

Table for country presentation

Population 1,000 inhabitants



COHESION ON THE GROUND

SUBURBAN



Area



INEQUALITY, URBANIZATION AND TERRITORIAL COHESION:
DEVELOPING THE EUROPEAN SOCIAL MODEL OF ECONOMIC GROWTH AND DEMOCRATIC CAPACITY



COHESION ON THE GROUND

PERSPECTIVES AND EXPERIENCES

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INEQUALITY, URBANIZATION AND TERRITORIAL COHESION:
DEVELOPING THE EUROPEAN SOCIAL MODEL OF ECONOMIC GROWTH AND DEMOCRATIC CAPACITY

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Foreword: Cohesion on the ground

All across Europe, inequality is rising. This is visible in the persistent social and economic divides between countries, between regions, and between cities and rural areas. In response to this inequality, the regional policy of the European Union has striven to strengthen the Union's territorial cohesion. However, the policy response of the EU's individual Member States to regional inequality tends to diverge from the EU's focus on territorial cohesion, and examples of Member State policies and practices that correspond with the EU vision of enhanced cohesion are more rare. In this handbook, we examine some of the Member State policies and initiatives that do seem to work towards a vision similar to the EU vision for a territorially cohesive Union. We hope that this can contribute to an understanding of the complex dynamics between socio-economic inequalities and how they interact with territorial conditions, so that we may lay a path towards a more cohesive European territory.

This handbook presents the findings and recommendations of the international research project Inequality, urbanization and territorial cohesion: Developing the European social model of economic growth and democratic capacity (COHSMO). The COHSMO project investigates how territorial cohesion at different European spatial scales affects economic growth, spatial justice and democratic capacities. The underlying idea is that 'location matters'. That is, inequality, cohesion, competitiveness and participation have territorial dimensions at the European, national and local levels that must be considered in the design and implementation of policies that are aimed at improving the life chances of EU citizens.

In the following pages, we share results from a total of 21 case studies carried out by the seven EU Member States that took part in the project: Denmark, Austria, the United Kingdom, Greece, Poland, Italy and Lithuania. Each country has reported on three case studies within a specific region in their country – an urban, a suburban and a rural case. The case studies reveal the varied ways that localities matter and the multiple forms that the relations between urbanization, inequality and territorial cohesion take across the European space. We seek to provide examples that draw on the

experiences and results from a place-based approach. We also illustrate the impact that the national context and the setup of national welfare systems have on the capacity of localities to engage in actions that address issues of territorial cohesion and inequality.

A warm thank you to all the actors in the seven countries that have shared their experiences and professional reflections.

Happy reading !

The COHSMO team

The densely built city of Athens.
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Introduction: The challenges facing European cohesion

Mia Arp Fallov, Rob Atkinson, Ruggero Cefalo, George Mavromatis and Maja Neergaard

Across Europe, we see pockets of growth areas adjacent to areas of decline. Processes of demographic change and urbanization directing flows of people and investments to particular regions also create areas of severe exclusion and deprivation. In some instances, these processes override mediating effects from social policies and social investment strategies. Growing inequality and segregation increasingly challenge territorial cohesion at local, regional and national scales and minimize interaction across social, ethnic and cultural backgrounds. This might undermine solidarity between social groups and across localities, and challenge democratic capacities and the legitimacy of public investments. Thus, the interactions between policy programmes, structures of inequality and territorial cohesion are complex and have specific local outcomes.

The past decade of economic crisis and austerity measures has exaggerated already existing geographical disparities while creating new ones. In many European countries, publicly funded initiatives that have had a place-based approach have often been rolled back to cut public expenditure and increase competitiveness of nations and city governments. We have also seen that social investment policies that emphasize public investment in human capital and the role of social policy in delivering economic growth take very different regional forms. Such policies initially developed in the Nordic countries, and have been embraced by Southern and Continental Europe, albeit in different forms. However, low growth rates and pressure to reduce public spending threaten the willingness of governments to maintain and develop a social investment approach to growth. Tensions between growth strategies and territorial, social and economic cohesion generate different effects across the European context.

Understanding actually existing cohesion initiatives

In the face of growing inequality, European policy guidelines have long proposed working in the direction of greater cohesion, primarily socially and economically. In the *Europe Strategy 2020*, the notion of *territorial cohesion*

was officially stated and endorsed in the Treaty of Lisbon in 2007 (Articles 174 to 178). Despite the term’s frequent use in EU policy documents, the notion of territorial cohesion remains somewhat unclear and appears in a multiplicity of meanings that allude to various dimensions of cohesion (e.g. social and spatial inequalities, economic development, urbanization, demographic changes, individual life chances, equity in access to services, space justice, and democratic participation). In the literature, there is wide agreement that territorial cohesion is a fuzzy concept (see e.g. Abrahams, 2014, Faludi, 2016). For example, territorial cohesion reflects the idea of building on Europe’s extensive diversity between its regions and territories and recognising this diversity as a positive factor (Strength through Diversity) that can contribute to improving the Union’s global competitiveness.

In the practice of policy-making, meanwhile, the picture of territorial cohesion is equally blurred. Even if territorial cohesion is, in theory, a shared responsibility of the European Union and the Member States, in practice it is a theoretical and strategic construct that finds little conceptualization and application outside the policy documents promoted by the European Commission itself. Nevertheless, empirical analyses (including that of COHSMO) show how policies and practices at different levels, and specifically at local level, do, in some instances, *de facto* implement territorial cohesion objectives, even if these are not made explicit, or described using such a term. Although territorial cohesion might not be explicitly used as a policy term in many Member States, there are actual policies on the ground that materialize its objectives and which are funded by the Cohesion Fund and other related EU funds.

Neet-rates, employment rates and risk-of-poverty-rates for respectively cities, towns and suburbs and rural areas for the seven COHSMO-countries.

	Neet rate*			Employment rate*			Risk-of-poverty-rate**		
	Cities	Towns and suburbs	Rural areas	Cities	Towns and suburbs	Rural areas	Cities	Towns and suburbs	Rural areas
Denmark	8,5	11,0	11,1	74,9	75,6	74,7	15,9	10,9	11,3
Lithuania	7,9	15,1	14,7	78,4	70,7	68,0	14,0	23,7	30,1
Poland	9,1	15,3	15,8	72,2	66,8	65,5	9,6	11,4	21,2
Austria	11,8	9,2	6,6	68,3	74,9	76,9	21,3	10,6	11,6
Italy	24,0	23,1	24,8	59,5	59,1	58,2	20,9	19,8	20,4
Greece	17,7	21,3	25,6	55,3	55,7	59,2	16,8	17,0	22,5
United Kingdom	12,3	11,1	10,0	73,7	77,5	76,9	20,0	15,7	18,5

Source: Eurostat; *Data from 2019; **Data from 2018

About the COHSMO project

The COHSMO project ran from 2017-2021 with funding from the EU research programme Horizon 2020. The overall aim was to deepen our knowledge about the ways localities matter for spatial justice. The project is concerned with the resurgence of territorial inequalities and the reduced capacity of social cohesion policies to mitigate them. Moreover, it focuses on the increasingly challenging task that faces policies at different scales that aim to manage the impact of the huge social, economic and demographic changes affecting vulnerable territories and that must keep pace with the ongoing dynamics of transformation. The main research question guiding the project was:

“How can we understand the relation between socio-economic structures of inequality, urbanization and territorial cohesion and how does territorial cohesion at different European scales affect economic growth, spatial justice and democratic capacities?”

Location has been the starting point for the each phase of the research project (for methodological details see [Appendix 1](#). The project has:

- Firstly, conceptually developed approaches to examine the relations between urbanization/de-urbanization, territorial inequality, territorial governance, social investment policies and territorial [cohesion](#).
- Secondly, documented and compared territorial inequalities across the seven partner countries: Austria, Denmark, Greece, Italy, Lithuania, Poland and the United Kingdom.
- Thirdly, through detailed case studies in three localities in each partner country provided an in-depth overview of the most important resources bound to these locations (institutional organizations, service provision, place attachments and civil society mobilization) and examples of entrepreneurial cross-sectoral partnerships, innovations from below and place-making [initiatives](#).
- Fourthly, analysed the institutional framework behind service provision at different scales in order to map possible or existing patterns between levels of service provision and reported territorial cohesion through surveys and interviews with strategic stakeholders related to the public sector, public-private providers and NGOs. The focus has, in particular been on area regeneration, economic growth policies and three policy areas central to social investment: active labour market policies, pre-school childcare and vocational and education training [policies](#).

[See Policy brief 1. (The project briefs and reports will be available at the end of the project period.)]

[See Policy brief 5, Policy brief 6 and Report on policy analysis.]

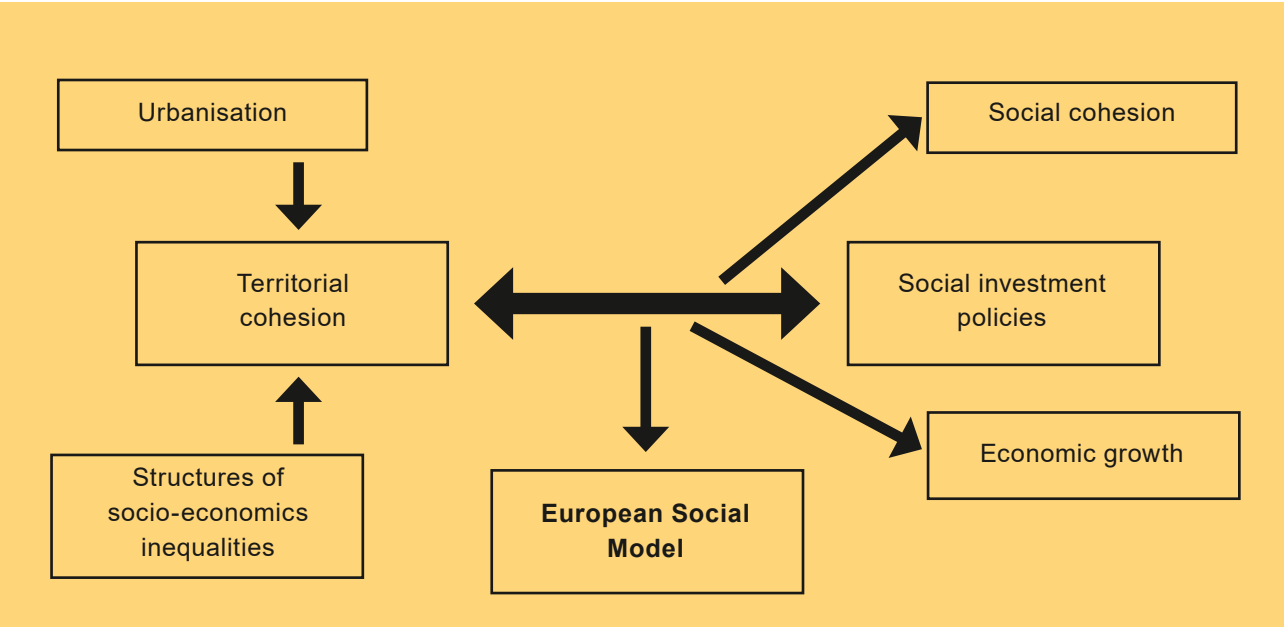
[See Policy brief 6 and Policy briefing report.]

- Fifthly, the project has developed a framework for the cross-national evaluation and identification of ‘good practices’ and social innovation that can provide the basis for policy learning between regions and countries experiencing similar problems of spatial inequality and lacking territorial [cohesion](#) specific to rural, suburban and urban localities.
- Finally, the project has cross-analysed the relationship between different socio-spatial configurations and territorial cohesion policies, and the degree to which local development policies are territorially sensitive. Moreover, the project has analysed the territorial conditions for and territorial sensitivity of social investment policies, for example in relation to the presence of horizontal and vertical policy coordination tools. On this background, COHSMO has developed tentative suggestions to elaborate on the [European Social Model](#).

[See Policy brief 7 and Report on policy recommendations.]

[See Policy brief 8 and the end-report Solutions for a more cohesive European territory.]

The model shows the conceptual relationship guiding the last phase of the project.



Concepts guiding the COHSMO project

In the COHSMO project, we conceptualize territorial cohesion as the interplay between territorial capital, collective efficacy and territorial governance. This conceptualization indicates that territorial cohesion is a dynamic result of relations between assets, the political strategies for utilizing them and the webs of social relatedness that both generate specific demands and shape how 'solutions' (or 'problem diagnoses') are constructed and put into practice.

Territorial capital

One of the main concepts of the COHSMO project is *territorial capital*. We take as our point of departure the conceptualization of territorial capital developed by Sevillo, Atkinson, and Russo (2012). They argue that territorial capital relates to the assets available in a particular territory and the question of mobilizing these assets. They point to five different groups of territorial capital, namely: environmental, anthropic, economic, human, social, cultural and institutional capital.

It is important to recognize that the mere presence of forms of territorial capital does not necessarily mean that they will be utilized. What we suggest is that not only is there a dynamic relationship between potential assets and their deployment, but also different relationships between the different groups of potential assets depending on what local policies aim to achieve. In terms of mobilization of territorial capital, there needs to be a focus on the different means by which territorial assets are used in policies (or in 'policy bundles' that combine different policy fields and generate synergies between them, e.g. between labour market and regeneration policies in order to solve complex societal challenges such as those of deprived housing areas.). Thus, governance arrangements are central to the mobilization process and use of assets, and this requires the existence of links, often articulated through organizational arrangements (e.g. partnerships) between stakeholders, local authorities, agencies and citizens in order to identify, create and mobilize assets and develop policies to achieve specific local strategies.

In practice, however, policy documents and actors may not use the language of territorial capital. What they may talk about are strengths, opportunities, challenges and weaknesses. When examining policies and practices, we need to understand how the problems of localities are understood and

addressed by building on 'strengths', seizing 'opportunities' and seeking to minimize weaknesses and address challenges. We need to identify how a 'problem diagnosis' emerges in response to these problems, how a strategy is developed and deployed to address the problem(s), and how the strategy mobilizes local resources of multiple forms in the process.

Collective efficacy

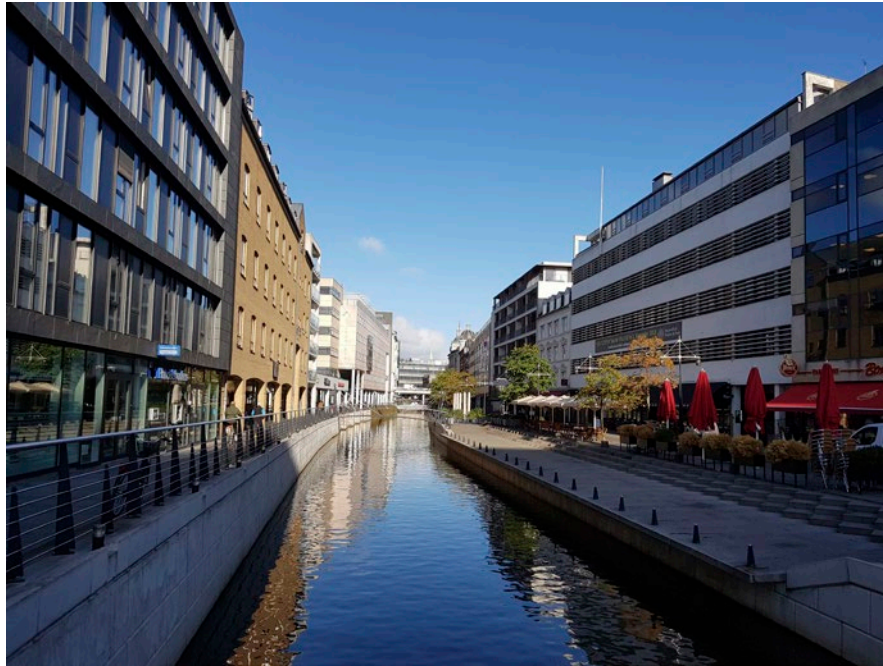
Another central concept for the COHSMO project is collective efficacy (Sampson 1997, 2012), which indicates the propensity for collective action in relation to localities that goes beyond (and below) direct participation of civil organizations in local politics and activities. Collective efficacy varies in degree and type between places. The degree of mutual trust and shared expectations among residents of local areas indicate the local willingness to intervene against local threats or challenges. Collective efficacy is dependent on patterns of social interaction, social control and social organization. In COHSMO, collective efficacy conceptualizes the role of social relatedness to place for the utilization and mobilization of territorial capital. At the same time, collective efficacy is shaped in type and degree by the effects of daily routine activities and the spatial organization of services and facilities such as schools, shopping, bars, public transportation, tourist facilities, and residential areas, which permits a variety of social interactions and social behaviour (Sampson, 2012). The capacity of collective efficacy do not only serve as a shield against structural changes to local places but also to impact on territorial development depends on how local social ties coalesce and make connections to non-profit organizations, and on the horizontal and vertical ties with institutions, organizations and local decision makers (Sampson, 2012). Collective efficacy is a *composite measure* of:

- activity patterns and routines
- organizational infrastructure
- social networks
- segregation/resource stratification

When we deploy the concept of collective efficacy, we argue that collective action in pursuit of public goods and territorial development cannot be read by simple measures of the organizational density and levels of participation in relation to these organizations, nor as aggregate individual characteristics. Collective efficacy indicates the propensity for collective action through the place-specific combination of the elements above and therefore varies in type and degree.

During the regeneration and beautification of Aarhus, the River Aarhus was reopened (it had been culverted) and now forms part of a pedestrian and shopping area.

© Jesper Rohr Hansen.



Territorial governance

In the COHSMO project, we analyse how the 'capacity to act' in relation to local problems and potentials depends on strategic forms of policy coordination (Sevillo, Atkinson and Russo, 2012). Policy coordination here refers both to the formation of policy bundles generating synergy between policy areas, such as labour market and regeneration policies, and in some instances to different forms of coordination fora. Strategic policy coordination refers, moreover, to the different forms of collaborative governance (Healey, 1997) that not only provide local ownership to new initiatives promoting territorially cohesive and more equal local communities, but also to policy innovations. In some instances, networked forms of collaborative government have turned into institutionalized forms (urban regimes (Stone, 1989, Stone, 2015)), while in other instances more agile and ad hoc forms of partnership emerge and play decisive roles in delivering more or less cohesive forms of territorial governance (Atkinson, Tallon and Williams, 2019).

In order for territorial governance to utilize the shield capacities of local collective efficacy, local governance needs to facilitate processes that ensure local communities have a say (which is not reduced to tokenism), and ensure that bottom-up initiatives have a possibility for being involved in local development. This is not to say that territorial governance is reduced to a

question of 'rolling back' the state and governing through local communities (Rose, 2000). Rather, we need to investigate which forms of 'rolling out' of local, regional and national territorial governance might serve as conditions for cohesive development (Allmendinger and Haughton, 2013, Jessop, 2002), how these forms vary between localities and countries, and how they can interact with multi-scalar forms of governance.

Crucial to territorial governance is the capacity to develop an integrated, strategic approach to governance. Essentially this means joined-up thinking, policy and action. Integration is thus a multi-level and multi-dimensional notion of collaboration, including vertical, horizontal and territorial collaboration as well as inter- and intra-organizational collaboration. The strategic element refers to the type of balance struck in the specific context between on the one hand facilitating growth and on the other hand ensuring welfare, equal access to services and spatial justice in relation to the consequences of uneven development (Olsen, 2012). A key policy and practical issue in the approach to territorial cohesion and the place-based approach is the relationship between territory and administrative institutions (e.g. municipalities). In effect, there is frequently a 'disjunction' between administrative areas and functional areas. Another key issue regarding forms of territorial governance is the balance between centralization and decentralization of functions and services.

The place-based approach is based on a mix of endogenous use of immobile territorial capital (stemming from the place) and exogenous support (coming in from the outside) articulated and implemented through governance systems that incorporate vertical, horizontal and territorial dimensions. To be effective such governance systems should focus action on meaningful functional places, i.e. on districts cutting across municipal borders or on housing areas covering different types of ownership. This requires a local governance system that is able to develop a long-term strategic vision for the place, translate this into a strategy, and then mobilize local assets to achieve this strategic vision and thus enhance the attractiveness of the given place for residents, investors and relevant mobile populations.

Social investment

Social investment (SI) emerged at the end of the 1990s as a policy perspective supporting welfare state expenditure in order to combine social inclusion and economic competitiveness (Morel et al., 2012). The origins of SI go back to research initiatives that sought to address the relationship between national economies and the welfare state in a novel way (OECD, 1997; Giddens, 1998; Esping-Andersen et al., 2002). Moving away from the

dominant neoliberal paradigm, these authors consider the welfare state as a capacitating actor that provides services that promote human capital and work-life balance. Social investment strategies are to prepare the individuals to face social risks, rather than compensating them when the risks occur (Morel et al., 2012). The main aim is to increase participation in the labour market, especially in high-quality jobs – SI can be understood as policy investment in tomorrow's taxpayers as future productive workers (Hemerijck, 2017). However, this should not substitute conventional income guarantees (like minimum income schemes and unemployment benefits), as the minimization of poverty and income security is a precondition for SI to be effective (Esping-Andersen et al., 2002).

Social investment has mostly been promoted at the European and national level. In 2013, the European Union promoted the adoption of the SI strategy across EU countries (European Commission, 2013). In the definition of the European Commission: “Social investment is about investing in people. It means policies designed to strengthen people’s skills and capacities and support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job-search assistance and rehabilitation” (European Commission, 2021). Social investment policies should enable economic development together with social inclusion. However, policies are designed and implemented under very different political-institutional and socio-economic conditions. The variation is found not only across countries but also across territories within countries. Despite the focus on services such as active labour market policies, childcare and vocational education and training that are often locally organized, SI strategies have so far only been partially sensitive to territorial conditions that may influence the outcomes of policies. These conditions include, for instance, the structure of the local economy and the centralization or de-centralization of decision-making and funding of services.

Lack of territorial sensitivity has consequences for European regional and cohesion policies. Context-blind policies may be highly ineffective, or even increase the divide between affluent and disadvantaged areas. Conversely, SI context-sensitive measures can contribute to developing the potential of peripheral areas, without limiting the drive of the most dynamic regions and cities. Thus, SI can enforce territorial cohesion and lead towards a more competitive and inclusive European community. The COHSMO project has explored both how social investment policies are shaped by territorial capital and processes of urbanization, and how SI might influence the ways in which location matters.

Social innovation

Social innovation is a much-debated concept and it is clear that there is no widespread agreement on precisely what constitutes social innovation. Nevertheless, it is generally agreed that it involves some or all of the following:

- A less directive top-down and facilitative approach on the part of government
- A greater role for communities and the voluntary sector that involves empowering them to act
- Knowledge sharing
- Co-production and/or co-creation
- A role for market provision (e.g. through social enterprises) that acknowledges the ‘social dimension’
- Meeting previously unmet needs
- Meeting new emerging needs
- Moving away from a one-size-fits-all approach to a more custom-made integrated approach
- Addressing well-being in a broad sense
- Supporting ‘public value’ beyond market-assessed forms of value (Vigar et al., 2020).

The COHSMO project approaches social innovation as something that is not in any simple way transferrable to other geographical and institutional contexts. There are serious issues in terms of identifying local practices that may be applied elsewhere due to their embeddedness in specific social and economic contextual conditions and the different levels of territorial assets, social cohesion and collective organizing capacity that characterize each practice. Location also matters for social innovation. The COHSMO project has focussed on the mechanisms (for example, local leadership, instruments for territorial investments, types of public and community-led initiatives) and the processes that are helpful in creating conditions conducive for social innovation.

Crosscutting perspectives on territorial inequality and cohesion

Looking across the case studies in the COHSMO project and the results stemming from them, a range of overlapping themes emerges, themes that sometimes play out differently in the different local contexts, but have similar characteristics and tendencies. These are presented in the following and relate to:

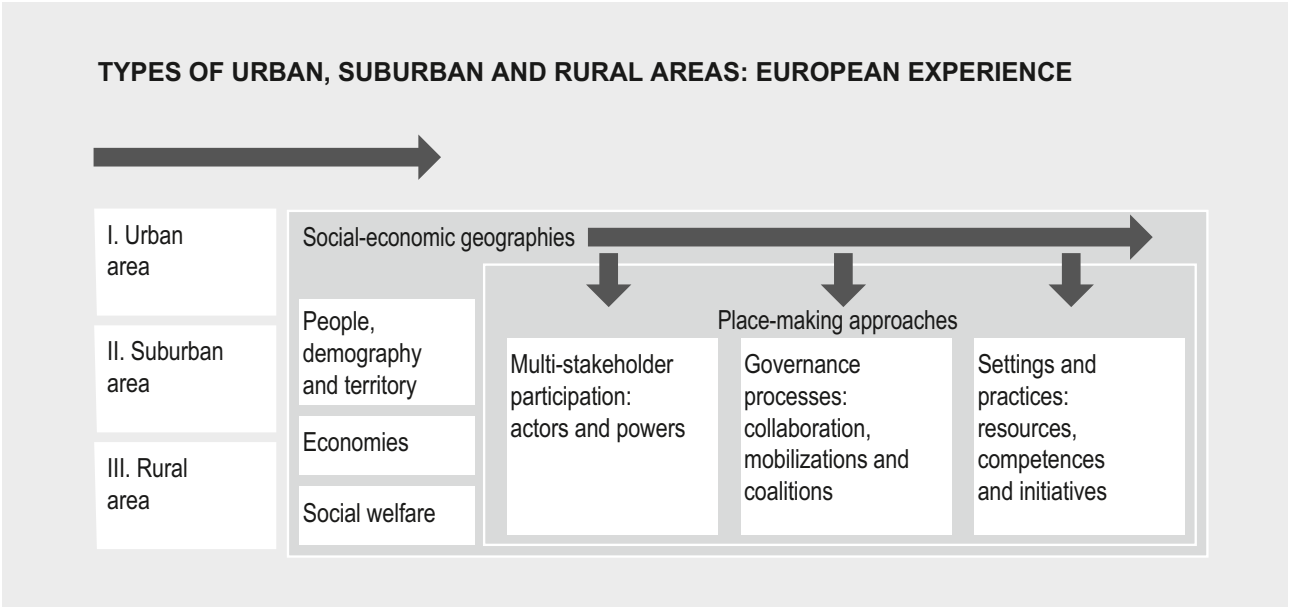
- Typology of COHSMO localities
- Size and local autonomy matters: The advantage of big cities in shaping SI policies
- Collective action from below pushes for well-being and social cohesion
- Territorial governance and its reliance on vertical or horizontal policy co-ordination
- Local leadership and local development
- The role of spatial planning in contrasting territorial inequalities
- Soft spaces for strategic action are driven by ‘hard’, economic agendas.

Typology of COHSMO localities

Anja Jørgensen, Mia Arp Fallov and Jurga Bučaitė-Vilkė

In the following, we elaborate on the initial matrix of localities that was used to categorize the case study areas into urban, suburban, or rural areas. During the research process, it became clear that, when compared on a pan-European basis, case study areas within the same category displayed an ‘intra-category’ variation along several dimensions. While each area type represents geographical areas that share some fundamental condi-

tions in terms of demographics and urban or rural morphology, the case studies within each area type are characterized by variations in territorial-capital constellations, specific territorial problems, territorial business life, autonomy of local governance, mobilization of local civil society and local traditions. The consequence is that place-making approaches and policies aimed at increasing territorial cohesion must consider such variations. Below is an overview of the intra-category variation along the most central dimensions for the three types of case study area (rural, suburban, and metropolitan/urban).

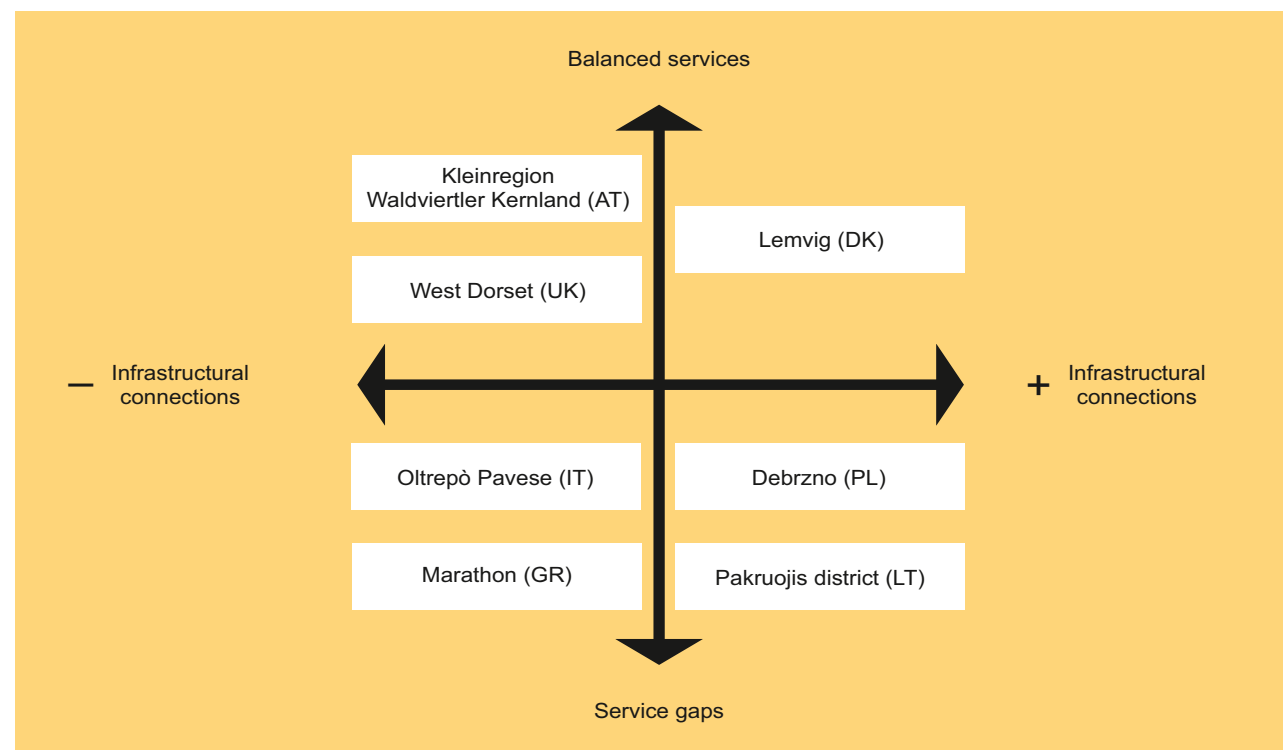


The rural areas share the characteristics of low population density and out-migration of population, however, they are different in many other ways. Firstly, they differ as to the type of welfare state/welfare society the specific case study area is part of. There are major differences between the degree of national inter-regional tax equalization and related ideals and policies of universal welfare between case study areas. In some of the rural case studies areas, there is almost no national tax equalization system, while in other cases tax equalization is a fundamental part of the universal welfare state. When it comes to relational-geographical location alone, there is a large difference between rural areas that are remotely located and marginalized in terms of welfare services and infrastructure and rural areas that have a high level of welfare services and effective infrastructure.

