**ABSTRACT**

This paper discusses the role of medium towns as crucial anchors in achieving the policy goal of Territorial Cohesion. It highlights the need to counterbalance market trends to favour the continuous channelling of investment and people into larger metropolitan areas by way of proactive measures focused on attracting investment into medium towns, and as an alternative to dispersing public and private investment in lagging territories. Iberian and Nordic cases are examined in order to illustrate the possibilities and challenges of using ‘Territorial Cohesion Cities’ as development hubs in lagging regions, in order to achieve Territorial Cohesion at a national level.

**KEYWORDS**

Territorial Cohesion; Territorial Cohesion Cities; European Union Cohesion Policy; territorial development; medium towns; polycentrism

**JEL**

O, O1, O2, O21

**HISTORY**

Received 23 October 2017; in revised form 9 November 2018

**INTRODUCTION**

Despite having been mentioned in several European Union (EU) documents in recent decades, Territorial Cohesion is still a very much misunderstood and ambiguous concept, for both politicians and academics (Faludi, 2009; Medeiros, 2016a). Indeed, its inclusion in the EU Treaty in 2009 as a major EU policy goal, alongside the ongoing goals of promoting economic and social cohesion, was not, in our view, effectively translated into concrete EU strategic policy designs, which place a priority emphasis on measures aiming to achieve Territorial Cohesion.

On the contrary, the EU Cohesion Policy (ECP) rationale has gradually shifted towards a growth and investment agenda, following on from the main goals established in the EUROPE 2020 strategy. In this light, the rise of a ‘Territorial Cohesion narrative’ poses crucial challenges. First, the lack of a common understanding of its real meaning makes it difficult to bring clarity to the debate on the advantages of pro-Cohesion Policies over pro-growth policies. Second, there are factions that fuel the clamour for a concentration of public investments in already more developed, dynamic and competitive regions as way to maximize its impacts.

Several studies have pointed at the positive effects of the ECP (Bachtler, Polverari, Oraz, Clement, & Tödtling-Schönhofer, 2009; Becker, Egger, & von Ehrlich, 2012; Molle, 2007; Pellegrini, Terribile, Tarola, Muccigrosso, & Busillo, 2013; Ward & Wolleb, 2010). According to Fiaschi, Lavezzi, and Parenti (2018), the period 2000–06 appears to have been exceptionally successful, and this was definitely the case for rural regions near urban agglomerations. Objective 1 spending has been seen to have more impact in the early stages of a sector’s development, especially when focusing on the tertiary/service sector (Gagliardi & Perocco, 2017). However, as noted by Becker, Egger, and von Ehrlich (2018), the positive effects of cohesion spending have been more difficult to identify following the global financial crisis of 2008–09. The positive economic linkages between urban areas and the rural areas that surround them depend on how well these rural regions can attract and maintain labour, which places a significant emphasis on human capital (Bosworth & Venhorst, 2018). After the 2008 crisis, a significant deterioration of infrastructure has taken place, which has made it difficult for surrounding regions to benefit from the economic development of cities (Clifton, Díaz-Fuentes, & Fernández-Gutiérrez, 2016). Thus, the positive effects identified by Gagliardi and Perocco (2017) for rural regions situated near urban agglomerations between 2000 and 2006 may no longer be valid.
In this framework, ‘medium towns’ (if understood as development anchors for less populated territories) can play a vital role in the Territorial Cohesion debate. Especially, they allow for a territorial development approach that balances the need to increase the efficiency of public investments by concentrating them in development hubs, whilst addressing the desire to promote more balanced and harmonious territorial development trends.

Overall, the rationale behind an investment emphasis on EU medium towns (most of which are located in lagging regions) can be seen as a potential lifeline for the implementation of concrete and proactive Territorial Cohesion policies, as the development of their hinterland is normally dependent on their own territorial dynamics (European Observation Network for Territorial Development and Cohesion (ESPON), 2006a). As such, we argue that the achievement of the goal of Territorial Cohesion in a given country can greatly depend on the development path of these ‘Territorial Cohesion Cities’ (TCCs), thus making them a priority investment for cohesion and development policies.

