Presidency of the Council of the European Union

GRAND DUCHY OF luxembourg

How has ESPON territorial evidence supported (future) policy development?

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Luxembourg Ministry of Sustainable Development and Infrastructure

ESPON 2020 Launch Seminar

Trio Presidency Programme

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- **Action 1** - Assessing the implementation of Territorial Cohesion objective and the Territorial Agenda 2020
- **Action 2** - Territorial Scenarios and Visions of Europe for 2050
- **Action 3** - Specific legal provisions for cross-border areas
- **Action 4** - Systematic and structured political debate on Cohesion (General Affairs Council)
- **Action 5** - Small and medium cities: cross-border polycentric regions

Territorial Scenarios and Visions of Europe for 2050

- *Actions during LU Presidency*:
  - Under the general theme of making the Territorial Cohesion objective as well as the Territorial Agenda 2020 more operational.
  - Critically assessing the available material/approaches (e.g. ESPON ET2050).
  - Creating the common political understanding of the added value of debating a policy-oriented scenario and visioning process.
  - Discussing the modalities of the process with various stakeholders (reaching out beyond the circle of usual suspects).
  - Find political support at the ministerial level for such a process.

The long to a political debate

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- Why do we need it?
  - What comes after the TA 2020?
  - Creating a common reference for policy making
- Where do we end up without a European territorial vision?
  - Ad-hoc policymaking
  - Less territorially integrated and more sectorally driven policies
  - “bridges to nowhere”
- Are we ready for a European debate?
  - The state of national debates
  - **Our burden of proof!**

This is where ESPON joins the game

- ESPON Project ET 2050

Territorial Vision: Making Europe open and polycentric

- *Openness:*

  Making Europe open requires connecting Europe globally and promoting co-development with Neighbourhood regions.

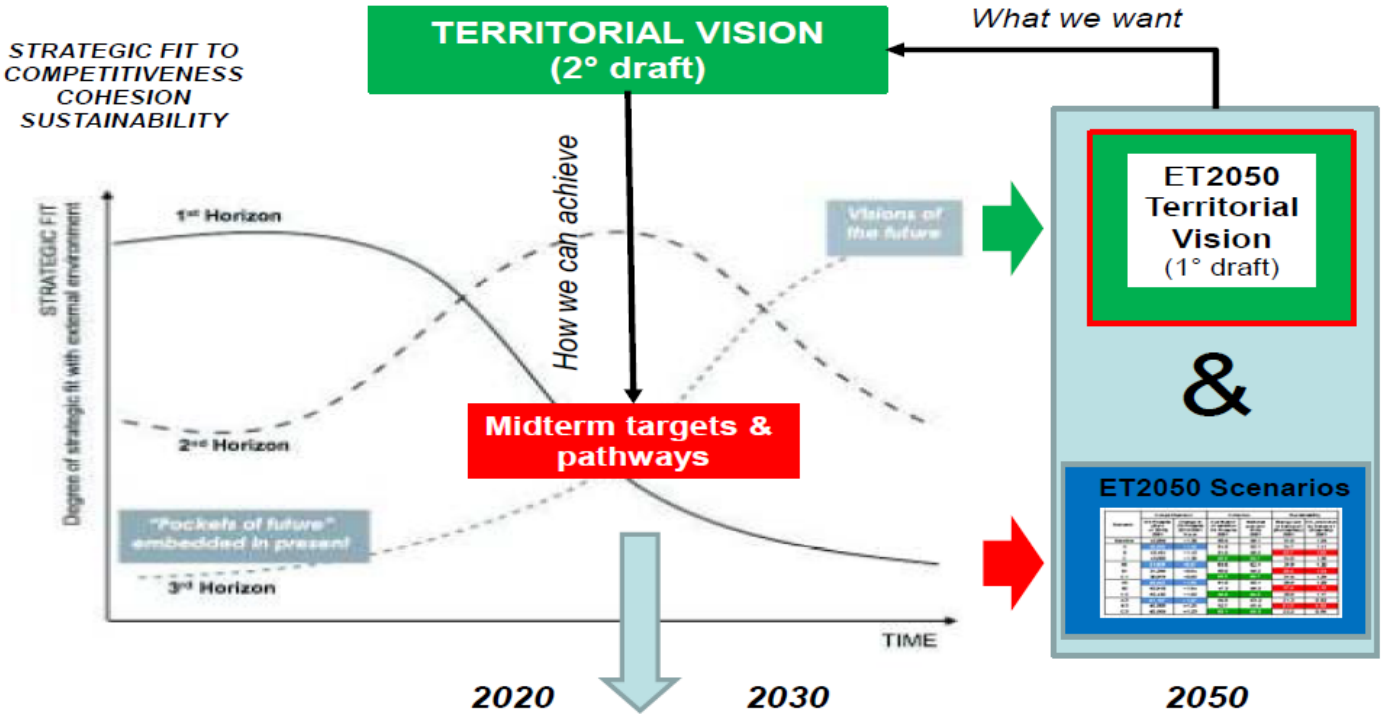
- *Polycentricity:*

  Making Europe polycentric requires unleashing regional diversity and endogenous development as a means to reduce regional disparities, supporting a balanced urban structure, and sustainably managing natural and cultural resources.

