

The Open Method of Co-ordination in Spatial Planning at EU Level *

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Abstract

The European Union (EU) has no spatial planning competence, but there is the informal European Spatial Development Perspective (ESDP). The process of formulating it showed features of what in the context of the Lisbon Strategy was to be called subsequently the Open Method of Co-ordination (OMC). Presently, the discussion is couched in terms, not of spatial planning but of territorial cohesion. Under the Treaty establishing a Constitution for Europe this would have become an area where the Community method would have been applicable. This would have eliminated the need for OMC, but now that ratification has become a remote prospect, OMC seems yet again relevant. What the Barroso Commission puts forward under 'Lisbon Governance' – an EU strategic framework to be amplified through national action plans – is also OMC. After all, the Community method does not apply to the full range of measures necessary for the Lisbon Strategy to succeed. What is the role of territorial cohesion policy to be in relation to this Lisbon Strategy? Even if it were a Community competence, it would be difficult to conceive of such a policy being formulated without Member State involvement. So the present author has argued before that OMC was the way forward. Also, even whilst there was still a prospect of the Constitution being ratified, by initiating the 'Rotterdam Process', a succession of informal meetings to produce a follow-up to the ESDP under the guise of 'The Territorial State and Perspectives of the European Union', Member States had demonstrated that they wanted an active part in territorial cohesion policy. The present paper updates previous proposals for OMC in territorial cohesion policy to take account of the situation after the French and Dutch no-votes.

In spatial planning, the Community method under which the European Commission has the exclusive right to initiate Community legislation, to be approved by the Council of Ministers and the European Parliament under what is called co-decision making, does not apply. However, the EU pursues policies with spatial impacts which arguably should be guided by a politically legitimated spatial strategy, but this argument put forward in the late-1980s by the French did not carry the day. Instead, in 1999 ministers of the Member States responsible for spatial planning and the Commissioner for Regional Policy assented to the informal European Spatial Development Perspective (ESDP). (CEC 1999) This had required much interaction

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between the Commission and the Member States (Faludi, Waterhout 2002), thus resembling what since the Lisbon Council of 2000 is being called the Open Method of Co-ordination (OMC) developed for policy areas where the Community method does not apply, like in key areas of the so-called Lisbon Strategy of making Europe the most competitive region worldwide.

Upon completion of the ESDP process – which it had greatly supported – the Commission decided to embrace a new concept: territorial cohesion. (Faludi 2004a) Under the Treaty establishing a Constitution for Europe (which as the first Member State holding a referendum Spain has ratified) territorial cohesion would have become a goal of the Union on a *par* with economic and social cohesion and a competence shared with the Member States. So the Community method would have been applicable. (Faludi 2005a; Janin Rivolin 2005) However, this prospect is receding. Even if it were a Community competence though, it would be difficult to conceive of territorial cohesion policy being formulated without Member State involvement. So the present author has argued in the past that OMC is the way forward. In fact, even whilst there was still a prospect of the Constitution being ratified, by initiating the ‘Rotterdam Process’ – a succession of informal meetings of Member States to produce a follow-up of the ESDP under the name of ‘The Territorial State and Perspectives of the European Union’ – Member States had demonstrated their insistence on playing a part. In this light, the present paper updates previous ones (Faludi 2004b; 2005b), taking cognisance also of what is being described as ‘Lisbon Governance’: the proposals for advancing the Lisbon Strategy after its mixed performance during 2000-2005. The ambition of territorial cohesion policy, indeed of cohesion policy as such, is to contribute to this Lisbon Strategy, but since the French and Dutch referenda it seems that territorial cohesion policy will have to do this without invoking the Community method.

The paper first discusses OMC and then territorial cohesion, including the ‘Rotterdam Process’. Thereafter it describes the Commission’s thinking as regards delivery mechanisms for cohesion policy in relation to the Lisbon Strategy. The paper ends with proposals for OMC in territorial cohesion policy.

The Open Method of Co-ordination

In an address dated January 2003 to the Commissioner for Regional Policy, Michel Barnier, the French DATAR (*Délégation à l’Aménagement du Territoire et à l’Action*

Régionale) proposed invoking OMC in territorial cohesion policy. (Faludi 2004b) Barnier could hardly have been surprised. As French Minister of European Affairs, he himself had advocated inserting territorial cohesion in Art. 16 on services of general economic interest of the Treaty of Amsterdam, and in the Epilogue to the French work detailing his role (Husson 2002), he had already argued that for "...the Union to impose, such as certain people would make us believe, who knows what form of authoritarian planning regulating everything down to the level of land use is impossible. Rather, territorial cohesion is a policy area in which to try out novel forms of governance and concrete applications of the subsidiarity principle." (Barnier 2002, 203; translation AF)

OMC is one of the novel forms of governance in the Commission's White Paper on European Governance. (CEC 2001a) It heralds what De la Porte and Pochet (2002, 47) describe as a 'post-regulatory' approaches to governance, "...in which there is preference for procedures or general standards with wide margins of variations, rather than detailed and non-flexible (legally binding) rules". OMC seeks "...to secure common aims, approaches and targets by establishing frameworks and guidelines for member states to follow, and by benchmarking progress using agreed EU-wide indicators". (Gore 2004, 125) It relies on monitoring and evaluation, often taking the form of mutual reviews by peers from other Member States.