In this light, this paper attempts to fill a noticeable gap in the available literature as it launches and reflects on a novel theoretical regional development concept: ‘Territorial Cohesion Cities’. It proposes a methodological approach for their selection in two concrete European case studies: Iberia (Portugal and Spain) and the Nordic countries (Norway, Sweden and Finland), which are illustrative examples of widely unbalanced territories. The proposed analysis presents a potential avenue not only for a more effective and efficient post-2020 ECP in terms of achieving the goal of Territorial Cohesion, but also for the design of national and regional territorial development strategies.

**DEVELOPMENT POLICY FOCUS ON CITIES**

Larger cities (usually capitals) play a consistently significant role in national economies, while second-rank cities play an important role only for limited periods. For these second-rank cities, agglomeration economies sometimes appear to play a more important role than in capitals or in the biggest city of a country (Camagni & Capello, 2015). Since the global financial crisis of 2008–09, second-rank cities have displayed more favourable annual gross domestic product (GDP) growth than capital cities. In Austria and Germany, the bigger cities have outperformed their capitals (Pirkinson, Meegan, & Karecha, 2015). One explanation for this is because second-rank cities enjoy increasing economic returns (Dijkgraaf, Garclaz, & McCann, 2013). As such, stimulating second-rank cities has positive potential to pay off as a policy development strategy.

To place things in perspective, however, it is important to note that the shape of the urban system and the historical legacies of power in each EU country differ significantly, and second-tier cities do not generally outperform capitals. Especially, Parkinson et al. (2015) note that the austerity years experienced across Europe caused formerly flourishing second-tiers to suffer serious economic declines, while capital cities were largely protected from this economic situation.

Faced with market concentration, lucrative incentives, the availability of land and cheap labour, and political and economic actors who are keen to attract companies partly on the latter’s terms, planning becomes an externality itself rather than a promotional tool.

(Tewdwr-Jones & Mourato, 2005, pp. 77–78)

As a result, foreign direct investments (FDI) go to areas located close to the market, with good access to available labour of the correct type, and good opportunities for quick returns on investment, that is, cities and urban agglomerations (Tewdwr-Jones & Mourato, 2005). In this regard, it follows that areas outside major cities and urban agglomerations will lose out (Rauhut, 2017).

The shift in ECP from cohesion to competition and from weaker regions to cities indicates a stronger policy focus on cities and city agglomerations (Faludi, Stead, & Humer, 2015). The “Barca” report aimed at reforming the current ECP by introducing a place-based approach to meeting EU challenges and expectations (Barca, 2009).

In effect, the approach means that local actors are given increased responsibility for the territorialized economic and social agenda (Solly, 2016). Recent research indicates a gradual mainstreaming of competitiveness goals in favour of urban regions, leaving the challenges of peripheries to the policy responses of local authorities – challenges they do not have the tools to address (Gruber, Rauhut, & Humer, 2017). Other policy incentives focusing on the local level and place-based incentives display similar findings, for example the regional operational programmes and integrated territorial investments (Isola, Leone, & Pira, 2017).

The Territorial Agenda for Europe 2020 (TA2020) also aims to achieve Territorial Cohesion in the EU, and the concept of polycentric development – that is, to stimulate city agglomerations – plays an important role in this policy document. Moreover, the TA2020 has picked up and adapted the policy goals of the Europe 2020 Agenda (European Union, 2011). However, the TA2020 is a document filled with fuzzy normative constructs, and key concepts remain undefined (Schmitt, 2011). For peripheral and remote regions without any bigger cities (i.e., cities with more than 300,000 inhabitants), the TA2020 offers little guidance on how to stimulate economic growth and turn a downward development into something positive.

If we cannot expect ECP to facilitate favourable conditions for second-rank and smaller cities, and especially this category of cities that falls outside the polycentric pentagon at the heart of EU, then where can we find such policies? The EU Urban Agenda acknowledges the polycentric structure of Europe and also the place-based approach to development. Cities need to cooperate within their functional areas and with their surrounding regions, connecting and reinforcing territorial and urban policies. However, the EU Urban Agenda does not focus on the smaller cities important for Territorial Cohesion, but rather on
metropolitan economic growth areas (MEGAs) and functional urban areas (FUAs). Thus, the policy needs to be made more urban friendly (European Union, 2016). It is indeed doubtful how relatively small cities (50,000–100,000 inhabitants) located on the periphery of monocentric countries on the periphery of the EU will benefit from the bold ambitions of the EU Urban Agenda. Especially, the fact that few EU countries present a dominant ‘polycentric’ urban system pattern leads to policy implementation problems in ‘monocentric’ countries such as, for example, Finland, Norway, Sweden and Portugal.

