

SGPTDE

Secondary Growth Poles and Territorial Development in Europe: Performance, Policies and Prospects

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This report presents a more detailed overview of the analytical approach to be applied by the project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

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1. THE NATURE AND PURPOSE OF THIS INCEPTION REPORT

- 1.1 Our ESPON Applied Research Project was awarded in February 2010. The kick off meeting with ESPON Co-ordinating Unit was in mid-May. This Inception Report explains the work we have done and the decisions we have taken in the 14 weeks since that meeting. It confirms, clarifies and refines our original proposal to ESPON reflecting the extensive discussions that we have held with representatives of the ESPON CU, DG Regio and our individual partners and advisers since we were awarded the contract. The report provides a route map for the project. It outlines what we intend to do, how we intend to do it, who will do what, what we will produce by when. It:
- ❖ explains what the Transnational Project Group have done during the period since the contract was awarded;
 - ❖ indicates how it will respond to the issues raised by the Monitoring Committee on the original application;
 - ❖ clarifies the key themes and questions the project is attempting to answer;
 - ❖ indicates what progress we have made on refining the research project themes, strategy, methodology, work programme and timetable;
 - ❖ outlines our work programme for the period until the Interim Report is due February 28, 2011.
- 1.2 The key to a successful research project is clarity and agreement between the research team and the client. So we have spent a substantial amount of time at the outset of the project clarifying the expectations of ESPON CU and DG Regio and assessing how it might shape our initial proposal. On the basis of those discussions our team has reviewed our research themes, strategy, methodology, work programme and timetable. We have made considerable progress clarifying our plans on all these issues.
- Activities and decisions**
- 1.3 The Lead Partner and the TPG collectively have held a series of planning meetings and conversations with representatives from the ESPON CU and from DG Regio. They include:
- ❖ a kick off meeting between the Lead partner and ESPON CU in Luxembourg;
 - ❖ participation by 2 Partners in the Madrid ESPON Seminar ;
 - ❖ participation by all partners in the ESPON Finance seminar in Brussels;
 - ❖ Lead partner meetings/discussions with DG Regio on three separate occasions;
 - ❖ meetings between the Lead Partner and individual partners and advisers in Tampere, Brussels, Paris, Manchester - re Hungary;
 - ❖ collective TPG meeting with partners and adviser in Brussels with DG Regio and ESPON CU team to discuss the project
- 1.4 We have explored the potential evidence base as well as key decisions on crucial aspects of our strategy, methodology and work programme which will be outlined in more detail in this report. For example we have:
- ❖ collected a substantial amount of academic and policy literature;
 - ❖ collected and analysed quantitative data about secondary cities;
 - ❖ clarified the research issues we will explore;
 - ❖ defined secondary growth poles as larger non capital cities;
 - ❖ agreed a simple typology of secondary cities;
 - ❖ identified potential case studies cities;
 - ❖ confirmed a division of labour and timetable within the TPG;
 - ❖ agreed a potential final report structure.
- 1.5 This report identifies our key findings and decisions on these issues. It discusses:
- ❖ our project objectives and overall approach to them;
 - ❖ the research and policy context of the project;
 - ❖ initial results from the quantitative data and the data position in EU candidate countries, the Western Balkans and Turkey;
 - ❖ the range and quality of the academic and policy oriented literature;
 - ❖ definitions of secondary growth poles and secondary cities;
 - ❖ the typology to select our city case studies;
 - ❖ the structure, key questions and work programme of the case studies;

- ❖ the key thematic policy case studies we shall undertake;
- ❖ the deliverables, timetable and division of labour within the TPG;
- ❖ a proposed structure for the final report.

Responding to the Monitoring Committee's advice

- 1.6 This Inception Report has benefitted from a set of helpful comments that were made by the Monitoring Committee on the initial proposal. They drew attention to, amongst other issues: the importance of intangible assets for territorial development; the need to deepen the territorial policy implications of the project; the need to cover the European territory especially the territorial challenges facing the new member states and the importance of social factors in territorial development. We have tried in this Inception Report to respond to those points. In all cases we agreed with the thrust of the MC comments and do not think there was any conflict with our original proposal. But often the issues the Committee raised were implicit in our original proposal. In the light of the MC comments we will make those issues more explicit in our work.

Clarifying key themes and issues

- 1.7 The Monitoring Committee asked us to identify how we will select the national policies we will analyse and also the themes that will be addressed in the interviews, the survey, and case-study interviews. These are made clearer in section 4 of this report in our methodology and in Appendix 3, the draft Interview Schedule.

Emphasising intangible assets

- 1.8 The Monitoring Committee also underlined the importance of intangible assets in assessing the performance and prospects of places. We agree with this view. We do not subscribe to the simple view that narrow economic or physical factors are the sole drivers of competitiveness or success. We will address them directly in the research. The University of Tampere will prepare a specific paper on territorial innovation systems and the importance of non economic and non physical factors for territorial and urban development. This will inform our empirical work and our analysis by both identifying key indicators for data analysis and mapping and providing a thematic guide for our policy reviews of national policies. We would stress, in this context, that our model of urban development has a series of drivers which we would regard as intangible including innovation, place quality and strategic decision making capacity. We will ensure that the role of such intangible assets will be emphasised in our proposed case study work on individual cities.

Deepening the territorial dimension

- 1.9 We also have found helpful the advice that the territorial dimension of the project should be emphasised and should pay particular attention to the policy objectives for territorial cohesion and development and its emphasis on a balanced development of the European territory. We interpret the remark to mean that the focus should not simply be upon the performance and prospects of individual cities but also on their roles and relationships in regional, national and European arenas. We will strengthen this dimension in two ways. First we will make the issue an important thread in our discussion with policy makers and experts. Second we will ensure that individual case studies of cities, while focussing upon the reasons for their relative successes or failures, will also focus on what their performance means for their contribution to the wider territorial economic performance. So our focus will not only be on the relative performance of these secondary cities in relation to their respective capital cities and Member States but also on where these cities fit within the wider European economic space. It is in this context, for example, where we would specifically explore core-periphery relationships, connectivity and the positioning of secondary cities in the wider European urban system.

Capturing experience and good practice across Europe, especially new member states

- 1.10 The MC emphasised that the project should capture the experiences and challenges of the entire European territory and take into account the specific challenges of secondary city development in the new EU Member States. We will address this important point in a variety of ways. First we will ensure that the quantitative data we collect on secondary cities will include all countries of the ESPON territory where data are available. We discuss those data issues later in this report. Second while we cannot give detailed individual profiles of every member state we will ensure that we analyse the performance prospects and policies of secondary

cities across 7 broad regional groupings of Europe - the north, central, central east, the west, the south, south east and the east. Finally we will conduct 2 of our proposed case studies in cities from the new member states to ensure that their experiences are properly captured. The experience of Metropolitan Research Institute means that we will also be able to discuss the “path-dependent” effects of post-socialist planning. So although we cannot discuss every place in every country, the evidence will be sufficiently comprehensive that a fair minded reader would accept that our analysis and recommendations are based upon a representative example of the experiences of partners, places and countries across the European territory.

The social dimension of urban and territorial development

- 1.11 The MC underlined that the project should conduct a comprehensive approach to urban and territorial development and particularly recognise the social dimension of secondary city development. In fact, again, our approach to development and our analytical model accept this point. Social cohesion is one of the key dimensions of place quality which our model identifies as a key driver of successful places. In addition all of our research and policy work in the past has emphasised the need for policy approaches which integrate economic, social and environmental goals. In our model, economic competitiveness and social cohesion are not mutually exclusive but complementary. Successful economic development is intimately related to social conditions. Socially unbalanced places are rarely economically sustainable in the long term. This is a key message of policy evaluation and analysis. We will reflect this in the project in a variety of ways. First wherever possible at the aggregate level we shall collect quantitative data about social conditions as well as measures of economic performance such as GDP. Second in our review of national policies we will examine the role that social policies play in policies for urban and territorial development. Perhaps most important the individual case studies will focus on those issues as aspects of development and will assess the impact of national policies and collect data on dimensions such as educational and skills levels, crime, unemployment, poverty and welfare measures.

Involving the Monitoring Committee

- 1.12 The MC was also concerned that the project involved its members as fully as possible in this project. We welcome this view since we believe that the client should be a partner in a joint enterprise helping to shape and deliver the research strategy and project rather than simply a funder who receives and reviews research reports. We would want to involve the MC as closely as possible as the project develops. Most important we believe that MC members will be valuable sources of advice and information about policies, places, people and evidence that our team would wish to know about and work with. We would welcome their advice in relation to our provisional selection of case studies listed in Chapter 4. And, in the autumn of 2010, we propose to circulate a questionnaire for individual MC members seeking their views and advice on, for example: (i) the role and performance of secondary cities and their current and potential contribution to territorial development in their own country, (ii) their views of the current national strategies and policies for secondary cities and their assessment of the impact of them (iii) their views about how policies might work in future (iv) the best way of collecting evidence in their country from documents, data sets, organisations and individuals.

