

ITAN

Integrated Territorial Analysis of the Neighbourhoods

Executive Summary

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List of abbreviations:

CAP	Common Agricultural Policy
ENCs	European Neighbour Countries
ENP	European Neighbourhood Policy
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
ENPI	European Neighbourhood Policy Instrument
ENRs	European Neighbour Regions
ESPO	European Observation Network for Territorial Development and Cohesion
FDI	Foreign Direct Investment
HDI	Human Development index
IPCC	Intergovernmental Panel on Climate Change
ITAN	Integrated Territorial Analysis of the Neighbourhoods
LAU	local administrative units
NTA	Neighbourhoods Territorial Agenda
SNUTS	Similar to NUTS (<i>Nomenclature des Unités Territoriales Statistiques</i>)
SR	Scientific Report

INTRODUCTION: THE SPECIFIC FEATURE OF THE ITAN PROJECT

Within the ESPON programme, this “European Neighbour Regions” project is the first one dedicated to the neighbour territories as such. This is of utmost importance, given the rising role of the neighbourhoods not only for Europe but in the other world regions namely the two leading ones: North America (that is, including Mexico since the North American free trade agreement) and East Asia (that is, Japan and its developing and emerging neighbours). During the last decades, Europe has lost some of its economic and political influence on its neighbourhoods, that is to say in its own wider region; the ITAN report suggests avenues for Europe to regain, by a territorial approach, a part of this lost influence.

The project has been conducted throughout a deep cooperation not only between teams of the European consortium of course, but also with scholars, experts and teams of the neighbour countries, from Arctic territories to Russia, Turkey, Near-East and North Africa, plus Western Balkans. Along with the local database provided by ITAN, this network is the major output of the project. It gives a common base for further collaborative research and action in order to make the wider European region, that is to say the territory encompassing Europe and its neighbours, an innovating world region.

This is of major interest for local, national and European stakeholders, of both public sector (political stability, common public goods management...) and private sector (market and investment opportunities...).

Table 1 - The territorial approach of the Neighbour countries: many fields of interest, for many stakeholders

<i>fields</i>	<i>examples</i>
international “on-the-ground” cooperation when diplomacy is stalling	e.g. decentralised cooperation
cross-border cooperation	opportunities for the peripheral European local authorities
promotion of territorial planning, decentralisation & local democracy in European Neighbour Countries (ENCs)	see the strong demand for inclusive growth in Mediterranean partner countries since the Arab Spring
common policies and projects (EU + Neighbour countries)	e.g. environment : EU Strategy for the Baltic Sea Region (EUSBSR) ; the Northern Dimension policy ; sanitation and de-pollution of the Mediterranean...
monitoring of European policies in the Neighbour regions	e.g. rural development: ENPARD project (ENPARD = CAP 2nd pillar + European Neighbourhood Policy)
extension of the European networks to ENCs	e.g. transport: market extension, norms extension....
identification of dynamic territories in ENCs	opportunities for investors (infrastructures, clusters...)

1. THE RISE OF THE NEIGHBOURHOODS IN THE REGIONALISATION CONTEXT

1.1. The dialectic between globalisation and regionalisation

Regionalisation, that is to say growing interaction with neighbour countries, is a complementary major pattern, along with the “globalisation” pattern, of the internationalisation of human activities over a few decades. Three factors explain the rise of the regionalisation – thus the neighbourhood – issue. The first factor is economic: in a knowledge economy, an increasing part of the resources are less and less *taken to* other players but rather *produced with* other players. The deeper the interaction with other players, the larger the new resources. Thus, the “neighbour” gets a new status: it less and less depicts the historical military enemy and more and more becomes the necessary economic partner – see the new East Asian policy of China, which has turned in the 1990s its regional strategy from confrontation to partnership.

The second factor is environmental: the rise of the climate and natural resources' concerns has of course a global dimension, but it also has a regional dimension because dissemination of air or water pollution happens in neighbouring territories. Environment is the most convincing domain that proves that proximity has not been dissolved in globalisation and matters more and more. Moreover, the perspective of costlier long distance transports because of energy cost, could promote shorter supply chains, hence growing economic interaction with neighbours.

The third factor is political: the collapse of purely national regulation since the 1980s did not give way to an alternative regulation at global scale. The recent failures of global regulation in the financial area (2008 international crisis), in the environment area (2009 Copenhagen climate change conference), and in the trade area (Doha round's successive adjournments), have shed light on a necessary international regulation at regional scale, of which the European Union gave a first instance.

The consequences are threefold:

(i) The rise of *regionalism*, that is to say the multiplication since the mid-1990s of Regional Trade Agreements – which go much further than trade since they can also deal with migration or environment. As reflected in the positions adopted by the FAO and Unctad favouring regional agreements, the regionalisation of efforts to regulate environment, food security, new North-South relations and international economic relations is increasingly viewed as a positive complement to global regulation.

(ii) The confirmation of *de facto regionalisation* of migratory, cultural and economic international exchanges. For decades, the international trade has more increased at the scale of large international regions than at the scale of the world. The story changed in the 2000s, due to the booming importance of a new global player: China, but the long run regionalisation pattern remains relevant. The assets of regional cooperation are particularly high when it associates neighbours of different levels of development with economic complementarity: know-how and technology in the developed countries, rising markets, labour forces, low economic and energy costs in their developing neighbours. The challenge is to manage going from a classic international division of labour to intra-industry cooperation, as the East Asian countries impressively managed.

(iii) What could be called the *regionalisation of minds*, that is to say the on-going use of international institutions (the World Bank, the IMF, the OECD, regional development banks....) and think tanks to figure out the internationalisation through the regional pattern. Alike international institutions' publications, the regional issue has been the target of a huge rise of academic publishing since the beginning of the 2000s; however, the first chapter of ITAN Scientific Report shows that the *territorial* side of the neighbourhood issue remains hardly taken into account.