Five overarching policy aims

- Connecting Europe globally
- Promoting co-development with Neighbourhood regions
- Unleashing regional diversity and endogenous development as a means to reduce regional disparities
- Supporting a balanced urban structure
- Sustainable management of resources

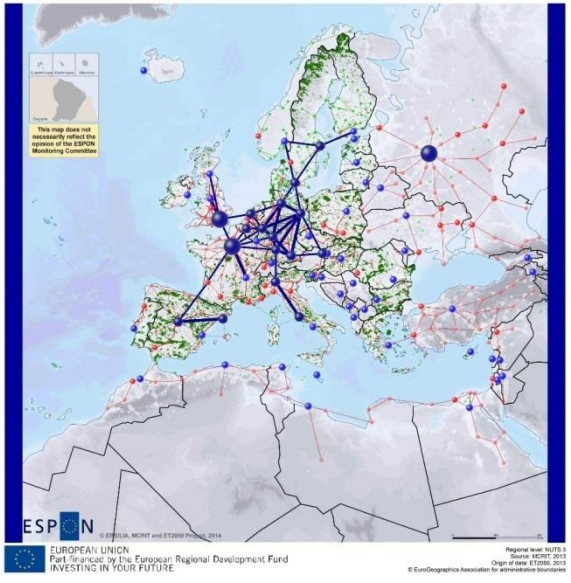
The ‘Three Horizons Model’



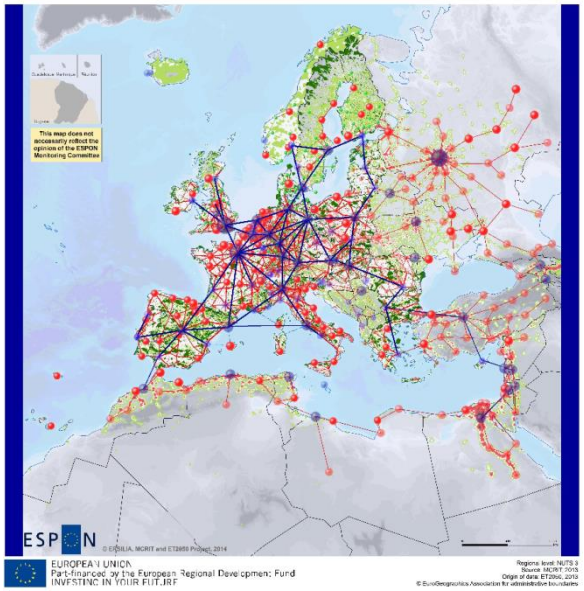
Going for a new round of ET2050 scenarios to simulate the impact of the most interesting pathways and/or wild cards

2020-2030-2050

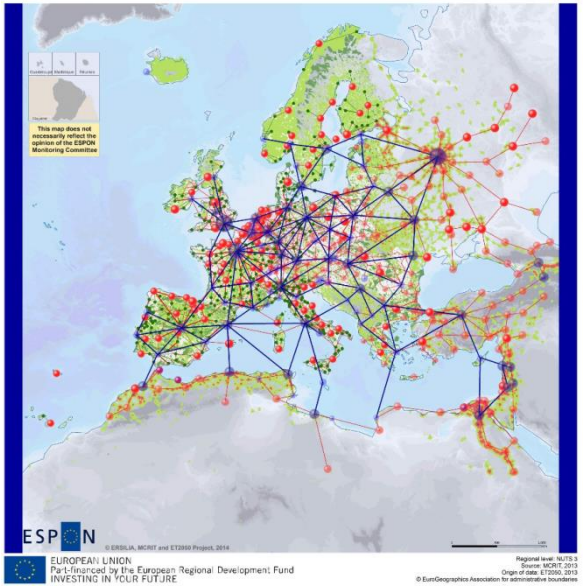
TERRITORIAL VISION 2020



TERRITORIAL VISION 2030



TERRITORIAL VISION 2050



So what?

- Readily available evidence:

  vision and instructions on how to implement it

- So what?

Our questions

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- Is this the “best” use of the European territory?
- Is this actually our decision to take?
- How can we promote a discussion if we provide the answers
  - *that we want to see*
  - *before anyone else has a chance to say something*

Questions that politicians ask

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- What is the added value of a territorial vision?
- What does it cost in terms of time, resources, and political capital?
- What kind of vision do I want? Is this is the right way?
- How do I sell it to the voters?
- What are the alternatives?