Secondary growth poles and secondary cities

- 1.13 The term secondary growth pole is an interesting but expansive and potentially ambiguous concept. In our original proposal we identified the need to get early clarity and agreement upon its definition. We have spent a great deal of time discussing with ESPON CU and DG Regio the precise meaning to be attached to the term secondary growth poles. This is crucial since it defines the parameters and purposes of our study. DG Regio have underlined that their primary interest in this project is to identify ways of improving the economic performance of Europe and the member states and the role that territories play in this. This policy focus has underlined that the project should define and concentrate its resources primarily upon secondary cities. Therefore we define them as the larger non-capital cities whose economic performance makes a major contribution – positive or negative – to the performance of national economies. We define in greater detail how we operationalised this idea in Section 4.
- 1.14 We recognise that this means that there will be more secondary cities in larger more urbanised countries than in smaller less urbanised countries. Judgements will have to be made about which places to include in each country and the numbers will be variable. As later sections will

make clear we have identified 79 areas across the whole European territory which will count as secondary growth poles – that is secondary cities – in the initial phase of this project. Our preliminary definition rests upon a population measure but adjusted to meet the special circumstances of particular countries where required. We shall collect quantitative data about all of them where they are available. We shall focus in detail on a smaller number in our case study work. But it is important at the outset to state this is our primary research and policy focus. So from this point onwards in this report and in the study we shall use the more specific term ‘secondary city’ rather than the more generic ‘secondary growth pole’. ESPON CU and DG Regio have agreed with this decision. However, we emphasise that the findings of the research will be of direct relevance for policy towards promoting the development potential of growth poles at spatial scales outside secondary cities.

2. THE PROJECT OBJECTIVES

- 2.1 The specification asked this project to develop a common understanding of the opportunities of and prospects for the territorial development of secondary cities. So we believe the key objective is to produce clear policy recommendations about the challenges and opportunities facing secondary cities in Europe, based upon robust analysis of a well founded evidence base. It must clearly identify, measure and explain: (i) the role of secondary cities; (ii) their actual and potential contribution to growth at European, national and regional level and (iii) the range of European, national, regional and local policies that have been adopted - and could be adopted in future - to maximise their potential contribution.
- 2.2 The need for such practical advice will become increasingly important during the next decade as economic recession and fiscal problems threaten to undermine the real achievements made by many secondary cities in Europe during the recent period of sustained economic growth. There is a risk that economic and fiscal problems and the competition for scarce public and private sector resources may limit the growth of secondary cities and widen gaps between them and the capital cities. If their development is arrested by recession, the threats to a balanced territorial system across Europe will increase. So developing a good policy response during the difficult economic period ahead will be absolutely critical.
- 2.3 Our approach to this project reflects the aspiration recently expressed by the Director of ESPON that its work in future should be more policy focussed and should communicate more with decision makers to sustain the profile and relevance of ESPON. We believe the project must not be knowledge for knowledge sake - but knowledge to inform the development of policies to achieve sustainable, balanced urban development in Europe. So the project is primarily interested in policies - exploring their patterns, impacts and implications - rather than simply mapping the aggregate performance of secondary cities with quantitative data. However substantial quantitative analysis will be undertaken to contextualise our policy analysis.
- 2.4 Our discussions during the inception phase with DG Regio underlined that the policy implications of the study are crucial. The study should identify the range of economic relationships between capital and secondary cities and the different ways of achieving economic development in cities. This will be important especially in many new member states where sometimes the capital tends to dominate economic growth and secondary cities perform less well. The study will explore the different models of economic development and the different relationships between capital and secondary cities. It will explore whether and where countries need to think more about their urban hierarchy and their policies which shape that hierarchy. It will explore whether if the gap between the capital and secondary cities is not too large, it is easier to attempt to close that gap rather than simply accepting the gap will remain too large to close. It will explore whether territorial development is zero sum or whether all places can develop. Different places have different roles in the national urban system and they can be assessed and measured. It should show that although it is not realistic to expect every place to reach the same level of development, it is not sensible to have one place dominating an economic desert.
- 2.5 The study will have three key elements. First it will collect and assess the empirical evidence on economic performance and competitiveness identifying productivity gaps between the capital and secondary cities in different member states and how this has been changing over time.

Second it will describe the policy discourse in different member states. How is this gap seen? Is the policy debate about improving competitiveness or is it about increasing solidarity? Is the policy debate essentially about economic competitiveness or social cohesion? Finally the policy consequences will be critical for the project. How have these trends and policy discussions in different countries changed public policy? Has government begun to target the economic importance of secondary cities? Has government done anything to increase the capacity and skills of secondary cities? Has it delegated more powers, more resources, and placed fewer constraints upon grants? The report will provide a clear narrative on these issues which is intended to capture the imagination and attention of policy makers and sustain the profile and visibility of ESPON with those important audiences.

Our key project question

- 2.6 Given the policy challenge, a key policy question in a national and European context is therefore where does and should public money go and how can it be best used to influence private sector investment in cities and urban development more broadly? For our project the principle question to answer is:

‘Are the benefits of a centralised urban system with resources focussed upon the capital city greater because of agglomeration economies, than those of a more decentralised urban system where growth and resources are spread across a range of different sized cities in a wider territory?’

- 2.7 Policy makers as well researchers often disagree on the answer to that question. So the project must attempt to provide answers to that and the following set of sub-questions which lie behind it. The answers should be relevant to policymakers in both the public and private sectors at local, regional, national and European level. They include:

Analytical questions

- ❖ What are the economic, social and environmental benefits and costs of large agglomerations?
- ❖ Do the costs of growth - rising costs and competition for scarce resources - outweigh the benefits of large agglomerations?
- ❖ How do we encourage the development of secondary cities?

Performance Questions

- ❖ What are the patterns of development of secondary cities across the ESPON territory?
- ❖ Which kinds of secondary cities are or are not making a major contribution to regional, national and European economic development?
- ❖ Which drivers and factors explain the success of those cities – innovation, human capital, connectivity, quality of place, governance capacity?
- ❖ What is the pattern of institutional and economic relationships between capital, secondary and smaller cities across the different member states in Europe?
- ❖ What patterns of centralisation, decentralisation and polycentricity are there across member states in Europe?
- ❖ Do secondary cities perform better in centralised or decentralised decision-making systems and in monocentric or polycentric territorial systems?

Policy Questions

- ❖ What policies if any do national and regional governments have for territorial development and secondary cities?
- ❖ Are such territorial and urban policies explicit and highly developed or under developed and implicit?
- ❖ Do they focus narrowly on urban policy initiatives or more widely on the full range of mainstream public programmes which affect the performance of secondary cities?
- ❖ Do national policies encourage institutional and financial centralisation or decentralisation with less or greater powers and responsibilities allocated to secondary cities?
- ❖ What patterns of governance, powers and resources are found in secondary cities and their sub-regions in different countries and how do these differences affect performance and growth potential?

- ❖ What evidence is available about which policies for secondary cities work more or less efficiently?
- ❖ What are the prospects of different kinds of secondary cities making a greater contribution to balanced growth in future?
- ❖ What are the territorial policy implications for local, regional, national and European policymakers?

Performance of secondary cities

- 2.8 Our initial discussions underlined that a key concern is that our project should explore ways of improving the economic competitiveness of different cities to improve the economic competitiveness of nations and Europe. So our primary focus is on policies to improve economic development rather than those specifically designed to promote social cohesion. But we argue the two factors are complementary rather than mutually exclusive goals. Indeed in our analytical model quality of place including social cohesion - is one of the key drivers of competitiveness. And we will address the issue of cohesion and its significance for competitiveness in a variety of ways in our work.
- 2.9 Our focus on competitiveness will lead us to explore the productivity of cities within national systems and in particular the scale, nature of the gap in productivity between the capital cities and the remainder. This project will ask:
- ❖ What is the scale and nature of the gap between capital and secondary cities?
 - ❖ Is the gap larger in some countries than in others?
 - ❖ What is the trajectory – is the gap increasing or decreasing?
 - ❖ What is the rate of change - is it changing slowly or quickly?
- 2.10 It has been argued that where the productivity gap between the capital and secondary cities is smaller, it is easier for private sector investment to contemplate moving from the capital to secondary cities. In this sense productivity is a more important indicator than employment levels. Reasonable productivity levels will indicate to the private sector investor that such places will have the skilled workforces, the connectivity, that makes it attractive for investment. In principle this will encourage more diverse patterns of investment in cities and will lead to a more balanced and more productive national urban system.

Policies for secondary cities

- 2.11 Our second key concern is the policy dimension. How are these issues translated into policy - if at all - in different member states? The pattern and policy debate will vary in different countries. We will seek answers to the following questions: Do policy makers recognise the nature of the gap between the capital and other secondary cities? Is it on the policy and political radar? Is a gap seen as a problem for the individual city or is it seen as a policy challenge for the national urban system? Are second-tier cities regarded as 'charity cases' or as potential locations for making significant contributions to national economic growth? What, if anything, are they doing about these issues? In what way do major government policies – territorial and non territorial – impact upon secondary cities and how does this affect territorial relationships within those countries?
- 2.12 We intend to chart the evolution of the policy debate at national level. Our initial discussions suggest that such a debate is being held in a range of the member states. For example in some countries cities are known to have problems for many years but do not feature as an issue for the national policy debate. By contrast in others the role and contribution of secondary cities and the relationship between them and the capital city are increasingly an important national policy issue. It has been argued that some new member states tend to have rapidly developing capitals with little policy focus for the consequences for other cities. But member states use different language and data when they discuss and describe these issues. One important goal of the project is to support policymakers by showing how this debate takes place in different countries and that they are not alone in the issues and challenges they face.
- 2.13 Although the focus of the study is on secondary cities, we believe that it will be relevant for smaller Member States that will have secondary growth poles but do not fall into our category of secondary cities. We believe that these Member States could apply the research findings and policy recommendations to the development potential of growth poles outside of their

capital cities even if they do not have secondary city status as defined in this project. We believe the drivers and policy sectors we shall examine in secondary cities will be equally relevant to the development of secondary growth poles that are not defined as secondary cities.