A PROPOSED POLICY RATIONALE FOR TERRITORIAL COHESION CITIES

Initiated in 1989, the ECP was initially designed to further cohesion, and more particularly the economic and social dimensions of development (European Commission, 2014). The gradual appreciation of the need to encompass the ‘territorial’ dimension in the ECP intervention rationale was only finalized after the publication of the European Spatial Development Perspective (ESDP) (European Commission, 1999), which in turn foreshadowed a ‘Territorial Cohesion Policy’ (Faludi, 2006). Faced with mounting territorial disparities, the EU finally and formally incorporated the complementary goal of ‘Territorial Cohesion’ into the Lisbon Treaty (2009), alongside the jointly defined policy objectives of economic and social cohesion which have been enshrined in the EU Treaty since the Single European Act (1986) (Mendez, 2011). This formal and legal recognition for prioritizing ‘Territorial Cohesion Policy visions’ came with a view of promoting overall harmonious development, whilst reducing disparities between the levels of development of the various EU regions, and mooted a common assumption of a new ‘era for the territoriality of ECP’ (Faludi, 2016).

In overall terms, the existing literature reveals that the impacts of ECP are far from being uniform, both in territorial aspects and also the different development dimensions that they affect (Fratesi & Wishlade, 2017). Even so, it is possible to conclude that the ECP has had a positive impact on the territorial development of EU member states (Bachtler, Begg, Charles, & Polverari, 2016; Molle, 2007), and especially in ‘cohesion countries’ (Medeiros, 2014a; 2017).

One may understand Territorial Cohesion as a holistic process that extends the notions of social and economic cohesion. It can be seen as a process promoting a more cohesive and balanced territory, and this process contains four parts: (1) it supports the reduction of socioeconomic territorial imbalances; (2) it promotes environmental sustainability; (3) it reinforces and improves territorial cooperation/governance processes; and (4) it reinforces and establishes a more polycentric urban system. As such, the use of ‘Territorial Cohesion indexes’ based on indicators associated with all four of these dimensions has showed that the goal of Territorial Cohesion has not been achieved at a national level in any analyzed EU member state. Reflecting the five countries analyzed in this study, Figures 1 and 2 display clearly heterogeneous and non-cohesive territorial development paths over the past 15 years.

In light of these trends, one potential policy option to attain the goal of Territorial Cohesion at a national level could be to prioritize policy development investments in the medium towns of less developed regions, as these are normally considered as being fundamental regional development engines. Moreover, they are considered to have ‘good development potential if they concentrate on selected forms of territorial capital which offer comparative advantages’ (ESPO, 2006b, p. 18).

One can argue that the regional distribution of EU funds has already tended to favour the most populated areas of less...
developed regions owing to the presence of medium towns. However, in several cases, the larger agglomeration areas, rather than medium towns, have received a larger share of these funds (Medeiros, 2014a, 2014b, 2016b, 2017). However, based on a medium-city development rationale, the distribution of EU funds does not favour one or two specific urban settlements, but rather the funds are distributed across all the region’s municipalities following a mainstream regional development rationale of financing development needs across the whole region. Thus, one way of correcting the present situation could be to shift the funds allocated to larger and more dynamic urban areas to medium towns located in less developed EU regions.

Other compelling arguments for augmenting the ECP financial concentration on TCCs are, first, that the focus of the existing ECP framework is on supporting regional operational programmes. A second argument is that TCCs can play a decisive role in promoting the territorial development of the surrounding hinterland, as they are commonly nodes of an urban network with smaller towns, and/or act as development poles for surrounding rural areas.

It cannot be assumed that the primary allocation of ECP funds to these TCCs will benefit the region in any particular way. Indeed, the optimal spatial scope of city-region relations depends on the policy intervention capacity to make the most of the region’s endogenous potential. Understandably, this spatial scope depends on the city’s functional regional influence. Ultimately, it is expected that an above-national average territorial development performance of TCCs would provide development spillover to the surrounding hinterland, so provoking a desirable Territorial Cohesion path vis-à-vis common territorial exclusion regional trends.

