

Continuity and change in territorial development and policy

‘A New Contract for Urban and Regional Planning?’, Vadstena Symposium,
May 2019

Andy Pike

Henry Daysh Professor of Regional Development Studies
andy.pike@ncl.ac.uk



Outline

- Shifting contexts and new questions
- What kind of territorial development and for whom?
- Towards integrated and tailored territorial development and policy
- Challenges ahead...

Shifting contexts and new questions



De-globalisation?



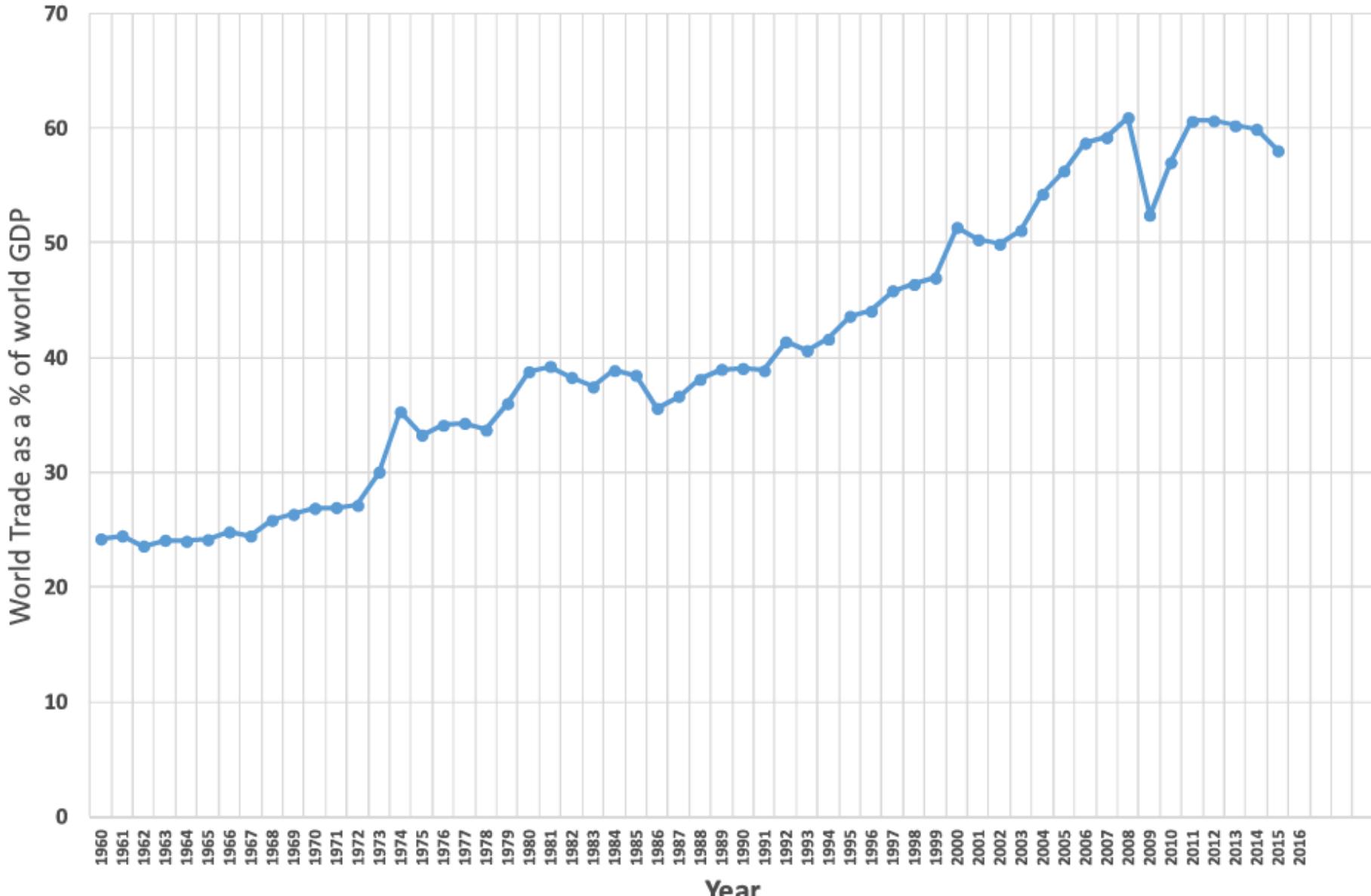
Economic nationalism, populism and economic (dis)integration...



EU COUNTRY EXIT #NAMES



De-globalisation?



Source: Livesey, F. (2018) "Unpacking the possibilities of deglobalisation", Cambridge Journal for Regions, Economy and Society, 11, 177-187

'Re-shoring'...

- Emergence of new production technologies
 - Increasing automation
 - Stronger environmental regulation
 - Consumer demands for reduced environmental impact and delivery times
- = re-localisation of global value chains...opening up new territorial development and policy opportunities

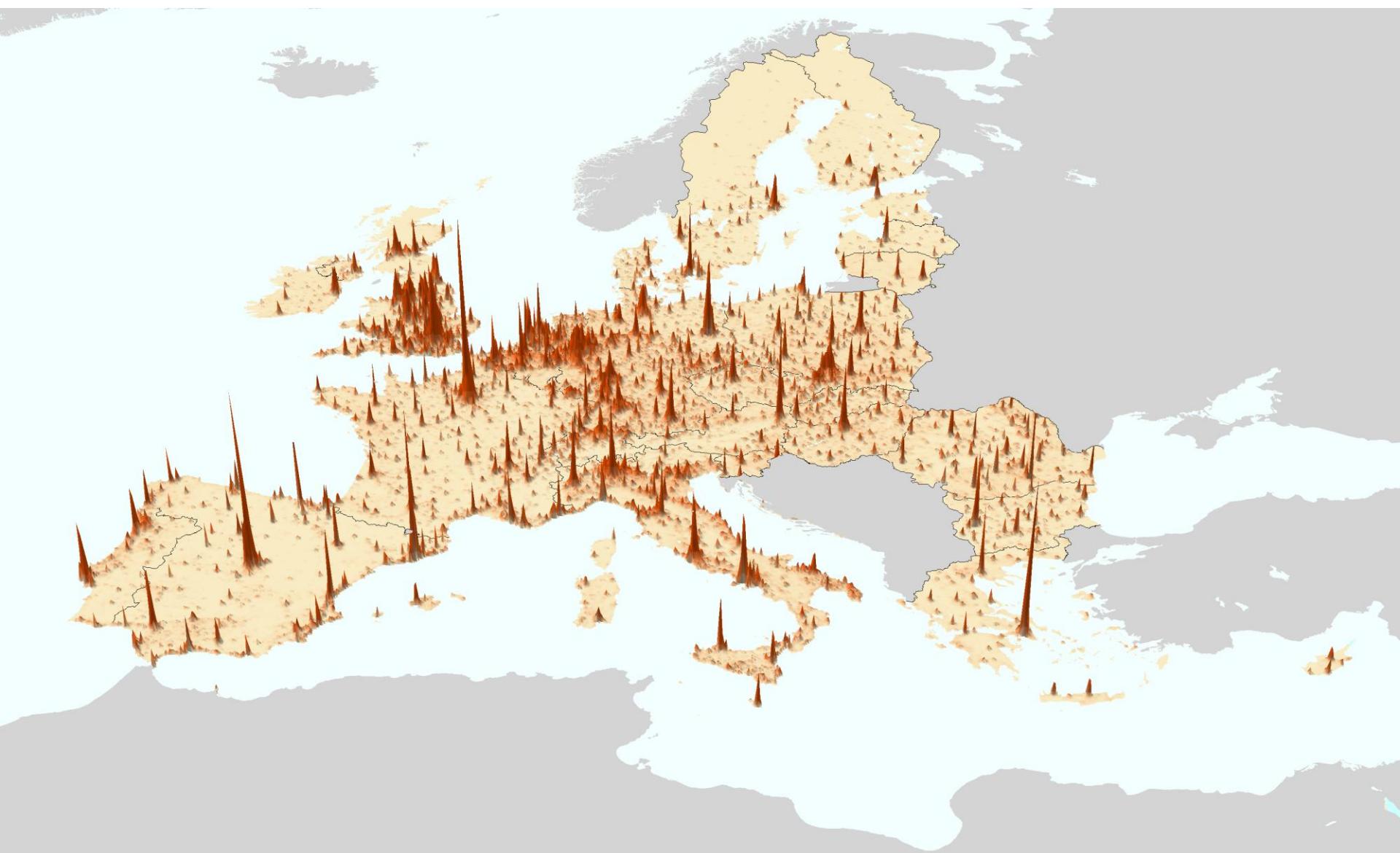
Beyond city-centrism?