3. THE POLICY AND RESEARCH CONTEXT OF THE PROJECT

Growing interest in the territorial role and contribution of secondary cities

- 3.1 In this section we rehearse the policy context in which this project is located to explain the significance of the research question we are exploring. In the last decade there has been a transformation in the perceptions of the role cities play in and the contribution they make to Europe. There has been growing awareness of the contribution and potential of cities to Europe's economic competitiveness. Cities are increasingly seen as economic assets, not liabilities, which need to be exploited at a national and European level. But there has also been growing recognition of the double-edged character of much economic change in cities during this period. The search for economic growth has not always led to social equity. Indeed it has often contributed to increased social exclusion and to environmental deterioration. Hence linking increasing economic competitiveness to increasing social inclusion and a balanced sustainable environment is a crucial challenge for policy-makers and partners at all levels of government in all European countries. It raises important questions about policy principles, policy tools, finance and governance arrangements - and their relationship to economic performance. But the evidence base across Europe remains underdeveloped. This project will contribute to this evidence base.
- 3.2 At the same time there has been much debate amongst policy makers and researchers about the contributions that different kinds of cities make to regional, national and European performance. Many countries are trying to decide how and where they should invest human and financial resources to optimise the performance of the urban system overall. In particular there is growing interest in the most appropriate relationships between different territorial levels in national urban hierarchies, especially in the best relationship between capital cities, larger cities and other smaller cities. Policy makers across Europe are concerned about the ways in which capital and non-capital cities can complement - rather than compete with - each other and make the maximum contribution to national economic and social welfare.
- 3.3 This growing interest has not been confined to nation states. Europe has become increasingly interested with these issues during the past decade. So the European Union has become increasingly concerned with the risks of concentration and centralisation and wishes to understand clearly the dynamics that drive this and the policy instruments that could successfully address them. A variety of EU reports perhaps most notably The *Fourth Report on Economic and Social Cohesion* in 2007 emphasised the importance of territorial cohesion and the role that secondary cities can play in helping to achieve balanced territorial development. The report went to the heart of the dilemma of balanced territorial development identifying the benefits and costs of the concentration of economic activity in capital cities. Benefits take the form, for example, of economies of scale or agglomeration and large markets. Set against these are the costs in the form of congestion, poorer air quality and high property prices. The report argues that more balanced development will tend to reduce these costs and, by spreading demand more evenly, will facilitate faster economic growth in the country as a whole.
- #### ***Recognising and understanding the diversity of secondary cities in Europe***
- 3.4 The project must capture the diversity of different secondary cities across Europe. There is not a single model of a European city and the challenges are not the same in every city. Important differences in their economic structure and functions, social composition, size and geographical location shape the challenges cities face. Equally, national differences in traditions and cultures, economic performance, institutional arrangements and government policy have an important impact upon cities. The problems of global cities like London or Paris are not those of medium-sized cities. Declining large industrial cities with exhausted manufacturing economies, less skilled work forces and substantial immigrant communities face different dilemmas from fast growing cities based upon high tech industries. Cities in the periphery face different economic, social and environmental challenges than those at the centre of Europe.

- 3.5 The cities of the east were developed on command economies with particular patterns of development which have been radically altered during the past two decades under liberalisation. Some of the challenges facing cities in the new member states are closer to those faced in deindustrialising countries than in less urbanised countries. Many of the urban problems that can be found in West European cities can also be found in the cities of the newer EU countries. But other problems are very visible in the newer member states. In particular the limitations of basic physical infrastructure - transportation systems, housing, and road networks are critical. The cities are also in national economies which face rapid urbanisation with varying rates of demographic change; sometimes huge challenges of de-industrialisation and typically suffer from major infrastructure deficits.
- 3.6 Also the pattern of capital and secondary cities across Europe is very diverse. In some western countries the capital city is large and dominant. This would include London, Paris, Helsinki, Dublin, Athens, and Madrid. In these urban systems secondary cities play a less dominant role. In some states like Germany and the Netherlands the system is more polycentric with a more balanced set of cities. It is also clear that secondary cities have had different development trajectories in different countries across Europe. The northern European states in Scandinavia have experienced rapid urbanisation but often rooted in a highly developed welfare state model which has made substantial investment in physical and social infrastructure and which has led to high performing national and urban economies. Such countries are beginning to develop urban policies - most obviously Sweden, Finland and Denmark. Cities in western and central parts of Europe typically have secondary cities which developed upon traditional economic sectors which have declined during the past two decades and face significant problems of economic restructuring, social and environmental modernisation.
- 3.7 In the former socialist states in the east the pattern is very mixed. There are at least three different patterns. For example Poland has a well developed and dense network of secondary cities where the differences between the capital and the remainder is not very marked. Hungary has a very thinly developed set of secondary cities and many more tertiary cities where the gap between the capital and them is very large. Slovenia has virtually no secondary cities and a complex network of tertiary cities.
- 3.8 However, relationships between capital and secondary cities are not stable but dynamic. The position is changing as different countries attempt to rebalance their urban systems and develop strategies to improve the contribution and performance of their secondary cities. This has been happening in different ways in the UK, France, Finland and Ireland in recent years as the diseconomies of agglomeration and cost of the capital's dominance to both the capital city and the national economy has been recognised. Different states are pursuing different strategies. And secondary cities themselves in different countries are becoming more organised, and in some cases forming coalitions against the capital city, to promote debate about and changes in such relationships. However, the impact of those policy discussions and actions is still unfolding. This project must capture those emerging policy trends.
- Differing national government frameworks – and territorial strategies***
- 3.9 In addition, the performance and prospects of secondary cities depends upon national government frameworks and the powers given to cities. Two distinctions matter here. First, the role of cities is different depending upon whether the state is centralised or decentralised. Second the position varies according to whether they are monocentric and dominated by a single urban area or polycentric, where there are several equal and sometimes competing smaller urban areas. Rodriguez Pose (1998) has identified four broad kinds of arrangements. Federal states where regions and cities have large political autonomy - this would include Austria, Belgium and Germany. Regional states which hover between a centralised and decentralised state – this would include Italy and Spain and possibly Britain. Regionalised states where the state is defining some kind of regions but which have relatively little power - which would include France and Portugal. Centralised states, which have little regional organisation, which would include Denmark, Finland, Greece, Ireland, Luxembourg, the Netherlands and Sweden. All post-socialist countries fall into the last two categories.
- 3.10 So across Europe urban policy has been on the increase. But policies have varied because different places face different challenges and have different histories, cultures, constitutional

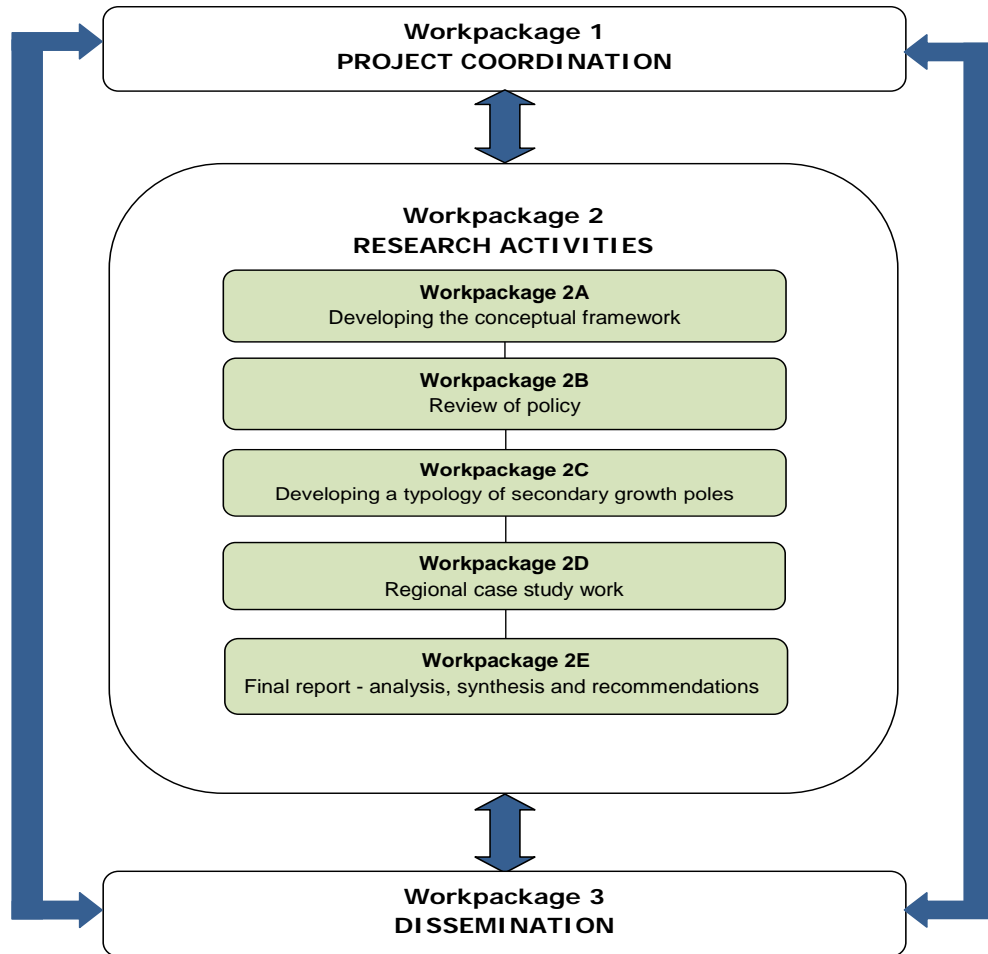
arrangements and decision-making systems. During the past decade across the original 15 member EU states there have been three broad policy trends. First there has been a redrawing of the balance between national, regional and local actions with many countries reducing the role of the national government and providing greater responsibilities – if not always resources – to cities. Second, there has been growing recognition by many European countries and governments of the potential economic contribution that cities can make to national economies and a more coherent attempt to boost their economic performance. Third there has been a growing recognition of the need for more explicit national urban policies which specifically address the challenges and opportunities facing cities, their communities and residents.

