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Integrative Mechanisms for Addressing
Spatial Justice and Territorial Inequalities in Europe

Policy Brief

Addressing Territorial Inequalities and Promoting Spatial Justice in Europe



Horizon 2020
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for Research & Innovation

This Policy Brief reports key findings and recommendations from the IMAJINE project, funded by the European Union's Horizon 2020 research and innovation programme, under Grant Agreement 726950.

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INTRODUCTION

Policy Context

Territorial inequalities are a key concern across Europe. The European Union addresses them through its Cohesion Policy that aims to 'give to the people of Europe [a] unique blend of economic well-being, social cohesiveness and high overall quality of life' (European Commission, 1994). Since the Lisbon Treaty, *territorial cohesion* has become an explicit objective of the EU. Yet, policy interventions by the EU and member states notwithstanding, differences between territories in Europe persist and, in some instances, become even larger.

The IMAJINE project has been funded under the EU's Horizon 2020 programme to examine the patterns and dynamics of territorial inequalities in Europe and to contribute towards formulating new mechanisms that can enable European, national and regional governance agencies to more effectively address these inequalities and promote cohesion and spatial justice. In particular, IMAJINE has investigated the following specific issues as outlined in the Horizon 2020 call text:

- Explore links and tensions between territorial cohesion, sustainable development, and spatial justice in Europe at times of crisis.
- Empirically survey existing and emerging spatial and territorial inequalities and evaluate them normatively from the perspectives of justice and fairness.
- Explore and appraise the socio-economic and political consequences of the financial strains for territorial cohesion in times of austerity.
- Consider the links between socio-economic disparities, regional inequalities, the urban/rural divide and identities.
- Assess the distribution, size and availability of public services in the fight against spatial inequalities.
- Explore whether, and under which circumstances, claims to (more or partial) regional autonomy or decentralisation are – or are not – justifiable on account of economic, political and social justice
- Explore whether and why a relatively high degree of regional distinctiveness in terms of economic development, social structures, and where appropriate, culture and identity, may require certain degrees of autonomy
- Consider whether and to what extent the quest for regional autonomy could be seen as an alternative for EU social cohesion policies

This Policy Brief summarises our key findings on these issues and sets out a number of recommendations to policy-makers, practitioners and civil society groups at European, national, regional and local scales.

The Evidence Base

IMAJINE has involved a multi-disciplinary research programme, collecting and analysing both quantitative and qualitative data from multiple European countries through a range of methods and techniques. The evidence and analysis drawn on in this Policy Brief include:

- Econometric analysis of regional data on indicators of inequality including GDP per capita, household income, population at risk of poverty or social exclusion (AROPE), unemployment, and education, and evaluation of factors shaping spatial disparities, including EU policies.
- Use of spatial disaggregation techniques to estimate and analyse local-scale data within regions in 15 countries.
- Construction of composite indicators to represent and examine multi-dimensional inequalities between regions in France, Italy and Spain.
- Application of microsimulation techniques to model fiscal transfers between regions through taxation and social benefits and their impacts on territorial inequalities in seven countries.
- An online panel survey of 18,204 respondents in eight countries conducted in October 2020, collating opinions and perceptions in relation to territorial inequalities, cohesion policies, justice, solidarity and migration.
- Interviews with 60 government officials and stakeholders at EU level and at national and regional level in six countries, conducted in 2017, 2018 and 2020, and analysis of policy documents and speeches, in order to understand the framing and implementation of policies to address territorial inequalities.
- Interviews with over 350 migrants, long-term residents and stakeholders in 13 localities in six countries to investigate relationships between domestic and international migration and dynamics and perceptions of territorial inequalities. These include migrants within and between EU states, as well as migrants from outside the EU, including Ukrainian migrant workers in Poland and refugees in Greece. These were conducted in 2019 and 2020.
- Analysis of policy documents, systematic literature reviews, and interviews and workshops with key stakeholders to identify issues in the operation of multi-level governance and cross-sectoral policy-making.
- Interviews with over 50 activists and analysis of campaign and policy documents from 65 organizations to examine the significance of spatial justice and perceived territorial inequalities in claims for increased territorial autonomy in 12 territories in eight countries. Conducted in 2020.
- Collation and analysis of monthly COVID-19 figures for NUTS2 regions across the whole of Europe.
- Development of scenarios for territorial inequalities and spatial justice in Europe in 2048 and testing through workshops with European and regional stakeholders and expert review in 2021.

KEY FINDINGS

Summary

The IMAJINE research has documented the persistence and complexity of territorial inequalities within Europe. Although instruments of EU Cohesion Policy have had an impact in narrowing disparities overall, they have been less effective in reducing inequalities between the richest and poorest regions. Moreover, intra-regional inequalities are frequently more significant than inter-regional inequalities, and different spatial patterns of inequalities emerge if different indicators are employed. **A more integrated, holistic and spatially nuanced approach to measuring, monitoring and targeting territorial inequalities is required in order to advance goals of cohesion.**

Integration does not necessarily mean centralization. As the drivers of territorial inequalities differ between geographical contexts, **effective action requires flexibility for local priorities and decision-making within multi-level and cross-sectoral governance.** Furthermore, the concept of spatial justice highlights the importance of perceived *unfairness* in the distribution of resources and of power in public attitudes towards national and EU policies and in claims for enhanced territorial autonomy. **Increased territorial autonomy can therefore contribute to a greater sense of spatial justice, even if localized decision-making produces new disparities in policy approaches and outcomes.**

Accordingly, there is not one single ideal of 'spatial justice' that can provide a normative model for future cohesion policy in Europe. Rather, individual perceptions of spatial justice place differing weight on economic equality, broader social and environmental wellbeing, inter-regional solidarity and redistribution, and territorial autonomy, producing visions of the future that are not always compatible. **EU institutions, national governments and civil society need to engage with these contrasting priorities and promote public debate on the form of spatial justice that citizens want to shape Europe's future.**

Patterns and Perceptions of Territorial Inequalities

The measurement of territorial inequalities is subjective and use of different indicators leads to different patterns

The focus on GDP per capita as the primary indicator of inequality in EU regional policy places a priority on economic growth that is not consistent with an emphasis on access to services and resources in understandings of territorial cohesion and inequalities articulated by national and regional stakeholders, or with shifts in EU policy discourse towards a greater emphasis on individual opportunities.