1.2. Neighbourhoods in the EU political framework: a recurrent issue but a hardly integrated vision

For Europe, the territorial approach of regionalisation is a way to ease the functional integration with its neighbourhoods (transports, markets, energy...), and its international relations with its neighbours thanks to territorial cooperation – which is often easier than diplomatic relations. Last, a territorial approach of regionalisation is also a driver to mobilise the rising civil society in the European Neighbour Countries (ENCs). That is why cooperation with the neighbourhoods has long been a significant matter for the European Union. The rise of regional integration in America (Nafta) and eastern Asia (Asean Plus Three), the European need for new markets since the beginning of the financial crisis, the Arab spring and the outburst of the regional crisis in Eastern Ukraine, have made this issue still more relevant. A large set of EU policies draw a favourable context for a renewal of the European territorial actions related to ENCs.

Launched in 2007, the *European Neighbourhood Policy* (ENP, plus the Strategic partnership with Russia) brought the general framework for cooperation, security and common development with the Neighbourhoods (defined as the countries sharing a border with EU), and provided a transversal financial instrument (ENPI) for a large set of actions. The *Europe 2020 Strategy* advocating smart, inclusive and sustainable growth, gives a role to enlargement and regional integration with

Neighbouring countries: “*The Europe 2020 strategy (...) can also offer considerable potential to candidate countries and our neighbourhood and better help anchor their own reform efforts. Expanding the area where EU rules are applied will create new opportunities for both the EU and its neighbours*” ([European Commission 2010], p.23). The *Cohesion Policy* promotes cross-border and transnational cooperation and macro-regions including neighbouring countries since it encourages economic activity and territorial development across internal and external EU borders. The *Territorial Agenda 2020* states that “*cohesion at the external borders is crucial, as disparities and differences in legal, social and political systems have important consequences especially in terms of migration and trade*” and that “*growing interdependence of regions generates demand for better connectivity*” [European Union 2011a, p.5].

Nevertheless, the tools for a better cooperation with neighbouring territories are to be improved. As the *Territorial State and Perspective of the EU* states, “*the current territorial cooperation system is composed of three loosely co-ordinated blocks: territorial cooperation within the EU, territorial cooperation with neighbouring, candidate and potential candidate countries, and cooperation with other countries*” [European Union 2011b p.25]. This means that a comprehensive vision of this large region that encompasses Europe and the neighbouring countries is lacking. We rather have a juxtaposition of status, of tools, programmes and visions. In its “*Elements for a Common Strategic Framework 2014 to 2020*”, the European Commission [2013] paves the way for a better combination of its financial funds for cohesion, social, regional, rural and maritime policies. It confirms the main EU’s goals related to the Neighbourhoods. The European Neighbourhood Instrument (ENI, which has replaced the ENPI since January 2014) benefits from a significant increase when compared to the budget of the previous ENPI instrument, with €15 billion for the period 2014-2020.

Given the potential role of territorial cooperation with the European Neighbour Regions (ENRs), it is of utmost importance for the success of the EU policies dedicated to the Neighbourhoods to begin to fill the gap of territorial knowledge on the two sides of the external European border. The ITAN project brings a contribution to promote the territorial approach for a consolidated picture of all the policies and programmes launched by the EU in the region, taking into account the Neighbouring territories in a comprehensive way. ITAN has to be considered as a first and humble attempt to give such a comprehensive representation of the European Neighbour Regions.

2. ITAN HYPOTHESIS, OBJECTIVES AND KEY POLICY QUESTIONS

2.1. Our hypotheses: Europe & Neighbours are one “region”, with more opportunities than threats

The ITAN project is based on two hypotheses [Scientific Report, section 1.1.7]. The first is that Europe and the neighbourhoods constitute one world region – what we have called the “wider European region” due to the leading role of (Western) Europe in this vast area that stretches from the Sahara to Middle East, Western Balkans, European Russia and Arctic. This assumption relies on the three sides of: regionalism (notably the ENP), regionalisation of flows, and regionalisation of minds.

The second hypothesis is that this region shows bigger opportunities than threats, contrarily to what Europeans all too often believe. To our view, neighbourhoods should be regarded as a driver for the European economic growth and a treasury for mutual cultural fertilization, rather than as territories where to control migration, prevent Europe from contagious unrest, buy oil, and benefit from cheap tourism costs. We acknowledge that the assessment of threats is underestimated because ITAN does not deal with all the geopolitical issues. But ITAN’s territorial analysis can drive to a much more nuanced and comprehensive view of both opportunities and threats, at national and at local scale: access to markets, investment scarcity and potential, climate change and water shortage but also opportunities for business in this field, cross-border trafficking control but also cooperation, etc.

Promoting a territorial approach is a competitive advantage for Europe in its neighbourhoods. Asian importers can buy Ukrainian cereals, Emirati investors can develop a touristic resort, US businessmen can buy an IT Turkish enterprise, Chinese operators can build an Egyptian motorway; but none of them can help for an integrated planning, for a long term sharing of the value chain, for a common energy transition and cooperation in solar electricity related to rural development, for deep exchanges

of experiences in sustainable urbanism or access to sanitation – what is called a “regional *deep* integration”. That kind of broad multi-sectoral cooperation is proper to neighbours, who share multiple knowledge and partnership. The territorial approach of cooperation is an area where the proximity of Europe brings decisive advantages in the ENCs vis-à-vis other global players.

2.2. ITAN four objectives

The first objective is bringing to European stakeholders a comprehensive view of the ENRs. Otherwise stakeholders would remain in today’s situation: a fragmented representation of the various neighbourhoods, with large loopholes in the territorial knowledge of these strategic territories, and lowly integrated strategy for that area. ITAN multi Neighbourhoods (Northern, Eastern, South-Eastern and Mediterranean), multi-level approach addresses this need.

