Services of General Interest and Territorial Cohesion: What, How and by Whom?¹

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Abstract

Services of General Interest (SGI) are a heterogeneous group of services for which the EU Member States are primarily responsible. Territorial Cohesion is a vague political concept aiming at creating a balanced distribution of economic and social resources among the European regions in order to promote competitiveness and sustainable growth. Consequently, the potential to successfully

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implement territorial cohesion policy objectives under these conditions is low. This paper aims to discuss how territorial cohesion policy is implemented in the area of services of general interest.

Keywords: Territorial Cohesion, Services of General Interest, Implementation  
JEL: R58, H70, O19

1. Introduction

Article 16 in the EC Treaty confirms the central place that Services of general economic interest holds among shared values of the Union and their role in promoting social and territorial cohesion. These services are considered to contribute to the overall competitiveness of the European economy and are provided in the context of continuously evolving markets and technologies. The globalisation of trade, the completion of the European single market and rapid technological change all bring about increasing pressure to open new sectors of the economy to competition (European Commission 2001).

The EU policy ambition regarding services of general interest – as it is pointed out in the White Paper on Services of General Interest – focuses on “ensuring the provision of [...] services of general interest to all citizens and enterprises in the European Union. [...] Citizens and businesses rightly expect to have access to affordable high-quality services of general interest throughout the European Union. For the citizens of the European Union this access is an essential component of European citizenship and necessary in order to allow them to fully enjoy their fundamental rights. For enterprises, the availability of high-quality services of general interest is an indispensable prerequisite for a competitive business environment.” (European Commission 2004a).

Territorial policies approach the challenges related to services of general interest in a territorial and comprehensive way looking at territorial differences and interrelations with other phenomena (e.g. demography, economic development). The European Ministers responsible for Territorial Cohesion state for instance in the Territorial Agenda (2007) that they “regard in the context of the European social model that it is an essential task and an act of solidarity to develop the preconditions in all regions to enable equal opportunities for its citizens and development perspectives for its entrepreneurs.”

The European Commission (2008b) particular underlines the idea that “…public policies [...] can help to [...] reach critical mass.” A central part of this critical mass is related to the “polycentric development model as a basis for better accessibility” as presented in the ESDP (1999). The Green Paper on Territorial Cohesion gives a good illustration in this respect: “In rural areas which are more remote from cities of any size, small and medium-sized towns often play a more important role than their size might suggest. The role these towns play in providing access to services including the
infrastructure necessary to invest in the adaptability of people and enterprises, is key to avoiding rural depopulation and ensuring the areas remain attractive places to live” (European Commission 2008b).

Furthermore, the Territorial Agenda (2007) offers place-based and tailor-made solutions. In this respect, it is underlined “...that regional identities and potentials, needs and diverse characteristics of regions, cities and villages of Europe gain meaning through a policy of territorial cohesion and through other regional development policies” (Territorial Agenda 2007). The critical mass in order to sustain a sufficient level of services of general interest might become too weak in some regions due to demographic changes; this critical mass can be provided by the policy of territorial cohesion (Territorial Agenda 2007).

Territorial cohesion and development policies integrated these general policy ambitions and developed a territorial approach towards services of general interest. However, instruments needed to support the implementation, monitoring and evaluation of territorial policy measures are insufficient, in general (Meijers et al. 2007) and especially regarding services of general interest (de Ruffray and Hamez 2008).

The aim of this paper is to discuss how the territorial cohesion policy is implemented in the area of services of general interest. These services are considered to contribute to the overall competitiveness of the European economy; the territorial cohesion policy is considered to promote a sustainable and competitive development with equal opportunities for individuals and business in all regions of the European Union. First, the term social services of general interest will be reviewed, and then the term territorial cohesion. After that the basic theoretical principles for policy implementation will be presented. In the fifth section, the policy implementation of territorial cohesion in the social services of general interest will be analysed. The paper ends with a concluding discussion.

2. Services of General Interest

The term of Services of General Interest is everything but clear-cut; on the contrary, it is vague and multifaceted. The term ‘Services of General Interest’ was coined within the EU policy process and does not reflect national terminologies or the conceptual world of the scientific literature (ESPON 2011). The Commission Green Paper acknowledges that: “In the Member States different terms and definitions are used in the context of SGI, thus reflecting different historical, economic, cultural and political developments”. Furthermore, the Green Paper notes that neither is the term to be found in the Treaty itself. It is derived in Community practice from the term ‘services of general economic interest’ but denotes a broader scope of purposes and activities (services, functions),
including non-market as well as market services “which the public authorities class as being of general interest and subject to specific public service obligations” (European Commission 2003).