Analysis of household income, as opposed to GDP per capita, identifies clusters of persistently lagging regions in Estonia, Latvia, Lithuania and Poland, and continuing high Gini coefficients indicating substantial internal disparities in household incomes in southern EU states including Bulgaria, Croatia, Cyprus, Greece, Italy, Portugal, Romania and Spain.

Analysis of the proportion of the population at risk of poverty or social exclusion (AROPE) shows high levels of poverty or risk of poverty in eastern Europe, southern Italy, southern Spain, and Portugal, and contrastingly, the lowest levels for regions in the Netherlands, Norway, Slovenia and the south-east of the UK.

IMAJINE survey data reveals regional variations in public opinion on the quality of public services and on opportunities for business, employment and housing that do not fully map onto the geography of relative GDP per capita, but which show lower satisfaction in areas of southern Europe and in peripheral regions across Europe. There is nonetheless a high level of awareness of territorial inequalities in all the countries surveyed.

Statistical measurement at the NUTS 2 regional scale for the management of EU Structural Funds similarly disguises local intra-regional disparities, including between urban and rural areas

Inequality within regions is much greater than between regions. This is particularly true when “regions” are defined as large scale territorial entities such as NUTS 2 regions, used to assess eligibility for ERDF support, which frequently exhibit their own core-periphery dynamic around a capital or primary city. Even the smaller NUTS 3 regions – which include *départements* in France, provinces in Spain and (in many cases) counties in England – often have mixed geographies and internal spatial inequalities. Hence, understanding territorial inequalities requires analyses at smaller spatial scales.

Estimates of average household income confirm the existence of strong internal regional heterogeneity and a rural-urban divide within many European regions. Local scale analysis shows the concentration of the highest income levels in cities along a central axis connecting London, Paris, Amsterdam, Hamburg and Vienna, among others, and decreasing income levels at the local scale moving away from this axis, but with poles of higher income around regional capitals. However, estimates for the AROPE indicator at local level display a different territorial pattern for poverty, with high values of potential poverty around the larger European metropolitan areas. This suggests significant social and neighbourhood-level inequalities within major cities.

Local data on unemployment also indicates strong internal heterogeneity within regions, with different labour realities co-existing within the same region (rural vs urban; core vs periphery), leading to differentiated experiences of local wellbeing.

The elaboration of composite indicators for relative local development suggests the presence of notable urban rural differences. For example, in France less economically developed areas tend to be clustered in mountainous and rural areas, whilst in Italy the most critical situations are found in rural areas of the south. The analysis also indicates divergence within NUTS2 regions between cities specialized in education and services and peripheral rural areas.

The main variables explaining local inequalities between territories differ between geographical contexts, with, for example levels of education being the most significant explanatory factor in most of the south of Italy, household income the key factor in central Italy, and level of agricultural employment in north-west Italy.

Within regional inequality was found to be more significant than inter-regional inequalities in explaining total inequality across seven European countries analysed in detail, accounting for 97.5% of total inequality in Poland to 90% of total inequality in Italy. This modelling includes social as well as spatial inequality within regions.

Convergence has been more pronounced between middle-ranking regions than at the extremes of the most and least affluent regions, with emerging pockets of persistently lagging regions. The closing of within-region inequalities has also frequently been slower than reductions in between-region disparities.

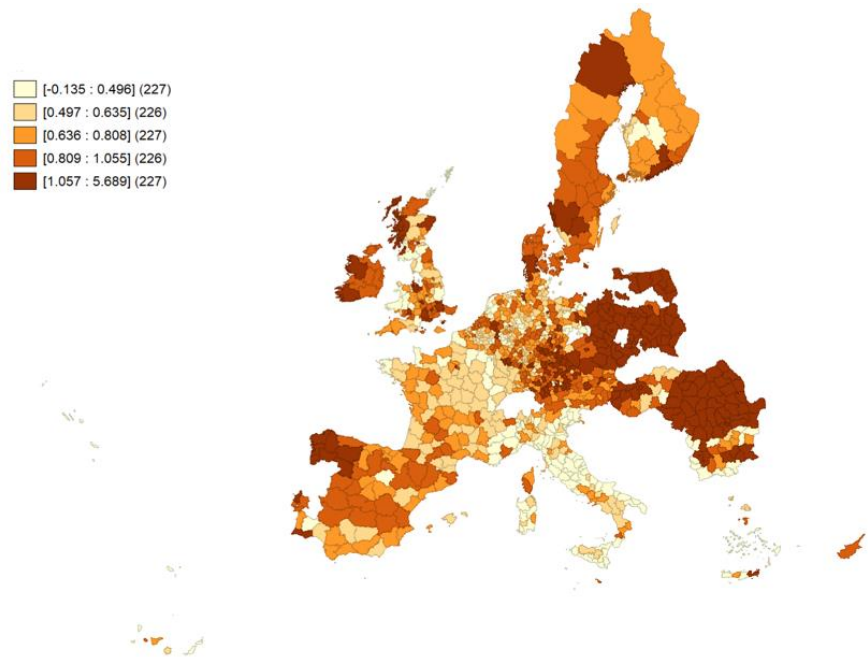
Between 2006 and 2019, changes in inequality across the European territories (as measured through the Theil index) were not due to large alterations in the lower end of the income range, but due to changes in the middle of the distribution.

Inter-regional inequality reduced between 2007 and 2013 in around half of EU member states, but increased in several countries including France, Denmark and Luxembourg.

GDP per capita for NUTS2 regions has strongly converged over the last forty years. In the pre-2004 EU15 states, convergence of GDP per capita was

There has been a discernible trajectory of narrowing disparities between regions in Europe over the last three decades, but with variability after 2008

greatest between 1980 and 1994. Since the 1990s, convergence in GDP per capita has been driven by regions in central and eastern Europe. For the EU27 states overall, disparities in NUTS2 regional GDP per capita reduced from 4.5% to 2.5% between 1995 and 2014.



Quantile map of GDP per worker growth rate from 1991-2014. Source: Own elaboration on ERD-CE dataset

The rate of convergence (*beta-convergence*) between European regions from 2003 to 2015 is less pronounced, however, when a wider range of indicators are considered, including population dynamics and employment. A multi-factor analysis encompassing these factors indicate more modest convergence between European regions, with economic development continuing to be spatially clustered.

