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Abstract:

Research findings from COHSMO countries report several examples of how institutions have developed the potentials of spatial planning for tackling territorial inequalities, with implications for the relationship between socio-spatial configurations and territorial cohesion. These potentials can relate to multiple aspects such as: the provision of mobility infrastructures for better connecting peripheral neighbourhoods to central areas, reducing patterns of segregation; the delivery of a spatially-balanced articulation of public services across cities, allowing more people to access and use them; the reduction of the negative impacts of urban concentration processes through the promotion of a polycentric development that looks at increasing the spatial and functional relationships between urban and rural areas.

Keyword list: Territorial cohesion, social investment strategy, territorial inequality, European Social Model (ESM)

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INEQUALITY, URBANIZATION AND TERRITORIAL COHESION:

DEVELOPING THE EUROPEAN SOCIAL MODEL OF ECONOMIC GROWTH AND DEMOCRATIC CAPACITY

1   Executive Summary

COHSMO's aim was to increase the understanding on the relationship between territorial cohesion and social investment strategies and propose perspectives to build stronger connections between the two domains. It also looked at the contribution these concepts can bring to the strengthening of the European Social Model and its transformations brought by the economic crisis of 2008-09 and the current pandemic crisis. The main hypothesis underlying this work was that a contribution to a possible reform path of the European Social Model (ESM) could come from a reconceptualization of the relationship between territorial cohesion and social investment strategies and of how this relationship – differently shaped across different countries and types of urbanisation – underpins spatial justice, economic growth and democratic capacity.

The COHSMO project suggests that a European Social Model (ESM) recalibration should be based on the interaction between territorial cohesion policies and social investment strategies. The outcome of this interaction is that spatial inequality and territorial fragility should be addressed by developing two main policy approaches: i) fostering policies of territorial cohesion; ii) promoting place-sensitive social investment policies.

In the COHSMO project, we have described two issues related to the ESM that have emerged as critical from the research:

- the resurgence of territorial inequalities and the lower capacity of social cohesion policies to reduce them; and

- the growing difficulty of policies, both at central and local level, to manage the impacts of the social, economic and demographic changes affecting vulnerable territories and keep pace with the ongoing dynamics of transformation.

1   Introduction: the backstory of COHSMO

Before the territorial focus aimed at increasing income, growth and reducing inequalities was concentrated on "territorial balance and harmonious development", understood as territorial (economic and social) cohesion across European space (Atkinson 2015:25). The Barca report (Fabrizio Barca 2009) and the Böhme report (Böhme et al. 2011) concentrated on developing and promoting practical ways of applying the territorial approach by combining territorial growth policies with territorial cohesion policies and by emphasizing territorial consideration as an integrated part of a wide range of other EU policies.

The problem was that the territorial dimension was understood in more general terms and often applied through exiting administrative units (on the three levels of nomenclature of territorial units for statistics (NUTS 1, 2 and 3) or local administrative units (LAUs)). In order to find out how policies were implemented in a place-based manner, there was a need to get a much more detailed knowledge of specific type of locations and of how location vary across (social) geography. There was a lack of information on how location differs not just in terms of administrative units or in terms of socioeconomic variables but also when it comes to local routines, traditions, organisational structure, and about the quantity, quality and diversity of institutions and organisations (both non-profit and civic community-based organisations). Generally, there was little attention paid to how location matters, how it impacts the socioeconomic conditions and life chances of individuals and how public policies should be in place to lessen such inequalities. Territorial cohesion and inequality were not linked to the multiple ways in which different types of location matter.

The way territorial cohesion, location, inequality, sustainable growth is linked, and how territorial cohesion can be a driver for sustainable growth and have a trickle-down, socioeconomic effect on its population, was not considered. Moreover, the impact of territorial cohesion was not linked to specific locations, the inequality it forces upon its population, its demographic characteristics, the locational development trajectory, the solution strategies adopted, the regulative and institutional context and the institutional design. This location approach is the way through which the COHSMO-project is bridging top-down and bottom-up tensions. Therefore, it was necessary to conduct research that made it possible to grasp these differences, while also providing a better understanding of how and why different governmental programmes and governmental relations might intervene in and mediate between such differences, and especially the role of local belonging and community relations in this regard.