However, services of General Interest should not be confused with the term “public service” (European Commission 2003). The term is however in many ways relates to the concept of ‘public goods’ within economics; from this arises also the discussion on trade-offs between efficiency and equity within welfare economics.2

The Commission White Paper, in presenting its conclusions of the broad public consultation process launched on the basis of the Green Paper, does not bring much more clarity to the concept from a scientific point of view but rather underlines that the consultation revealed “significant differences in points of view and outlook”, although there seemed to be an emerging consensus on “the need to ensure the harmonious combination of market mechanisms and public service missions” (European Commission 2004a).

Services of general interest traditionally comprehend electronic communications, postal services, electricity, gas, waste management, water and transport. More recent documents tend to be more comprehensive and do also include labour market services, education, health care, child care, social care, culture or (social) housing. European social policies and their underlying studies use different classifications (European Commission 2006, 2007, 2008).

The European Centre of Employers and Enterprises providing public services (CEEP) published an economic oriented definition what concerns the provider of services: “Services of General Interest are services that are entrusted by a public authority to a service provider by virtue of general interest criteria. These services can either be of economic or non-economic nature. Their missions can include public service obligations or universal service obligations” (CEEP 2010: 1).

Services of general interest, as defined above, either belong to the group of physical or technical infrastructure (transportation network, energy supply, telecommunications systems, utilities and so forth) or they belong to the social infrastructure (postal delivery, health care, social services, education system, libraries, recreational amenities and similar). In the scientific literature this kind of infrastructure is called social overhead capital, i.e. “capital goods of types which are available to anybody, hence social; and are not tightly linked to any particular part of production, hence overhead. Because of their broad availability they often, but not necessarily, are provided by the government. Examples of social overhead capital include e.g. roads, schools and hospitals” (Oxford Dictionary of Economics). Services of general interest are important for the economic activity in any

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location. Martin (2000: 77) argues that the “form and evolution of the economic landscape cannot be fully understood without giving due attention to the various social institutions on which economic activity depends and through which it is shaped”.

Whether the concept of services of general interest or social overhead capital is used to describe the same set of services, the problem still remains: it is too vague and imprecise for analytical purposes. The first thing to do is to filter out the services of general economic interest. In the Green paper these are defined as telecommunications/electronic communications, postal services, electricity, gas, transport, waste management, water supply, public service broadcasting (European Commission 2003). Non-economic services of general interest then remain. These services are defined as social services of general interest (SSGI) and include social security, employment and training services, social housing, child care, long-term care and social assistance services. Still, these services remain the responsibility of the Member states (European Commission 2007).

This study defines social services of general interest as labour market services, education, health care, child care, social care, (social) housing and social assistance services; services of general economic interest contains gas, water, electricity, postal service, transport, waste-management, ICT and electronic communications. Albeit narrowed down, both social services of general interest and services of general economic interest remain a quite heterogeneous group of services; the heterogeneity is further accentuated by the fact that these services remain in the governance domains of the EU Member States.

Arguably precisely because of the specific public service obligation surrounding services of general interest there are many normative considerations surrounding SGI. Examples of normative considerations regarding services of general interest include the view taken by the European Parliament that certain SGIs “should be excluded from the scope of the competition rules, including health, education and social housing, as well as SGIs aiming to maintain or increase plurality of information and cultural diversity”. The Resolution underlines the principles of “universality and equality of access, continuity, security and adaptability; quality, efficiency and affordability, transparency, protection of less well-off social groups, protection of users, consumers and the environment, and citizen participation” (European Parliament 2003).

Notwithstanding the wide array of normative considerations surrounding the delivery of services of general interest defined at the European level, the implementation of policies regarding services of general interest, and in many instances the provision of services of general interest, remains for a main part a responsibility for EU Member States. The EU Member States apply various policy approaches to services of general interest. The focus may vary between a focus on redistribution, fostering efficiency, and privatisation of public services and so on (European
Commission 2001). The conclusion is that the general definition of SGI is thus simply too vague and imprecise for analytical purposes. As such it currently covers everything from e.g. the consumption of health care to investment in nuclear power plants.