Atkinson (2002) discusses OMC in relation to the Community's urban policies, an area for which, just as for the ESDP, the Community lacks a competence, but in which it is active, nevertheless. He draws on Hodson and Maher (2001, 719), one of the first academic papers on this subject, arguing that OMC could form part of a less rule-bound and 'heavy-handed' approach creating a common discursive context at European and Member State level by means of benchmarking, the dissemination of best practices, mutual learning and peer pressure. OMC is thus not only concerned with outcome, but also with improving policy formation. The

"...whole ethos of this process rejects the top-down imposition of policy and emphasizes cooperation and a non-binding mode of operation. Central to this process is the notion that the centre, whether at EU or Member State level, does not possess a monopoly of knowledge, thus, at least in principle, giving regions and localities a central role in the process of policy development and implementation..." (Atkinson 2002, 784)

The mainspring of thinking about OMC has been the Lisbon Council of 2000.

Accordingly, designed "...to help Member States to progressively develop their own policies, [OMC] involves:

- fixing guidelines for the Union combined with specific timetables for achieving the goals which they set in the short, medium and long terms;
- establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world and tailored to the needs of different Member States and sectors as a means of comparing best practices;
- translating these European guidelines into national and regional policies by setting specific targets and appropriate measures, taking into account national and regional differences;
- periodic monitoring, evaluation and peer review organised as mutual learning processes." (European Council 2000, paragraph 37)

The Commission holds the ring, presenting proposals, organising exchanges, proposing indicators and providing support, including support for peer reviews.

Finding themselves at the bottom of the 'league table' is expected to coax laggards to better their ways ("naming and shaming"). There can also be feedback to them in the form of recommendations, just like the OECD issuing recommendations. As will become evident, the influential Kok Report (CEC 2004a, 42) criticises Member States though, castigating their unwillingness to co-ordinate their economic policy on a voluntary basis, and that peer pressure has not had the desired effect in terms of achieving the ambitions of the Lisbon Strategy. Collignon et al. (2005, 7) remind the reader that in the absence of any realistic prospect of achieving a sound policy mix by means of more formal co-ordination mechanisms – the Community method – OMC was the second-best alternative for pursuing the Lisbon Strategy.

The prototype of OMC, even before it got its name, have been the Broad Economic Policy Guidelines related to the Stability and Growth Pact. The latter of course defines formal obligations, but the guidelines represent "...softer recommendations for which sanctions take the form of peer pressure, of financial markets, or of public opinion". (De la Porte and Pochet 2002, 34) Another example is the European Employment Strategy. At the outset, the status of the Employment Committee involved in formulating it was far from clear cut. (De la Porte, Pochet 2002; 38) The Employment Strategy was the response to the White Paper 'Growth,

Competitiveness and Employment' (CEC 1993) in which the Delors Commission had set the agenda, showing that Europe's competitiveness was lagging behind. Subsequently, the Essen Summit of 1994 had instructed the Commission to take requisite initiatives. The same European Council had also sanctioned the Employment Committee. Eventually, at the Amsterdam Summit of 1997, an employment chapter was included in the Treaty. A subsequent Extraordinary Luxembourg European Council adopted guidelines on employability, adaptability, development of entrepreneurship and equal opportunities that Member States were encouraged to follow. Since then, Member States formulate National Action Plans forming the basis of Commission reports on employment. This already sounds like OMC. The Commission also issues recommendations, but there is no hegemon in this process. Employment policy remains 'soft'.

One of the chief activities of the Employment Committee has been to formulate indicators on the basis of which the Lisbon Council of 2000 set a target of 70% for the employment rate and a 60% female employment rate, to be achieved throughout the EU by 2010, this being a political commitment, not a formal obligation. This, according to De la Porte and Pochet shows the sterility of the dichotomy, also present in the ESDP process, between a supranational and an inter-governmental logic. Instead, they see a subtle and complex balance of power between Member States and the Commission. They conclude that OMC is a tool for indirect, incremental Europeanisation, inviting Member States to look at issues through European lenses, slowly integrating these lenses into national policy.

Atkinson (2002, 788) has been the first to point out that the ESDP process was a form of OMC *avant la lettre*. The most obvious reason is the unsuitability of the Community method. Another one is that, like with the European Employment Strategy, the ESDP has been prepared, not by a comitology committee chaired by the Commission but by the so-called Committee on Spatial Development (CSD) chaired by the Member State holding the rotating EU Presidency. However, the Commission had a strong presence, including the only permanent seat on the management committee, called the troika. Also, in line with its hybrid character, the ESDP was finally given the nod, not only by the ministers of the Member States, but also the Commissioner for Regional Policy.