**Figure 2.** Territorial Cohesion index, 2000–15, in Finland, Norway and Sweden (NUTS-2). Drawing: Authors.
TERRITORIAL COHESION CITIES: A METHODOLOGICAL DISCUSSION

As expressed above, we support a conceptual rationale in which territorial Development and Cohesion funds would be concentrated in TCCs. These cities can be synthetically defined as ‘the major anchor development urban centres at the regional level’ (NUTS-2). As such, they are not classified as MEGAs according to ESPON (2005) criteria, and this has the potential to counter the usual trend for a higher development of MEGAs at the national level.

From a methodological standpoint, the selection of TCCs poses several challenges. First, European regions (NUTS-2) vary in size and characteristics regarding the number, size and distribution of urban areas. Second, some regions have vast rural and depopulated areas, with few and small urban settlements, sometimes with fewer than 2000 inhabitants. Third, some regions are completely dominated by a MEGA and do not require the selection of a TCC. Finally, some regions might have their anchor development cities very close to each other, making it difficult to provide a compelling argument to propose multiple cities as TCCs. Nonetheless, we propose a step-by-step methodological rationale to select TCCs, taking into account the immense territorial variations in each potential territory (nation):

- The main goal of a TCC is to serve as the major territorial development anchor of the whole region, and to invert the usual development trends at national level which tend to favour capital cities. Hence, the first selection criteria should be to identify the most influential city of the region from institutional and socioeconomic standpoints, which is normally the regional capital.
- If this regional capital is a MEGA, then no TCC is selected for this region (e.g., Lisbon in the Lisbon Metropolitan Area).
- If the MEGA covers a vast area (normally more than 100 km²) and does not influence most of the region (urban network), then a TCC should be selected, again based on its influence on the remaining territory (e.g., Porto is a MEGA but its urban influence is concentrated in the western side of the Norte (NUTS-2) region. In this case, Vila Real, a regional capital, should be selected as a TCC.)
- If the influence of the TCC does not extend across the full territorial scope of the region, then one or more secondary Territorial Cohesion Cities (ScTCC) should be selected (normally more than 100 km from each other), based on their size, distribution and regional influence (e.g., Castilla y León is a vast Spanish region where Valladolid represents the regional capital and the most influential city – TCC. However, it is surrounded by three other distant influential cities: León, Burgos and Salamanca, all of which are sufficiently large and influential to act as complementary development anchors of the major regional TCC). In practice, a ScTCC would receive less EU funding than a TCC, but far more than the remaining regional municipalities.
- If a region is considered to be less-developed according to EU or national average GDP criteria, then these should be named as less-developed TCCs. In practice, this condition would place them as major recipients of ECP support, closely followed by less-developed ScTCCs, more-developed TCCs, more-developed ScTCCs and MEGAs.
- In the case of islands and archipelagos, the selection of TCCs is far more difficult, especially if the major city is already a MEGA (e.g., the Balearic Islands). If the major city is not a MEGA, than the most influential urban agglomeration should be selected as the TCC, and the previous criteria should apply.
- There could be a case where two TCCs or ScTCCs are closer than 30 km. This should only be permitted if two major influential regional capitals are present. Once again, each case should take into consideration the characteristics of the national urban system and degree of development of each region.

The primary argument for using the proposed ‘TCC policy rationale’ for ECP and national territorial development policies is the fact that it clearly places medium cities at the heart of these policies in financial and strategic terms. Second, it allows for a precise identification of regional development anchor hubs (TCCs) and sub-hubs (ScTCCs) for the surrounding hinterland. Finally, it considers the identification of cities located in more or less developed regions, which facilitates the distribution of available regional development funds. For instance, if one country has €100,000 allocated for regional development policies, it could decide to spend 30% on less-developed TCCs, 20% on less-developed ScTCCs, 15% on more developed TCCs, 10% on more-developed ScTCCs and the rest on MEGAs and remaining territories. With these criteria, a total of 75% of regional development funding would be allocated to TCCs and ScTCCs, unlike the distribution patterns of current ECP and national development policies which do not prioritize medium cities as development anchors.