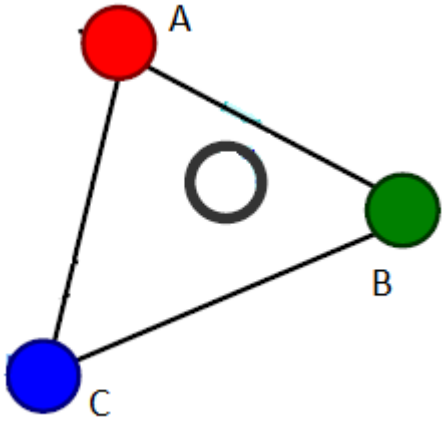
The solution (hopefully)

- We might have found a way to square the circle.
- Policymaking is about choices and opportunity costs.
- **Use scenarios to explain and illustrate the impacts of various policies.**

Territorial Scenarios

- The scenarios are linked to the vision in a complex way:

"Taking the scenarios as reference, a Vision for the ideal situation of the European Territory in 2050 will be defined in a participatory process. […]The nine scenarios (A1, A2, A3, B1, B2, B3 and C1, C2, C3) define the boundaries in which the Vision for the European Territory in 2050 is discussed."

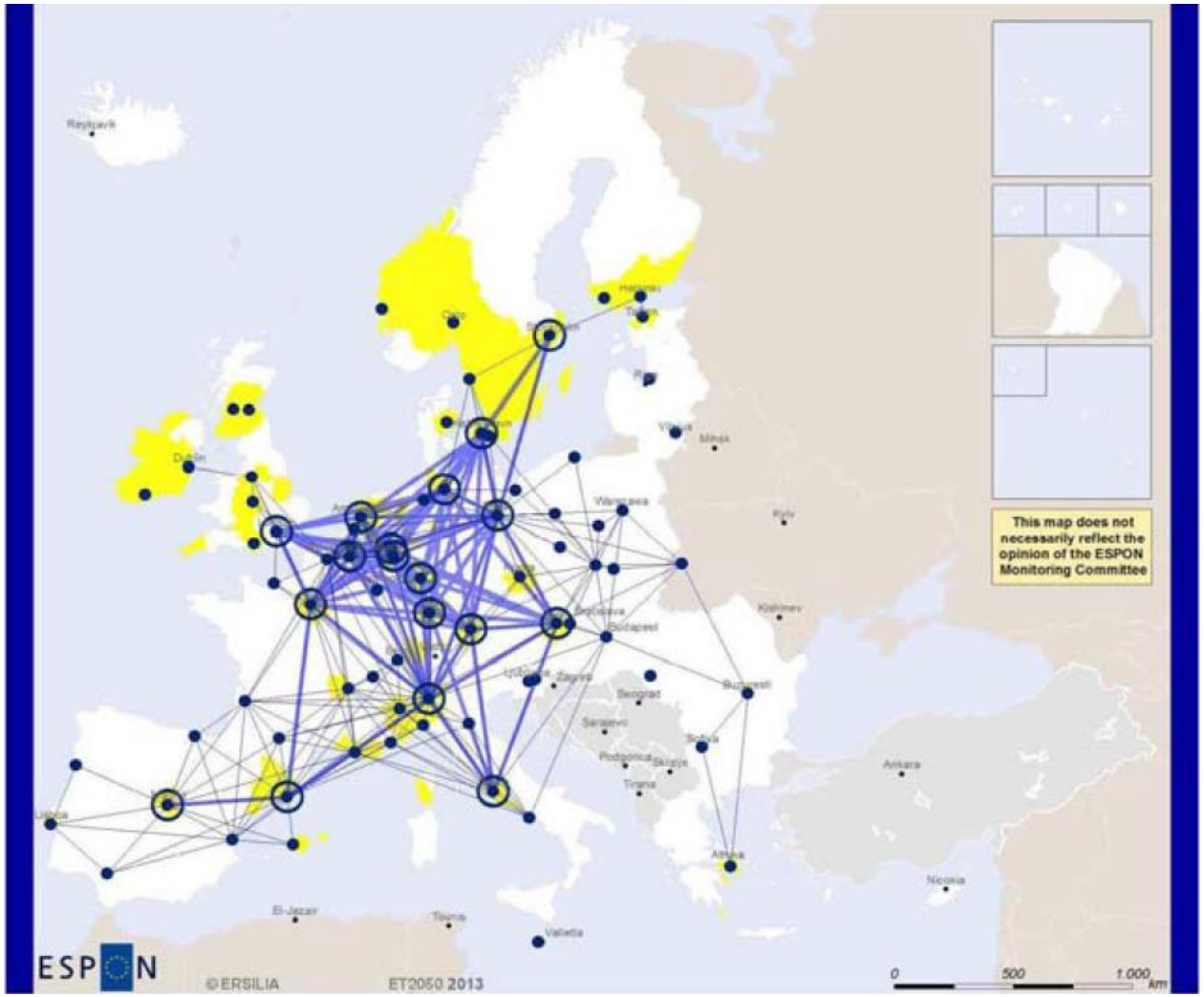


Territorial Scenarios

- There are different kinds of scenarios (alternative and territorial), but basically:

- *Baseline scenario (business as usual)*
- *Market-based growth favouring large metropolises (Scenario A)*
- *Promotion of secondary-city networks (Scenario B)*
- *More social and regional distribution at European level (Scenario C)*