3. Territorial Cohesion

The concept territorial cohesion was first mentioned by the European Spatial Development Perspective (ESDP) in 1999 (European Commission 2008b), and the European Commission in 2001 in relation to the Amsterdam Treaty, and then only in relation to Services of General Interest (Polverari et al. 2005). “Cohesion” is not a scientific or technical concept, but a political one. Cohesion objectives require thinking about the tensions between economic, social and territorial goals, e.g. in the areas of accessibility, competitiveness, diversity and sustainability (ESPON 2010). An operational issue concerns the indicators which are to be established for determining the presence and degree of cohesion in the relevant services of general interest. Difficulties exist more particularly in relation to the social dimension of cohesion (de Ruffray and Hamez 2008).

The various objectives of territorial cohesion entered progressively in the politics and the community law. Initially, one of the objectives expressed by the EEC treaty of 1957 was the promotion of an “a harmonious development of economic activities” (art. 2). Also, one of the fundamental aims of the CEE was to strengthen the unity of the Member States economies and to ensure their harmonious development by reducing the differences existing between various regions and the less favoured regions (see paragraph 5 of the EEC preamble). On the bases of article 235 of the treaty (now article 308), the Council adopted in December 1974 the first instrument, of budgetary nature, of the Community policy of cohesion, the European regional development found. In 1986, the Single European Act adopts the objective of the Single European Market and the policies for promoting the harmonious development in the Community to consolidate its economic and social cohesion (article 130A, Title V Economic and social cohesion). The action seeking to reinforce the economic and social cohesion of the Community “aims at reducing disparities between the various regions and the backwardness of the least-favoured regions” (article 130a§2).

The Treaty on European Union of 1992 recorded the economic and social cohesion and the solidarity between the missions of the European Community (article 2). A full title of the consolidated treaty is devoted to economic and social cohesion (Title XIV and protocol on the economic and social cohesion). In 1997, at the time of the amendment of the European treaty by the treaty of Amsterdam the concept of territorial cohesion is included in the treaty in relation to the SGEI. A new article we (article 7d) devoted the place of the services of general economic interest among the common values of the Union as well as the “role they play in the social and territorial
cohesion of the Union”. The constitutional Treaty and then Treaty of Lisbon step further by enshrining the three fold aim of “economic, social and territorial cohesion” among the objectives of the European Union (see article 2 and 3, title XVIII of TFUE and the protocol 28).

The main aim of the territorial cohesion policy is to contribute to a balanced distribution of economic and social resources among the European regions with the priority on the territorial dimension. Resources and opportunities should be equally distributed among the regions and their populations. This is assumed to strengthen the European regions, promote territorial integration and produce coherence of EU policies so as to contribute to the sustainable development and global competitiveness of the EU (European Commission 2004b). Several attempts to define Territorial Cohesion in a scientific way has been made, see e.g. Davoudi (2005), Schön (2005), Faludi (2005), Waterhout (2007) and Camagni (2007). Still today there is no uniform definition of territorial cohesion (Böhme et al. 2011).

The main resource of EU’s territorial cohesion policy is EU’s structural funds, considered to be delivered to the most deprived areas of EU (European Commission 2004c). The two major structural funds are the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The ERDF is intended to be used for the creation of infrastructure and productive job-creating investment and it is mainly for the businesses. The ESF is meant to contribute to the integration of the unemployed populations into the work life via training measurements (European Commission 2004b).3

Territorial cohesion requires an integrative approach to other EU policies to be achieved, and one of the prime driving forces for this integrated approach is the concept of polycentricity is seen as the spatial conceptualisation of the policy goal of territorial cohesion (Meijers et al. 2007). Territorial cohesion as a balanced distribution of human activities across the European Union is complementary to the concepts of economic and social cohesion. “At national and regional level, polycentrism means the promotion of complementary and interdependent networks of towns as alternatives to the large metropolises or capital cities, and of small and medium-sized towns which can help integrate the countryside” (European Commission 2004c:3). The concept of polycentricity has remained rather fuzzy (Meijers et al. 2007) and it seems to neglect that a polycentric (or monocentric) development is, to a greater extent, a result of market forces than a result of regional planning policies (Johansson et al. C009).

