Territorial Cohesion Cities: a policy recipe for achieving Territorial Cohesion?

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Abstract

This article 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 pro-active 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, EU Cohesion Policy, Territorial Development, Medium Towns, Polycentrism.

1. Introduction

Despite having been mentioned in several European Union (EU) documents in recent decades, Territorial Cohesion is still a very much misunderstood and illusive concept, for both politicians and academics (Medeiros, 2016a; Faludi, 2009). Indeed, its inclusion in the EU Treaty in 2009 as a major EU policy goal, alongside the on-going 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. Firstly, 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. Secondly, there are factions which fuel the clamour for a concentration of public investments in already more developed, dynamic and competitive regions, as way to maximise its impacts.

Several studies have pointed at the positive effects of the ECP (Becker, Egger & von Ehrlich, 2012; Pellegrini, Terribile, Tarola, Muccigrosso & Busillo, 2012; Ward & Wolleb, 2010; Molle, 2007; Bachtler, Polverari, Oraz, Clement & Tödtling-Schönhofer, 2009). According to Fiaschi, Lavezzi and Parenti (2017), the period of 2000–2006 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 2008 crisis. 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, Fuentes and Fernandez-Gutierrez, 2016). Thus, the positive effects identified by Gagliardi and Perocco (2017) for rural regions situated near urban agglomerations between 2000–2006 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, which 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 pro-active Territorial cohesion policies, as the development of their hinterland is normally dependent on their own territorial dynamics (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', thus making them a priority investment for cohesion and development policies.

In this light, this article 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 for not only 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.

2. 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 economics 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 2009, second-rank cities have displayed more favourable annual GDP growth than capital cities. In Austria and Germany, the bigger cities have all outperformed their capitals (Parkinson, Meegan & Karecha, 2014). One explanation for this is because second-rank cities enjoy increasing economic returns (Dijkstra, Garcilazo & 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. (2014) note that the austerity years that were 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: 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: i.e., 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 European Union challenges and expectations (Barca, 2009). In effect, the approach means that local actors are given increased responsibility for the territorialised 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 – i.e. 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 >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 of 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 MEGAs (Metropolitan Economic Growth Areas) and FUAs (Functional Urban Areas). 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 in 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 e.g. Finland, Norway, Sweden and Portugal.

3. 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 (EC, 2014). The gradual appreciation of the need to encompass the 'territorial' dimension in the ECP intervention rationale was only finalised after the publication of the European Spatial Development Perspective (ESDP: EC, 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, whist 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, 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 2013a; 2017).

One may understand Territorial Cohesion as a holistic process which 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: (i) it supports the reduction of socioeconomic territorial imbalances; (ii) it promotes environmental sustainability; (iii) it reinforces and improves territorial cooperation/governance

processes; and (iv) 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 analysed EU Member State. Reflecting the five countries analysed in this study, Figures 1 and 2 display clearly heterogeneous and non-cohesive territorial development paths over the past 15 years.