Scenario A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ESPON
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ET2050 2013
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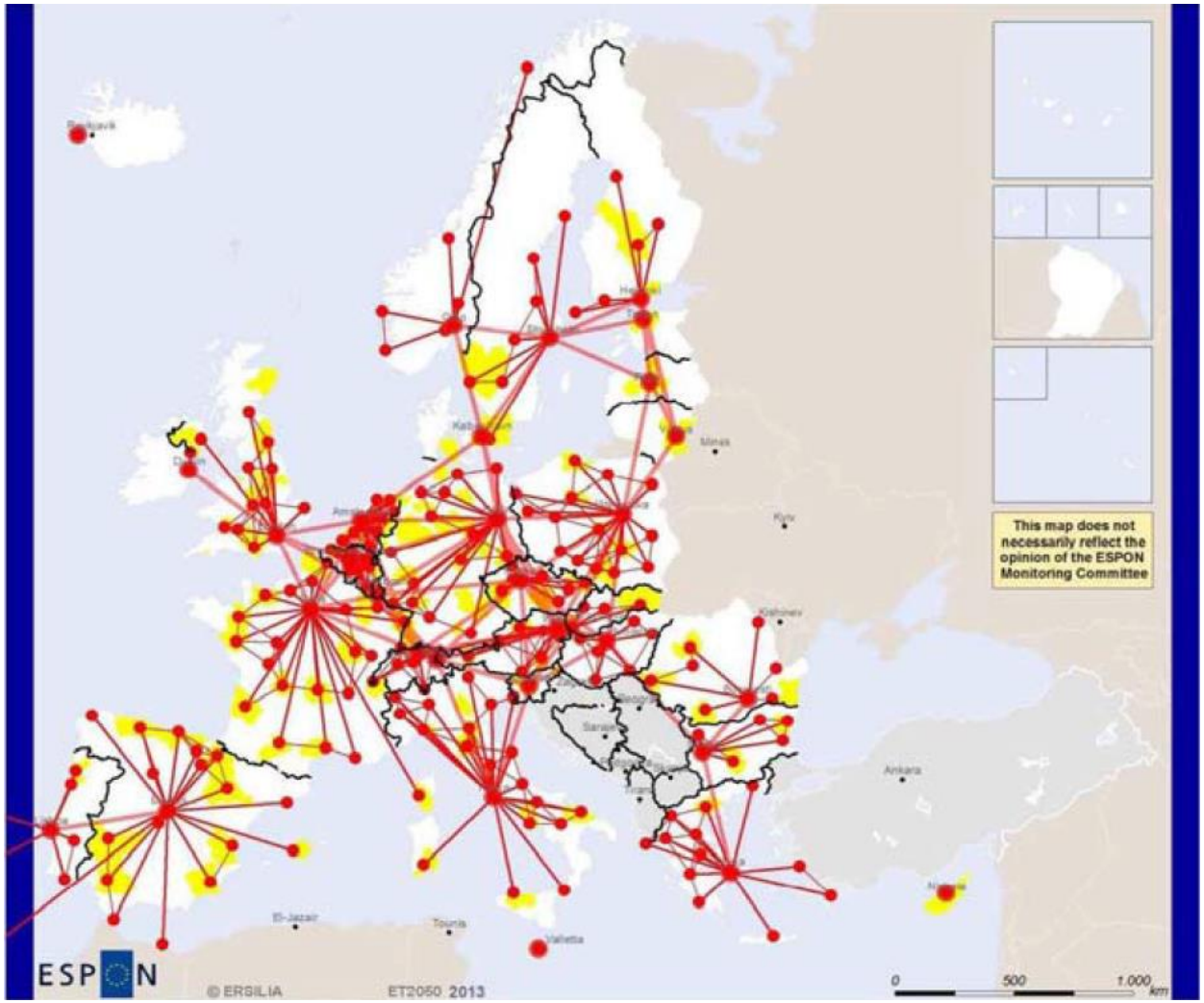
Scenario B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ESPON
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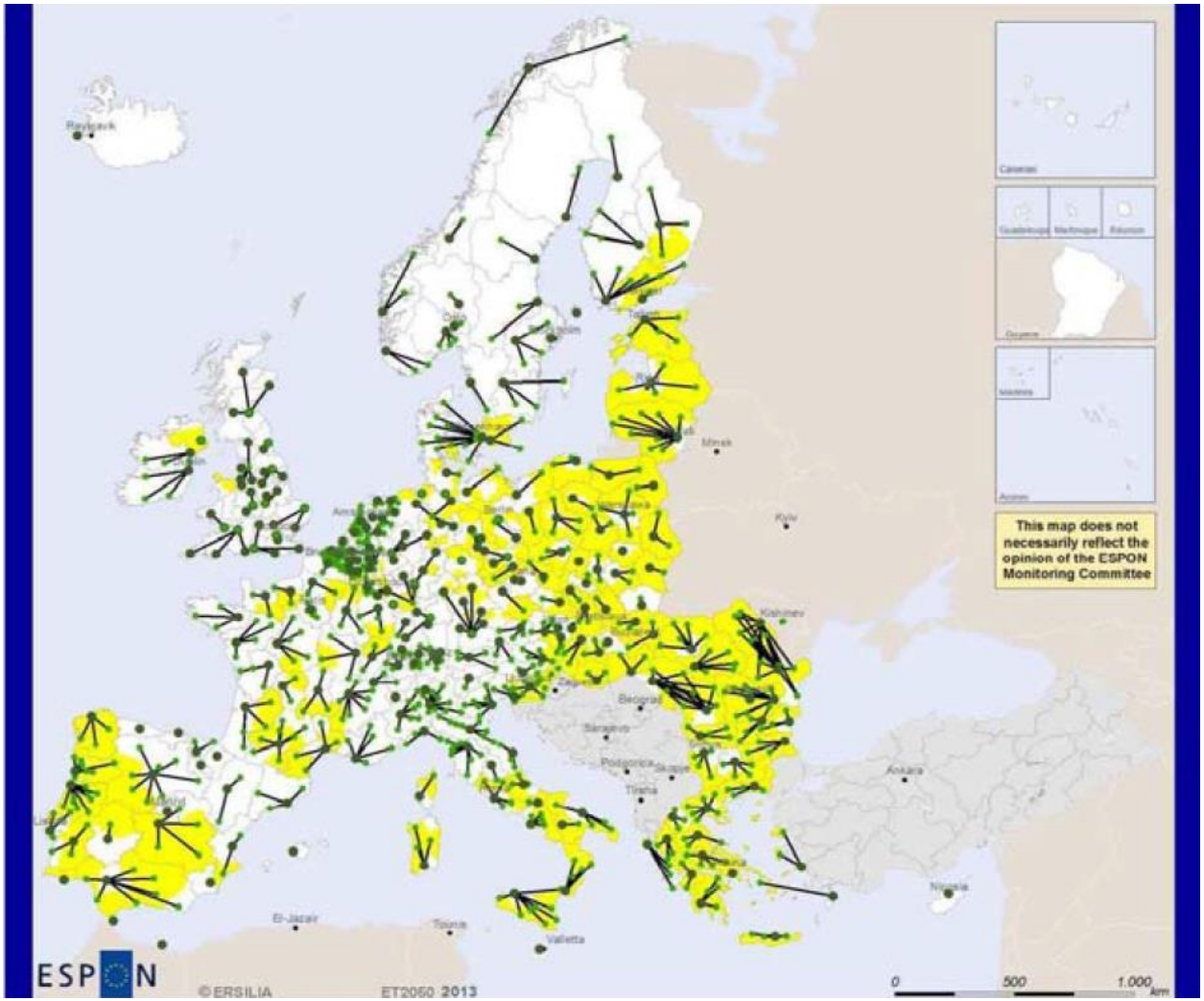
Scenario C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ESPON
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ET2050 2013
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Km