Overall, it is clear that cohesion is not an outcome of scientific debate, but a political concept. The economic and social developments are leading to spontaneous polarisation of economic, social

3 Also the Cohesion Fund, the Rural Development Fund and the Fishery Fund are a part of the EU structural Funds, but they are smaller (European Commission 2004b).
and territorial disparities and to growing inequality between regions, as well as within each. This uneven development is not desired politically. The territorial cohesion is a matter for voluntary policies in the Member States working to redress these spontaneous developments in an attempt to build solidarity between and within regions.

4. Policy Implementation: Theoretical Points of Departure

With some degree of simplification the implementation process is based upon fundamental democratic principles. In a democracy the people elect its representatives, who take decisions in the name of the people; the decisions are implemented through an administration. If policy implementation is to succeed the administration has to respect and obey the decisions of the elected representatives. When discussing implementation problems, the steering model a useful point of departure.

In the steering model there are two roles in policy implementation processes: the decision maker and the implementer. The relation between the decision maker and the implementer can be seen in terms of steering and control. The steering of the implementer by the decision maker is assumed to fulfil the implementation of the taken political decisions. Both direct and indirect forms of steering can be asserted upon the implementer.4 The steering of the implementer is supplemented with control mechanisms to ensure the decision maker that the policy has been implemented. If this is not the case, the decision maker can increase the direct steering, effect punishments or accomplish rewards to obtain the desired objectives (Lundqvist 1987).

That the decision maker takes the decisions and the implementer implements them, as described above, constitutes a traditional perspective on implementation. According to this perspective the decision makers are rational and the administration is merely an instrument for implementation. However, Lipsky (1980) pointed out that this perspective was not applicable when street-level bureaucrats are involved in the implementation of policies. In his terminology street-level bureaucrats are those working in e.g. health and medical care, schools and social work. The policy is not implemented by legislative bodies, but at the point where professionals meet their clients on ‘the street’. In this context it is almost impossible to assert direct steering on these activities; indirect steering has better prospects for success.

A third perspective in implementation theory focuses on the network of actors required for implementation. A policy is implemented by the interaction of a number of actors who spend a various amounts of time on the task (Beckman and Carling 1989). The networks are elastic and ever-

4 Direct steering relates to explicit orders from the decision maker upon the implementer, while indirect steering refers to actions with an impact on the prerequisites for a successful implementation.
changing; for this reason they are more or less impossible to steer. Just as the networks can be a lubrication of a successful implementation they can also slow down, or even obstruct, the implementation process (Brunsson and Olsen 1990).

As a consequence of all of the above the implementation process is subject to several challenges, many of which are most problematic including: (1) Often actors who are involved in the implementation process have also been involved in the decision process; (2) policies are sometimes implemented before the formal and authoritative decision has been taken; (3) the implementation process is usually full of imprecise decisions which will lead to changes in the initial objectives and policy goals; and (4) in some cases the decisions to be implemented are so vague and imprecise that there is nothing to implement (Brunsson and Winberg 1990).

Nevertheless, the scientific literature on implementation does offer certain prerequisites for a successful implementation (Wolman 1981; Cf. Ham and Hill 1984), concluding that the decision maker must consider five essential issues:

1. The direct steering must be clear. There should be no possibilities for the implementer to misunderstand the intentions of the decision maker.
2. The indirect steering must be clear. Who has the formal responsibility must be clarified; those who are implementing the policies must have enough time and adequate resources for implementation.
3. Make sure that the implementer likes the decision; if not, implementation problems, e.g. slowdowns and obstruction, are to be expected.
4. Make sure that the implementation is controllable. This is needed to steer the process.
5. Make sure that external actors will not obstruct the implementation.

In addition, Lundqvist (1987) stresses the importance of controlling the implementation process. The control mechanisms are needed to ensure that the implementer (i) has understood the decision, (ii), is able to implement it, and (iii) wants to implement it. This may seem trivial, but vague and imprecise instructions, resulting from compromises and negotiations, can be everything but clear; vagueness is the price for agreement. Furthermore, too detailed instructions may slow down implementation as reality differs from theory; the problem can only be solved after negotiation (Ham and Hill 1984). Lipsky (1980) points out that one of the most central aspects for successful implementation is related to sufficient resources; without resources the implementation will fail. Finally, it must be remembered that public administration is an institution with a policy agenda of its own (March and Olsen 1989). A hostile and obstructing administration will slow down the
implementation (Page 1985). To dissolve an administrative body, and create a new in its place, is sometimes needed for successful implementation of policies (Wolman 1981).