- 3.11 The policy position is rather different in the former socialist countries. In most cases local authorities are now more important for urban development. Here, the absence of a national urban policy is the direct result of the political and economic transformation occurring around 1990. National policies were considered as part of public planning and because it was discredited in the socialist era were rapidly terminated after the collapse of socialism. In the transition towards capitalism the responsibility for urban issues has been devolved to local levels, public-private partnerships, and the private sector. This has created a range of challenges including a lack of coordination, limited attention to urban issues, and often limited resources to help cities. Local governments have sometimes been forced into short-term, uncoordinated approaches to resolve acute problems because they have little time, capacity, or money to develop longer term structural solutions. But local governments have increasingly recognised that they cannot handle the problems of their cities alone, or even in collaboration with the private sector. As a result, many major cities in the new EU countries have been pressing for more organised national urban policies.
- 3.12 So the project will explore these policy issues to see which countries are pursuing which kinds of strategies to develop secondary cities and whether they have had an impact upon the performance of those cities and upon the territorial balance of power between those cities and the capital. We will ensure that we take a comprehensive view of national policies and we will ensure that our selection of our cities for individual case studies will capture the diversity of secondary cities across the different parts of the ESPON territory.

4. RESEARCH METHODOLOGY, EVIDENCE, TYPOLOGY AND CASE STUDIES

- 4.1 This is a large project covering many analytical, empirical and policy questions. We divide the project into project co-ordination, research activities and dissemination. The research activities consist of five 5 work packages:
1. Developing the conceptual framework
 2. Reviewing policy
 3. Developing a typology of secondary cities
 4. Case study work
 5. Analysis, synthesis, and recommendations

Figure 4.1: Project Work Packages



- 4.2 We will assemble a wide range of evidence from different sources to complete these five activities, including:
- ❖ A review of academic literature on urban agglomeration and the roles of secondary cities.
 - ❖ A review of literature about policies at European, national and regional level.
 - ❖ Quantitative data on economic performance of secondary cities drawn from Eurostat, Espon and the Urban Audit.
 - ❖ A review of National Strategic Reference Frameworks and Operational Programmes.
 - ❖ Interviews with selected decision makers at European, national and local level.
 - ❖ E-surveys of cities facilitated by EUROCITIES and Core Cities.
 - ❖ Case studies in a range of secondary cities.

(i) Developing our conceptual framework

- 4.3 We are developing our conceptual framework for understanding secondary city development through a synthetic review of the literature on polycentricity and local and regional economic development. In relation to polycentricity, we are drawing heavily on the wide-ranging critical literature review undertaken by the current ESPON 'Future Orientations for Cities' (FOCI) project. We have also found the recent study by Nordregio (2009a) of polycentricity in Nordic states particularly informative. This is not least because it underlines the importance of how polycentricity is interpreted and the degree to which it is emphasised in policy. It shows important differences in how polycentricity is treated not only between the Nordic region and Central and Western Europe, but also between the Nordic countries themselves.

- 4.4 The main focus of our literature review, however, will be on theories of local and regional economic development and especially debates within them on the conceptualisation of urban and regional competitiveness. As we outlined in our proposal there has been a resurgence of

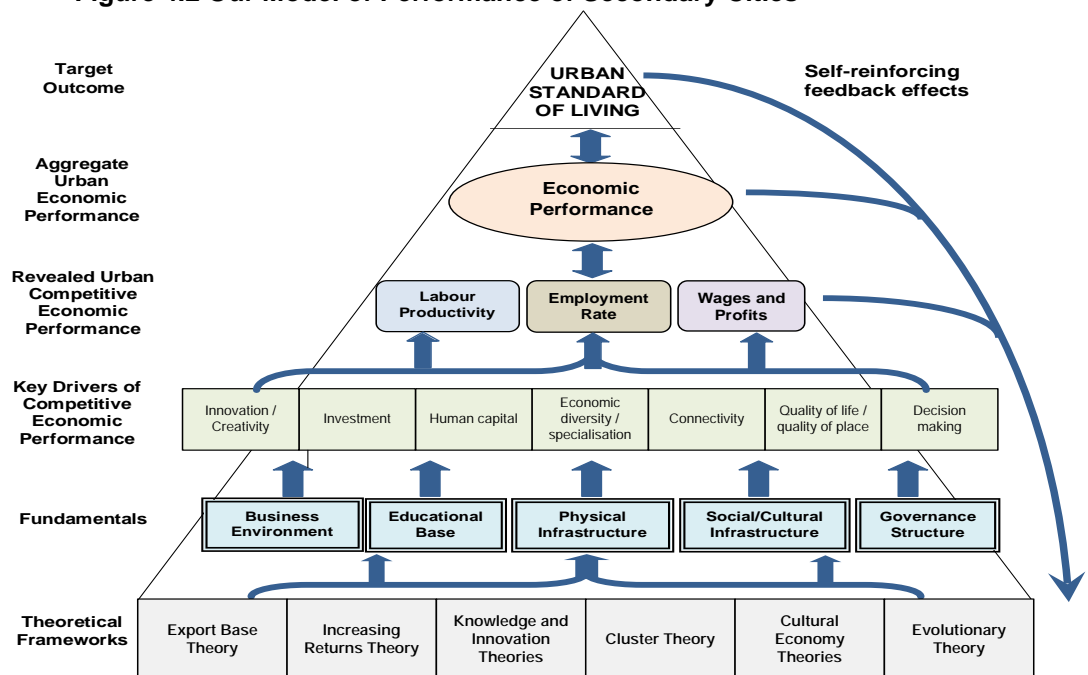
academic interest in this area following on from the earlier, pioneering work of Alfred Marshall on localised industrial districts, Gunnar Myrdal on cumulative causation and François Perroux on localised industrial growth and growth pole development. And there has been a rediscovery of the importance of agglomeration and urbanisation economies and externalities in emerging patterns of urban and regional economic growth. A number of different theoretical frameworks currently vie for attention including, notably, export-based theories, neo-classically-based endogenous growth theory and geographical economics, institutional and evolutionary theories, and sustainable development approaches. All have different policy implications (Martin, 2005; Pike, Rodríguez-Pose and Tomaney, 2006).