There is a difference also. As described, the initiative for the Employment Strategy came from the European Council but, the French minister at the time, Jacques Chérèques, and Commission President Jacques Delors, both throwing their weight in behind the idea in 1989 apart, no top politician has ever stuck his or her neck out for the ESDP. It has never been on the agenda of the Council of Ministers. Meetings have always been informal, and rather than ministers, experts in the various administrations, including the Commission, have been the driving force. There has been some political support from Commissioner Monika Wulf-Mathies, but she was to be disappointed by the refusal of Member States to recognise the constructive role of the Commission in all this. As indicated, Commissioner Michel Barnier was responsible for reformulating the debate by introducing the concept of territorial cohesion.

Territorial Cohesion Policy

Territorial cohesion got into the Treaty establishing a Constitution for Europe without much ado. (Zonneveld, Waterhout 2005, 17) During Barnier's term, the Commission had invoked the concept as if it were already an area of official EU policy. The second Cohesion Report (CEC 2001b) devoted a whole chapter to it. Coming out at a time when the Constitution was still under consideration and the present conflict over the Community budget looming on the horizon, the third Cohesion Report (CEC 2004b), for which Barnier was equally responsible, soft-pedalled on territorial cohesion. However, no sooner had the Constitution been agreed by the European Council of June 2004, and the Commission published an 'Interim Territorial Cohesion Report'. (CEC 2004c)

The closest one gets to an official definition of territorial cohesion is in the recent communication 'Cohesion Policy in Support of Growth and Jobs' where it says that territorial cohesion "...extends beyond the notion of economic and social cohesion, its objective being to help achieving a more balanced development, to build sustainable communities in urban and rural areas and to seek greater consistency with other sectoral policies which have a spatial impact", adding that success in the area of territorial cohesion "...depends on a comprehensive strategy which sets the framework within which specific objectives and actions are pursued". (CEC 2005c, 29) The ambition is for territorial cohesion policy to contribute to the Lisbon Strategy. This has already become clear in the third Cohesion Report stressing, not only

balanced development and equity, but also competitiveness and sustainability, including the prevention of natural risks – a theme receiving increasing attention. In addressing equity, competitiveness, sustainability and also governance, territorial cohesion relates to the 'European model of society', much discussed at present in relation to the future of European integration. (Faludi 2005c)

The driving force behind territorial cohesion policy has been the Commission, taking a leaf out of the book of the French. (Faludi 2004a) To get their oar in, the Dutch in cahoots with other Member States that had been active during the ESDP process revived a tradition and organised an Informal Ministerial Meeting on Territorial Cohesion during their Presidency at Rotterdam in late-2004. (Faludi, Waterhout 2005) This was the start of a political process that is still ongoing. Thus, on 20/21 May 2005, another EU Informal Ministerial Meeting on Regional Policy and Territorial Cohesion took place in Luxembourg. (Luxembourg Presidency 2005a) It endorsed a scoping document on 'The Territorial State and Perspectives of the European Union - Towards a Stronger European Territorial Cohesion in the Light of the Lisbon and Gothenburg Ambitions'. (Luxembourg Presidency 2005b) The document is based on the outcomes of Rotterdam and on analyses of the territorial development of the EU and the spatial impact of Community policies performed in the framework of the European Spatial Planning Observation Network (ESPON). As part of the overall effort to increase Europe's competitiveness, the document argues for territorial development policies to help areas to develop their 'territorial capital'. Priorities are to strengthen polycentrism and urban-rural partnership, promote clusters of competitive and innovative activities, strengthen the trans-European networks, promote trans-European risk management and strengthen trans-European ecological structures and cultural resources, themes that have mostly been discussed in the ESDP. There is much overlap with the Community Strategic Guidelines coming out two months later, which will be discussed below.

The document will be worked out before the German Presidency of 2007. Intervening Presidencies have agreed to support this agenda. With the ratification of the Treaty establishing a Constitution for Europe now in the balance, the political agreement masterminded at Rotterdam and reaffirmed at Luxembourg may be the way forward for territorial cohesion policy. In fact, although they confirmed that it would create a stronger mandate and responsibility for both the Union and Member States, ministers

did not seem to think that the 'Rotterdam Process' hinged upon the Constitution being adopted. This governance philosophy based on mutual co-operation and learning about territorial cohesion and territorial development policy may be robust enough to withstand the storms ahead.

Whilst all this is going on, the issue of the EU budget (CEC 2004d) looms large. Some net contributors – notably the UK – object to cohesion policy under which the Community lets all Member States, rich and poor, benefit under the principle of *juste retour*. (Begg 2005) Rather than continuing with this 'pumping around of money', they want to focus Structural Funds on Member States most in need and to let them rather than the Commission operate this policy. This would put an end to a unique form of 'multi-level governance' (Hooghe, Marks 2001) and go – as seems the intention – at the jugular vein of Commission-led cohesion policy.

