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NOTE

Medium-Sized Towns in a context of globalisation and metropolisation: Grounds for pro-active policies in the South Baltic

Objective and scope of the paper

The present note is produced in the last phase of SEBco, as the project partners seek to synthesise the outputs and to formulate some lessons learned. The authors have not previously been involved in the project, and are therefore not in a position to assess the local relevance of the project results. Our task is to review the content of the analyses and dialogue in the perspective of European discourse on spatial trends and territorial strategies

A transnational cooperation on local and urban development such as SEBco indeed has a twofold mission. On the one hand, it provides inspiration, knowledge and networks to local and regional planners. On the other hand, it contributes to the European visibility of the issues faced by the involved stakeholders. In this latter respect, it needs to position itself with regards to prevailing discourses on spatial and territorial matters in national or European politics, as well as within applied planning research.

More specifically, SEBco has manifested the need to develop alternative development strategies for Small and Medium-Sized Towns. Linking up to metropolitan growth proves to be hazardous and unsatisfying with regard to the cohesion and autonomy of medium-sized towns. More generally, an excessive focus on infrastructure investments leads to a neglect of the human and organisational factors of local development. Such arguments are often heard among local and regional stakeholders, but still have a surprisingly small impact at the European level. There is therefore a need to develop concrete arguments against the European 'evidence base' and the

policy positions derived from it. The present note seeks to facilitate the formulate conclusions from the SEBco activities and analyses that can actually counter the European “metropolitan fever”.

What is a Small and Medium Sized Town?

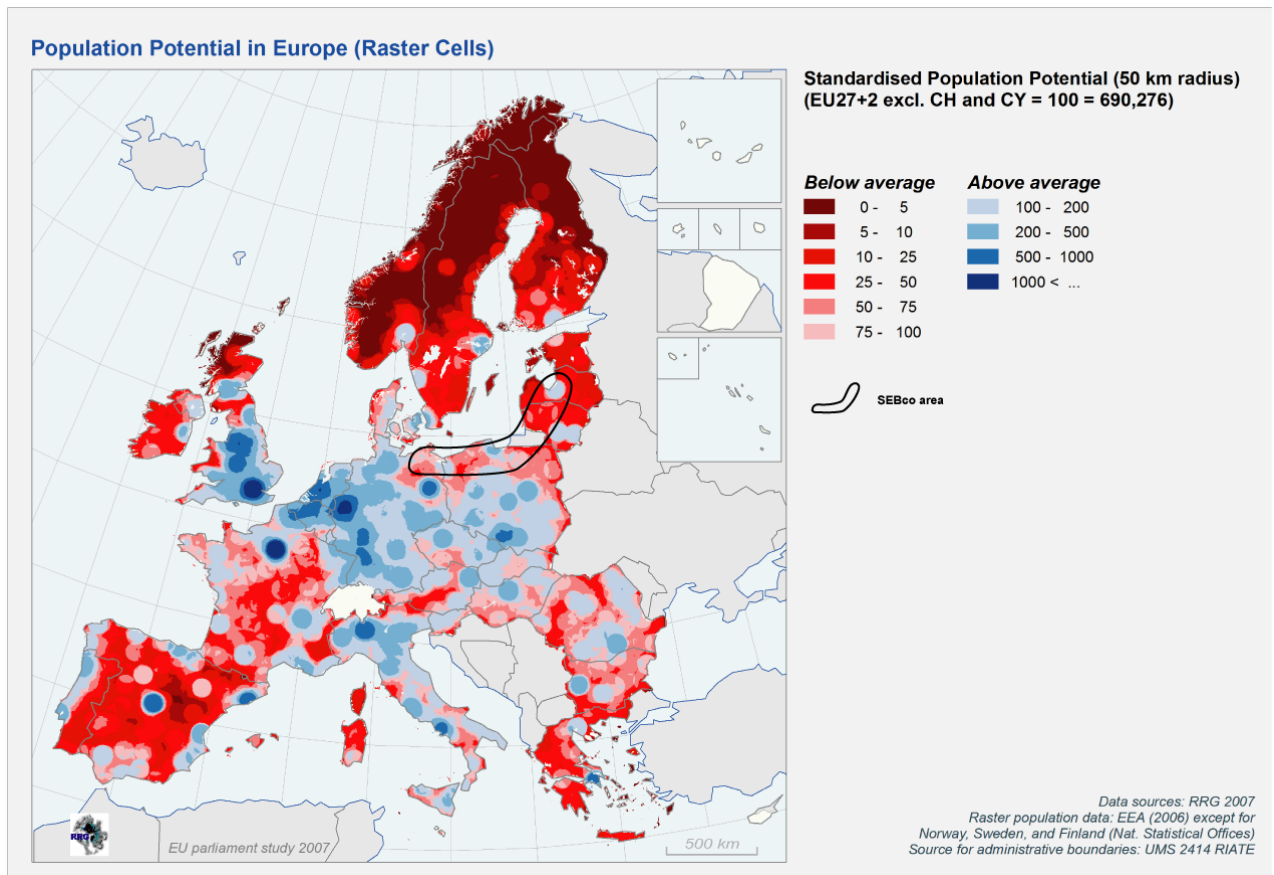
The identification of medium-sized towns in the national context is often done by considering their absolute size (number of inhabitants / number of jobs) as a prime indicator of their position in the urban hierarchy. In each national context, more or less official threshold values are identified, corresponding to a mental category of “small and medium sized towns”. Such a category is established in relation to a given geographical context, and that it is therefore specific to each nation or region. It is therefore problematic to transpose such thresholds at the trans-national or European scale.

The nature of the geographic context can be described through so-called “population potentials”. This corresponds to the measure of the number of people living within a given distance from each point in space. Different distances can be considered, depending on the perspective, but for general social and economic planning purposes the maximum generally accepted commuting distance is of particular importance. If we approximate this to 50 km, the corresponding European population potentials can be represented as illustrated in Figure 1.¹

If we overlay the SEBco cooperation area to this map, we observe that population potentials are generally below EU-average, with the exception of the regions around Lübeck, Szczecin, Gdansk and Riga. The South Baltic Arc is however a contrasted territory. Population potentials indeed range from twice the EU-average near the so-called Tricity (*Trójmiasto*) formed by Gdańsk, Gdynia and Sopot, and down to under 25% of the EU average near Vidzeme in Latvia. In other words, the population potentials in the most densely populated parts are 8 times higher than in the most sparsely populated ones.

¹ As such, population potentials constitute an alternative to population density measures, which are essentially determined by the extent and borders of administrative entities and therefore inappropriate when considering transnational entities with varying types of regional and local territorial divisions.

Figure 1: Population potentials in Europe



Background figure initially published in the EU Parliament study Regional Disparities and Cohesion - What Strategies for the Future Nordregio (2007)

Given these contrasts, it is easy to imagine that towns with the same population will play a different role depending on their position within the South Baltic Arc. At the extreme, a medium-sized town in one part of the South Baltic Arc may be considered as a city in another part. To avoid defining population thresholds that, as a compromise between this wide ranges of situations, would not be considered entirely relevant in any of the regions, one may conceptualise medium-sized towns in terms of their potential structuring effects on the territory. This implies a function linking each urban node population to different potential structural effects on the surrounding territory, depending on the population in the surroundings (i.e. population potential). The range of towns to be considered as medium-sized towns would vary correspondingly from region to region. (Figure 2).

Figure 2: Formalising the Small and medium-sized town (SMESTO) category in terms of structuring effect on the territory

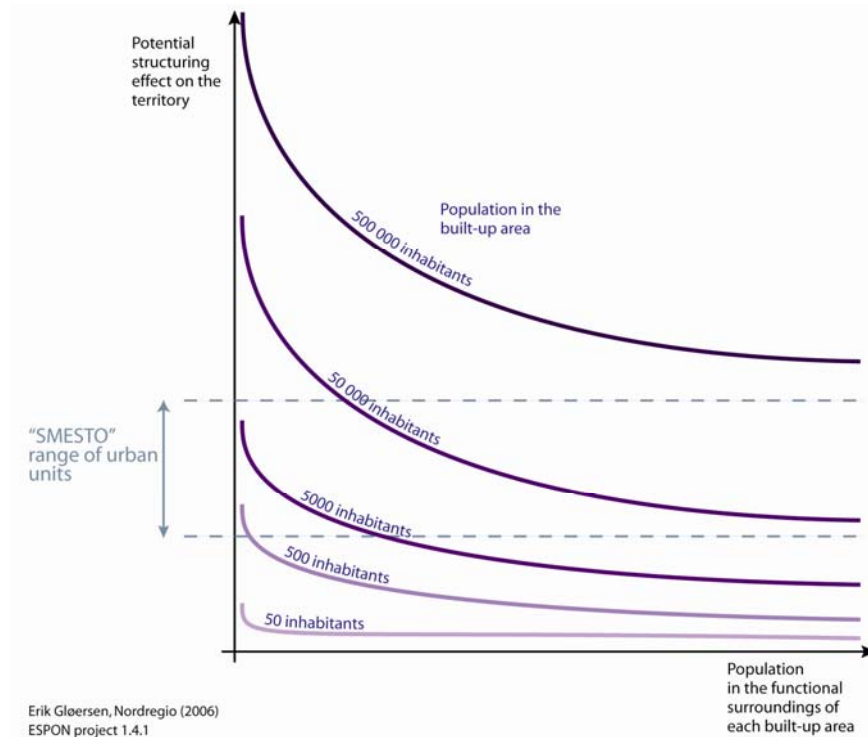


Figure initially published in the Final report of ESPON 1.4.1 – ÖIR (2007)

The statistical characterisation of medium sized towns

Medium-sized towns are relevant in strategic spatial planning insofar as they play a role in the economic and social development of their region. The focus should therefore not so much be on the medium-sized town as a settlement, but as a real or potential grouping of economic and civil society actors with shared interests.