- 4.5 Geographical economics and the so-called 'New Economic Geography' focuses, for example, on the external economies and increasing returns to scale associated with regional industrial specialisation and concentration and the urbanisation economies from agglomeration of firms from different industries that underpin the growth of urban locations (Krugman, 1990, 1991, 1993; Fujita et al, 1999; Dunanton and Puga, 2004; Kitson et al, 2004 and World Bank, 2009). The central role of geographical clusters and concentrations features in Michael Porter's highly influential work, in policy terms, on the economics of competitive advantage (Porter, 1990, 1995, 2000).
- 4.6 Agglomeration economies also feature in macro-structural economic transition theories which link local and regional growth potential to the transition from the macro-economic era of mass production to the current era of 'flexible specialisation' (Piore and Sabel, 1984; Storper and Scott, 1988; Scott, 1988). Central to 'flexible specialisation' is the re-emergence of 'industrial districts' made up of densely located networks of small firms better able to respond to changing markets than their mass-production predecessors.
- 4.7 We shall explicitly build upon the results of the ESPON project on 'The Case for Agglomeration Economies in Europe' (CAEE). This has examined the relationship between agglomeration economies and city-regional/metropolitan governance and has produced some significant findings for our research (CAEE, 2010). First, it demonstrates how the project's three secondary city case studies have all experienced growth rates that were high in relation to both European and their national contexts. The cities were not just beneficiaries of growth but also important drivers of it. Second, it shows that agglomeration economies have become more important in Europe. Localisation economies are the advantages that firms in a single industry, or set of closely related industries gain from being located in the same location. They have lessened in relative importance to urbanisation economies that is advantages gained by firms, workers and households from city size, density and variety - as part of the broader overall shift to the 'knowledge economy'. This shift emphasises the importance of understanding 'intangible assets' in secondary city growth and we will focus on these in our analysis. Third, it emphasises that while agglomeration patterns are driven by a myriad of individual firm and household decisions there is still a role for policy in shaping the context in which those decisions are made through, for example, infrastructure, skills and education policies. This policy role is most critical at national level or with regional governments in strongly decentralised systems. Metropolitan governance, while more peripheral, still has a role to play but this more subordinate role needs to be more carefully specified. Again we will emphasise this policy dimension in our analysis.
- 4.8 Institutional and evolutionary theories of regional economic development have focused on the institutional arrangements and 'softer' factors like networking, trust and social capital that together provide externalities that encourage the emergence and subsequent growth of local and regional economies (Grabher, 1993; Maskell, 2002; Amin and Thrift, 1995). This literature has introduced the important concept of 'path dependency' and explored the factors enabling the shifting of development trajectories (Arthur, 1996; Simmie, 2006). Innovation, knowledge and learning have also become central ideas in institutional and evolutionary approaches to local and regional economic development focusing on how localities and regions can produce, absorb and make use of innovations and knowledge through learning (Pike, Rodríguez-Pose and Tomaney, 2006). Technological transfer and spillover underpin the development of regional innovation systems (Cooke and Morgan, 1998) and 'innovative milieux' (Camagni, 1996). Recent thinking emphasises the need to integrate understanding of both the

emergence of technologically-based clusters and the specific role of policymaking - i.e. focusing on both evolutionary and constructive forces in cluster formation (Sölvell, 2009).

- 4.9 An emerging strand of literature emphasises the sustainability – in socio-economic and environmental terms - of local and economic development (Baker et al, 1997, Morgan, 2004). And there is growing interest in the links between urban growth and climate change. Air and noise pollution has always been treated as agglomeration diseconomies but the latter are now being extended to include wider environmental impact. ‘Strong’ versions of sustainable development challenge the very notion of growth and its spatial concentration.
- 4.10 The debates have tended to polarise with little interchange of ideas between, on the one hand, the formal modelling of economists developing ‘geographical economics’ and the so-called ‘New Economic Geography’ and, on the other, economic geographers and economic sociologists focusing more on evolutionary approaches that highlight the social and institutional advantages of successful cities and regions (Sunley, 2000; Boschma, 2004; Boschma and Martin, 2010). And it is difficult to see how any consensus can be achieved given the very different theoretical frameworks and assumptions that the different approaches use (Jovanović, 2009).
- 4.11 We favour the evolutionary approach with its stress on the long-term historical trajectories of urban economies and the ‘path dependent’ nature of local economic development (Martin and Sunley, 2006 and 2009). A powerful argument has been made that the long-run evolutionary trajectories of cities rests on the interrelationships between the concepts of path dependence and local innovation systems, which provide the key dynamic of change (Martin and Simmie, 2008). And the developing work around urban and regional competitiveness (Camagni, 2002; Martin, 2004; Simmie, 2005;) emphasises the role of innovation alongside other key drivers of urban competitiveness including connectivity, human capital and quality of place as illustrated in the Figure 4.2 below. It is this conceptual framework that we will seek to develop in the project. We agree with the arguments of ESPON’s FOCI project that it is essential to take a broad approach to understanding the competitiveness of cities that integrates both urban specific factors and more classical competitiveness factors (FOCI, 2010). While we focus on the competitiveness of secondary cities, we also recognise the need to address the tensions and relationships between economic competitiveness and social cohesion (Ache et al, 2008; Power et. al, 2010; Musterd and Murie, 2010) and between economic competitiveness and environmental objectives (Haughton et al, 2010) for a fuller understanding of both the processes at work and the needs of policy.

Figure 4.2 Our Model of Performance of Secondary Cities



(ii) Review of policy

4.12 As we stressed in Section 1, the main thrust of the proposed research is policy development and it is essential that this emphasis is reflected in the orientation of the work. We will provide a review of policy towards secondary cities at European Union level and in individual Member States. The review will involve analysis of the policy literature and, importantly, interviews with and a survey of policymakers and partners. Indeed, given the project's policy orientation we would seek to ensure engagement with policymakers from the outset. The policy review will have five inter-related elements:

- ❖ A desk-based review of the EU policy context, positioning policies for secondary cities in broader policies for spatial development, territorial cohesion and sustainable development.
- ❖ A desk-based review of Member States' National Strategic Reference Frameworks and Operational Programmes for the period 2007-2013.
- ❖ A desk-based review of Member States' Spatial Planning Strategies backed up by expert policy assessments covering broad territorial groupings across the EU.
- ❖ Interviews with policy makers in the European Commission and individual Member States
- ❖ A survey of key stakeholders engaged in local and regional development across the EU

Review of strategy for secondary cities at European Union level

4.13 A first step will be to review policy at EU level to monitor the development of policy towards territorial development. We have already collected a large range of this material and are assessing their implications for secondary cities and the territorial implications at a European level. We have been monitoring in particular the debate about Europe 2020 and the discussion of whether the territorial and urban dimension is sufficiently prominent in its analysis and policy recommendations. This desk-based review will provide the framework for a series of interviews with European Commissioners and senior European Commission officers designed to elucidate EU-level thinking on the development of secondary cities. We will also conduct interviews with Members of the European Parliament, the Committee of the Regions and EURO-CITIES who are increasingly important players in the policy debate about the future territorial shape of Europe.

Review National Strategic Reference Frameworks & Operational Programmes 2007-2013

4.14 In our proposal we had intended this element of the work to be an important first step in the analysis of secondary city policies in Member States. The European Commission's (2008) analysis of the 316 Operational programmes co-financed by ERDF for the 2007-2013 programming period co-financed by the ERDF had shown that more than half had a clearly identifiable urban dimension and addressed challenges in urban areas. We proposed to revisit the Operational Programmes and the corresponding National Strategic Reference Frameworks (NSRFs) to help identify actual or embryonic growth pole strategies and policies across Member States.

4.15 During the Inception period we have reviewed this literature and are still considering its implications. However, the initial impression is that this is less helpful as a source of evidence than we initially anticipated. There is some evidence to be gained from them. The European Commission's analysis found little discussion relating to polycentricity and balanced territorial development in the operational programmes of convergence regions, although there are a few exceptions, including notably: Compañia, Brandenburg, North Hungary and Latvia.

4.16 The European Commission report also notes that questions relating to polycentric development do not form a major element in the regional competitiveness and employment programmes. Despite being identified as a main challenge in most regions, issues of balanced spatial development, urban sprawl and urban-rural linkages are addressed in only a very few cases. Those that do, include the following Southern Finland, Styria, Austria, Border, Midland and Western Regions, Ireland. The European Commission analysis also notes that under the *European Territorial Cooperation* objective eight out of the eleven 'Trans-national Cooperation Programmes' have a significant urban dimension. Operational programmes with relevance to this study include Central Europe and the Baltic Sea

- 4.17 We have carried out a more focused review of the operational programmes and found very uneven and limited discussion of balanced territorial strategies in them. Two of the operational programmes, Latvia and Central Europe, explicitly discuss polycentric regional development strategies and recognise that a mono-centric development model at national level threatens to reinforce disparities between the capital and other regions. Both also place great emphasis on developing the economic and social conditions of cities and towns outside of the capital region as a means of creating a more balanced urban system, thus limiting the over-concentration of population and economic activity in the capital cities. Of the remaining operational programmes, most of the focus centres upon developing smaller, targeted, area based initiatives in order to improve the social and physical conditions of inner city areas and towns.
- 4.18 As part of our policy literature review we have already collected and analysed approximately two thirds of the national strategic reference frameworks for 2007-2013. As in the operational programmes, explicit reference to developing more balanced territorial development and/or polycentric regional development strategies is relatively rare. Interestingly, such discussion is most explicit in Eastern European countries. For example, Bulgaria defines supporting balanced territorial development as one of its NSRF's four national priority areas. The Hungarian NSRF also contains a specific balanced regional development priority area, noting that 'the main objective of Hungarian city policy is the establishment of a balanced polycentric city network that is more cooperating than the current one...enhancing the reduction of the capital's dominance and alleviating the monocentric spatial structure of the country' (p.100). Latvia has also prioritised more balanced territorial growth in its policy documents. Of the Western European states, Ireland makes the most explicit references to developing a more balanced territorial development growth policy, via its 'Gateways and Hubs' strategy. This policy stems from Ireland's 2002-2020 National Spatial Strategy (NSS) which calls for a focus of investment and growth around a network of nine competitive national gateways, which in turn are supported by additional urban areas, or 'hubs', to drive the development of their wider regions.
- Review of States' territorial strategies for secondary cities**
- 4.19 This element of the Workpackage will involve a desk-based review of general spatial development strategies and specific policies for secondary city policies in individual Member States. At this early stage of the project a primary focus of the policy review has centred on collecting a comprehensive set of documentation from across the European territory, with a particular focus on exploring urban policy approaches together with the regional economic development policies of individual countries. While this work will continue over the coming months, the following discussion summarises the fruits of this labour to date. Three main sources provide the bulk of documentation currently sourced. These include: The Organisation for Economic Cooperation and Development (OECD); a variety of city networks and research institutes & European research projects.
- OECD**
- 4.20 OECD publications offer the richest and most wide ranging sources of literary material in relation to this study. The OECD has published widely under its 'regional development' theme and related sub-themes. Their territorial and municipal reviews, together with publications on *How Regions Grow* (2009a), *Regions Matter* (2009b) and *Competitive Cities* (2007a) are particularly relevant. And the OECD work provides important background material for both the proposed case studies and the thematic policy reviews. In relation to the case studies, the OECD's work on *Regional Innovation and Competitiveness* includes, for example, a review of 'Competitive Regional Clusters' containing several in-depth case studies of European countries, including the Czech Republic, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden and the UK (2007b). Its *National Territorial Reviews*, covering Sweden, Finland, France, Luxembourg, Norway, Poland and Portugal, have examined themes relevant to this study, including: regional and territorial growth strategies; regional performance; urban growth trends; urban policy; governance and decentralisation.
- 4.21 Our proposed thematic policy reviews will also draw heavily on OECD material, notably in relation to innovation, clusters, skills, and infrastructure and education policies. Its developing work on climate change and cities (2009c, 2009d, 2010) will also be helpful. Much of the focus here surrounds the tools and responses cities can adopt to both confront climate change and