The second objective is assessing the regional integration between the ESPON space and the European Neighbour Countries through a territorial analysis. Can we more and more speak of “one region”? Do trends rather show convergence or divergence? ITAN provides information on discontinuities of territorial structures between ESPON countries (EU, Iceland, Liechtenstein, Norway and Switzerland) and the ENCs’, and analyses flows between them. The project assesses regional integration: on-going integration or de-integration, “shallow” (simple free trade) or “deep integration”. It also gives a first overview of the European “minds” about the neighbourhoods, thanks to a pioneer research on the European newspapers contents.

The third objective is building a sustainable local database, so as to feed long term research programmes. Hence the importance of metadata, and the focus on a small number of consistent data (ITAN “core data”) rather than of an extensive collection.

The fourth objective is proposing policy orientations in order to reduce risks and foster opportunities throughout the regional integration. That means: promoting a prominent role of territorial approaches in the European Neighbourhood Policy; highlighting what the territorial cooperation could be by better cross-cutting the ENP and the sectoral EU policies (CAP, regional policy, environment, TEN...); promoting territorial planning for the ENRs – which is a key issue for many of these countries which lack long term perspectives, especially in the Mediterranean Neighbourhood.

2.3. Harmonisation & composite indicators to cope with the barriers to a local database

The ITAN team closely worked with the M4D team, in charge within ESPON with European geometries and database nomenclature. As the goal was to make it comparable to the ESPON space so as to permit an integrated geography (Europe + neighbourhoods), M4D and ITAN set up “similar to NUTS” (SNUTS) geometries at the scale of all the Neighbourhoods, that is to say territorial delineation stemming from administrative local divisions (Oblast in Russia, Governorates in many Arab countries, etc.) and comparable to the European NUTS. As a first step, ITAN targeted scale has been SNUTS 2 or 3. We could not go further down, thus we could not address the key urban issue since it would have needed to collect data at very local scale – an impossible tasks in the project’s timeline given the absolute incomparability of very local data in the various ENCs.

The section 1.3 of the Scientific Report sums up the incredible barriers we met to set up the database: countless local geometries changes in a contentious recent history, and sometimes complete territorial changeover due to wars (Palestine, Libya, Syria...); difficult access to data; changes in quality of data; insufficient data reliability (informal activity namely); hardly possible data standardisation. Still, the ITAN team managed to harmonise some data. In order to make comparable time series and maps, the team harmonised the data by keeping the geographical distribution of the provided data for a given country, and applying it to the national value stemming from international databases (UN, US Census...) and chosen to be the same for all ENCs. We assume that the final result is an approximation, but it allows comparison throughout all the ENRs, and, for the first time, a complete cartography of the wider European region (Europe + neighbourhoods) at local scale. The integration of data from very heterogeneous countries and sources, and the harmonisation process led the ITAN

team to accomplish an enormous work. This output on data and cartography covering all the ENRs, should be considered as a very valuable first step.

Plus, the data harmonisation process drove to four ITAN composite indicators, thoroughly described in the Scientific Report [SR 1.3.13]. They help answering the project's key questions and can be considered as another key innovation of the project:

- “Local Human Development Index (HDI)”, taking into account income, life expectancy and education, in order to analyse social disparities at the SNUTS 2-3 scale;
- “Territorial dynamism”, through the demographic and the economic evolution in the 2000s;
- “International openness”, stemming from data on international ports, international airports and presence of Foreign Direct Investment (FDI) at local scale, so as to address the question of the regional international integration;
- “Territorial potential”, based on tertiary education, transport accessibility, and international openness.

These composite indicators were applied to the whole ITAN Neighbourhoods, which are:

- Northern Neighbourhood: Faroe Islands and Greenland (to Denmark)
- Eastern Neighbourhood: Ukraine, Belarus, Moldova, and Russia (to the Ural Mountains). Georgia, Armenia and Azerbaijan are covered but only for basic data at national scale
- South-Eastern Neighbourhood, that is to say Western Balkans: Croatia¹, Bosnia-Herzegovina, Serbia, Montenegro, Kosovo (under UN Security Council resolution 1244/99), the Former Yugoslav Republic of Macedonia, Albania
- Southern, that is to say Mediterranean Neighbourhood: Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, the occupied Palestinian territory (oPt), Israel, Lebanon, Syria and Turkey.

In order to take into account interaction between Turkey, south-eastern EU, Ukraine and south-western Russia, the ITAN project chose among its Case studies that of the Black Sea. Case studies (one per Neighbourhood) were chosen to study, at varied scales, the convergence vs. divergence issue between EU and Neighbourhoods, so as to help assessing the regional integration issue.

Table 2 - ITAN five Case studies

<i>Case study</i>	<i>specific focus</i>	<i>interest for the project</i>
European Arctic (Northern Neighbourhood)	climate change	Europe could tackle an emerging issue that combines potential resources, environmental threats and competition with mega neighbours and global players (Russia, North America, China)
Baltic Sea (Eastern Neighbourhood)	place of Russia in the ongoing regional cooperation	regional cooperation could be a laboratory for positive interaction between the EU countries and Russia
Former Yugoslav Republic of Macedonia / Albania / Greece (South-Eastern Neighbourhood)	cross-border relations	understanding the on-the-ground actual and potential (when the Former Yugoslav Republic of Macedonia joins the EU) local interaction
Gibraltar (Mediterranean Neighbourhood)	structural convergence / divergence, and territorial interaction: rather North-South economic competition or cooperation?	very high contrast of development between Southern Spain and Northern Morocco, but growing convergence
Black Sea (multi-Neighbourhoods)	can local interaction among bordering territories loosen the stranglehold of mega constraints (environment, geopolitics)?	cross-cutting analysis regarding several Neighbourhoods: Eastern, South-Eastern, Mediterranean

¹ In the ITAN Project Croatia is considered as a country of the European Neighbourhoods. The ESPON Monitoring Committee took its decision on the Project Specification on 'European Neighbourhood Regions' by 23-24 June 2011 at a time when the final date for Croatia accession had not been set. Thus Croatia is included in the South-Eastern Neighbourhood in all analysis and maps.