By addressing location through the concept *Collective Efficacy*, location becomes a variably interacting population of people and institutions in a common place. It sometimes constitute a community in the traditional sense, characterised by shared values and tight-knit bonds (but, in many cases, it does not). The concept made it possible to investigate how location affects life chances knowing that locality effects are not universal. Therefore, the COHSMO-project should underpin the production of a new location-sensitive typology that is not solely defined by administrative boundaries but also includes the social capacity and meaning that is attached to places.

2   Key findings within and across partner countries

- **Typology of COHSMO localities**
  Place-making approaches and policies towards increasing territorial cohesion have to consider variations between different types of locations: different settlements, variations in territorial capital constellations, specific territorial problems, territorial business-life, autonomy of local governance, mobilisation of local civil society and local tradition.

- **Size and local autonomy matters: The advantage of big cities in shaping social investment policies**
  Findings from the project suggest that across cases, the degree of autonomy of local governments is crucial for territorial sensitivity of service provision and support the agility of local government to engage in network activities, ensuring innovation in services. Furthermore, our findings indicate that municipal autonomy has to be combined with high security in funding to prevent spatial injustice in the form of unwanted variation in coverage and quality of services.

- **The role of spatial planning in addressing territorial inequalities**
  Research findings from COHSMO countries showcase several examples of how public institutions have developed the potential of spatial planning for tackling territorial inequalities through both soft governance and traditional governance partnerships. However, mainly administrators and policy-makers from urban municipalities have promoted experiments in spatial planning policies and strategies. Besides differences in specific challenges, the difference is likely due to lower institutional and financial capacity to mobilise resources and develop forms of collaboration at all levels and stages of the planning process in the suburban and rural municipalities. In addition, especially in the rural municipalities, the difference might also stem from a more 'pragmatic' approach instead of 'formalised' collaborations.

- **Collective action from below pushes for well-being and social cohesion**
  In the COHSMO project, we have gathered examples of local forms of social innovative collective actions initiated both from above and below. Initiatives taken from above often aim at mobilising local resources by joining up service delivery, connecting hard to reach groups to public services, and developing new methods of employment training. While, on one hand, local forms of social innovation initiated from below bring in local agendas aiming at tackling territorial problems or experimental projects that address the needs of marginalised or excluded groups. These activities may represent a win-win process given that local authorities need third sector organisations to respond to increasingly complex social needs. On the other hand, the third sector actors need the local authority for accessing funds or organisational infrastructures important to ensure the longevity of projects. However, they may also reflect a wider restructuring of welfare provision and entail the 'abandonment' of the most marginalised or excluded sections of the population, meaning that social innovation can become a 'double-edged sword'.

- **Territorial governance and its reliance on vertical or horizontal policy coordination**
  Findings from the COHSMO project accentuate the importance of both vertical and horizontal coordination. Combination of the two helps reconciling effectiveness, inclusion and democratic capacities. Importantly, different territorial settings (urban, suburban, rural) and

different social and political contexts produce varying needs or dysfunctions to be addressed. There is no one-size-fits-all solution.

- **Local leadership and local development**
  Local leadership is central to the issue of mobilisation and orchestration of collective action, often as something that is either missing or inadequate. However, the examples of the most effective, forward-looking forms of leadership go beyond a charismatic individual who initiates and leads local economic development. This new form of leadership is less about hierarchical management and more about inclusivity and enhancement of civic engagement, less about individual vision and more about collaboration and co-production.