The position of these net-contributors – which France, for one, does not share – reflects opinions expressed in the co-called Sapir Report by a High-level Group of experts set up by former Commission President Romano Prodi. (Sapir et al. 2004) It criticised cohesion policy as wasteful and tangential to European competitiveness. Pelkmans and Casey (2004, 21) castigate the swiftness with which Barnier, together with his colleague from agriculture (another of Sapir's targets for criticism) have condemned the recommendations as "...a pure case of protection of turf and/or power, rather than the outcome of a reflection on what would be best for EU growth in the longer run". However, not only the Commissioners, regional representatives, too, have criticised Sapir. In fact, as Peuziat (2004, Annex 3) shows, an impressive coalition of those opposed has rolled into action. Regional and local authorities are not only beneficiaries of EU cohesion policy, because of the insistence on their involvement as stakeholders, it enhances their standing *vis-à-vis* national governments. An information brochure of DG Regio summarises the underlying philosophy:

"European regional policy ... is necessary now more than ever. It is neither archaic nor outdated. It is not a charity policy. It does not consist solely of redistributing resources. Instead it seeks primarily to generate new ones. It is not a policy 'from above' but rather a decentralised policy based on partnerships in which the responsibilities are divided and concrete projects are administered on site. It is also a policy in which knowledge, technology and

'good practices' are exchanged, and cooperative networks are developed throughout Europe as a whole. It is a coordinated policy that leaves room for initiatives and, better yet, encourages and strengthens them. It cannot be replaced by a simple policy of calls for tender at European level. This emerges clearly from the debate on its future, launched throughout the entire Union in 2000." (CEC 2004e, 3)

Stakeholder involvement is one of the innovations that Delors, taking a leaf out of the book of French planning, has introduced into cohesion policy. What the brochure does not mention is that cohesion policy allows the Commission to nurture a clientele amongst the recipients of the Structural Funds and the Cohesion Fund, including regional and local stakeholders. This undermines the exclusive position of Member State governments in EU policy, conceivably a reason why net contributors have targeted cohesion policy and why others defend it against any suggestion that OMC should be applied in cohesion policy (Jouen 2005, 5) let alone that it should be re-nationalised, which amongst others would spell the end of EU territorial cohesion policy.

Delivering Cohesion Policy in Support of Growth and Jobs

This section discusses the delivery of cohesion policy generally and territorial cohesion policy more in particular. First proposals are to be found in the third Cohesion Report, to be followed by 'Proposals for the New Structural Funds Regulations for the Period 2007-2013' published the same year 2004. These proposals are similar to what the Kok Report said about delivery of the revived Lisbon Strategy and what the Barroso Commission put forward in early 2005 under 'Lisbon Governance'. Similarities notwithstanding, there is a difference also. In the novel ways discussed under multi-level governance, whereby the Commission remains the hegemon, but shares much of the responsibility with other stakeholders, the Community method applies in cohesion policy. As against this, 'Lisbon Governance' continues to rely on political agreement amongst Member States, and thus on a form of OMC.

The third Cohesion Report claims that the "...delivery mechanism for cohesion policy has demonstrated its capacity to deliver quality projects of European interest on the ground while maintaining high standards in the management and control of public expenditure". (CEC 2004b, xxxi) The aims of reforming it are to encourage a more

strategic approach, to introduce further decentralisation, to reinforce the performance and quality of programmes and to simplify their management. Under a more strategic orientation the Commission proposes:

“...that an overall strategic document for cohesion policy should be adopted by the Council, with an opinion of the Parliament, in advance of the new programming period and on the basis of a Commission proposal, defining clear priorities for Member States and regions.

The strategic approach would guide the policy in its implementation and make it more politically accountable. It would help to more tightly specify the desired level of synergy to be achieved between cohesion policy and the Lisbon and Gothenburg agendas and would increase the consistency with the Broad Economic Policy Guidelines and the European Employment Strategy.

Each year, the European Institutions would examine progress on the strategic priorities and results achieved on the basis of a report by the Commission summarising Member States' progress reports.” (CEC 2004b, xxxii)

There has been a 2001 report of an internal Working Group on 'Multi-level Governance: Linking and Networking the Various Regional and Local Levels' in the context of preparing the White Paper on European Governance. (Working Group 4c, 2001) The group, with a French director at DG Regio with involvement in the entire process chairing and acting as rapporteur, proposed a 'European Scheme of Reference for Sustainable Development and Economic, Social and Territorial Cohesion (SERDEC)' to be drawn up at the beginning of each programming period. One cannot go wrong in assuming that this has been an inspiration for the proposed strategic document for cohesion policy.