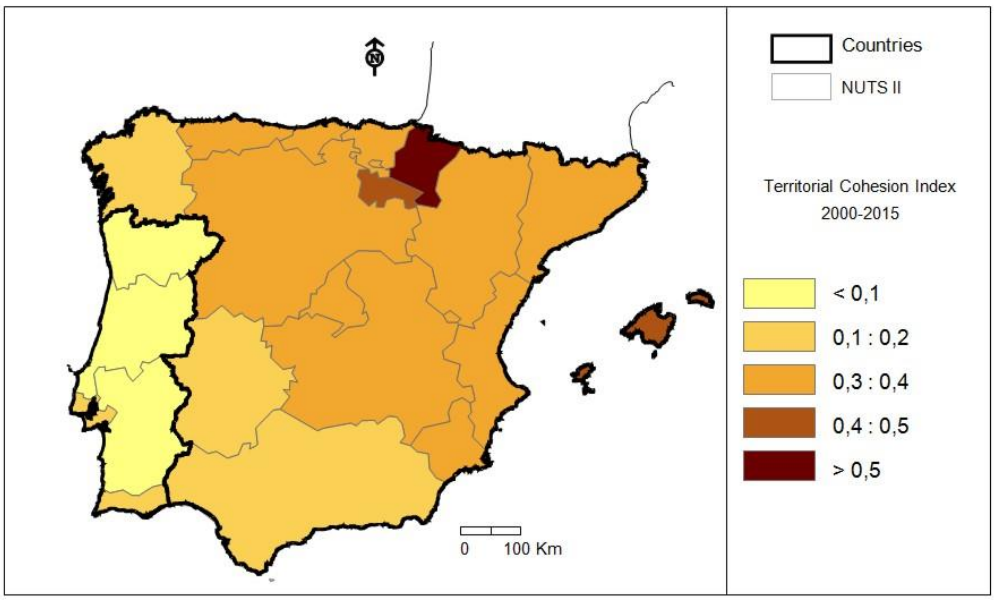

Figure 1 Territorial Cohesion Index (2000-2015) in the Iberian Peninsula (NUTS2). Authors Cartography

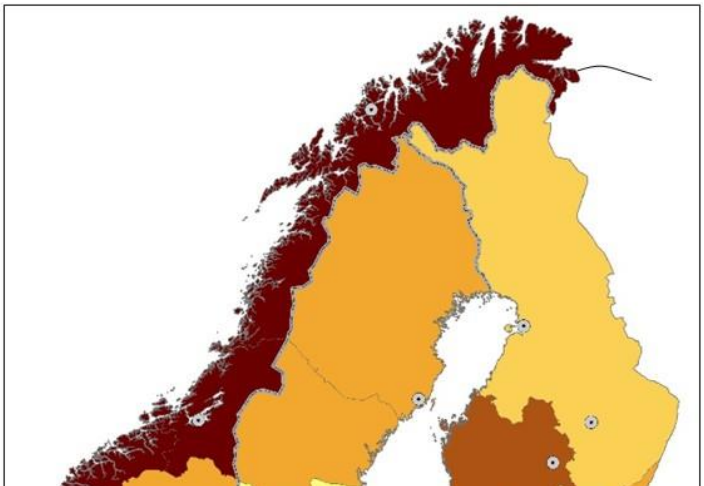

Figure 2 Territorial Cohesion Index (2000-2015) in Finland, Norway and Sweden (NUTS 2). Authors Cartography

In light of these trends, one potential policy option to attain the goal of Territorial Cohesion at a national level could be to prioritise 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' (ESPON, 2006b: 18).

One can argue that the regional distribution of EU funds has already tended to favour the most populated areas of less developed regions, due 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 (see Medeiros, 2013a; 2014; 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 of 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 'Territorial Cohesion Cities' are firstly, that the focus of the existing ECP framework is on supporting Regional Operational Programmes. A second argument is that 'Territorial Cohesion Cities' 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 'Territorial Cohesion Cities' 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 'Territorial Cohesion Cities' would provide development spill-over to the surrounding hinterland, so provoking a desirable territorial cohesion path vis-à-vis common territorial exclusion regional trends.

4. Territorial Cohesion Cities – a methodological discussion

As expressed in the previous sections, we support a conceptual rationale in which Territorial Development and Cohesion funds would be concentrated in 'Territorial Cohesion Cites' (TCCs). These cities can be synthetically defined as 'the major anchor development urban centres at the regional level' (NUTS2). As such, they are not classified as MEGAs according to ESPON criteria (ESPON, 2005), 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. Firstly, European regions (NUTS2) vary in size and characteristics regarding the number, size and distribution of urban areas. Secondly, some regions have vast rural and depopulated areas, with few and small urban settlements, sometimes with less than 2000 inhabitants. Thirdly, 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):

1. 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 socio-economic standpoints, which is normally the regional capital.
2. If this regional capital is a MEGA, then no TCC is selected for this region (e.g. Lisbon in the Lisbon Metropolitan Area).
3. If the MEGA covers a vast area (normally more than 100 km^2) 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. Oporto is a MEGA but its urban influence is concentrated in the western side of the Norte (NUTS2) region. In this case, Vila Real, a regional capital, should be selected as a TCC.
4. 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 100km distance 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.