Results and Impacts

- Towards 2030, *Alternative Scenario B* is the most expansionary in terms of GDP.
  - → Baseline: + 1,9%
  - → Scenario A: + 2,2%
  - → Scenario B: **+ 2,3%**
  - → Scenario C: + 1,8%
- Higher levels of growth under *Scenario B* are explained by a more efficient utilisation of territorial capital elements and local specificities.
- However, this presupposes the existence of an integrated and equilibrated urban system.
- *Scenario B* also leads to the highest levels of cohesion and competitiveness.
- Regional divergence is marginally reduced in the three scenarios in relation to the baseline trend for 2030.

Exogenous Conditions/Policies

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Policies	Baseline	*Scenario A*	*Scenario B*	*Scenario C*
Demographic policies	Continuation of actual trends.	Lowered support to natality and families.	Continuation of actual trends, as in Baseline.	Public support to natality and families.
Migration policies	Continuation of actual trends.	Openness to migrants from outside Europe.	Relative openness.	More strict immigration policies.
Monetary policies	In Western European countries, stability of interest rates, ULC, exchange rates, inflation; Progressive convergence of Eastern EU towards Western European Countries values; Decrease of interest on bonds: end of speculation periods.			
Fiscal policies	Increase of tax rates in the Western and Eastern Countries. Debt/GDP remains constant.	Slow tendency towards stability pact: 60% of Debt/GDP. Decrease of public expenditure growth rate.	Debt/GDP remains constant.	Slow divergence from stability pact. Slight increase of public expenditure growth rate.
Transport Policies	0,8% of European GDP invested in transport infrastructure by 2030 , mostly in long distance infrastructure (€1.970Bn 2013-2030). Slightly reduced modal allocation of investments to rail, and slightly increased to airports and ports. Single European Transport area fully developed for intra-Europe transport.	0,6% of European GDP invested in transport infrastructure by 2030, mostly in long-distance infrastructure (€1.630Bn 2013-2030). Modal allocation increasing in air and maritime, and decreasing in rail. European transport area opened to global competition. ITS deployment in road mode reduces costs by 5%. Reduced subsidies to rail.	1,0% of European GDP invested in transport infrastructure by 2030, mostly in medium distance infrastructure (€2.320Bn 2013-2030) Modal Allocation increasingly rail based. Single European Transport area fully developed for intra-Europe transport Pricing and taxation as in Baseline.	0,7% of European GDP invested in transport infrastructure by 2030, mostly in short distance infrastructure (€1.980Bn 2013-2030). Modal allocation focussed on collective modes and urban public transport. Slow liberalisation and integration of the European transport market. Road and air taxation causes 5% cost increases. Rail and public transport subsidies.
Energy policies	Fossil fuels remain important. Emissions reduced but targets are not met.	Increased efficiency of fossil fuels, some RES, emergence of CCS. Targets partially met.	High development of centralised RES and nuclear. Targets partially met.	Decentralised RES. Lower energy consumption. Targets met.