Urban, suburban and rural areas: classification scheme.

Initial matrix for case selection

Type of area	Pattern of urbanization	Pattern of demographic change
A: Metropolitan areas	High population density	High degree of population turbulence
B: Rural areas	Low population density	Tendency to out-migration
C: Suburban areas	Neither high nor low population density	Tendency to population influx



Variations in services and infrastructural connections in rural areas.

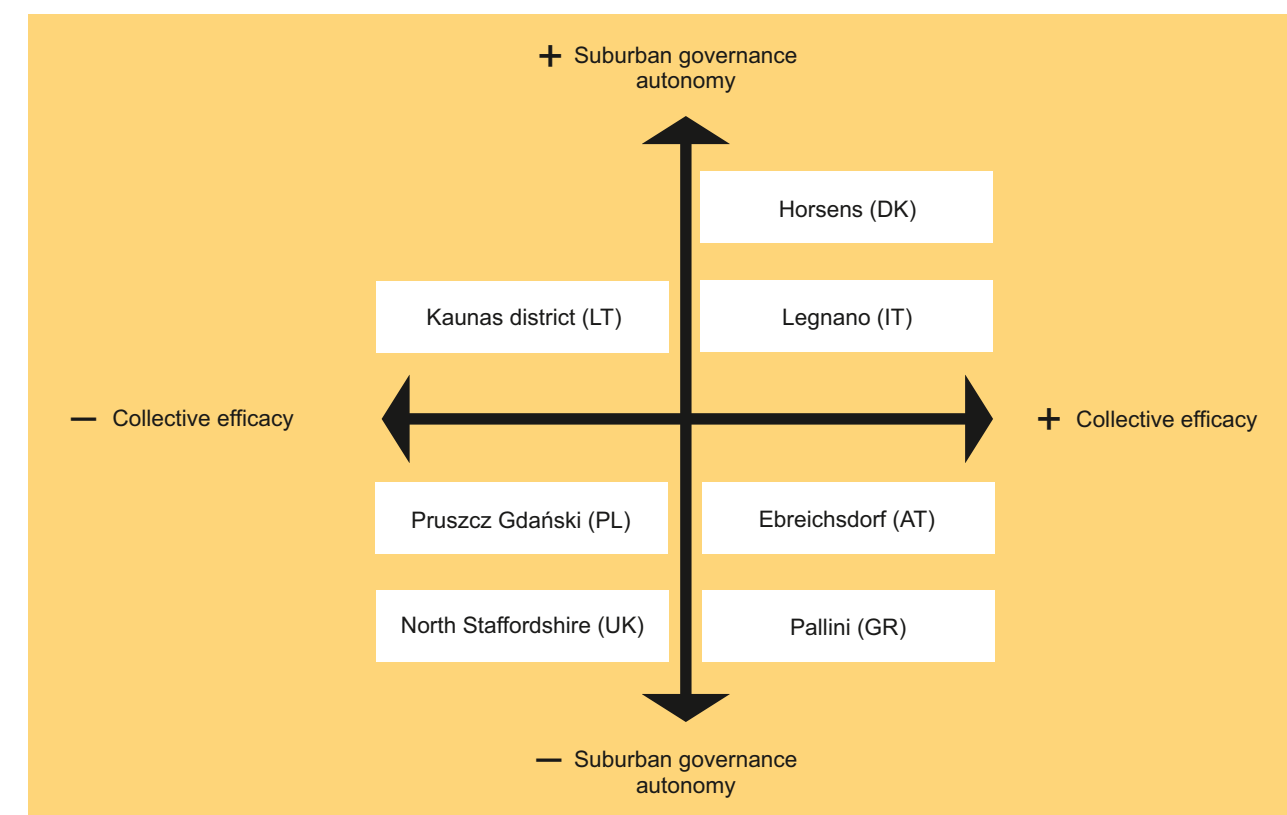
The suburban case study areas share a pattern of densification and a tendency to population influx. However, suburban areas are not a homogenous category; some suburban areas are a 'town', while others are commuter zones, rather than 'a place', and these different types of places create different conditions for social innovation. Through the COHSMO research process, it has become clear that there are remarkable differences between suburban areas related to large cities and suburban areas that constitute self-standing individual towns in themselves in addition to being related to larger cities in their proximity. Historically formed identities and place narratives make a difference here, for example we see in the case studies on Horsens (DK) and Legnano (IT) that these towns have an independent identity, whereas this is less the case for Ebreichsdorf (AT). In relation to this, we also witnessed a difference in the autonomy of local government and collaboration with business life, which were both stronger in case study areas with strong place narratives and independent identities.

We have found a variety of potential explanations for the variations between suburban areas:

- Such areas may have a looser/less developed social infrastructure, or a more fragmented social infrastructure that is not conducive to social innovation
- Some struggle with a less well-defined sense of place identity
- The above means some suburban areas need processes of community building, e.g. building bridges between 'newcomers' and 'old residents'
- Some areas appear to be in need of social projects that may, over time, act as a catalyst for community-building processes to develop
- In some urban sprawl areas or urban hinterlands there is greater population turnover, which makes it harder to sustain community action for social innovation.

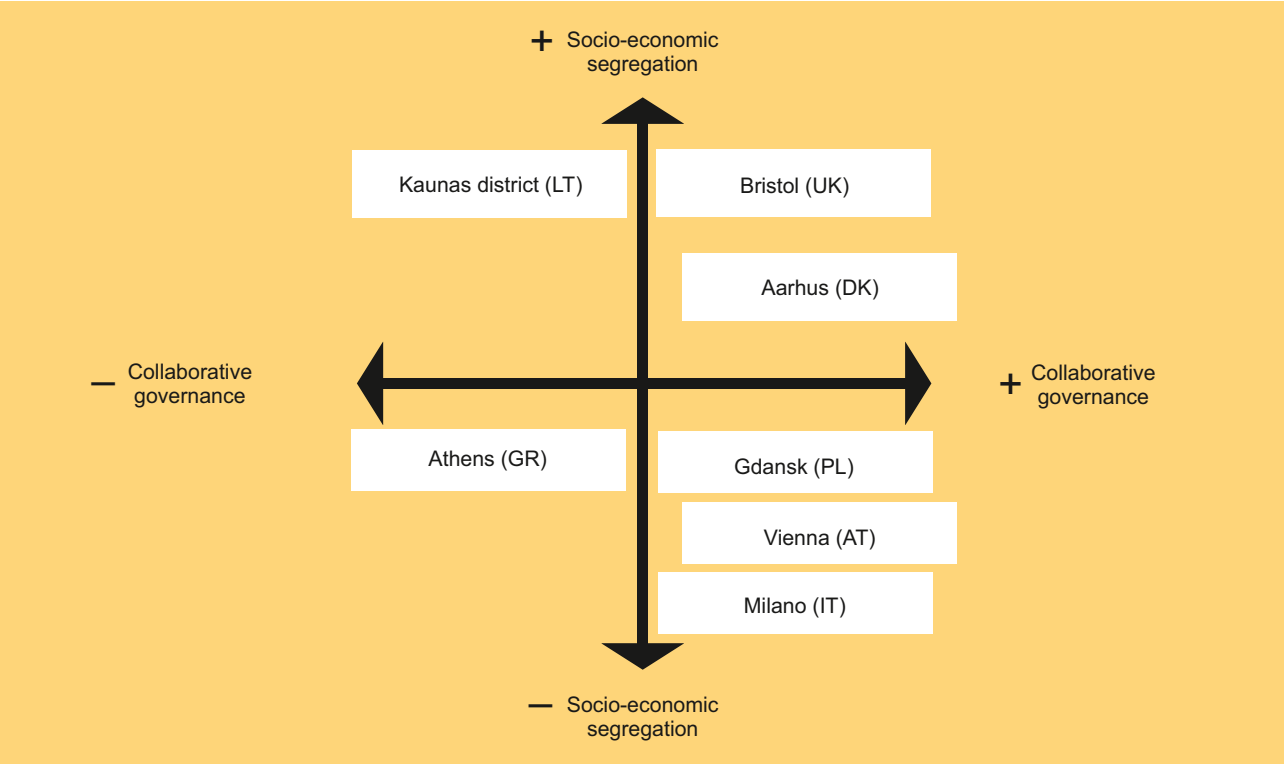
The urban areas have a high degree of population density and population turnover. However, they vary in terms of their scale, whether they are world cities or not, and their socio-economic power to shape regional and national development. For example, the sheer size of Milan, Vienna

Variations in governance autonomy and collective efficacy in suburban areas.



and Athens generates completely different conditions in comparison with Bristol, Aarhus, Kaunas, and Gdansk. Moreover, there are variations in the degrees of segregation in the urban areas, with Aarhus, Bristol and Kaunas struggling with territorial problems related to segregation and pockets of poverty, while Vienna, Milan, Gdansk and Athens are only moderately segregated or have few problems with segregation when compared with other big cities in Europe. The urban areas also vary in terms of their history for local collective action or participation and collective efficacy. This is part of the explanation for the variations we found between the urban areas in the efficiency of forms of collaborative governance. In Aarhus, Bristol, Milan, Vienna and Gdansk, multi-stakeholder networks build coalitions that work to tackle territorial problems and ensure public service availability, affordability and social inclusion. Conversely, in Athens and Kaunas, multi-stakeholder networks have had less impact on the territorial governance of cohesion.

Variations in segregation and collaborative governance in urban areas.



Size and local autonomy matters: The advantage of big cities in shaping social investment policies

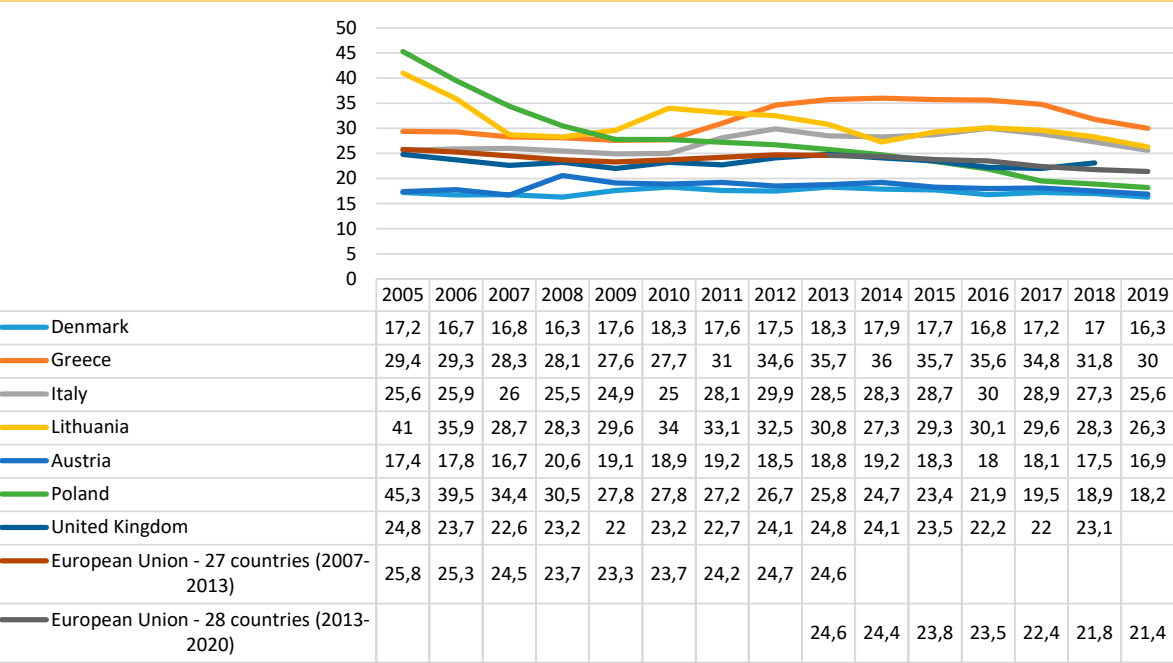
Ruggero Cefalo, Andrea Parma and Mia Arp Fallov

Throughout the COHSMO case studies and the SI policy areas we investigated, we observed that the degree of urbanization and size of local government entities tend to correlate with significant advantages in the coordination and provision of SI policy measures. Big cities often seem to make the most of SI policies, partly because of the existence of facilitating pre-conditions. Urban centres benefit from the concentration of public infrastructures and networking opportunities that facilitate formal cooperation between key interest groups such as businesses, trade unions, association representatives and public authorities. Big cities are more likely to have qualified human resources with the professional competences needed to develop services and to implement actions locally as well as to coordinate social and private actors that contribute to shaping the local service system. For instance, the highly urbanized areas of Vienna, Milan, and Athens displayed significant advantages in the coordination and provision of SI policy measures compared with the rural and suburban areas in their national contexts.

Service provision tends to be weaker in smaller centres, especially when located in remote, peripheral areas. Here, people often need to move or commute to big centres to access services such as vocational training or the offices of public employment services. In addition to accessibility issues, lack of highly-skilled workforce to fill professional posts and financial resources in some of the rural case studies prevent local governments and local branches or departments of regional or national institutions from developing innovative local actions within national/regional frameworks or as a supplement to regional and/or national measures.

However, we also found examples of the opposite. Where local competences are present, some rural and suburban centres manage to ‘territorialize’ policies in effective ways, relying on innovative actions that stem from civic participation – as in the case of childcare provision in the Austrian rural case Waldviertel. Similarly, in the suburban case Horsens in Denmark, extensive coverage and strong interlocking relations between labour market partners, educational institutions and local government have played an important role in creating a regional competitive advantage for Horsens. This result in a local VET (Vocational Education and Training) system that is tied into the local labour market. Together with an integrated approach to SI policy, these strong relations mean that the local VET system is ‘territorially adapted’ to

People at risk of poverty or social exclusion in 2005-2019, percentage, by selected EU countries, Eurostat



Collective action from below pushes for well-being and social cohesion

Mia Arp Fallov, Anja Jørgensen, Tatjana Boczy and Carolina Pacchi

Many countries have experienced prolonged austerity regimes that have led to major reductions in government funding. Additionally, demographic changes put pressure on welfare services. In some COHSMO partner countries, reduced government funding and austerity are less pressing issues. However, all partner countries have experienced a call for more third-sector involvement as well as more use of social enterprises to promote public innovation. In the COHSMO project, we have gathered examples of local forms of socially innovative collective actions that are initiated both from above (top-down central or regional government initiatives) and below (bottom-up initiatives initiated from local communities or local organizations). Top-down initiatives often aim to mobilize local resources by joining up service delivery, connecting hard to reach groups to public services, and developing new methods of employment training. Bottom-up forms of local social innovation bring in local agendas for tackling territorial problems or can include experimental projects that address the needs of marginalized or excluded groups in ways that is normally beyond the scope of public services. These activities may represent a win-win process given that local authorities need the help of third-sector organizations to respond to increasingly complex social needs. On the other hand, the third-sector actors need the help of local authorities for access to funds or organizational infrastructures that can ensure the longevity of projects. However, the increased involvement of the third sector and bottom-up initiatives may also reflect a wider restructuring of welfare provision and entail the ‘abandonment’ of the most marginalized or excluded sections of the population, which can in turn mean that social innovation can become a ‘double-edged sword’.

In general, the Austrian local case studies highlight the significant part played by government actors at higher levels in enabling bottom-up initiatives. Public funding has a crucial role for risky initiatives such as the cross-federal state collaboration (SUM)¹ for a regional – instead of a border-bound – socio-economic development strategy. Still, the case of Vienna also highlights

1 SUM (2020): Stadt-Umland-Management Wien/Niederösterreich Website. Arbeitsweise. Available online at <https://www.stadt-umland.at/sum/arbeitsweise.html>, updated on 8/19/2020, checked on 8/19/2020.

Percentage of people at risk of poverty or social exclusion, 2005-2019, for the seven COHSMO-countries, EU-27 and EU-28.

the needs of the local labour market and is able to include vulnerable groups in such a way that their educational opportunities and employability can be enhanced and paths to social inclusion are highlighted.

Across all three categories of case study area, we found that the degree of autonomy of local government is crucial for the territorial sensitivity of service provision and agility of local government to engage in network activities that can ensure innovation in services. However, our findings also indicate that local government autonomy must be combined with high security in funding to prevent spatial injustice in the form of unwanted variation in coverage and quality of services.

All in all, our findings show that there is a need for strategies that are dedicated to supporting quality service provision and to improving local know-how in order to enhance the liveability of rural or peripheral areas. Triggering place-based development in disadvantaged territories is crucial to enhancing territorial cohesion and civic participation in European societies.

that social innovation stems from a complex web of government and third sector engagement. The community-based integration initiative (*Nachbarinnen*)² exemplifies new pro-active social work approaches that seek to overcome the well-known dilemma of reaching particularly isolated social groups and families. By complementing traditional social work approaches, the initiative adds value to existing community work and indicates new perspectives for tackling existing challenges of social cohesion and urban spaces.

Another example in which social innovation stems from the interaction between local government and third sector organizations is the Italian case of Legnano where we see the ‘integration machine’ programme, funded by the national government.³ Pivotal here is the community centre placed in a revitalized social housing district as the anchor point for a range of activities and services aimed at improving social cohesion. The types of social activities act as a *filter* between socially vulnerable inhabitants and existing welfare services. This filter function allows for the creation of a ‘soft space’ where the third sector organization (a social cooperative in this case) can improve the match between social needs and existing welfare services and successfully tackle problems such as the social and economic marginality of elderly and young people.

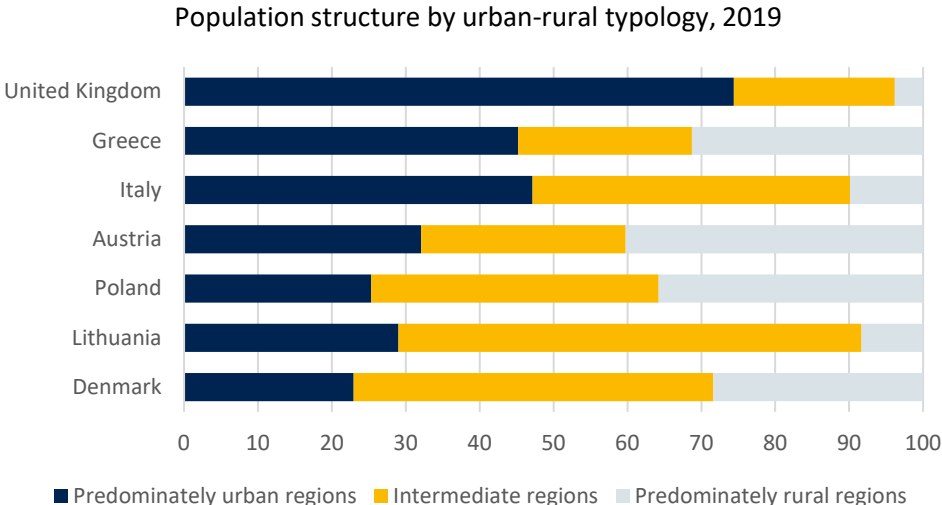
In a general sense, several of the case studies pointed to the significance of creating spaces (physical and virtual) where relevant groups and subjects, especially marginalized/excluded individuals and groups, can be approached in an informal setting by a social welfare professional or NGO employee who understands their social needs. These professionals try to reconnect the citizens to the existing welfare services or to the new services being provided. This mechanism would be particularly useful in contexts characterized by significant gaps between social needs and existing welfare policies. Such approaches tend to be based on the role of third sector organizations.

Another example stems from the rural case study in Poland, where the Association for the Development of the Town and Municipality of Debrzno (ADTMD) represents a local community initiative to counteract the economic crisis and provide people with job opportunities in the absence of big employers in the area. Economic growth and amelioration of life chances with by the means of employment have remained the core of ADTMD’s activity and ethos, and thus reconcile with social investment strategies. The strategic symbiosis between EU funding, local authorities and the third sector makes ADTMD an exemplary case of collective efficacy. Moreover, its broad understanding of entrepreneurialism takes it beyond economic growth to civic

² Nachbarinnen in Wien (2020): Zahlen und Fakten. Available online at <http://www.nachbarinnen.at/zahlen-und-fakten.html>, updated on 7/22/2020, checked on 8/5/2020.
³ www.cittametropolitana.mi.it/welfare_metropolitano/progetti/alto_milanese.

activism and social activities. Similarly, in the rural case study of Lemvig, Denmark, a broad concept of entrepreneurship is found, as local agendas of environmental sustainability become the anchor point for partnerships initiated from below between local business actors and local government in order to integrate refugees in employment and social activities.

Findings from across the COHSMO case studies point to the importance of local governance playing a more facilitating role in supporting community-led initiatives by helping secure project funding or advising on the regulations that affect such initiatives. The innovative potential of community-led initiatives lies in their capacity for risk-taking by experimenting with new approaches to social issues or tackling circumstances that have been ignored so far. Local leadership is important for driving these initiatives and ensuring their longevity. Moreover, COHSMO results indicate that the degree and type of collective efficacy or propensity for collective action depends not only on the interlocking relations to local government officials and decision-makers, but also on the mobilization of place attachment, traditions for involvement and engagement around spatial markers of cultural heritage or community institutions. Innovative initiatives often represent a different agenda than the economic growth agenda, for example, bottom-up collective action often promotes issues of well-being and social cohesion. However, we also see bottom-up collective initiatives that are intermeshed with local growth agendas that merge entrepreneurialism with social cohesion goals.



Population structure of the seven COHSMO-countries: share of respectively urban, intermediate and rural regions.

Territorial governance and its reliance on vertical or horizontal policy coordination

Wirginia Aksztejn and Carolina Pacchi

The countries participating in the COHSMO cover a broad array of administrative territorial arrangements and multi-level governance settings, and represent various traditions of cross-sectoral collaboration. However, all of the cases demonstrate the role of top-down interventions in nurturing or hindering bottom-up initiatives. Provision of funding is the most straightforward and almost ubiquitously found mechanism of supporting local social innovations, however, the COHSMO project also identifies other facets of top-down incentives. The Austrian case studies demonstrate the role of encouraging and sustaining innovative, risky and often long-term projects. The Danish cases demonstrate the role of the ‘top-down’ in providing co-ordination and coupling of bottom-up initiatives with the formalized governance system. The Austrian and Danish cases suggests the impact of

formalization of multi-level, cross-sectoral collaboration on the longevity of initiated projects. Thus, making inclusive governance a durable policy practice can also be considered a contribution of the ‘top-down’ to strengthening social innovation and civic engagement. The urban cases from the UK and Poland strongly advocate the case for using facilitative leadership that departs from the top-down ‘city boss’ style and is open for collaboration and co-decision making.

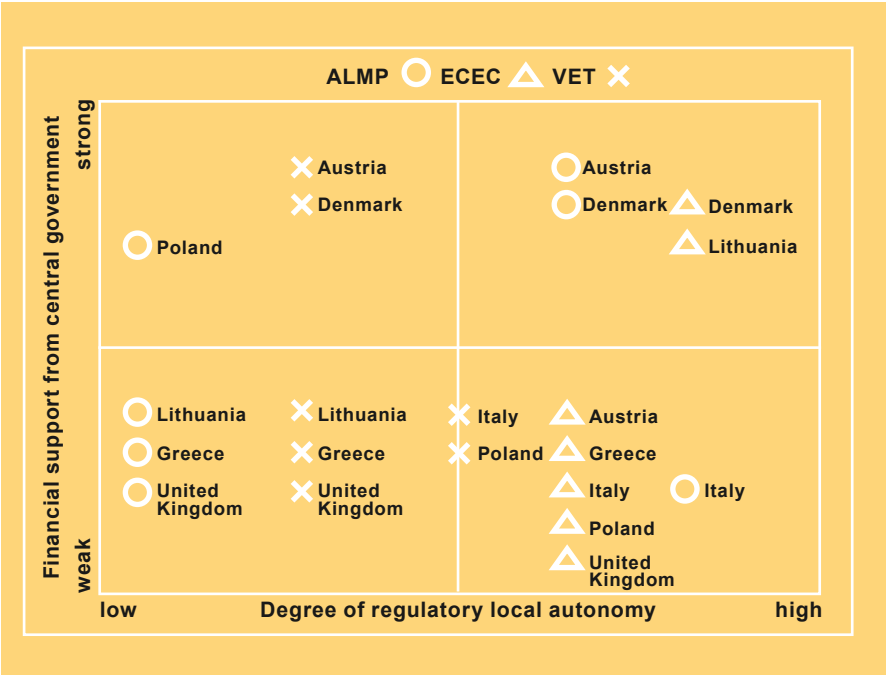
The role of the public sector and upper-tier government in facilitating bottom-up initiatives is crucial where multi-level, cross-sectoral cooperation does not have a long tradition or where the human resources and knowledge to handle bureaucratic burdens are limited. The case of Athens provides an example of *the city as an enabler* that offers digital platforms to bring together actors from different sectors and simplifies administrative procedures.

As for horizontal coordination, many of the COHSMO case studies show that horizontal coordination can be a crucial resource, especially for *smaller municipalities in suburban or rural areas* in which institutional capacity may be lacking and there is a need to tap into a wider range of resources. In order to strengthen policy-making and administrative capacity, forms of horizontal coordination between municipalities can be initiated that enable the build-up of policy coalitions that can pool critical resources such as territorial capital, as we see in the Danish case study on both Lemvig and Horsens.

In other cases, such as the rural and suburban Polish case study areas, territorial capital can be mobilized via forms of horizontal coordination facilitated by local leadership. In such cases, as also shown in the UK urban case, local leadership is very different from traditional forms of top-down leadership, and it is *rooted in the communities involved*. In the Italian rural and suburban cases, horizontal coordination plays a relevant role in enabling smaller municipalities in non-metropolitan areas to design and implement projects that otherwise run the risk that local coalitions interested in remaining in power may appropriate them and tame their innovation potential.

Findings from the COHSMO project highlight the importance of both vertical and horizontal coordination. The combination of the two helps to reconcile effectiveness, inclusion and democratic capacities. We have seen how different territorial settings (urban, suburban, rural) and different social and political contexts produce varying needs or dysfunctions, therefore there is no one-size-fits-all solution. However, we hope that our examples of good practice in vertical and horizontal policy coordination for enhancing territorial cohesion can be applied in locally adjusted solutions further afield.

Financial support from central government and degree of regulatory local autonomy within Active Labour Market Policies (ALMP), Early Childhood Education and Care (ECEC) and Vocational Educational Training (VET) for the seven COHSMO-countries.



Local leadership and local development

Rob Atkinson and Wirginia Aksztejn

The capacity of a locality to mobilize and orchestrate collective action is dependent on the presence of local leadership competence – some localities suffer from a deficit of such local leadership, while others are able to develop through collective action due to the presence of local leadership. Some of our case studies highlight examples of a new form of territorial leadership that has proven effective and forward-looking by embracing and promoting inclusivity, civic engagement, collaboration and co-production. This new form of leadership contrasts with the traditional forms in which a charismatic individual takes the role of the ‘strong’ leader who directs from the top of a hierarchy to initiate and lead local economic development.

The new form of inclusive territorial leadership typically emerges in city localities that have developed innovative practices of governance. These innovative practices of governance can develop due to the cities’ internal demographic and organizational diversity, securing a multitude of stakeholders, economic resources, human capital and relatively high levels of autonomy. Gdańsk and Bristol demonstrate examples of such inclusive leadership.

Gdańsk has a longstanding tradition of civic engagement. During the times of the communist regime in Poland, Gdańsk is where the anti-government protests took place and the Solidarity movement began. More recently, Mayor Paweł Adamowicz and his administration have built on this tradition by introducing policies that base local development (both economic and social) on cooperation with business and especially civic society. The city government has placed strong emphasis on nurturing local communities (funding, urban planning that supports civic activity in districts and neighbourhoods) and inclusion of various stakeholders in planning and decision making. The city has become a pioneer and innovator in Poland for inclusion policies and public consultation methods (citizens’ assemblies comprised of residents who closely match the socio-demographic structure of the local community and whose recommendations are binding for the city if supported by 80% of participants). The city has also developed numerous cross-sectoral collaborations with business and civic partners in the area of public service provision (childcare, welfare services, VET) and local development (regeneration programmes).

The City of Bristol’s One City Plan (Bristol One City, 2021) and associated Inclusive Growth Strategy demonstrates another form of inclusive leadership that diverges from a traditional top-down directive form of leadership. The approach to leadership of local socio-economic and spatial development represented by Bristol’s One City Plan is collectively orientated, open to co-decision making and enhanced democratic engagement. It may be described as facilitative or civic leadership. This more inclusive approach is related to the place-based approach and represents a ‘new way of governing a city’ (Hambleton, 2019). The development of the plan has not taken place in isolation; it has been supported by the development of institutional capital in terms of strong networking, partnership, and collaboration across sectors and between groups in the city. The development of the first plan was preceded by meetings involving all sectors of society for around 18 months, thus ensuring long-term ‘buy in’. This was done to ensure the creation of a common sense of ‘ownership’ and longevity of the plan beyond the short-term political cycle. This process is supplemented by regular ‘city gatherings’ which bring together collective interests in the city every few months in order to help set priorities for the coming year.