No sooner the ink had dried on the Constitution, and the Commission published 'Proposals for the New Structural Funds Regulations for the Period 2007-2013', including a title II on the 'Strategic Approach to Cohesion'. It duly announced 'Community level strategic guidelines on economic, social and territorial cohesion defining a framework for the intervention of the Funds'. (CEC 2004f, 32) Links would be forged with the Broad Economic Policy Guidelines and the European Strategy for Employment. Member States would be called upon to present a national strategic reference framework each, indicating national and regional priorities in order to promote sustainable development, and making reference to the national action plan

on employment. As from 2008, they would be expected to present annual progress reports. As from 2009, the Commission would present summary reports, including proposals for follow-up measures to be debated by the Council and where necessary leading to conclusions on the further implementation of the Community Strategic Guidelines. The process of 'Lisbon Governance', to be discussed below, looks remarkably similar.

The Commission proposal referred to current Treaty provisions. How territorial cohesion would be addressed remained unclear, but there was a proposal for a third objective of the Structural Funds: territorial co-operation. This would amount to the Community initiative INTERREG being mainstreamed. Also, the scope of the proposed Community Strategic Guidelines on Cohesion was said to include territorial cohesion, but there was no subsequent mention of the concept until the section on *ex-post* evaluation of policies. At the time there was of course a prospect of the Constitution to be ratified and territorial cohesion to become a competence of the Union – albeit one shared with the Member States, but this is true for the vast majority of competences. Had this been the case, then territorial cohesion policy could have received more explicit recognition as part of overall cohesion policy, perhaps even providing a vehicle for integrating, as has always been the ambition of spatial or territorial planning, the various policy strands as they relate to territories on various scales. In this way, territorial cohesion policies could have moved to centre stage – an attractive prospect for a policy area that has so far been fairly marginal.

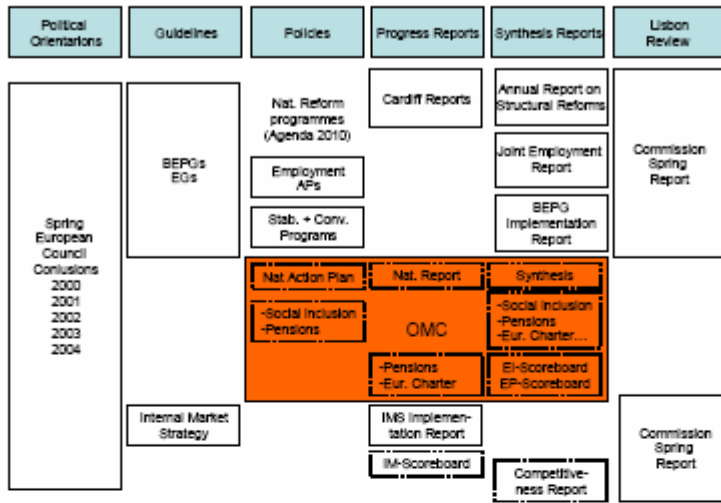
Mid-2004 was the dawn of the Romano Prodi Commission. During the summer recess, Commission President designate Manuel Barroso put together his new team. The deeper concern behind the wrangling over the attitudes and/or capacities of some Commissioners was about policy direction. When the Barroso Commission was finally formed, the report by a High Level Group chaired by former Dutch Prime Minister Wim Kok 'Facing the Challenge: The Lisbon Strategy for Growth and Employment' (CEC 2004a) came on the table, and the European Council recommended it to Barroso embarking on his review of the Lisbon Strategy. This is the report mentioned above for criticising OMC as having fallen short of expectations. However, the Community method did not deliver what was expected either. "Member States are lagging behind the implementation of what has been agreed and the transposition of directives is in almost all Member States far behind target. If

governments do not show commitment to implementation nationally, this remains a huge problem. ... It is clear that both methods depend on a high degree of political will.” (CEC 2004a, 42)

To this, the Kok Report had no answer beyond exhorting national parliaments, citizens and stakeholders to take ownership of the Lisbon Strategy. Also, it recommended that each Member State under the leadership of its Head of State or Government should formulate a national action programme, “...setting out roadmaps, including milestones, about how it is going to achieve the Lisbon targets. This approach serves three purposes: it corrects the absence of national involvement in the Lisbon strategy, it helps ensure coherence and consistency between measures taken, and it involves all stakeholders”. (CEC 2004a, 40) Action programmes should be submitted to the Commission as the basis of its synthesis report for the Spring European Council of 2006, the Kok Report suggests. “The proposals the High Level Group has made – national action programmes, the greater involvement of Member States and parliaments, the ongoing and heightened role of the Spring European Councils in progressing Lisbon – will provide a great many opportunities for debate, argument and discussion. This opportunity must be seized.” (CEC 2004a, 43)

There is more exhortative language in the Kok Report and, inevitably, the same is true for what Barroso made of it in his Communication, issued in agreement with Vice-President Verheugen, ‘Working Together for Growth and Jobs – A New Start for the Lisbon Strategy’. (CEC 2005a) It is evident that Barroso had taken the Kok Report to heart. This also comes through loud and clear in the proposals for ‘Lisbon Governance’, the process by which the reinvigorated Lisbon Strategy should be delivered. Lisbon Governance foresees in a set of integrated Lisbon ‘guidelines’ to frame Member State action, “...backed up by only one report at EU level and only one report at national level presenting the progress made” (CEC 2005a, 6), thus significantly reducing the national reporting burden. The appendix to the communication details the co-ordination process, emphasising the simplifications as regards the existing Lisbon Process. (Figure 1) It also explains that there will be a three-year cycle of major revisions, with more routine annual reporting in between.