As previously noted, even with the proposed selection criteria, the selection of appropriate TCCs is a challenging task, since each country has its own specificities regarding the size, location and distribution of urban areas. As an example, if one looks at the Iberian Peninsula as a whole, one can infer a close to perfect polycentric urban pattern. However, if one regards Portugal and Spain as separate territories, this picture is substantially transformed as Portugal becomes a more or less monocentric country, with only two MEGAs (Lisbon and Porto), and various small-sized medium towns. This context makes the selection of TCCs particularly complex, as the capitals of some regions do not extend much beyond 50,000 inhabitants.

Conversely, Spain presents a more balanced urban system with a core MEGA (Madrid) surrounded by five other MEGAs (Seville, Valencia, Barcelona, Mallorca and Bilbao), and many large-sized medium towns (more than 200,000 inhabitants). Here, the major problem is the selection of adequate ScTCCs, as there are often cases of very large regions with several large-sized medium towns.
In the case of the Nordic countries, there are few big cities in Finland, Norway or Sweden, thus highlighting the need for TCCs. Finland and Norway each have two MEGAs, while Sweden has three (ESPON, 2014). In terms of area, Finland hosts seven FUAs, Norway hosts six and Sweden hosts 12 (Organisation for Economic Co-operation and Development (OECD), 2016). In Finland, Norway and Sweden, only the capital cities have numbers more than 500,000 inhabitants, and the number of towns more than 100,000 inhabitants is eight in Finland, four in Norway and 15 in Sweden. However, these cities are not evenly distributed in these countries. If MEGAs and FUAs are excluded, then the medium-sized cities in Finland, Norway and Sweden have between 50,000 and 100,000 inhabitants. Moreover, huge distances increase the importance of the medium-sized cities in these countries when it comes to economic growth and Territorial Cohesion efforts.

Regarding the Territorial Cohesion Index for 2000 and 2015, we decided to use a balanced number of indicators per the main dimension of Territorial Cohesion (see Figure A1 in Appendix A in the supplemental data online). The selection of four indicators to measure socioeconomic cohesion is justified by the connection of two important development dimensions of economy and society. However, due to missing relevant and comparable data, the measurement date for each indicator was not exactly 2000 or 2015 for all indicators.

**MEDIUM TOWNS AS TERRITORIAL COHESION ANCHORS**

Following the proposed methodology, several TCCs and ScTCCs can be identified on the Iberian Peninsula (Atlantic Archipelagos excluded) and in the Nordic countries (Norway, Sweden and Finland). Some of these cities are located in more-developed regions and others in less-developed regions. Starting with the case study area of the Iberian Peninsula, we propose a balanced regional distribution of TCCs, with one located in each NUTS-2 area, and with a few exceptions such as the capital Lisbon and Madrid regions, which are already dominated by a MEGA (Figure 3).

In the case of Portugal, it has become common to argue that over the past decades, Portugal has become a more unbalanced territory, with constant migration flows coming from the depopulated interior into littoral areas, and mainly the metropolitan areas of Lisbon and Porto. Therefore, the implementation of a TCC rationale by favouring territorial development investments in the selected four TCCs (Vila Real, Coimbra, Évora and Faro) and respective ScTCCs (see Appendix B) could help to mobilize untapped territorial capital potentials for the entire regional hinterland, and also counteract the concentration of people and economic activities in the large metropolitan areas.

Similarly, over the past decades, Spain has seen a continuous attraction of people and economic activities to the Madrid metropolitan area. As Figure 3 shows, following a TCC rationale can theoretically prevent regions without a MEGA from retreating into the backwaters of MEGA regions, since TCCs can link smaller cities together and these networks can foster and facilitate territorial development processes not only for the urban settlements but also for the rural hinterland. This, in turn, leads to achieving the EU ambitions of Territorial Cohesion, and is especially true for vast areas that have lost significant proportions of their population over the past decades (the interior and north-west of the Iberian Peninsula). As can be seen in Figure 3, the significant size of some of the Spanish regions justifies the selection of several ScTCCs around a major TCC, which would

---

**Figure 3. Territorial Cohesion Cities on the Iberian Peninsula.**

*Drawing: Authors.*
act as development satellite anchors in order to cover the full scope of the region.