Key findings can be found in the COHSMO Handbook – Cohesion on the Ground:
https://sbi.dk/Pages/COHSMO.aspx

3 Territorial cohesion and social investment strategies - strengthening the European Social Model

The COHSMO project suggests that a recalibration of the European Social Model (ESM) should be based on the interaction between territorial cohesion policies and social investment strategies. The outcome of this interaction is that spatial inequality and territorial fragility should be addressed by developing two main policy approaches: i) fostering policies of territorial cohesion; ii) promoting place-sensitive social investment policies.

In the COHSMO project, we have described two issues related to the ESM that have emerged as critical from the research:
- the resurgence of territorial inequalities and the lower capacity of social cohesion policies to reduce them; and
- the growing difficulty of policies, both at central and local level, to manage the impacts of the social, economic and demographic changes affecting vulnerable territories and keep pace with the ongoing dynamics of transformation.

Many are the institutional reasons for the low capacity of policies to address territorial marginalization, e.g. difficulty in the multilevel institutional coordination, crisis of policy mechanisms aimed at balancing territorial disparities, lack of space-based policies valorising the peculiarity of local territories within more general strategies. These relate to the difficulty of European and national social cohesion policies to address growing spatial inequality and the emerging deeper disparity between attractive, globalised areas and "left behind" territories. This problem requires a recalibration of public policies addressing territorial inequality. The main challenge is to overcome the dualism between space-based strategies and space-neutral policies and develop a place-sensitive approach. According to this recalibration strategy, spatial inequality and territorial fragility are supposed to be better addressed by developing two main policy approaches: i) fostering policies of territorial cohesion; ii) promoting place-sensitive social investment policies.

The main findings from the COHSMO project are related to the territorial impact of SI policies. In particular, we have discussed the level of territorial differentiation and sensitivity of SI development, the impact of SI policies on territorial inequalities and their capacity to address the problems and

difficulties of vulnerable territories, the main variations, tensions, trade-offs emerging in the design and implementation of SI policies related to the presence of socio-spatial inequality. We have reflected on evidence that can facilitate or hinder the transformative capacity of territorial cohesion policies in EU localities by taking into account the level of territorial sensitivity, the institutional capacity of local actors, their ability to reconcile conflicting objectives, and the levers and obstacles they typically encounter.
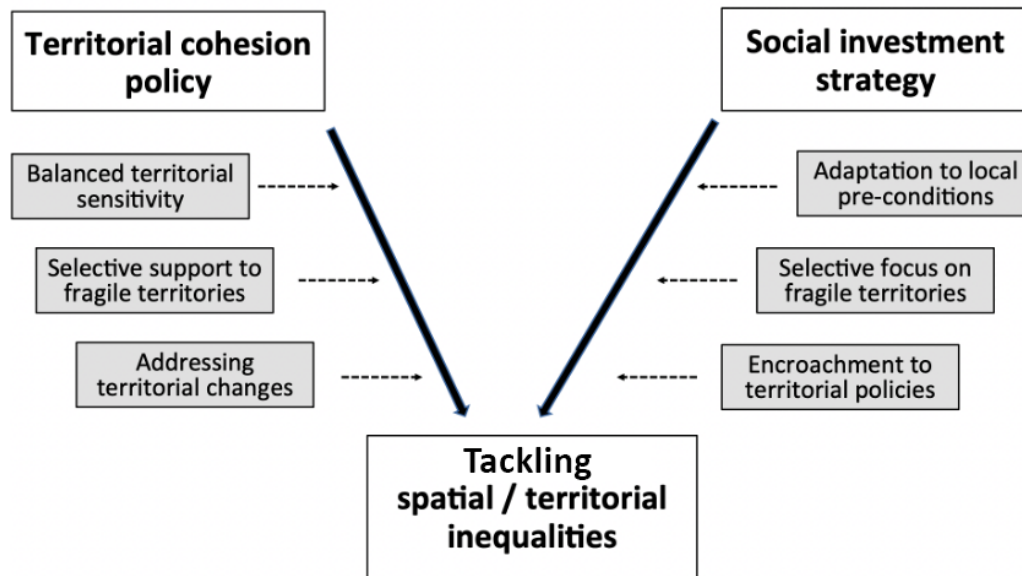

Figure 1 Main indications emerging from COHSMO policy analysis

In the above figure, we sum up all the main indications emerging from our policy analysis. Within a broader strategy based on driving traditional territorial cohesion and social investment towards a more effective and explicit approach to tackle spatial inequality, we identify six key actions that are proposed as parts of a preliminary agenda.