meet national environmental goals, whilst continuing to meet their economic goals and remain competitive. Forthcoming OECD publications also offer potentially useful information, particularly work that is due on improving the effectiveness of regional policy.

Networks

- 4.22 A number of 'city network' and related organisations have been scoped for relevant publications and discussion papers. Whilst both coverage and quality is mixed, some potentially useful documentation has been drawn. In particular, recent surveys undertaken by both EUROCITIES and URBACT, looking at the impact of the recession upon cities, will serve as a useful backdrop to the study. Both contain a number of case study examples of how secondary cities have been impacted by, and have responded to, the recession. We have so far collected material from the following organisations - Core Cities, CEMR, EUROCITIES, EUKN, URBACT. EUKN's recent publication provides a valuable overview of urban policy approaches in 15 EU member states.

European Research Institutes & Research Projects

- 4.23 We have searched for other European research projects and institutes that have been undertaking relevant work. This has provided mixed results and is continuing. But three sources stand out as having provided useful policy related documentation. Nordregio: Several of its research papers touch upon territorial and non-territorial policies of relevance to this study, including: polycentricity (2009a); higher education institutions and regional development (2009b); innovation policy (2008); and networked regions (2009c). The Europe Innova Cluster Mapping Project: has provided a number of potentially useful documentations. In particular, the programme provides 32 separate country reports from across Europe, mapping cluster policies, cluster institutions and programmes for each of these countries. PRO INNO Europe contains several documents that will inform the innovation policy analysis aspect of this study, including their annual European innovation Scoreboard which tracks the relative innovation performance of the EU27 member states (2010); and work relating to cluster policies and innovation in Europe (2008).
- 4.24 During this inception phase, one of our project advisers Christian Lefevre has already undertaken a review of national strategies for secondary cities in France, Italy and Spain. This is important since these three states will provide individual city case studies, and we already are aware of the relevant policy issues and challenges in those countries. The key policy issues and challenges will inform our work in other member states and in our case study work. But this work is still developing. One feature of the policy debate has emerged thus far generally and has been confirmed by the analysis completed by Lefevre. The thrust of much policy for secondary cities has been concerned primarily with challenges of social cohesion and developing policies to improve the prospects and performance of deprived neighbourhoods and people rather than focussing upon the economic competitiveness and territorial contribution of secondary cities. There is therefore a great deal of literature examining the national policies and programmes on area based interventions, integrated policy approaches and where, how and why they work. There is also considerable discussion of governance issues for secondary cities. There will be much to draw upon here. However, so far we have discovered less literature which concentrates more directly on the key issues of this project - the economic performance of secondary cities, their territorial relationships and the contribution they make to the performance of regional, national and European economies.
- 4.25 In part this is a timing issue. The original thrust of policy at both national and European level was with deprived neighbourhoods and as a result there has been a tradition of reviewing the effect of those policies. The policy concern with competitiveness and territorial relationships is a more recent phenomenon in different countries. But the academic and research literature has not yet fully caught up with this policy development. So the project may need to draw rather more heavily on the grey literature and the views of policy makers and experts than upon the formal academic literature. As we have seen, the most important exception to this would be the work of the OECD. It has devoted considerable resources to examining issues of territorial policy and economic performance both at national level and in particular areas. We will draw as much as possible upon this body of evidence.

Interviews with policy makers in the European Commission, European Parliament, Committee of the Regions, Member States

- 4.26 We propose to carry out a mix of face to face, and telephone interviews with key policy makers in the European Commission, European Parliament and in selected individual Member States. We plan to interview a number big enough to give us a representative sample but which is also manageable given the number of countries involved. We will again focus our efforts where the levels of policy experience and interest is liable to generate the greatest understanding. For the Commission the interviews will involve Commissioners and senior policymakers across the following Directorates-General - regional policy, competition, economic and financial affairs, employment and social affairs, energy and transport, enterprise and industry and environment. We think these DGs are the most relevant to the policy themes of the study- the economic and territorial contribution of secondary cities. We will to explore whether and how policies in key policy areas impact upon the development of secondary cities. We would plan to conduct interviews with the seven Commissioners and up to fourteen Commission officers.
- 4.27 For individual Member States, we plan to survey all countries but to concentrate on the key places. For example, in all the countries of ESPON we will discuss these issues with the Monitoring Committee member plus a leading academic researcher. This would give us the views of over 60 people. In addition would include, as a minimum, up to 5 national level policy makers for each of the 9 countries we propose to carry out case study cities. At present this would include Finland, France, Ireland, the UK, Poland, Romania, Italy Germany and Spain. We also propose to interview up to 5 policy makers in countries where there is not a case study but which has important experiences and policy messages that our project should capture. For example, we would certainly expect to add at least the Netherlands, Sweden, and Denmark. That list may expand. For interviewees in both the European Commission and individual Member States, we will use a semi-structured questionnaire based on the draft interview schedule identified in Annex 3. The questionnaire would be circulated to interviewees in advance of the interviews to maximise added value and minimise any language difficulties.

A survey of key stakeholders engaged in local and regional development across the EU

- 4.28 In addition to the interviews we propose to undertake an e-mail questionnaire survey of a significant number of policymakers and secondary cities across the EU. We will use the good offices of EUROCITIES and Core Cities in the UK to help facilitate this survey and disseminate the survey findings. Again this will be customised from the draft interview schedule in Annex 3.

Who and how many interviewees?

- 4.29 We will combine face-to-face interviews (I), telephone interviews (T), e-questionnaires (Q), workshops (W). We propose to collect evidence and views from the following groups:
- ❖ Monitoring Committee (Q, W, T) (32)
 - ❖ ESPON contact points (Q, T) (32)
 - ❖ Academic experts (Q, T,I) (32)
 - ❖ Networks (Q, I, T, W) (5)
 - ❖ National civil servants (Q, I, T) 5 in selected member states
 - ❖ EU commissioners & officials, European Parliament, COR (I, T) 25

(iii) Case studies and our typology of secondary cities

- 4.30 The case studies are crucial to our methodology. They are the best places to test the impact of national policies in action and to test the claims of national policy makers made in words or on paper. We attach great significance to them and will invest considerable resources in them. The case studies will identify policy lessons rather than simply describing the detailed history of places. Their focus will be on understanding the dynamics of places and the relationships and processes initiating and sustaining development. A large part of the case study 'stories' will be found not in the cities themselves but in their relationship with the rest of the urban system. We will locate the cities in their respective national territorial systems. They will explore: What relationships and policies have encouraged change? Has development happened despite, because of or in the absence of national government policies? They will identify:
- ❖ The range of performance of secondary cities.
 - ❖ How and why different cities contribute to regional, national and European economies.
 - ❖ Drivers of performance, future prospects.

- ❖ Policy impacts and policy implications for different partners in future.

What evidence will we collect?