After the economic crisis in 2008, there has been lower economic convergence between European regions, and between regions in the Euro zone. Rather, there is convergence between “clubs” of regions (such as Northern or Southern European regions).

The economic crisis and subsequent austerity measures have increased the proportion of the population at risk of poverty or social exclusion (AROPE) in many EU countries and regions. The largest change recorded was in Greece, which shifted from the lowest to the highest quartile for AROPE in 2008 and remained at high levels through to 2013.

Patterns of variation in direction and rates of economic growth do not always coincide with national borders. Cross-country clusters of similarly performing regions are especially evident in northern parts of Europe and within-in country differences are present in many states. Patterns of divergence in economic performance can be found between NUTS 3 regions in Germany and in northern France, around the Paris region.

The COVID-19 pandemic has followed and amplified patterns of territorial inequalities

The evolution of recorded COVID-19 cases at NUTS2 level in region has followed a recurrent pattern with initial concentrations in more affluent regions with high connectivity shifting over time to more persistent higher rates in less affluent regions. This pattern has been repeated for each wave of the pandemic.

The correlation of COVID-19 cases with indicators of social and economic inequality increases with magnification of scale to more localized territories.

There is widespread public expectation that the pandemic will increase territorial inequalities. More than half (52%) of respondents surveyed in seven countries in October 2020 believed that territorial inequalities would increase over the following 12 months, with nine in ten of these respondents blaming the pandemic.

Transnational comparisons of local scale territorial inequalities, even within the EU, are compromised by issues around the availability and compatibility of data

Examination of social indicators at higher level of spatial disaggregation, enables researchers and policymakers to relate the depicted inequalities to wider social context at local level. Better understanding of these linkages contribute to the policy debate on the merits and appropriateness of place-specific versus place-neutral, social policy.

However, a lack of spatially-disaggregated homogenous data remains one of the main difficulties for territorial cohesion analysis. Although some local data is produced by population censuses in EU member states, such data sets are only generated at 10 year intervals, do not record homogenized variables that can facilitate cross-national comparison, and for several countries have restricted access.

Relations between Territories

The geographical position of a region and its relations to other regions matter in understanding patterns and dynamics of territorial inequality

The effect of spatial interconnections and geographical proximity has an important role in determining the dynamics of economic growth at regional level. GDP per worker at regional level tends to be spatially clustered, but with changes in the composition of clusters over time. Clusters of faster-growing regions are found in eastern Germany and Poland throughout the analysed period, benefiting from contemporary and historical connections with other regions in Germany and around the Baltic. In contrast, a cluster of low-growth regions in Italy has expanded over time.

The economic performance of a region tends to be influenced by that of other regions that it is close to, with an economic spillover from fast growing regions. Proximity to strongly performing regions is consequently an important factor in explaining territorial inequalities and unevenness in trajectories of convergence. When considering actions aimed at improving or increasing speed of convergence or economic growth, policy makers should consider adjustment due to spillovers. These actions may have indirect effects on neighbouring regions as well as direct effects in the target region.

An absence of positive spillover and catch-up effects is associated with divergence in economic growth in some areas, for example in Northern France.

The most peripheral regions, notably those along the eastern border of the EU, as well as islands, are especially disadvantaged in relation to the potential for spillover effects from dynamic metropolitan regions and face specific challenges in relation to overcoming inter-regional disparities.

Migration can form an informal and non-state strategy through which individuals negotiate and attempt to alleviate the effects of territorial inequalities

The direction of migration flows across Europe are illustrative of the uneven relations between the less developed and the more developed regions. International migration together with internal migration follows those pathways which lead the majority of movers to better performing regions which have the capacity to offer employment opportunities and social benefits against the poorly performing regions characterised by high unemployment and reduced welfare provisions.

The drivers of inter-regional migration are differentiated by income-group, geography and time. Emigration from central and eastern European countries is largely motivated by economic (material) disparities, while emigration from western European countries is largely motivated by non-economic (non-material) differences. Higher educated individuals are more likely to migrate because of perceived lifestyle differences than lower skilled migrants, who are more inclined to migrate because of perceived economic differences, in order to accumulate resources and improve their lifestyle at home. Motivations for migration and settlement evolve over time, reflecting the importance of considering the various stages of the migration process and the life course of the individuals migrating.

Emigration contributes to depopulation and the loss of more educated and skilled workers in less affluent regions. Depopulation and demographic decline further exacerbate territorial inequalities between sending the receiving regions. The contraction of the skilled workforce is viewed by survey respondents as the main problem associated with emigration, followed by depopulation and the weakening of family ties. It is important to counterbalance emigration at an early stage by increasing the local capacity to stimulate growth and respond to spatial disparities.

Remittances, transfers and the skills and savings brought back by return migrants can function as unofficial processes of redistribution between more and less prosperous regions, if substantial in volume and appropriately incentivized.

Domestic and international migrants can also take advantage of spatial inequalities in property prices and cost of living to advance individual social mobility and relative quality of life. However, migration can accentuate inequalities within and between regions by creating pressures on access to housing or public services or on wage levels.

Although there is a strong relationship between migration and social and spatial inequality, this relationship is not clear-cut. Whether migration increases or decreases social and spatial inequalities between regions and localities, depends on a range of *fluctuating* factors, including the socio-economic context in the place of analysis, the characteristics of the migrant population, the stage of the migration process and the geographical scale of the analysis.

Initiatives by local governments can play a role in mediating the impact of migration on sending and receiving areas and the relationship between migration and socio-spatial inequalities but are frequently constrained by national government policies and a lack of resources. Whether the effects of migration are positive or negative can be influenced by the capacity of local governments to effectively employ the added income, skills and social capital generated by migrants (in both receiving and sending regions) and to ensure a balanced distribution of benefits across social groups.

The compensatory effect of multiple layers of migration is uneven. In many parts of eastern Europe, for example, labour market gaps created by out-migration to western and northern Europe have been filled by migrant workers from outside the EU, however the compensatory impact of these substitutions is more evident at the regional scale rather than at local scales. There may be an intra-regional redistribution that means that substitute

migrant workers do not necessarily settle in the municipalities experiencing greatest depopulation.