4   Six key actions

Balanced territorial sensitivity - Territorial cohesion policies are inherently place-based but not necessarily place-sensitive. The sensitivity should include a deep-seated understanding of the development trajectories of different areas, so that tailoring policy bundles or policy mixes to each area becomes feasible, by taking into account the spatial, social and economic dynamics, jointly with the specific features in terms of territorial organisation and the legacy of previous policy cycles. Thus, strengthening different territories can be seen as a form of spatialised social protection, in line with the fundamental tenets of the ESM.

Selective support to fragile territories - The most fragile and vulnerable areas, or the areas becoming increasingly fragile, need targeted support. This should enable them to avoid the pre-requisite trap: when policies require a minimum threshold of endowments, capacities and resources, the most fragile territories tend to be systematically excluded, thus confirming their fragility and triggering a vicious circle. Therefore, the support should be extremely selective, identifying specific strengths of those areas as a starting point to design policy bundles able to start promising

development paths, and mobilizing local latent resources.

Addressing territorial changes - One of the main challenges policymakers face in addressing territorial cohesion is the need to understand, map out and take into account the trends and dynamics of territorial change. Outdated representations of dynamic territories may fail in addressing the most relevant issues and problems, not only because they tend to lead to remedial policies but also because they address issues that are not relevant anymore. From this point of view, policies able to effectively include different voices and positions of local stakeholders, paying particular attention to new entrants in the decision-making arena, and not only to already consolidated representatives of existing interests are essential. Such involvement may contribute to enhance the effectiveness of policies, which will be more tailored to timely and emerging needs while at the same time enhancing the democratic capacity and the sharing of responsibilities.

Adaptation to local pre-conditions - Social investment cannot be a "one-size-fits-all" strategy, but it must be tailored to the structural and institutional conditions of specific contexts. This requires to pay attention to the local structural factors paving the way for successful SI strategies: what can work for an area can be of little use for another one. The characteristics of the local production system, the local labour market, the educational system, and specific family arrangements must be taken into account in setting the goals for locally-sensitive SI strategies. Furthermore, the institutional capacity and local collective efficacy must be considered while tailoring the implementation of such policies. A national or regional plan should introduce territorial sensitivity as a criterion for planning activity and distributing resources. Territorial sensitivity does not mean localism but the definition of selected goals and implementation methods according to the capacity and needs of specific territories.

Selective focus on fragile territories - SI policies run the risk of causing territorial Matthews effect. We need a clear priority towards fragile territories to reduce this risk. Territorial fragility must include a consideration of the available resources and capacity. Moreover, SI strategies should be able to promote improvement in the local assets for both these aspects. This is also a way to introduce spatial justice as one of most important criteria to target and evaluate SI policies.

Encroaching SI strategies to territorial policies - SI policies have long been considered policies addressing more individuals than territories. We have argued for a paradigm change: such policies should address both individuals *and* territories. This is necessary for many reasons: because SI policies are based on services that are locally produced in most of the EU countries; because SI policies imply a good connection between education services, actions to improve the employability of the labour force, and policies promoting more employment opportunities, that are generally locally-based; and because it is the lack of one or more of such elements that make some areas more vulnerable than others. Based on this territorial approach, SI strategies can play an important role to reduce the risk of vulnerable and "lagging behind" territories. To address territories and not only individuals, SI strategies must be connected with territorial cohesion policies and become part of a comprehensive territorial policy. It is moreover at the local level that the traditional division among policy fields (social services, education, active labour market policies) can be more easily overcome.