



## Integrative Mechanisms for Addressing Spatial Justice and Territorial Inequalities in Europe

### D1.3 Glossary of some of the key terms/concepts related to IMAJINE Version 1.0

Authors: Mikko Weckroth, Sami Moisio, (HU)

Grant Agreement No.: 726950

Programme call: H2020-SC6-REV-INEQUAL-2016-2017

Type of action: RIA – Research & Innovation Action

Project Start Date: 01-01-2017

Duration: 60 months

Deliverable Lead Beneficiary: HU

Dissemination Level: PU

Contact of responsible author: [mikko.weckorth@helsinki.fi](mailto:mikko.weckorth@helsinki.fi)

This project has received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement No 726950.

Disclaimers:

This document reflects only the author's view. The Commission is not responsible for any use that may be made of the information it contains.

This document of IMAJINE project is non-peer reviewed publication. It represents research in progress and express the opinions of the authors. Please do not cite without previous permission of the author(s).

Dissemination level: PU = Public



## Glossary of some of the key terms/concepts related to IMAJINE

### **Additionality principle**

One of the key principles of the European Structural and Investment (ESI) Funds. The additionality principle states that contributions from the Funds must not replace structural spending by a Member State in the regions concerned. In other words, those contributions may not lead to a decrease in national structural funding in said regions; rather, they should be in addition to national public spending. The Commission only monitors the application of the principle of additionality in those Member States where a minimum of 15% of the population live in less-developed regions. Whether the principle of additionality is followed in those Member States which fall outside this criterion is uncertain.

### **Agglomeration economics/benefits**

A theoretical concept originating from the sub-disciplines of urban and spatial economics. Agglomeration economics refer to the benefits that firms obtain by locating (i.e. agglomerating) near each other. This concept thus relates to the idea of economies of scale and network effects. Although the benefits of agglomeration are undisputable, certain authors in economic geography have raised concerns related to the limits and scope of agglomeration benefits.

### **Austerity policies**

Austerity policies (or austerity measures) refer to a range of policies suggesting reductions in government spending and increases in tax revenues or both. These policy measures have been applied by several national governments after the 2008 financial crisis and are typically justified as necessary measures to lower national deficits and avoid a debt crisis. Austerity policies have been criticized for increasing unemployment as government spending falls and for widening socio-economic inequalities. The IMAJINE project scrutinizes the spatiality of such inequalities.

### **Balanced development**

A contested concept referring to economic growth with small subnational (e.g. regional) variance. Balanced development policies aim to tackle spatially uneven patterns of economic production and wealth by spreading economic growth and development more widely across the country in question. Balanced development has been posited as one possible meaning of the EU concept of “territorial cohesion”.

### **Efficiency/equity trade-off**

Territorial inequality is closely connected to the relationship between public spending and the notions of efficiency and equity. More specifically the argument put forth in spatial and urban economics that a *tradeoff* exists between *equity* and *efficiency* within a given economy. This *tradeoff* is commonly viewed within the context of the production possibility frontier, where any additional gains in production *efficiency* must be offset by a reduction in the economy's *equity*. Economists have also applied this argument to the geography of economic growth and production within countries. Consequently, arguments resting on

assumptions of the efficiency/equity trade-off are critical to the effectiveness of both place-based policies and policies aimed at geographically balanced development. Nevertheless, in a regional context the existence of such a trade-off is highly disputed in the economic geography literature. These questions characterize the disagreement between the fundamentally different perspectives of urban economics and economic geography.

### **Evidence-based policy**

A term applied in multiple fields of public policy to refer to situations where policy decisions are informed by a rigorously established understanding of existing scientific evidence. Within the context of EU regional policies, an example of “evidence-based policy” is the widely spread adaptation of “place-based development” among policymakers at different institutions.

### **Ex ante conditionalities**

Ex ante conditionalities (ExAC) are a central component of 2014-2020 cohesion policy reform. ExACs were adopted to safeguard the preconditions for effective distribution of ESI Funds. Such preconditions relate to regulatory, policy and strategic frameworks and the necessary administrative and institutional capability of both public administration and stakeholders to distribute ESI Funds.

### **Green paper on Territorial Cohesion**

Green Papers are documents published by the European Commission to stimulate discussion on given topics at a European level. They invite the relevant parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they present. The Green Paper on Territorial Cohesion was based on a 2007 questionnaire to the Member States asking for their interpretation of territorial cohesion and their thoughts on the key components of territorial cohesion policy and the methods of its implementation. The results were published in 2008 and highlighted the multiple meanings of the concept, which depend on the context and actors involved. Even though one explicit aim of the Green Paper was to find a common understanding of the exact meaning of territorial cohesion, the concept remains highly elusive, debated, and contested.

### **Inclusive growth**

A concept adopted by several international institutions and actors, such as the OECD and European Union, as a key objective of their policymaking. The emphasis on inclusive growth is intended to ensure equitable opportunities for every section and layer of society during economic growth. The concept expands upon traditional economic growth models to include other dimensions, such as equity of health, human capital, environmental quality, social protection, and food security.

### **Multilevel governance**

An approach in political science and public administration theory originating from studies on European integration. The concept refers to the multi-level, polycentric, and multi-layered web of decision making

and governance that does not strictly follow, or is not limited to, national or institutional boundaries. Multilevel governance has also been suggested as one possible meaning for the EU concept of “territorial cohesion”.