Individual identities and perceptions of spatial justice are not necessarily tied to the territorial spaces of administrative regions

European identities and allegiances are formed not just by connections to places such as the nation state, but also relationally; through relations of belonging and identity among and between individuals, experienced as a 'new progressive sense of place' constituted through flows, linkages and interdependencies. Such a sense of place could, for example, be with a region, a cross-border territory, or other functionally-delineated territory.

Such relational senses of place have implications for defining the scales and territories for which it is meaningful to measure inequalities, the spatial targeting and delimitation of regions for funding such as ERDF, the delegation of territorial autonomy, and the articulation of solidarity between citizens.

Framing and Efficacy of Policies and Programmes

The framing of territorial cohesion in EU policy has evolved over time and there are differences in emphasis between different agencies, actors and policy arenas

The concept of territorial cohesion as articulated in EU policy documents has moved from an emphasis on disparities in economic production -in terms of GDP- between the EU regions towards more individually focused definitions such as access to services of general economic interest and spatially even distribution of "opportunities".

Concepts of territorial cohesion, territorial inequalities and spatial justice are also defined and employed differently from contrasting political perspectives.

The promotion of economic growth is still a key objective in policymakers' agendas. For example, the targets of helping less-developed regions and promoting territorial cooperation have inspired EU Cohesion policy. However, the achievement of these goals requires the reduction of regional and local disparities, not only along the economic dimension, but also in terms of opportunities of employment and social inclusion.

Definitions and justifications for territorial cohesion policies based on economic production consolidate a rather narrow understanding of societal wellbeing and development and impose on all regions a one-dimensional economic scale to indicate their level of development. These mechanisms do not necessarily reflect the context of individual regions or the endogenous resources available to them.

EU territorial cohesion policies, including Structural Funds, have had an impact in narrowing inter-regional inequalities, but the effect of specific instruments varies geographically and over time

In EU15 (pre-2004) member states, higher levels of Structural Funds investment are associated with a narrowing of inequalities within regions but have had less effect on regional economic growth. Conversely, in post-2004 member states, Structural Funds allocations have positively influenced regional economic growth but have also exacerbated inequalities within regions.

When Structural Funds are involved in the reduction of disparities within regions, they have negative or non-significant impact on economic growth. European Agricultural Funds for Rural Development have a mitigation effect on urban-rural household income inequalities but have limited impact on overall economic growth.

There are diminishing marginal returns to Structural Funds investment meaning that the effect subsides when a certain threshold level of investment is reached. As this threshold, expressed as percentage of GDP per capita, differs from one region to another, incorporating it as a measure in the distribution of funding would increase the overall effectiveness of programmes, without favouring the richest regions.

Targeted support to regions with GDP per capita of less than 75% of the EU average (referred to in different programming periods as 'Objective 1' funds or 'Convergence Funds') has had a positive average impact on regional GDP growth in pre-2004 EU15 countries. However, in post-2004 member states,

Patterns of territorial inequalities are shaped by a range of policy interventions, including tax and benefit policies and policies for health and education

the impact has been variable, with no significant effect overall. In the 2000-2006 programming period, the policy favoured regions that had a greater capacity for growth, contributing to widened inter-regional disparities. In the 2007-2013 programming period, in contrast, the policy fostered the growth of the most disadvantaged regions and reached its objective to decrease the range of growth rates among regions.

Case study research in Greece has demonstrated that whilst the Structural Funds have had a central role in spatial development and reduction of territorial inequalities, the efficacy of programmes has been obstructed by bureaucracy and inflexibility, insufficient match-funding, and inadequate coordination between sectors and levels of government. Variable capacity to navigate these challenges has contributed to inconsistencies in the efficient delivery and impact of Structural Funds programmes between regions

Fiscal transfers through taxes and welfare payments are important mechanisms for addressing inequalities, however tax and benefits policies that are the most efficient in terms of poverty reduction at the local level are not necessarily equally effective in mitigating regional inequalities

Public pensions play a crucial role in poverty reduction at the regional level in both the poorest and the richest regions of all countries studied apart from the UK, with their impact being more pronounced in the poorest regions.

Means-tested benefits are also found to have a high poverty-reducing impact, especially on the poorest regions of the UK, Spain and Italy.

Income taxes are an efficient instrument in reducing regional inequalities, but property taxes generally contribute to increasing between-regions inequality.

Taxation policies do not appear to be able to change the extent to which inequality is primarily shaped by disparities between regions or across groups within a region, even in countries with strong regional elements in their income tax policies, such as Spain and Italy.

Responsibilities for taxation, social benefits, and policies relation to education, health and infrastructure are divided between different levels of governance (and in different ways in different states), such that the full armoury of mechanisms to tackle territorial inequalities are not being used in a coordinated way.

Observations of local-scale territorial disparities within regions support the adoption of place-based approaches to social and economic development

The diversity of disparity patterns revealed at lower levels of disaggregation creates a more robust basis for differentiated decisions regarding the use of EU structural funding. More grounded knowledge of local differences could enhance a multi-level framework to develop more effective local actions coordinated at EU, national or regional levels.

Better understanding of relations between regions and their economic effects can contribute to policy debates on the merits of place-specific versus place-neutral social and economic policies. Place-based policies have capacity to adapt to local contexts such as the impact of spillovers from neighbouring regions by making adjustments within place-neutral strategies aimed at facilitating inter-regional redistribution and convergence.

A place-based approach and tools of Integrated Territorial Investments can facilitate spatial development by overcoming the lack of trust between different tiers of government and promoting multi-level governance. However, they present some problems including ambiguities in the content, objectives and evaluation requirements of initiatives, and the limited capacity of local actors to engage with complex programs, in terms of know-how, experience, staffing and financial resources.

Regional Capacities and Multi-Level Governance

Majority public opinion favours some form of multi-level governance with a degree of decentralisation, though preferences vary between nations and regions

Majorities across the seven countries surveyed would support some form of decentralisation, with a few or several competencies transferred from the central state to the regions. Culture and infrastructure are the two policy domains where regions are deemed to be more competent. On the other hand, foreign policy is the issue where citizens would be more reluctant to shift powers away from the state.