The “spatiality” of this grouping needs to be critically assessed: does it correspond to a morphologically defined area (of the type that can be identified on a satellite image), to a functionally defined area (such as a travel-to-work area) or to another type of zoning?

Obviously, this depends on the issues that are being addressed. From a growth optimisation point of view, as measured by GDP per capita, the most valid groupings are probably the wider functional economic areas, i.e. areas of interaction between companies.

If one takes into account a larger range of social externalities (e.g. costs of population concentration, social interaction, quality of life), the existing or potential commuter catchment areas become more important (incorporating not only travel to work journeys, but also other types of daily mobility to e.g. schools and shops).

Other perspectives, such as natural resource exploitation, environmental protection and sustainable development may lead us to identify yet other zonings of importance. The conclusion from this is that towns, as they are identified geographically and institutionally are not natural entities for strategic planning, but only elements in a more complex interaction between scales.

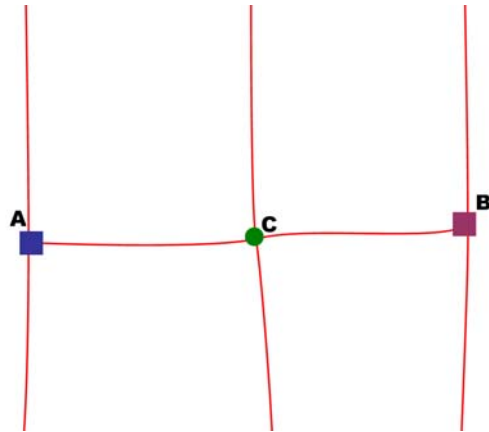
In this dynamic process of exchange and dialogue, symbols or mental reference frameworks and concrete territorial patterns or trends are equally important. Typically, place names and the values associated with them structure the behaviour of both individuals and entrepreneurs. A major issue for planners is then to imagine how to exploit this interaction between the “symbolic space” and the “concrete space” in the best possible way. Symbol based strategies such as place marketing will only catch on if they actively relate to territorial structures.

Inversely, knowledge of territorial structures among stakeholders and external observers are partly determined by these same symbolic categories. This typically occurs in the way statistical overviews assess the current status and development potentials of towns and cities. They generally presume that this assessment can be derived from the socio-economic profile and growth factor endowment of mutually exclusive labour market areas² surrounding each of these urban settlements. This not only reflects an excessive belief in space as the organising principle of all social and economic activities. It also presumes that cities and towns compete to extend their spatial influence areas in a mutually exclusive way. In other words, the prospects for polycentric inter-urban cooperation strategies are undermined by the construction of urban statistical indicators.

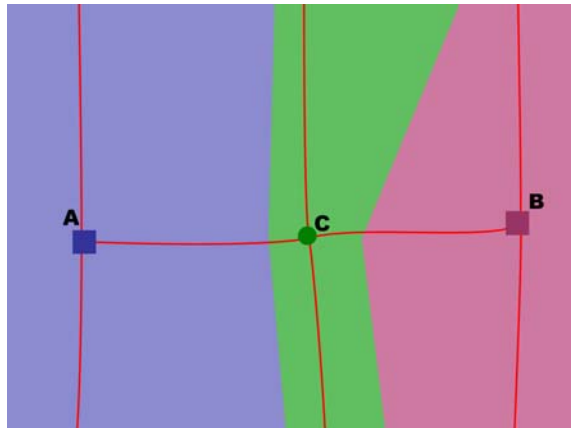
² Such Labour market areas are also referred to as “Functional Urban Areas” or “Functional Urban Regions”

Figure 3: Different perspectives on the characterisation of urban nodes

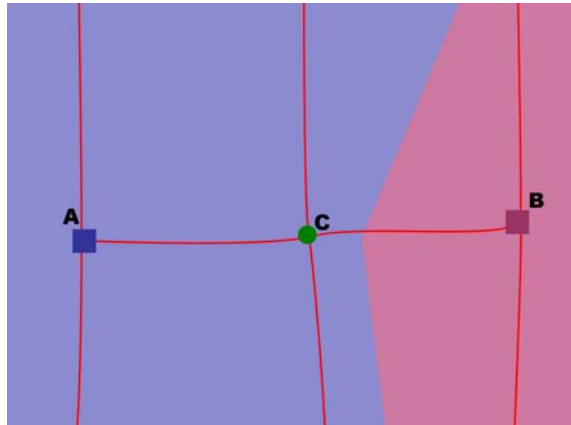
If we consider cities A and B, and the intermediary town C, connected by transport infrastructure represented by red lines.



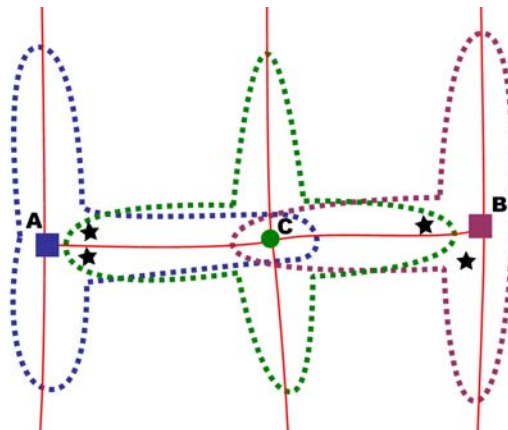
The delimitation of Labour market areas or “Functional urban areas” in this area will typically assign a smaller area to town C than to cities A and B.



Alternatively, depending on the thresholds used, town C may not be considered as having a labour market area of its own, but be included in either A or B.



From the point of view of local planners and economic development officers in A, B and C, it may be more relevant to consider the potential commuting area in terms of travel time to each node (delimited by stapled lines), the competencies of the persons living within each of these overlapping areas and the access to critical infrastructure (represented by stars in the figure).



Bottom figure initially published in the Final report of ESPON 1.4.1 – ÖIR (2007)

Given this competitive stance, urban statistics generally do not play in the favour of small and medium sized towns. As illustrated by Figure 3, medium-sized towns in the proximity of larger cities will typically be assigned a limited travel to work area or simply be annexed into the neighbouring one. Even if one may at a later stage consider the interaction between these different nodes in wider inter-urban regions, this creates a problem of visibility for the medium-sized towns. Their “urban capital”³ is systematically being underestimated or ignored.

Positioning South Baltic medium-sized towns in the European contexts

In terms of wider range access to population in Europe, the SEBco area is located north of a wide core area with accessibility levels above European average, while accessibility levels in its North-Eastern go down to less than 50% of the European average⁴ (Figure 4). In terms of access to GDP, however, only the westernmost SEBco partners have accessibility levels close or equal to the European average. Levels observed in the Latvian and Lithuanian parts are even below 10% of the European average.