Finally, Sannerstedt (1993) admits that problems with implementation, of various reasons, are common and a part of politics. Still, politicians believe that the implementation process is traditional in its design, with a clear top-down perspective; networks and street-level bureaucrats are simply not assumed to interfere in the implementation process. Their influence on politics and implementation is, however, a natural part of the political reality.

One broad conceptual framework for locating these implementations perspectives is that of the top-down and bottom-up framework. Policies can be implemented through two different perspectives: top-down and bottom-up. The traditional implementation perspective is a good illustration on top-down implementation, while the bottom-up implementation is related to the implementation perspectives of networks and street-level bureaucrats (Hjern 1983), and more recently in response to the dynamic of good governance in the context of sustainable development of the territory.

This top-down and bottom-up policy development and implementation dynamic, is particularly relevant to the implementation of SGI played out in a pan-European political and territorial space, as well as that specific to the member states. The classical models of urban governance emphasise the expert top-down departmental, one-dimensional solutions, although increasingly multi-scale governance solutions defining the framework for integrated management of the territory create new horizons for perspectives on policy implementation. In parallel and in contrast to the top-down perspective, the bottom-up processes of transformational governance driven by principles of sustainable development, emphasise the requirements for stakeholder engagement and stakeholder defined solutions to inform decision-making.

5. The Rationale of Failure

It is against this background of alternative perspectives on policy development and implementation that initiatives to support the delivery of SGI, and the failure to do so must be considered. Services of General Interest are the responsibility of the EU Member States and, consequently, it is up to the individual Member State to set the thresholds for the minimum provision of these services, their accessibility, quality etc. as well as to decide the nature of balanced (and unbalanced) economic and social development in a regional perspective in their country. Therefore, actions taken to mitigate and/or counterbalance undesired regional imbalances are decisions for the Member State. It is in this context that the vague and imprecise policy of Territorial Cohesion must be implemented.
In line with the steering model, the decision-maker steers the implementer, direct or indirect, and uses control mechanisms to ensure that implementation has been made in line with the decision. Street-level bureaucrats cannot be steered by direct control, only with indirect (Lipsky 1980). When this theoretical reasoning is applied to the implementation of Territorial Cohesion policy in the field of Services of General Interest, weaknesses in implementation become apparent. The European Commission, for example, has no possibility to control the implementation of policies in the area of Services of General Interest as these are the prime responsibility of the single Member States. Finally, to the extent that the Services of General Interest is not it’s responsibility, the European Commission has no possibility prevent external actors from obstructing the implementation or mitigate or counteract obstructions to implementation (Wolman 1981, Ham and Hill 1984).

Trying to implement Territorial Cohesion through the network of actors model will be just as (un)successful as the steering model. These elastic networks are ever-changing and impossible to steer and control. The Open Method of Coordination, which is often used in European Union decisions (Zeitlin and Pochet 2005), shows many similarities with the network of actors’ model. In her doctoral thesis, Lisa Van Well (2011:62) finds that “territorial cohesion interventions are thus far focussed on coordination of knowledge resources, as well as on relational resources to organize networks for collaboration”. To achieve the ambitions of e.g. the Fifth Cohesion Report it is of outmost importance that the concept territorial cohesion is clarified and operationalised.

Not only has the implementation process caused problems in this case. As discussed by Brunsson and Winberg (1990) in the theoretical section, implementation can be difficult is the decisions to be implemented are so vague and imprecise that there is nothing of substance to implement or that the implementation process is so vague in itself and full of imprecise decisions. When the Territorial Cohesion policy was discussed above it was concluded that it was a vague and imprecise policy. This poses additional problems to implementation of the Territorial Cohesion policy in the area of Services of General Interest.

From the top-down perspective, the importance of effective formal institutions, policies and regulations in the management of the European territory is emphasised, even if the potential strength of control of the formal government system and planning policies differ substantially across EU countries. In particular these variations, that offer the basis of for the development of the typology of potential strength of control, are identified in terms of the following dimensions (PLUREL 2011):

- how many in intermediary levels exist;
- how strong these levels are (government elected by citizens, administrative with general competence, administrative with limited competence);
- to what extent are the local government units integrated.
This latter issue is especially critical in relation to the management of the functional hinterland of urban areas where typically no separate (supra-local level) administrative unit exists, to integrate the many local governments operating in this territory. Under such circumstances the public control over the market processes is best ensured through special public administrative arrangements (e.g. through introduction or empowerment of Metropolitan government structures), and/or through planning policies that give control functions to higher-level governments over the plans of local governments in the rural-urban region.