5. 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.
6. 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.
7. 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 at 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. Secondly, 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 prioritise 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 Oporto), 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 (>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 7 FUAs, Norway hosts 6 and Sweden hosts 12 (OECD, 2016). In Finland, Norway and Sweden, only the capital cities have numbers exceeding 500,000 inhabitants, and the number of towns exceeding 100,000 inhabitants is 8 in Finland, 4 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 50,000-100,000 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 the years 2000 and 2015, we decided to use a balanced number of indicators per the main dimension of Territorial Cohesion (Figure A1 in Appendix A). The selection of four indicators to measure socio-economic 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.

5. 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 NUTS2 area, and with a few exceptions like the capital Lisbon and Madrid regions, which are already dominated by a MEGA (Figure 3).

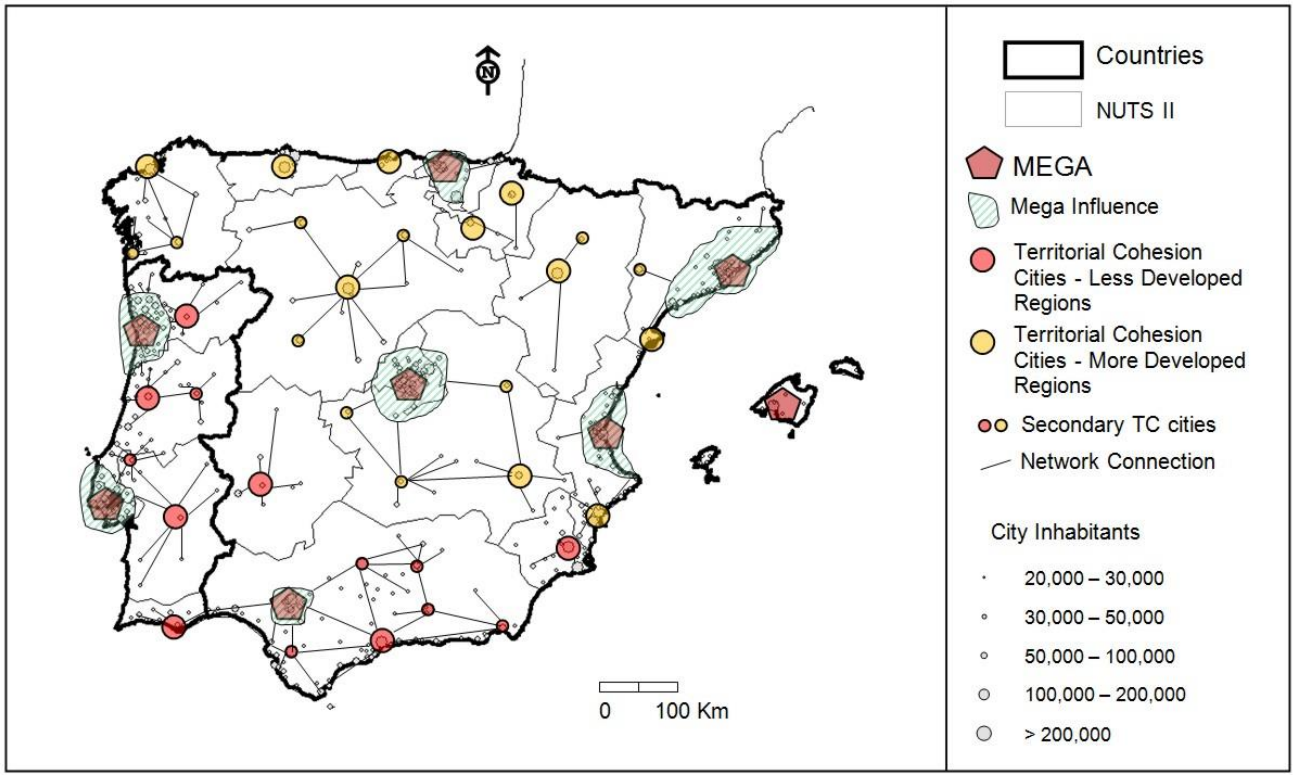

Figure 3 Territorial Cohesion Cities on the Iberian Peninsula. Authors Cartography

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 Oporto. 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, could help to mobilise 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, which have lost significant proportions of their population over the past decades (the interior and northwest 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 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 (see Figure 4: for a full list of TCCs in Finland, Norway and Sweden, see Appendix C). 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.