Population density in the EU, 2015

Centre for
Urban & Regional
Development Studies

CURDS

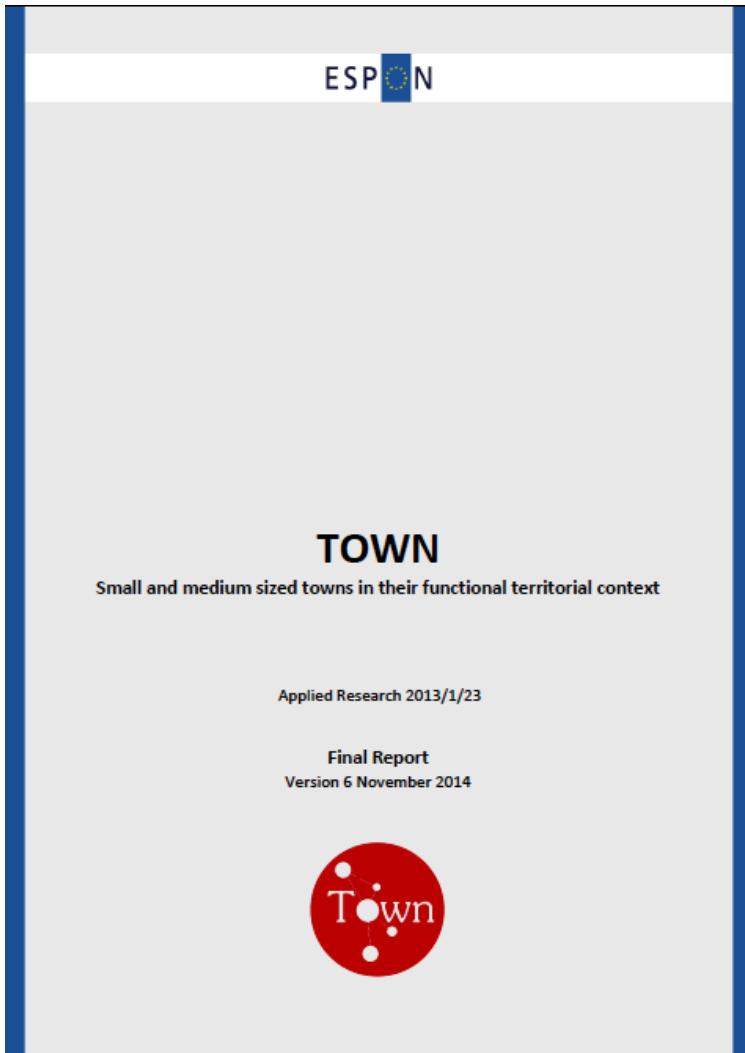


- Economic logics: urban scale, density and economic integration between cities and hinterlands; reducing geographical and social frictions and enabling rational sorting of people and capital over time and space
- Policies: planning liberalisation; education and skills upgrading; facilitating labour mobility; improving transport to central cities; devolved powers and resources to city-regional ‘functional economic areas’

But...

- Scale and density not everywhere the key determinants of city growth
- Smaller and medium-sized cities have outperformed larger cities in some cases
- Importance of territorial inter-relations and co-operation reaching beyond the largest city cores to wider city-regions, smaller cities, towns, rural and coastal areas...
- Decentralisation necessary but not sufficient

ESPON Town project



“towns can make an important contribution to supporting EU strategic policies...TOWN has sought to remedy the ‘invisibility’ of the territorial role of [towns]...and the need for future thinking and policy development specifically tailored to towns across Europe”

New geographies of transformative and disruptive technologies?



Innovation and new technologies

RESEARCH REPORT



Digital age

Automation, digitalisation and platforms:
Implications for work and employment



“As digital technologies and the associated organisational changes – automation, digitalisation and platforms – extend to more and more sectors of the economy...it is particularly important to improve our understanding of how the digital revolution changes the nature of economic activity, work and employment”.

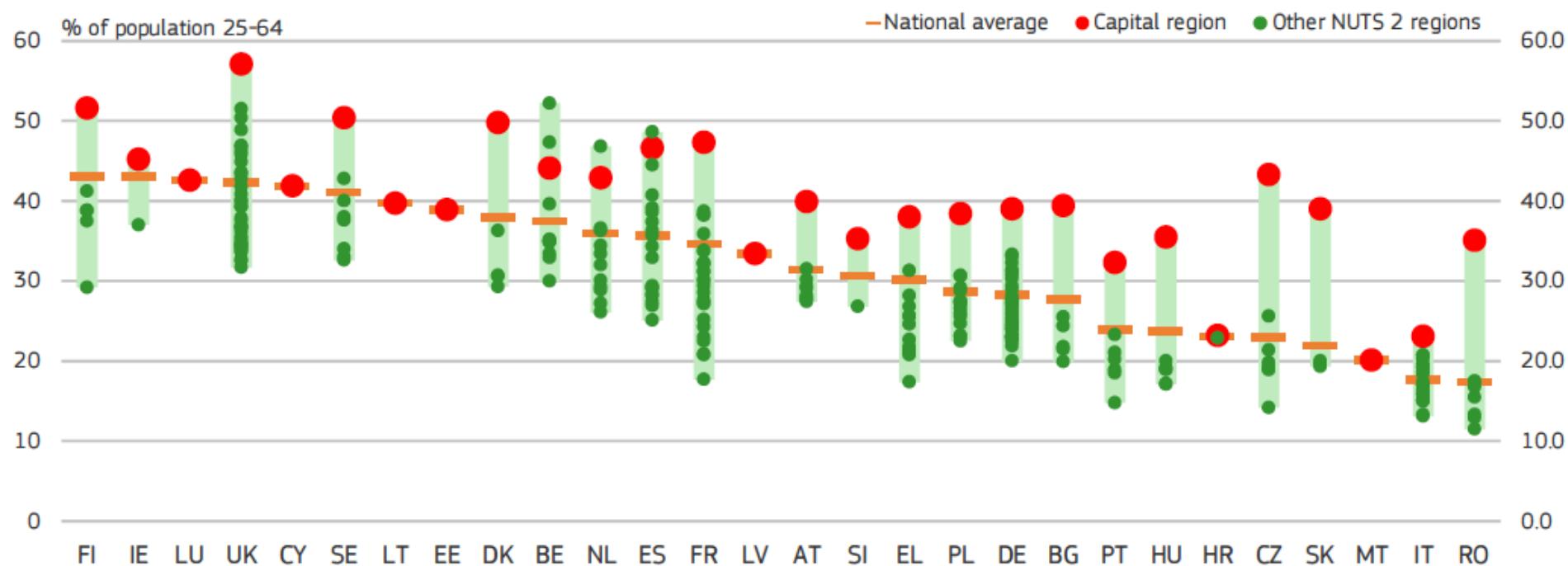
- 1** Cloud and Distributed Computing
- 2** Statistical Analysis and Data Mining
- 3** Marketing Campaign Management
- 4** SEO/SEM Marketing
- 5** Middleware and Integration Software
- 6** Mobile Development
- 7** Network and Information Security
- 8** Storage Systems and Management
- 9** Web Architecture and Development Frameworks
- 10** User Interface Design
- 11** Data Engineering and Data Warehousing
- 12** Algorithm Design
- 13** Perl/Python/Ruby
- 14** Shell Scripting Languages
- 15** Mac, Linux and Unix Systems
- 16** Channel Marketing
- 17** Virtualisation
- 18** Business Intelligence
- 19** Java Development
- 20** Electronic and Electrical Engineering
- 21** Database Management and Software
- 22** Software Modeling and Process Design
- 23** Software QA and User Testing
- 24** Economics
- 25** Corporate Law and Governance

'Hottest Skills', LinkedIn Global, 2015

Source: European Political Strategy
Centre (2016) The Future of Work: Skills
and Resilience for a World of Change,
13, 10 June, CEC: Brussels

Population aged 25-64 with tertiary education, 2016

Figure 1.19 Population aged 25-64 with tertiary education, 2016

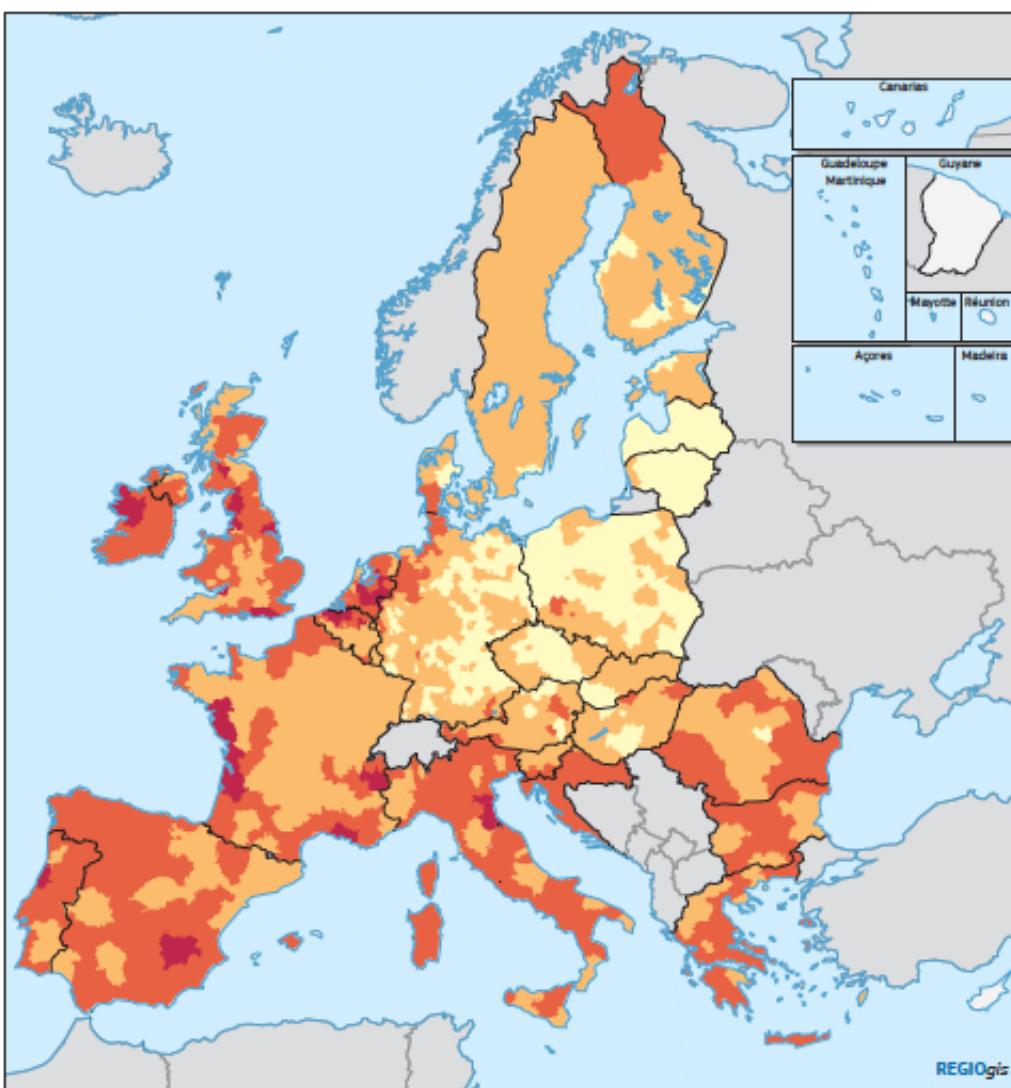


London corresponds to the NUTS 1 region

Source: Eurostat, DG REGIO calculations

Sustainability lost?