*Radunia river, Pruszcz Gdański.
© Wirginia Aksztejn.*

The collective action towards territorial development demonstrated in the Bristol case has been facilitated by Bristol's status as an affluent and competitive city (albeit one with significant embedded social and spatial inequalities) with high levels of economic, human, social and cultural capital, along with improvements in institutional capital. The city's One City Plan seeks to use economic development to support a broad form of local development that embraces health and wellbeing, environment, connectivity, homes and communities, as well as learning and skills.

It is questionable whether such an approach would work in a place that is experiencing serious long-term and deeply embedded economic problems, or in a rural area with a fragmented settlement structure and many low-income, low-skilled residents unable to access good employment. The case studies in the COHSMO project also include such peripheral, socio-economically challenged locations. These areas often lack territorial assets and have insufficient human resources to innovate. Such circumstances often compel leaders in local government, business and civil society to take a narrow focus on economic development, for example by only focussing on job creation, or other single-interest causes, without coordinating with other local stakeholders and causes. However, we did see examples of a broader and inclusive approach to socio-economic territorial development in some of our case studies on peripheral rural localities. The Danish rural case of Lemvig demonstrates a partnership between community organizations that is facilitated by the leadership of the local government. The community partnership and local government work together on promoting and strengthening green innovation, cultural heritage, and the social responsibility of local businesses. In the rural case study on the Municipality of Debrzno in Poland, we see how leadership in the civic sector initiated by a group of active citizens has broadened the objectives of territorial development for Debrzno, from only focussing on revitalization of the local economy to now also focussing on empowerment of the local community by encouraging civil engagement and knowledge transfer and by securing external financial resources (i.e. supplementing the limited resources of local government) for the area.

What seems to unite the above examples of successful territorial leadership, regardless of territorial context, is inclusivity along with sustained and meaningful engagement of a diverse range of territorial stakeholders. Such engagement makes it possible to transcend the constraints of the electoral cycles of local government by establishing agreement on and commitment to long-term strategic visions for the development of places.

The role of spatial planning in addressing territorial inequalities

Lucca Lazzarini and Maja Neergaard

A key focus of the COHSMO project in developing policy guidelines and recommendations for policymakers, civil servants and administrators has been the policy field of spatial planning and how it can be used to address territorial inequalities. During the past four decades, we have seen the field of spatial planning develop from an approach that built on a 'hard', regulatory planning ethos to an approach that revolves around 'soft', collaborative and strategic-planning principles. Contemporary spatial planning is often used to address territorial inequality, for example by developing mobility infrastructures that improve connections between peripheral neighbourhoods and central areas, or by coordinating a spatially balanced distribution of public services across cities that allows more people to access and use the services. Likewise, spatial planning can help to minimize the negative impacts of urban concentration processes by promoting polycentric development that increases the spatial and functional relationships between urban and rural areas.

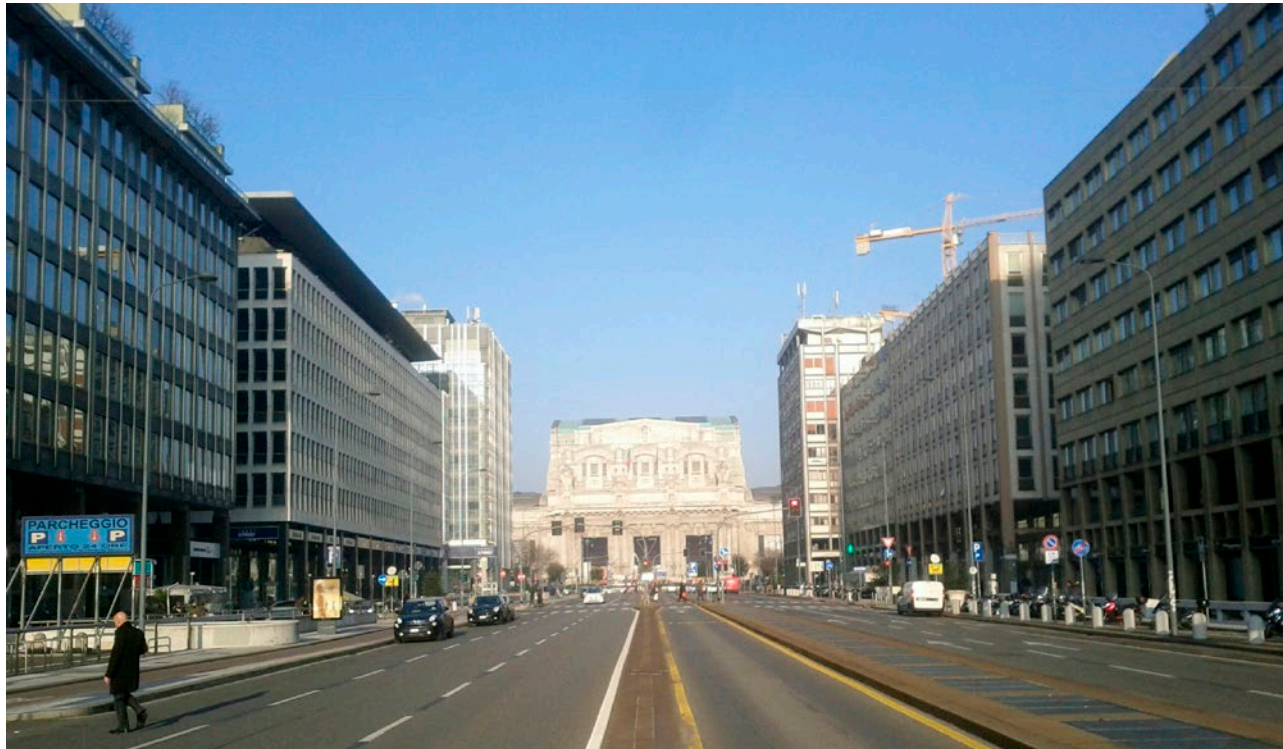
Some of the case studies in the COHSMO project demonstrate how public institutions have taken innovative approaches to spatial planning in order to tackle territorial inequalities. When comparing the rural, suburban and urban case studies, we see that the innovative approaches to spatial planning are mainly used in urban areas, where we have seen administrators and policymakers willing to engage in more experimental spatial planning policies and strategies. The fact that local governments in rural and suburban areas seem to refrain from taking such an innovative approach to spatial planning is likely due to their lower institutional and financial capacity to mobilize resources and develop forms of collaboration at all levels and stages of the planning process. In addition, the difference might also stem from a more 'pragmatic' approach instead of 'formalized' collaborations, especially in the rural municipalities.

Below we highlight three examples of spatial planning that has been used to address territorial inequality from our case studies. The first example is the previously mentioned *One City Plan* of the City of Bristol and its related *Inclusive Growth Strategy*, adopted by Bristol City Council in 2019 and updated on a regular basis. The plan uses a place-based approach that

seeks to address the problems of socio-spatial deprivation that are deeply embedded in some parts of the city. The socio-spatial problems addressed by the plan include poor access to affordable childcare, increases in housing prices and a transport system that fails to efficiently link households to jobs and VET institutions. The second example is the case of Vienna, where the *Urban Development Plan* adopted in 2014 includes a focus on economic measures, infrastructure and services as the main tools to combat spatial inequalities. While in a previous plan for Vienna, adopted in 2005, identified suburbanization as one of the main challenges for city development, the 2014 plan takes a broader approach that emphasizes territorial assets such as the city's geographical location close to the new EU Member States to the East and the potential for territorial collaboration both with other institutional levels and with representatives of interest groups. The third example is Milan, whose Municipal Plan (PGT), adopted by the City Council in 2019, demonstrates an approach to territorial inequalities that is framed by a set of spatial strategies that aim to sustain the regeneration of urban peripheral areas. These strategies contribute to a polycentric reorganization of the system of public services across the city that aims to improve the quality of

A view of via Vittor Pisani and of the central railway station in Milan.

© Luca Lazzarini.



life in distressed urban neighbourhoods. The plan focuses specifically on rebalancing the relationship between Milan and its suburban hinterland and on re-composing the northern urban edge, which is spatially fragmented due to the presence of former industrial areas and spatial voids that have not yet been regenerated.

In these examples from Bristol, Vienna and Milan, spatial planning in combination with social policies plays a central role in addressing territorial inequalities. Rather than being a rigid areal form of planning, spatial planning is a flexible tool that can help establish a framework for visions, strategies and action-oriented plans to be implemented and adapted over time according to the changing challenges and potentials of a municipality as a whole, or areas within it. Meanwhile, from a regional perspective, the COHSMO case studies show that role of spatial planning in addressing regional inequalities, especially in addressing the needs of socio-economically deprived areas of otherwise prosperous regions, is being challenged. Below we highlight an example from Denmark, which is interesting because of a change in the Danish approach that has happened during the past two decades. Historically, formally institutionalized spatial planning (by regional government) played a prominent role in balancing economic growth and social coherence territorially, whereas today, the institutional responsibility for spatial planning has been moved to a municipal level, with an ensuing shift in focus. One of the results of this change is that groups of municipalities have established *business regions*. These business regions constitute a collaborative, strategic forum for promoting economic growth and business development across municipalities. This pattern whereby municipalities cooperate to form business regions follows a trend towards a 'softer', strategic and more agile planning ideal, but it leaves a dilemma as to how the balance between prosperous and declining areas is to be tackled, which falls more naturally in the agenda of a regional spatial planning unit.

"In the places where there is growth, there is money. But that isn't necessarily the places where the problems are". (Member of the project's National Advisory Board, Denmark, December 2020).

The major change in the approach to spatial planning in Denmark occurred in the mid-2000s when regional and local government underwent a structural reform that reduced the number of municipalities, abolished the county regional authorities and placed a large share of regional spatial planning in the hands of the new, larger municipalities. The aforementioned business regions that emerged aim to promote economic growth in their regions. The business regions can be described as constituting *soft spaces* of power and decision-making (Olesen, 2012) without democratic legitimacy or transpar-

ency in decision making. In the Danish case studies, the suburban case of Horsens and the urban case of Aarhus are both part of the same business region, *Business Region Aarhus (BRAA)*. In fact, this particular business region has existed since before the reform of local and regional government, and has served as role model for many of the recently formed business regions in Denmark. In both Horsens and Aarhus, the collaboration within BRAA has been described as crucial to the economic growth of the region. For example, BRAA lobbies for funding from central government for infrastructural projects including highways and bridges to connect the city region of Aarhus with the eastern part of the region. This infrastructure is crucial for supporting the economic growth of the region. The business region represents a territorial ability to tailor strategic efforts in order to mobilize territorial capital to secure economic growth. However, while the informal, strategic connections within this territorial mobilization are effective, they also resemble something of a ‘members only’ community with limited democratic influence and high dependency on leadership centred in specific individuals.

The Danish example of the implementation of soft and strategic collaborative spatial planning ideals displays both the advantages and dilemmas associated with this approach to spatial planning. The business region’s focus on economic growth is effective but also, potentially, one-sided as the business region is not politically obligated to balancing economic growth and social/territorial coherence. Overall, soft spaces, with different degrees of formalization in the partnerships between local actors, can serve as drivers of local development. However, the increased focus on economic growth can result in a lack of focus on generating social and territorial cohesion, and can challenge democratic legitimacy and accountability as the members of business regions are not elected and therefore not subject to the direct democratic control of local citizens.

Key lessons from the seven COHSMO countries

Austria

Denmark

Greece

Italy

Lithuania

Poland

United Kingdom

AUSTRIA

Kleinregion Waldviertler Kernland

RURAL

Vienna

CAPITAL URBAN

Kleinregion Ebreichsdorf

SUBURBAN

KEY LESSONS

- LOCAL COOPERATION CAN STEP UP TO COVER SERVICE PROVISION
- TOP-DOWN STRUCTURES CAN FACILITATE LOCAL INNOVATION
- BOTH FORMALIZED GOVERNANCE MECHANISMS AND STAKEHOLDERS' COOPERATION MAY INCREASE TERRITORIAL SENSITIVITY
- AN INTEGRATED GOVERNANCE STRUCTURE INCREASES COHERENCE IN POLICY MAKING
- SUBSIDIARITY CAN BE A MEANS TO BALANCE TERRITORIAL INEQUALITIES
- EXPANDING LOCAL CHILDCARE SERVICES IS A KEY TO INCREASING EMPLOYMENT AMONG WOMEN

Authors: Ruggero Cefalo, Tatjana Boczy & Yuri Kazepov

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Austria	Vienna	Kleinregion Ebreichsdorf	Kleinregion Waldviertler Kernland
Population (01.2020)	8,901,064	1,911,191	38,234	13,803
Area (km²), 2020	83,878	414.75	190.0	544.21
Population density (Inhabitants per km², 2020)	107.6	4,809	201	25
5-year population change (% , 2015-20)	4.12	6.33	8.57	-2.97
Unemployment rate (%), 2019¹	4.5	9.3	6.8	3.4
Long-term unemployment to all unemployed people (%), 2019	25.1	30.1	28.8²	10.8²
Pre-school enrolment rate 2019/20 (%)³	64.1	73.7	67.8	58.8
<i>Economic situation indicator:</i> Local tax revenues per capita in Euro, 2019⁴	2,157	4,338	1,281⁵	1,207⁵

[Source: Eurostat regional statistics (<https://ec.europa.eu/eurostat/web/regions/data/database>), Statistik Austria]

1) For suburban and rural cases: data from AMS (Public Employment Service) for 2015.
2) Data for Kleinregion Ebreichsdorf and Waldviertler Kleinland are from 2017.
3) Own calculation for urban, suburban and rural cases in 2019/20: Children in institutional childcare facilities (2019/20) to children aged between 0 and 6 at LAU level (2020); shares over 100% indicate that more children are hosted in the municipality than actually living there.
4) Figures on the local tax revenues show the extent to which a municipality can draw on its own taxes. Nevertheless, the Austrian financial equalization scheme provides some further redistribution of non-local tax revenues towards smaller municipalities.
5) Figures represent the average of all the municipalities in the Kleinregion.

Urban case: Located in the north-eastern part of Austria, Vienna is the capital as well as the economic and employment centre of the country. The city is a centre for international business and a destination for international migration. It has a good private and public transport infrastructure and is a centre for Austria’s international transport network. The city had over 1.9 million inhabitants in 2020, around 21% of Austria’s population. The city’s population grew by 6.3% between 2015 and 2020. Previous years of depopulation in the city were reversed by Austria’s accession to the EU in 1992, and the subsequent enlargement of the Union. Within the city, in-migration shows two distinct patterns. Immigrants from the EU14 predominantly settle in the affluent housing areas in the inner districts, as well as in the cottage areas of the north-west part of the city, while immigrants from the new Eastern European Member States, post-Soviet states and Turkey settle in the outer western and southern districts. Nearly one million people are employed in the city of Vienna. Employment in manufacturing and industry sector plays a limited and declining role, although some outer districts still show substantial employment in this sector. The decline of the secondary sector and the ensuing economic restructuring in Vienna is typical of that seen in many metropolitan areas in Europe, and today, employment in Vienna is dominated by a still slightly expanding tertiary sector.

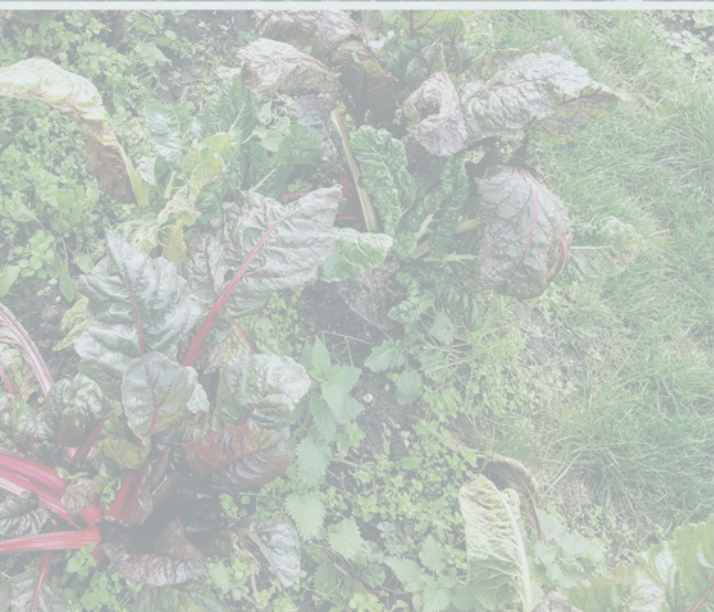
Suburban case: Kleinregion Ebreichsdorf is an inter-municipal collaboration of ten municipalities, with a total population of 38,234 inhabitants in 2020. Kleinregion Ebreichsdorf is located in the region Lower Austria and is located within the ‘Functional Urban Area’ of Vienna. Kleinregion Ebreichsdorf is well connected to the public transport network and roads, but connection opportunities differ between the municipalities. Between 2015 and 2020, the region’s population grew by 8.6%. High in-migration, population growth and high volumes of commuting to Vienna have significantly shaped Kleinregion Ebreichsdorf in the last ten years. Connectivity and population growth have been the key issues addressed by regional development interventions and local communities. The tertiary sector employs a majority of the local labour force (around 75%), although employment rates vary quite significantly between municipalities from around 55% to 85%. Although patterns of employment in the case study area, in general, do not differ so much from the regional average, local variations are quite manifest. The north-eastern municipalities (Mitterndorf, Reisenberg, Seibersdorf) and Tattendorf in the west show above average employment in agriculture and forestry, at around 10% of local employment. The secondary sector is declining in nearly all municipalities, but it is still more relevant for local employment than in the case of Vienna.

Rural case: Kleinregion Waldviertler Kernland, a voluntary inter-municipal collaboration of municipalities, is located within the region ‘Waldviertel’ in the north-western part of the greater region Lower Austria. Waldviertler Kernland lies outside of the ‘Functional Urban Area’ of Vienna and consists of 14 municipalities, with a total of 13,803 inhabitants in 2020 – a population that shrank by 3% between 2015 and 2020. Kleinregion Waldviertler Kernland is considered a peripheral area, due to its poor connections to motorway networks and public transport. The most important demographic trends are population decrease and aging. The municipalities have cooperated since 2001 in order to improve local living conditions and economic development. Several regional development projects have been implemented, with a focus on health and social services, for example providing childcare during summer breaks. Moreover, the municipalities collaborate on a common regional identity, on tourism marketing and branding of regional companies. The structure of the local economy shows a contrast to the national trends of more tertiarization, which distinguishes the rural case from the suburban and urban case studies. Due to de-industrialization, the region has lost previously vital industries and businesses. Today, forestry, farming and tourism are key for the local economy, with the primary sector accounting for around 26% of businesses. Furthermore, most local companies (around 96%) employ less than 10 people.

COHESION IN CONTEXT

Cohesion in context

Austria has a federal government and a polycentric administrative structure with regional centres providing vital services. Several elements of Austria's tradition in spatial planning, regional development and service provision contribute to the Austrian perspective on territorial cohesion. Austria's long-standing tradition of reducing urban-rural disparities focuses on co-operation and supporting rural areas, which is coupled with a widespread discourse in Austria on equal access to basic services and infrastructure. The tight intersection of Austria's regional policy with European cohesion policies has, to a major extent, made it possible to institutionalize regional policy initiatives in rural regions, for instance in the fields of regeneration, local development, and childcare. These regional policy initiatives take the approach of developing territorial capital to pursue the economic integration of rural regions. Another trait is the corporatist and collaborative processes in the Austrian system that involves the social partners at all levels of and in many policy-making processes. In this set-up, social partners serve almost as technical experts and rather than simply representatives of special interests. Even though this collaboration has been reduced in recent years, the current pandemic brought back a higher level of coordination in collaborative practices of social partnership. The Austrian case shows widespread cooperation among levels of governance, interest groups and private and public actors. This cooperation is a transversal characteristic across our cases and policy fields. All our case study localities benefit to some degree from highly collaborative initiatives that are based on pre-existing traditions of interaction among local actors. The federal or central state level often plays a key role as facilitator and coordinator in these situations.



↩ New housing sites in Vienna: Community Gardens on the left, Community Building Site and Community-Only Pool on the right. © Yuri Kazepov.

Local cooperation can step up to cover service provision

Social innovation takes place in localities and policy areas that are affected by challenges to service provision that established mechanisms cannot cover anymore. Civil society actors, as well as public institutions, are part of the innovation processes that seek to improve local life chances. We found a wide spectrum of innovative initiatives in our cases, ranging from formalized social innovation action to local self-help initiatives that step in to cover for inadequacies in public service provision.

Local cooperation can rise to meet an array of challenges. The example of childcare provision observed in our rural area highlights the intersecting challenges of depopulation and gender equality. In rural areas, the quality of services lags behind urban ones in terms of opening hours and coverage. However, in our rural case, private non-profit actors and local businesses were able to organize new childcare services, in collaboration with municipalities, pulling together resources and meeting flexible needs.

From the analysis of the Austrian cases, we identified some general facilitating factors that may enhance local cooperation and foster transferability of innovative actions:

- Media support, lobbying and networking proved to be crucial in diffusing the awareness of new challenges and promoting collaboration among actors, especially in urban contexts.
- Creativity in business models in rural areas hinges on flexible forms of interaction that can be effective in tackling previously unmet social issues.
- Public actors can boost social innovation and the transferability of successful practices in the presence of adequate resources and supportive institutions.

All in all, the suburban and rural localities are more likely to lack reliable resources and competences (e.g. networks, administration and funds), making it harder to achieve goals of territorial development. We found that in our suburban and rural cases, Kleinregion Ebreichsdorf and Kleinregion Waldviertler Kernland, the mayors and their city councils engage mostly with local contexts. The urban case, Vienna, has clear governance advantages in relating to the federal level. While the rural case shows more difficulties in interacting directly with the federal state, local key actors try to improve the local development creatively and show a high level of collective efficacy, with strong community collaboration.

"We looked, we saw: Okay, we need childcare'. (...) The regional government [Land] always said: 'Ms. [anonymous], wait a little bit! Wait just a bit longer'. And I said: 'I can't wait'. And then (...) there was massive funding for the construction of day-care facilities. We were just a bit faster, and then, we were already there. We already had the concept". (Policy actor, Kleinregion Waldviertler Kernland)

Caritas Centre in Baden.
Translation: Caritas Care. So
that things go much better
right away at home.
© Ralph Chan.



Top-down structures can facilitate local innovation

In the Austrian context, public authorities and institutions support, foster and enable social innovation in areas such as technical innovation (energy sector), sustainability and climate change, work health, migration, rural development and elderly care. Social innovation is not exclusively led by civil society actors. Initiatives are mostly top-down, or, when bottom-up, supported by public finances. Common factors that facilitate social innovation in Austria are the active involvement of public actors and public funding as well as networks and collaborations cutting across actors. The examples of social innovation initiatives in our urban, suburban and rural case studies show that government interventions are relevant on two levels. First, funding and accountability determine the efforts and success of social innovation. Second, public support for risk-taking is crucial for sparking inno-

vation and fuelling dynamic initiatives. Actors involved in innovative actions and practices should be able to identify challenges and work on solutions without relying on profit indicators. On the flip side, the heavy involvement of government interventions can hinder social innovation when funding is short, or when formal standards or informal norms are too rigid and prohibit an innovative (local) practice. For instance, the city-urban management programme in Vienna operates across the city border and strives to integrate the functional urban area via policy coordination. The project highlights the importance of public support to keep a crucial cross-border programme running. Although stakeholders agree that the programme is vital for the functional socio-economic space, they also observe that the collaboration is slow and often strictly limited to the coordination of public transportation plans.

All three case studies show a high level of formalization, in the way collaboration and coordination among actors is organized. Innovative practices that have no formalized structure and support are rare. Only in the rural case, Kleinregion Waldviertler Kernland, could we find innovative bottom-up initiatives that work towards improving local conditions. As a downside, the high degree of formalization brings medium-low levels of innovation, as well as somewhat fragmented identities and high segmentation. In the rural case, where formalization is lower, in contrast to the suburban and urban cases, we observe a stronger community identity that facilitates innovative initiatives.



Rural Road Signs with foal.
Translation: Primary School,
Childcare, Playground, Ceme-
tery; Waldviertel.
© Michael Friesenecker.

Both formalized governance mechanisms and stakeholders' co-operation may increase territorial sensitivity

In an Austrian context, formal organizations and social partnerships play a key role when it comes to territorial governance. Branches of the two main social partnership organizations (the Chamber of Economics representing employers' associations and the Chamber of Labour representing trade unions) are located in not only the capital but also in every major secondary city and the regional centres. The social partners play important roles in the provision of training and lifelong learning, mostly in cooperation with the public employment services (*Arbeitsmarktservice* – AMS), and in the monitoring of the vocational training system.

The policy areas investigated in the COHSMO project show how different mixes of formal organizations and social partnership may help increase territorial sensitivity of services. For instance, active labour market policies have formalized governance mechanisms that allow pursuing some adaptation to specific local characteristics and needs. The governance set-up of involving social partners from federal down to regional level introduces elements of place-sensitive policies. Although the policies are mostly designed centrally by the federal ministry, the *Bundesländer* (federal states) and regional federal public employment service offices enjoy some autonomy in the provision of policies. In the urban case, this is especially visible with a specialized organization of active labour market policies. The Vienna Employment Promotion Fund (WAFF), funded by the European Social Fund, is external to the AMS organization. The collaboration between the federal public employment services and the WAFF results in active labour market policies measures aimed at the re-integration in the labour market, vocational training, lifelong learning and re-training measures. Specific examples are programmes that seek to raise practical qualifications of academically educated young people; or increase digital competences, especially regarding older workers.

As a different example, the policy area vocational educational training (VET), does not show a formalized process of territorial sensitivity. Instead, spatial effects emerge implicitly: first, through stakeholders' interactions and; second, through the interplay of youth searching for work-based training and employers' hiring needs, which reflects the needs of the local economy. Here, the cooperation between the social partners (Chamber of Labour and Chamber of Economics) plays a key role in the management and provision of training at the local level.

An integrated governance structure increases coherence in policy making

Vienna, as both a city and a federal state, has a clear advantage in the Austrian political system. The city can formulate place-sensitive policies on crucial issues such as local economic development, education, housing, childcare, active labour market initiatives and lifelong learning. A key actor is clearly the city administration with its political influence as well as its long-standing and wide networks. This adds to the general finding that urban centres have advantages in terms of governance, provision of education, and local economy. In Vienna, the integrated governance structure increases coherence and scope of policy interventions.

The city has an edge over other territories when it comes to territorial capital. First, this relates to Vienna's triple status as a city, federal state and centre of national administration. In general, we observed a high degree of formal collaboration between key interest groups (businesses, trade unions), association representatives and public authorities in all cases. The city is also the educational and economic centre of Austria. Second, Vienna's geographic location and demographic diversity are advantageous. Vienna is home to around 1.8 million inhabitants (21% of the total Austrian population), and also functions as a hub connecting Western and Eastern Europe. This fosters a concentration of relevant political, economic and societal players. Overall, community, public and business actors profit from the strategically excellent geographical and structural position of Vienna. Third, investment in public infrastructure and networking opportunities place Vienna in a strong position. The quality of Vienna's infrastructure, networks and collaborations are unique within Austria and build a solid basis for knowledge, collaboration and innovation. As well as having better infrastructure than the rest of the country, Vienna also benefits from diversified networks, international connectedness and a high amount of business as well as a concentration of NGOs. Vienna's networks can mobilize urban territorial capital through different governance levels to face challenges and boost socio-economic development. The example of Vienna shows how an integrated governance structure and the concentration of resources and networks helps to improve the coherence and effectiveness of policies.

"In our field, the fact that we are in Vienna is a very important factor for our success. (...) Especially, I never had to go anywhere else. So, I have never been told that I have to go to Graz or Linz or anything else. Everything is always here".
(Private actor, Zero-Waste Business)

"I believe that in the context of territorial inequality, it must also be taken into account that it is not about making everything equal, but how much inequality do we want and to what extent should we balance it out? This is where fiscal equalization comes in, of course, and what is certainly true about fiscal equalization is that it is spatially blind. So, we have an even distribution throughout Austria with the revenue shares, we then have differentiated regulations according to the federal provinces [Länder], but there is now no targeted key to really bring funds to localities".
(Childcare and Financial Equalization Act researcher)

Subsidiarity can be a means to balance territorial inequalities

In order to increase territorial cohesion, territorial sensitivity is often called upon to address economic, social and even political distress in Europe. On the one hand, the most disadvantaged areas require specifically targeted interventions. On the other hand, dynamic territories require incremental innovation and policy, such that their drive and favourable outcomes are not compromised. However, territorial sensitivity might also increase differences among regions and localities. Therefore, a balance between adapting to local contexts and institutions guaranteeing standards and redistributing resources to counteract excessive spatial inequalities should be pursued. This calls for an approach to subsidiarity in which the allocation of regulatory responsibilities is accompanied by adequate resources in a coherent institutional frame. Such a calibrated system can tackle territorial distress by accounting for local institutional and socio-economic conditions. In this regard, also the European Union could play a role in the design and implementation of EU-wide policies, as is the case with Cohesion Policies and the Youth Employment Initiative.

In Austria, an important redistributive role is played by the Financial Equalization Act, which is a short-term funding instrument that establishes the allocation of public tasks, expenditure and income to the various local authorities. There is also room for improvement in this area. For instance, experts in our interviews pointed out that, even though the Act financially supports the building of new childcare facilities, it is not sensitive enough to territorial differences, especially regarding the lower revenue of rural municipalities. These local revenues are crucial for covering the additional costs of operating new childcare facilities, whose construction was funded by the Financial Equalization Act. Forming *Kleinregionen* – voluntary collaborations of municipalities – was highlighted as a compensating solution for sharing the costs associated with local service provision among small municipalities.