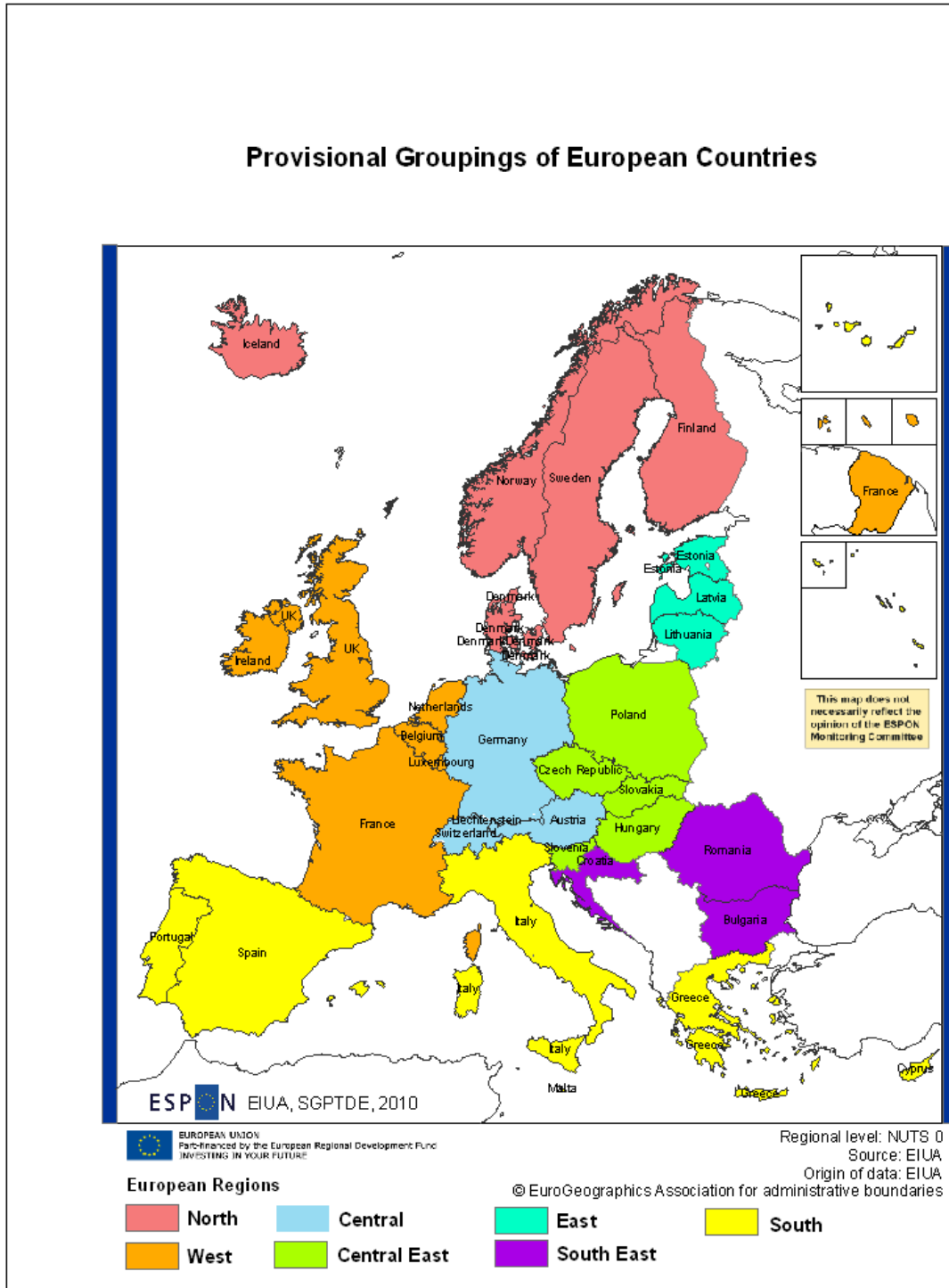
- 4.31 In each case study we will conduct:
- ❖ a review of the locally specific academic and policy literature;
 - ❖ secondary quantitative data analysis - covering social, economic and environmental characteristics;
 - ❖ analysis of economic development infrastructure - finance, public bodies, networks and collaborative agencies, universities - based on interviews with 15 elected officials, civil servants, researchers, community groups, the private sector, the media;
 - ❖ workshops to test the emerging findings performance and policy implications.
- 4.32 In addition in the case studies, to exemplify the range and impact of national policies across Europe we will look at a number of thematic or policy studies. We will review good examples of national policies which have improved the performance of secondary cities. We will examine examples of policy approaches in for example, research and innovation, transport and IT infrastructure, urban and regional policy, decentralisation of government activities and capacity and governance. We have selected these policy areas to reflect the drivers of competitiveness which underpin our model of economic competitiveness: innovation, human capital, connectivity, quality of place and governance and decision-making capacity

Which cities in which typology?

- 4.33 The policy purpose of the project shapes our definition of secondary cities. We have agreed with DG Regio that the primary focus will be upon the actual or potential contribution that secondary cities make to the national economy. Specifically we define secondary cities as those larger cities outside the capital city whose economic and social performance is sufficiently important to affect the potential performance of the national economy. It will also lead the policy dimension of the project to focus on the larger cities in the larger more urbanised economies of Europe. These will have the greatest contribution to make to sustainable balanced development in Europe and will have more important relationships with their capital cities.
- 4.34 The typology should be a vehicle for telling the story. It should be robust but simple enough to make sense to policy makers and politicians. We will use a very simple typology and select case study cities on the basis of the three key questions raised in this project (i). Which secondary cities are performing well across the different parts of Europe? (ii) Why? and (iii) How much has policy affected their performance? We will therefore select secondary cities which are:
- ❖ performing well or less well in relation to their national economy;
 - ❖ in centralised and decentralised systems;
 - ❖ representative of countries in the 7 broad regional groupings of Europe.

Map 4.1 outlines our proposed country grouping.

Map 4.1: Groupings of European Countries



4.35 The specification suggested the project should undertake 3-5 case studies. Given the significance of the case studies for the analysis and the need to cover the European territory as broadly as possible we believe it should be rather more. We propose, therefore, to undertake 9 secondary city case studies.

4.36 We have identified the provisional list of case studies below. We believe that these satisfy the selection criteria above and also reflect the experience and contacts of the team. But the selection is provisional. We will be interested to get the reactions of the Monitoring Committee. We believe we will also need to secure the cooperation from the city administrations involved.

East, Central East and South East Europe - 2 secondary cities

Poland - Katowice

- 4.37 Katowice is the centre of science, culture, industry, business and transportation in southern Poland. It is the central district of the municipal cooperation called Upper Silesian Metropolis, with a population of 2 million. It lies in the centre of the largest conurbation in Poland with a population of 2.7 million. It is part of the cross-border Silesian metropolitan area populated by 5.3 million people. Katowice is a large coal and steel centre. It is also a large business and trade fair centre. It has the second largest business centre in Poland. As a result of economic reforms, there has been a shift away from heavy industry, and towards small businesses. Its unemployment rate at 2% is one of the lowest in Poland. Average salaries are the highest in Poland. The city thus attracts many people seeking jobs from neighbouring cities.

Romania - Timisoara

- 4.38 **Timisoara** is the second largest city in Romania . It is the main economic and cultural centre in the western part of the country. The city is served by Romania's third busiest airport. Timisoara is the centre of a monocentric area, as it is surrounded by a rather rural area and smaller towns. In recent years, Timisoara has experienced an economic boom as the amount of foreign investment, especially in high-tech sectors, has risen. In terms of living standards, it ranks fourth nationwide. Apart from domestic local investment, there has been significant foreign investment from the European Union, particularly from Germany and Italy. As most of Romania, Timisoara experienced economic slowdown in 2009, due to the global economic downturn. Again the city stands out clearly in the quantitative analysis we have undertaken.

Central Europe - 1 secondary city

Germany - Munich

- 4.39 Munich is one of the most successful secondary cities in a regionalised and decentralised country. It has a series of economic, institutional, locational and cultural assets which it has exploited intelligently to recreate itself since the Second World War. It has long standing powerful private sector firms like BMW. It has densely developed set of universities and research institutions. It has a vast knowledge base. It has high levels of trust between partners. It has many long standing regional networks. It has a good location and environment. It has received state support for many of its key initiatives. It has a diverse economy, with large and small and international and local companies. It has operated at a regional as well as city level. It makes innovation a routine aspect of its business. It has a powerful Chamber of Commerce which integrates small firms into decision-making. It has good infrastructure, good quality of place, high social cohesion and cooperative networks.

North Europe - 1 secondary city

Finland - Tampere

- 4.40 Tampere is a good example of a traditional manufacturing city which has responded well to economic change and has now found a new economic dynamism based upon high value added innovative industries. It also is a good example of national government policies in a decentralised system which are designed to link urban areas into a national territorial system rather than develop them in isolation. It is a good example of competitiveness placed in a wider territorial and spatial context. It stands out clearly in the quantitative analysis we have undertaken.

South Europe - 2 secondary cities

Spain - Barcelona

- 4.41 Barcelona is the most successful secondary city in Spain, a regionalised and decentralised country. It has restructured its traditional manufacturing economy and has been one of the most innovative cities in using culture creative industries and urban renaissance to reposition itself in a wider European economy. Barcelona has also been innovative in formulating strategic development plans across the wider metropolitan territory. It has also benefited from powerful regional government. It has benefitted from national infrastructure policies for High Speed rail. It is an important test example of reinventing a major urban economy with major implications for national, regional and metropolitan territorial and regional policies.

Italy - Turin

- 4.42 Turin is a remarkable example of a successful economic reconversion from a manufacturing industry based on the automobile (FIAT) to a much more diversified economy based on culture, innovation and IT. Turin was also during the 1990s and 2000s an Italian model of a city able to completely change its image through the regeneration of its urban fabric and its international promotion. This has been made possible by the mobilization of its entire civil society through innovative governance instruments such as two strategic plans, and the capacity of its political elite to obtain the support of other governmental tiers, notably the Region.