Map 3.4 Projected increase in multi-hazard climate-related exposure, 2050

Number of hazards with moderate increase

- 1
- 2
- 3
- 4
- No data

Source: JRC, Forzieri et al., 2016

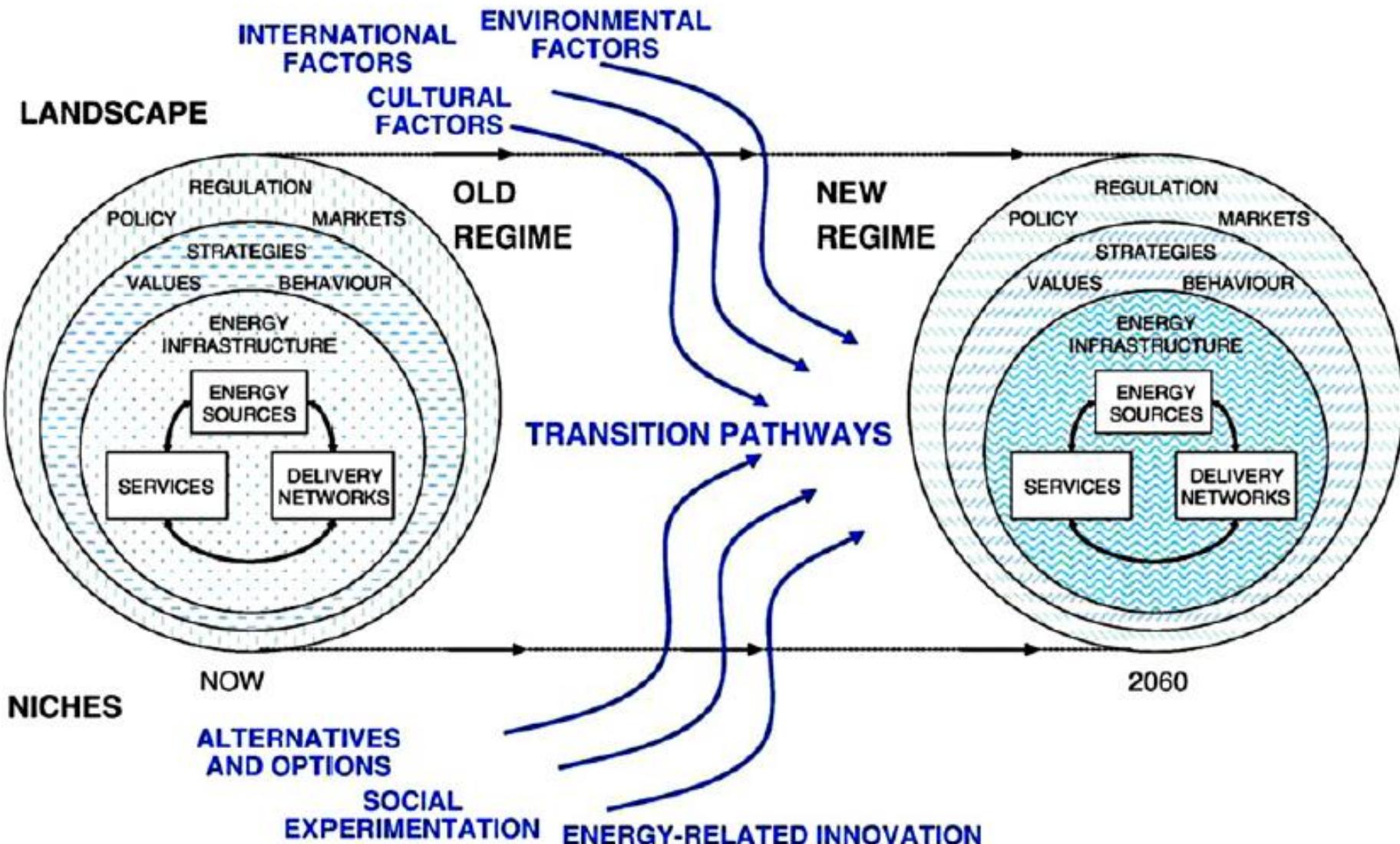
0 500km

© EuroGeographics Association for the administrative boundaries

Projected increases in multi-hazard climate-related exposure, 2050

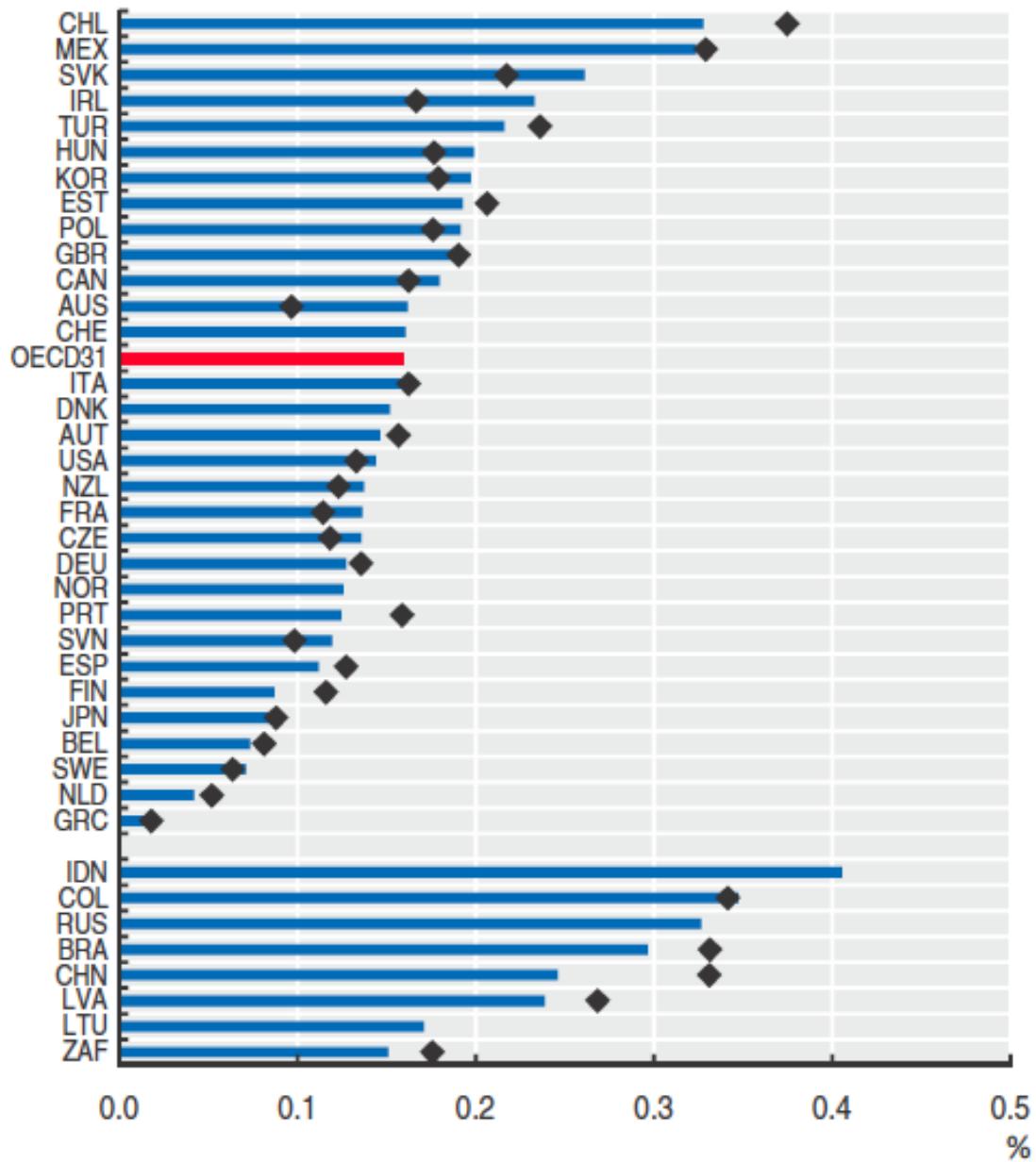
Source: European Commission (2017)
[My Region, My Europe, My Future, 7th Report on Economic and Social Cohesion, CEC: Brussels](#)

Factors influencing transition pathways from high to low carbon



Increasing social and spatial inequalities?