LISBON COORDINATION PROCESS - TODAY



LISBON COORDINATION PROCESS – SIMPLIFIED

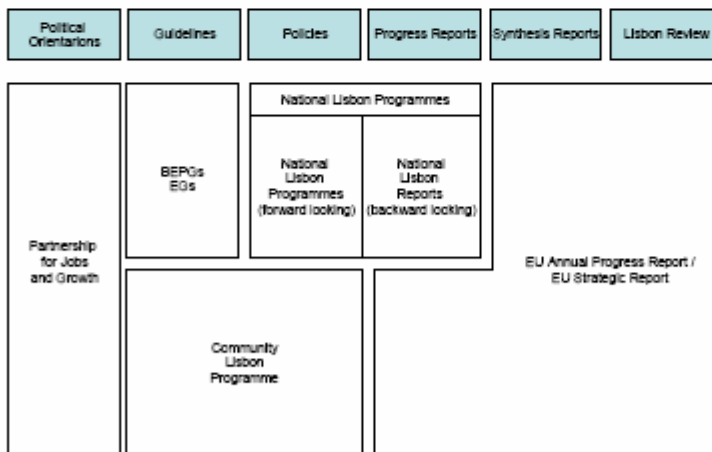


Figure 1: Simplified Lisbon Process (Source: CEC 2005b, 6)

As mentioned when discussing the draft guidelines for the Structural Funds, there is much similarity between the 'strategic approach' proposed there and Lisbon Governance, so much so that one might ask how the two will fit together. The straight answer is that the revived Lisbon Strategy says that the Community "...will contribute to the objective of more and better jobs by mobilising its expenditure policies", meaning the Structural Funds and Rural Development policies. (CEC 2005a, 28-29) So cohesion policy will be in the service of Lisbon. Indeed, the European Council of Heads of State and Government (European Council 2005) underlined its role in a revived Lisbon Strategy.

However, there is no reference to territorial cohesion. True, the 'Integrated Guidelines for Growth and Jobs (2005-2008)' coming out in April make one reference to it where it says without much in the way of explanation that employment policies should aim to achieve full employment, "...improving quality and productivity at work, and strengthening social and territorial cohesion". (CEC 2005c, 10)

The Directorate General for Regional Policy and the Directorate General for Employment (2005) were quick on the mark presenting a 'non-paper' on the conduct of cohesion policy in the framework of 'Lisbon Governance'. There are some references to territorial cohesion, in particular in relation to the third 'territorial co-operation' objective of the Structural Funds. At the Luxembourg Informal Meeting of Ministers on Regional Policy and Territorial Cohesion there was even an announcement of a white paper on territorial cohesion policy under the regime of the Constitution, but the negative French and the Dutch votes make it unlikely that this will come out any time soon.

Meanwhile, the Commission has turned the non-paper of May into a communication in July: 'Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013'. (CEC 2005d) This document once again puts cohesion policy in the context of the Lisbon Strategy, emphasising ways in which it can make a contribution, from investing in areas of high growth potential and in the drivers of growth and employment – such 'poles of competitiveness' being a main theme in current French policy (Fouchier 2005) – to developing synergies and complementarities with other Community policies, mobilising additional resources, improving governance and, last but not least, promoting an integrated approach to territorial cohesion. (CEC 2005d, 7) However, the Commission has more say in

cohesion policy than in Lisbon Governance. Being averse to invoking OMC in areas where the Community method applies, it may want to keep the Community Strategic Guidelines from being fully integrated in the process. Uncertainty as regards the relation between the delivery of cohesion policy and 'Lisbon Governance' remains.

As regards the delivery mechanisms, this document merely refers to the guidelines of 2004. More in particular it says that following an – urgently needed – agreement on the Financial Perspectives,

“...the negotiations for the Structural and Cohesion Funds need to be concluded as soon as possible in order to allow maximum preparation time for the new programmes. At that point, the Commission will provide the final version of the Community Strategic Guidelines to the Council for approval...

The Strategic Guidelines are the basis for the National Strategic Reference Frameworks, which in turn determine the priorities in the Operational Programmes...” (CEC 2005d, 32-33)

The Commission also announces its intention to hold public consultations in preparation of the final version of the guidelines, asking stakeholders for their comments before 30 September 2005.