3. ITAN MAIN RESULTS

3.1. A comprehensive overview of the European Neighbourhoods

The Scientific Report's section 2.1 provides stakeholders with a comprehensive view of the Neighbourhoods. The ENC's cover 25 million square kilometres (here with the whole Russia). The climatic conditions constitute a major component of the Neighbouring regions, when it comes to transport issue in the North or to solar electricity potential in the South. The desert is the biggest feature of all the area with about 30% of the entire surface, whereas croplands come second being 20%. In terms of environment, the issues are important and diversified in such a vast area; the greenhouse gas figures range from 0,5 tons per capita in the occupied Palestinian territory to more than 15 tons in Russia. Generally speaking the poorest ENC's have the lowest figures but they rise rapidly, which makes environment an issue at stake common to Europe and its Neighbours.

The ENC's gather 508 million inhabitants (2011), with a rapid growth in the Mediterranean Neighbourhood and a decrease of the population in the other Neighbourhoods. As a whole the ENC's' share in the world population is decreasing but its share in the world GDP has been rising in the last fifteen years, thanks to the recovery of the former Soviet countries, and to the quite strong economic growth in the Mediterranean Neighbourhood especially in Turkey and Israel. As the overall GDP per capita of the ENC's has passed from US\$ 2 000 in 1994 to 8 000 in 2011, Europe is surrounded by regions in transition, which represent important market opportunities and rapidly developing economies – yet not sufficiently rapidly to create the jobs they urgently need. As the demographic transition is deeply advanced in all these ENC's including the Arab countries, the social structures and issues (“oldies boom” namely) are converging with those of the EU.

3.2. Threats: environmental risks, water scarcity, non-inclusive growth, political unrest

The vast Neighbourhoods encompass all existing types of environmental shortcomings and threats, of natural or human origin. The Scientific Report (section 2.2.3) particularly stresses on the earthquake issue, raising the question of a civil protection policy common to Europe and its Neighbours. It says why water is a key issue of the wider European region; in particular, the Mediterranean (southern side but also northern) is, according to the IPCC, the place in the world, along with north-western India, where the scenarios of rainfall shortage are the most converging. The third chapter of the Scientific Report addresses the environment issue for the Northern Neighbourhood, because the ice melting is turning the Arctic into a hot spot in every sense of the word.

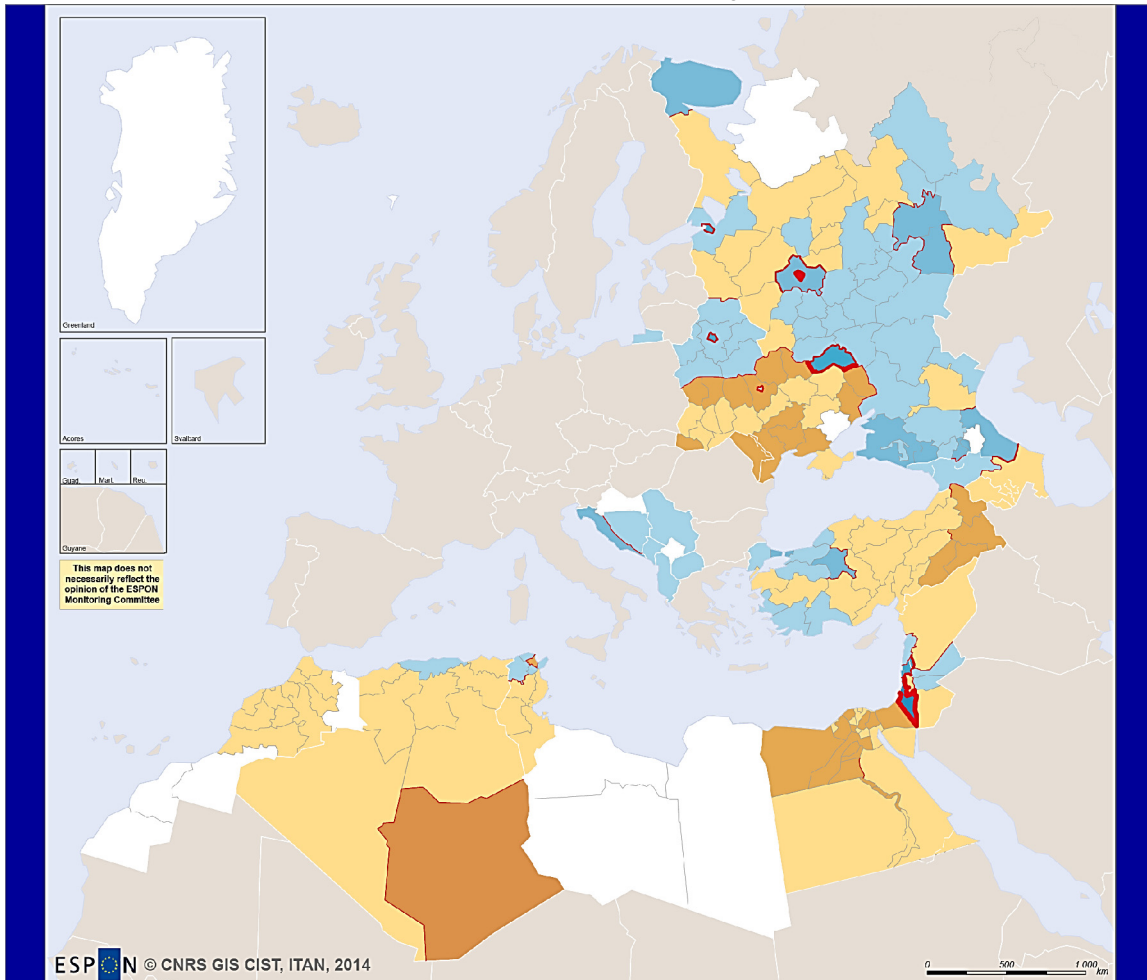
The fragmentation of the economic space in the Mediterranean Neighbourhood goes as far as a border closure between Morocco and Algeria. What chances do have local actors to attract foreign investment with so fragmented markets? This situation characterises the others Neighbourhoods; for instance, the Scientific Report's fourth chapter shows the commercial (norms, tariffs) and physical difficulties to cross the borders in the Eastern Neighbourhood. The fifth chapter shows how poorly integrated and connected the South-Eastern Neighbourhood is.