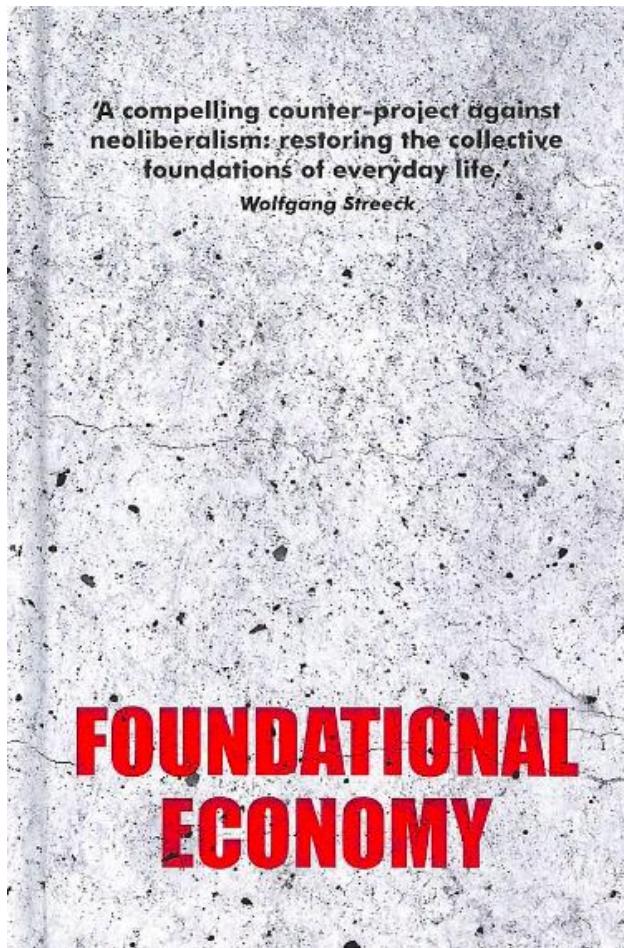


Gini index of GDP per capita across TL3 regions, 2000 and 2013

Source: OECD (2016)
Regions at a Glance,
 OECD: Paris



'Foundational Economy' I



- Preoccupation with individual consumption, market income and jobs as 'development'
- GDP/GVA measure market incomes per capita but unequally distributed and poor guide to social wellbeing
- Citizen wellbeing depends on collective consumption via networks and branches

'Foundational Economy' II

FOUNDATIONAL ECONOMY

**What Wales Can Do:
Asset Based Policies and the
Foundational Economy**

A CREW/ foundational economy.com report

Joe Earle, Julie Froud, Colin Haslam, Sukhdev Johal,
Michael Moran and Karel Williams

June 2017

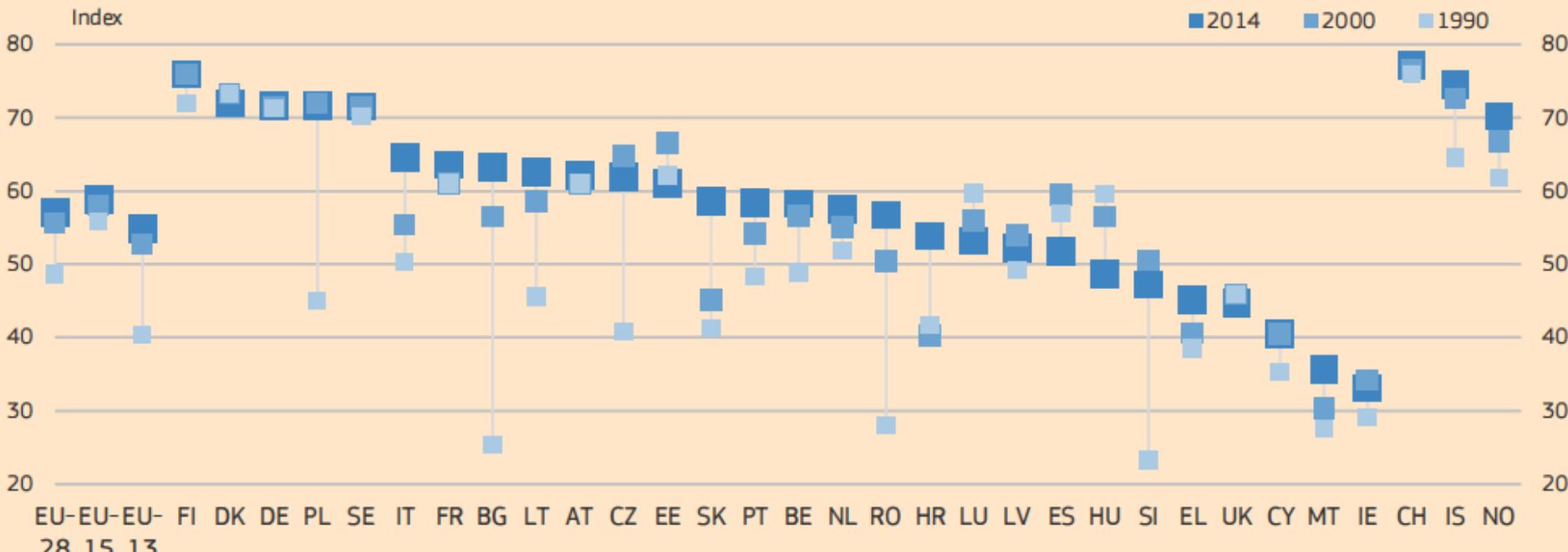
- Refocus onto the social and material infrastructure foundation of civilised life (e.g. electrical networks, water pipes, sewers)
- Providential services (e.g. education, health, elder care)
- Renewal of collective provision, funding and consumption

Uneven decentralisation and institutional quality?



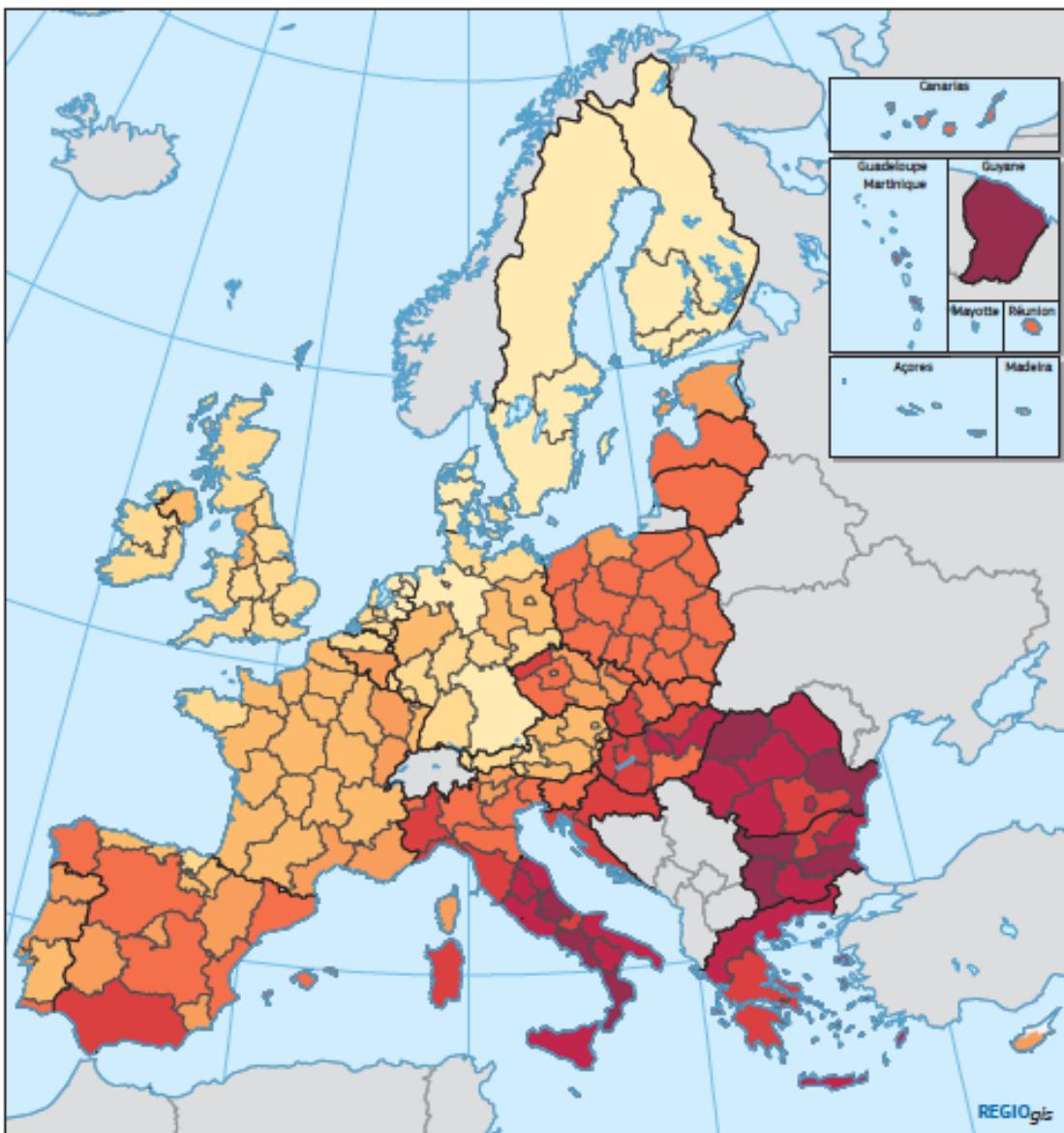
Local Autonomy Index, 1990, 2000 and 2014

Figure 4.17 Local Autonomy Index, 1990, 2000 and 2014



Source: DG REGIO, Ladner, A., Keuffer, N. and Baldersheim, H. (2015).