It is clear that the Commission's thinking as regards the delivery of cohesion policy remains the same. The Constitution would of course have provided a stronger basis for EU territorial cohesion policy, so in the absence of any clear prospect of it being ratified it is understandable that the communication does not give it much explicit attention. However, as reported, it does say that it wants to promote an integrated approach to territorial cohesion, re-iterating this point where it discusses the framework for cohesion policy 2007-2013. Referring to the third territorial co-operation objective as proposed in the draft General Guidelines, it says there that the aim is

“...to promote **stronger integration** of the territory of the Union in all its dimensions. In so doing, cohesion policy supports the **balanced and sustainable development** of the territory of the Union at the level of its macro-regions and reduces the 'barrier effects' through cross-border cooperation and the exchange of best practices.

These actions are based on shared development strategies of the territories concerned (national, regional, local) and on the networking of the key stakeholders.” (CEC 2005d, 10; emphases in the original)

Here it seems that the Commission is aiming for strategies on all levels, except on that of the Union as a whole – which would put it on the spot.

How are these shared development strategies going to be formulated? In the section on the guidelines as such, there is no further mention of them, let alone that they might conceivably become vehicles for integrating the many sector policies addressed in the communication (most obviously the thirty priority projects for Trans-European Networks; the secondary connections; support for rail infrastructure; promoting environmentally sustainable transport networks; improving the connectivity of landlocked territories and the development of ‘motorways of the sea’; see CEC 2005d, 14-15). Rather, there is a separate chapter ‘Taking account of the territorial dimension of cohesion policy’. It starts with pointing out that other than sector policies, cohesion policy has the capacity to

“...adapt to the particular needs and characteristics of specific geographical challenges and opportunities. Accordingly, when developing their programmes and concentrating resources on the priorities presented in the preceding sections, Member States and regions should pay particular attention to these specific needs in order to prevent uneven regional development from hampering growth potential.” (CEC 2005d, 29)

Again, there is no further discussion of how to develop comprehensive strategies, so as regards the delivery of territorial cohesion policy, the communication remains vague. It says nothing as regards territorial cohesion on the level of the Union as a whole. It is against this backdrop that the present paper considers future territorial cohesion policy and the role of OMC in it.

The Open Method of Co-ordination in Territorial Cohesion Policy

The key points from the discussion so far are as follows:

- The Lisbon Strategy is the overriding concern.
- Cohesion policy, where – with the exception of territorial cohesion – the Community method applies, supports the Lisbon Strategy, where it does not.

- The Community Strategic Guidelines encourage territories to formulate 'shared development strategies'.
- The Community Strategic Guidelines fudge the issue of a strategy for the territory of the Union as a whole.
- With the 'Rotterdam Process', Member States are the only ones aiming to produce a document covering the Union territory.

So to let the 'Rotterdam Process' dovetail with the Community Strategic Guidelines is one of the issues. The sterile dichotomy between a supranational logic as represented by the Community method and an intergovernmental logic as represented by OMC needs to be left behind. 'The Territorial State and Perspectives of the European Union' would provide building blocks of a Community Territorial Cohesion Strategy. Now that the Constitution has run into trouble, the 'Rotterdam Process' may even be the only realistic way of formulating one. However, Member State involvement would be necessary, even if at some future point in time the Constitution were to be ratified.

So this final section argues that OMC should fill the void as regards territorial cohesion policy in the communication on 'Cohesion Policy in Support of Growth and Jobs'. This should include the formulation, not only of national, regional and local, but also of a Community Territorial Cohesion Strategy. The ESDP had this ambition, and this is also what one can imagine the 'Territorial State and Perspectives of the European Union' to represent, but there must surely be a Community response to this.

So the Commission attitude is crucial. At the same time, even if the Commission rather than the Member States had taken the initiative, no Community Territorial Cohesion Strategy could have been formulated without Member State involvement. Without their input the Commission could not even obtain the data. In fact, Member States have already been mobilised by the Commission to do the necessary research in the framework of ESPON, which might be expected to provide the analytical base for a Community Territorial Cohesion Strategy – as it does for the document envisaged as the outcome of the 'Rotterdam Process'.

To draw benefit from their expertise, the Commission should invite Member States to first of all each formulate their own territorial cohesion strategy. Ideally, this should

have happened as part of the National Action Plans in the framework of Lisbon Governance, but this is no longer an option, not during the first round of anyway. So this will have to wait until the next round of revisions foreseen for 2008, by which time 'The Territorial States and Perspectives of the European Union' should be available.

This will not be easy because the present owners of the National Action Plans may resent the intrusion of others concerned with territorial cohesion into their domain. In the Netherlands, for instance, cohesion policy is generally the domain of the Ministry of Economic Affairs and territorial cohesion that of the Ministry of Housing, Spatial Planning and the Environment. Clearly, for a territorial cohesion strategy to be added to the National Action Plan, the two would have to put their heads together. However, this issue cannot be dealt with from the top down. Firstly, there is much variation of relevant arrangements in the Member States. Secondly, it is for Member States themselves to make such arrangements.