Sprögnitz: Sonnentor adventure park sign. Guided tours of production sites and innovative ideas for organic & holistic farming, gardens, e-fuel-station. © Tatjana Boczy →



Expanding local childcare services is a key to increasing employment among women

In order to enable women to work full-time, be independent and avoid old-age poverty, it is necessary to build up low-cost and extensive childcare. This includes not only the placement of childcare facilities, but also the specific organization of the service. For instance, extended opening hours play a significant role in helping work-life balance and supporting employment of women in full-time jobs. Our findings show that childcare policies in Austria vary between federal states and have different focuses. They still tend to support a traditional family model that relies on women as the primary child carers, especially outside the larger cities.

Although childcare coverage in Austria has been expanded in recent years, there are large regional disparities in the coverage of childcare facilities. The legislative conditions for childcare provision differ between each federal state. With the size of the municipality, the number of childcare facilities increases more than proportionally. In Vienna, there is a broad offer of free or affordable childcare for children from the age of six months. In the rural and suburban cases, Kleinregion Ebreichsdorf and Kleinregion Waldviertler Kernland, which are parts of another *Bundesland*, free childcare is only provided for the obligatory last kindergarten year and only part-time. Afternoon care is subject to varying fees in both the suburban and rural cases.

A path for counteracting these regional differences could be to strengthen inter-municipal cooperation in order to first, significantly expand the range of care services offered and, secondly, to handle financial resources as efficiently as possible. The expansion of early childhood education and care and its financing was a strongly emerging topic in our analysis. This policy area is consistently seen as crucial for rural development, female employment and also for mitigating the present and future impacts of the COVID-19 pandemic. Our interviewees claimed that childcare expansion in Austria is not going far enough; extended opening hours, flexibility of service, low cost and high accessibility of childcare facilities are seen as major areas in need of qualitative improvement in the local provision of the service. Tackling these issues is crucial to fully enhance full-time female employment, support work-life balance and wider social participation for women.

"We need this structure [childcare], which must work so that we can do well. Actually, what we are doing is making sure that we keep doing well. But we know exactly where we have to look and start. That is the future, that is the children, that is the proper jobs, the added value".

(Private actor, Sonnentor – international organic, sustainable and innovative business).

Crosscutting perspectives

Throughout our analysis of the case studies and policy areas, we found that the degree of urbanization (i.e. a highly urbanized area) correlates with significant advantages in an area's ability to coordinate policies, via facilitating cooperation between public and private actors. The relevance of the degree of urbanization was demonstrated by the advantages held by the urban case of Vienna. Conversely, coverage and service provision are weaker in smaller localities, so that people often need to move or commute to big centres to access, for instance, training and education or public employment service offices.

This divide calls for strengthening the opportunities for inter-municipal cooperation (via associations such as the *Kleinregionen*), to increase critical mass, resources and chances for cooperation across local actors and the capacity to cover local needs. This will be extremely important, especially to relieve the economic and social distress suffered by peripheral areas in the aftermath of the COVID-19 pandemic. In terms of territorial and social cohesion, early childhood education and care need to be expanded in rural areas, as it allows more women to gain full-time employment, gender equality and work-life balance. In addition, targeted and territorially sensitive designs for active labour market policy and vocational education and training policy are key to combatting the socio-economic aftermaths of the pandemic. Women, youths and unemployed people over 50 years are the main target groups for labour market (re-)integration measures, (re-)training programmes and hiring subsidies. On the flip side, territorial sensitivity and local autonomy should be balanced by further enhancing the subsidiarity frame, providing help to localities that risk being 'left behind' and limiting the spread of territorial inequalities. National policies and services, for instance the Financial Equalization Act and the federal public employment services, therefore play a crucial role in pursuing a higher level of territorial cohesion in Austria.

DENMARK

Lemvig
RURAL

Aarhus
URBAN

Horsens
SUBURBAN

Copenhagen
CAPITAL

KEY LESSONS

- SOCIAL INVESTMENT POLICIES CAN BE COUPLED WITH NEW TERRITORIAL AGENDAS
- LOCAL INNOVATION AND LEARNING RESULT WHEN BOTTOM-UP INITIATIVES TIE INTO TOP-DOWN STRUCTURES
- TERRITORIAL CAPITAL IS MOBILIZED IN COLLABORATIVE AND FLEXIBLE GOVERNANCE ARRANGEMENTS
- A STRONG LOCAL NARRATIVE CAN BE A DOUBLE-EDGED SWORD
- EXTENSIVE LOCAL LEVERAGE EXISTS WITHIN CENTRALIZED POLICY FIELDS

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PRESENTATION OF CASE AREAS

Country presentation

Indicator	Denmark	Aarhus	Horsens	Lemvig
Population, 2021	5,840,045	352,751	92,229	19,607
Area km², 2021	42,947.00	468.10	519.40	509.70
Population density (inhabitants/km²), 2021	136.0	753.6	177.6	38.5
5-year population change (%), 2016-2021	2.3	6.7	5.1	-3.9
Unemployment rate (%), January 2020	4.0	4.7	3.9	3.3
Long-term unemployment rate (%), January 2020	0.6	0.8	0.5	0.3
Pre-school enrolment rate (%), 2016	70.6	76.7	69.1	66.3
<i>Economic situation indicator:</i>				
Yearly disposable income, families, 2019, in EUR	52,422	48,502	52,292	52,663

Source: Statistics Denmark

Urban case: Aarhus Municipality is the second-largest municipality by population in Denmark and the largest city in the peninsular of Jutland. The city is infrastructurally well connected by its sea port, regional airport serving domestic and international routes, motorway access and fast mainline train connections. Eighty percent of the municipality's population live in the city of Aarhus. Aarhus has benefitted from substantial growth in the knowledge and service industries, but some of the once more dominant activity in the industrial sector remains. The city offers a number of high-ranking service functions such as higher education, media, advanced services and a broad supply of opportunities in entertainment. Aarhus is growing both population-wise and economically. The municipality has positioned itself as a strategic growth motor for the wider region and the key actor in Business Region Aarhus (BRAA); a novel 12-municipality partnership that aims to make East Jutland a national centre of growth and a coherent, functional city region. However, Aarhus is also a city of spatial segregation and territorial inequality that includes three deprived areas that are on the so-called 'ghetto list', which is a statutorily defined status for a residential area that requires the municipality to take remedial action. Overall, the success that Aarhus has experienced during its recent growth is tempered by the challenges brought about by uneven distribution of growth, by traffic congestion, and by overproduction of graduates from higher education.

Suburban case: Horsens Municipality straddles the main north-south motorway on the east coast of Jutland and is within 40 minutes' travelling distance of Billund regional airport, which serves domestic and international routes. The municipality's proximity to other big towns widens the job opportunities of the residents of Horsens, which, coupled with low housing prices, has led to population growth and the expansion of Horsens town into nearby rural areas. Previously, Horsens was a rough blue-collar town with low levels of educational attainment and was infamous for housing one of the largest prisons in Denmark (the prison closed in 2006). Horsens is in an on-going process of changing this past image to an image that is instead associated with educational opportunities and a vibrant cultural life supported by voluntary activity. A key player in this development is the Horsens Alliance, which is a partnership between representatives of municipal departments, trade unions, employers' organizations and local businesses. The Alliance plays a significant role in territorial development in Horsens, as it unites diverse interests, pools local resources and drives the development of Horsens, despite a limited financial budget. In terms of spatial inequality, Horsens Municipality has the challenge of tackling socioeconomic deprivation in some districts within the municipality, for example two residential districts are included the Danish government's statutorily defined list of deprived areas. The municipality also has to deal with the effects of increased densification.

Rural case: Lemvig Municipality is located on the west coast of Jutland, which is a peripheral location 50 km from the nearest motorway and 150 km from the nearest international airport. One third of the population lives in the town of Lemvig, one third in other towns and the last third in rural areas. The only further education institution in the municipality is a teacher training college. Compared to the rest of Denmark, Lemvig has a higher proportion of jobs in the primary sector, including jobs in farming, forestry, and fishery as well as in jobs within industry and utility companies. A large number of immigrant workers supply the area's demand for labour in the agricultural and fishing sectors. Lemvig Municipality has a vision that seeks to develop the area as a hotspot for the 'green transition' and enhance the area's position as a tourist attraction and location for recreational activities. Segregation and socioeconomic inequality are limited in Lemvig and there is a strong tradition for voluntary work and social associations. Lemvig is struggling with the paradoxical problem of being a well-run municipality with a good local economy, good levels of employment and a high level of provision of essential goods and services, but having to deal with the challenge of a shrinking and aging population.

COHESION IN CONTEXT

IN RECENT DECADES, DENMARK HAS EXPERIENCED EXTENSIVE CENTRALIZATION. HOWEVER, THE OUTSET FOR THIS WAS A HIGHLY DECENTRALIZED SITUATION, WHICH MEANS THAT IN COMPARISON TO OTHER COUNTRIES DENMARK REMAINS A DECENTRALIZED SOCIETY. SPATIAL PLANNING THUS FALLS MOSTLY UNDER THE REMIT OF MUNICIPAL GOVERNMENT.

Through a bottom-up initiative, Bovbjerg lighthouse was taken over by a foundation whose purpose is to secure public admission to the lighthouse and support the cultural life of the local community. © Anja Jørgensen.

While the term *territorial cohesion* is rarely used in the public and political debate in Denmark, the ideas behind the concept of territorial cohesion have certainly informed the debate on regional development in Denmark for many years. The development of the Danish welfare model, economically, politically and culturally, has continuously addressed a concern that there should be balanced and cohesive development between Danish regions. During the expansion of public services and infrastructure in the 1970s and 1980s, the general level of welfare increased extensively in all parts of the country. Regional inequality declined substantially. Concurrently, a practical concern with territorial cohesion, albeit without using the term, became an integral part of the welfare state as a historic continuation of a country with a decentralized structure.

Perhaps the most notable example of an implicit understanding of territorial cohesion in Danish regional development is the national equalization scheme that distributes an annual share of tax incomes from affluent (urban) municipalities to poorer (rural) municipalities with the purpose of maintaining a similar level of public services across the country. In the 1990s, national regional development funding directed by Danish regional policy and legislation was increasingly replaced by funding directed by EU regional policy, which was implemented mainly through the EU structural funds. National political attention changed from equality between regions to competitiveness: The 1992 Danish national planning strategy declared big cities and particularly Greater Copenhagen to be the key asset in the international competition that was growing due to globalization and the Single Market of the EU. This marked a step away from 'territorial cohesion' in a practical sense. The major national investments in this period were in urban infrastructure (e.g. a metro in Copenhagen) and urban regeneration. In 2007, a reform of regional government diminished the role of the regions, leading to both centralization and decentralization of the administrative structure of government. At a national level, this developed into a growth pole thinking: Strong and competitive cities were seen as a precondition for national and regional prosperity. More recent policy interventions have aimed at moderating this, for example by aiming national regeneration efforts towards rural areas. However, the general national focus remains on the strong urban centres. In contrast, territorial cohesion is much more in focus at a municipal level, within municipalities and between neighbouring municipalities. This will be evident from the key lessons from the Danish case studies, which examine the experiences of three local authorities within the Central Denmark Region – the municipalities of Aarhus (urban case), Horsens (suburban case) and Lemvig (rural case).



Windpower in Lemvig. © Anja Jørgensen

Social investment policies can be coupled with new territorial agendas

Denmark is characterized by universalism in relation to welfare services and benefits. Social policy is considered an investment closely connected to ensuring productivity and competitive advantages. While the rationale of Danish welfare thinking sets a distinctive national path overall for Denmark, there are local differences in how social investment and territorial cohesion are coupled. In our cases, these differences pertain to how the local authorities deal with the question of rising socioeconomic inequality that might pose a threat to the universal model in the long run. There are also differences in how the three local authorities respond in their territorial agendas to a tendency by which central government policy stipulates an increasingly selective welfare regime, especially in relation to ethnic minority groups.

Our research has shown that social investment policies may be coupled with territorial agendas, which in the Danish case is exemplified by the coupling of legislation on childcare and legislation on social housing. Recent Danish legislation addresses a central political concern about the formation of ghettos in social housing. This legislation stipulates parameters by which areas are to be classified as socioeconomically deprived residential districts and ghettos (a key parameter being a proportion of immigrants and descendants from non-Western countries exceeding 50 percent), which in turn are then subject to remedial initiatives that local authorities must launch. Furthermore, the legislation stipulates that any child over the age of one year from a household in a district designated as a ghetto must attend local-authority-sanctioned daycare; if the child's family fails to send their child to daycare, the household's child benefit will be withheld. In addition, no more than 30 % of children in any childcare institution may come from households in districts designated as ghettos. The resulting challenges associated with redistributing children to childcare institutions with lower percentages of 'deprived' children differ between localities, as do the municipalities' possibilities for and methods of tackling these challenges. Childcare has thus become territorialized and part of the Danish policy on integration of immigrants and their descendants. Within Aarhus, there are three areas categorized as 'ghettos', and two of these are 'hard ghettos' (which designates areas that are the most socioeconomically deprived, as they have met the statutory ghetto parameters for four years in a row). Within Horsens, there are two areas categorized as 'ghettos', and one of these is a 'hard ghetto'.

"The aim [is] to mix the children from an early age so that the children from deprived areas do not attend isolated daycare but rather meet children and families from the rest of the city, get the needed language abilities and learn about and become active citizens in Danish society".

(The national legislation described in the Agreement on vulnerable residential areas in Aarhus Municipality: 10).

Local innovation and learning result when bottom-up initiatives tie into top-down structures

Territorial cohesion depends on the relations between territorial assets, the political strategies for utilizing them, and the web of social relatedness to place. Strong relations between local stakeholders can generate innovative, local solutions to specific territorial problems, inspired by bottom-up initiatives. The dynamics of this type of local, collective action are captured by the term *collective efficacy*. Local examples of social innovation from the three Danish case studies show that the level and type of collective efficacy play a crucial role in mobilizing territorial capital and sustaining economic growth. However, this requires a coupling of bottom-up initiatives with the formalized governance system. Our three case studies represent a range of intensity within collective efficacy, from the less formalized, closely interlocked networks in Lemvig to the highly organized and institutionalized collective efficacy of Aarhus, with Horsens representing an in-between level of collective efficacy that both enables close personal contact and a highly organized civil society.

In Horsens, a town that has seen a remarkable transformation from an industrial town in decline to a vibrant cultural centre, a key driver of economic growth has been the Horsens Alliance – a network for business, local government and community actors established and facilitated by Horsens Municipality. The Horsens Alliance has anchored the Municipal Authority's territorial development plans in close collaboration with all partners on the labour market, and has helped build territorial cohesion into the corporate social responsibility of local enterprises. Specific individuals have played a significant role in rebranding the town, while the Alliance has created sustained development by ensuring that the local vocational education and training policies are coordinated in close cooperation with private and public sector employers in the local labour market.

In Aarhus, Denmark's second largest city, the institutionalization and strategic coordination of territorial cohesion policy have created synergy between the municipality's various initiatives to mobilize territorial capital. Within the city council, there is a political focus on collaborating with the civil society and on the importance of collective efficacy for stabilizing growth in newly developing areas. However, the relatively large size of the municipal administration creates a tendency towards departmentalism. Therefore, there is room for developing more collaboration between policy areas and bottom-up initiatives.



The fishing harbour of Thyborøn, Municipality of Lemvig.
© Anja Jørgensen.

In Lemvig, a largely rural municipality that is Denmark's eighth smallest by population and that faces the challenge of ongoing de-population, the role of informal networks is significant both locally and in terms of attracting external resources. The small scale of the municipality in terms of population and its municipal administration plays a key role in enabling the development of such informal networks. However, the local authority also focusses strategically on building on and developing informal relations of proximity as a way of mobilizing territorial capital and attracting businesses as well as new residents. Thus, the case study on the Municipality of Lemvig demonstrates examples of local bottom-up initiatives tying into top-down structures of local government that create potential for local innovation and learning.

"There has to be an institutional foundation, but at the same time, this institutional foundation cannot work without passionate and engaged actors in it. I think this area has succeeded in gathering all the public and private actors in different types of network groups, which there are many of in this area, and where there is a surprisingly good turnout. We are not talking about the exclusive network groups you might see in other locations (...)".
(Lemvig, business actor).

Territorial capital is mobilized in collaborative and flexible governance arrangements

The three Danish cases demonstrate extensive, interwoven relations between local politicians, public officials, civil society actors, and local business actors. These collaborative and flexible relations show significant robustness and mobilizing powers, and, most importantly, they display an ability to utilize and mobilize local histories and place-bound qualities, i.e. territorial capital. These interwoven relations are part of local traditions of participation and collaboration rather than resulting from top-down arrangements or policies.

The territorial challenges facing Lemvig, Horsens and Aarhus are very different, as are the municipalities' foundations for establishing collaborative governance arrangements. No 'one-size-fits-all' model for place-sensitive policies can be developed, as such policies must depend on the nature of local challenges. While the level of collective efficacy was high in all three cases, the composition of formal and informal connections to local government varied significantly. In broad terms, these variations can be placed along a continuum from high levels of informal governance to high levels of formalized governance, such that the rural case area (Lemvig) displayed the highest degree of informal governance arrangements, while the largest urban case area (Aarhus) displayed the highest degree of formalized governance arrangements.



A street view from Aarhus.
© Jesper Rohr Hansen

Actors in the Lemvig case study display a high capacity for mobilizing local resources across private and public sectors and taking action, and show less reliance on formal governance structures and initiatives. In Horsens, alliances between the local business community and local government are strong and tightknit, and public opinion is very much in favour of business actors being involved in the municipality's development. The City of Aarhus has a highly developed and formalized governance capacity for facilitating public participation and collective action. However, communication, coordination and actual civil mobilization is demanding and difficult; formal governance is divided between municipal departments in a large municipal administration, and the connection between the local government and bottom-up informal, collective action is weaker than in the administratively smaller Municipality of Horsens. What we can learn from this is that the possibility for mobilizing territorial capital and developing territorial cohesion depends on the formation of collaborative and flexible governance arrangements based on the specific type and degree of local collective efficacy.

*"We have citizens with an ambition for their local district. Our job as a municipality is helping them do that – avoiding being a burden or obstacle on their way towards that goal, instead being the opposite. Our role as a municipality is to help citizens realize their potential".
(Aarhus, policy actor).*

A strong local narrative can be a double-edged sword

The Danish case study areas are characterized by strong local narratives that form the basis for spatial strategies that are agreed upon by a broad range of local stakeholders. In Lemvig, the local narrative is 'we will do it ourselves'. The narrative reflects a drive to take responsibility and participate in local affairs. It draws on the local history of the 'free' farmers and links to a culture of necessity that originate from their peripheral location. In Horsens, the narrative is 'we pull together as a unit', i.e. that public, private sector and civil society actors work together in securing the growth of Horsens. Finally, in Aarhus, the narrative is 'growth for all'. It reflects a strong focus on securing economic growth coupled with an ambition that this growth should include all citizens and all areas of the municipality. In all three cases, the strong local narratives work as drivers for mobilizing territorial strengths. Such narratives are *based on* a belonging to place, but also *create* a belonging to place.

A strong local narrative can, however, be a double-edged sword that induces a paradoxical 'blindness' to places and people that do not fit the narrative. In Lemvig, the local narrative is based on strong relations between various kinds of actors, who carry the narrative forward, but these strong, interwoven relations can exclude other actors and perspectives. In Horsens, pulling together as a unit has been central to the remarkable transformation of Horsens from an industrial town in economic decline to a cultural centre with economic growth. As noted previously, the local network for business, government and community actors known as the Horsens Alliance has been a key driver of this growth. However, the Horsens Alliance poses a democratic challenge as the members of the alliance hold substantial power despite their not being elected by citizens. In Aarhus, the strong narrative on growth means that social initiatives that aim to secure equality across places and citizen groups compete with strategies of competition and densification. Growth tends to become the key tool in securing equality across places and citizen groups.

A strong local narrative, therefore, can be a territorial strength that unites actors and resources. However, a strong local narrative can also challenge democratic legitimacy and accountability by excluding some of the multiple voices that characterize local places.

*"Whereas planning has previously been controlled by growth, planning should now control growth".
(The Physical plan for Horsens Municipality 2017:79).*

*Axelborg Horsens. One of the two neighbourhoods of social housing in Horsens struggling with issues of poverty and social exclusion.
© Mia Arp Fallov.*



Extensive local leverage exists within centralized policy fields

In Denmark, central government stipulates the overall national objectives of ALM and VET policy, while implementation of the policies is adapted to local contexts with the involvement of local actors. Our analysis of social investment policies in Denmark shows that local actors are able to manoeuvre even within centralized policy fields characterized by a strong, centrally decided framework. This is seen within the highly centralized social investment policy fields of active labour market (ALM) policy and vocational education and training (VET).

Within ALM policy and initiatives in Denmark, there is significant room for local government to manoeuvre, despite increased micromanagement from central government over recent years. The municipalities in our case studies strive to create good conditions for local businesses and involve labour market organizations and local businesses in defining local workforce needs. This cooperation is also used in creating internships and protected employment for citizens with various forms of employability challenges.

Horsens harbour still shows signs of Horsens' industrial past.

© Simon Peter Aslak Kondrup Larsen.



Within VET, policy is more strictly governed by central government. Still, we see in our case studies that local actors meet and agree on which problems need to be solved and how to solve them in relation to the needs of the local labour market and the framework stipulated by central government. For example, in relation to education and training, we saw in our case studies how local actors collaborated on securing the establishment of new educational institutions in their municipality. There is extensive and continuous interaction and cooperation between local stakeholders on both the employer and educational institution side, including a broad range of actors from business, labour market organizations and local government, for example in the form of the Horsens Alliance. Furthermore, VET and ALM policies are often coupled in policy bundles that aim to generate synergy between the policy areas. This coupling of policy fields constitutes a type of social innovation that offers an increased potential for solving societal challenges.

Overall, Denmark allows a substantial amount of local adjustment to national policies in a range of policy fields. This results in a variety of solutions to territorial challenges and helps in the creation of locally relevant partnerships. While a significant number of the policy and strategy documents that the regional and local government in Denmark produce are statutorily non-binding, the policies and strategies do manage to involve local stakeholders and facilitate processes that enhance territorial cohesion. In relation to ALM and VET policy, these policies and strategies are key to securing the adaption to local circumstances, including taking advantage of local strengths and mitigating local challenges. Overall, even in the realm of more centralized policy fields such as VET, there is still effective space for local actors to manoeuvre in finding local solutions.

"Our company is big enough to be able to help the local authority with some of their 'social tasks'. It is easier for the local authority to place some recipients of social security in job training schemes with us, because I can take maybe 5 or 10 trainees at a time on... so we really work well together [with the local authority]. (...) We also cooperate well with the primary and lower secondary schools in Horsens". (Horsens, Business actor).

Crosscutting perspectives

Below we reflect on two general observations from the Danish context that cut across the COHSMO project themes and have implications for the relation between territorial cohesion and spatial inequality.

First, the Danish welfare model has increasingly become oriented towards economic growth, which is displayed by a trust amongst politicians and policy makers that economic growth will help diminish economic, social and territorial inequality. While we see a similar tendency amongst politicians and policy makers in many other countries, critics have long argued that we lack conclusive evidence that shows economic growth does actually help to diminish economic, social and territorial inequality. In different ways, the three municipalities in the Danish case studies have proved successful in mobilizing territorial capital in order to position themselves regionally in the best possible way. The assumption that economic growth will automatically help those most in need is not supported in this study. The general economic growth in Denmark had not alleviated the challenges of de-population facing Lemvig or the challenges of de-industrialization that Horsens has faced.

Second, the changing urbanization patterns in Denmark with population flows to both the urban centres and as well as in the largest provincial towns. The latter is especially important for Horsens, which has an advantageous position in the regional housing market but also struggles with the effects of densification. In Aarhus, there is a dialectical relation between the ambition of being 'a regional driver for growth' and 'a city for all'. While the intense focus on densification strategies in the strategic planning of Aarhus is echoed in being 'a regional driver for growth', the 'city for all' ambition is clearly related to the fact that Aarhus is a segregated city with pronounced issues of inequality, and social and ethnic segregation and exclusion. Combining Aarhus' two ambitions is not straightforward for the municipality. Lemvig demonstrates a response to the challenge of de-urbanization by choosing a more decentralized strategy, for example by ensuring support for leisure activities in all main villages in the local authority area, rather than just in the main town of Lemvig. This stands in contrast to the currently widespread approach in provincial Denmark of concentrating resources and services in fewer towns in order to prioritize the use of public funding and other resources with a view to strengthening growth in one or two central towns.

Ensuring territorial cohesion during processes of urbanization and de-population requires a dual focus on external structural forces and local social forces stemming from local capital, traditions and cultures. The COHSMO project thus points to the importance of a relational approach to urbanization. The relational approach highlights the importance of investigating specific historical conditions and potential for mobilizing territorial capital and collective efficacy to tackle issues of territorial inequality and social cohesion.

Old industrial parts of the Aarhus docklands have undergone significant transformation.
© Jesper Rohr Hansen.



GREECE



Marathonas
RURAL

Athens
CAPITAL/URBAN

Pallini
SUBURBAN

KEY LESSONS

- WITH A VIEW TO TERRITORIAL COHESION, WE NEED INTEGRATED POLICIES RATHER THAN POLICY PRIORITIES
- COLLECTIVE EFFICACY AND DEMOCRATIC CAPACITY ARE ESSENTIAL ELEMENTS OF INNOVATIVE TERRITORIAL GOVERNANCE
- SHARING KNOWLEDGE AND EXPERIENCE AMONG DIFFERENT LOCALITIES IS ALSO AN INGREDIENT FOR PLACE-BASED POLICIES
- USEFUL EUROPEAN FINANCING TOOLS ARE THERE; THE WHOLE POINT IS FOR THEM TO BE USED AT LOCAL LEVEL
- COOPERATION, COOPERATION, COOPERATION (TERRITORIAL COOPERATION IS THE KEY)

Authors: Panagiotis Artelaris, Dimitris Balampanidis, Thomas Maloutas & George Mavrommatis

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Greece	Municipality of Athens	Municipality of Pallini	Municipality of Marathonas
Population	10,816,286	664,046	54,415	33,423
Area km²	132,049	39	34	226
Population density (inhabitants/km²)	82	17,027	1,600	148
10-year population change (%) (2001-2011)	-2.4%	-16.7%	+59.8%	+38.2%
Unemployment rate* (%)	18.7%	21.6%	13.6%	16.7%
Long-term unemployment rate* (%)	13%	15.8%	10.4%	9.8%
<i>Economic situation indicators:</i>				
Households in housing deprivation**	5.4%	2.9%	1.1%	2.8%

Source: raw and processed data from the Hellenic Statistical Authority (<http://www.statistics.gr/en/home/>) and Panorama of Greek Census Data (<https://panorama.statistics.gr/en/>). Indicators presented refer to the year 2011 (last national Census in Greece), unless otherwise noted.

* Unemployment rate includes both long-term unemployed people, and young unemployed people who are first-time jobseekers. Long-term unemployment does not include the latter.

** The category “households in housing deprivation” includes a) households in irregular dwellings, b) households without a kitchen, c) households without bath or shower, d) households without toilet, e) households that have no energy source for cooking, f) households in basements or semi-basements and in overcrowded conditions.

Since 2007, Greece has been suffering from a multi-faceted and ongoing crisis, which has led to serious impoverishment, deprivation and exclusion, as well as to considerable aggravation of already existing socio-spatial inequalities. Overall, this has led to a severe breakdown of territorial cohesion. The multiple negative effects of the crisis are very visible in the Greek case study areas for the COHSMO research project, which are located in the Region of Attica, one of the 13 distinct regions of Greece.

The urban case study area is the Municipality of Athens, located in the centre of the Attica Basin. It is the dominant ‘centre’ of the Region of Attica, being the central municipality of the metropolitan area of Athens. The Municipality of Athens consists of seven distinct Municipal Departments and several neighbourhoods, and has a population of slightly over 664,000 inhabitants. Within the Municipality of Athens, urban complexity and diversity are high, both in terms of the built environment and in terms of the population. Although socio-spatial inequalities are relatively low (in comparison with socio-spatial inequalities in other European cities), a persistent socio-spatial division is observed between the north-west and the south-east part of the city. Neighbourhoods located in the north and the west, along with the city centre, face the more marked and significant socio-spatial problems (such as problems of urban deprivation, unemployment, and social exclusion), which have been further exacerbated during the recent decade and more of crisis, recession and austerity. The multiple challenges that continuously emerge within the Municipality of Athens often attract the attention of public discourse, official policies and unofficial initiatives, and generate the much-heated debate.

The suburban case study area is the Municipality of Pallini, located in the east of the Region of Attica, which is part of the north-eastern suburban zone. Between 1991 and 2011, Pallini experienced a remarkable demographic change. The Greek population more than doubled (increasing from 22,337 inhabitants in 1991 to 54,415 in 2001), while the international immigrant population increased almost tenfold. This demographic change clearly reflects the suburbanization trends that occurred back in the 1980s and 1990s (and transformed many areas surrounding central Athens into densely built and densely populated suburbs), as well as the significant international migration inflows to Greece and primarily to the Region of Attica after the early 1990s. Pallini itself only possesses a medium level of resources (including medium access levels to essential goods and services, and to commercial and recreational spaces), which implies the suburban area has a significant dependence on (including many commuters to) the core city of Athens. Employment depends on non-agricultural functions (predominantly in the tertiary sector) and unemployment rates are slightly below the regional average. In comparison with the central Municipality of Athens, the Municipality of Pallini is less diversified, thus presenting lower complexity. However, it also faces significant socio-economic challenges, such as a relatively high unemployment rate, a lack of territorial resources and lower access to services.