The lack of inclusive growth is a challenge at many scales: (i) locally, because of the poor quality of development and low people participation in the ENC's in particular in the poorest; (ii) at national scale, because the regional disparities are rising in particular in countries such as Ukraine, Russia, Tunisia (where revolution started in the derelict city of Sidi Bouzid) and even more Turkey; (iii) at the scale of the wider European region, where development discontinuities are hardly sustainable. Map 1 on local Human development index gives an idea of the added value of the ITAN project; the territorial disparities within Turkey are wide, the opposition between north-eastern and inner Tunisia is obvious. The Scientific Report [SR 6.2.3] explains why the contrast in Tunisian “Territorial potential” suggests that the territorial divide, which had been one of the first concerns stated by the new government after the revolution of 14th January 2011, seems there for long.

Another challenge of the wider region is the gender issue. The Mediterranean Neighbours have managed rapid progress in school enrolment, but many difficulties remain in particular in the rural areas, in particular for women. The Scientific Report [SR chap.6] shows an unexpected concern for

North African young girls: in secondary school, they happen to be much more enrolled than their elder but also than their masculine counterparts, because at this stage boys all too often drop out. The contrast is high between over-representation of girls in secondary school and under-representation of women on the labour market, in particular out of the metropolitan areas. This suggests a coming rising concern of South Mediterranean women, namely in the non-metropolitan areas, when these now very numerous educated girls will have become young women looking for – lacking – jobs.

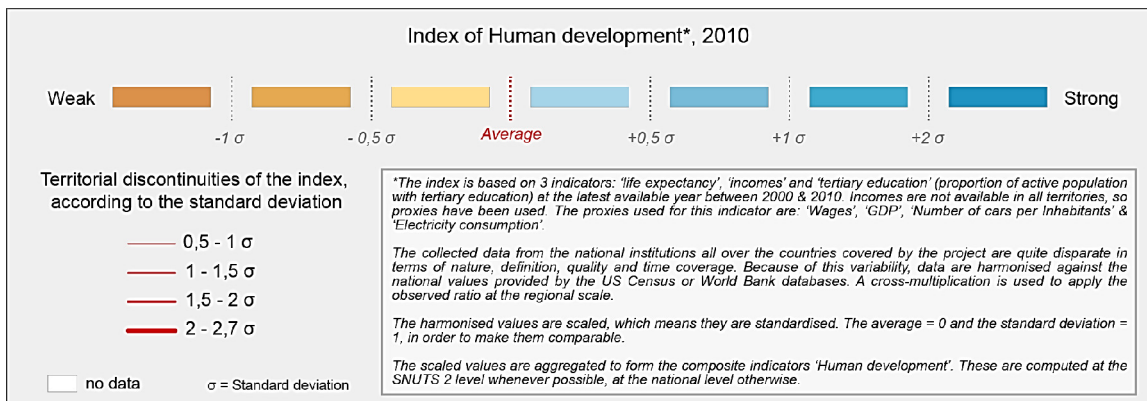
Map 1 - Human development level in the Neighbourhoods, ca 2010



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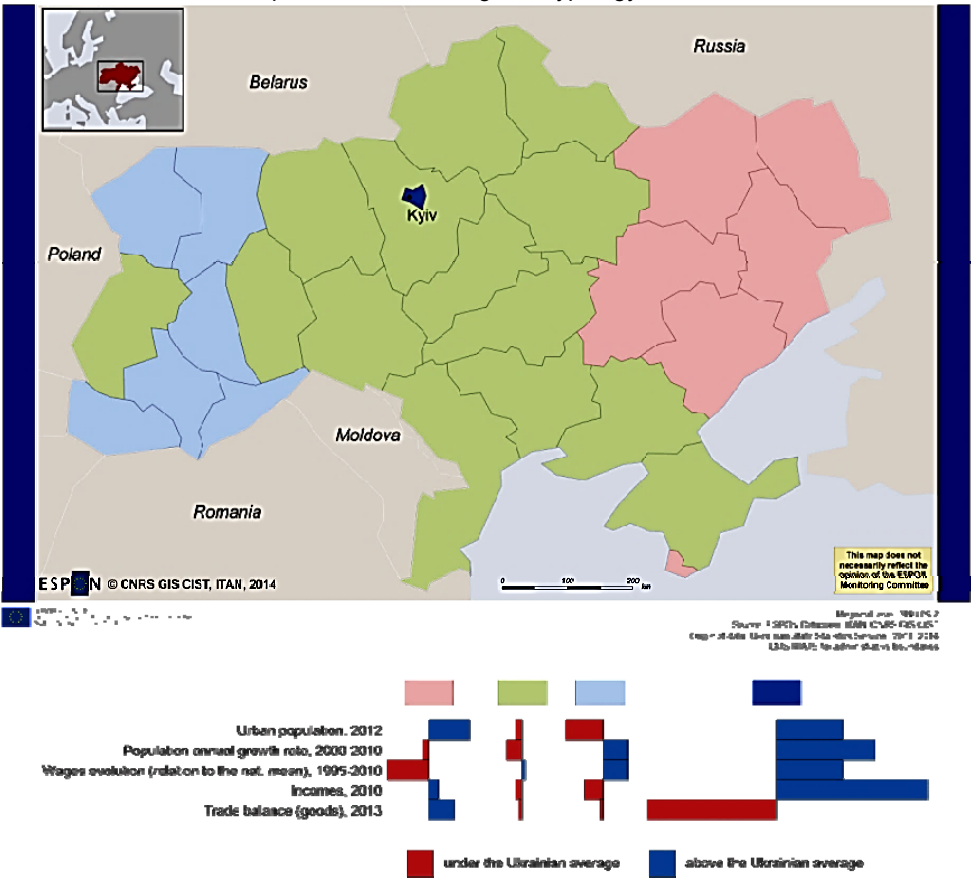
Regional level: SNUTS 1-2
Source: ESPON project (ITAN), CNRS GIS CIST, Data harmonised by IGEAT, 2014
Origin of data: National statistical institutes, US Census, World Bank, 2013
© UMS RIATE for administrative boundaries
For some territories no clear international statement exists