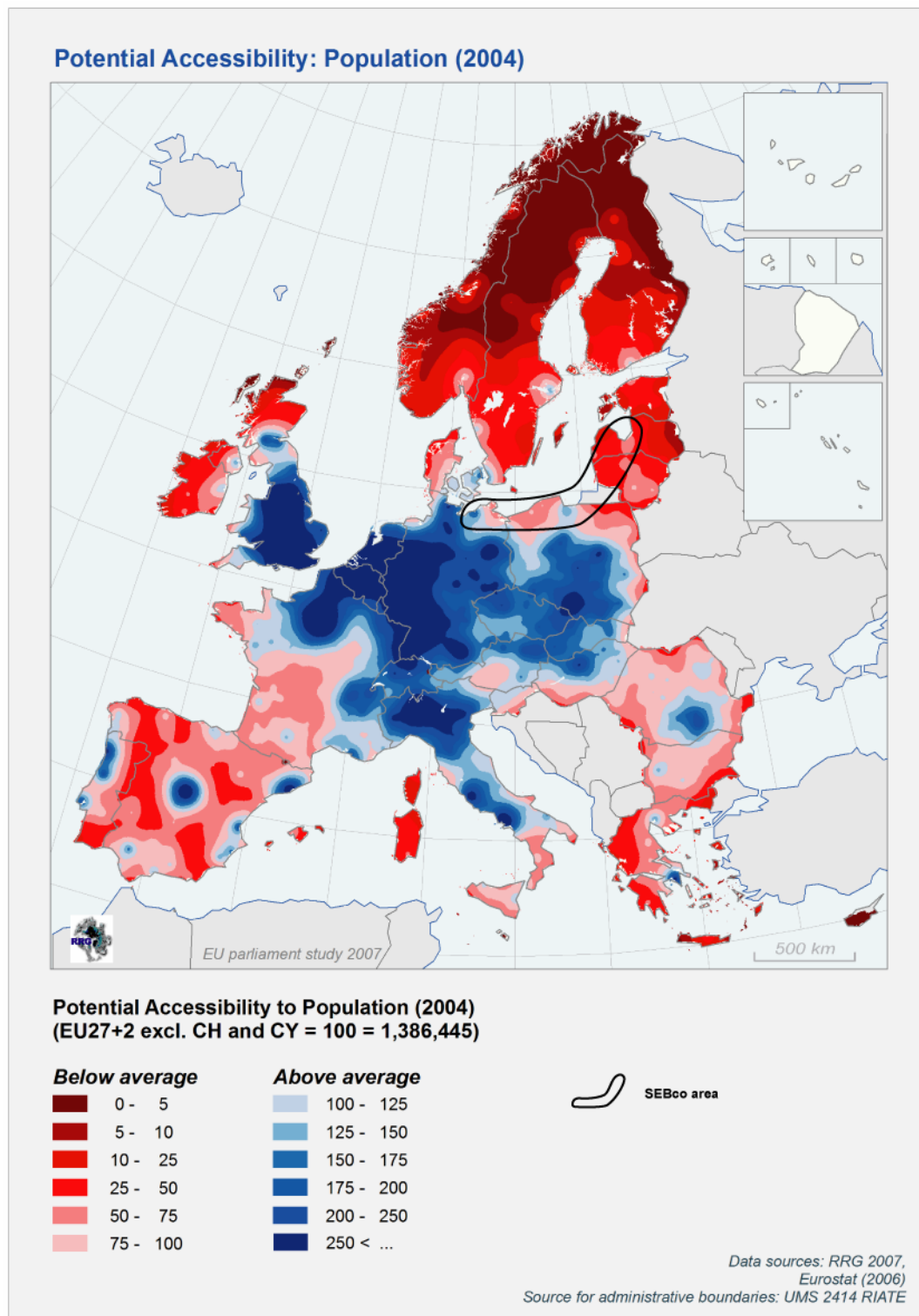
There is a long tradition for making this type of calculations in European studies and policy documents, going back to the Keeble reports in the early 1980s. The positive correlation that can generally be observed between good European accessibility levels and high GDP levels is reinterpreted as causal link suggesting that European peripherality leads to lower levels of economic performance. Initiatives such as Trans-European Networks (TEN) can be seen as a policy response to these types of analyses, as they have primarily focused on increasing the accessibility of peripheral areas to the core areas, thereby “extending the centre of Europe” (European Round Table of Industrialists, 1984).

These views have however been challenged in a number of respects. First, some authors argue that the importance of distance has been largely over-estimated. On the basis of evidence on the movements of goods in Great Britain, Chisholm (1995) for example concludes that “*the costs of transferring most goods from one location to another are sufficiently small relative to all the other*

³ To paraphrase the notion of “regional capital” used in the “Territorial State and Perspectives of the European Union” (BMVBS, 2007)

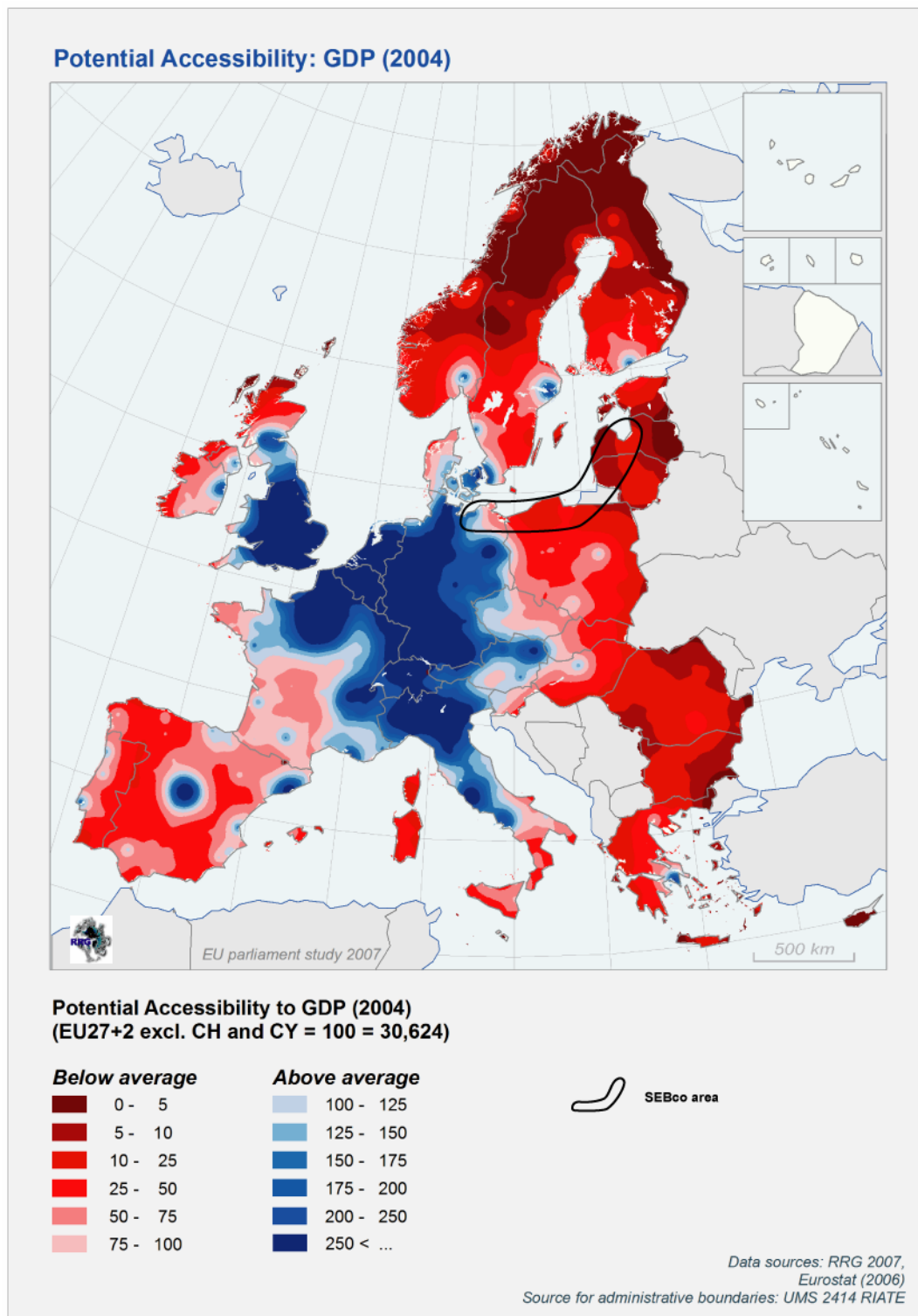
⁴ To calculate accessibility, one considers travel times from each point of the European territory to all regions. A negative function is then applied to each travel time, and the result is multiplied with the concerned destination region’s population. This implies that a large nearby region will give a large figure, while a small distant one will give a small figure. The sum of the figures obtained for a given point then corresponds to this point’s accessibility. In Figures 4 and 5, accessibility values have been calculated from points situated at regular intervals of 2,5 km.

Figure 4: Potential European accessibility to population (2004)



Source background figure: EU Parliament study Regional Disparities and Cohesion - What Strategies for the Future Nordregio (2007)

Figure 5: Potential European accessibility to GDP (2004)



Source background figure: EU Parliament study Regional Disparities and Cohesion - What Strategies for the Future Nordregio (2007)

determinants of economic prosperity that we may discount the location of Britain relative to the rest of Europe”.

In this respect, despite a constant political demand to justify policy measures in favour of peripheral areas, no studies have been capable of quantifying the cost of remote location on economic activity. Naturally, companies locating outside of the core are less sensitive to transportation costs and do not require proximity to the most important European markets. As the parameter of geographic location has been taken into account prior to their creation, it does not make sense to analyse whether this gives them a competitive disadvantage.

Second, ESPON studies on the effect of Trans-European Networks note that unless TEN would focus exclusively on transversal connections (“links from periphery to periphery”), they contribute to increase the relative accessibility gap between the core and periphery in European. This is a natural consequence of the fact that the core draws benefits from all new or improved radial links, while peripheries only increase their accessibility when infrastructure investments concerning their own interaction with the core are made.

Third, one may question the Euro-centric approach according to which only connections to European destinations would be valid. In the case of the Baltic Sea Region, it for example seems obvious that Russian destinations would need to be taken into account.

Fourth, the critical issue for the transportation of cargo is generally access to freight terminals rather than distance as such. A European understanding of industrial accessibility would require an in depth analysis of how this infrastructure is operating.