In the enlarged European Union the complex problems faced in the management of the territory and have also prompted an integrated approach seeking to combine economic effectiveness, social cohesion and economic balance, all of which defines the territorial cohesion component of cohesion policy. The conceptual framework for governance therefore emphasises not only integrated development of territories, but also cross-sectional coordination of policies and multi-level governance from local to European levels.

Even so the application of public control over the key aspects of sustainable development has to be taken in a bottom-up collaborative manner, with the inclusion of all stakeholders. This reflects the recognition that the increasingly complex task of steering land-use development can no longer be handled exclusively by government actors. This means a shift towards new forms of governance, as well as cooperation between governments and other parties to advance the handling of the complex issues related to sustainability.

Overall it is argued that, the emerging new dynamic generated from top-down processes (multi-scale integrated management), aligned with the bottom-up process (stakeholder engagement and decision-making support) offers a renewed potential to drive the implementation of the pan-European concept of SGI.

6. Concluding Remarks

For practical political reasons it is advocated that the Territorial Cohesion policy should remain fuzzy and vague (Jouen 2008) and that EU policies as well as policy instruments must be flexible in their formulation (Bynens and Van der Lecq 2005). This will, according to the implementation theories used in this paper, limit the impact of these policies and limit the possibilities for successful implementation of them. As long as the implementation process cannot be steered and controlled by the decision-maker the outcome of implementation will remain limited (Lundqvist 1987, Wolman 1981).
The initial focus of the Territorial Cohesion Policy has been on regional economic development as such. Currently, territorial cohesion is also concerned with the co-ordination of policies with an impact on one and the same territory. Originally focused on a more interventionist approach to spatial planning, the market has now been allowed a greater role. In its present shape the Territorial Cohesion policy looks somewhat like the European Spatial Development Perspective, but as part of territorial cohesion policy as a shared responsibility of the Union and its member-states (Faludi 2004).

The Territorial Cohesion policy has, so far, been very focused on infrastructure and network services named Services of General Interest. In recent years, however, even ‘softer’ aspects of Services of General Interest have been added, such as e.g. education, labour market issues and health care. Social Policy, which is the policy area in which poverty and social exclusion is found, still remains a matter for the Member States (ESPON 2011). Furthermore, the indicators for measuring the social aspects of Territorial Cohesion are still under-developed (Grasland and Hamez 2005, de Ruffray and Hamez 2008).

The European Model of Society contains instruments for correcting the market, and, with the exception of the U.K., there is a tradition of government intervention to steer the development into a desired direction. A number of commissions (e.g. Sapir, Strauss-Kahn, Kok) have produced reports highlighting the social aspects of European integration, and where the Lisbon Strategy set up targets for a desired direction of development in the social policy area (Faludi 2007). Although still under-developed, Camagni (2007) argues that Territorial Cohesion policy can reduce poverty and social exclusion as well as create a multiethnic solidarity and integration. According to him, all the needed ingredients already exist in the Territorial Cohesion policy, but the Member States and the regions in Europe have not yet implemented them.

The governance “gap” identified above in terms of potential weakness in respect of decision making and implementation processes highlights a number of core issues for the governance of the territory, and the delivery of SGI’s. These issues include:

- problems with the capacity of formal government systems and planning policy regimes to control territorial development, typically associated with structural organisation and fragmentation of government structures as well as the level of democratic control;
- problems with place based policies and spatial planning where a lack of legal strength and capacity for cross-border co-operation undermines the provision of SGI infrastructures.

Solutions to the above are identified in terms of the development of multi-level agendas from local to national and European, supporting a range of options for EU action. The agenda for managing
SGI is multi-level, from the local to the rural/urban region, to the national and European levels. Policies and programs at European level thereby move from being part of the problem to being part of the solution. This opens the potential for the development of a new agenda for EU policies and funds, explicitly linked to spatial development and territorial cohesion, and supported by refocusing the targeting of EU policy investment. The core objectives for EU policies and funding programmes thereby include support for territorial integrated development models.

The agenda for more responsive bottom-up forms of government at the same time supports collaboration and not the replacement of formal policies, with the development of new institutional partnership models for collaboration between public, private and community sectors. It is argued as a consequence that the emerging new directions of territorial cohesion policy offers the best way forward to overcome the implementation gaps identified in the foregoing analysis.

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