When the same methodology is used to identify TCCs in Finland, Norway and Sweden, as with Portugal and Spain, several towns are identified as potential TCCs (Figure 4) (for a full list of TCCs in Finland, Norway and Sweden, see Appendix C in the supplemental data online). A major challenge for this case study was the presence of very large regions (especially in Finland and Sweden), which struggle with very low population densities. Here, by following the proposed criteria, the most influential regional city was selected as the TCC. However, it was found that the presence of vast depopulated areas makes it hard to select several ScTCCs.

In Finland, the majority of the population and major cities are concentrated in the south-west. Only the two bigger FUAs of Kuopio and Oulu are located in other parts of Finland. Both cities can serve as TCCs, together with Tampere in western Finland and Lappeenranta in the eastern part of south Finland. The influence area of the two MEGAs (Helsinki and Turku) covers most of the remaining country.

The Norwegian population is, to a large extent, located along the coast, and most of the country is mountainous. The four FUAs of Tromso, Trondheim, Stavanger and Kristiansand can serve as TCCs, together with Hamar and Skien. These latter two towns cover significant parts of the inland regions of Hedmark-Oppland and Sørlandet. The influence area of the two MEGAs (Oslo and Bergen) covers a substantial part of the populated area in Norway.

In Sweden, more than 50% of the population lives in the greater Stockholm, Gothenburg and Malmö regions. The FUAs of Uppsala and Västerås fall inside the influence area of Stockholm, while the FUAs of Örebro, Linköping and Norrköping lie just outside. Gothenburg has a significant influence on western Sweden, as does Malmö over southern Sweden. The FUAs of Umeå (North Norrland) and Jönköping (Småland and the islands) can serve as TCCs, as can Falun (North Mellansverge) and Sundsvall (Middle Norrland).

The proposed TCCs should be seen as ‘gateways’ for Territorial Cohesion. If policies are designed to stimulate towns and cities between 50,000 and 200,000 inhabitants, it can be assumed that they will influence their hinterland and hence stimulate inclusive, smart and sustainable development in these regions. Policies designed for densely populated city agglomerations in Central Europe will, however, be non-starters when transposed to sparsely populated peripheral and remote regions. In less developed territories – both on the Iberian Peninsula as well as in the Nordic periphery – the towns and cities that act as regional development anchors need to be addressed in order to achieve Territorial Cohesion. The concept of TCCs is one possible means of doing so.

**CONCLUSIONS**

Territorial Cohesion is an EU goal, and has been expressed in the EU treaty since 2009. From the onset, the goal of promoting a more balanced and harmonious EU territory has clearly been placed at the heart of EU political and economic construction. As its name implies, EU Cohesion Policy became the most important policy instrument by which to achieve the goal of a more cohesive EU territory. However, despite its positive impacts in reducing regional disparities at an EU level, and in promoting positive territorial development trends in virtually all the EU regions, it failed to achieve the goal of Territorial Cohesion at a national level, and this can be seen in the Territorial
Cohesion indices of the presented case studies of the Iberian Peninsula (Portugal–Spain) and the Nordics (Norway, Sweden and Finland).

Therefore, given that the bulk of ECP investment (more than 70%) was channelled into less developed regions of the EU, what failed? For one, we are aware of the financial limitations of the ECP in terms of the development needs of these regions, and in a context where private investments favour more socioeconomically dynamic EU regions. Moreover, the dispersion of EU funds in all the localities within these lagging regions could lead to high levels of policy inefficiency, especially as populations and businesses who have benefitted tend to migrate to larger and more economically attractive urban areas.

In this context, we propose an alternative ‘territorial development policy rationale’ for use in both EU Development and Cohesion policies, and in national and regional development policies. Instead of favouring lagging territories in equal measure, the rationale targets selected urban agglomerations (TCCs) in these and in more developed regions, and concentrates available regional development funds on them as a more effective way of achieving Territorial Cohesion at the national level.

As it stands, the proposed TCCs rationale is purely theoretical, as it has never been tested. Moreover, as seen in this paper, the concretization of such a development strategy comes with numerous challenges. Especially, the selection of TCCs needs to follow criteria tailor-made for each country’s urban network and territorial characteristics. In sum, this criteria needs to take into consideration not only the size of the city (in terms of the number of inhabitants), but also its influence as a development anchor for the surrounding hinterland.