Territorial autonomy does not lead to a “race to the bottom”. Regions or local governments’ leeway to design their own policies does not usually encourage them to lower social or environmental standards to outcompete other regions on economic growth. Rather, regions may compete over the quality of their welfare benefits or other policies to promote wellbeing, incentivizing a “race to the top”.

Survey respondents across seven countries, on average, considered that local and regional governments managed the COVID-19 pandemic better than national governments or the EU, although with notable differences within countries. However, there is only moderate support for a regionalisation of health policy, suggesting a preference for equality of access to healthcare at the national level through a centralised health service.

Within Europe there are currently a wide range of models of multi-level governance, some of which are complex and ill-defined, which can contribute to ineffective policy delivery and increased perceptions of spatial injustice and inequality. Effective multi-level governance requires the clear allocation of responsibilities, cross-regional and cross-sectoral coordination and cooperation, attention to equity of outcomes, and systematic policy learning between jurisdictions.

Effective multi-level governance systems are not necessarily hierarchical but may facilitate cooperation and engagement across multiple layers of government. For instance, interviews demonstrate that regional policymakers can have better communication and a greater shared vocabulary with European Commission policymakers than national policymakers. National policymakers can demonstrate limited understanding of the concept of territorial cohesion.

The capacity of regions and localities to engage effectively in strategies to address territorial inequalities varies and can be constrained by the design of multi-level governance structures

The partnership principle that is currently applied for using EU cohesion funds allows for some inclusion of regional governments and stakeholders. However, regions are frequently excluded from the formulation of policy objectives and from defining the parameters against which these objectives are assessed. Policies aiming at spatial justice need to put more emphasis on regions’ capacity to actively define and pursue policy goals based on ideas of justice and to define well-being, development and the “good life” in ways that reflect regional priorities and that can diverge from the emphasis on economic growth.

The effectiveness of regional and local engagement in actions to address territorial inequalities could be strengthened by streamlining bureaucracy and increasing flexibility for programmes to reflect local and regional contexts; actions to enhance the capacity of local actors to effectively engage in projects and programmes; and the integration of EU Structural Funds with national funding for economic development, infrastructure and public services, including cyclical public investment.

The use of Community Led Local Development (CLLDs) within certain EU programmes (e.g. LEADER, FLAG, URBAN) has provided a model for place-based interventions to tackle spatial inequalities through locally-initiated projects and community participation. However, studies have questioned the impact of CLLD in stimulating economic growth and reducing inter-regional

Perceived disparities in the quality of political institutions may present an obstacle to extended decentralization

disparities and have highlighted tensions between local innovation and regional or national scale coordination.

Citizens consider the high quality of political institutions to be a key factor to explain the advantages of more developed regions. Corruption is instead considered as a major obstacle to geographically even development in Italy and Romania, and to a lesser extent also in Spain and Poland. Consequently, solidarity among populations in different regions depends on perceptions of “deservingness”: with some reluctance to support regions that are perceived to be inefficient or prone to corruption.

Survey results reveal the importance of conditionality measures in the EU regional policy. People are more reluctant to give financial help to regions with past records of corruption or inefficiency of their administration.

The effective delivery of policies addressing social and territorial inequalities depends on a well-designed system of multi-level governance

It is difficult to find coherence sectors *within* individual regional or sectoral policy strategies (including intersectoral efforts to foster equity in relation to health, education, and gender). This limitation makes it difficult to imagine policy and policymaking coherence if each strategy were to speak to the other (a rare event). Efforts to enhance integrated policy-making and effective multi-level governance therefore need to focus on improving multi-level coordination and alignment of priorities and mechanisms across sectors.

Policy learning between government institutions and agencies at different scales and in different territories in order to inform potential policy transfer is not a routine feature of multi-level governance in Europe at present. Further, the division of many policymaking responsibilities across a complex and multi-level EU policymaking system makes it difficult to know *who* exactly could learn *what* from *whom*.

Analysis of current strategies for health and education equity reveals that equal access to services can represent a misleading and damaging proxy for equity. Greater attention to outcomes is required in order to ensure that policy emphasis on equal access to services across territories actually fosters social equity and spatial justice for those most in need.

Adopting a Spatial Justice Lens

Adopting a spatial justice perspective introduces a qualitative dimension to analysis of territorial inequalities

A spatial justice perspective encompasses perceived inequalities as well as measured disparities and extending consideration to questions of political fairness and access to power, as well as socio-economic justice. Public perceptions of inequalities between regions and of relative economic development or quality of services are not always consistent with quantitative indicators. For example, scoring of the quality of public services by survey participants does not map on to European-scale patterns of inequality in GDP or income, but more commonly reflects perceived internal regional inequalities within countries including France, Germany, Italy, Poland, Romania and Spain.

Public perceptions of the fairness of EU expenditure on tackling territorial inequalities through the Structural Funds do not necessarily correlate with the amount of funding received by a region. Fewer than half of survey respondents in Romania and Spain believed that their region had received at least the same benefit from EU Structural Funds as other regions, despite large areas of these countries qualifying for the highest level of ERDF support. The survey found that 46% of residents in *less* developed regions in Italy, and 41% of residents in *less* developed regions in Romania considered that their region had not received a fair share of EU funding.

Popular explanations for inequalities between territories refer to regional industrial structure and to other economic factors perceived to be beyond a region’s control, but also to the quality of political institutions and in some

cases to perceptions of corruption. The distribution of power is therefore considered to be a factor in spatial justice.

Perceptions of spatial injustice in both more and less developed regions have contributed to support for populist, Eurosceptic or territorial autonomy movements, challenging ideas of European territorial coherence and the European Social Model and capacities for redistribution within nation states.