Fifth, if one includes air transport, one would observe a distinctly different pattern of accessibility. In this respect, the rising importance of low cost airways has had a major impact on the accessibility of medium-sized towns, including in the SEBco area, even if this implies very selective point-to-point connections. Measurements of air accessibility tend to emphasise the gap separating metropolises with hub functions from other cities. For medium-sized towns, the issue is however not so much whether there is an air hub nearby, but rather whether there are sufficient connections and air services available to reach the larger European metropolitan areas. The possibility of making day trips to locations where advanced producer service providers and major

financial institutions are located can for example be a significant factor in local economic development as it brings local entrepreneurs closer to capital and possible investors.

Regional context and access to metropolitan areas

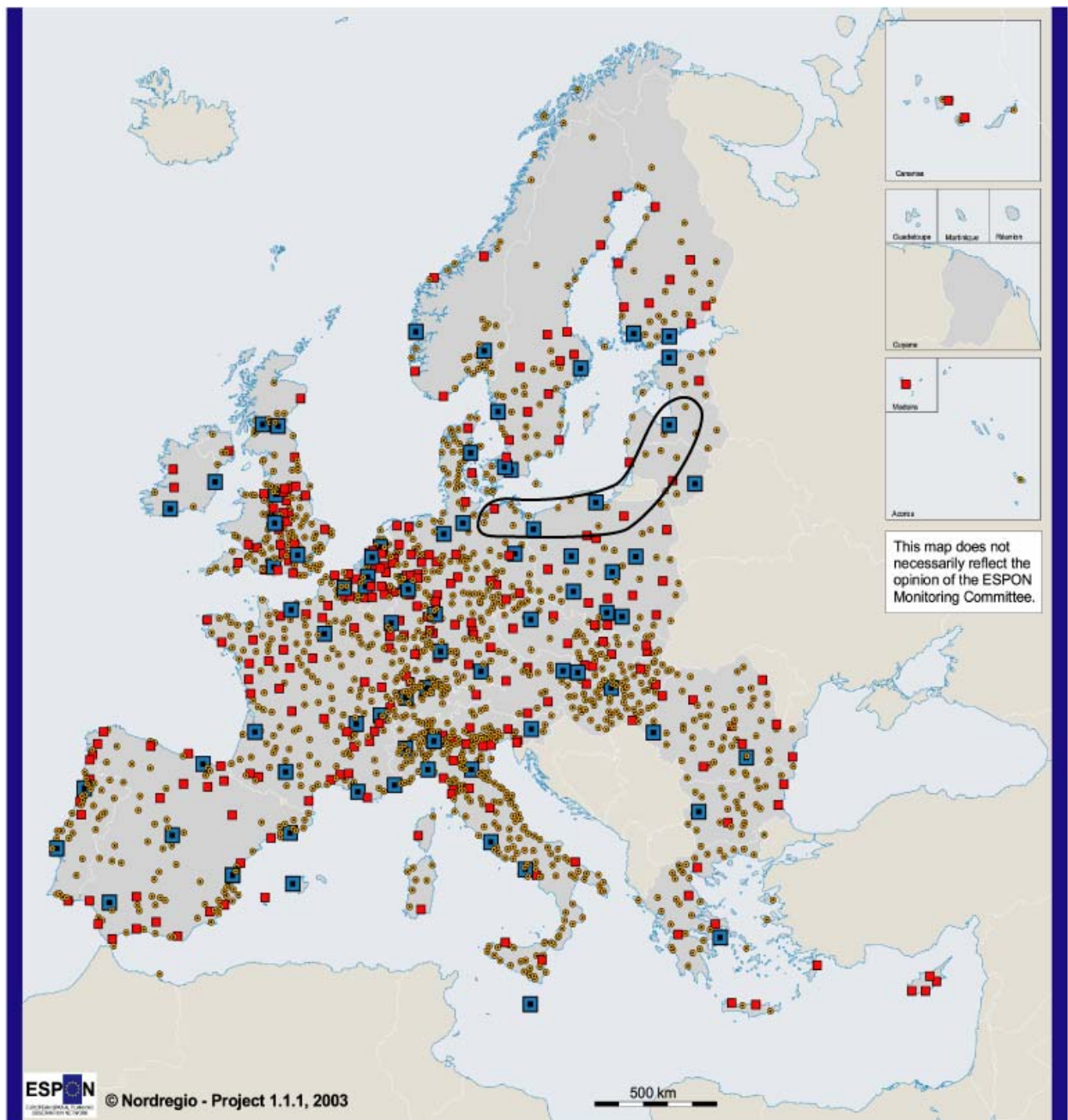
ESPON 1.1.1 has identified 1595 Functional Urban Areas of more than 50,000 inhabitants in Europe, and compiled statistics for these (Figure 6). This classification however had some weaknesses, especially in Poland where *powiaty* were used as a proxy for Labour market areas. These regions proved too large, resulting in the identification of too few urban nodes and overestimations of the population in their functional surroundings. ESPON project 1.4.3 developed an alternative FUA delimitation based on *gminy* (municipalities) which is a better depiction of the Polish urban system (Figure 7).

The major difference between the two maps is that the latter includes a larger number of small and medium sized FUAs. The overall urban structure of the urban systems remains the same, and illustrates the relative weakness of the upper tier of the urban hierarchy in the SEBco area compared to other parts of Europe. This is confirmed by the classification of Metropolitan European Growth Areas in Europe (MEGA) by ESPON 1.1.1, according to which the metropolitan areas of the SEBco areas are all classified as ‘weak’ (category 4).

Trying to elaborate upon the ESDP idea of creating “counter-weights to the Pentagon”, ESPON 2.4.2 has constructed some groupings of MEGAs which they have called European Global Integration Zones (EGIZ). These zonings are delimited so that road and rail access to these large cities is better within each zone than between the zones. Here again the SEBco area appears as one of the weakest in Europe, Northern Scandinavia and Romania excepted.

The underlying rationale of this understanding of Global integration is however highly questionable. First, global integration is seen as contingent to spatial proximity to metropolitan regions. Admittedly, advanced producer services are essential to manage the complexity of global trade and are needed by local economic actors who seek to be integrated in transnational networks of exchange and commerce. These services are primarily localised in major metropolitan regions. However, it remains to be proven that geographical distance is a significant obstacle for actors seeking to use advanced producer services. Connectivity (e.g. air connections and ICT endowment) and cultural factors (e.g. entrepreneurial traditions, level of proficiency in foreign languages) are factors that are much more generally quoted in the literature.

Figure 6: ESPON 1.1.1 classification of Functional Urban Areas (FUA) in Europe



ESPON
 © Nordregio - Project 1.1.1, 2003

500 km

Geographical Base: Eurostat GISCO

- Metropolitan European Growth Areas (MEGAs)
- Transnational / national FUAs
- Regional / local FUAs