The rural case study area is the Municipality of Marathonas, located in the north-eastern ‘periphery’ of the Region of Attica. This is one of the most remote and sparsely populated areas of the region, with a total population of almost 34,000 inhabitants. Over the last few decades, the local population has increased slightly, especially due to the influx of a significant number of international immigrants. During the decade 2001-2011, the Greek population increased by 26.6% while the international immigrant population increased by 104.2%. With employment depending largely on (intensive) agriculture, Marathonas constitutes one of the main suppliers of agricultural products countrywide. The population active in the primary sector represents 25.8% of the economically active population, well above the regional average (2.9%). The primary sector is abandoned more and more by Greeks and, consequently, increasingly staffed by immigrants. The agricultural character of the local economy leads to certain socio-economic challenges (such as ‘economic backwardness’) although, at the same time, it also contributes to certain aspects of social cohesion (for instance, through the high employment rate in agricultural and farming activities). Meanwhile, the high prevalence of immigrants in the agricultural and farming workforce often leads to interethnic conflicts and instances of racist hate and exploitation.

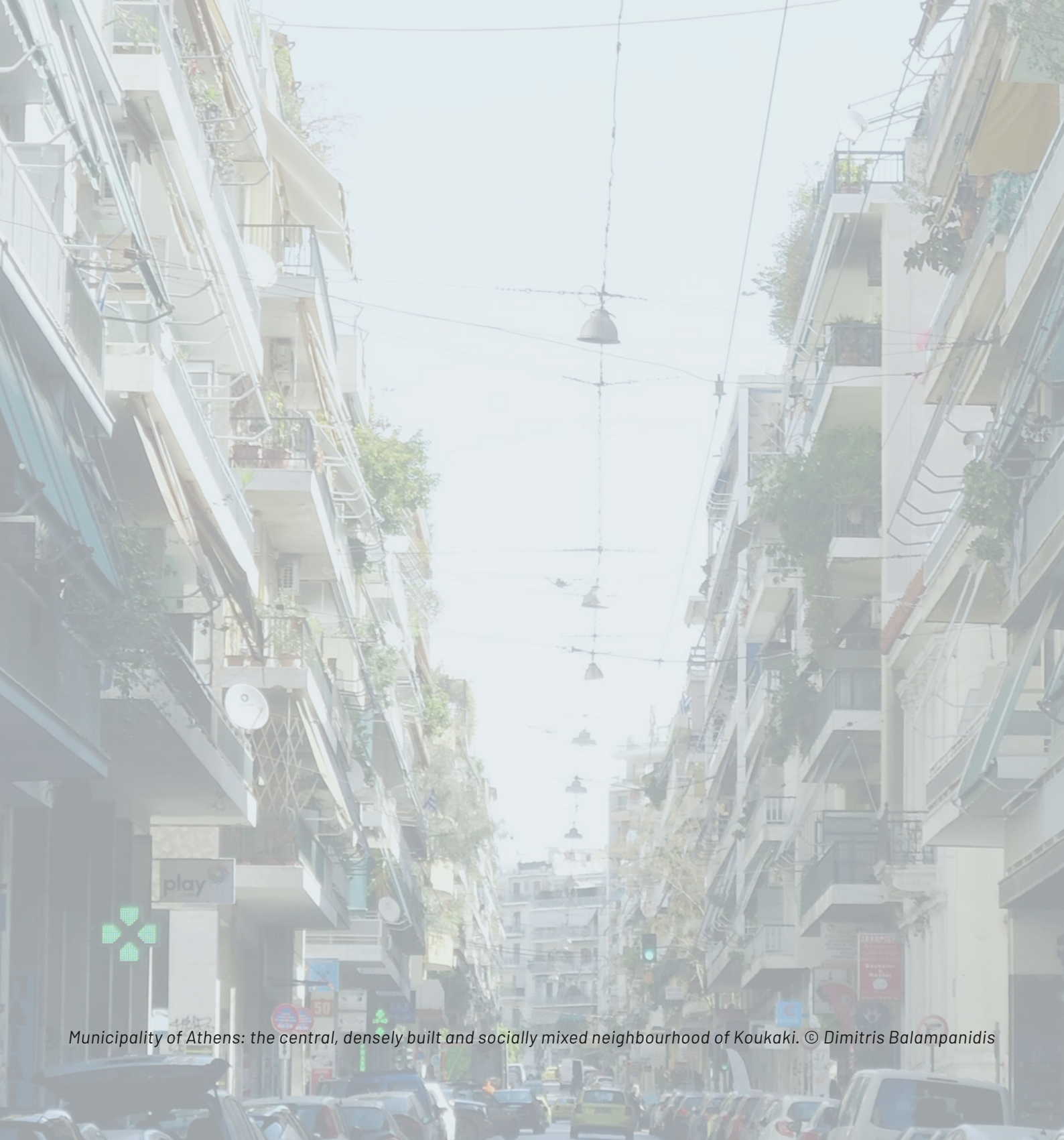


COHESION IN CONTEXT

Municipality of Marathonas: the central road of the rural settlement. © Dimitris Balampanidis.

In Greece, the term and the notion of territorial cohesion has not been explicitly introduced into the public debate and policy-making. Instead, from the post-war period until today, the terms we see used in the official public discussion and policies have revolved around issues of 'socio-spatial inequalities', 'disparities' or 'imbalances' that emerge at the national, regional and local level. To address problems of uneven development, policy makers have suggested measures aiming at social and economic cohesion, on the basis of more balanced and sustainable development across but also within regions and prefectures, urban, rural, mountainous, and island areas. In seeking an appropriate development model for Greece, a greater emphasis has been placed on the notions of 'economic cohesion' and 'regional convergence'. This is linked with two basic contextual conditions: the structure of Greece as a centralized state, and the predominant role of the capital city of Athens. The great precedence of Athens over all other regions and cities of Greece constitutes a long-lasting phenomenon and implies one of the most apparent and persistent socio-spatial inequalities, that is, the uneven development between the capital city and the rest of the country, usually described as the core-periphery dichotomy.

Therefore, it is not by chance that the notions of 'regional convergence' and 'even development' have long dominated in the public debate and policies in Greece, promoting economic and – less often – social rather than territorial cohesion. It is only recently that the term and the notion of territorial cohesion has entered the discussion about social and economic cohesion, thus adding the dimension of 'space' to 'society' and 'economy'. However, the term territorial cohesion appears almost exclusively (and still not very often) in policy documents that concern national and regional (not local) public policies, which are linked to European policies and, thus, adopt the rhetoric that is relevant to the EU level, to a certain degree. Policy actors who are more familiar with the notion of territorial cohesion usually work at the high levels of public administration (that is, at the central or the regional ones), while the discourse around and the knowledge about the notion of territorial cohesion is not transmitted to the local level of public administration and public policies.



With a view to territorial cohesion, we need integrated policies rather than policy priorities

Against the background of a deep and on-going crisis in Greece, public policies aiming at economic growth and development have been clearly prioritized against social policies, which have been significantly scaled back and/or limited to the provision of the very basic social services. A false dichotomy between economic development and welfare is nowadays well established, implying that economic and social cohesion are not compatible with each other and, thus, putting the notion of territorial cohesion at stake.

However, there are a few examples of public policies and good practice (such as the Athens Open Schools and the SynAthina projects in the urban case of Athens) that do not perceive economic growth and development as being incompatible with social inclusion and equity, and which do not prioritize specific policy areas against others. The good examples of public policies take into account the complexity of local challenges and problems, and target many different population groups and set multiple goals in various policy areas at the same time. In these cases, economic development is not considered possible within a deprived physical or built environment; (re)integration into the labour market is not considered feasible when there is lack of lifelong education and training for all; or, childhood education and care are not considered successful under conditions of long-term unemployment and social exclusion for parents. Rather, the notion of territorial cohesion provides us with a holistic approach to understanding the current complex local challenges and problems, as well as a holistic approach to designing and implementing solutions to those challenges and problems. This is crucial, if we wish to move beyond false dichotomies (between different policy goals) and constructed boundaries (between different policy areas). Public authorities that take a territorial cohesion approach must develop integrated policies rather than setting policy priorities and turning a blind eye to supposedly less significant objectives.

“Vibrant city: Athens will nurture and develop its assets in order to promote well-being, creativity, entrepreneurship and a new, inclusive, and exciting identity. The city aims at enhancing the city’s identity and promoting new types of belonging as well as maximising existing city assets and supporting employment”. (City of Athens, 2017, Redefining the city. Athens Resilience Strategy for 2030, p. 5, <https://bit.ly/20ENPfr>).

Collective efficacy and democratic capacity are essential elements of innovative territorial governance

In the case of contemporary governance in Greece, the notions of collective efficacy and democratic capacity are simply absent. During the past decades, the responsibility for policy-making has been concentrated at the level of the central administration, with the regional and the local authorities therefore lacking in policy-making competences; public authorities (at all administrative levels) have avoided public-private partnerships, and have instead designed and implemented public policies themselves, or have entirely delegated (part of) them to private subcontractors. Actors from civil society have rarely been truly involved in policy processes (although the so-called ‘participatory planning’ has been discussed in regional and urban planning since 1960s and 1970s).



Municipality of Marathonas:
typical view of the local
greenhouses.
© Dimitris Balampanidis.

Only recently and only in the case of the urban study area (the central Municipality of Athens), have local authorities (during the 2011-2019 Mayoral term of office, with political staff appointed by the Mayor) followed different policy paths. Certain local public policies (such as the ‘Athens Open Schools’ and the SynAthina projects) truly brought together (in close collaboration) the public sector, the private sector and numerous actors from civil society (citizens’ groups, non-profits, NGOs etc.). This kind of synergy did not only take place at the policy-making and implementation stages (which is usually the case), but also during the following stages of monitoring, evaluation and redesign. Moreover, within this synergy, the public sector took over the role of facilitator, that is, the role of simplifying and accelerating bureaucratic procedures instead of raising multiple administrative barriers (which, again, is usually the case). For this purpose, the use of technology, more precisely the use of digital platforms, was of particular importance, interconnecting all actors involved and coordinating their actions. Through such local public policies, the policy processes integrated substantial elements of a contemporary approach to territorial governance that is in the spirit of territorial cohesion, such as civic engagement and participation, connectivity, collective efficacy, effective, multi-scale, innovative and digital governance, and democratic capacity.

Contrary to the innovative policy initiatives taken by the central Municipality of Athens, it is noteworthy that public authorities in the suburban and the rural case study areas (the Municipality of Pallini and the Municipality of Marathonas respectively) still follow rather conventional (insufficient and ineffective) paths of policy-making and implementation. The private sector and, more importantly, actors from civil society are almost exclusively involved in public policies at the stage of implementation, and only to voluntarily offer some very basic social services to citizens in need. Again, their involvement takes place through rather conventional forms of participation, such as through citizens’ volunteer networks and private actors’ donations of money and in-kind donations. This conventional approach to policy-making and implementation is far removed from contemporary concepts of effective (territorial) governance.

*"We create some kind of volunteerism, we create a culture of solidarity, and I believe that people have responded as much as possible... in reality, if you ask me, there should not be any kind of volunteerism, instead you should have these services being financed by a sufficient budget... social services that provide first aid are not social services, social policy has to do with people’s well-being, we do not talk any more about people’s well-being but about people’s survival... social policy means that you have adequate resources, there is information, there are equal opportunities, equal access... today, there is no social policy, there are small cover-up acts to keep people alive at a survival level".
(Marathonas, Public actor).*

Sharing knowledge and experience among different localities is also an ingredient for place-based policies

When defining what place-based or territorially sensitive policies are, one crucial dimension is often missing. That dimension is ‘external’ knowledge about the characteristics and experiences of other localities. Thus, designing and implementing place-based policies must not solely rely on knowledge of the very particular characteristics of a specific locality, but must also integrate knowledge and experience drawn from other examples of good practice from other localities. This approach was emphasized in our suburban case study. The integration of ‘external’ experience and knowledge is part of a well-informed territorial policy process. To ensure a well-informed territorial policy process, elements such as extroversion, sharing, networking and connectivity must be present in all stages of the policy process. This includes, not only, at the design stage but just as much the monitoring, evaluation and, eventually through lessons learned from various localities, the redesign stages.

“We always try to find interesting and new ideas about vocational education and training programmes, to see if what we have in our minds has been implemented somewhere else and how it has been done. Nevertheless, we always design by having local needs in mind. What is missing at the local level? At the same time, we try to get information from outside, to gain new ideas that we can transfer here in order to cover local needs”.
(Pallini, Public actor)

Useful European financing tools are there; the whole point is for them to be used at local level

Municipalities in Greece do not have their own financial resources to implement their territorial cohesion policies. Instead, they try to forge relations with regional authorities and thus guarantee funding from the EU. One way to do that is to create their own Integrated Territorial Investment (ITI) plans and submit them to the relevant regional authorities. This particular policy instrument is a delivery mode to bundle funding from several priority axes of one or more EU programmes. It is the most appropriate instrument for supporting integrated actions and it is part and parcel of the EU cohesion policy framework 2014-2020. Behind the creation of a policy instrument such as ITI, there is the acknowledgement that the various challenges that the core cities, the suburbs and the rural areas face (economic, social, demographic, climate related and other challenges) are all bundled together. Thus, in order for solutions to be found, an integrated approach is much needed. This integrated approach should be also accompanied by the development of strong partnerships between actors including citizens, business, local society, and levels of government.

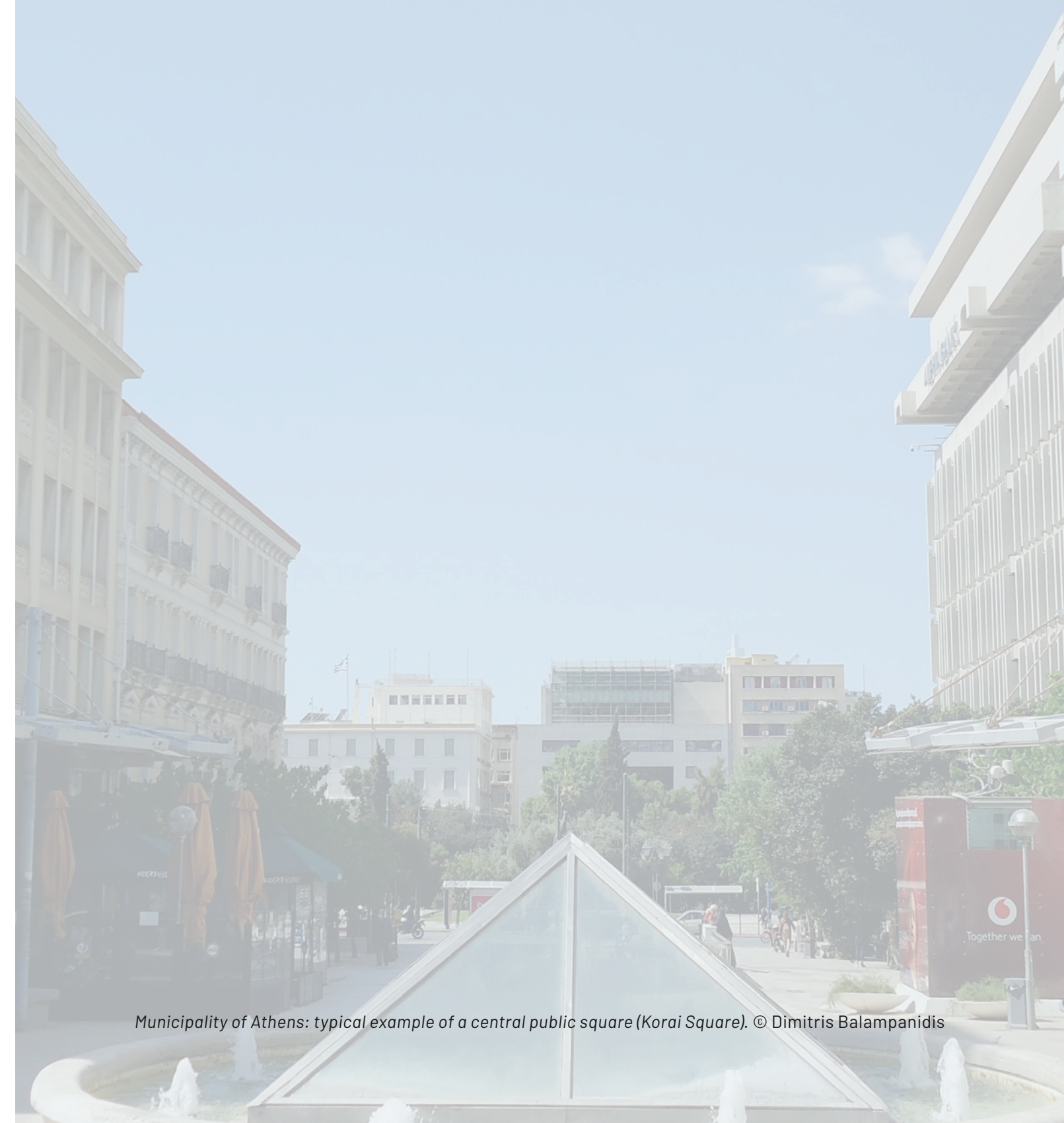
Municipality of Pallini: the upper-class suburban settlement of Panorama, a typical example of urban sprawl in the Region of Attica.
© Dimitris Balampanidis.



"The driving force behind our actions are the local needs. But, in order to implement the designed actions, we have to seek available and appropriate funding tools. Certain large private institutions in Greece provide funding opportunities, of course under specific conditions, eligibility criteria etc. Besides, there are many other funding opportunities, such as funding tools provided by the European Investment Bank or sponsorships. The key is to specify your needs and, then, design the appropriate action making use of the appropriate funding tool. You are aware of your needs and priorities and you match them with the appropriate action and funding tool".
(Athens, Public actor).

The Municipality of Athens, back in 2018, submitted its own Sustainable Urban Development Plan to the Region of Attica with a proposed budget of EUR 85 million. The plan was successful and the Municipality of Athens received funding from the Region of Attica as part of the EU 2014-2020 programming period. The plan aims to make the Municipality of Athens an attractive destination for residents, visitors, businesses and investments. It aims to make Athens a vibrant and open city with a strong cultural identity. The Sustainable Urban Development Plan of the Municipality of Athens adopts an integrative approach, which apart from economic and urban regeneration objectives includes social ones too. Among its various strategies, is the promotion of social cohesion and social integration. More to the point, those aims become materialized through the implementation of social investment actions (active labour market policies, vocational education and training policies etc.).

The reason we refer to the ITI policy instrument (and the Sustainable Urban Development plan of the Municipality of Athens) is that it can be very helpful in coupling the aims of territorial cohesion with the implementation of social investment policies (among others). However, the suburban and rural municipalities in our case studies lack similar plans and, thus, have not secured any funding for integrated policy implementation. So, one could argue that while useful European funding instruments do exist, they only work if the localities in need of them have the necessary territorial resources to apply for them in the first place. The whole point is for municipalities to take advantage of the European funding instruments. More significantly, the ITI policy instrument can function as a way of coupling territorial cohesion policy elements with social investment priorities and considerations.



Municipality of Athens: typical example of a central public square (Korai Square). © Dimitris Balampanidis

Municipality of Pallini: the middle-class suburban settlement of Gerakas.

© Dimitris Balampanidis.



Cooperation, Cooperation, Cooperation (Territorial Cooperation is the key)

Territorial cooperation is absolutely required when tackling all types of policy areas that the COHSMO research project focuses on, especially the policy areas of economic growth and area regeneration. Territorial cooperation can create better conditions for the implementation of public (cohesion) policies, promote sustainable spatial development and democratic capacity, and strengthen the place-based approach and ITI programmes funded by the EU. As a result, territorial cooperation is crucial for countries such as Greece, that is, countries with limited experience and capacity in this field, especially at the local/municipal level.

In the case of Greece, territorial cooperation is also necessary not only because there are synergies and complementarities of the actions and projects included in the Regional Operational Programmes and other regional and local programmes, but also because there is lack of financial and human resources in municipal administrations. In this context, territorial cooperation can, on the one hand, facilitate the transfer of experience and know-how, especially from urban and usually more 'advanced' municipalities (such as the central Municipality of Athens) to suburban and/or rural municipalities (such as the Municipalities of Pallini and Marathonas) and, on the other hand, can alleviate the problem of the lack of resources by improving the quality and availability of local public services, thus addressing common challenges more directly and enhancing local development.

"There are certain channels of communication between the local government and the local society but, in reality, it is very difficult for citizens to communicate their needs. Similarly, there are not strong channels of communication between different local governments, neither between local governments and the higher levels of administration. Thus, local public authorities act by and for themselves". (Pallini, Community actor).

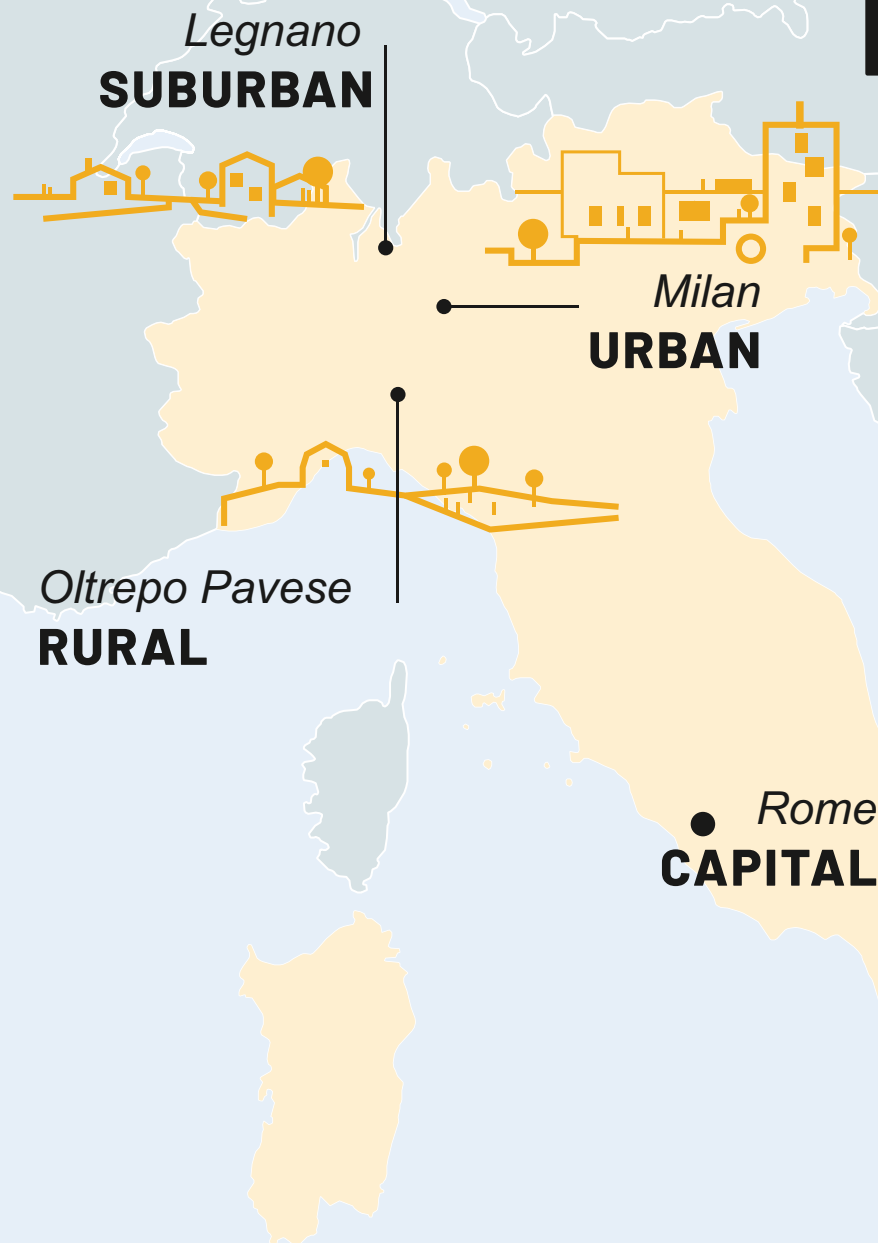
Crosscutting perspectives

Based on the study of the urban, suburban and rural localities within the Region of Attica, as well as on the above-mentioned lessons learned, we will emphasize two crosscutting perspectives related to the notion of territorial cohesion and the development of social investment policies.

First, it appears to be fundamental that different localities share knowledge and experience and, thus, learn from each other. As already highlighted, this is also an ingredient for place-based policies, namely, policies that are based on the knowledge of not only the very particular characteristics of a specific locality but also on the characteristics and experiences of other localities. We have noted that the central Municipality of Athens managed to design and implement local public policies that entail (not explicitly but, at least, indirectly) substantial elements of territorial cohesion, promoting for instance civic engagement and synergies between the public sector, the private sector and numerous actors from civil society through contemporary and efficient tools such as digital platforms and/or new financing instruments. In contrast, public authorities in the suburban and the rural case study areas still follow insufficient and ineffective paths of policy-making and implementation, making rather conventional use of local citizens' and volunteer networks, and relying on private actors' donations in money or in-kind donations. Sharing and spreading innovative elements of good practices emerges as a key crosscutting perspective for different localities to improve the efficiency of (local) policy-making and implementation.

Second, especially under the circumstances of the deep and on-going crisis in Greece, a key crosscutting perspective for different localities would be the spread of integrated policies. It appears to be fundamental that public policies do not perceive economic growth and development as competing with social inclusion and equity. A false dichotomy between economic development and welfare has become well established in Greece, implying that economic and social cohesion are incompatible with each other and, thus, threatening the notion of territorial cohesion ever being implemented. However, in the spirit of territorial cohesion, what is much needed today is not setting policy priorities (thus undermining certain policy areas in favour of others), but rather promoting public policies that take into account the complexity of local challenges and problems, targeting many different population groups and setting multiple goals in various policy areas at the same time.

ITALY



KEY LESSONS

- URBAN AND TERRITORIAL POLICIES MAINLY FOCUS ON ECONOMIC DEVELOPMENT AND ONLY ADDRESS SOCIAL COHESION RHETORICALLY
- THE PRESENCE OF RENT-SEEKING INTERESTS IN OPEN, STRATEGIC AND COLLABORATIVE LOCAL COALITIONS UNDERMINES THE SUCCESS OF COHESION POLICIES
- A TERRITORIALY BALANCED ARTICULATION OF PUBLIC SERVICES IMPACTS ON A LOCAL COMMUNITY'S LIFE CHANCES AND GENERATES SYNERGIES BETWEEN EFFICIENCY AND EQUITY IN THE LONG-TERM
- THE AVAILABILITY OF FINANCIAL, ADMINISTRATIVE AND COGNITIVE RESOURCES INCREASES THE CHANCE FOR THE POSITIVE RESPONSE OF LOCALITIES TO SOCIAL INVESTMENT POLICIES
- HORIZONTAL AND MULTI-LEVEL COORDINATION CAN MAXIMIZE SYNERGIES AND TACKLE COMPLEX CHALLENGES
- THE COUNTRY'S RISING SOCIO-SPATIAL INEQUALITIES CALL FOR A TERRITORIALY SENSITIVE SOCIAL INVESTMENT APPROACH

Authors: Marta Cordini, Luca Lazzarini, Carolina Pacchi, Andrea Parma & Costanzo Ranci

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Italy	Milan	Legnano	Oltrepò Pavese
Population (2019) ¹	59,641,488	1,406,242	59,308	15.751
Area km ²	302,169.89	181.67	17.68	398.84
Population density 2019 (inhabitants/km ²) ¹	197	7.741	3.355	34.49
5-year population change 2014-2019 (%) ¹	-0.018	+0.06	-0.01	-0.06
Unemployment rate 2011 (%) ¹	9.9	6.8	8.3	5.0
Pre-school enrolment rate 2018 (%) ²	23.2	32.2	29.1	14.5
<i>Economic situation indicator:</i>				
Average gross income ³	12,970.4	23,597.37	18,715.37	15,084.6

1 Source: ISTAT
2 Pre-school slots for 100 children 0-2 years old. Source: ISTAT
3 Total gross income declared for tax purposes by residents in the municipality divided by the population based on tax declarations for 2019 on 2018 income. Source: Agenzia delle Entrate

Urban case: Milan is the capital city of the Region of Lombardy and is one of the main metropolitan areas in Italy. Policy innovation promoting the city's economic growth and attractiveness is well developed. This enabled the city to perform better than the national average in terms of mobilization of territorial capital during the 2008 financial crisis. Milan also has a strong tradition of inclusive welfare policies and services, which are provided by a number of public-private partnerships that are able to mobilize a significant amount of private financial resources, on top of those provided by state, regional and local authorities. Recently, and especially since the advent of the pandemic, the main challenge for the city has been rising levels of socio-spatial polarization, which is characterized by increasing urban poverty and social inequality that is concentrated in some areas of city's outer ring. The phrase describing Milan as "A city with leopard spots" has been coined to indicate that, rather than urban sectors where disadvantage and segregation concentrate, there are hotspots in which problems emerge in a more conspicuous manner.

Suburban case: Legnano is located in the west of the Region of Lombardy. This city is part of a territorial corridor between three rivers (Lambro-Seveso-Olona), intensively urbanized and with a high population density. Its suburban location within the metropolitan region is clearly shown by its high functional dependency on Milan. Nevertheless, the dependency is counterbalanced by the centrality of Legnano within its large surrounding area, called Alto Milanese. Its big size (60,000 inhabitants), the distance from Milan (more than 30 km), and the strongly locally rooted social and economic identity make the city an interesting case of network-based urbanization. Since the late XIX century, Legnano has been a hub for the industrial development of the Milan metropolitan area, undergoing several transformations and profound restructurings throughout the decades and maintaining a crucial position in the textile and mechanical engineering industries at the national level. The presence of the Olona River was influential for this thriving industry, powering at the factories' production during its early stages. After the de-industrialization processes occurred during the 1980s, the textile industry became less prominent and the local economy specialized in other sectors, such as metallurgical, automotive, chemical products.

