inequalities can hinder economic development across and between scales. Understanding the drivers of spatial inequality in an ex-post integrated economic environment is an important assignment for both theory and policy. Although a variety of theoretical explanations has been put forward in order to explain observed variations of spatial inequalities, a review of such an extensive literature suggests that there is not yet a generally accepted theoretical framework for explaining spatial inequalities. The focal point of WP2 is the root causes of spatial disparities as they are inadequately conceptualised and poorly understood.
**Keyword list:** Democratic capacity, local participation, European Social Model, social investment strategies, European policy discourse, territorial cohesion, socioeconomic inequality, austerity, urbanisation, demographic change, local attachment, social interaction, life chances.
Policy at the European and local level needs a differentiated approach to place in order to counteract inequality and develop territorial cohesion.

Introduction

The main aim of the opening part of the COHSMO-project has been to achieve a differentiated understanding of place and how and why localities matter in the relations between territorial cohesion, spatial justice, economic growth, and democratic capacity on the bases of an international literature review of existing theoretical and conceptual knowledge. Thus, work package 2 (WP2) provides a state-of-the-art theoretical formulation on issues of spatial justice, territorial cohesion, and economic growth in relation to different contemporary geographical scales across Europe.

Traditionally, European regional and urban policy has been mostly characterised by treating individuals, people and communities as not having a significant role to play in the allocation of resources and the success or failure of such policy endeavours. In this sense, EU policy has tended to treat spaces as almost undifferentiated in terms of the communities that inhabited them. WP2 is aiming to foster a theoretical innovation by bringing together isolated but potentially fruitful theoretical approaches that try to analyse the role of human resources and communities in the success or failure of spatial policy programmes. The state of art in WP2 investigates the possibility that the success or failure of governmental programmes of social investment and initiatives to promote economic growth might be dependent on patterns of local attachment and identity.

The consequences of urbanisation have long been a theme in urban sociology, geography and political theory, but there is a tendency to focus on class, cultural dominance, and power structures, which cut across spatial scales and tend to neglect the lived lives in actual places. WP2 investigates in its state of art new avenues for conceptual understandings of patterns of urbanization and demographic change, and how such patterns relate to territorial cohesion.

WP2 also investigate conceptual understandings of how the economic crisis and measures of austerity have deepened patterns of social and territorial inequality in different geographical scales across EU. At the same time, it will provide theoretical evidence on the relation between spatial justice and economic growth, and more concretely, on how a deepening of spatial inequalities can hinder economic development across and between scales.

Understanding the drivers of spatial inequality in an ex-post integrated economic environment is an important assignment for both theory and policy. Although a variety of theoretical explanations have been put forward in order to explain observed variations of spatial inequalities, a review of
such an extensive literature suggests that there is not yet a generally accepted theoretical framework for explaining spatial inequalities. Therefore, the root causes of spatial disparities are inadequately conceptualised and poorly understood.

The objectives of WP2 were to:

a) Provide a systematic description of theoretical accounts of how peoples’ life chances relate to different spatial scales.

b) Provide a systemic review of how territorial cohesion is understood at different geographical scales, and how it relates to patterns of urbanization and demographic change.

c) Provide theoretical innovation to the approaches to the role of local communities in the success and failure of spatial plans.

d) To provide a systemic review of theoretical accounts of the impact of economic rationales and policies of austerities on territorial cohesion.

The work conducted under this work-package has been based on desk research reviewing and critically assessing the existing theoretical and empirical literature, and relating this to the context of the project.