 SEBco area

Origin of data: EUROSTAT, National Statistical Offices,
 National experts

Source: Nordregio

Figure 7: ESPON 1.4.3 classification of Functional Urban Areas (FUA) in Europe

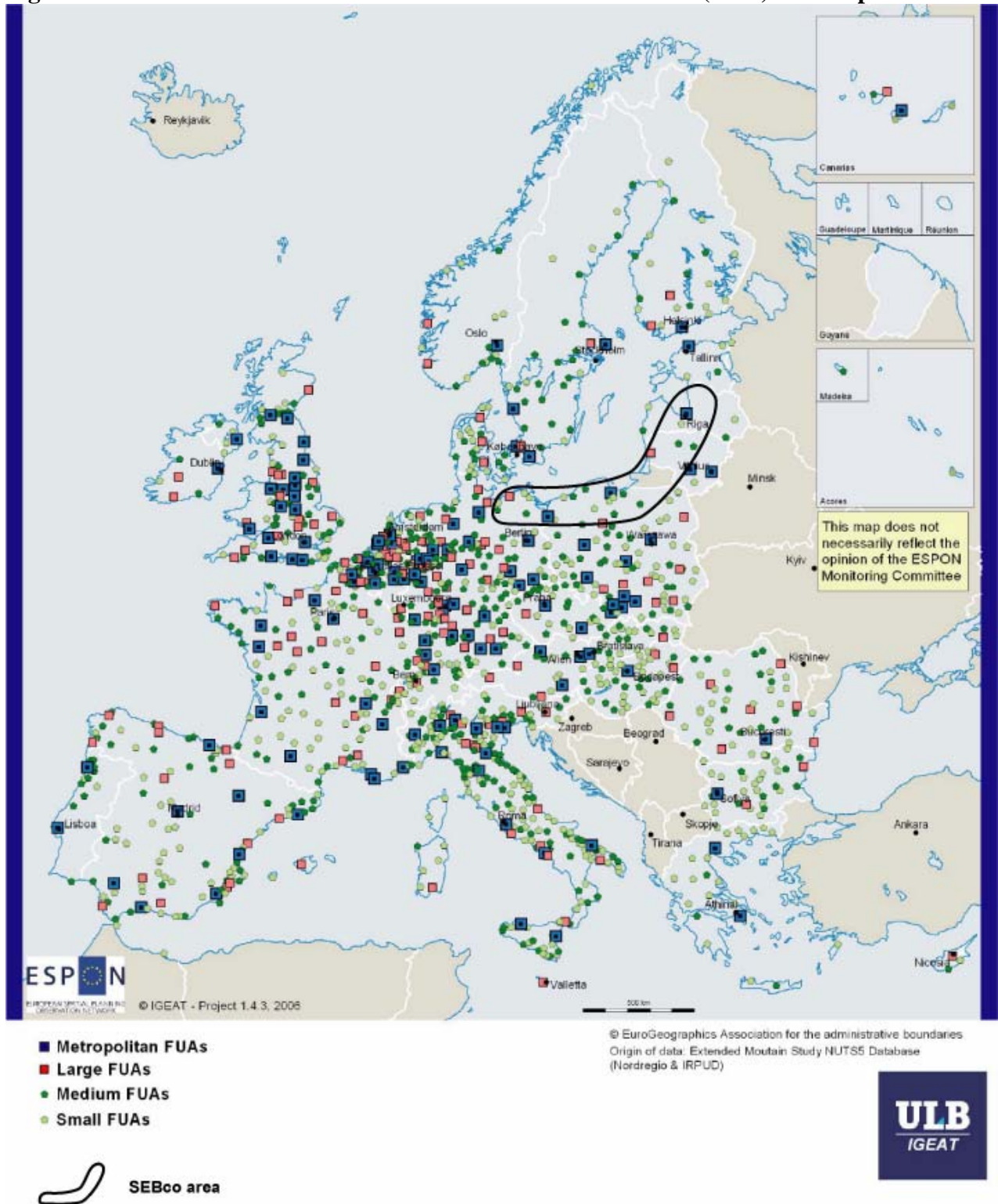


Figure 8: ESPON 1.1.1 classification of Metropolitan European Growth Areas (MEGA) in Europe

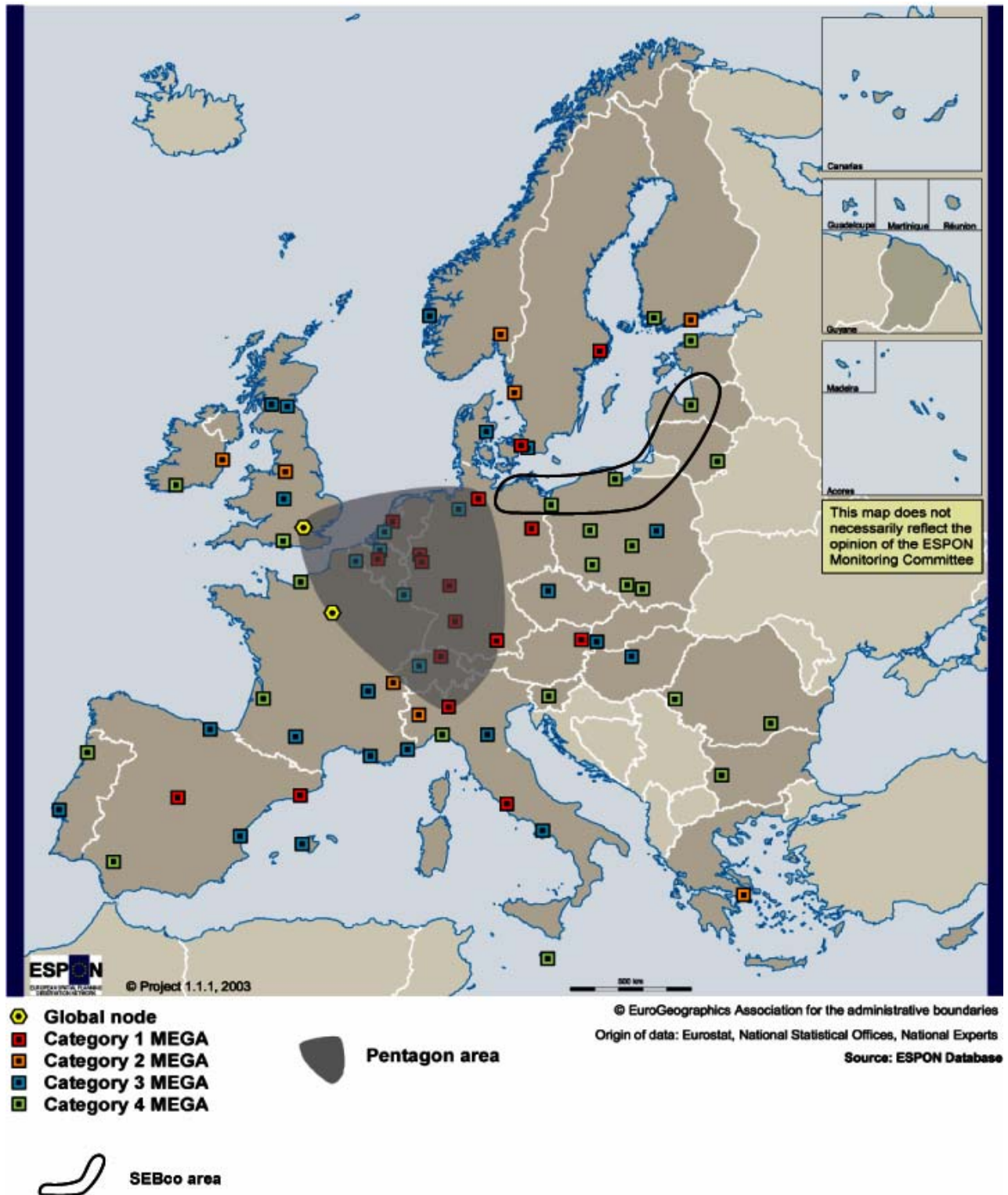
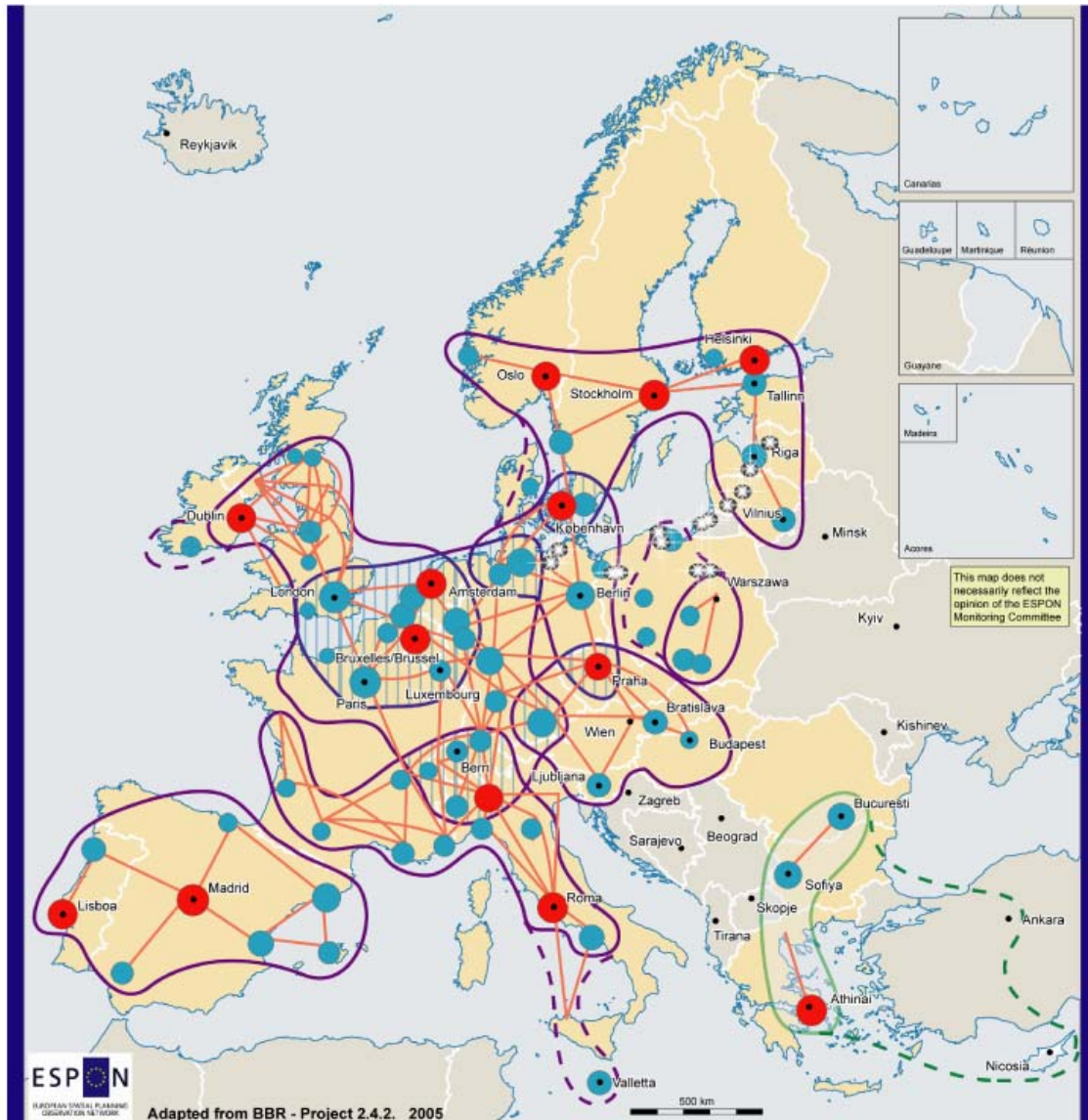


Figure 9: A speculative attempt at delimitating European Global Integration Zones by ESPON 2.4.2.