Rural case: Oltrepò Pavese is located in the Province of Pavia, in the south-west of the Region of Lombardy. Its location is rather remote from the main metropolitan areas and in general it has a quite low level of accessibility. Due to its geographical location, lack of accessibility, ongoing outmigration and growing elderly population, the area has been selected by National Government as one of the targets for the National Strategy for Inner Areas (co-funded by the Region of Lombardy). The district comprises 15 small municipalities with a total population of 34,000 inhabitants and an economic sector mainly relying on small enterprises linked to agriculture and artisanal activities. However, both of these sectors have seen a progressive decrease of employees due to the severe depopulation dynamics. An important asset of the area is the forest, which provides almost the half of the available biomass resources of the Province of Pavia, and it has been classified as a valuable area for biodiversity and included within the Regional Ecologic Network recognized by the Regional Government.

COHESION IN CONTEXT

Woods in Mondondone, Codevilla, Province of Pavia. © Lara Maestriperi.

In Italy, the concept of territorial cohesion has been traditionally linked to the objectives of economic growth and reduction of territorial disparities between the Northern and Southern regions. After a long period (1950-1990) during which cohesion policies were framed within the intervention of a technical public body, the Cassa per il Mezzogiorno, which was set up to overcome the North-South geographical divide by fostering the economic competitiveness in Southern regions, a new policy phase has begun thanks to some innovative contributions that have emerged from the academic debate on local development, such as the book “Tre Italie” by Arnaldo Bagnasco published in 1977, where the concept of ‘formazione sociale’ was introduced to identify the specific link between economic development and social integration within a specific territorial context. This new phase has seen an ambitious programme of intervention in lagging regions that relied both on EU Structural Funds and on targeted domestic resources. The tendency to concentrate spending and investments in terms of both a territorial and thematic focus has been one of the main weaknesses of this phase.

A more recent development of cohesion policy has seen a specific focus on ‘inner areas’, defined as those areas significantly far from the clusters of primary public services, and which are vulnerable because of a steady long-term decline in employment and population, but are rich in environmental, landscape and cultural resources. In 2013, the Agency for Territorial Cohesion launched the SNAI – the National Strategy for Inner Areas – whose objective is to address territorial inequalities through place-based projects that work on strengthening local communities’ well-being, creating employment and improving the utilization of territorial capital. The strategy is currently under implementation – 71 area strategies have been approved by the Agency and a good number of projects are in progress. Deep differences among regions characterize the implementation phase, due to the complex articulation of the methodology adopted by policy designers and the different levels of local actors’ engagement in governance arenas. Some of the problems that have arisen so far comprise the emergence of opportunistic behaviours connected to rent-seeking interests within the local coalitions managing the resources and projects, and the policy orientation, which mainly focuses on promoting mitigation measures rather than on sustaining competitiveness.

In a broader perspective, experts and scholars have highlighted that the cohesion policies that have been developed since the late 1990s are characterized by a constant swing between centre – the national government – and decentralized decision makers, mainly the regional governments. This aspect has become even more complex in the last decade because of the many strategic directions and regulations defined at the EU level and the crucial role played by sub-regional and municipal authorities in the design and implementation of cohesion policies.

Alongside the COHSMO research, the three case studies selected by the Italian Team are located in Lombardy region, in northern Italy, one of the biggest and wealthiest regions of the country. The urban case study area is Milan, the capital city of Lombardy and the main metropolitan area in the region. The suburban case area is Legnano, a town located north of Milan metropolitan area. The rural one is the Oltrepò Pavese, a group of 15 municipalities placed in the southern part of the region.

A view of the rural landscape of Oltrepò Pavese. © Lara Maestriperi.



Urban and territorial policies mainly focus on economic development and only address social cohesion rhetorically

In the three Italian case studies, policy documents show an implicit concern with the reconciliation of economic development and social inclusion and with the reduction of the social-spatial inequalities. Nevertheless, the economic objectives generally tend to prevail over the social ones, and a univocal and rhetorical understanding of the relationship between efficiency and equity often emerges, building on the idea that a more competitive and strong economy directly contributes to a more equitable and just society.

These aspects are particularly evident in the urban case study area Milan where the agenda of local decision makers has been mainly oriented on strengthening city's economic competitiveness, while the social cohesion objective has often faded into the background. Evidence of this includes the large-scale urban developments that have transformed the city image in the past 30 years in a situation in which the bargaining capacity of the municipality vis-à-vis large and influential real estate companies has been quite limited, and the provision of public goods, services and infrastructures alongside those developments has often been insufficient. Moreover, municipal policies and resources have had an uneven spatial distribution across the city – mainly targeting central parts of the city – with the result that existing conditions of socio-spatial polarization have been exacerbated. Only in the last 10 years, albeit with a limited investment capacity, has the municipality made an explicit commitment to promote a more equitable and fair distribution of well-being throughout the city, trying to re-compose and rebalance the centre/periphery gap. Nevertheless, most of the actions implemented have had a remedial nature, being carried out through specific physical and social interventions that have taken place in spots or portions of problematic neighbourhoods (e.g. Lorenteggio, Giambellino, and Corvetto), rather than by means of a structured and consistent strategy that embraces the whole city.

“The problem is that in the policy implementation, the typical rent-seeking interests, who are in the locality that are very patient subjects and who have time to follow the bureaucracy, have brought down many projects with their political intervention.”
 (Member of the project’s National Advisory Board, December 2020).

The presence of rent-seeking interests in open, strategic and collaborative local coalitions undermines the success of cohesion policies

In Oltrepò Pavese, the rural case area, two main development programmes – the first led by the public sector and framed within the National Strategy for Inner Areas (SNAI), and the second one promoted by a private foundation – have been implemented in the past 10 years. Despite being promoted by external actors, they have relied on existing local governance forms, respectively an inter-municipal arrangement (Mountain Community) working mainly as a consortium for public service delivery in the territory, and a public-private foundation (the former Local Action Group LAG) in charge of managing EU and regional development funding. The involvement of the local community in these programmes has taken place through thematic meetings, roundtables, focus groups and workshops. Rather than having the purpose of designing policies, the purpose of these participatory forms has been to facilitate the analysis of local assets by external project promoters and to gather knowledge on the locality that is useful for setting priorities and planning interventions. Our interviews with local actors revealed that thematic meetings and roundtables, particularly those organized alongside the SNAI programme, have been quite successful, as they have also sometimes been able to infuse a sense of cohesion in the local context, despite



Vineyards in Mondondone,
Codevilla, Province of Pavia
© Lara Maestripiéri



the major drawback created by the lack of participation of significant local policy makers.

The two programmes, despite following different and scarcely intersecting pathways, have worked across multiple dimensions and involved different coalitions of actors such as businesses, institutions and third sector organizations. Their common objective has been to create open and strategic platforms for driving the socio-economic and institutional change in the local context. Despite their innovative nature, the stakeholders’ interaction has often followed selective paths and the risk of triggering opportunistic behaviours and strengthening existing power-dynamics has sometimes emerged.

Thus, the selective and nominally inclusive cooperation, together with the absence of a clear local leadership and the resistance of rent-seeking interests, have impacted on the quality and openness of the governance arenas, thus undermining the capacity of cohesion policies to tackle structural local development problems.

A street in the town centre of Legnano.

© Gloria Pessina.

“Services are a constitutive part of territorial development. The idea is that services can become an attractor for the territory and therefore an investment that the territory must make as a company does [...] If you guarantee a service for five years, the service becomes an attractor” (member of the project’s National Advisory Board, December 2020).

A territorially balanced articulation of public services impacts on a local community’s life chances and generates synergies between efficiency and equity in the long-term

Our analysis has highlighted that services can become an attractor in territories affected by processes of demographic ageing, out-migration, marginalization and lack of economic opportunities. Thus, services are interpreted as an investment that higher-level institutions must make to promote the harmonious development of territories that are lagging behind and to tackle regional disparities.

As far as local communities’ life chances are considered, our research findings show that in Oltrepò Pavese, the rural case area, the choices of families on where to live are influenced more by the territorial articulation of public services than by the distribution of job opportunities. This aspect stands as a peculiar feature of the Lombardy regional context. In fact, the region is characterized by a relatively dynamic labour market whose influence is able to reach also disadvantaged contexts. Furthermore, the distances between inner areas and the places where job opportunities are concentrated are relatively small, allowing people to reside in a rural/mountainous locality and commute every day to a nearby town or city. This is evident in Oltrepò Pavese, where the lack of job opportunities in the area is somehow compensated by the ‘short’ distance (30-50 kilometres, up to 1 hour travel) from major towns and cities (e.g., Voghera and Pavia) where jobs are concentrated, a condition that partly explains the high levels of everyday commuting and the low functional self-containment of the area.

The outmigration trend in Oltrepò Pavese could be reduced by developing a territorially balanced articulation of public services able to ensure equal opportunities of their access for inhabitants. The presence of public services also positively affects the local economy as they improve the business environment and the inflows and outflows of skilled labour. Therefore, public service provision which is sensitive to the social, economic and territorial conditions of the locality can generate long-term synergies between efficiency and equity and improve local life chances.

The availability of financial, administrative and cognitive resources increases the chance for the positive response of localities to social investment policies

The availability of contextualized and shared knowledge and economic resources at the local level and the institutional capacity to mobilize these resources have proven to be relevant in influencing localities’ response to social investment policies. Evidence shows that the administrative size of a municipality matters in the positive engagement of local institutional actors in social investment. Large municipalities such as Milan are often able to direct a consistent amount of financial and human resources to certain policy areas, while small municipalities, such as those in Oltrepò Pavese, are usually reluctant to take the initiative over policy domains that are outside their regulatory competences because of their limited financial capacity. They often also lack human resources able to deal with such issues.

For instance, in the past ten years in Milan, the municipality has decided to increase the resources to be invested in municipal childcare and employment services. It has also taken an active role in specific projects and programmes targeted both at people (disadvantaged and vulnerable social groups) and places (peripheral neighbourhoods of the city characterized by high levels of social distress) to boost economic competitiveness and improve social cohesion.

One example is the Lorenteggio Project promoted by the Municipality of Milan in cooperation with the Metropolitan AFOL (special public company in charge of implementing both active labour market policy and vocational education and training and managing the public employment centres) and the Regional Government. The project focuses on a public housing neighbourhood through a programme consisting of income benefits given to unemployed local inhabitants participating in employment activation measures. The municipality has also created a service (CELAV) for supporting activation through employability enhancement schemes for social assistance recipients and likewise the activation and empowerment of unemployed individuals. The service has established successful relationships with local enterprises and has organized training activities the target groups’ empowerment. Currently, more than 700 enterprises are registered in the CELAV database and last year the number of people that benefitted from the CELAV service was 2,643, a total of 1,019 (38%) of whom have begun an internship, and 315 have received an employment contract.

A residential courtyard close to Corso Buenos Aires in Milan.
© Luca Lazzarini.





⇐ A view of via Vittor Pisani and Repubblica neighbourhood in the background. © Luca Lazzarini.

Horizontal and multi-level coordination can maximize synergies and tackle complex challenges

The three case studies highlight the need to strengthen horizontal and multi-level coordination both in governance processes and in policy design and management. As far as governance is concerned, the importance of improving intra-governmental coordination emerges, particularly at the regional level. In fact, our analysis shows that the regional government often operates in *silos* and that interventions in policy fields that are strongly inter-linked often proceed along disconnected paths, achieve different outcomes and result in different actions.

The intermediate level between regional and municipal government also emerged as ineffective in when it comes to coordinating actions, also due to a recent institutional reform that reassigned its competences and resources in an ambiguous way (national law n.56/2014). Our interviews revealed that there is also a need to improve horizontal coordination through a stronger involvement – through partnerships and projects – of third sector, business and union organizations in decision-making processes at the regional level.

In terms of policy design and management, we saw an issue with limited integration and optimization between a wide range of policy instruments, measures and projects activated at EU, national and regional levels, especially within the fields of active labour market and childcare policies. Currently, the creation of policy bundles is quite limited and takes place mainly through pilot projects and programmes that are time and resource constrained. An overall policy restructuring, comprising also the updating of skills within the public administration and the creation of stronger cross-sectoral links, is needed for supporting the ongoing processes of social and economic transition.

Some attempts to work on strengthening coordination were identified at the municipal level, in the urban and suburban cases. In Milan, rather than through traditional policy instruments, this has been achieved more effectively through single projects cutting across different policy areas and involving officers from different municipal departments, though outcomes have not always been successful. In Legnano, the local administration has created a Municipal Steering Committee, in charge of coordinating the different policy sectors and integrating different expertise under a cross-sectoral vision. This has improved the municipality's capacity for tackling complex and multi-dimensional problems such as housing disadvantages and urban poverty. Broadly speaking, the cases show some forms of innovation emerging from public institutions which, despite delivering some tangible benefits, still do not seem to be of great significance in tackling the ongoing socio-economic challenges of places.

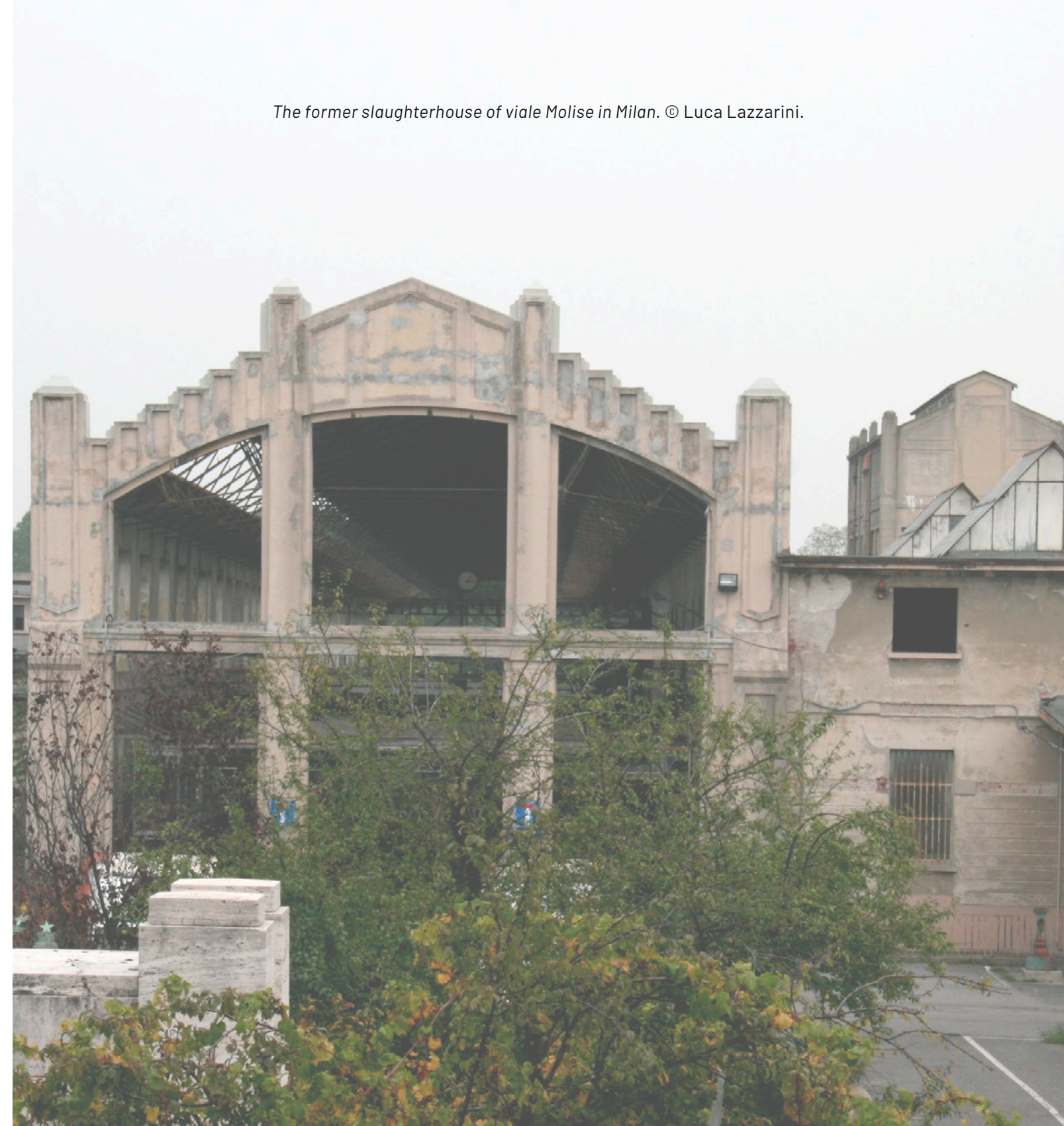
“There is an interrelation between the policies, but we are not addressing it because everyone takes care of his/her own piece. We have divided the policies into silos and go on like this. There is little collaboration between officers because everyone looks after their own interests”
(member of the project's National Advisory Board, December 2020).

The country's rising socio-spatial inequalities call for a territorially sensitive social investment approach

The social investment approach has been implicitly proposed as a 'one-size-fits-all' strategy able to combine social cohesion and economic growth, through a combination of programmes promoting stocks (human capital), flows (support to reconciliation and demand/supply matching in the labour market), and buffers (protection to the most vulnerable). Our analysis of social investment in Italy shows that the competences in the design, funding and implementation of the three SI policies investigated are mainly distributed across national, regional and, to a minor extent, sub-regional levels, and that in general local authorities have little capacity to influence decision-making processes. This has impacted on the levels of territorial sensitivity of such policies. The result is that depending on their administrative and demographic size, available resources and contextual conditions, some territories have had more capacity to promote and respond to SI policies than others. At the same time, our research findings demonstrate that the impact of SI policies on territorial inequalities – exacerbated by the ongoing socio-economic and health crisis related to the COVID-19 pandemic – has been limited and not necessarily positive. The failure or the lack of SI policies in the Italian cases studied is more often than not due to local contextual features that produce contradictory and unexpected effects detached from the SI policies' scope. These effects are likely to translate into a widening of the existing social and economic inequalities.

Based on these findings, we suggest that a territorially sensitive social investment approach would facilitate the reduction of inequalities among and within regions through a better adaption of SI policies to the different territorial contexts and the creation of bundles across policy fields. If sensitive to territorial peculiarities, SI policies would limit the risk that the territories such as Oltrepò Pavese that are weak in terms of collective efficacy and territorial capital mobilization are left behind because they are unable to mobilize the resources needed to respond to emerging social and economic problems.

The former slaughterhouse of viale Molise in Milan. © Luca Lazzarini.



Future perspectives

Two perspectives emerge from the research conducted on the Italian case study areas. The first entails a transversal condition crossing all three Italian study areas, and the second one concerns the regional level and focuses on the policy orientation on territorial development and cohesion.

The first perspective is a tendency towards fragmentation which is visible, albeit in different ways, in all the study areas analysed. This includes fragmentation in the form of mobilization of territorial capital and in the ways in which public goods and services are distributed across the city (Milan); fragmentation in the horizontal governance forms and in the functional and spatial relationships between suburban and urban areas (Legnano); fragmentation in the levels of collective efficacy, in the institutional capacity to respond to local development problems, and in the accessibility to services in a mountainous rural context (Oltrepò Pavese).

Our research has also highlighted the strategic response that institutional actors have offered to the problem of fragmentation. In the case of Milan and Legnano, this response promotes processes of concentration of territorial capital through the construction of hubs, poles and citadels where companies, technologies and services can cluster and integrate to generate knowledge and innovation and strengthen competitiveness. In Oltrepò Pavese, policy-makers emphasize the need to work on a more territorially-balanced distribution of public services across the area, to be achieved also through the active contribution of social actors in the service provision.

The second perspective concerns the dualism between concentration and polycentrism that has characterized the policy orientation of the Lombardy regional government in the field of territorial development. This has generated a clash between the objective of strengthening the overall economic competitiveness of the regional territory through a better utilization of existing territorial assets where these are more concentrated (metropolitan and suburban localities), and the one of promoting a polycentric and balanced development that aims at reducing regional disparities and at increasing social and economic opportunities in rural areas. If this clash is not resolved, the risk is that intense urbanization processes will generate forms of agglomeration and concentration of populations, activities and opportunities in some areas at the expense of others. Accordingly, a perspective of spatial justice enters a collision course with a widespread economic policy assumption according to which the strong concentrations of economic opportunities ultimately become a powerful factor of attraction for distant populations, who can see stronger life chances in moving away from the low-density areas. The clash is particularly evident in Oltrepò Pavese, which

has long suffered from a crisis of representation and lack of investments. The reasons for this lie both in the fact that in the past decades the regional government has oriented financial resources mostly towards the Alpine mountain areas rather than to the Apennine ones, but also in the poor ability of the Oltrepò administrators to interact and negotiate with decision-makers at the regional level. Only in the past few years does this situation seem to have changed, and the regional government has begun to implement initiatives and projects, mainly alongside the already mentioned National Strategy for Inner Areas. At the same time, private organizations (especially Fondazione Cariplo) have also begun to invest in the territory, launching programmes for promoting the economic and social development of Oltrepò territory, though some limitations concern the complex mobilization of local resources and the difficulty of anchoring the innovative practices in the local context locality.

Statue of Alberto da Giussano in Legnano.

© Gloria Pessina.



LITHUANIA

Pakruojis District
RURAL



Kaunas City
URBAN



● *Vilnius*
CAPITAL

Kaunas District
SUBURBAN



KEY LESSONS

- RURAL AREAS CONTINUE TO 'LIVE SMALL' RATHER THAN COMPETE IN REGIONAL ECONOMIC ARENAS
- LOCALITIES TRANSCEND THE ECONOMIC GROWTH NARRATIVES BY SUGGESTING QUALITY OF LIFE AND SOCIAL INNOVATIONS
- TERRITORIAL ECONOMIC CAPITAL IS AN ADVANTAGE THAT HAS BEEN PRIORITIZED OVER COMMUNITY NETWORKS BY LOCAL AUTHORITIES
- SPATIAL CONFIGURATIONS AND SETTLEMENT PATTERNS OF URBAN AND RURAL AREAS ARE IMPORTANT FOR SOCIAL INVESTMENT POLICY
- NETWORK GOVERNANCE MAY BE UNDERSTOOD AS AN ALTERNATIVE TO HIERARCHICAL ARRANGEMENTS BETWEEN CENTRAL AUTHORITIES AND MUNICIPALITIES IN IMPLEMENTING SOCIAL INVESTMENT POLICIES

Authors: Jurga Bučaitė-Vilkė & Artūras Tereškinas

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Lithuania	Kaunas City Municipality	Kaunas District Municipality	Pakruojis District Municipality
Population*	2,794,207	292,789	95,839	18,378
Area km²*	65,300 km²	158 km²	1,496 km²	1,316 km²
Population density* (inhabitants/km²)	42,8	1,853.1	64.5	14.1
5-year population change (%)**	-4%	-2%	8%	-14%
Unemployment rate (%)***	16.1	16.7	14.9	13.8
Long-term unemployment rate (%)****	2.5 %	n/n	n/n	n/n
Pre-school enrolment rate (%)*****	91.0	n/n	n/n	n/n
<i>Economic situation indicator:</i> (Regional GDP per capita as percentage from country average, %)*****				
	–	103.1	103.1	75.8

* Official Statics portal, 2020 January 1

** Official statistics portal, derived indicator – 2015 compared with 2020.

*** Employment service statistics, 2021 03 <https://uzt.lt/darbo-rinka/situacijos-apzvalga/>

**** Official statistics portal, <https://osp.stat.gov.lt/informaciniai-pranesimai?articleId=8422167>

***** Share of children between the age of four and the starting age of compulsory education participating in ECEC, Eurostat, 2018.

***** Kaunas City Municipality and Kaunas District Municipality are a part of Kaunas region, Pakruojis District Municipality – is part of Šiauliai region. Source: Lithuania Statistics, 2020.

Urban case: Kaunas City Municipality benefits from being a significant transport and logistics centre for Lithuania, which is based on its excellent geographical location, water transport infrastructure, international airport, mainline connections to the European rail network, public logistics centres, a multi-connection transport terminal and the increasing importance of international transport corridors across the region. Kaunas also benefits from its proximity to Vilnius, Lithuania's largest city by population, as the two cities form a greater metropolitan area with ensuing possibilities. Kaunas City Municipality demonstrates characteristics typical of metropolitan areas, including high population density, economic growth accumulation, high levels of private and public investment (compared with Lithuania's peripheral regions), problems of social exclusion and a flexible labour market. Although the economic potential of Kaunas city is growing, its population is falling dramatically. This depopulation and the competition with its suburbs have become significant territorial challenges for Kaunas city. Social segregation in various city neighbourhoods presents another considerable challenge. Such neighbourhoods are typically Soviet-era housing districts that are characterized by ageing populations, depopulation, devaluation of housing and the breakdown of infrastructure.

Suburban case: Kaunas District Municipality surrounds one of the largest Lithuanian cities – Kaunas (Kaunas District Municipality is a so-called suburban 'ring' municipality). Geographically, Kaunas district is placed favourably at the crossroads of international transport networks. The successful expansion of Kaunas Free Economic Zone has created favourable conditions for economic growth in Kaunas district and the district has seen an increasing amount of foreign direct investment per capita. During the last decade, the locality has experienced a significant increase in population (with more young middle-class families), especially due to an increase in birth rates. The suburban revival can be explained by the fact that young families have started to move to the suburbs of Kaunas city because of an intensive expansion of new homes and multi-apartment buildings. One of the biggest challenges for Kaunas District Municipality is shared with Kaunas City Municipality, as the challenge is a territorial one in that the population growth and success of the suburban district stand in contrast to the depopulation and challenges of the city that the ring district surrounds. Even though the number of people in Kaunas district who are at risk of social exclusion has been decreasing, territorial differences within the district are still observable, particularly concerning the more remote rural locations in the district, which see the highest number of people at risk of social exclusion.

Rural case: Pakruojis District Municipality is located in the northern part of the country on the border with Latvia. According to Statistics Lithuania, Pakruojis District Municipality is one of the smallest rural municipalities by population. Even though the district is a remote rural area, it has access to a good transport infrastructure that connects the districts with other regions of the country. The municipality mainly relies on agricultural activities, with 71.4 percent of the territory devoted to field crop farming. The natural potential for other activities, for example, tourism, is limited due to the lack of attractive water resources. The municipality also experiences significant depopulation (between 1996 and 2019, the population dropped by 33.58 percent), which has affected the local primary and secondary education system, students' enrolment to vocational school and labour market dynamics. Although this locality has the potential for industry and tourism development, it also faces the significant challenges of depopulation, an ageing population, and long-term structural unemployment. The traditional orientation of the Pakruojis district towards industry sectors and farming has largely determined its long-term unemployment and employment problems and shapes the territorial development options for the future.

COHESION IN CONTEXT

When examining the concept of territorial cohesion in a Lithuanian context, one must consider the concept in relation to broader debates on spatial development and regional policies in Central and Eastern Europe. Two main processes, the EU territorial policy agenda and Lithuania's accession to the EU in 2004, have impacted significantly on the understanding of territorial cohesion in Lithuania. The national policy paradigm on territorial cohesion reflects the EU perspective on territorial development and regional policy issues. The need to focus on regional economic and human resources to develop regional competitiveness and 'regional smart specialization' have been regarded as the driving forces of regional development policies. The reduction of economic disparities between Lithuanian regions has been prioritized over other problems, for example, depopulation, in-migration and out-migration of labour force, unequal payment in various economic sectors, poverty, or access to public services (education, social welfare, and culture). In national policy discourse, the social and spatial disparities are understood as negative outcomes of decreasing regional economic competitiveness and economic productiveness. For example, the Lithuanian Regional White Papers for 2017-2030 underline the concept of regional specialization where human and financial capital is put into the most productive and promising economic development areas.

Moreover, the Lithuanian understanding of territorial cohesion prioritizes economic competitiveness rather than equal living standards and socio-spatial equity in different regions. The regions must rely on their economic potential in expanding financial resources, for example, by increasing direct foreign investments and focusing on higher wages and productive economic sectors – the unequal distribution of economic capital benefits less-developed regions. Simultaneously, discussions on ensuring equal standards of life quality and social and economic development perspectives in the regions are given less priority. The regional partnerships, and community-based innovation and cooperation that we see in Lithuania are still to find their place in the public authorities' official strategies oriented towards reducing regional development disparities.

Morning view of the main pedestrian area, Laisves Avenue in Kaunas city. © Jurga Bucaite-Vilke.



University campus building, Vytautas Magnus University, Kaunas district, Akademija. © Ieva Dryzaite.

Rural areas continue to ‘live small’ rather than compete in regional economic arenas

The Lithuanian rural case study demonstrates that the locality has an exceptional advantage in mobilizing collective action that replaces the boundaries of limited regional economic growth potential. The locality supports the principle of ‘living small’ instead of trying to boost its competitiveness in the unequal competition with other regions that are economically stronger. Contrary to the urban and suburban localities, the rural municipality of Pakruojis has adjusted the understanding of territorial cohesion by identifying alternative aspects of its territorial potential, for example dense social networks, mutual provision of essential help and inter-personal trust. Consequently, the Lithuanian rural area’s territorial cohesion is more associated with the development of public services and public infrastructure, community capital, and local life quality.

Our research data indicate that the development of community social capital that enables collective capabilities and civic participation is a minor priority in the discourse of local authorities. Different socio-economic groups are treated as beneficiaries of the welfare system rather than active citizens. In other words, the social capital and inclusive governance approach are not integrated into the understanding of rural territorial development.

Moreover, in our rural case study interviewees, the strong community capital and dense social networks highlighted by stakeholders in the local community and the local entrepreneurs’ mobilization of knowledge highlighted by stakeholders in businesses are examples of territorial capital unique to the rural localities. An example of territorial social innovations in Pakruojis is a public-private partnership to develop cultural tourism in the rural locality (the Pakruojis manor house complex as a well-known site for cultural heritage tourism). This example demonstrates a combination of shared entrepreneurship expertise and municipal competencies in territorial branding strategies. Finally, rurality can offer great opportunities for reframing rural economic and social development so that it is couched in terms of the value of local knowledge rather than a lack of ability to compete in an unequal field of regional localities.