Exogenous Conditions/Policies

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Environmental policies	Continuation of existing environmental management trends. Euro-standards regulation drops vehicle emissions to 100gr/km by 2030, (140gr/km in 2009).	Environmental protection focussed on keeping standards of environmental quality for air and water. Technologic optimism. Euro-standards drop vehicle emissions a 10% respect to Baseline.	Protection and management of rural areas as open spaces for leisure and environmental safety. Strong mitigation. Strict public regulations. Euro-standards drop vehicle emissions by 5% respect to Baseline.	Limits in both use intensity and quality standards and land occupation. Mixed Focus on adaptation. Euro-standards drop vehicle emissions by 20% respect to Baseline.
Cohesion policies	Budget kept constant. Allocation among regions in 2007-2013 as 2000-2007. Limited and gradual reforms favouring efficiency with no major political change.	Half of the present budget. Allocation among regions in 2007-2013 as 2000-2007. Territorial cross-border cooperation reinforced as well as with neighbouring countries and the rest of the World. Productive investments in neighbouring countries.	Budget kept constant. Allocation among regions in 2007-2013 as 2000-2007. Thematic objectives redefined favouring urban-oriented policies and innovative urban actions. Strict land use instruments in vulnerable areas.	Budget doubled. Regions type C get 2/3 of the budget, Type B 1/3. Integrated territorial investments and community-led local development reinforced. Place-based focus promoting endogenous development.
Agricultural policy	Limited reform of the CAP.	Budget reduced and focussed on subsidies to increase the sector productivity.	Limited reform of the CAP. Higher emphasis on landscape management.	Full integration of agricultural and environmental policies in their territorial dimension through cohesion policy.
Spatial distribution of population and economic growth, (and territorial governance)	No relevant modification on actual spatial patterns.	Relative accessibility and connectivity to international transport networks and agglomeration economies attract growth, following spontaneous market tendencies. Global cities, mostly MEGAS grow bigger.	Large cities attract both more people and activities because effective public policies promoting them at national scale. Internal migrations from sparsely populated areas to urban centres.	Medium-size cities and towns attract people based on their cultural and environmental quality, and strong public policies and incentives. Change in consumer behaviour favouring proximity and self-sufficiency. Intense decentralisation at local and regional level. Limited external migrations.

Extreme Framework Conditions

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- The Territorial Scenarios (*A*, *B*, *C*) were disaggregated into three scenario-variants covering extreme *socioeconomic* (1), *technological* (2), and *environmental* (3) conditions for 2050.

Spatial orientations of Scenarios	Framework conditions			
	Baseline	1 Economic decline	2 Technological advances	3 Energy/climate impacts
Promotion of metropolitan areas	A	A1	A2	A3
Promotion of secondary cities	B	B1	B2	B3
Promotion of small cities and less developed regions	C	C1	C2	C3

GDP per capita (€1˙000 of 2010) in a territorial perspective

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Figure 20. Baseline Scenario: GDP per capita (1,000 Euro of 2010) 2051

Regional level: NUTS3
Source: S&W (2013)
Origin of data: SASI model 2013

55 - 60
50 - 55
45 - 50
40 - 45
35 - 40
30 - 35
25 - 30
20 - 25
15 - 20
< 15
no data available

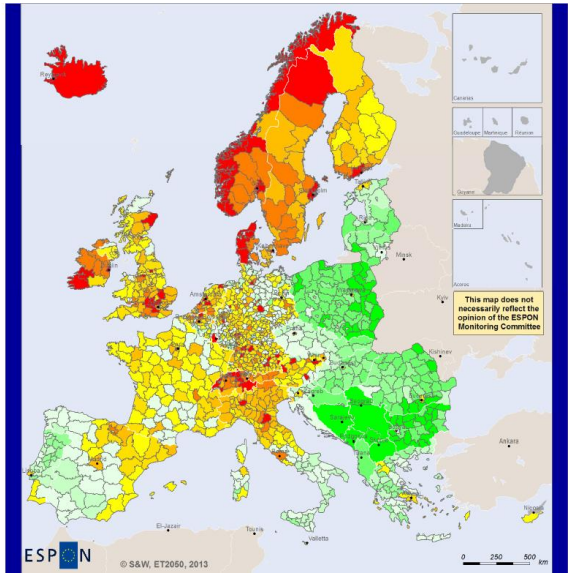

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Figure 21. Scenario A: Difference in GDP per capita to Baseline Scenario (%) 2051