Potential European Global Integration Zones (EGIZ)

- Strong Potential European Integration Zone
- Potential extension with improved accessibility
- Future Potential European Integration Zone
- Potential extension with improved accessibility
- Global integration hinge region

Main cities: Metropolitan European Growth Areas (MEGA)

- MEGA covering all functions of European significance*
- Other MEGAs

* Transport, University, Decision-making, Administration, Tourism, Manufacturing.
Size according to average value of related significance of functions

© EuroGeographics Association for administrative boundaries

Origin of data: ESPON 1.1.1 Nordregio
ESPON 1.2.1 INRETS

Source: ESPON database

Connectivity

Travel times of one hour or less by air or rail between main cities in 2003

SEBco partners

Second, this focus on geographical distance implies that actors at all scales are presumed to turn to the metropolitan regions within their zones for global connections, rather than to other cities. The validity of such assumptions remains to be verified. The dynamics of concentration of high-value added sectors of service provision to just a few metropolitan areas on the contrary indicate that weaker MEGAs are being bypassed, and that economic actors increasingly turn to service providers across regional and national boundaries.

This implies that the relatively weak endowment of the SEBco area in higher ranking urban centres does not need to be a competitive disadvantage, as long as it is possible to establish the necessary connections to major European metropolitan areas. Such connections are constrained by human factors such as cultural and linguistic barriers and by infrastructural connectivity (e.g. ICT, air connections) rather than by geographical distance.

More generally, this analytical perspective overemphasises mass criteria (such as the absolute number of population, employees, GDP etc.) as critical ingredients for economic growth and welfare. Current growth patterns in Germany on the contrary demonstrate that winners and losers can be found at all levels of the urban hierarchy. At the highest level, while Munich or Stuttgart can boast a strong economic performance both in the urban core and in the hinterland, Berlin and the Ruhrgebiet cannot. Similarly, regions whose urban structure is mainly composed of medium-sized towns separated by rural areas can be highly successful (e.g. Münsterland/Emsland), but can also be at the bottom of most rankings (e.g. Oberlausitz).

To understand the reasons for unbalanced spatial development some further indications are obviously needed. The common conclusion based on neo-classical thinking that spatial politics should first and foremost allocate its incentives to exploit agglomeration effects (i.e. those to be assumed in larger urban agglomerations) is at best deterministic. The spatial pattern of the European urban landscape is much more diverse and not only characterised by those areas (and their spill-over effects to medium-sized towns) which have been nominated as Metropolitan regions in strategic policy papers.

The general conclusion of the previous sections on the European and regional contexts for development is that the strategic planning challenge for medium-sized towns in the South Baltic Area do not concern geographical structures as such, but the possibility for creating “milieux for

collective action” (Cars, 2002) that empower local communities to formulate and implement development strategies contributing to the general development of their region.

This can be built on the notion of polycentricity promoted by European planning documents such as the ESDP and the “Territorial State and Perspectives of the European Union”. As demonstrated below, the rationale of European thinking on polycentricity makes it quite inadequate as a principle for the development of medium-sized towns. The objective for local and regional planners in the SEBco area is therefore not to apply polycentricity, but to reinvent it. The perspectives for such a reinvention of polycentricity are further elaborated upon below. Such a strategy however first requires a capacity to characterise the situation of medium-sized towns and to assess their potentials.

Characterising medium-sized towns on their own terms

The previously described speculative map of European Global Integration Zones constructed by the German Federal Office for Building and Regional Planning (BBR) (Figure 9) is useful as an illustration of what the strategic perspectives of the ESDP in terms of establishing “counterweights to the Pentagon” lead to when applied to European space. Such zones are not only impossible to ground in the literature on economic globalisation processes, but they also effectively block attempts to reflect upon polycentric strategies for medium-sized towns. Indeed, given the focus on “European balance” between the Pentagon and the rest of the European territory, medium-sized towns are reduced to sub-components of metropolitan growth dynamics rather than being considered on their characteristics and development projects.

The previous sections have sought to demonstrate that most approaches of differentiated growth patterns across European space tend to reinterpret correlations as causal processes. For example, one has concluded that lower accessibility to main European markets lead to lower growth from the fact that peripheral European regions tend to have lower GDP figures. In a similar way, the lack of demographic or economic dynamism in medium-sized towns located outside of metropolitan influence areas has been thought to imply metropolitan accessibility is a major determinant of maintained growth.

All inductions of this type need to be confronted with the concrete challenges encountered in individual medium-sized towns and analysed against the success stories of medium-sized towns that do achieve high growth in spite of a peripheral location and general preconditions that are presumed to be unfavourable. The objective of such a bottom-up exploration of structural factors of development is to approach the processes leading to the emergence of “milieux for collective action”, and the policies that can promote them.

A central issue is however what performance indicators can be used to assess the achievements of individual medium-sized towns. One should first note that GDP is not an option at the sub-regional scale, as the organisation of production in space makes it practically impossible to identify the spatial entities to which the generation of added value should be ascribed.

Income levels are an option which is often resorted to, as it is easier to position households geographically. The extent of income transfers however makes it necessary to be extremely careful when interpreting these figures. The “residential economy”, whereby regions or towns base their development on attracting persons receiving income from transfers (esp. retirees) or making their income another place, is an essential component of spatial development patterns in Europe. While “residential economy”-based development is certainly a valid option, it needs to be distinguished from strategies based on productive activities by firms or employees respectively.

Demographic trends are a third option. When they can be decomposed into natural changes and migratory flows, they provide powerful synthetic indicators on the general dynamism of local communities. The scale at which these trends are observed is however of prime importance: what may look as depopulation at one scale may only be a relocation of population based on increased mobility at another. More importantly, the systematic interpretation of population gains as being positive, while population loss would be negative, does not necessarily hold true. Le Bras (2000) describes such interpretations as “rituals of fertility” and advocates more nuanced approaches. A population loss may simply reflect an adaptation to a changing economic context or a technical evolution implying that some sectors require fewer employees. They are only problematic insofar as they threaten the coherence of local communities or jeopardise their long-term sustainability.

The evolution of local employment is a fourth alternative for characterising medium-sized town. An increase in the number of employment opportunities indeed bears testimony to a certain

economic dynamism. Such calculation however entirely depend upon the way in which the functional area around the medium-sized town is delimited.

Evolutions in the functional specialisations of medium-sized town local labour markets can also be seen as indicators of performance. Its interpretation is however ambiguous. On the one hand, some degree of specialisation is a necessary component of it a town or cities' competitive advantage (Pumain, 1999). Traditionally, the growth of employment in high added value and knowledge intensive branches of activity is an indication of high performance. On the other hand, a high degree of specialisation makes a local community vulnerable to economic cycles and fluctuations on the world market. Therefore, individual medium-sized town's "performance" with regard to specialisation and growth in employment opportunities must be analysed in relation to trends in neighbouring towns and cities, in order to assess the coherence of the economic development in the wider functional region, and its overall vulnerability to economic cycles.

This brief overview only seeks to demonstrate that there is no straightforward way of assessing the performance of localities. Classically used indicators such as income levels or demographic trends, will naturally tend to favour medium-sized towns in the proximity of metropolitan regions, without necessarily reflecting endogenous growth dynamics. Consequently, the identification of structural factors leading to sustained development at the level of medium-sized towns requires complex, wide ranging evaluations of local situations.

Structuring the knowledge of medium-sized town challenges and opportunities:

The “syndrome” approach

Spatial visions conceived as visual models with connecting lines and nodes can be intellectually seductive, and may have a positive impact on the dialogue between actors at different levels of the urban hierarchy. They can however hide the real challenges faced by a region or a set of urban areas just as much as they reveal them. Typically, such spatial visions figures try to define a model of spatial interaction by drawing hypothetical links between urban nodes. However, insofar as the exact interaction corresponding to these links is not described, the stakeholders of the nodes are unknown and their spatial boundaries are undetermined, such models in fact hide the real obstacles to spatially balanced regional development. Indeed, the way in which spatial visions presume the existence of “nodes” focuses the attention of stakeholders and decision-makers on the generation of corridors and zones between them. In most cases, the primary challenge however lies in the generation of these nodes, through institutional capacity building creating underpinning the creation of the previously mentioned “milieux for collective action” (Cars, 2002).

The design of such territorial governance initiatives in medium-sized towns can be guided by a precise identification of the reasons behind their possible lack of economic or demographic dynamism. Such a more holistic approach of medium-sized towns can be produced by using a “syndrome of disadvantage” methodologically similar to that developed by Andrew Copus for European northern peripheries (in Gløersen, Dubois, Copus and Schürmann, 2005). The notion of “syndrome” should be seen as qualifying the degree of disadvantage faced by medium-sized towns, but in the neutral and medical sense as “a complex of symptoms indicating the existence of an undesirable condition or quality”. The objective of this approach is structure the observed or analytically identified disadvantages in way that facilitates the formulation of policy advice.