“There is a big community potential because most people are elderly, they are not active anymore in the labour market, but they have energy, and put it into the community activities” (Municipal representative, Pakruojis).

*The company ‘Dolomitas’ that produces crushed dolomite stone products in Pakruojis district.
© Jurga Bucaite-Vilke.*



Localities transcend the economic growth narratives by suggesting quality of life and social innovations.

The documents on Lithuanian regional policy that emanate from the national level, for example, *White Papers on Regional Development for 2017-2030*, refer to territorial cohesion as a sectoral concept that identifies rural development directions in terms of economic competitiveness and economic productivity. According to regional policies from central government, the development of innovative agriculture sectors, entrepreneurship, establishing SME's (Small to Medium-sized Enterprise), and modernization of public infrastructure and transportation (commuting) connections should follow to economic growth. Central government's regional policy stipulates that Lithuanian municipalities must recognize and develop their competitiveness and economic specialization profiles rather than prioritizing investments in social welfare, culture or recreation (known as the 'smart-specialization' approach). The absence of SI policies (for example, vocational education and training and active labour market policies) in territorial discourse reflects the prioritization of the country's economic development rather than regional welfare, better access to service provision, and quality of life.

Despite the priority of economic competitiveness, Lithuanian localities also propose their own paths for territorial development. For example, in our rural case study on the Municipality of Pakruojis, we see how the municipality incorporates territorial capital, community participation and local entrepreneurship in establishing collaborative governance arrangements. An example of this is a public-private partnership to develop cultural tourism and cross-border tourism initiatives between the Lithuanian and Latvian regions. The suburban case study on Kaunas District Municipality and the urban case study on Kaunas City Municipality demonstrate the strong economic potential that lies in logistics, industrial zones and innovation centres. A particular territorial focus is given to economically productive and competitive industrial zones, such as the International Kaunas airport and Free Economic Zone of Kaunas region, the fastest-growing industrial zone in Lithuania. However, the suburban and urban localities are plagued by territorial economic problems, including a lack of small and medium-sized businesses, weak entrepreneurship initiatives and a lack of innovative technologies. Therefore, the local authorities recognize a need for better social welfare, public life and educational services rather than enhanced economic productiveness. An example of how the suburban municipality addresses this is the modernization of early childcare institutions in suburban areas and its implementation of a family-based kindergarten model. The family-based model utilizes family entrepreneurship to sustain the availability of childcare services. In the urban case study, public spaces are modernized to increase their attractiveness to inhabitants living in the socially vulnerable districts of Kaunas city. In this way, localities balance the economic growth focus of national policies with measures to improve quality of life and social innovation.

City beach in Kaunas city near the river of Nemunas.
© Jurga Bucaite-Vilke.



“The Municipality understands that their main task is to work for the people persuading them not to leave the territory. The Municipality needs to provide services and make life more comfortable for local people”.
(Municipal representative, Kaunas city).

Territorial economic capital is an advantage that has been prioritized over community networks by local authorities

Territorial capital is considered one of the most critical elements in territorial development. Natural and cultural resources, social capital (collective action capability, collaborative competencies, institutions, values, and trust), human capital (entrepreneurship and creativity), and cooperation networks (public/private partnerships in local governance) are all elements of regional territorial capital. Each of our urban, suburban and rural cases represents a unique intertwining of economic, cultural, social, and physical resources and territorial developmental patterns. The three municipalities represent different tracks of demographic and economic development that determine the nature of their territorial capital.

The urban Kaunas City Municipality and suburban Kaunas District Municipality constitute an urban-suburban interdependency that takes advantage of geography, joint public infrastructure and the interplay of territorial initiatives. The territorial capital in Kaunas City is thought of as a combination of economic assets and a favourable geographical position rather than promoting local communities or initiatives. Similarly, the suburban Kaunas District mobilizes its territorial capital based on a favourable logistical position, industrial economic productivity, and population growth. The main territorial policy interventions aim to foster local economic productivity rather than encourage local initiatives, except for SME entrepreneurship. Territorial capital is thought of in terms of infrastructure and logistics, entrepreneurship, equal access to infrastructure, services and resources, modernization and connectivity rather than social capital. To summarize, the understanding urban and suburban territorial capital in both localities is based on a top-down principle of governance and the economic growth perspective.

*"The community is essential to developing the common sense of belonging; it's like a family home, the family has to gather somewhere".
(Municipal representative, Pakruojis).*



The understanding of territorial capital in the rural case study Pakruojis District Municipality focuses on collective efficacy and dense community networks. Although Pakruojis District Municipality has experienced population decline for almost three decades, the municipality is attempting to re-define its approach to territorial development. The municipality pays attention to natural resources and local competitiveness based on creativity structures, local trust, a sense of belonging, and strong local identity. This implies that the identity and history of a place or particular territory contribute significantly to territorial capital. The combination of historical heritage and entrepreneurship initiatives could become an alternative to the rural territorial economic growth policy. It could ensure a new added value for local products and services. This, in turn, could encourage the interest of local inhabitants and community organizations to participate in new activities. In this way, the rural locality can mobilize community networks as a response to limited economic potential.

*Soviet-style housing blocks, Akademija, Kaunas district.
© Ieva Dryzaite.*

Spatial configurations and settlement patterns of urban and rural areas are important for social investment policy

In Lithuania, the ‘traditional’ top-down approach of cost optimization and cost efficiency defines how sectoral policy tackles territorial problems, for example in the fields of childcare services, social welfare services, public transportation and waste disposal. However, spatial configurations and settlement patterns can also potentially lead to specific ways in which different localities deal with their challenges. Each Lithuanian municipality has an internal administrative structure of elderships that are very diverse in terms of socio-economic indicators and proximity to public services. The urban districts are concentrated around the administrative centre of municipality that have high concentrations of public services. In contrast, rural districts have to cope with the consequences of spatial polarization in terms of limited availability and access to public services. For example, the rural locality of Pakruojis demonstrates the importance of geographical (*spatial*) accessibility to early childhood education and care services and public transportation for women’s participation on the labour market and household incomes in both remote rural elderships and even the more urban ones in the rural case; The more spatially accessible early childhood education and care services are in a district, the higher the participation rate of women on the labour market and household income are in that district. The spatial territorial organization is a significant barrier to public services, which are concentrated in towns, and to accessibility to other public infrastructure, particularly for elderly low-income inhabitants

*“Our suburbs are getting so much developed [through suburban area development], and we are getting into issues. ... It's a challenge because we need kindergartens; elsewhere they are closed, we are not able to build new ones, although we do it every year”.
(Local representative, Kaunas District Municipality).*

who reside in remote rural districts. The problem of territorial connectivity and transportation is also significant; the poorly developed transportation infrastructure is one of the most critical territorial disadvantages, which is primarily to the detriment of socially vulnerable citizens from rural districts.

In the urban case of Kaunas City Municipality, the city's asymmetric structure, the functional differentiation of living spaces, and an unequally developing urban territory influence the concentration of institutions that provide public services to socially vulnerable groups. Inhabitants from the outer-city territory have more difficulties accessing high-quality public services and recreational zones than do inhabitants from the central urban zones. Our suburban case Kaunas District Municipality faces supply and demand problems in early childhood education and care services, and has challenges in ensuring territorial equalization and sustaining accessibility to services in both its urban and rural districts. Municipalities attempt to resolve the problems of spatial access to different public services, but do not always succeed. A positive spatial interconnectedness example includes the capacity of business stakeholders to be involved in implementing urban development plans, for example by suggesting investments in childcare infrastructure buildings or expansion of workplaces in Kaunas Free Economic Zone (located in the suburban area).



View from the main street of Pakruojis town.
© Jurga Bucaite-Vilke.

“When there is a problem at the national level, then it is dropped to the municipalities. You have to solve the problems of migration, problems of kindergartens yourself. Well, it seems like a municipality's function is to control everything, but we cannot” (Municipal representative, Kaunas district).

New private housing area, Kaunas district.
© Ieva Dryzaite.



Network governance may be understood as an alternative to hierarchical arrangements between central authorities and municipalities in implementing social investment policies

In the Lithuanian case, the governance mechanism is important in implementing social investment policies. The hierarchical arrangements between central authorities and municipalities define how vocational education and training, early childcare services, and active labour market policies are to be implemented. The Lithuanian case analysis demonstrates that national legislation, fiscal planning, public procurement procedures, and centrally planned large-scale investments strongly influence vocational training and labour market policies. The consolidated policy means that the local communities and authorities depend on the support of and subsidies from the central authorities, for example state-subsidized early childcare services.

However, we do see more territorial responsiveness in early childhood education and care than in other policy fields. The services are high on the municipal agenda, and there is a mutual understanding of the importance of high-quality childcare services despite limited financial resources. In all our case study localities, horizontal networks and horizontal governance help adapt childcare policy to local needs. In other words, the municipalities can regulate the supply and demand for childcare services by looking

at parents' needs. The Lithuanian rural case demonstrates that networking, neighbourhood interrelatedness and rural community activism are crucial for providing better access to services and the implementation of social investment policies.

Crosscutting perspectives: future perspectives

The general observations from the Lithuanian context centre on the relationship between national economic growth strategies and territorial inequalities. The COHSMO project has demonstrated that European countries address the distribution of economic, demographic and social resources in different ways depending on their institutional and governance capabilities. There is a growing need to recognize territorial capacities, such as small-scale entrepreneurship initiatives, commercial but environmentally friendly exploitation of territorial advantages, community mobilization strategies, or even higher local autonomy (functional and financial) to tackle micro-level territorial disparities. One crosscutting perspective from the Lithuanian case is that socio-economically shrinking rural regions should exploiting their most abundant territorial resources. We suggest recognizing the macro-level territorial disparities and disadvantages as a source for the micro-level initiatives and community level initiatives. The differentiation of place-based approaches, for example, more active participation of local economic stakeholders or development of cooperation networks, could be applied more intensively.

The second crosscutting perspective addresses the importance of local autonomy in developing territorial cohesion and more sustainable social investment policies. Local autonomy thus normatively legitimizes local government as a democratic institution situated – territorially – at the local level (Pierre, 1990). Moreover, the existence of an effective “policy space for local democracy” (Ladner, Keuffer and Baldersheim, 2016: 325) helps to distinguish between locally administered tasks, whereby a local government provides and implements services designed by higher levels of government, and “real” local autonomy, where a local government can develop services in the way it deems most appropriate.

The third crosscutting perspective is that inter-municipal cooperation can be used to foster territorial development policies. We emphasize inter-municipal cooperation options at the regional scale, particularly by looking at the interconnectivity of neighbouring urban and suburban localities. The Lithuanian case demonstrates the problem of overlapping public services in urban and suburban areas, for example the problems of accessibility to childcare services that could be solved by using a territorial capital mobilization strategy. The horizontal and vertical cooperation and openness/participation (for example, public trust, participation in local debate events) prompt us to rethink the idea of democratic potential in small-scale territories. Higher levels of local government efficiency and social trust could lead to a re-thinking of community territorial engagement strategies.

POLAND



KEY LESSONS

- SPATIAL PLANNING IS USED AS A TOOL FOR STRATEGIC COORDINATION AND BALANCING BETWEEN LOCAL GROWTH AND SUSTAINABLE (CO)-PRODUCTION OF PUBLIC GOODS
- EMBRACING DEMOGRAPHIC CHANGES IS ONE OF THE KEY CHALLENGES FOR DEVELOPMENT STRATEGIES
- THERE IS NO UNIVERSAL ANSWER TO THE QUESTION OF THE PROPER SCALE FOR GROWTH AND COHESION POLICIES
- LOCAL LEADERSHIP CAN PROMOTE CROSS-SECTORAL COLLABORATION
- LOCAL CIVIC LEADERSHIP CAN HELP MOBILIZE (SCARCE) TERRITORIAL CAPITAL

Authors: Wirginia Aksztejn, Adam Gendźwił, Joanna Krukowska & Sylwia Waruszewska

PRESENTATION OF CASE AREAS

Country presentation

Indicator	POLAND	GDAŃSK	PRUSZCZ GDAŃSKI	DEBRZNO
Population (2019)	38,382,576	470,907	62,647	8,984
Area km² (2019)	312,705	262	160	224
Population density (inhabitants/km²)(2019)	122.74	1797.35	391.54	40.11
5-year population change (%) (2015-2019)	-0.1%	1.8%	9.7%	-2.5%
Unemployment rate (%) (2019)	3.8%	2.2%	2.1%	6.4%
Long-term unemployment rate (%) (2019)	1.9%	1%	1%	3.1%
Places in kindergartens per 1000 children in the age group of 3-6 years (2019)	733.4	760.4	843.25	383.4
<i>Economic situation indicator:</i>				
Budget revenues per capita (2019)	1389 EURO	1801 EURO	1453 EURO	1211 EURO

Local Data Bank, Statistics Poland: <https://bdl.stat.gov.pl>

Urban case: Gdańsk is the Pomerania region's capital city located in northern Poland, on the Baltic coast. It is Poland's sixth-biggest city and together with Sopot and Gdynia forms the so-called 'Tri-city agglomeration'. Due to its coastal location and good quality of the environment, Gdańsk serves as an attractive location for both tourists and potential inhabitants, which is reflected in high migration rates to the metropolitan area and in the dynamically developing housing market. Gdańsk is ranked as one of the top cities in Poland in terms of quality of life. The location of the city and its infrastructure also attract investors, particularly the logistics industry. Gdańsk's local economy performs very well compared with the rest of the Pomerania region. Over the last years, the unemployment rate in Gdańsk has been decreasing and is much lower than the average for the region. The city also boasts a good social and cultural infrastructure, as well as a good transportation system. Gdańsk has played an important part in Polish historical heritage and is known worldwide as the birthplace of the Solidarity trade union and anti-communist social movement. This and other historical facts have resulted in Gdańsk often being called the 'city of freedom'. Being a harbour city, Gdańsk also takes pride in being open – both for new people and new ideas.

Suburban case: Pruszcz Gdański is located within the Gdańsk metropolitan area. It differs slightly from the other selected localities in Poland, as it consists of two neighbouring, functionally related, but separate local jurisdictions – the town of Pruszcz Gdański and rural municipality of Pruszcz Gdański. The administrative border is not the only division within the locality. The rural municipality of Pruszcz Gdański is also internally differentiated. The western part of Pruszcz Gdański is located in an upland area on the outskirts of Gdańsk and thus, having better conditions in terms of landforms and being adjacent to the city, it has much better access to infrastructure, with fast-developing residential areas, industry, services and commerce. The eastern part is located much further away from Gdańsk, in the delta of Vistula river and thus has more of an agricultural character and is disadvantaged in comparison to the western part of Pruszcz Gdański. Over the last years, Pruszcz Gdański has been growing constantly due to intensive suburbanization. The development of the locality is strongly related to the rapid development of the Gdańsk metropolitan area. Due to the favourable location near the harbour and main transportation corridors, Pruszcz Gdański is a significant centre of economic activity and is characterized by a high demand for labour and high rates of employment. Economic indicators place both municipalities (urban and rural) among the most affluent localities in the region.

Rural case: Debrzno is a peripherally located, predominantly rural municipality. A large distance separates it from the regional capital (Gdańsk) and larger urban centres. The municipality's share of arable land is very high (68%), and urbanized land covers barely 18% of the municipality. The socioeconomic characteristics and problems of Debrzno seem to be typical for small towns and rural areas in Poland. Unfavourable demographic processes including depopulation and ageing, systematic outflow of people, and progressing socioeconomic degradation of the area are the main demographic challenges for the municipality. Since the fall of communism in 1989, Debrzno has struggled with rising unemployment. This was the result of the closure of large state-owned farms operating in the municipality, as well as the closure of a large nearby military base. The municipality has relatively well-developed horticulture. An economy that is based for a large part on farming and poorly developed industry is accompanied by a low number of companies in the area and limited economic activity. However, the number of companies setting up business in the area has increased over the last decade due to institutional and organizational support for the development of entrepreneurship in the municipality.

COHESION IN CONTEXT



Renovated windmill, Pruszcz Gdański. © Wirginia Aksztejn.

Territorial cohesion is a concept which arrived on the Polish political agenda along with the EU integration process. The approach to territorial cohesion has developed in close relationship with the design and implementation of regional development policy, and has had a clear regional perspective and focus on overcoming an urban-rural and East-West divide. Although the notion of territorial cohesion is present in national and regional development strategies, its use is very often superficial and appears for the sake of providing a linkage with the upper-tier (or European) discourse. Territorial cohesion is rarely operationalized and used in a consistent manner in Poland, which reflects a similar lack of operationalization of the concept in EU documents. The Polish Ministry of Regional Development, participating in the debates on the EU Cohesion Policy, has argued that territorial cohesion is “a desired state of development of a particular territory, in which social and economic processes of exchanges and flows take place efficiently, assuring socially and economically effective allocation of resources” (MRD, 2009). Nevertheless, regional development strategies and Regional Operating Programmes tend to use multiple definitions of territorial cohesion or lay emphasis (implicitly or explicitly) on various aspects of the elusive term. It is used to define desired relations between functional areas, support the postulates of polycentric growth, or describe principles of territorial policies which would supplement and balance the promotion of economic growth. Finally, territorial cohesion may refer directly to the accessibility and quality standards of public services. In practice, the fuzziness of this concept is manifested in fragmented and uncoordinated policies at different governance levels. Also, good practices in the area of multi-scalar, cross-sectoral cooperation prevail over any identifiable systemic approach.

When we try to scale down the analysis of territorial cohesion to the level of local (municipal) policies, the problem of insufficient resources and jurisdiction adds to the problems associated with the unclear definition and incoherent strategic approach. The COHSMO research in Poland shows that the municipalities (except perhaps for the larger ones, i.e. cities with county status) are recipients or imitators of upper-tier cohesion strategies rather than their orchestrators. Their input into providing more spatial justice can be evaluated by their effectiveness in using upper-tier programmes and funds, improving territorial governance and collaboration, providing more granular place-sensitive knowledge and mobilizing specific territorial capital at their disposal.

In order to investigate territorial cohesion and its importance in local policies in the Polish context (obviously embedded in the broader structures of multi-level governance), we studied three localities in the region of Pomerania: a core of a metropolitan region (the city of Gdańsk), two suburban municipalities of Pruszcz Gdański, and the peripheral, mostly rural Debrzno municipality.



Local landmark – The Mill Tower, Debrzno. © Wirginia Aksztejn

Spatial planning is used as a tool for strategic coordination and balancing between local growth and sustainable (co)-production of public goods

All public authorities, also local ones, struggle to coordinate sectoral policies and balance the interests of various actors. We observed that spatial planning remains a highly valued prerogative of the local government, assuring the efficacy of the administration at the lowest tier, as well as the efficacy of the broader local community. It is one of the most important tools used to strategically coordinate the growth-promoting policies and the sustainable (co)-production of public goods: infrastructure and services. The decisions written down in the spatial planning master plan reflect important points of the locally developed strategies, and trade-offs between conflicting pressures.

The spatial planning regulations in Poland delegate responsibility for planning to the municipal level. Each local government, even the smallest, is responsible for preparing the local master plan and detailed local zoning plans. They must deal not only with the land use, but also with the infrastructure for service provision. In our case studies, interviewees emphasized the role of spatial planning in attracting the investors: “We want to cover the entire municipality with the local plans, as it is closely related to local development (...) We still own some plots, it is a good time to sell them. This is not one-time money, these are jobs, taxes, and growth”. At the same time plans are used to harmonize and mitigate the side-effects of intense growth and assure spatial justice. They are usually subject to a wide round of consultation and adopted by the councils. In our case studies, we observed a growing awareness of how significant spatial planning is and how it can be used to promote territorial cohesion at the micro-scale.

Such an awareness occurs in many places in Poland, as careless spatial planning under market and political pressures, so well-known during the transition, has brought dissatisfaction and serious infrastructural challenges. These are also visible in our cases, where the spontaneous dispersion of urban settlements generated demand for the infrastructure, subsequently burdening the public investment budget for many years (e.g. for water and sewer systems in Debrzno, kindergartens and elementary schools in Pruszcz Gdański, or trams in Gdańsk).

In dynamically developing areas (such as the suburban locality Pruszcz Gdański), the main challenge for the public authorities is to keep the plan updated and use it as leverage in contacts with developers.

Nonetheless, we observed that spatial planning is not sufficiently ‘multi-levelled’ to secure coherence between plans prepared at different scales. There is still insufficient coordination between localities in densely populated metropolitan regions.

"People escape to the outskirts (...) Developers are following, they take advantage of the insufficiently precise plans and build densely, mainly terraced houses, they want to squeeze every last drop out of the imperfect, sometimes outdated, plans". (Pruszcz Gdański, local official)

Embracing demographic changes is one of the key challenges for development strategies

Influx of new residents into metropolitan areas, suburbanization and urban sprawl often disrupt municipal plans and strategies concerning provision of public services. At the other extreme, rural areas are plagued by out-bound migration which harms their local economy and labour market. In addition, depopulation poses a serious challenge for delivering affordable and accessible public services to spatially dispersed residents. Simultaneously, almost all types of localities are faced with population ageing, which requires a shift in thinking about which needs are most urgent to address and invest in. Growing numbers of senior citizens require policies that address health care and social care needs, as well as catering for their leisure activities and social engagement.



Museum of the Second World War in Gdańsk.
© Wirginia Aksztejn.

Regardless of the demographic situation, both densification policies or population retention policies require multiscalar, forward-looking planning with emphasis on spatial management. Informed decision-making requires relevant, territorialized data. Gdańsk uses three-level data and depending on the catchment area of the planned service collects data and prepares strategies for the entire city, for districts or for neighbourhoods. Suburban Pruszcz Gdański sets limits for population growth and shapes land use plans accordingly. However, the increased population mobility makes changes swift and difficult to respond to in time. Exact planning faces the challenge of having to hit a moving target. The population of the rural commune of Pruszcz Gdański has increased by almost 50% in the last decade. In big cities such as Gdańsk, districts change their demographic profile not only in the rhythm of generations, but with changing fashions incited by new real-estate investments and successful regeneration programmes. The pace of this change exceeds the city's capacity to adjust the network of public services, for example nurseries and kindergartens. When keeping abreast with the change seems unfeasible, flexibility and multipurpose, convertible facilities can provide the solution. When Gdańsk constructs new public buildings, the municipality ensures that the buildings are planned with possible future uses in mind, for example present-day nurseries may in the future house daycare centres for seniors or provide several different services for the neighbourhood. Adaptable architecture, that is accessible for citizens of different ages and with disabilities will enable a quicker response to the ever changing needs.

Demographic changes seem to be most difficult to counteract or accommodate in the rural areas. Preventing depopulation means competing with urban centres and the opportunities they offer. Debrzno tries to invigorate the local economy and make the municipality more liveable. Providing connectivity is another viable policy, which is, however, more applicable in the case of the suburbs rather than in peripheral localities. In the remote locations where we observe a stronger dependence on and acceptance of individual transport, policy-makers should not lose sight of the problem of exclusion of fragile and disfavoured groups for whom travel by car is not always an option.

"When I look at the statistics in Gdańsk, I see over 120 thousand inhabitants in their sixties or older and a shortage of places and queues for social welfare homes for the long-term sick and dependent patients. However, when we compare a social welfare home with a new road in a ranking of the most popular investments made by a local government leader - the road will always win. And I believe this is the challenge for the leaders in the future to re-orient the social consciousness. In order to achieve it we need a participatory way of governing, communication and discussion. Maybe with a slower increase of the city's revenues, lack of substantial funds from the EU, we will face the dilemma: we will have to restrict investments in road construction and clearly say that now we shall build social welfare homes and nurseries wherever there is a chance to encourage parenthood".
(Gdańsk, Local politician).

"We talked about not only auxiliary units, i.e. districts, but also one level below and one level above. So the level above, these are macro-areas, we are in the process of thinking how to divide it [2018], because we would like several districts to form a macro-area that would coincide, for example, with the area of the social work centre, with the area of the psychological consultation centre. We would synchronize it with school catchment areas so that it would be easier for both data and people to cover it territorially, then it is easier for me to analyze it and (...) distribute some services". (Gdańsk, Local official).

There is no universal answer to the question of the proper scale for growth and cohesion policies

All three Polish case studies illuminate the significance of the proper scale for policy interventions in order to make them place-sensitive on one hand and to efficiently manage the available territorial assets and organizational resources on the other. Almost all public policies implemented locally are framed at four different governance levels: (1) national (with the leading role of the ministries), (2) regional (with responsibilities shared between regional delegates of the central administration and regional governments), (3) subregional/local – counties (powiaty) and (4) local (municipalities). There are policy areas where the scope of truly local autonomy is very low (VET, active labour market policy). In many other areas (childcare, transportation, economic development, environmental protection etc.), the emphasis is put on municipalities. However, effective policy formulation and implementation require a different territorial scale: above-local (e.g. metropolitan) or intra-municipal. Ideally, the area of jurisdiction which provides administrative and political power to articulate objectives and come up with strategies should overlap with the catchment area of the service in question. Mismatches invite fragmentation of policies and actions which become incoherent and under-effective. Reconciliation of the scale of the catchment area of the service in question with the policy objectives often has to override administrative borders. Our research has identified attempts to align scale with the policy objectives in all three case study localities.

The problem of territorial adequacy of the policies is best recognized and addressed in Gdańsk. The city authorities move up and down the ladder of their territorial units depending on the particular policy objectives. The city authorities focus on neighbourhoods in their community-building and civic engagement policies and in provision of basic public services and access to culture. Conversely, the city uses upper tiers of management (metropolitan, county and regional scale) in order to coordinate efforts and provide adequate resources in policy areas such as active labour market policy. Apart from that, the city puts emphasis on territorial integration of all policies that have a social impact, thus, practically all sectoral policies (construction, transportation, culture, education, labour market). This integration is planned to be achieved at three basic territorial scales: macro-scale (macro-areas), district scale and neighbourhood scale. In Debrzno, horizontal cross-sectoral collaboration was initiated due to a realization that the public sector did not possess enough resources and knowledge to fight off the economic crisis in the area, nor to make the best



of the emerging EU-related opportunities. The collaboration utilized vertical cooperation to build coalitions around goals – common for peripheral, rural municipalities. In the suburban case study, thanks to its proximity to Gdańsk, Pruszcz Gdański participates in the economic success of the metropolis and relies on the metropolitan scale. This territorial arrangement encourages passiveness with regard to Pruszcz Gdański's own development policies. The situation of suburban locations accentuates the necessity of balancing functional area growth policies with a forum for voicing more local needs and interests.

Shipyard, Gdańsk.
© Wirginia Aksztejn.



Żuczek lake – local natural asset, Debrzno. © Wirginia Aksztejn.

Local leadership can promote cross-sectoral collaboration

The two cases of Gdańsk and Debrzno are utterly different in terms of territorial assets, problems and challenges, but both are characterized by mature and stable governance arrangements. Cross-sectoral relations between local politicians, officials, non-governmental organizations and local business actors in shaping and implementing local policies are enabled by local leadership exercised in an open and collaborative manner.

Gdańsk is one of the cities with the best developed territorial cooperation with societal organizations. The examples of extensive and long-term arrangements are mostly related to urban regeneration and public service provision in childcare and social care. It is not only the high collective capacity that is of key importance for the cooperation in Gdańsk, but also a key individual was of crucial importance – the former mayor, Paweł Adamowicz, who was perceived as an open and conciliatory leader, for whom it was important to mobilize and create conditions for an engaged community.

Although the effects of open leadership are visible in both Gdańsk and Debrzno in the form of territorial cooperation, in the case of peripheral Debrzno, the open and mobilizing style of a local political leader could be argued to have a more utilitarian premise than in metropolitan Gdańsk. In the 1990s, unfavorable conditions and local authorities' inability to tackle them contributed to the emergence of a very influential local association, with which the local authorities cooperated, but in a reactive manner. After a new mayor took office, the cooperation was reinforced and expanded. The mayor has promoted the creation of new entities, such as the association of local entrepreneurs, with whom he cooperates on ad hoc initiatives, and also on an urban regeneration programme.

The case studies on Gdańsk and Debrzno suggest that good and stable territorial cooperation is possible when there are inclusive leaders who do not operate with hierarchical control mechanisms, but are open to and aware of the need to involve the community in the municipality's activities. This can be also indirectly confirmed by the third Polish case, where we did not find examples of extensive territorial cooperation and the local political leader was perceived as one that has a traditional hierarchical approach to power.

"I remember once, at an opening ceremony of some investment, he [Paweł Adamowicz – mayor of Gdańsk] said a very nice sentence that stuck in heads of many of us. He said: "In a city like Gdańsk it is not enough to build bridges, viaducts, large buildings, it's not enough just to improve local transport. There is also a need to constantly build a civil society". It's about causing or mobilizing practically every citizen to get involved in various types of social initiatives, foundations, associations and unions. And for this to happen he creates the right conditions for these organizations to develop – he gives them offices where they can operate and supports their initiatives financially". (Gdańsk, Local business actor).

Local civic leadership can help mobilize (scarce) territorial capital

Territorial capital is not evenly distributed. Both environmental assets (favourable location, landscape) and man-made ones (infrastructure, booming economy, interesting cultural and historical legacy) tend to accumulate rather than disperse. Among the researched localities, we see contrasting examples of territorial capital levels. Basing on the investigated cases we can define two situations: (1) territorial capital management under circumstances of abundance – exemplified by Gdańsk and Pruszcz Gdański, and (2) territorial capital management under circumstances of scarcity – observed in Debrzno.

The story of the latter locality highlights the importance of two other types of territorial capital, namely social capital and institutional capital. An active local community on the one hand, and facilitative public institutions on the other are preconditions and catalysts of mobilization of other kinds of capital. In the peripheral Debrzno, it was a strong civic leadership which helped overcome the economic crises from the 1990s. In the face of no signs of a coherent vision for the municipality's future development, a group of active citizens lead by a charismatic school principal founded an association (Association for the Development of the Town and Municipality of Debrzno - ADTMD) in order to acquire external funds and make Debrzno an agricultural and industrial municipality with a European standard of living.