Whichever way they are made, the territorial cohesion strategies of Member States would have a dual purpose as inputs for the Community Territorial Cohesion Strategy and in particular as the bases for mutual reviews. The importance of these cannot be overestimated. This would be an ongoing process, but the present author has also proposed formal occasions for presenting the results, events that might be called Community Territorial Cohesion Forums. (Faludi 2004b; 2005b) They would provide opportunities also for presenting the Commission's proposals for a Community Territorial Cohesion Strategy, being part of the next review of the Community Strategic Guidelines.

Obviously, in formulating the Community Territorial Cohesion Strategy, the Commission would seek to take account of the positions of the Member States. To make things more comparable where this is possible, it would also invoke such territorial cohesion indicators as ESPON may come up with. If need should be, the Commission might make recommendations also to Member States. However, as in employment, social security and so forth, they would not be binding, and certainly not for as long as there is no Community competence.

The above suggestions could easily be fitted into Commission proposals for the delivery mechanisms of cohesion policy, rendering them more specific as regards its, as yet somewhat vague territorial dimension. Since this would be an informal process and not subject to the Community method, it could at the same time form a linchpin

with the – equally informal but highly visible – Lisbon Governance. There, too, the Commission had proposed national plans, regular reporting, the use of indicators, and so forth. As indicated, future versions of the national plans or strategies could have a territorial dimension to them.

However, in some respects, for the purpose of territorial cohesion policy, the process needs to be modified. Economic policy, employment policy and social security are primarily matters of national concern. Even here, the involvement of stakeholders has been recommended. In territorial cohesion policy it is essential for regional and local governments to be involved which is also why cohesion policy insists on their participation in the process of ‘multi-level governance’ as described. Talking about spatial development rather than territorial cohesion policy, the ESDP says the same: ‘A successful spatial development policy... depends ... on co-operation with the local and regional levels than in other policy areas.’ (CEC, 1999, 37)

Each one of the actors involved needs to conceptualise the territory under consideration in European terms. This ‘spatial positioning’ is what Williams (1996, 97) has identified as an essential ingredient of transnational planning. It requires the development of some sort of spatial vision, some form of understanding of the main spatial structure of the territory and how it fits into a wider geographic context. With actors at various levels engaging in this kind of spatial imagination, a process of incremental Europeanisation of spatial planning will set in. However, rather than standing for more uniformity, Europeanisation here stands for recognising the uniqueness of territories. Such recognition is needed, amongst others for identifying what is special about each, what the strengths and weaknesses of a territory are, something that can only be done bottom-up.

The circle of participants should be wider than regional and local actors. At Community Territorial Cohesion Forums, the visions per co-operation area under INTERREG IIIB (Zonneveld 2005) would form important inputs, counterbalancing the visions of Member States with more comprehensive perspectives on the mega-regions of which they are part. All this would lead to confrontation between many visions. The Commission would be thinking in terms of the Union as a whole. Member States and the co-operation networks would be articulating visions as seen from their corners of Europe. They would all be valid in their own terms. There is thus unlikely to be one agreed, overall vision, and none of the visions, not even that one

put forward by the Commission, should be regarded as authoritative – which is why the Commission should not be the hegemon, only the ringmaster.

Clearly, the process as sketched out would be a complex affair, which is the price to be paid for the ambition of formulating a Community Territorial Cohesion Strategy and a true reflection of the diversity of Europe.

Conclusions

Those who see the EU out of necessity taking on state-like features prefer the Community method. They regard OMC with circumspection, pointing out that national administrations have in fact used it to undermine even those initiatives, like the Lisbon Strategy, that Member States have collectively and voluntarily agreed to pursue. This is not only a position taken by the Commission, but also by supporters of integration, like the Belgian Prime Minister Guy Verhofstadt (2005).

Reluctance to see the Community method being eroded must have been the reason why, with the prospect of territorial cohesion becoming an area of official policy, the Commission was against applying OMC. Now that the prospect has receded, one could perhaps expect the Commission to soften its position, but the Community Strategic Guidelines of July 2005 give no indication of this happening. Rather, they soft-pedal on territorial cohesion, treating it as being implied in economic and social cohesion and fudging the issue of an integrated strategy at the Union level.

Perhaps this is a holding position in the expectation that the Constitutional quagmire might resolve itself. One could imagine that, once this has happened, the Commission would at some future point present a Community Territorial Cohesion Strategy. Addressing territory, this strategy would necessarily give some form of vision of the territory of the EU and its future development as a framework for the relevant policies of Member States and the EU alike. However, here comes the crux: The competence issue and the Constitution aside, it is inconceivable for the Commission to do this. The Commission simply lacks the capacity in terms of personnel. The conventional way out for the Commission, calling in consultants, is not a way of producing a Community Territorial Cohesion Strategy either. The task would be unlike an ordinary planning task. More fundamentally, it is inconceivable for an authoritative vision or framework for the EU territory to be formulated from the top

down, so to speak. The input of Member State and other stakeholders is essential, and OMC would be the way of organising it.

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