To present a more convincing case for our theoretical approach, we have applied it to two distinct case studies, both of which face continuous processes of territorial exclusion. Concerning the Iberian case study, challenges came from a lack of large dominant medium towns in Portugal, and the unbalanced size of the Spanish regions. Here, for the most part, capital regions were selected as TCCs in order to achieve a balanced as possible territorial distribution. Similar and additional challenges were faced when selecting the most appropriate TCCs for the Nordic case study, which features vast unpopulated areas with either none or a few sizeable urban agglomerations in the northern territories. However, it was still possible to identify a relatively balanced number of TCCs in both developed and lagging regions, which could act as driving regional development engines in counterbalancing the centripetal forces that favour the capital cities of Oslo, Stockholm and Helsinki.

It goes without saying that the proposed TCCs policy rationale needs to be tested in the field in order to be validated. We are furthermore aware of the political obstacles it could face in a context where all the EU localities aim to get their share of available EU funding for use in their own territorial development. This is particularly true for extremely sparsely populated areas such as those in the north of Sweden and Finland. These regions have more problems than just a lack of major cities – they are remote and peripheral and, as such, we advocate a regional/local development approach in which smaller TCCs could also be selected. The solution to the specific development issues associated with remote and peripheral regions is, however, a topic for another paper.

Finally, it is crucial to point out that as a means for achieving the ultimate goal of the ECP (i.e., Territorial Cohesion), the proposed TCCs policy approach presents a wealth of opportunities, many of which are largely unexplored as each of the EU member states has its own territorial specificities, needs and potentials. On the other hand (and reflecting the current trends of continuous territorial exclusion faced by less developed EU regions), we are convinced that an implementation of the proposed ‘TCCs rationale’ could strengthen the coherence and efficiency of EU Investment and Cohesion Funds for the post-2020 ECP phase. Hence, the fundamental added value of the proposed rationale is its concrete focus of placing the bulk of the ECP financial support into medium-sized cities located in less-developed regions, unlike the processes of the current ECP framework.

ACKNOWLEDGEMENTS

The authors are grateful for constructive comments and suggestions offered by the anonymous referees, and to Matti Fritsch for his cartographic support.

DISCLOSURE STATEMENT

No potential conflict of interest was reported by the authors.

ORCID

Eduardo Medeiros  http://orcid.org/0000-0002-8877-5606

Daniel Raubut  http://orcid.org/0000-0002-9146-9984

REFERENCES

Bachtler, J., Begg, I., Charles, D., & Polverari, L. (2016). The long-term effectiveness of EU Cohesion Policy: Assessing the achievements of the ERDF, 1989–2012. In B. Bachtler, P. Berkowits, S. Hardy, & T. Murawska (Eds.), EU Cohesion Policy: Reassessing performance and direction (pp. 11–20). London: Routledge.

Bachtler, J., Polverari, L., Ortiz, E. H., Clement, K., & Tödtling-Schönhofer, H. (2009). Ex post evaluation of Cohesion Policy programmes 2000–2006 co-financed by the ERDF (Objective 1 and 2): Management and implementation systems for Cohesion Policy. Report to the Commission of the European Communities, Brussels.

Barca, F. (2009). An agenda for a reformed Cohesion Policy, a place based approach to meeting European Union challenges and expectations. Independent report prepared at the request of Danuta Hubner, Commissioner for Regional Policy.

Becker, S. O., Egger, P. H., & von Ehrlich, M. (2012). Too much of a good thing? On the growth effects of the EU’s regional policy. European Economic Review, 56(4), 648–668. doi:10.1016/j.euroecorev.2012.03.001
Becker, S. O., Egger, P. H., & von Ehrlich, M. (2018). Effects of EU regional policy: 1989–2013. Regional Science and Urban Economics, 69, 143–152. doi:10.1016/j.regscirev.2017.12.001

Bosworth, G., & Venhorst, V. (2018). Economic linkages between urban and rural regions – What’s in it for the rural? Regional Studies, 52(8), 1075–1085. doi:10.1080/00343404.2017.133986

Clifton, J., Díaz-Fuentes, D., & Fernández-Gutiérrez, M. (2016). Economic linkages between urban and rural regions and cities: Myths and realities. European Planning Studies, 24(3), 334–354. doi:10.1080/09654313.2014.94958