### **Place-based development**

A central concept in EU cohesion policy which originates from the 2009 Barca Report commissioned by Danuta Hübner. In the place-based view, the EU's strategies should be tailored according to the local context across sectoral and administrative boundaries. In place-based regional development policy, both local problems and resources are identified with the assumption that the local institutions, actors, businesses and inhabitants in the region know these conditions best and policies should therefore be formulated on basis of this knowledge. The idea of place-based development is related to the other EU concepts of territorial potential and smart specialization.

### **Polycentrism/Polycentricity**

Polycentricity has been included in EU Cohesion policy since 1999, when the notion was incorporated into the European Spatial Development Perspective. However, as in the case of “territorial cohesion”, no commonly shared definition of polycentricity or polycentrism exists. In its wider use, the concept refers to a political or cultural system which contains many different centres of authority or control. In geographical terms, the concept has been applied to a spatial entity which includes several functional nodes (e.g. cities). The concept has been applied on a city-region and national scale, and polycentrism has also been suggested as one possible meaning for the contested concept of “territorial cohesion”.

### **Quality of life**

A concept that refers to the general and comprehensive well-being of a person or society, defined in terms of material resources, physical and mental health, and subjective evaluations of life satisfaction and happiness. The concept usually suggests integrating both objective and subjective indicators of human wellbeing. During recent decades, notions of the quality of life have also gained importance in EU discourse. The publication of the Stiglitz Report in 2008 marked an important milestone in the debate for renewing the indicators for measuring development and wellbeing in societies.

### **Sustainable development**

The concept of sustainable development refers to a form of development policy which seeks to satisfy society's economic, social and environmental needs in terms of well-being in the short, medium and – above all – long term. It is founded on the assumption that development must meet today's needs without jeopardizing the welfare of future generations. In practical terms, this means creating the conditions for long-term economic development whilst ensuring due respect for the environment. Sustainable development is a key objective of the EU, which has published its own Sustainable Development Strategy.

### **Regional autonomy movements**

A political agenda which has gained momentum in recent years within the EU. Regional autonomy movements usually demand the modification of the political and administrative structures of nation-states in order to establish a regional political and fiscal autonomy. Sometimes – but not always – regional autonomy movements contain nationalist ideologies, and in some cases they are associated with the debate over city-regionalism. The most significant recent regional autonomy movements within the EU are in Catalonia, the Basque Country and Flanders.

### **Smart Specialization**

Smart specialization refers to a place-based policy that focuses on the assets and resources available to regions and Member States and on their specific socio-economic challenges in order to identify locally specific opportunities for development and growth. In practice, smart specialization encourages local actors and governments to make strategic choices for investment. Smart Specialization strategies suggest that Member States and regions ought to support only a limited number of well-identified priorities for knowledge-based investments and/or clusters. Thus, the idea of specialization means focusing on competitive strengths and realistic growth potential supported by a critical mass of activity and entrepreneurial resources. Currently, development of a smart specialization strategy is a prerequisite for regions receiving funding from the EU.

### **Spatial justice**

Spatial justice is one of the key concepts of the IMAJINE project. The concept has been developed in human geography – in particular by scholars such as David Harvey and Edward W. Soja. Spatial justice is a fascinating concept that seeks to reveal the spatial dimensions of social justice. A spatial justice approach begins with the recognition that the organization of space is a crucial aspect of human societies that reflects social facts and influences social relations. Consequently, both justice and injustice become visible in space. Therefore, an analysis of the interactions between space and society is necessary to understand social injustices and to formulate the territorial policies aimed at tackling them. In an EU context, the concept of “territorial cohesion” has not, to date, been adequately informed by academic debates on spatial justice.

### **Subsidiarity principle**

The principle of subsidiarity aims to bring decision-making as close as possible to the citizens involved. Consequently, European-level action should be avoided unless it is significantly more effective than comparative measures at a national, regional or local level. An exception to this, however, is where competence is exclusive to the EU. Subsidiarity is intertwined with the concepts of proportionality and necessity, which require that any action by the Union should not exceed what is necessary to achieve the treaty objectives.

### **Territorial capital/potential**

In its wider sense, territorial capital is defined as a system of territorial assets of an economic, cultural, social and environmental nature that ensures the development potential of certain places. In the EU's regional policy, unrealized territorial assets are considered territorial potentials that may be mobilized through policies and actions at various administrative levels. Territorial capital and potential are thereby closely attached to the idea and practice of place-based development.

### **Territorial cohesion**

One of the key components in the EU's cohesion policy. Since the 5<sup>th</sup> Cohesion Report, territorial cohesion has been placed on equal footing with economic and social cohesion as an explicit cohesion policy aim. However, the exact meaning of the territorial (i.e. geographical or spatial) dimension of cohesion has remained undefined, and consequently the concept has been associated with various societal dimensions and contexts. Nevertheless, the two main definitions of territorial cohesion have concerned variance between EU regions in their levels of economic production (in GDP) and spatially even access to services of general economic interest and opportunities of social and economic relevance. In recent years, the latter, more individually focused, approach has gained ground in the EU's articulation of the concept, while the difference in macroeconomic production between regions has received less emphasis.