Regional level: NUTS3
Source: S&W (2013)
Origin of data: SASI model 2013

8 - 10
6 - 8
4 - 6
2 - 4
0 - 2
-2 - 0
-4 - -2
-6 - -4
-8 - -6
-10 - -8
no data available

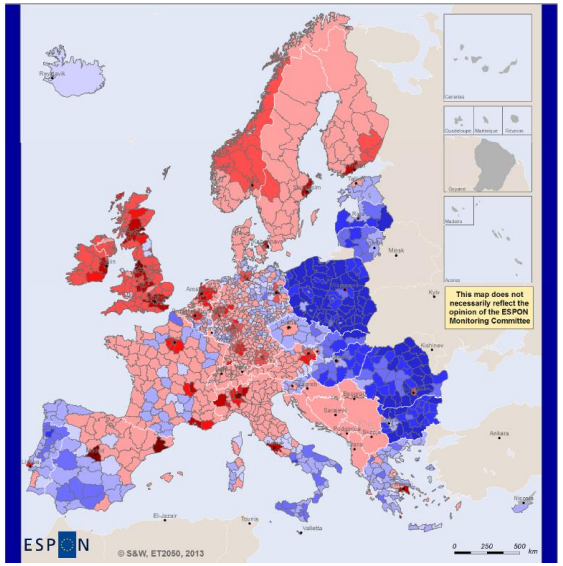

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Figure 22. Scenario B: Difference in GDP per capita to Baseline Scenario (%) 2051

Regional level: NUTS-3
Source: S&W (2013)
Origin of data: SASI model 2013

8 - 10
6 - 8
4 - 6
2 - 4
0 - 2
-2 - 0
-4 - -2
-6 - -4
-8 - -6
-10 - -8
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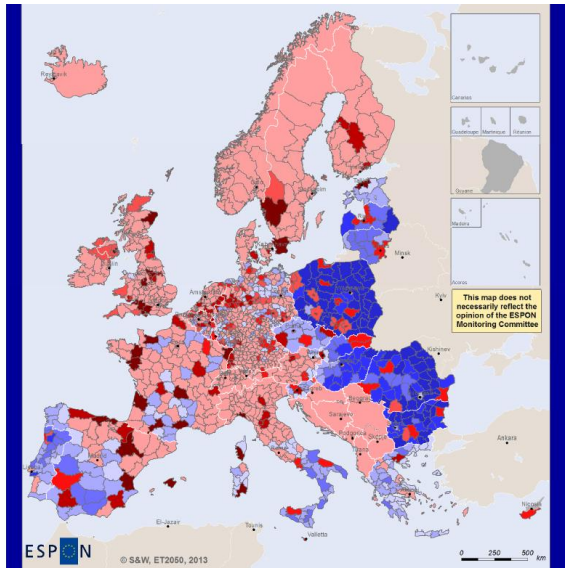

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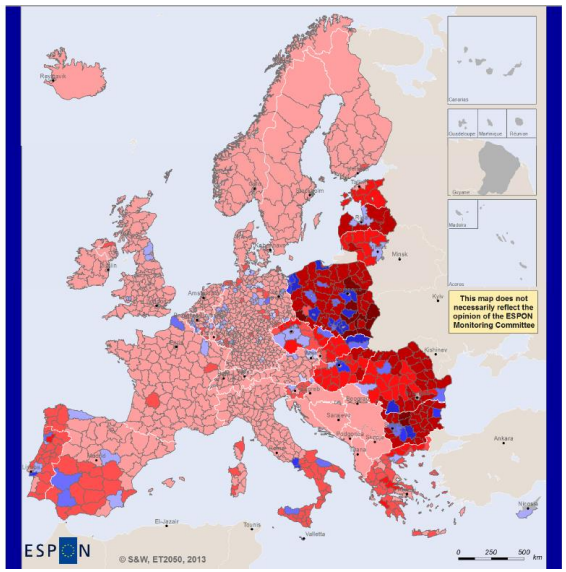
Figure 23. Scenario C: Difference in GDP per capita to Baseline Scenario (%) 2051

Regional level: NUTS-3
Source: S&W (2013)
Origin of data: SASI model 2013

8 - 10
6 - 8
4 - 6
2 - 4
0 - 2
-2 - 0
-4 - -2
-6 - -4
-8 - -6
-10 - -8
no data available