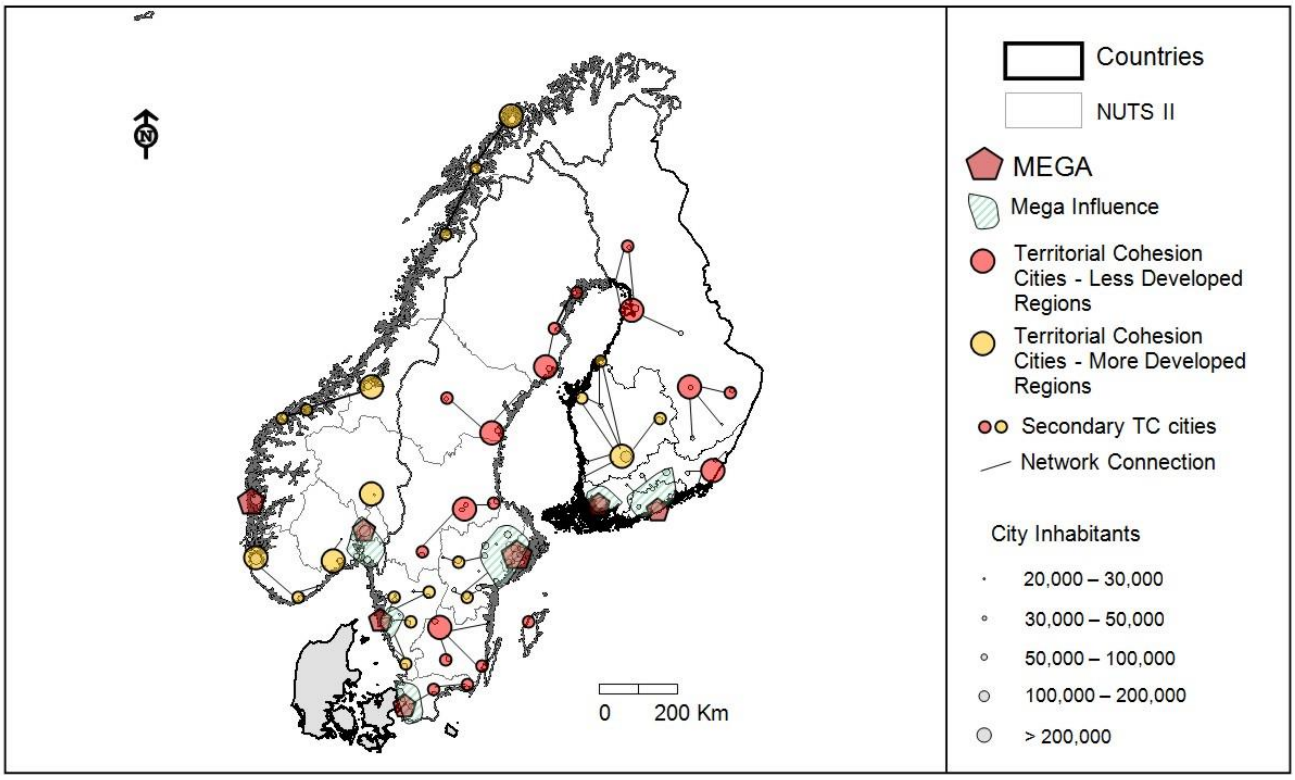

Figure 4 Territorial Cohesion Cities in Finland, Norway and Sweden. Authors Cartography

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 of these cities can serve as TCCs, together with Tampere in Western Finland and Lappeenranta in the eastern part of South Finland. The influence 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 Tromsø, Trondheim, Stavanger and Kristiansand can serve as TCCs, together with the two additional towns of 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.

Finally, 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 Mellansverige) 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 50,000–200,000 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.

Conclusion:

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, the 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 of 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).