In the Neighbourhoods the political threats are many. They sometimes have direct territorial impacts or origin. In its section 2.2.3 the Scientific Report gives a quite comprehensive view of the contested territories in the Neighbourhoods. A major threat is related to the minority issue; cultural diversity is a treasure of the wider region of course, but undoubtedly the minority issue is a component of many contested territories. We began to map minorities (cultural, religious, “ethnic”...), namely in the Mediterranean Neighbourhood, but due to the lack of reliable information, we could not proceed very far: this would require a whole ESPON project per se to gather the needed data.

Recent major unrest in Ukraine shows how relevant it is to consider the evolution of territorial patterns for any political analysis and decision making in the ENC. The Scientific Report’s Annex 12 describes the main territorial features at regional scale (oblast). It shows the major trends of the country’s dynamics – for example, a sharp increase of the economic role of the capital city, typical for most post-socialist States. Ironically, the ongoing crisis, which raises the issue of national cohesion, takes place after a period of strong reinforcement of the capital city. It also explains why the eastern area of the country experiences what the report calls a jaw effect (Map 2). Last, it shows that local issues in Ukraine cannot be disentangled from the overarching EU-Russia relation in the field of energy.

Map 2 - A Ukrainian regional typology, ca 2012

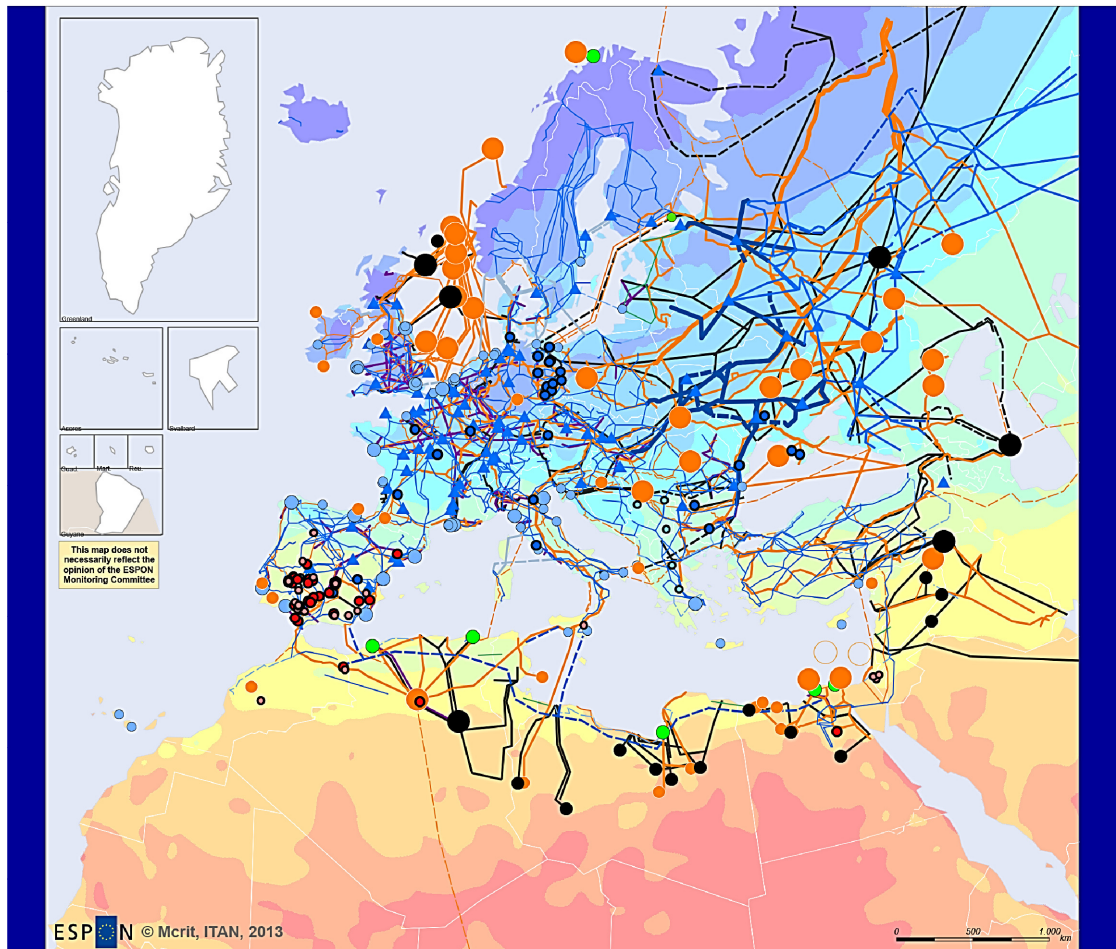


Since the Arab spring, political unrest is a major feature of the Mediterranean Neighbourhood. Among others examples, Libya, where the civil war in 2011 made around 30 000 deaths and provoked the outmigration of hundreds of thousands in the neighbouring countries (Egypt and Tunisia in particular), now faces chaos. Some of the places have been destroyed almost completely and in some case, all population was compelled to flee abroad or to other parts of Libya. In Syria, the conflict that has overwhelmed the country since 2011 has not only caused many casualties (perhaps 200 000 to-day), but also disrupted health systems. The country has seen more than 2,1 million Syrians flee to neighbouring states and more than 6 million within Syria in search of a safe refuge. One can imagine the potential impact of such deep unrest at the gates of Europe. And again, the source as well as the possible ending of the war has much to do with territorial issues and communitarian geography.

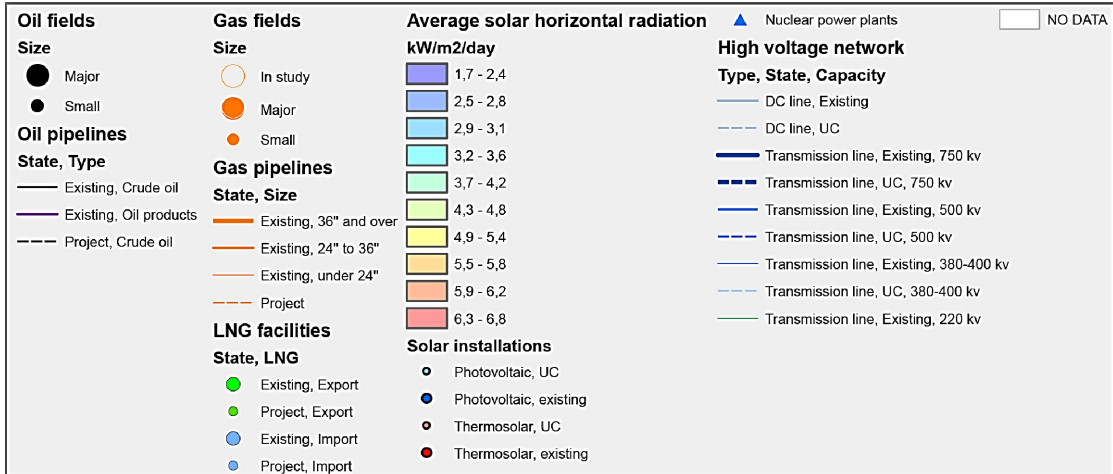
3.3. Still, less threats than opportunities: labour forces, markets, investment

The ITAN report analyses networks, transport connectivity and accessibility throughout the vast region encompassing European countries and their Neighbours, as well as maritime links. It assesses the "International openness" of Neighbour local territories, distinguishing two approaches, one weighted by time-distance of each SNUTS 2-3 to international transport facilities, which highlights *accessibility*, one non-weighted which highlights the *agglomeration effects* [SR 2.2.4].