**Key Concepts**

Each partner has contributed to the theoretical development of central concepts in relation to their area of expertise. According to such a division of labour, the theoretical tasks and development has been structured by the following questions:

- What has been the problem
- How is the concept understood
- Where should it go

**Democratic capacity and local participation**

Local participation and democratic capacity encompass many different dimensions but the definitions relevant to the COHSMO-project are related to activities in the public sphere. Local participation is defined as a political activity related to norms and values of citizenship and civil society. What makes it local is related to the focus on local issues and local government. Democratic Capacity is grounded in the idea of “community capacity building” that describes various interventions promoting more intensive engagement and participation in different life domains.
European social model and social investment strategies

The Social Investment (SI) approach has emerged in the last fifteen years as a policy perspective that is able to foster the sustainability of welfare systems by identifying the expenditure for policy measures that may generate present and/or future economic returns, considering them not as mere costs, but as real public investments that can support the competitiveness of the economic systems and have positive externalities for the society, de-facto re-paying themselves in the medium to long run. Privileged fields for the SI approach are training school-to-work transition policies and Early Child Education and Care Policies (ECEC). It is important to focus on the contextual pre-conditions that may favour or hinder the development of a SI strategy and condition its results in different areas, and to explore its impacts in terms of territorial cohesion.

European policy discourse on territorial cohesion

The political/policy development of the notion of territorial cohesion and the theoretical literature are closely entangled. Territorial Cohesion first emerged as a normative notion articulated by “euro-top decision-makers” in relation to the European integration project, which was subsequently developed into a “policy concept/frame” and then became the focus of considerable theoretical elaboration and critique. It remains a contested notion and has proved difficult to measure empirically.

Public service delivery and its relation to economic growth and territorial cohesion

There is an important relationship between public service delivery, economic growth and territorial cohesion. Especially educational and labour market policies are core areas of a Social Investment perspective relying on complex interactions among institutional and contextual complementarities. The territorial dimensions have not been extensively explored within the SI debate. Therefore, local specificities and multilevel governance structures should be considered in research framed by a Social Investment approach for territorial cohesion, aiming at investing labour market and training policies at the local level.

Socioeconomic inequality and the role of crisis and/or austerity

Socioeconomic inequality is understood as one of the significant outcomes of the widely used austerity policies that have affected various dimensions of well-being, including income redistribution, employment, and social exclusion – all with local and regional variations.

Urbanisation, demographic change and territorial cohesion

The combination of urbanisation processes, demographic change and economic crisis challenges territorial cohesion across and within regions and cities of the world and Europe because it affects life chances of individuals and democratic capacities that are normative goals of territorial cohesion. Territorial Cohesion is an interdisciplinary concept that relates to many fields within the broad field
of social science. It is a contested concept that is related to the ways that space is being constituted and reconstituted within an unfolding and changing European framework.

**Local attachment, social interaction and life chances**

There is an undiscovered connection between micro-relatedness and macro-relations of place. Consequently, a differentiated approach to place is developed and elaborated. The concept of “collective efficacy” is introduced as an approach to understand how place influences the possibilities for collective action and engagement when place is understood as differentiated and varied. The way that these central concepts are connected on these different levels are shown in figure 1.

*Figure 1: Operationalization of concepts*

This figure serves as a starting point for bringing together the different urban perspectives in order to cope with rather than eliminate the tension between different explanatory models. Combining this with the idea of a differentiated perspective on place suggests that we should develop a methodological framework that can maintain the tension. At the same time, a model must be able to measure, or determine, whether a specific place or neighbourhood can or can’t be called a community, in the traditional sense of shared values and tight-knit bonds. The measure of collective efficacy combines informant ratings of the capacity for informal social control with social cohesion defining neighbourhood “as a variably interacting population of people and institutions in a common place”. This means that network-density, attachment to place, civic participation,
disorder, organisational density, identity, and capacity for collective action are variable and analytically separable from structural variables and possible consequences.

Ecological studies of neighbourhoods are typically based on formal, administrative local units. However, such units do not represent sociologically meaningful communities, where people interact in daily life and share a sense of belonging. By employing mixed-method designs to collect and map combinations of register, survey and ethnographic data, the analysis can be done in three steps, making it possible to investigate place-belongingness while simultaneously integrating extra-local, spatial processes reflecting national and global forces.

**Policy Implications and Recommendations**

Develop place-sensitive policies that are able to grasp places as different according to the social features that relate to them and at the same time are able to grasp places as a result of an interrelation between micro-relatedness to place and macro-relations such as economic growth, social inequality, democratic capacity, social investment and policy development – all with a differentiated approach to how place matters.
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