European Quality of Government index, 2017



Map 6 European Quality of Government index, 2017

Standard deviation, range from poor quality (negative) to high quality (positive)

< -1.75	0.25 – 0.75
-1.75 – -1.25	0.75 – 1.25
-1.25 – -0.75	> 1.25
-0.75 – -0.25	no data
-0.25 – 0.25	

EU = 0

Source: World Bank data and a regional quality of government survey.

Source: European Commission (2017)
[My Region, My Europe, My Future, 7th Report on Economic and Social Cohesion, CEC: Brussels](#)

'Government quality'

Regional Studies, 2015
Vol. 49, No. 8, 1274–1290, <http://dx.doi.org/10.1080/00343408.2015.1007933>



Quality of Government and the Returns of Investment: Examining the Impact of Cohesion Expenditure in European Regions

ANDRÉS RODRÍGUEZ-POSE[†]* and ENRIQUE GARCILAZO[‡]

[†]Department of Geography and Environment, London School of Economics, Houghton Street, London WC2A 2AE, UK
Email: a.rodriguez-pose@lse.ac.uk

[‡]Regional Development Policy Division, Directorate for Public Governance and Territorial Development (OECD/GOV),
2 rue André Puxöl, F-75775 Paris, Cedex 16, France

(Received August 2012; in revised form September 2014)

RODRIGUEZ-POSE A. and GARCILAZO E. Quality of government and the returns of investment: examining the impact of cohesion expenditure in European regions, *Regional Studies*. This paper sets out to examine the relationship between the quality of local and regional governments and regional economic performance, linking government quality to the returns of European Union Structural and Cohesion Funds. Using primary data on government quality collected by the Quality of Government Institute, combined with World Bank Global Governance Indicators data, a two-way fixed effect panel regression model is conducted for a total of 169 European regions during the period 1996–2007. The results of the analysis underline the importance of government quality both as a direct determinant of economic growth as well as a moderator of the efficiency of Structural and Cohesion Funds expenditure. The analysis finds that both European Union investments targeting regions and quality of government simultaneously make a difference for regional economic growth, but that above a threshold of cohesion expenditure – calculated at more than €120 of cohesion expenditure per capita per year – government quality improvements are a far more important and realistic option for regional development than additional public investment. In many of the regions receiving the bulk of Structural Funds, further improvements in economic growth would require massive amounts of additional investment, unless the quality of government is significantly enhanced.

Quality of government Investments Regional development and growth Regions European Union

- Government quality direct determinant of economic growth and moderator of the efficiency of Structural and Cohesion Funds expenditure
- Government quality improvements more important and realistic option for regional development than additional public investment

On-going disruptive change and geographically differentiated adaptive paths?





FT WEEKEND

FINANCIAL TIMES Saturday March 28/Sunday March 29 2009 \$2.50

MASSAGE GIFT Page 20

Free case of wine

Join the FT and Berry Bros & Rudd wine club and receive 12 bottles of Cru Classé Boedemeir

INSIDE STORY

Eat or be eaten: why Cadbury was a sitting target

WORLD BUSINESS

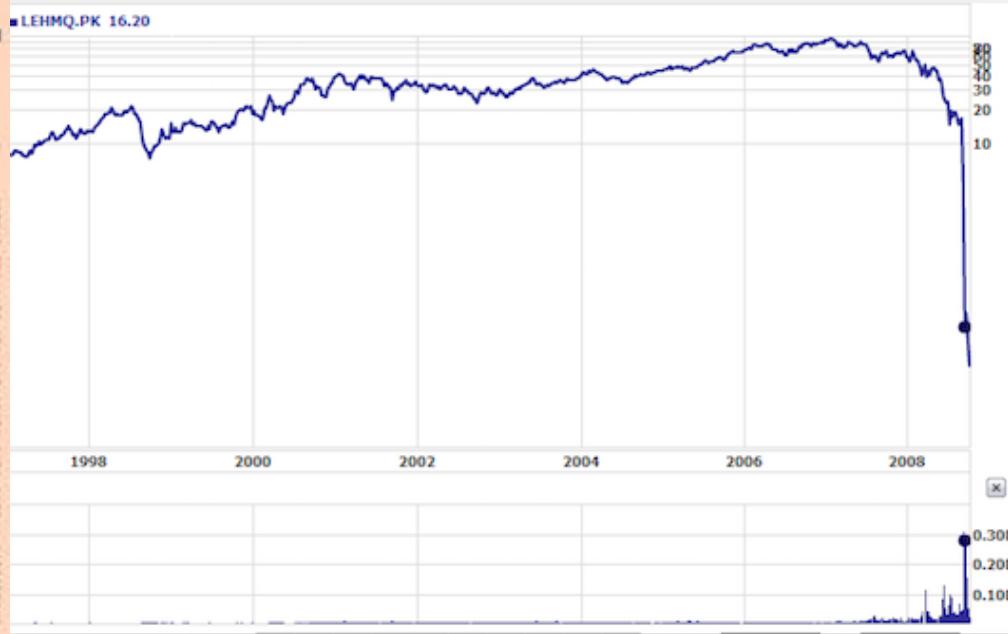
Lunch with the FT
Jacques Herzog
Life & Style
Andrew Marr on a moving family memoir
Never too young pensions for your children
News Briefing
BAE proposes that shareholders with 10% of votes can nominate their own directors to the board
Bank levy hammering
Pray challenge
Lehman target for Axa

Lehman file rocks Wall St

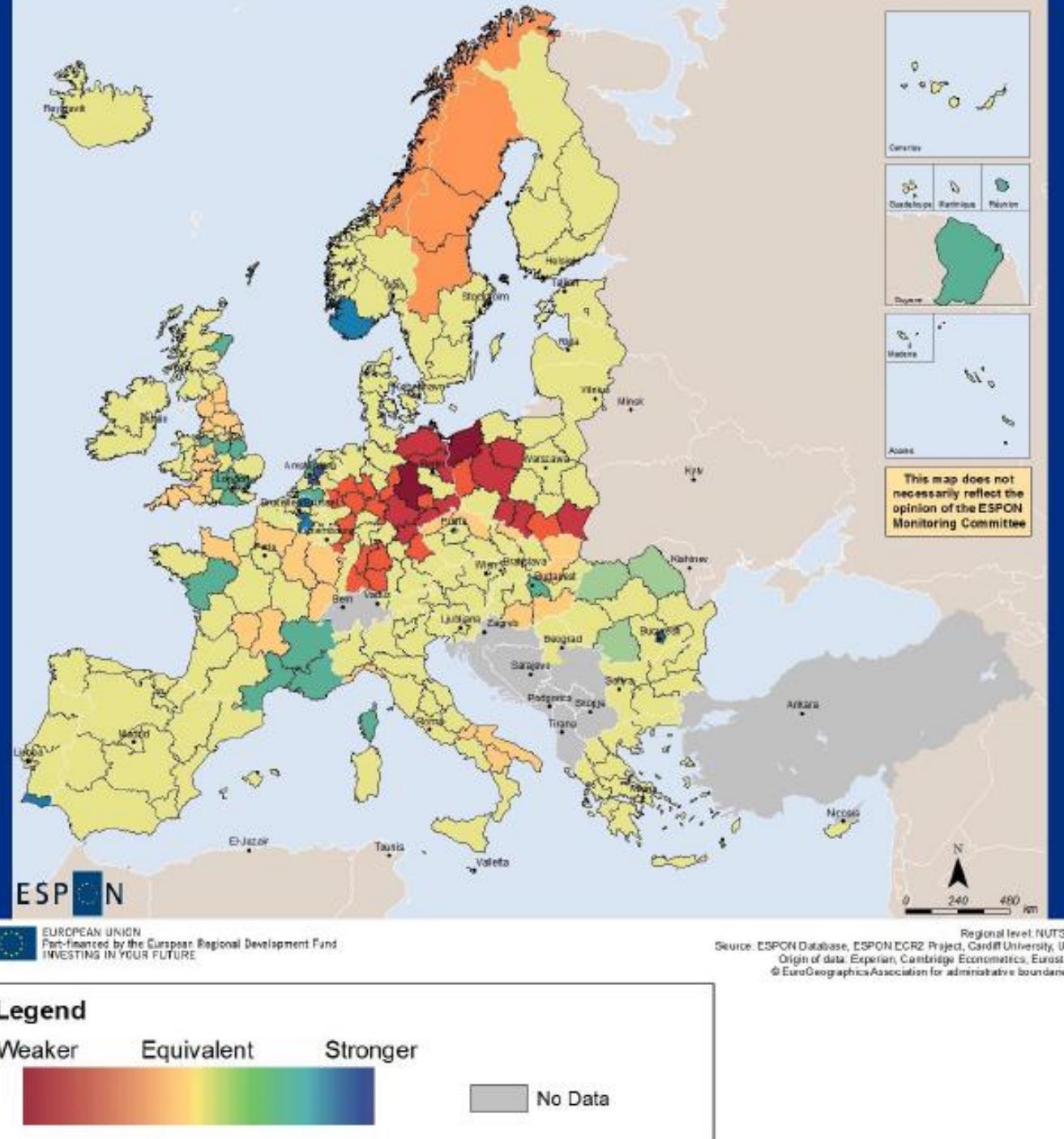
Damning picture of bosses • Focus on 'Repo 105' • Fallout spreads to UK