So, 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 socio-economically dynamic EU regions. Moreover, the dispersion of EU funds in all of 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 (Territorial Cohesion Cities) 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 'Territorial Cohesion Cities' rationale is purely theoretical, as it has never been tested. Moreover, as seen in this article, the concretization of such a development strategy comes with numerous challenges. Especially, the selection of Territorial Cohesion Cities 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 Territorial Cohesion Cities, in order to achieve a balanced as possible territorial distribution. Similar and additional challenges were faced when selecting the most appropriate Territorial Cohesion Cities for the Nordic case study, which features vast unpopulated areas with either none or few sizeable urban agglomerations in the northern territories. However, it was still possible to identify a relatively balanced number of Territorial Cohesion Cities 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 'Territorial Cohesion Cities' 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 of 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-territorial cohesion cities'

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 Territorial Cohesion Cities 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 'Territorial Cohesion Cities 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.

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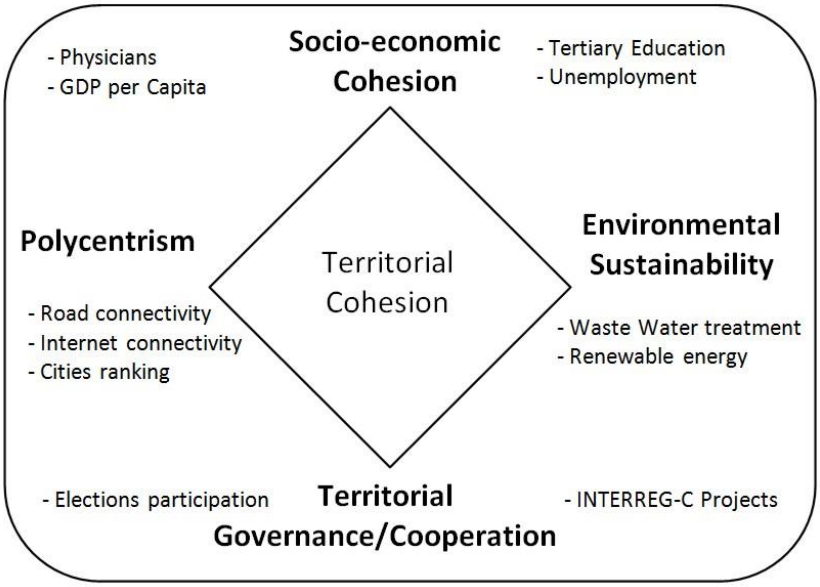
Appendix A – Territorial Cohesion Index Indicators

Figure A1 - Territorial Cohesion Index indicators - Source: Authors



Source: Authors

Appendix B – Territorial Cohesion Cities in Portugal and Spain

Table B1 - Territorial Cohesion Cities in the Iberian Peninsula

City	NUTS2 region	Country	Inhabitants 2016
Vila Real	NORTE	Portugal	50,072
Coimbra	CENTRO	Portugal	134,348
Évora	ALENTEJO	Portugal	53,294
Faro	ALGARVE	Portugal	61,073
Málaga	ANDALUCÍA	Spain	569,009
Saragoça	ARAGÓN	Spain	661,108
Oviedo	ASTURIAS	Spain	220,567
Santander	CANTABRIA	Spain	172,656
Valladolid	CASTILLA Y LEÓN	Spain	301,876
Albacete	CASTILLA - LA MANCHA	Spain	171,999
Tarragona	CATALUÑA	Spain	131,094
Alicante	COMUNITAT VALENCIANA	Spain	330,525
Mérida	EXTREMADURA	Spain	59,174
La Coruña	GALICIA	Spain	243,978
Murcia	MURCIA	Spain	441,003
Pamplona	NAVARRA	Spain	195,650
Logroño	RIOJA, LA	Spain	150,876