One of the first objectives of the ADTMD was to open a business incubator to provide jobs in the private sector, offer appropriate training and change peoples' attitudes – overcoming stagnation and inspiring entrepreneurship. Since its foundation, the association has been an engine of social activity, the local pathfinder in the area of attracting external funding and an example for other organizations. Their efficiency in obtaining grants has inspired neighbouring municipalities to replicate their model. Furthermore, the association has carried out, participated in or inspired initiatives such as two business incubators, the Local Action Group, Local Fishermen's Group, and the renovation of the town's landmark and tourist attraction – The Mill Tower.

In terms of local development, the case of the ADTMD is inspiring because of (1) its innovative organizational format (non-governmental organization as a vehicle of local development), (2) its modus operandi (combination of strategic vision with adaptability and taking advantage of emerging opportunities), and (3) its use of collaborative skills (close co-operation with the town hall, building broad coalitions around common goals).

Although the most direct objectives of the association revolve around improving societal welfare and the local economy, ADTMD's agenda has also led to empowerment of the local community. This empowerment includes three dimensions: financial (acquisition of external funding), civic (building capacity for collective action, networking) and knowledge-based (introduction of new ideas and skills). Therefore, Debrzno demonstrates an example of enhancement of collective efficacy where the primary place-relatedness and concern about one's locality have been supported by a dense network of formal and informal civic organizations, knowledge and resources to bring about amelioration of life chances.

"There are two kinds of leaders. There are leaders who say: "Here, go and do it". Or others saying: "Look, this is our goal, come, let's do it together". It's the latter one and to my understanding is the real leadership".
(Debrzno, Local politician).



Street in Debrzno.
© Wirginia Aksztejn.



Town hall, Pruszcz Gdański. © Wirginia Aksztejn.

Crosscutting perspectives

Although territorial cohesion is not a concept that guides local and regional development in Poland, there are elements of its broadly understood message present in both the strategies and praxis of Polish local governments. However, the building blocks of territorial cohesion are very often dispersed and not incorporated into a consistent, systematic policy or action plan. Conversely, good practices in the area of multi-scalar cross-sectoral cooperation, mobilization of territorial capital and facilitative leadership are often a place-specific serendipity. And while voluntary cooperation often enables tailor-made solutions and provides positive outcomes, it is institutional frameworks that can lend durability to territorial arrangements.

The Polish results of the COHSMO project suggest a need for consolidation of fragmented territorial cohesion policies. One of the essential points of departure to achieve this is understanding the scale at which the territorial cohesion concept should be applied. The definition of this scale can turn out differently depending on the policy area. Growth policies, active labour market policy, VET and childcare have different catchment areas and require coordination at different tiers of government. This calls for different and flexible patterns of territorial cooperation and mechanisms to bring local needs and interests to the fore in terms of extensive functional areas. Overcoming silo logic is also a challenge that needs to be addressed in a holistic territorial approach.

Our observations also draw attention to the very different demographic and managerial challenges that metropolitan/suburban localities face compared with peripheral rural communes. Locations that are remote from regional growth poles are detached from territorially integrated development plans, and also often lack the resources to provide an alternative solution. Although our rural case study locality of Debrzno is admirably active in filling this void in upper-tier development planning, the problem of depopulating and separated municipalities and weakness of polycentric development remains.

UNITED KINGDOM



North Staffordshire
SUBURBAN

Greater Bristol
URBAN

● *London*
CAPITAL

West Dorset
RURAL

KEY LESSONS

- A LONG-TERM STRATEGIC VISION AND STRATEGIC PLAN THAT ARE INCLUSIVE
- WHILE INSTITUTIONAL LEADERSHIP IS IMPORTANT IN PLANNING AND POLICY MAKING FOR TERRITORIAL COHESION, LEADERSHIP NEEDS TO GO BEYOND TRADITIONAL FORMS OF TOP-DOWN LEADERSHIP
- TERRITORIAL GOVERNANCE AND THE INTEGRATION OF PREVIOUSLY UNALIGNED STRATEGIES/POLICIES
- THE DOMINANT FOCUS OF NATIONAL SPATIAL POLICY ON CITY-REGIONS RISKS EXACERBATING THE PROBLEMS OF “PLACES LEFT BEHIND”

Authors: Rob Atkinson, Andrew Tallon, Maria Casado-Diaz, Stephen Hall & Ian Smith

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Bristol	Newcastle under Lyme	West Dorset
Population (mid-2018) ¹	463,405	129,490	102,754
Area km ² (2011) ³	110	211	1,081
Population density (inhabitants/km ²) (2011) ³	3,910	590	90
Natural population change rate (per 100,000 residents) (2017-18) ²	566	9	-624
Work-related benefit claimants as a proportion of residents aged 16-64 (%) (2019) ⁴	2.5	2.1	1.5
2 year olds benefiting from some early year pre-school provision (%) (2019) ⁵	64	78	82
<i>Economic situation indicator:</i>			
Gross Disposable Household Income per head ⁶	EUR 20,268	EUR 20,695	EUR 23,678

Sources:
(1) mid-year estimate of population,
(2) derived from life event statistics and mid-year estimates of population,
(3) 2011 Census of Population (for England and Wales),
(4) DWP claimant count data for welfare claimants defined as qualifying,
(5) DfE statistics on early years provision,
(6) Regional Gross Disposable Household Income (GDHI) by Local Authority

The urban case: Bristol is an affluent city in terms of average salaries, but it is also one of the most polarized cities in provincial England with large areas of disadvantaged neighbourhoods; 16% of the population of the city live in areas classified as part of the 10% of areas in England that are the most disadvantaged. However, the city (and wider city region) is one of the most economically successful places in provincial England, with high concentrations of employment in business, financial services, health and education. Over the past 10 years, the economy has been relatively stable, with the biggest increase in employment coming from professional occupations. This indicates the presence of a ‘knowledge economy’. In addition, the contribution of Bristol’s SMEs to the UK economy is expected to grow by 23% by 2025. The city is also recognized as a place with a high quality of life and a vibrant cultural life, and thus people are attracted to living and working there.

The suburban case: The borough of Newcastle-under-Lyme is a borough district within the county of Staffordshire. The largest urban settlement within the borough is Newcastle itself. Historically, the town has been an independent market town, but for all intents and purposes the urban area of Newcastle is, morphologically and functionally speaking, part of the extended conurbation of North Staffordshire that incorporates the amalgamated six towns of the Stoke-on-Trent area.

Despite the borough’s ‘urban-fringe’ or ‘suburban’ location in North Staffordshire, some 20% of its population live in areas that would be defined as ‘rural’ within the UK context. Parts of the borough are former coal mining areas and have been subject to special measures aimed at stimulating economic revitalization of former coal mining areas. While the last deep coal mine in the borough closed in 1998, a physical and labour market legacy of coal mining remains in the area. The borough is also home to the University of Keele – a new campus university of 10,000 students that was granted university status in the 1960s.

The borough of Newcastle-under-Lyme faces considerable challenges, perhaps most clearly expressed by its economic and social performance and in its changing demography. Compared to the UK as a whole, the borough underperforms on almost every economic and social indicator. The employment profile of Newcastle-under-Lyme along with Stoke demonstrates a concentration in logistics and transport jobs, with these sectors benefiting from the location of the M6 motorway that runs through the borough. The motorway also provides an important route for people commuting to the north (towards Cheshire and Manchester) and south (towards the rest of Staffordshire and Birmingham).

The rural case: West Dorset is predominantly made up of small towns, the largest of which is Dorchester with a population of almost 20,000; the next largest town is Bridport with a population of 13,570. The remaining towns are places with populations of under 10,000. There is an adjacent ‘urban area’ that consists of the coastal towns Weymouth and Portland. Overall, the degree of urbanization in West Dorset is low, with a highly dispersed settlement structure and a low population density. The built-up areas mainly consist of villages, which makes West Dorset a ‘classic’ English rural area. A total of 31.6% of the West Dorset’s residents live in isolated rural communities. While tourism is important in parts of the area, reflecting the outstanding natural environment, the area’s overall tourism sector is fragmented and underdeveloped. A small fishing industry exists but has been in long-term decline. There is a widely acknowledged housing problem (i.e., the amount of housing available), a lack of social and affordable housing, and the cost of access to owner occupation is prohibitively high. For Dorset as a whole, the house price to earnings ratio is 13 (which means the average house price is over 13 times average earnings). For West Dorset the ratio is even higher. The area has a concentration of employment in tourist-related activities, public administration and in agriculture, though the number of people employed in agriculture is relatively small (around 3000, compared to 16,500 employed in public services).

COHESION IN CONTEXT



Newcastle-under-Lyme – A market town. © needpix.com / Rob Atkinson.

In the UK, the concept of ‘territorial cohesion’ is conspicuous by its almost complete absence in the policy discourse of successive UK governments; in policy terms, there has never been an actual policy that has explicitly sought to address territorial cohesion. At best there have been ‘echoes’ or ‘traces’ of territorial cohesion in policies, but these have been weak and have almost completely disappeared in the post-2010 period. The same applies at sub-national level, where the concept has never been referred to by local government or the relatively recently established Local Enterprise Partnerships described below.

Since 2010, during the tenure of the Conservative and Liberal Democrat Coalition Government and the subsequent Conservative Government (from 2015), policy did not even make the vaguest reference to territorial cohesion, not least because many in the Conservative Party perceived the concept as yet another example of the pernicious influence of the EU. Since 2010, the emphasis in regional and spatial planning has been overwhelmingly on localism and the apparent devolution of powers to the local level and local citizens (e.g. Neighbourhood Planning). Local Enterprise Partnerships (LEPs) were set up at the sub-regional level, which were essentially business led and were not intended to be planning bodies. The LEPs remit did not include addressing social issues such as inequality. There has been some indication from central government that LEPs are intended to have a regional planning dimension. However, LEPs focus primarily on sub-regional economic development and they have few powers and resources. There is little evidence that they are able to engage in any coherent forms of regional planning, nor have they displayed any interest in territorial cohesion.



Rural Dorset. © Rob Atkinson.

Under the Coalition Government there was a sub-theme, championed by the chancellor George Osborne, that sought to support the development of selected northern cities through the notion of the Northern Powerhouse. In some ways this was a continuation of developments already initiated by New Labour in the 2000s, which identified city-regions as the 'motors of economic growth and competitiveness' in the UK – the Core Cities. This was intended to encourage the growth of the selected cities (city-regions) in the North of England which would counter the dominance of London and the South East. One might argue that this was a weak form of 'territorial cohesion by default', but it was highly selective and was overwhelmingly concerned with economic development. Moreover, the austerity programme that dominated the period from 2010 onwards led to substantial reductions in the budgets of local authorities and public service budgets more generally, the impact of which accentuated an already difficult situation in the declining regions (and cities). There has been a continuation of this theme since the 2019 election of a new Conservative Government, whose large parliamentary majority was based on winning seats in the North of England that were traditionally held by the Labour Party (the so-called Red-Wall seats) with talk of 'levelling up' (i.e. between the North and South of England), but to date this 'levelling up' has largely been rhetorical.

In terms of our case studies, only the local government in Bristol might be seen as being concerned with 'territorial cohesion'. This is because of Bristol City Council's One City Plan from 2019 and the associated Inclusive Growth strategy, which one can argue show an interest in addressing 'territorial cohesion' within the city. Bristol's One City Approach explicitly emphasizes a place-based approach, which could be seen as an attempt to address issues of territorial cohesion, territorial governance and collective efficacy. The plan highlights key themes to be addressed such as health and wellbeing, environment, connectivity, homes and communities, economy, and learning and skills. By acknowledging the presence of spatial inequalities within the city, the One City Plan implicitly addresses territorial cohesion and the need to ensure that not only is the city socially cohesive but also cohesive in a territorial sense. On paper, the North Staffordshire/Stoke case study shows a superficial interest in territorial cohesion, but there was little evidence of this in practice. With regard to territorial governance and collective efficacy, there was no evidence to suggest that any effective progress in addressing such issues had been made to develop appropriate structures and modes of working with local communities. There was a similar story in West Dorset, which is further complicated by the fragmented settlement structure and the predominance of identities based around small towns, villages and hamlets.



A successful regeneration project in Bristol incorporating accommodation, shopping and hospitality. © Rob Atkinson.

A long-term strategic vision and strategic plan that are inclusive

While all three of our case study areas had what were purported to be a long-term strategic vision and strategic plan for their area, only Bristol's One City Plan had a relatively clearly laid out set of priorities and a schedule for addressing these. The three main themes for the city are identified as: a prosperous and inclusive economy (delivering quality jobs, increased skills, innovation and investment); people and place (safety, health and wellbeing, housing and food, social justice, diversity, mobility and human rights); and healthy environment and infrastructure (connectivity, energy, waste, climate, green space and land use).

Bristol's approach is careful to emphasize that the One City Plan is a 'road map' that is not set in stone, rather, it builds on an iterative approach (a process and a practice) that means the plan will be revisited and reviewed on a regular basis in the light of developments both within the city and externally. One interviewee noted:

"[It] really is saying now that there's a One City Plan that is clear about objectives and the vision of the city, and is a living, moving breathing, document".

This process and practice seek to be evidence-based and include local knowledge through the active and ongoing involvement of private and community partners in the process. One interviewee argued:

"[It is] intended to create this new organizational arrangement for collaboration in the city, and that's segued over time into what is now called the One City Approach to governance of the place... I think it is breaking quite a lot of new ground in bringing different interests together to, to address issues of what you might call territorial cohesion, collective efficacy to tackle inequality".

However, given the lack of powers and resources, particularly finance, available at the local level, serious constraints are placed on the capacity of local strategies such as the One City Plan. The financial resources to implement the strategy are a major challenge given the significant council funding cuts over more than a decade and the impact of COVID-19.

Harbourside life in Bristol.
© Rob Atkinson.



While institutional leadership is important in planning and policy making for territorial cohesion, leadership needs to go beyond traditional forms of top-down leadership

Bristol's One City Plan, launched in 2019, builds on a different type of institutional leadership than that traditionally associated with regional planning by local or regional government. The One City Plan emanated from a style of leadership characterized by inclusion, facilitation, innovation, and co-creation of new possibilities. Bristol's One City Approach sought to develop of a new model of city leadership that embraced cross-sector collaboration. This may be described as 'civic leadership' or 'facilitative leadership', which are based around co-decision making and enhanced democratic engagement. The One City Approach was supported by the institutional capital that had developed in Bristol during the five or six years preceding the plan, which saw a much more strategic approach developing in terms of strong networking, partnership, and collaboration across sectors and between groups in the city. During an 18-month period leading up to the launch of the first One City Plan, Bristol City Council held meetings that involved all sectors of society, thus creating long-term 'buy in' by stakeholders. This was to ensure the creation of a common sense of ownership and to ensure the longevity of the plan beyond the short-term political cycle.

Bristol's One City Approach is further supplemented by regular 'city gath-

Deprived Bristol.

© Ivan Tosics / Rob Atkinson.



erings' that bring together collective interests in the city every few months and help to set priorities for the coming year. This is regarded as a key advance in the governance and collective efficacy arrangements of the city, as pointed out by an interviewee, advisor to the Directly Elected Mayor, from our case study, who described the approach as follows:

"Developing collective leadership at the level of the city as a whole... creating a city gathering which we now have every few months that brings together voices, leaders from what I call the different realms of leadership".

The City Mayor also holds an annual lecture that sets out governance priorities for the city. The One City Approach is an example of a place-based approach, and of a new way of governing a city.

In North Staffordshire, the evidence garnered from interviews pointed to the absence of political leadership that was able to provide long-term strategic leadership, and to the depletion of institutional capital caused by the sustained austerity regime imposed by central government. Broadly speaking, interviewees agreed that leadership and collaboration in relation to matters concerning territorial cohesion in North Staffordshire are often dependent on the imposition of formal requirements of partnership working by external actors' such as, central government or the European Union. When such supra-local frameworks are absent, a parochial localism tends to prevail, which tends not to address issues of improving territorial cohesion in the region.

Similarly, in West Dorset, interviews indicated that there was a lack of political leadership to drive the processes of development forward.

Interestingly, in West Dorset, with regard to the successful development achieved in the town of Bridport, one interviewee, a local economic development officer, pointed out the key influence of a person who was not in local government:

"...in Bridport's case, I'd put it down to one particular character who was involved in a number of different groups and was very, very passionate and very driven and, actually, I see his footprint in, not only Bridport, but in a number of other initiatives that happen in the area".

This suggests that local leadership, from outside local government, can play a significant role. The interview also indicates that the successful initiatives are rooted in the local milieu, and it would seem that these, together with local leadership, have driven the processes which have turned the town's fortunes around. However, Bridport is a small town with a population of just over 13,000, and it is questionable if such an approach can work in larger places.

Territorial governance and the integration of previously unaligned strategies/policies

One of the problems facing all the case study areas is that there are a multitude of different strategies/policies in each of the areas that are unaligned and that are the responsibility of different organizations. In addition, the organizations responsible for delivering key national policies are outside of the control of local authorities. For instance, the delivery of active labour market policies is contracted out to mainly private sector organizations on a regional basis; vocational education and training lies with a variety of independent Further Education Colleges and private sector organizations, and pre-school childcare is delivered by a large number of private providers. None of these are related to local authorities and are not required to work with them.

At a structural level, in the case of English local government the division in terms of resources and competence between district authorities (generally in more rural and urban fringe locations) and unitary authorities is stark. Districts operate in a two-tier system where welfare competences (e.g. education and childcare functions) are allocated to county level authorities whilst districts deal with 'environmental structure' (e.g. land use planning and economic development). This system makes it difficult for the public sector actors with the relevant resources to build the networks they need – especially in a period of austerity.

Local Enterprise Partnerships are sub-national business-led bodies established by central government, and each LEP covers several local authorities. However, this sometimes means that the boundaries of an LEP are not continuous with the local authorities that are often the territorial focus of these bodies. This is a particular issue for our North Staffordshire (suburban) case study. Equally, in the case of Dorset, the territorial scope of the LEP incorporates more than one functional economic area. Each LEP has been required to develop its own Local Industrial Strategy, although in terms of our case study work, these were only just being published as our research ended.

Thus, from the above it is clear that there are serious obstacles to the integration of the range of strategies and policies that are related to a place (i.e. a local authority area) and to the development of a place-based approach. Moreover, a place-based approach is intended to focus on meaningful functional spaces, while in England, single local authority areas rarely constitute such spaces.

Despite these constraints, Bristol's One City Plan brings together hundreds of previously unaligned strategies, which are now included within one framework to harness a collective power that benefits the city as a whole.

Overall, there is a sense of great potential mixed with a sense of realism that judgement on the One City Plan can only be passed on the basis of its outcomes and outputs several years down the road from now. Moreover, many of the deeply embedded social and spatial inequalities that the plan acknowledges will take a longer period of time to remedy and this will be made more difficult because of the relatively restricted financial resources the city has at its disposal. Much will depend on how the city can generate its own resources and use these in a strategic and targeted manner to simultaneously achieve both productivity-driven growth and inclusive growth.

Moreover, many of the key national policies referred to earlier still remain outside the control of Bristol's local authority, and the degree to which they are integrated into the One City Plan is unclear. Moreover, while the One City Plan is an attempt to develop a place-based approach for the City of Bristol, the relevant functional space is much wider than the city and includes Bath and North East Somerset Council, North Somerset Council and South Gloucestershire Council. The West of England Local Enterprise Partnership working with the West of England Combined Authority (which covers the Councils of Bath and North East Somerset, the City of Bristol and South Gloucestershire) has also produced its own Local Industrial Strategy which also emphasizes innovation, productivity-driven growth and inclusive growth.

There has also been a proposal that Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council would join forces to prepare a draft Joint Spatial Plan which would become a statutory Development Plan Document when approved and thus provide the strategic overarching development framework for the West of England to 2036. However, by early 2020, Bath and North East Somerset Council and North Somerset Council had pulled out of the process of developing the Joint Spatial Plan. This highlights the problems of developing both the appropriate form of territorial governance and coordinating the different plans/strategies that will need to operate in an integrated manner if a genuine place-based approach is to be developed. This is one of the key challenges facing this region in the future. This highlights the limitations placed on what a single local authority area can achieve on its own.

Our other two case study areas faced similar if not even more intense problems when it came to developing appropriate territorial governance structures and the integration of previously unaligned strategies/policies. Indeed, it is questionable if such issues even featured on the policy agenda in these areas.

In the introduction of the original version of the One City Plan, the City Mayor states: *"Bristol has not been as organized as it might have been. When we began work on the One City Plan, we found hundreds of unaligned city strategies pointing toward over 1,500 city measures with decisions being made across tens of disconnected city boards". (BCC, 2019, p.5).*

He then goes on to explain: *"The One City Plan has attempted to bring focus and order to the mass of activity where it already exists and new ideas where it doesn't."* (ibid, p.5).

Small-town Dorset.

© Rob Atkinson.



"We talk about optimistically being the pathway between the Midlands Engine and the Northern Powerhouse. The other analogy is between the sledgehammer and the anvil. There is a real risk that it [North Staffordshire] disappears off the radar in any real priority terms because it just ain't big enough. The strategic impact is just not there ... What little money there is under austerity is getting sucked into the Combined Authority like an agglomerative super vortex".

"...how can we invest in a place like...which, by the government standard benefit-cost ratio measures, will never score highly? Because this government massively favours investment in cities. They see the cities as the engines of growth and so getting a project to stack up on a benefit-cost ratio inevitably, for every million pounds you invest in a city is going to get you more money, more return, than a million pounds invested in a rural area".

The dominant focus of national spatial policy on city-regions risks exacerbating the problems of "places left behind"

This issue is one that affects many areas across England, and also across Europe more generally. It is particularly apparent in the North Staffordshire example, but also in the situation facing the rural area of West Dorset.

The current orthodoxy of regional development policy in England (and elsewhere) is informed by the theory of agglomeration economics. This poses questions about the trajectory of places that lack the critical mass of agglomeration economies in market access, labour supply and knowledge exchange deemed necessary for urban success in the 21st century. North Staffordshire can be described as: a "growth laggard" experiencing below average growth in gross added value; "economically isolated", geographically self-contained with a weak local economy; and, "overshadowed" and experiencing a deficit of consumer services and higher-level economic functions, which are attracted to larger neighbouring urban areas. These descriptions epitomize the idea of a "place that doesn't matter" as articulated by Rodriguez Pose (2018). The North Staffordshire conurbation can, thus, only be understood in context of bigger regional relationships, especially in terms of its proximity to Manchester to the north and Birmingham to the south. Both of these major conurbations have powerful new Combined Authorities with directly elected mayors and delegated powers. One local official in North Staffordshire observed:

In a similar manner, an officer of the Dorset LEP, when explaining the allocation of government funding, which is subject to a competitive bidding process, pointed out the following issue:

In Dorset, the focus of investment overwhelmingly favours the urban agglomeration of Bournemouth-Poole-Christchurch. The above suggests that the ways in which central government funding is allocated will need to be radically rethought in order to benefit rural areas if they are to avoid the risk of further marginalization.

For different reasons, both North Staffordshire and West Dorset were not considered to constitute relevant places as they lacked the appropriate agglomeration economics. In the Bristol case, the situation was exactly the opposite, it is most certainly not a 'place left behind', rather, it is considered a successful city that is able to take advantage of its agglomeration economics.



Stoke industrial decline – A bygone era. © needpix.com / Rob Atkinson.

Crosscutting perspectives

One of the issues that cuts across our case studies are the changes brought about by the reorganization, restructuring and fragmentation of the British state and sub-national government. These changes have major implications for local governments, yet they have little or no control over them. The changes have produced a more fragmented system of service delivery through privatization, contracting out, the creation of quasi-markets and developing delivery partnerships with a range of private, community and voluntary sector organizations. Much of this has taken place under the banner of New Public Management and been pushed forward under governments of different political hues. In addition, the post-2010 austerity regime has led to major reductions in local authority budgets, forcing them to increasingly focus their activities on key statutory services and leaving community/voluntary sector organizations to attempt to ‘pick up the slack’. The impacts of these cuts have been uneven, with the poorest places (those ‘left behind’) often experiencing the most dramatic cuts in funding.

While each of our case study areas is endowed with different forms/stocks of territorial capital, this largely reflects their particular histories. However, this should not be interpreted as meaning that they are inevitably trapped in unbreakable path-dependent trajectories. In the Bristol case, the city has been better able to cope with change because of its embedded territorial assets that have provided the basis for dealing with change. The other two case study areas have experienced greater problems in terms of their historical territorial capital legacies. Other significant issues for the development of both territorial governance and collective efficacy include settlement structure (including degree and form of urbanization), administrative structures and historical relationships between different administrative areas. In all cases, albeit to varying degrees, these issues have impacted, often negatively, on the mobilization of territorial capital to address the areas’ problems and to pursue strategies that address territorial cohesion. In Bristol, recent changes in governance and political leadership have offered the potential to rectify some of these issues, while in the other two areas the picture was less positive.

Finally, in terms of territorial governance, all three case study areas have experienced long-term problems. The case study areas of Bristol and North Staffordshire/Stoke are both functionally and morphologically integrated. However, both are administratively fragmented, and this has posed important issues/challenges in terms of territorial governance, most notably

around cooperation and coordination and the need to reconcile ‘conflicting political and economic interests’ that have implications for strategies/policies designed to address territorial cohesion and inequalities. In Bristol, various formal and informal partnership arrangements have been developed which appear to have been more or less successful. In North Staffordshire/Stoke there is little to suggest much progress has been made on this front. West Dorset on the other hand is on the whole a ‘classic’ English rural area made up of small towns and villages, and experiences problems associated with rurality (e.g. accessibility to services). As in the other two case study areas, this has created problems for territorial governance which are far from being resolved.



Stoke: Graffiti adjacent to Citizens Advice Bureau Hanley.
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APPENDIX

Appendix 1: Methods

The COHSMO project is based on case studies. Within each of the seven participating countries, a region was selected and, within each region, three municipalities were selected for case studies – an urban, a suburban and a rural case. Selecting municipal cases within the same region ensures that the municipalities are embedded in the same context of regional policies and allows for the analysis of multi-level governance policies.

The selection of the regions was based on two conditions: the region had to have 1) a clear metropolitan centre within its territory, and 2) considerable variation of socio-economic conditions within its territory. Each of the urban, suburban and rural case study municipalities within the regions had to be a local jurisdiction (local government unit) responsible for the five key policy areas that the COHSMO project was interested in (childcare, vocational education and training, active labour market policy, area regeneration and economic growth). The criteria for selection of urban, suburban and rural cases were as follows:

- Urban case: a municipality of 400,000 to 1,000,000 inhabitants, which is a core city of the country is the centre of a mono-centric agglomeration.
- Suburban case: a municipality of 25,000 to 70,000 inhabitants that fulfils the following (or most of them): recent experience of population growth related to suburbanization and/or urban sprawl; significant commuting to the core city of the agglomeration; a dominance of non-agricultural functions; internal diversification; and presence of social challenges.
- Rural case: a municipality of 5,000 to 15,000 inhabitants characterized by low population density, a tendency to out-migration, and agriculture playing a central role in employment and the economy. The rural case also had to have a clear 'centre' and 'periphery' to allow for studying the intra-local dimensions of territorial cohesion.

The cases that were selected for the study represented extensive variation in terms of key parameters such as size, regional position, and demographic turbulence (growth and/or de-population). At the same time, the cases represented possible 'prototypes' that demonstrate ways of managing territorial development. They all faced challenges, but at the same time displayed potential and identifiable routes for future development.

The data for the COHSMO project was collected from interviews, a ques-

tionnaire, policy documents and secondary data from Eurostat. A more detailed overview of the COHSMO data is given below:

- Interviews with local actors from each of the three case study localities, supplemented by interviews with regional and national actors. The interviewees represented actors from government (local, regional and national), the community and business. Selection of interviewees was based on covering the five policy areas in focus in the COHSMO project (child-care, vocational education and training, active labour market policy, area regeneration and economic growth) and, for the local actors, achieving variation in the stakeholders' social background, gender, ethnicity and degree of public engagement. Common interview guides and topic lists for interviews were used across countries and cases.
- A questionnaire survey of key governance actors in local government and local service delivery from the policy fields connected to the social investment policy areas of childcare, active labour market and vocational educational training. The survey was not limited to the three case study localities from each country. Rather it provided a broader view on social investment policies and their role in relation to territorial cohesion. A common questionnaire was used for all countries, which was translated into the national language.
- Documents from each of the case study localities to provide a critical overview of current discourses that inform local policy strategies applied to solve the territorial problems of the three case study areas. The focus was in particular on how territorial cohesion was constructed, or not constructed as a relevant object (i.e. silenced), and at which scale. The documents covered policy documents and strategies as well as documents on symbolic, innovative spearhead projects and approaches.
- Secondary data from Eurostat at regional and national level, on labour market, education, economic and demographic conditions of COHSMO countries and regions. The consideration of both specific national and subnational contexts provided background data for the analysis of social investment policy interventions.

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All across Europe, inequality is rising. This is visible in the persistent social and economic divides between countries, between regions, and between cities and rural areas. In response to this inequality, the regional policy of the European Union has striven to strengthen the Union's territorial cohesion. However, the policy response of the EU's individual Member States to regional inequality tends to diverge from the EU's focus on territorial cohesion, and examples of Member State policies and practices that correspond with the EU vision of enhanced cohesion are more rare. In this handbook, we examine some of the Member State policies and initiatives that do seem to work towards a vision similar to the EU vision for a territorially cohesive Union.

The handbook presents the findings and recommendations of the international research project Inequality, urbanization and territorial cohesion: Developing the European social model of economic growth and democratic capacity (COHSMO). COHSMO is based on 21 case studies carried out in seven European countries: Denmark, Austria, the United Kingdom, Greece, Poland, Italy and Lithuania.

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