Dijkstra, L., Garcilazo, E., & McCann, P. (2013). The economic performance of European cities and city regions: Myths and realities. European Planning Studies, 21(3), 334–354. doi:10.1080/09654313.2012.716245

Faludi, A. (2006). From European spatial development to Territorial Cohesion. In S. Franceschi, U., & Wishlade, F. G. (2017). The impact of European Cohesion Policy in different contexts. Regional Studies, 51(6), 817–821. doi:10.1080/00343404.2017.1326673

Gagliardi, L., & Perocco, M. (2017). The impact of European Cohesion Policy in urban and rural regions. Regional Studies, 51(6), 857–868. doi:10.1080/00343404.2016.1179384

Gräber, E., Ruhlau, D., & Humer, A. (2017). Territorial Cohesion under pressure? Welfare policy and planning responses in Austrian and Swedish peripheries. Papers in Regional Science. doi:10.1111/1435-239X.12144

Isola, F., Leone, F., & Piri, C. (2017). Towards a regional urban agenda: Approaches and tools. Regional Studies, Regional Science, 4(1), 181–188. doi:10.1016/j.rsrs.2017.03.028

Mederes, E. (2014a). Assessing territorial impacts of the EU Cohesion Policy: The Portuguese case. European Planning Studies, 22(9), 1960–1988. doi:10.1080/09654313.2013.813910

Mederes, E. (2014b). Territorial Cohesion trends in inner Scandinavia: The role of cross-border cooperation – INTERREG-A 1994–2010. Nordisk Geografisk Tidskrift – Norwegian Journal of Geography, 68(5), 310–317. doi:10.5038/00291951.2014.960949

Mederes, E. (2016a). Territorial Cohesion: An EU concept. European Journal of Spatial Development, 60, 1–30.

Mederes, E. (2016b). EU Cohesion Policy in Sweden (1995–2013). A territorial impact assessment. European Structural and Investment Funds Journal, 3(4), 254–275.

Mederes, E. (2017). European Union Cohesion Policy and Spain: A territorial impact assessment. Regional Studies, 51(8), 1259–1269. doi:10.1080/09654340.2016.1187719

Mendez, C. (2011). The Lisbonization of EU Cohesion Policy: A successful case of experimentalist governance? European Planning Studies, 19(3), 519–537. doi:10.1080/09654313.2011.548368

Molle, W. (2007). European Cohesion Policy. Abingdon: Routledge.

Parkinson, M., Meegan, R., & Karecha, J. (2015). City size and economic performance: Is bigger better, small more beautiful or mid-sized towns (SMESTO). Luxembourg: ESPON.

Pellegrini, G., Terribile, F., Tarola, O., Muccigrosso, T., & Busillo, F. (2013). Measuring the effects of European regional policy on economic growth: A regression discontinuity approach. Papers in Regional Science, 92(1), 217–233. doi:10.1111/j.1435-5957.2012.00459.x

Piattoni, & L. Polverani (Eds.), Territorial Cohesion and competitiveness in Europe. In H. Fassmann, D. Rauhut, E. Marques da Costa, & A. Humer (Eds.), Services of general interest and Territorial Cohesion: One concept, or many? European Planning Studies, 23(2), 332–348. doi:10.1080/09654313.2016.1276157

Schmitt, P. (2011). The territorial agenda of the European Union 2020 – A turning point in striving for Territorial Cohesion? Nordregio News. Retrieved from http://www.nordregio.se/en/Metameny/Nordregio-News/2011/Europes-strive-for-Territorial-Cohesion/The-Territorial-Agenda-of-the-European-Union-2020-A-turning-point-in-striving-for-Territorial-Cohesion/

Solly, A. (2016). Place-based innovation in Cohesion Policy: Meeting and measuring the challenges. Regional Studies, Regional Science, 3(1), 193–198. doi:10.1016/j.rsrs.2016.1150199

Tewdwr-Jones, M., & Mourato, J. (2005). Territorial Cohesion, economic growth and the desire for European ‘balanced competitiveness’. Town Planning Review, 76(1), 69–80. doi:10.3828/tpr.76.1.6

Ward, T., & Wolleb, E. (2010). Ex–post evaluation of Cohesion Policy Programmes 2000–2006 financed by the European Regional Development Fund in Objective 1 and 2 Regions. Brussels: CEC.