Map 3 - Energy network, ca 2010



Regional level: NUTS 2010 & SNUTS V1
 Source: ESPON Database, ESPON ITAN, Micrit.
 Origin of data: ENTSO-E, Concawe, GIE, NASA SSE, MCRIT 2013 ITAN Database
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The analysis of the various flows between the European countries and their Neighbours drive to this conclusion: the core-periphery pattern still prevails. European Neighbourhoods can be considered as peripheries of Europe. Relation between Europe and its Neighbourhoods are characterised by imbalances in many aspects. Europe is more important for Neighbourhoods than the reverse. Neighbours countries, except Turkey and Russia, play a minor and dominated role in the international relations of European countries. They constitute a circle strongly linked to Europe but not very integrated to this very cohesive area. Second, the relation between Neighbourhoods and Europe is imbalanced in its nature: high level services and products vs primary or low added value manufacturing goods; tourist flows vs migratory flows including highly qualified labour force drain.

That being said, grouped together, Neighbourhoods are important partners for Europe, reaching 7,5% in the trade of goods, 7% of European air connections, absorbing 15% of the European aid of development, providing 30% of immigration toward Europe and providing a third of energy supply of the European market. These figures nevertheless highlight the importance of Neighbourhoods for energy supply and as a source of labour force (or migratory threat depending on the perspective adopted) for Europe rather than assumed major economic partners.

An innovative section devoted to a panel of European media data [SR 2.3] focuses on two periods: between 1998 and 2000, so as to catch the Eastern Neighbourhood's transition period, and between 2010 and 2012 for Arab transition period. 17% of the articles in general newspapers include a reference to the ENC's, whilst the percentage is only 13% for the economic newspapers. This confirms that the European business milieu pays rather scant attention to the Neighbourhoods. The contrast is particularly striking in the case of French and Spanish newspapers, whereas British and German seem to have better perceived the economic potential of the Neighbourhoods.

Another important result of the ITAN report [SR 2.1.3 and 2.2.1] is that although European Union remains a major actor at global scale and for its Neighbours, and although these Neighbours constitute 11% of its potential economic growth in the coming decade, Europe's influence has been shrinking in the last decades. Our analyses highlight the declining influence of Europe in most Neighbour countries, especially the Near East. Over the three last decades, whereas the European new Member States have drastically reoriented their trade with Western Europe instead of with the former Soviet bloc, this is the reverse way for the Neighbourhoods: EU membership appears as a driver to economic regional integration, while a Neighbourhood status comes down to declining trade integration with Europe. This calls for a reformulated European Neighbourhood Policy.