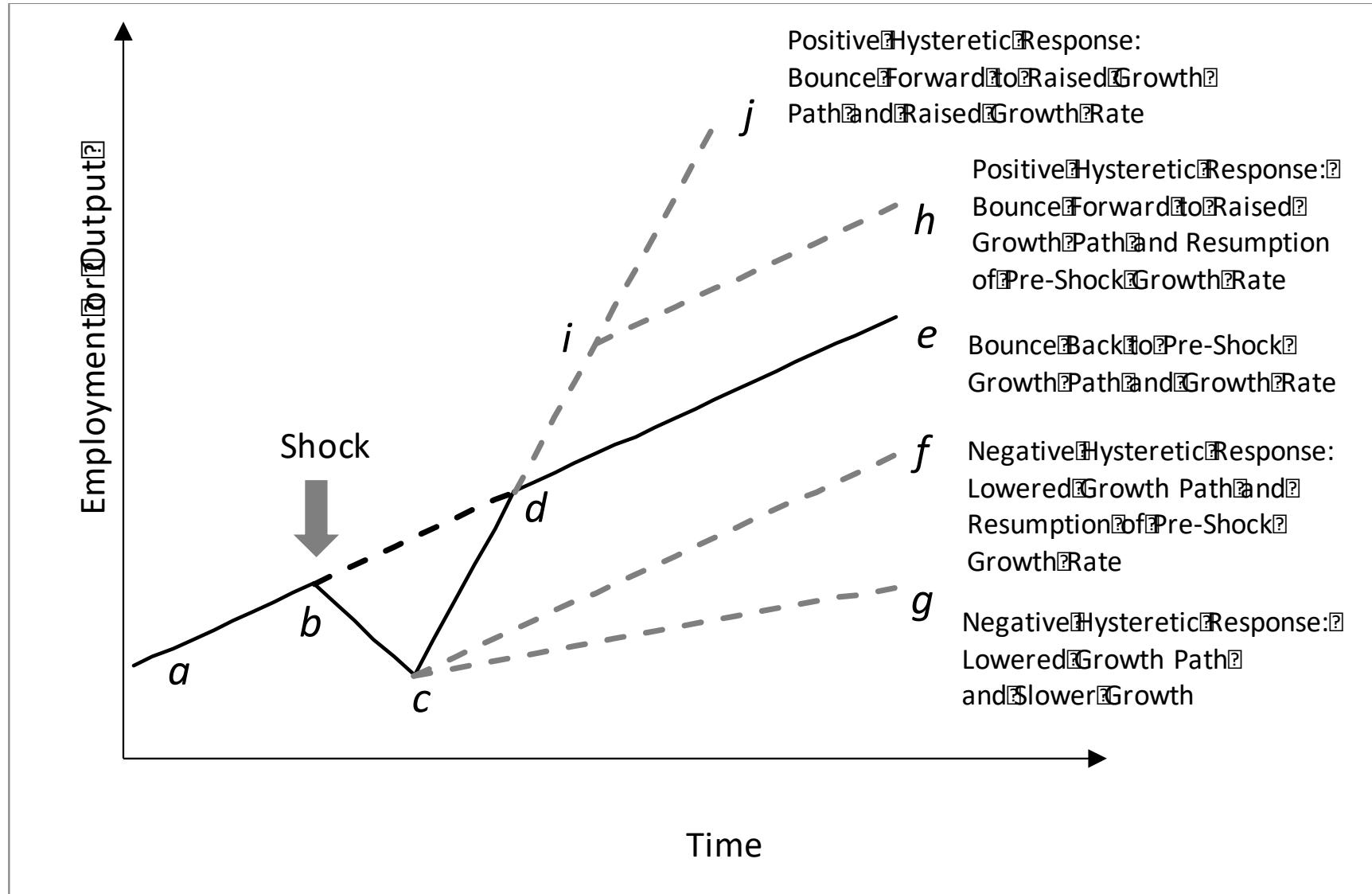
BAE loses to US in £1bn army 'Scout' race



Relative regional resilience



Stylised possible reactions of an economy to a shock – adaptive paths



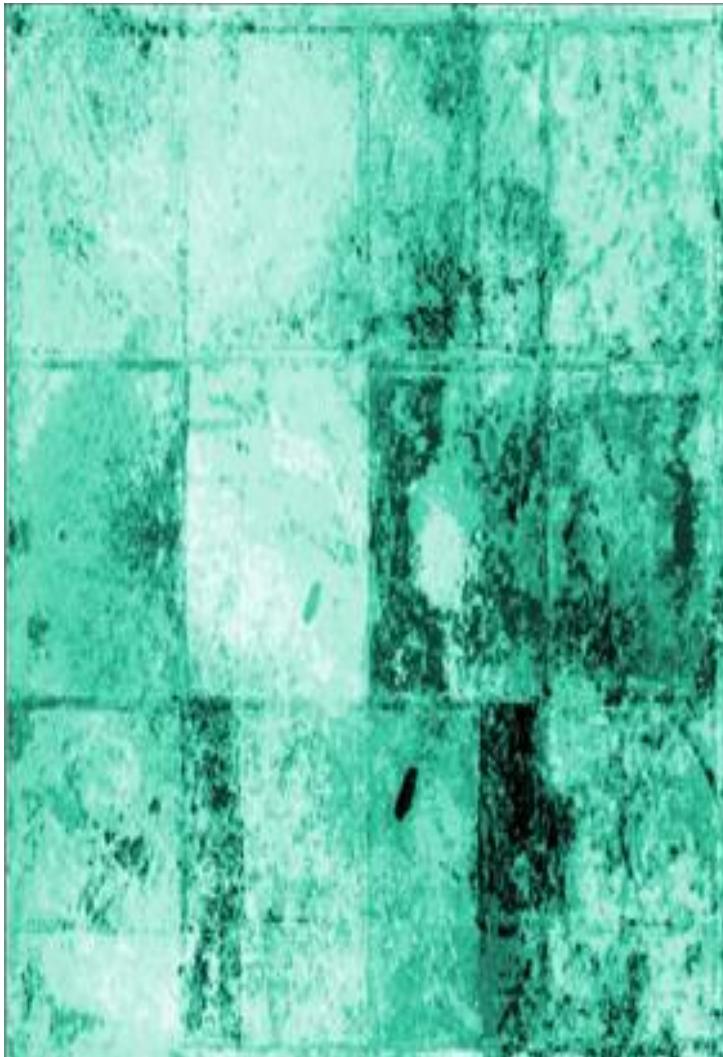
Territorial development, interrupted...

- Existing approaches, models, strategies and policies undermined and questioned
- Awareness of severity of problems but less consensus on how to deal with them
- Reflections on whether the right questions are being asked and how to define territorial development in the new context

What kind of territorial development and for whom?



Back to the fundamental questions...



- What is territorial development?
- What is its purpose?
- What *should* it be about?
- Who and where is it for?

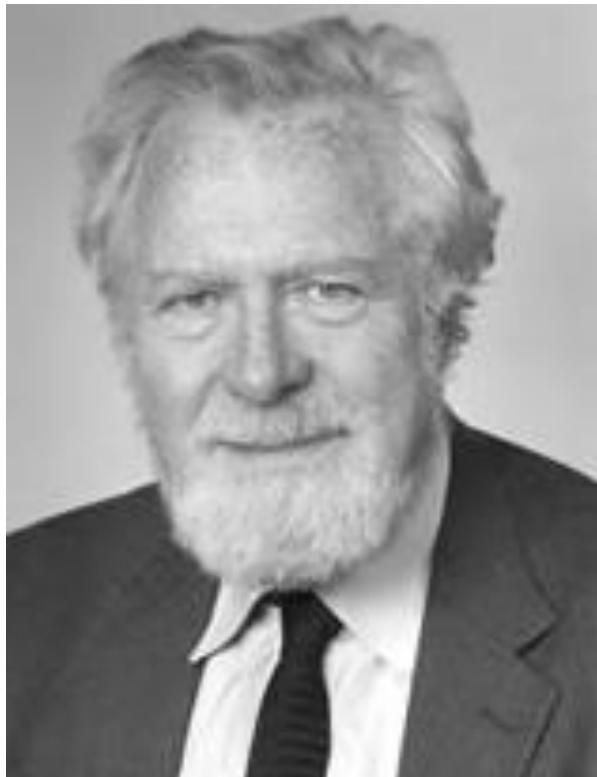
Key distinctions

Dimension	Distinction	
Approach	Absolute	Relative
Autonomy	Local, regional	National, supranational
Direction	Top-down	Bottom-up
Emphasis	Strong	Weak
Focus	Exogenous	Indigenous
Institutional lead	State	Market
Inter-territorial relations	Competitive	Cooperative
Measures	'Hard'	'Soft'
Objects	People	Places
Rate	Fast	Slow
Scale	Large	Small
Spatial focus	Local	Regional
Sustainability	Strong	Weak

Broadening development beyond the economic...

