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Your ref

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Date

**The public consultation on the Green Paper on Territorial Cohesion -  
Comments from Norway**

**1. Introduction**

Reference is made to your public consultation on the Green Paper on Territorial Cohesion – Turning territorial diversity into strength.

We greatly appreciate the opportunity to participate in the debate on territorial cohesion. By participating, we hope we can make a contribution towards a better understanding of the term territorial cohesion and the implications for policy development and implementation.

Territorial cohesion is of great importance to Norway, both in a wider European context, and to our own regional development. Many of the challenges we face on the European continent are common; competitiveness, employment, provision of public and private services, better governance and sustainable development. These challenges have a territorial dimension. It is therefore important to acknowledge that different types of regions need different types of policy support to make full use of their potential.

## **2. Some general reflections on the Green Paper<sup>1</sup>**

The Green Paper recognises the diversity of the European territory and that this diversity represents a source of strength. Managing this diversity and developing the potential of all types of territories is seen as an important goal. The concept of territorial diversity as a potential should be developed further.

The Green Paper uses a typology of three main types of European territories based on their respective urban-rural structures; metropolitan, intermediate and rural. Furthermore, the Green Paper identifies three types of territories as facing particular development challenges; islands, mountains and sparsely populated areas. It is noted that this does not exclude other types of regions with specific features to be identified e.g. coastal zones. This represents a flexible and dynamic understanding of Territorial Cohesion.

From a settlement point of view, Norway can roughly be subdivided into three geographical zones<sup>2</sup>: First we have the metropolitan region around Oslo, second, the Norwegian coast from Southern Trøndelag to Oslo and Lillehammer, with towns and cities that are separated in terms of labour market areas, and finally Northern Trøndelag and Northern Norway which is an area with sparse population, long distances and cold climate, which is unique in the European context. The territorial structure of Norway can be characterised by the following:

- Long distances to main markets
- Extensive mountain areas
- Insular and coastal regions
- Isolated border regions
- Arctic and sub-arctic climate
- Demographic sparsity
- An extremely diffused urban system with sharp differences regarding settlement structures, functional profiles and centrality

The Green Paper represents a shift in the perception of territorial cohesion from balanced development and reduced disparities towards increased competitiveness and reduced disparities. This is in line with the general policy development as expressed in EU documents such as the Lisbon Agenda or the Territorial Agenda of the European Union.

The Green Paper mentions two ways of addressing territorial cohesion; namely through coordination and cooperation. Territorial cohesion can be strengthened by

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<sup>1</sup> We would like to acknowledge the contributions from Norwegian Regional Authorities, and finding inspiration in Euromontana's response to the consultation and CPMR's response to the consultation.

<sup>2</sup> The facts in this paper are largely based on the Nordregio reports "Nordic inputs to the EU Green Paper on Territorial Cohesion" and "A Nordic Perspective on the EU Green Paper on Territorial Cohesion – Turning Territorial Diversity into Strength" The last report is included. We would also like to refer to our letter of 07.05.08 to the commission.

incorporating a territorial dimension in all relevant policy areas and by promoting cooperation between different levels of government and across borders. It is important to raise awareness about territorial cohesion as a legitimate concern to be addressed. We believe that the Green Paper is an important tool in doing so.

Spatial economy has also received increased attention recently. This is best exemplified by Paul Krugman winning the Noble Prize in economics.

### **3. Definition**

*Territorial cohesion brings new issues to the fore and puts a new emphasis on existing ones – What is the most appropriate definition of territorial cohesion?*

We believe that it is useful to make a distinction between territorial cohesion as an *objective* which can be measured and monitored by indicators, and territorial cohesion as a *strategy* or actions where specific instruments are taken into use. The pursuit of territorial cohesion as strategy is in our view a way to address the combined challenges of growth, competitiveness and sustainable development.

We believe that a definition of territorial cohesion should contain the following elements:

- **Geographical coverage** - *Should the term territorial cohesion cover all regions or only some selected regions?*

Territorial cohesion should cover all regions, because it is addressing territorial development. However, special attention should be given to areas facing particular challenges like sparsely populated areas, mountain areas, islands etc.