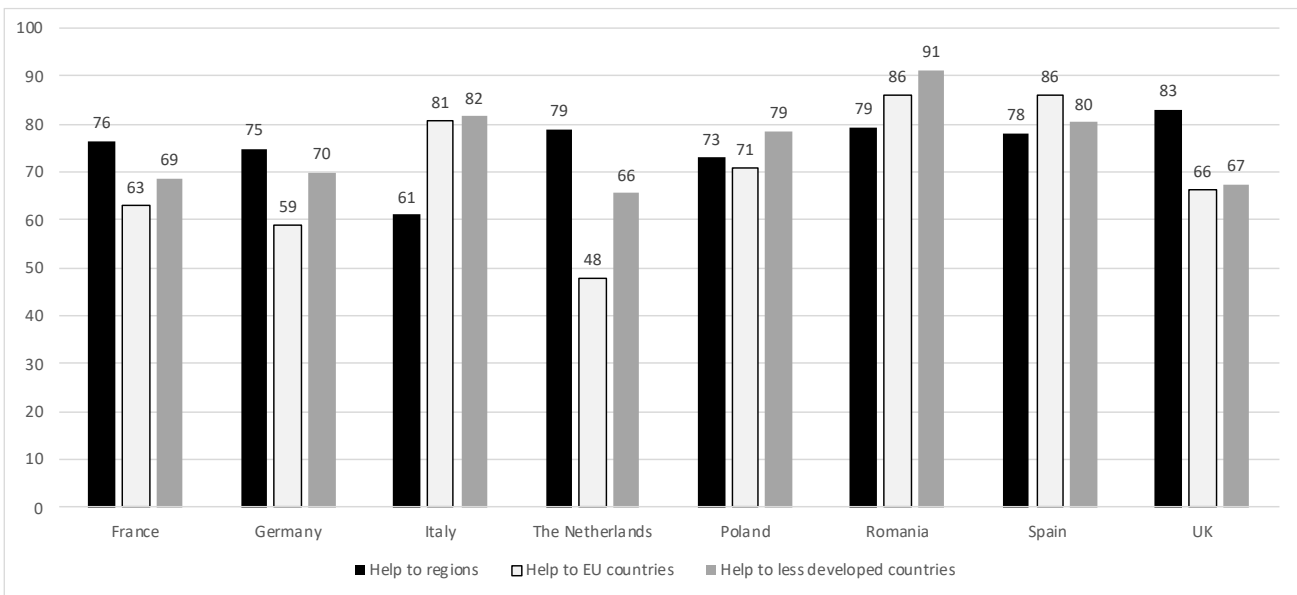
Demands for territorial autonomy often reflect perceptions of political inequality. Regionalist parties and social movements, for example, justify most of their demands for enhanced autonomy on political grounds. They argue, for instance, that autonomy can enhance the quality of democratic decision-making. Even more radical claims for a territory’s independence, as in Scotland or Catalonia, are primarily based on political arguments. Socioeconomic considerations are secondary to political arguments. Questions of culture and identity play a subordinate role in most demands for autonomy or independence.

There is broad public support for the principle of solidarity between regions, but with significant national and regional variations that are informed by self-interest

Preferences for the scale at which solidarity is exercised vary and are influenced by perceptions of the deservingness of recipient regions, political competence and corruption. Survey respondents in France, Germany, the Netherlands and the UK prioritised redistribution between regions within the nation-state, however in Romania, Spain and especially Italy there was greater support for redistribution to poorer regions elsewhere in the EU or globally.

Support for solidarity among European regions is particularly high in countries that have substantially benefitted from EU Cohesion Policy themselves: 71 percent of survey respondents in Poland, 81 percent in Italy and 86 percent in Romania and Spain agree to support poorer EU countries. Among the IMAJINE case countries, the Netherlands were the only country where fewer than half (48 percent) supported European solidarity.

Majorities across the seven countries surveyed think that European countries should pool together resources to fix the economic consequences of the COVID-19 pandemic. This share, however, is higher in countries like Italy and Spain that, at the time that the survey was conducted in October 2020, had been hit hardest by the crisis (signalling solidarity driven by self-interest).



Preference for targeting cross-territorial support (to regions within own state; to lagging countries within EU; to less developed countries globally) by respondents to IMAJINE survey

Perceptions of spatial justice referencing political and socio-economic inequalities have become increasingly significant in the framing of claims by territorial autonomy movements

The strategies and aims of autonomy movements differ, and have varied over time, but are united by the common assertion that their self-defined territory is the optimum unit of decision-making to achieve spatial justice. Regionalist parties' and movements' most frequent territorial demands are for independence from existing states, rather than for regional autonomy. These demands have become more frequent since 2010, but comparison with the survey results indicates that they are not necessarily aligned with public opinion. Regionalists' demands for territorial autonomy within existing boundaries remain important in states including the UK, Spain, Germany and Italy.

There is wide-spread popular support for decentralization and the empowerment of sub-state regions. Only a minority of citizens in each of the seven countries surveyed would support political centralization at the state level. The highest support for centralization can be found in Spain where it is supported by 26 percent of the population. In places where regional autonomy is politicized (where regionalist parties are present), popular support for decentralization is higher than in the rest of the respective country.

Popular support for referendums on a region's independence is substantially lower than support for decentralization within existing states. The option of holding such a referendum is only supported by majorities in regions with significant regionalist mobilization such as in Northern Italy, Sardinia, Scotland, Catalonia or (narrowly) Wales. Of the seven countries surveyed, only in Poland and the UK would the overall majority in the country as a whole support referendums on independence in constituent nations or regions.

Citizens generally perceive the benefits of territorial autonomy to be cultural and political rather than economic. Greater autonomy for wealthier regions may hinder capacities for wider inter-regional redistribution and equalisation. Perceptions that decentralisation makes institutions close to citizens and allows them to better respond to the citizens' needs are widely held. However, majorities across the seven countries surveyed are afraid of the risk of increasing inequalities because of the different provision of resources and treatments across regions. People are also concerned about the increase of public spending and bureaucracy, especially in Germany, the Netherlands, or Spain.

Economic and social context provides only limited explanation for the strategies used by regionalist activists to frame their demands. Whilst the cultural and socio-economic characteristics of regions provide the broad context in which regionalist actors mobilise, they are not necessarily translated into arguments in favour of territorial re-structuring. Whether or not this happens depends on the agency of regionalist actors in mobilising structural territorial inequalities into political debate. Regionalist actors perceive the cultural and socio-economic differences between centres and peripheries in a range of ways, redefining and reframing them differently in different places, and select which aspects to draw on in arguments for territorial empowerment.

Increased territorial autonomy can accordingly offer an alternative approach for addressing issues around the fair distribution of power in claims of spatial (in)justice, but evidence that it can reduce socio-economic inequalities between territories is less clear.