Table B2 - Secondary Territorial Cohesion Cities in Iberian Peninsula

City	NUTS2 region	Country	Inhabitants 2016
Castelo Branco	CENTRO	Portugal	51,797
Santarém	ALENTEJO	Portugal	62,200
Jerez de la Frontera	ANDALUCÍA	Spain	211,784
Córdoba	ANDALUCÍA	Spain	328,326
Granada	ANDALUCÍA	Spain	241,003
Almeria	ANDALUCÍA	Spain	189,680
Jaén	ANDALUCÍA	Spain	116,469
Huesca	ARAGÓN	Spain	52,031
Burgos	CASTILLA Y LEÓN	Spain	178,864
León	CASTILLA Y LEÓN	Spain	131,411
Salamanca	CASTILLA Y LEÓN	Spain	151,658
Cuenca	CASTILLA - LA MANCHA	Spain	56,472
Ciudad Real	CASTILLA - LA MANCHA	Spain	74,054
Talavera de la Reina	CASTILLA - LA MANCHA	Spain	87,676
Lleida	CATALUÑA	Spain	137,283
Ourense	GALICIA	Spain	107,314
Vigo	GALICIA	Spain	295,623

Appendix C – Territorial Cohesion Cities in Finland, Norway and Sweden

Table C1 - Territorial Cohesion Cities in Finland, Norway and Sweden

City	NUTS2 region	Country	Inhabitants 2016
Kuopio	NORTH AND EAST FINLAND	Finland	117,740
Lappeenranta	SOUTH FINLAND	Finland	72,872
Tampere	WEST FINLAND	Finland	228,274
Oulo	NORTH AND EAST FINLAND	Finland	200,526
Skien-Porsgrunn	SØR-ØSTLANDET	Norway	91,737
Stavanger	AGDER-ROGALAND	Norway	210,874
Hamar [a]	HEDMARK OG OPPLAND	Norway	90,000 [a]
Trondheim	TRØNDELAG	Norway	175,068
Tromsø	NORD NORGE	Norway	45,536
Sundsvall	MIDDLE NORRLAND	Sweden	98,226
Jönköping	SMÅLAND AND THE ISLANDS	Sweden	93,797
Umeå	UPPER NORRLAND	Sweden	83,249
Falun-Borlänge [b]	NORTH MIDDLE SWEDEN	Sweden	79,000

a. Hamar is one of three cities forming the 'Mjøs Triple City', which could be considered as one 'Territorial Cohesion town'. The two others are Lillehammer and Gjøvik. Each of these three municipalities have approximately 30,000 inhabitants.
b. Falun-Borlänge has a well-established institutionalized cooperation; there is approximately 30 km between the two cities.
Source: National Statistic Institutes

Table C2 – Secondary Territorial Cohesion Cities in Finland, Norway and Sweden

City	NUTS2 region	Country	Inhabitants 2016
Jyväskylä	WEST FINLAND	Finland	138,850
Joensuu	NORTH AND EAST FINLAND	Finland	75,848
Karleby	WEST FINLAND	Finland	47,723
Vaasa	WEST FINLAND	Finland	67,620
Rovaniemi	NORTH AND EAST FINLAND	Finland	62,231
Molde	WESTLANDET	Norway	20,602
Ålesund	WESTLANDET	Norway	50,917
Kristiansand	AGDER-ROGALAND	Norway	60,583
Harstad	NORDNORGE	Norway	90,000 [a]
Bodø	NORDNORGE	Norway	45,536
Borås	WEST SWEDEN	Sweden	71,700
Skövde	WEST SWEDEN	Sweden	36,842
Gävle	NORTH MIDDE SWEDEN	Sweden	99,640
Halmstad	WEST SWEDEN	Sweden	98,316
Örebro	EAST-MIDDLE SWEDEN	Sweden	115,765
Linköping	EAST-MIDDLE SWEDEN	Sweden	106,502
Visby	SMÅLAND AND THE ISLANDS	Sweden	23,402
Karlstad	NORTH MIDDE SWEDEN	Sweden	90,086
Växjö	SMÅLAND AND THE ISLANDS	Sweden	89,277
Kristianstad	SOUTH SWEDEN	Sweden	82,969
Luleå	UPPER NORRLAND	Sweden	76,744
Karlskrona	SOUTH SWEDEN	Sweden	66,157
Östersund	MIDDLE NORRLAND	Sweden	61,633
Skellefteå	UPPER NORRLAND	Sweden	35,516
'Trestad' [a]	WEST SWEDEN	Sweden	106,800

a. The towns Uddevalla, Trollhättan and Vänersborg have an institutionalized cooperation concerning several matters, including regional development. They are located within 30 km from each other.
Source: National Statistic Institutes