- **Concept** - *Should territorial cohesion be a limited or comprehensive concept?*

Territorial cohesion should be a comprehensive concept influencing all policy areas, which are of significance for regional development.

- **Policy** - *Should there be a common policy for all regions or a differentiated policy which takes into account territorial differences?*

There is a strong need to conceive a territorially differentiated approach to policy making. This comes from the acknowledgement that different types of regions need different types of policy support to make full use of the potential. This implies involvement of local and regional actors. Local and regional actors can bring knowledge, initiative and resources to policy formulation and implementation.

- **Focus** - *Should focus be on balanced development and reduced disparities or increased competitiveness and reduced disparities?*

We believe there should be a focus on developing local, regional and national comparative advantages in a global context. In our opinion we believe this will promote both cohesion and competitiveness.

In summary, we believe that territorial cohesion should be a comprehensive concept covering all regions promoting differentiated policies based on territorial characteristics. It should have a focus on increased competitiveness and reduced disparities. We believe that the definition proposed in advance of the informal ministerial meeting on regional development and cohesion policy in Marseille in November 2008 includes most of these elements. The proposal was:

*“Providing citizens with equal opportunities in terms of living conditions and quality of life, and providing enterprises with equal perspectives for development, relying on specific regional and local potentials, where ever they are settled,”*

An alternative definition or understanding could be the one stated in the green paper itself:

*“Territorial cohesion is about ensuring the harmonious development of all places and about making sure that their citizens are able to make most inherent features of these territories. As such, it is a means of transforming diversity into an asset that contributes to sustainable development of the entire EU.”*

*What additional elements would it bring to the current approach to economic and social cohesion as practiced by the European Union?*

Territorial cohesion will reinforce and complement economic and social cohesion. This is mainly achieved by taking into account territorial potentials when developing policy. Territorial cohesion will put greater emphasis on a given territory's potential and risks. A territorial approach can also to a greater extent mobilize and engage local and regional stakeholders. A considerable part of the local and regional capital belongs to local and regional authorities, business' and local and regional and knowledge institutions.

Territorial cohesion can promote better adapted policies and strategies and thus promote more favourable economic and social development. We would like to point out the following elements<sup>3</sup>:

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<sup>3</sup> Position paper from the ARL No. 78 – The Territorial Cohesion Principles – Position paper to the EU Green Paper on Territorial Cohesion

### Effectiveness

There are often considerable losses in the effectiveness of policies, because the effects of different policies are sometimes in conflict and therefore lower the impact of each policy. This leads to a sub-optimal outcome. This phenomenon is particularly apparent with regard to regional or spatial development policies. The notion of territorial cohesion will better target policy intervention.

### Competitiveness

There is a need to acknowledge territorial diversity be it on regional, national or European level. The benefit of a territorial approach is that it takes into account the whole range of assets and potentials, as well as risks, available for interventions or policy developments. This makes it easier to develop better adapted policies.

### Reduced disparity

Inherent in territorial cohesion is the welfare aspect, in the sense that there should be an effort towards equality in living conditions, income, access to public or private services independent of where you live. A vital aspect for a harmonious development of any territory is access to a satisfactory level of public or private services.

#### *The Programme for Regional R&D and Innovation (VRI) in Norway –An example of incorporating a territorial dimension in research policy*

The VRI programme is a national programme with an initial time-frame of ten years (2007-2017). The programme is a Research Council of Norway initiative, targeted toward **research and innovation** at regional level. The VRI programme offers professional and financial support to long-term, research-based development processes in the regions.

The programme is designed to promote greater regional collaboration between trade and industry, R&D institutions and the government authorities, and to establish close ties to other national and international network and innovation measures such as the Arena programme, Norwegian Centres of Expertise (NCE) and the Regions of Knowledge initiative.

The Research Council will employ national, merit-based competition to ensure the quality of the activities and projects funded under the programme. Fundamental components of the VRI programme include research activity, exchange of experience, learning, and cooperation across scientific, professional and administrative boundaries.