Future Trajectories for Territorial Inequalities and Spatial Justice

There are multiple potential future trajectories for territorial inequalities in Europe that are contingent not only on EU cohesion policy decisions, but also on other policy areas and on wider societal, economic and geopolitical developments

External factors that could impact on future dynamics of territorial inequalities and perceptions of spatial justice within Europe include technological innovations (including the expansion of AI), continued demographic ageing of the population, pressures of migration from outside the EU (including climate refugees), the shifting geopolitical balance of power (including potential weakening of European influence), and the consequences of climate change.

The COVID-19 pandemic accentuated tensions around perceptions of spatial justice and injustice between territories in Europe, with an inclination towards inter-regional solidarity identified by the IMAJINE survey countered by friction between central governments and regional and local authorities over decision-making on the introduction and lifting of lockdowns, perceived inequalities in the distribution of medical resources, and vaccine nationalism. The tensions could have a lasting influence on post-pandemic attitudes towards spatial justice.

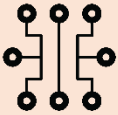
There is also some evidence that the pandemic shifted individual values and perceptions, with an increased emphasis on non-economic wellbeing accompanied by re-evaluation of the attractiveness of different territorial settings. Combined with growing concerns around climate change, these shifting priorities could lead to demands for more emphasis to be placed on social and environmental wellbeing over economic growth in EU policy, as evident in calls for a 'green recovery' and reflected in the Just Transition Fund.

The continuation of the European Social Model and current territorial cohesion principles is only one possibility, with alternatives including greater national and regional autonomy and policy divergence, an increased emphasis on broader social and environmental wellbeing beyond economic growth, or fragmentation under pressure from cultural and political polarization. These possible trajectories are elaborated in four scenarios for Europe in 2048 developed by IMAJINE, as outlined on the next page, plotted along axes of economic growth / social and environmental wellbeing and solidary / territorial autonomy.

IMAJINE SCENARIOS FOR TERRITORIAL INEQUALITIES AND SPATIAL JUSTICE IN EUROPE IN 2048



SILVER CITADEL: EU policies have worked to redistribute wealth more equally between regions, reducing territorial inequalities measured by indicators of income and poverty, paid for by continuing economic growth. To achieve this there has been greater centralisation of power in the EU, including the introduction of common tax and welfare systems. Spatial justice means the equitable distribution of wealth between regions. *Emphasis on economic growth and solidarity.*



SILICON SCAFFOLD: European solidarity has fragmented as nations and regions have sought more autonomy to make their own decisions. Policies for territorial cohesion and the redistribution of wealth have broken down in a newly competitive environment. Territorial inequalities have increased as rich regions have got richer, and poor regions have become increasingly dependent on corporations. Spatial justice means regions being able to hold on to the wealth that they have generated. *Emphasis on economic growth and territorial autonomy.*



GREEN GUARDIAN: In response to the challenge of climate change and threats of new pandemics, priorities have shifted from economic growth to wider social and environmental wellbeing. Territorial inequalities still exist, but their pattern has changed as people seek out safer environments, preferring rural areas over cities. Spatial justice means regions helping each other to adapt to change, building on the principles embodied in the Just Transition Fund in Cohesion Policy 2021-27. *Emphasis on solidarity and wider social and environmental wellbeing.*



PATCHWORK RAINBOW: Culture wars have broken the idea of European cohesion and economic growth and equality has been sacrificed for cultural and political autonomy. With a patchwork of independent nations, city states and autonomous regions, territorial inequalities are experienced not only through economic prosperity and standard of living, but also cultural conventions and freedoms. Spatial justice means regions being able to define their own values. *Emphasis on territorial autonomy and wider social and environmental wellbeing.*

RECOMMENDATIONS

From the findings summarized above, we propose a number of recommendations for the European Commission, national governments, and other bodies to take to develop and strengthen integrated mechanisms for addressing territorial inequalities and promoting spatial justice

Integrating and Targeting Actions for Territorial Cohesion

Recommendation 1: The European Commission should develop a composite indicator of territorial inequalities as the basis for the allocation of European Regional Development Funds in future programming periods, building on the broadening of criteria in the 2021-27 programming period. The composite indicator should include measures of economic activity, household income, risk of poverty, human capital and wider social and environmental wellbeing.

Recommendation 2: The allocation of ERDF, and where appropriate other Structural Funds, should take into account spatial inequalities within regions as well as between regions. Consideration should be given to ring-fencing targeted funding for designated areas of disadvantage within NUTS2 regions.

Recommendation 3: The calculation of funding from Structural Funds programmes should include adjustment to reflect thresholds for the minimum level of investment required to effectively deliver impacts in reducing inequalities.

Recommendation 4: The distribution of Structural Funds should be transparent and conditional on high standards of accountability and probity in managing regional and local authorities, in order to maintain public confidence in the fairness of allocations and the responsible use of public funds.

Recognizing Relations Between Regions

Recommendation 5: Instruments for European Territorial Cooperation should be extended to specifically include projects to establishing bridging mechanisms that aim to maximize benefits from inter-regional spillovers and expand their geographical impact.

Recommendation 6: Spillover effects of Structural Funds investments in neighbouring regions should be measured and reported in evaluation of programmes.

Recommendation 7: The European Commission and member states should build on reference to migration in the 2021-2027 Cohesion Policy, to develop policies and programmes that recognize the contribution of migration to addressing territorial inequalities, including as an informal mechanism for redistribution and knowledge exchange. These may include initiatives supported through Structural Funds but may also include coordinated actions in other policy areas and in national programmes. Actions might include incentives for non-EU migrants to settle outside major centres, especially in depopulating areas, and support for initiatives to enhance integration and adapt local public services.

Recommendation 8: Targeted support should be directed to localities experiencing either exceptionally high levels of in-migration or severe and sustained depopulation, to mitigate impacts on relative standards of living and equitable access to services.

Strengthening Regional Capacities and Addressing Perceived Spatial Injustice

Recommendation 9: The enhanced role of local, urban and territorial authorities in the management of funds in the 2021-27 Cohesion Policy should be further developed with regional administrations playing a greater role in distribution and managing Structural Funds allocations, especially in larger Member States, to provide greater transparency and accountability to recipient populations.