A hypothetical attempt to describe this “syndrome of disadvantage” is presented in Figure 10. This should only be seen as methodological framework and possible starting point of discussions, as the actual production of such a description would require in-depth enquiries in the situation of individual SEBco medium-sized towns.

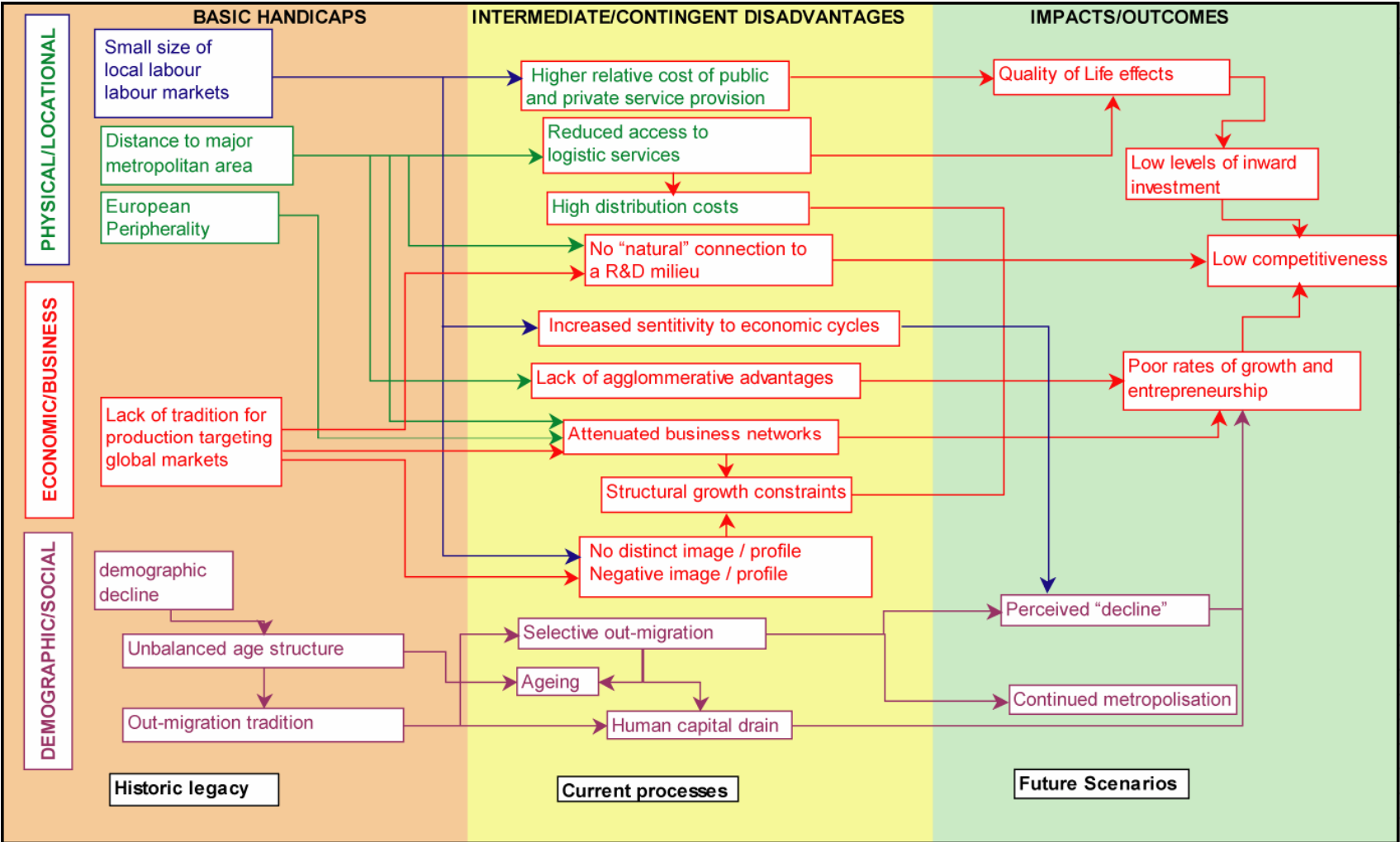
The figure has a two-dimensional layout, so that both horizontal and vertical position is important. The top section of the diagram relates to the physical geography and location of the regions, whilst below we find the economic/business and demographic/social aspects.

On the left of the diagram are located a number of basic handicaps (top heading) and historic legacies (lower heading). These are in a sense, fixed preconditions, and include climate, peripherality, position with regard to metropolitan areas, industrial cultural and demographic trends.

In the central section of the diagram we find various processes and characteristics, which derive from the basic handicaps, often exacerbating the initial basic handicaps. For instance the small size of some medium-sized town labour markets results in high relative costs for service provision, and a difficulty of generating successful place marketing initiatives. The lack of “natural” connections to Research and Development milieux can be seen as an effect both of distance to metropolitan areas (where Universities and Research centres are primarily located) and an industrial environment which has up to recently generally not been exposed to global competition and primarily focused on regional or national markets.

In terms of policy design, such a methodology helps distinguishing some basic elements that are not mutable, such as for example the small size of labour markets or the relatively peripheral position in relation to metropolitan areas or to “European core areas”. Policies focusing on the aspects in the left of the diagram are therefore unlikely to succeed. However, one may intervene on the processes leading from these basic elements to intermediate disadvantages and their impact or outcome with regard to the performance of medium-sized towns. In many respects, this is about identifying the public interventions with the best possible ‘leverage effect’ when it comes to countering general trends leading to a concentration of people and activities which can be identified politically as excessive with regards to its social, economic or ecological externalities.

Figure 10: A hypothetical description of the SEBco medium-sized towns “syndrome of disadvantage”



Nordregio (2007)

NOTE: The term “syndrome” does not describe any level of disadvantage, but merely “a complex of symptoms indicating the existence of an undesirable condition or quality”. This chart is meant as methodological suggestion and starting point for discussion, as it is not based on any concrete assessment of SEBco medium-sized towns.

The need to reinvent polycentricity as a territorial development strategy for medium-sized towns

The distinction between medium-sized town “basic features” on the one hand and processes and outcomes deriving from this can be related to debates around polycentricity. This buzzword of European spatial planning, is frequently used but also surrounded by considerable confusion with regards to its meaning. Because the concept emanates from urban planning in dense, Dutch networks of cities and towns, many have concluded that the objective of the ‘polycentric’ policies is to transpose this model to all parts of Europe. This not only appears as physical impossibility in many regions, due to the distance between urban nodes. ESPON project 1.1.1 also demonstrated that it would lead to increased contrasts between core and periphery in Europe if towns and cities all over the continent would attempt such strategies. Polycentricity deriving from the morphological features of towns and cities does not contribute to enhanced territorial cohesion.

A polycentric project which, following the words of the “Territorial Agenda for the European Union”⁵, would be pursued “*with a view of making better use of available resources in European regions*” would therefore need to address other aspects than the shape of the urban network. More generally, a focus on the geographic preconditions (i.e. the features of the ‘syndrome diagram’ that belong to the left column) is unlikely to bring about a new type of equilibrium between medium-sized towns and larger cities.

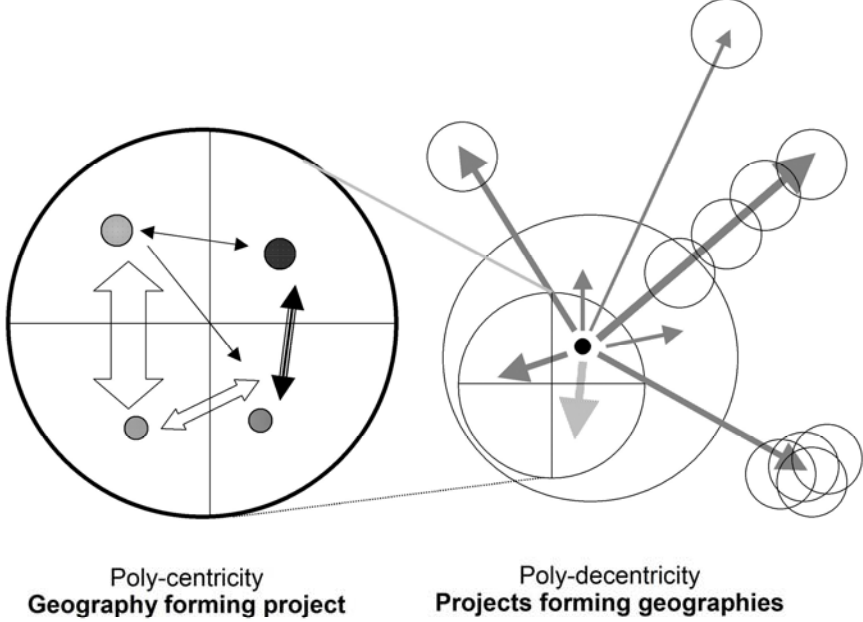
Polycentricity could instead be promoted by intervening on the processes leading from these geographic preconditions to disadvantage, and on the ‘soft issues’ represented in the central and right parts of the diagram. Avoiding the depopulation and economic decline in medium-sized towns would obviously be part of such a ‘polycentric’ strategy. It would however not necessarily seek to reduce contrasts between large and small cities in terms of demographic size, as long as the urban network allows the society to make good usage of natural and human resources.