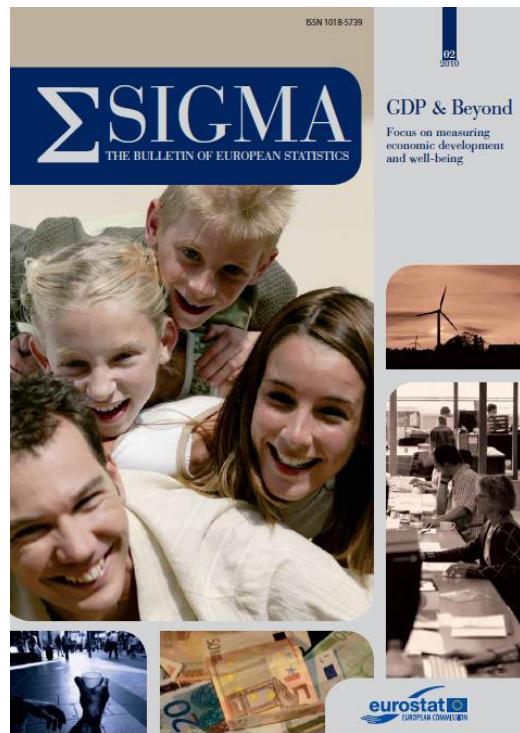
Centre for
Urban & Regional
Development Studies
CURDS

Newcastle
University



“development consists of
much else besides economic
growth...” (Dudley Seers
1969: 1)

'Beyond GDP'...



Report by the Commission on the Measurement of Economic Performance and Social Progress

Professor Joseph E. Stiglitz, Chair, Columbia University

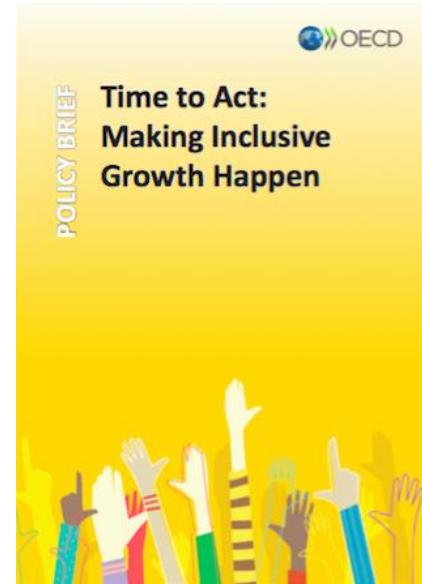
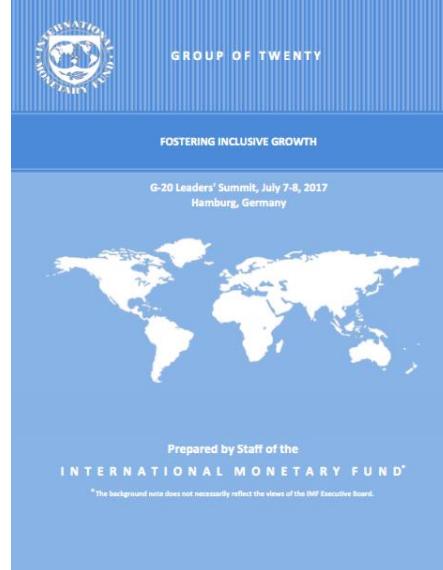
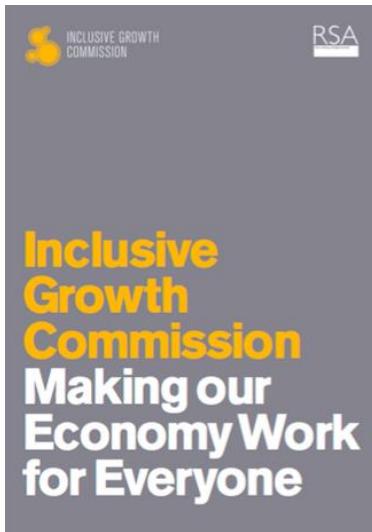
Professor Amartya Sen, Chair Adviser, Harvard University

Professor Jean-Paul Fitoussi, Coordinator of the Commission, IEP

www.stiglitz-sen-fitoussi.fr



'Inclusive growth'...



'Growth-plus'	'Inclusive economy'
<p>Existing economic model necessary and/or unproblematic</p> <p>Need to connect more people to growth</p> <p>More growth requires more inclusion</p>	<p>Economy should serve inclusive, social goals</p> <p>Current economic model produces inequality and needs to change to achieve greater inclusion</p>
<p>Focus on connectivity and the supply-side of the labour market</p>	<p>Focus on the demand-side of the labour market</p>
<p>Pulling-up the bottom of the distribution rather than questioning business models that create inequality</p>	<p>Challenging business models that create inequality</p>
<p>Inclusion important because it supports growth</p>	<p>Inclusion important in its own right</p>
<p>Better distribution of future growth rather than growth that has already occurred</p>	<p>Redistribution of existing prosperity not just dependence on future growth</p>

Towards integrated and tailored territorial development and policy



The revenge of the places that don't matter

Andrés Rodríguez-Pose 06 February 2018

Persistent poverty, economic decay and lack of opportunities cause discontent in declining regions, while policymakers reason that successful agglomeration economies drive economic dynamism, and that regeneration has failed. This column argues that this disconnect has led many of these 'places that don't matter' to revolt in a wave of political populism with strong territorial, rather than social, foundations. Better territorial development policies are needed that tap potential and provide opportunities to those people living in the places that 'don't matter'.



249

A A

On 16 October 2008, Tim Leunig, an economist who at the time was working at the CentreForum thinktank, stood in Liverpool's Cathedral and told a crowd of bemused and worried Liverpudlians that, economically, their home city's time had passed. Cities and counties in the north of England had "slipped back relative to both the national average and

Related

[Brexit – a cry of financial pain, not the influence of the old](#)

Federica Liberini, Andrew Oswald, Eugenio Proto, Michela Redoano

[The spread of populism in Western countries](#)

Luigi Guiso, Helios Herrera, Massimo Morelli, Tommaso Sonno



Andrés Rodríguez-Pose

Professor of Economic Geography, London School of Economics; Research Fellow, CEPR

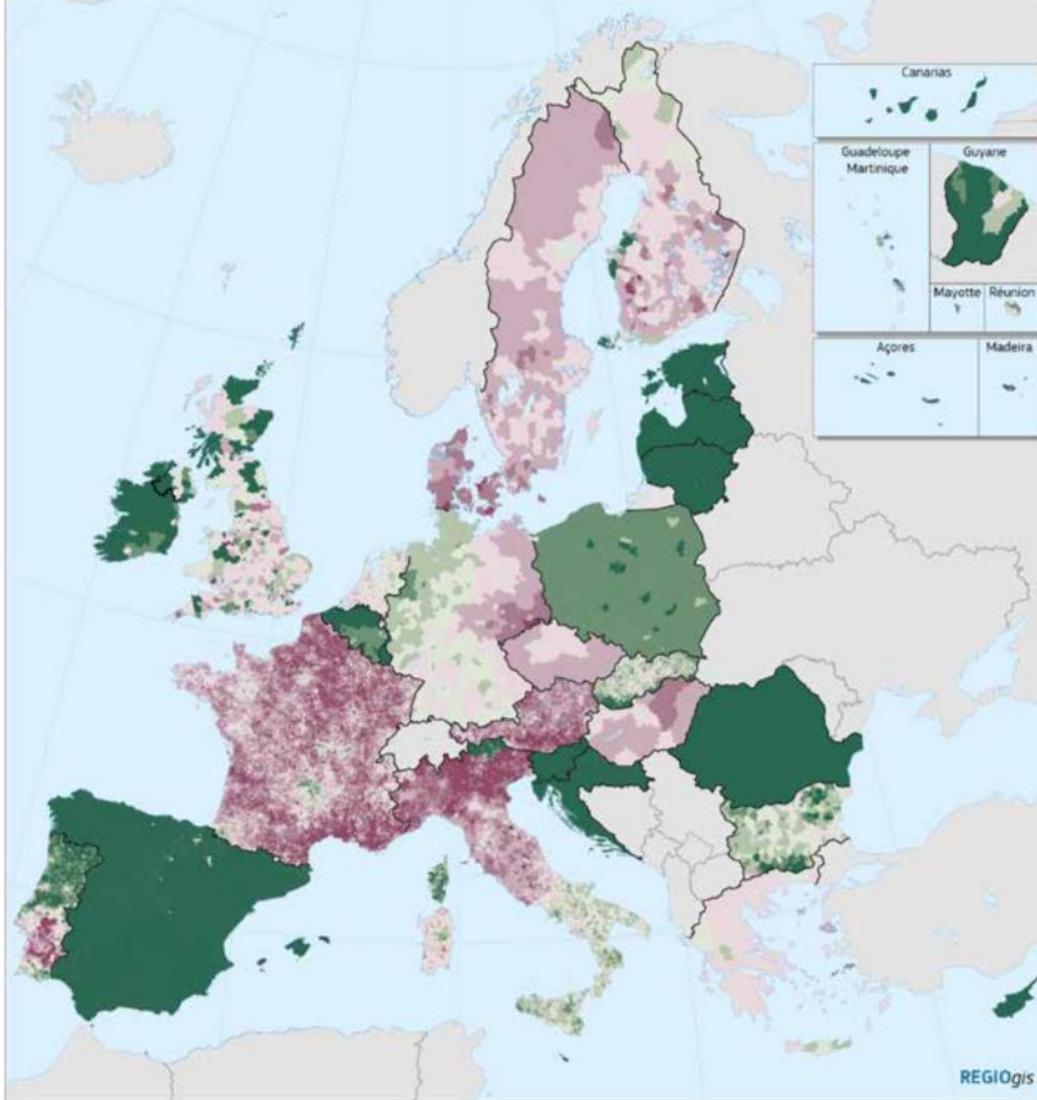
Don't Miss

[Housing expenditures and income inequality](#)

Dustmann, Fitzenberger, Zimmermann

[The next recession will be a bad one](#)

Frankel



Minimum share of votes for parties (strongly) opposed to European integration, 2013-2018

% of valid votes	
0.0 - 3.0	13.5 - 20.0
3.1 - 6.5	20.1 - 27.0
6.6 - 10.0	27.1 - 35.0
10.1 - 13.4	35.1 - 100.0

Sources: national authorities, CLEA, Chapel Hill Expert Surveys 2014 and 2017, EuroGeographics, DG REGIO
Election years:
2018: IT
2017: BG, CZ, DE, FR, MT, NL, AT
2016: IE, ES, HR, CY, LT, RO, SK
2015: DK, EE, EL, PL, PT, FI, UK
2014: BE, LV, HU, SI, SE
2013: LU
EU-28 average = 13.4%

© EuroGeographics Association for the administrative boundaries

Share of the vote for parties opposed or strongly opposed to European integration, 2013- 18

Source: Dijkstra, L., Poelman, H. and Rodríguez-Pose, A. (2019) The Geography of EU Discontent, European Commission: Luxembourg

Challenging the old dualisms... forging innovative perspectives...