Recommendation 10: Integrated Regional Plans should be developed for NUTS2 regions to coordinate actions across EU Structural Funds and other EU, national and regional policies and programmes to address locally-identified priorities for reducing territorial inequalities and enhancing spatial justice. These may, for instance, coordinate economic development interventions with health or education policies and with taxation and welfare policies, requiring partnership working across multiple levels of governance. Integrated Regional Plans could be piloted during the next programming period of the Structural Funds in disadvantaged regions that have demonstrated least convergence towards the EU mean.

Recommendation 11: Integrated Regional Plans should be led by regional authorities and involve substantial public engagement and dialogue to collectively define priorities, recognizing that actions and interventions need to be tailored to geographical context and accountable to local populations. Methodologies employed in the development of the EU Long Term Vision for Rural Areas may provide a model for the formulation of Integrated Regional Plans.

Recommendation 12: Community Led Local Development (CLLD) should be expanded as a methodology for place-based development within the Structural Funds, with specific potential to address local-scale territories within NUTS2 regions as part of broader regional programmes. The emphasis in CLLD should be on community leadership and bottom-up solutions over standardized approaches or outcomes across territories.

Facilitating Policy Learning in Multi-Level Governance

Recommendation 13: The European Commission and other key institutions including the Committee of the Regions, the OECD, and national governments, should develop and support mechanisms to facilitate policy learning – horizontally between regions and localities in Europe, and vertically between different tiers of governance. Opportunities presented by the

expansion of digital and online communications, meetings and ways of meeting should be exploited for policy learning, e.g. 'virtual visits', sharing of materials in online repositories, remote shadowing of meetings and events, and online mentoring.

Recommendation 14: To inform policy learning between territories, the European Commission should establish a public, comparative database of the designation of policy competences and responsibilities at different levels of governance within jurisdictions in member states of the EU.

Planning for the Future

Recommendation 15: Futures-thinking approaches should be mainstreamed in policy development by the European Commission and other institutions with responsibility for addressing territorial inequalities. Justice is narratively and socially defined and requires normative and qualitative rather than probabilistic approaches to identify and enact it. As concepts, justice and inequality are open to changing future understandings and interpretations. Futures thinking, notably scenario planning, provides a methodology for policy development that can challenge assumptions and stretch perceptions about the way the future is currently being framed, and can generate insights into how spatial justice might emerge in that future

Recommendation 16: The European Commission, the European Parliament, the Committee of the Regions, the European Economic and Social Committee and civil society organizations should encourage and facilitate public discussion on priorities for future spatial justice and the evolution of the European Social Model, including what is considered to be 'fair' in the balance between economic growth and wider social and environment wellbeing, and between centralized approaches to solidarity, redistribution and equalizing standards of living and the autonomy of territories to make their own decisions

Improving the Evidence Base to Support Effective Cohesion Policy

Recommendation 17: Eurostat and national statistical agencies should develop a coordinated programme to collect or estimate local-scale data for indicators of territorial inequalities (e.g. household income, AROPE, employment, population change) at regular intervals between decadal censuses, in order to inform effective and targeted policy interventions.

Recommendation 18: The European Commission and member states should agree a common standard for small area statistics across the EU, including metrics, territorial units, intervals, and access to data, to facilitate comparative analysis and the development and deployment of Europe-wide composite indicators.

Recommendation 19: The European Commission should sponsor a regular regional-level survey of public perceptions of territorial inequalities and spatial justice and of attitudes towards solidarity and redistribution policies and the implementation of Structural Funds.

Recommendation 20: Eurostat should coordinate the collection of information on inter-regional flows and relations within the EU, including migration flows, economic change, linked labour markets, environmental cycles, etc., in order to enhance the evidence base on inter-regional dependencies and analysis of cross-regional impacts of policy interventions.

Recommendation 21: Through Horizon Europe, or subsequent research and innovation framework programmes, further research should be commissioned on (1) developing composite indicators for territorial inequalities; (2) analysis of small area territorial inequalities; (3) the contribution of migration to spatial justice and mitigating territorial inequalities; (4) effective mechanisms for horizontal and vertical policy learning; (5) the potential impact of climate change on territorial inequalities in Europe; and (5) the potential impact of new technologies, including AI, on territorial inequalities and spatial justice.

We advise that the above recommendations should also be considered by authorities responsible for policies and programmes for territorial cohesion in states outside the European Union, including the ‘Levelling Up’ agenda in the United Kingdom.

PROJECT INFORMATION

Project title	Integrative Mechanism to Address Spatial Justice and Territorial Inequalities in Europe (IMAJINE)
Funding	Funded by the European Union’s Horizon 2020 research and innovation programme, Call REV-INEQUAL-07-2016, Grant Agreement 726950
Project duration	January 2017 – June 2022
Coordinator	Aberystwyth University (UK) Professor Michael Woods, Centre for Welsh Politics and Society / WISERD.
Consortium	<p>Academia de Studii Economice din Bucuresti (Romania)</p> <p>Athens University of Economics and Business – Research Centre (Greece) Department of International and European Economic Studies</p> <p>Harokopio University (Greece) Department of Geography</p> <p>Helsingin yliopisto / University of Helsinki (Finland) Department of Geosciences and Geography</p> <p>INRAE / Agro-Sup Dijon (France) Centre de Économie et de Sociologie appliquées à l’Agriculture et aux Espaces Rurax (CESAER)</p> <p>National University of Ireland, Galway (Ireland) Discipline of Geography</p> <p>Polska Akademia Nauk / Polish Academy of Sciences (Poland) Institute of Geography and Spatial Organization</p> <p>Rijksuniversiteit Groningen / University of Groningen (Netherlands) Faculty of Spatial Sciences – Department of Cultural Geography</p> <p>Technische Universität Dresden (Germany) Institute of Geography</p> <p>Università degli studi di Siena (Italy) Department of Social, Political and Cognitive Sciences</p> <p>Università degli studi “Gabriele d’Annunzio” di Chieti-Pescara (Italy) Department of Economics</p> <p>Universidad de Oviedo (Spain) Department of Applied Economics</p> <p>Universität Basel (Switzerland) Department of Social Sciences</p> <p>University of Stirling (Scotland) Centre on Constitutional Change</p>
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