4. POLICY ORIENTATIONS AND FURTHER RESEARCH

ITAN SR's last chapters propose policy orientations and recommendations for further research.

4.1. Policy orientations to reduce risks and foster opportunities in the Neighbourhoods

Promoting the notion of "wider European region" implies that European stakeholders, whatever their level, better understand that globalisation and regionalisation are going hand in hand, and radically end with dissymmetrical relationship vis-à-vis their Neighbours. It also implies to lower the cooperation driven by aid and budgetary support, and rather promote productive economy issues, focusing on a few key topics: mobility, energy, agriculture and food security, water, climate change and environment.

EU policymakers should cross-cut Cohesion and Neighbourhood policies, in order to better address the inclusive growth concern, the urbanisation concern, the minority concern (see how the Moroccan regional policy helps solving the "Western Sahara" issue). Many exchanges of experiences, common methods and tools should be shared in the wider European region. Among many others, the Technical Assistance (TAIEX) is an accurate tool for territorial cooperation in the following fields:

- decentralisation but also state de-concentration as its indispensable counterpart,
- modernisation of the state and of governance *via* local territories and planning, promotion of territories in the rising participation of the civil society,

- role of territories in public-private cooperation,
- rising importance of Geographic Indications in agriculture and for short supply circuits,
- promotion of the decentralised cooperation and necessary emphasis to better focus on ENRs the European scattered decentralised cooperation.

Other European policies should be cross-cut with the ENP:

- the *Common Agricultural Policy* because the food security issue is one of the most sensitive in the Mediterranean,
- the *Transport policy* because increasing accessibility is a condition for the regional integration between Europe and the ENRs and markets enlargement. This is typical of South-Eastern Neighbourhood but all the SR's chapters dealing with a Neighbourhood regard transport as a bottleneck for better interaction with the EU's territories. Moreover, transport is a long term perspective whereas all the ENC's are lacking long term vision,
- an *Energy policy*, because it is the overarching condition for territorial cooperation at all scale between the EU and the Eastern Neighbours. The ITAN report calls for a European energy policy's scope which should straightaway take into account the Neighbour countries, of which several are energy producers,
- the *Environment policy*, namely because the water concern could either lead to water conflicts or become the cornerstone of a high-level economic channel and cooperation,
- last but not least, a policy that would no more be dedicated to "migration" but to occupational "mobility".

4.2. Overall recommendation for a deeper integration: a "Neighbourhoods Territorial Agenda"

The EU has hitherto financed an amount of studies and programmes in the ENC's, but the global vision is lacking. A territorially integrated perspective could take advantage of these scattered initiatives on trade, transport, energy, agriculture, environment, etc. It could be a relevant tool for cooperation, driving to a common vision that might be shared by the European countries and the ENC's. SR's 8.4 section says that a "Neighbourhoods Territorial Agenda" (NTA), would meet several needs:

- for *local actors*: a need for an up-to-date territorial multi-actors governance,
- for *EU policymakers*: a need for a cross-cutting approach of the various European policies and funds, fulfilling the requirements of "Elements for a Common Strategic Framework 2014 to 2020" [EU 2013], which a territorial approach perfectly fits with,
- for *EU policymakers again*: a need for better interaction between policies and funds dedicated to the EU's territory and those dedicated to Neighbour regions, in line with the Partnership Instrument's goals to support the external dimension of internal policies,
- for *ENC's national policymakers*: a need to design a long term vision (since territorial development necessarily means long term) instead of their usual short-termism, and to improve coordination between the various public local data producers,
- for *EU and Member States*: a need to implement on the long term, a new Neighbourhood Policy which current discourses are inversely proportional to its on-the-ground achievements.

A NTA could highlight:

- (i) territorial policies in the ENC's derived from the EU policies (regionalism issue),
- (ii) the infrastructural projects and linkage of the vast territory encompassing the European countries and the ENC's, in order to facilitate economic and cultural exchanges (regionalisation),
- (iii) common governance of common goods ("deep regional integration"). What field should the NTA begin with? Given the importance of economic and environmental issues at stake, given Europe/Neighbours complementarity, the ITAN team assumes that it is energy for sure.

4.3. Ten topics for further investigation on the Neighbour territories

The ITAN report highlights ten topics for relevant further research on the Neighbour territories: 1°) Fuzzy borders, contested territories, minorities; 2°) SNUTS / LAU and the urban issue in the ENRs; 3°) Deepening the ITAN composite indicators; 4°) Territorial analysis of regionalisation and regionalism; 5°) Energy and territories in the Mediterranean area; 6°) Territorial capital of the Arctic; 7°) Impact of the actual and foreseeable climate change on the ENRs; 8°) Cooperation in water and sanitation in the Neighbour territories; 9°) Media and territorial representations; 10°) Gender, education and jobs issue.

4.4. "ITAN 2": an international cooperation for compatible local data

This project has just laid the basis of a long term database of the ENRs. For following up, we recommend some sort of mix between a research project and an inter-institutional project. The enormous barriers in Neighbour local data collection cannot be overcome by simple academic teams. If one wants to cope with the complex issue of geometries changes, local documentation of informal activity, better cooperation between different public data producers of a same country, stability in data reliability, and, above all, in comparability of data, an ambitious partnership should be set up between Eurostat and several national statistics bodies. What is at stake is avoiding the exhausting work of data harmonisation downstream, by addressing it upstream thanks to such a partnership.

Due to the manifold dimensions of such cooperation, a good gathering could be to involve a reasonable number of statistics bodies of the ENCs (two or three to begin with) along with Eurostat, and a network of researchers able to enrich the reflexion of the local data issue. This platform would work on (i) a better knowledge of local data metadata, (ii) harmonisation process (of indicators and of their definition), (iii) geometries' change monitoring, (iv) collaborative tools in GIS and interactive cartography, (v) capacity building in the field of local data production and collection.

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