Efficiency versus equity

'Top-down' versus 'bottom-up'

Singular and fixed 'global North' versus 'global South' concepts and theories

State versus market

'One-size-fits-all' universalism versus 're-inventing the wheel' particularism

'People' versus 'place-based'

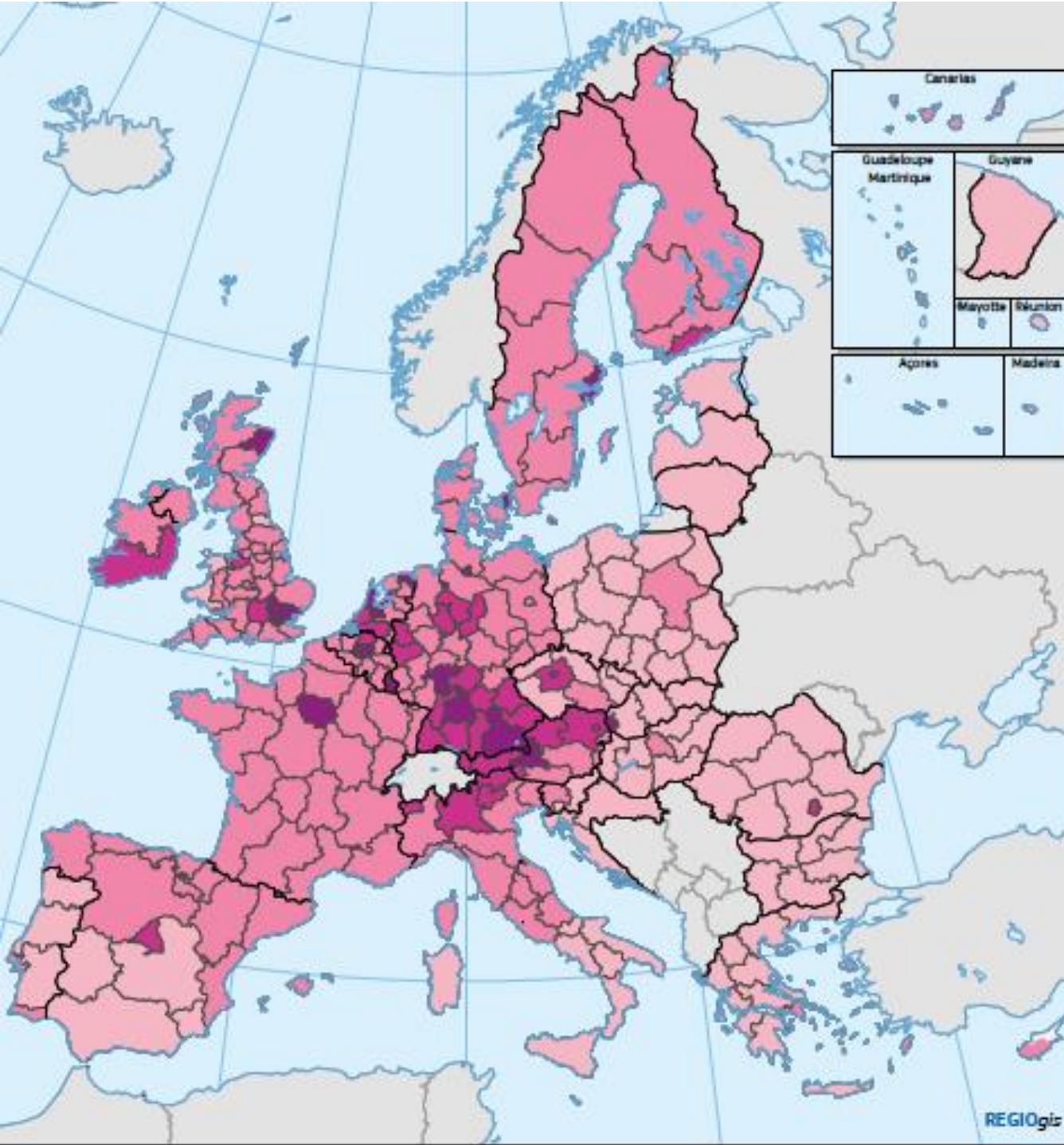
Exogenous versus endogenous

'Redistributive' versus 'growth-oriented'

High versus low productivity activities focus

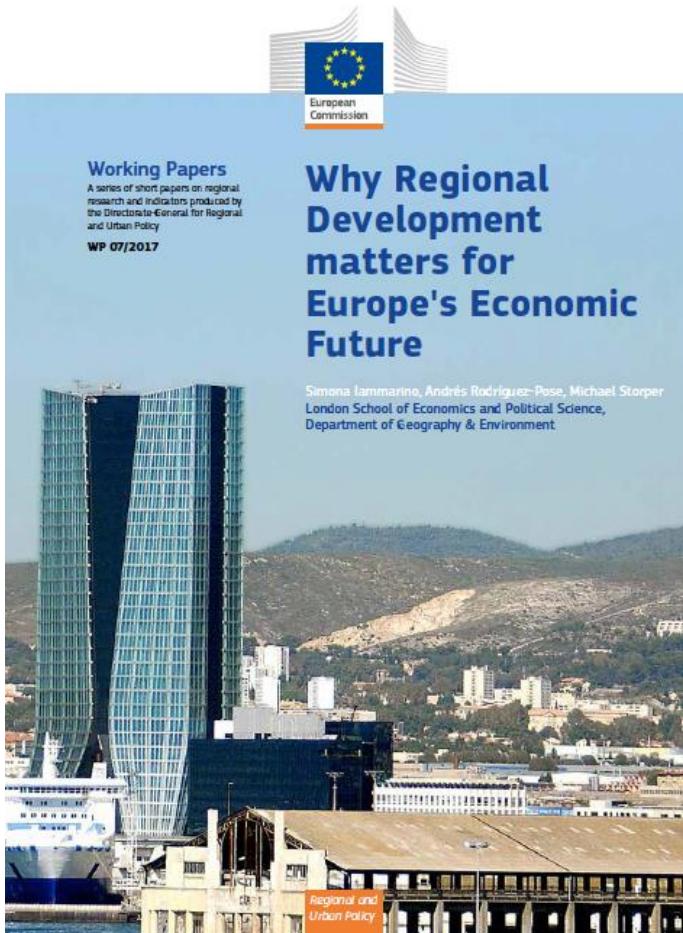
Singular, privileged geographies of city-centrism and metropolitanism versus other geographies

Economic development clubs of European regions



Source: Iammarino, S., Rodríguez-Pose, A. and Storper, M. (2017) Why Regional Development Matters for Europe's Economic Future, WP 07/2017, DG REGIO: Brussels.

'Place-sensitive distributed development policies'



- Maximising the potential of every territory
- Integrated and tailored approaches addressing structural constraints and opportunities for different regional clubs

Future of Europe White Paper

CURDS
Centre for
Urban & Regional
Development Studies

Newcastle
University



Cohesion Policy for 2021-

- Where should it invest?
- What should the investment priorities be?
- How should the policy be implemented?

Challenges ahead...I

- Addressing the question of ‘what kind of territorial development and for whom?’
- Constructing ‘inclusive economies’ with social and environmental goals for people *and* places ‘left behind’
- Realising the potential of aligning and co-ordinating integrated and tailored approaches

Challenges ahead...II

- Institutionalising and resourcing research capacity for long-term strategy and policy
- Developing new indicators and data sources for new territorial development models
- Strengthening monitoring, assessment and evaluation of territorial development and policies
- Governing territorial development with accountability, transparency and scrutiny

Acknowledgements

CURDS
Centre for
Urban & Regional
Development Studies



The research informing this presentation has been undertaken in collaboration with David Bailey (Aston University), Emil Evenhuis (Cambridge University), Ben Gardiner (Cambridge Econometrics), Louise Kempton, David Marlow, Ron Martin (Cambridge University), Peter O'Brien, Andrés Rodríguez-Pose (LSE), Peter Sunley (Southampton University), John Tomaney (UCL), and Peter Tyler (Cambridge University).



Structural Transformation, Adaptability and City Economic Evolutions