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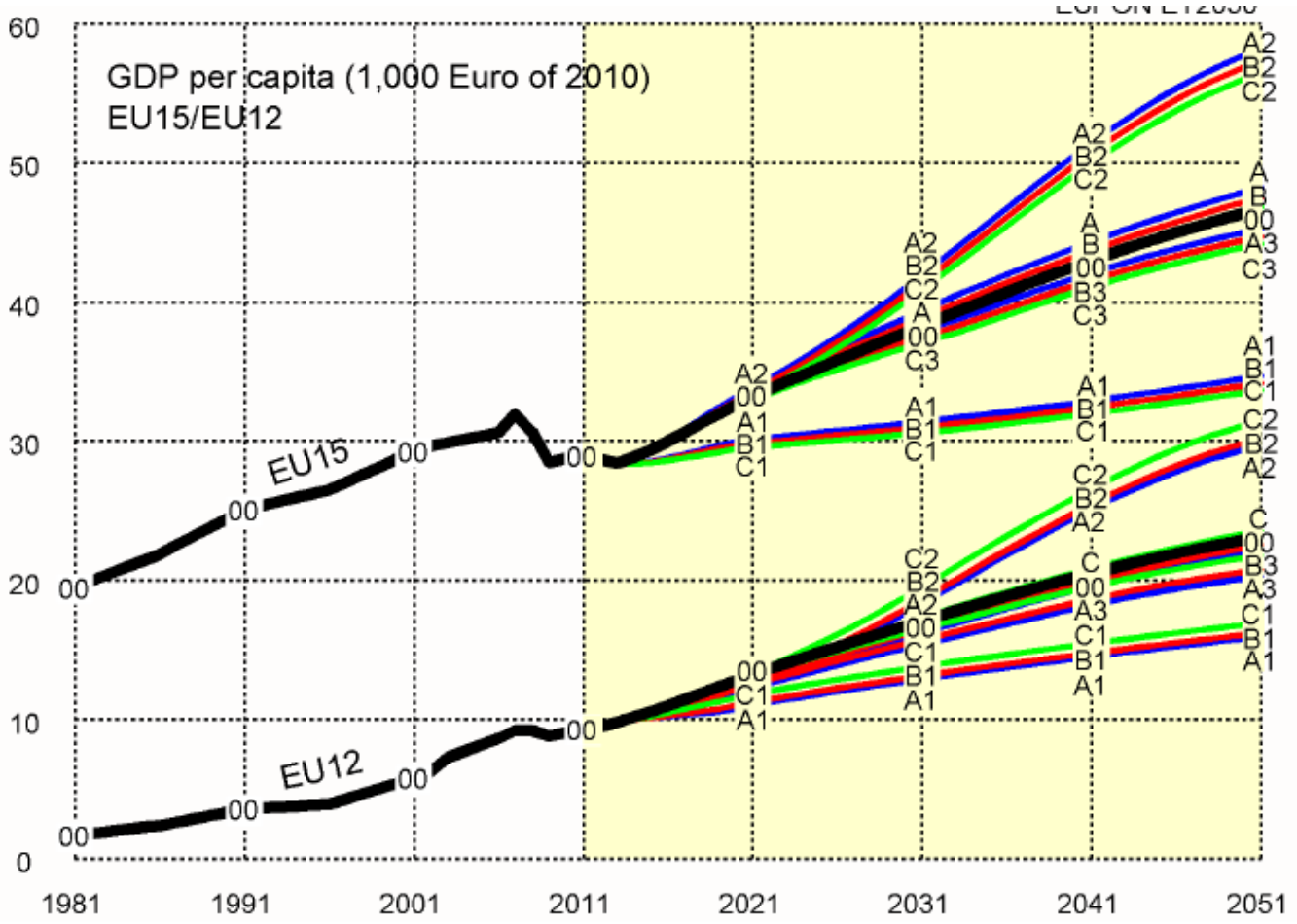
GDP per capita (€1˙000 of 2010) in a territorial perspective



Results for Main Indicators

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Indicators	2050												
	Reference	A	B	C	A1	B1	C1	A2	B2	C2	A3	B3	C3
GDP per capita 2050	42˙897	43˙988	43˙463	43˙078	31˙636	31˙254	30˙978	53˙546	52˙922	52˙436	41˙190	40˙810	40˙571
GDP growth (% annual change in GDP per capita)	1,43%	1,50%	1,47%	1,45%	0,63%	0,59%	0,57%	2,03%	2,00%	1,97%	1,33%	1,30%	1,29%
Regional divergence (coefficient of variation of GDP per capita)	50,3	54,4	50,7	50,1	54,6	50,8	50,2	50,7	47,2	46,5	56,5	52,5	51,8
National Polycentricity (ESPON 1.1.1 polycentricity index)	65,1	62,1	65,2	65,7	62,1	65,2	65,7	62,1	65,3	65,8	63,2	65,6	65,8
Energy use of transport (MJ/capita/year)	32,2	36,0	33,9	35,3	33,2	31,6	32,8	20,6	28,7	29,9	22,1	22,1	23,1
CO2 emissions from transport (tones/capita/year)	1,31	1,46	1,38	1,44	1,35	1,28	1,34	1,24	1,16	1,22	0,86	0,85	0,89

In the end, what counts for politicians?

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- To see and be able to explain the added value of having a territorial vision.
- To see the vision emerging as the best option out of ***alternative*** futures.
- To be able to make a political choice.
- To make a choice that is informed and based on evidence.
- To understand what it takes to implement the vision.

- ET 2050 offers important access points to these issues, but it may not work as a – ready to implement – vision.
- It might be necessary to ***de-construct*** and ***re-construct*** it.