Such a ‘teleological’ interpretation of polycentricity, departing from its objective rather than from a definition while at the same time suggesting that part of the answer to Europe’s territorial challenges lies in more spatially spread centres of economic impulsion and growth, implies that the

⁵ The Territorial Agenda is a strategic document agreed upon by the European Ministers in charge of Spatial Planning in Leipzig in May 2007. It can be downloaded from: <http://www.bmvbs.de/en/-/1872.963636/Territorial-Agenda-of-the-EU.htm>

SEBco medium-sized towns need to invent the meaning and implications of polycentricity in their own context. This implies creatively rethinking the scope of action for medium-sized towns, on the basis of extra-local networks for cooperation and economic exchange. Groth (2007) calls this strategy poly-decentricity, and considers that it can be lead in parallel with strategies seeking to link up with neighbouring medium-sized towns and larger cities. The main point is that coalitions are based on shared interests rather than on geographic constraint (Figure 12).

Figure 11: Polycentricity based on shared interests rather than on geographic constraints



Source: Thomas Sick Nielsen and Niels Boje Groth (2007)

Revised inputs to policy recommendations

(1) SEBco SMESTOs and the prevailing European territorial discourse

The perspective of the European Union and its Member States on medium-sized towns has changed. In the late 1990s, the *European Spatial Development Perspective (ESDP)* describes them primarily as nodes of rural regions, which need to be supported in order to preserve a general territorial balance. The 2007 *Territorial State of the Union* on the contrary stresses that medium sized towns can be involved in global networks and that economic performance is not determined by size. Strikingly, however, these considerations have not found their way into the *Territorial Agenda*, which is the policy document derived from the *Territorial State of the Union*.

This reflects a general tendency to maintain a rather deterministic image of medium-sized towns, in spite of the above mentioned evolution. Such assessments are underpinned by analyses focusing on overall trends rather than considering the variety of local activity profiles, of potential development-paths and of territorial capital.

Furthermore, the concern for “European territorial balance” has been detrimental to the position of medium-sized towns in European territorial discourse. First, the focus on developing a more territorially balanced system of metropolitan areas in Europe (aka ‘European metropolitan polycentricity’) encourages increasing disparities at the regional and national levels. Second, the excessive interpretation of the role of metropolises as ‘gateway cities’ implies a neglect of medium-sized cities’ capacity to develop autonomous global connections. Third, the concern for growth maximisation and for convergence of national economic performance figures has reduced the attention paid to the long term potentials of medium-sized towns.

The European spatial discourse is a potentially powerful leverage to promote more active policies in favour of medium-sized cities at all levels. Medium Sized towns need to communicate more actively at the European scale on their concrete development opportunities and challenges. The objective is to contribute to build a European discourse that can change the perspective on where and how growth can be created. If such a discourse is established, it will impact strategies pursued at European, national and regional levels.

(2) Focus on processes rather than on trends

Data showing that the overall economic and demographic trends of SMESTOs are correlated with their geographic position are often taken as proof that the development potentials of SMESTOs depend on their integration in a metropolitan region. Rather than looking at these correlations as a constraint on public action, one should however analyse the processes leading from a geographical position to economic performance in detail. The objective is to determine to what extent these processes are contingent upon some types of actor behaviour that public policies may change.

Geographical position does not determine the performance of medium-sized towns. This implies that there are many alternatives to policies improving the connections between these towns and metropolitan areas.

Where these types of analyses are carried out, and in the absence of other convincing determining factors, one often refers to the contribution of charismatic persons in the emergence of growth dynamics through strategic alliances, joint projects and new modes of governance. The notion of “political entrepreneurs” is also used, reflecting the tendency of some local politicians to manage and develop their municipality with methods taken from the private sectors.

The critical issue is to preserve the respective role of each stakeholder, especially in medium-sized cities where local elites often only include a relatively small group of persons. The institutional framework must therefore define the right degree of legitimacy, decision-making ability, flexibility, stability, commitment and finally mix (private/public) of all actors involved. A mode of governance has to be defined in which different territorial and substantial logics of actions, interests and rationalities can be negotiated (and finally harmonised). This is a necessary precondition for a balanced development, taking into account not only economic efficiency, but also democratic embeddedness and social and ecological sustainability.

In a territorial perspective, institutions facilitating consensual decision making and trust are also a necessary precondition for alliances between cities and towns at different levels at the urban hierarchy. Such alliances indeed need to establish that they are seeking to promote solutions that are beneficial to all involved partners. This implies that individual development strategies go beyond mere entrepreneurship, and have a wider development perspective.

Preserving the institutional balance between elected representatives, industrial and commercial interests and the civil society is of particular importance in SMESTOs. This is also a prerequisite for the constitution of efficient partnerships, especially when they include urban nodes from different levels in the urban hierarchy.

(3) The under-estimation of medium-sized towns in statistics

Evidence-based planning is a buzz-word of spatial planning. It is however important to keep in mind that the nature of the evidence is determined by statistical delimitations and by data availability. This tends to play against medium-sized towns, especially when statistics are based on the town area only rather than the wider cooperation area.

A thorough understanding of the functional profiles, strengths and opportunities to be found in the city or town at hand is needed. Where are potential complementarities and how can they be activated? What are the critical flows of information or talents and their tacit knowledge? In other terms tailor-made policy recommendations have to be related to evidence-based approaches. Being able to identify tangible effects of cooperation is a prerequisite for the long-term involvement of stakeholder. The construction of an adequate and useful evidence base however presupposes that the stakeholders are actively involved in its elaboration.

The definition of the relevant territory is critical in this respect: within what boundaries can one expect social, economic and political actors to establish a “milieu for collective action”? by way of consequence, within what statistical boundaries should one analyse activity profiles and look for development potentials?

It is necessary for policy makers and stakeholders to play an active role in the construction of the evidence base which will be used to define development strategies. This is a precondition for the recognition of their potentials at the national and European scales.

Policy design and implementation is not a linear process leading from evidence to action. It is on the contrary a dynamic process in which the actors, territory and networks need to be defined in interaction with each other.

(4) Understanding polycentricity as a motivating tool to strive for synergies

In European spatial planning polycentricity is often understood in a morphological sense, as the cooperation of neighbouring cities trying to build a more efficient and competitive larger entity through mutual integration. SEBco medium sized towns show how the insufficiency of this perspective.

European policy documents envisage polycentricity as a tool to “make better use of resources in all parts of the European territory”, and stress that medium-sized towns play an important role in this respect.

Two main levels of polycentricity are being envisaged in the literature:

- a. Local cooperation is the first component of polycentricity, involving cooperation on all issues for which local functional areas are the main scale of analysis and action (e.g. fitting labour demand and offer, providing public services). Urban morphology and the shape of local infrastructure and transportation services largely determine the potential for such polycentric strategies.
- b. Extra-local networks are established on the basis of the shared interests of all types of actors (e.g. public authorities, private companies, members of the civil society) and can bring elements of polycentricity into urban systems with strong contrasts between large and small urban nodes.

The European Spatial Development Perspective considers a third level: Polycentricity as the equilibrium between transnational ‘global integration zones’. This is based on the idea that there is a single European core, the so-called ‘Pentagon’ delimited by Paris, London, Hamburg, Munich and Milan, and that one should develop zones that could counterbalance its excessive weight in other parts of Europe. The underlying perspective on global integration and on the functioning of inter-regional and inter-urban relations is highly contestable. As only major metropolitan regions might play a role in this ‘counterbalancing’ scenario, medium-sized towns are generally ignored. The implementation of this understanding of polycentricity in European spatial policies would therefore not contribute to a more balanced territorial development.

Polycentricity not only concerns relations between neighbouring towns and cities, but also the creation of networks of a much wider geographical range established on the basis of shared interest. Both these dimensions help improving the performance of medium-sized towns. The focus of polycentric strategies should therefore not be on geographical structures, but on the institutional, cultural and infrastructural factors of autonomous networking. This especially concerns the formation of business networks.

(5) Alternative approaches of transport infrastructure projects

The perspective on transport investments needs to be widened in terms of thematic scope, time-horizon and socio-economic ambition.

Restrictive cost-benefit assessments of transport infrastructure project do not take into account their potential dynamic effects (generating new types of mobility) and do not consider the wider socio-economic benefits. Because of these limitations, they generally favour radial connections from the core to the periphery, offering the best solution to immediate transportation needs.

Such policies also increase the dependence of SMESTOs on the growth dynamics of metropolitan regions, rather than allowing them to develop their own strategy. There are European examples of high speed rail connections between medium-sized cities developed as an alternative to metropolitan connections.

An improved territorial balance presupposes a pro-active (as opposed to re-active) attitude to transport planning, orienting flows and not merely adapting to the self-reinforcing cycle of flows in direction of urban core areas.

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