West Europe - 3 secondary cities

Ireland - Cork

- 4.43 Cork is a dynamic second city to Dublin in a centralised country . It has experienced substantial development in recent years. The Irish government has specific territorial strategy to develop cities outside Dublin. Cork is therefore a good example of a country which has explicit territorial policies for secondary cities which we can review.

UK - Leeds

- 4.44 Leeds has been through a period of economic restructuring and has emerged as one of the most successful secondary cities in the north of the UK. It has a diverse economy. It has pioneered methods of city regional governance. It is making a major impact to the territorial development of the north. The UK has been developing some territorial strategies to decentralise and encourage the growth of secondary cities. But it is too soon to determine whether they have worked and recent changes of government policy might lead to a shift in that focus on secondary cities outside the capital London. So Leeds throws up, in principle, issues of both relative performance and national policies for secondary cities.

France - Lyon

- 4.45 Lyon is the most successful secondary city in France. It has a diverse economy. It has benefitted substantially from a range of national policies to decentralise national organisations and infrastructure, including the TGV, in the past decade. Lyon has been one of the European leaders in developing governance across wider territories both in a metropolitan and regional context. It is a good test of the impact of those governance relationships and a good example of a successful city in a national policy system that has been decentralising, but where the national capital is still dominant.

5. QUANTITATIVE DATA ANALYSIS ACROSS THE ESPON TERRITORY

- 5.1 Our original project proposal set out plans to measure performance and trends in secondary cities in the ESPON space. As explained earlier in this report, after initial discussions in the scoping phase with the client and given the policy focus of our project, we will focus on major second tier metro-regions that either do or could make a significant contribution to national economic performance. Our aims for this work are two-fold: (i) to place secondary cities in their national context and contrast patterns in the various countries; (ii) to use this work to contribute to the secondary city typology. Our approach to the quantitative data is essentially pragmatic given the overarching policy focus of our project. We intend to make best use of the most robust data sets available. The following sections outline progress so far and proposed next steps.

Which places?

- 5.2 Our first task was to compile a list of major non-capital second tier places to examine. We began with DG Regio and OECD work on European metro-regions which approximates the functional urban areas (i.e. the core and surrounding area linked by labour market and commuting flows) of numerous European cities. This work provides metro regions defined by NUTS 3 building blocks which are the level at which Eurostat or ESPON data are published. Definitions at this scale allow us to match metro-regions to up to date data for a number of indicators. The other option which we considered was to look at Urban Audit data. However the problems connected with this data set are well documented – the data are incomplete and, inevitably, affected by time lags. We will need to confine our use of the Urban Audit to

selective use of data at LUZ level and its perception survey. The DG Regio and OECD work has provided us with an initial list of 255 European metro-regions across 30 countries.

What boundaries?

5.3 The DG Regio OECD work also provides agreed boundary definitions for the cities. The selection of boundaries for cities matters when carrying out data analysis. The over-bounding or under-bounding of cities affects data values, which in turn shape judgements on performance. Determining the correct boundaries can be a difficult matter of judgement. The availability of agreed boundaries was tremendously helpful. While boundary definitions at NUTS 3 level are not the smallest or most sensitive spatial scale available, their clear strength is this match with European data. In addition these boundaries have achieved a degree of acceptance. For these reasons we felt that the use of these boundaries were the best available choice. Metro-region boundary definitions can alter over time depending on changes in labour market and commuting patterns. However for reasons of continuity and data comparability we are choosing to work with a fixed set of latest agreed boundaries.

Tailoring the selection of places

5.4 The next question which we addressed was whether to tailor our list of 255 metro-regions. Should we omit any metro-regions from our list? Given the focus on major second tier places that contribute to national performance, after discussions with DG Regio, we felt that many of the smaller places did not match up to this description. Consequently we selected 109 cities out of the 255. We focused on the largest and most significant places. This was primarily determined by population size but with some consideration of their economic role. We list these below. Annex 1 provides in greater detail the different groupings of cities to help understand how we chose this list. However, we recognise that there are always difficult decisions at the margins about which cities are included or excluded. We would be interested in Monitoring Committee's views about the proposed list whether there should be a small number of additions or subtractions.

Table 5.1 – Provisional list of secondary cities for quantitative data analysis

European regions						
North	West	Central	Central East	East	South East	South
<u>Denmark</u> Copenhagen Aarhus Aalborg Odense	<u>Belgium</u> Brussels Antwerp Liege	<u>Austria</u> Vienna Linz Graz	<u>Czech Republic</u> Prague Ostrava Brno	<u>Estonia</u> Tallinn <u>Latvia</u> Riga	<u>Bulgaria</u> Sofia Plovdiv Varna <u>Croatia</u> Zagreb	<u>Cyprus</u> Nicosia <u>Greece</u> Athens Thessalonica
<u>Finland</u> Helsinki Tampere Turku	<u>France</u> Paris Lyon Toulouse Bordeaux Lille	<u>Germany</u> Berlin Hamburg Munich Cologne-Bonn Frankfurt am Main	<u>Hungary</u> Budapest Debrecen Miskolc	<u>Lithuania</u> Vilnius Kaunas	<u>Romania</u> Bucharest Cluj-Napoca Craiova Timisoara Constanta Iasi	<u>Italy</u> Rome Milan Naples Turin
<u>Norway</u> Oslo Bergen Stavanger	<u>Marseille</u> Montpellier Grenoble Strasbourg Nantes	<u>Main</u> Stuttgart Leipzig Dresden Dusseldorf- Ruhrgebiet	<u>Poland</u> Warsaw Lodz Krakow Wroclaw Poznan Gdansk Katowice & Zory			<u>Malta</u> Valletta
<u>Sweden</u> Stockholm Gothenburg Malmo	<u>Ireland</u> Dublin Cork	<u>Bremen</u> Hannover	<u>Slovakia</u> Bratislava Kosice			<u>Portugal</u> Lisbon Porto
	<u>Luxembourg</u> Luxembourg	<u>Switzerland</u> Bern Geneva Zurich Lausanne	<u>Slovenia</u> Ljubljana Maribor			<u>Spain</u> Madrid Barcelona Valencia Seville Bilbao
	<u>Netherlands</u> Randstad N Randstad S. Eindhoven					
	<u>UK</u> London Birmingham Manchester Glasgow					

	Leeds- Bradford Newcastle Liverpool Bristol Cardiff Nottingham Sheffield Edinburgh Belfast					
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Selection Issues

- 5.5 We had to take a series of decisions about possible inclusion or exclusion of places. Some countries do not have secondary cities of any significance. In some countries we have OECD DG-Regio boundaries for the capital but not for any secondary cities. However we felt that secondary cities were significant and did require further examination. This was the case in Croatia, Estonia, and Latvia. Our initial intention was to define metro-regions for the smaller places using a matching methodology. However after closer consideration we felt that given the small size of some of the places, that NUTS 3 approximations might significantly over-bound them. Also a secondary concern was that to repeat the methodology in full would require two employment measures - workplace-based and residence-based employment. These were not both available. We decided rather to include analysis of the second tier cities in these countries through qualitative discussions of the countries, rather than in the large-scale data analysis. This ensures that they are included but avoids problems relating to comparable definitions and accurate bounding. In some countries the only significant metro-region is the capital. There are no other significant cities outside of it. This was the case in Luxembourg, Malta and Cyprus. Essentially the focus of this report is national policies for secondary cities. However, since the project has a clear European wide dimension, we have decided to include a number of such capital cities from smaller countries because the capitals themselves have significant European potential as 'secondary' capital cities. For this reason we have added the capital cities of Luxembourg, Valletta in Malta and Nicosia in Cyprus to this list.
- 5.6 Another important issue we had to consider was whether or not to include the countries of Turkey and the Western Balkans. The Western Balkans consists of the following countries: Albania, Bosnia & Herzegovina, Croatia, Former Yugoslav Republic of Macedonia, Serbia, Montenegro, and Kosovo (Under UN Security Council Resolution 1244). This question required careful thought. Croatia, the Former Yugoslav Republic of Macedonia (FYROM) and Turkey are included in the Eurostat data for a small number of indicators, although there are numerous data gaps at NUTS 3 level. The ESPON 2013 database attempts to provide data for all of the countries of the Western Balkans and Turkey.
- 5.7 One of the key issues for their inclusion is whether data can be obtained at NUTS 3 or at a comparable spatial scale. Croatia, FYROM and Turkey have NUTS 3 boundaries. The other countries are currently working towards this. To facilitate the possible inclusion of these countries the ESPON 2013 database project has worked to define what it terms 'SNUTS' or 'similar to NUTS 3' in the countries where NUTS boundaries are yet to be defined. A barrier to inclusion however is whether or not metro-regions can be defined in a comparable way to the other countries. The issues here are identical to those for the countries where we would have liked to include smaller places. Metro-regions have not been defined in these countries, with the one exception of Zagreb in Croatia. Again we need to have two employment measures - 'employment by residence' and 'employment by workplace' at the appropriate spatial scales - to calculate the boundaries of the metro-regions. These are not readily available. Also there is again the question of whether the smaller places can accurately be captured by NUTS 3 approximations or whether they would be significantly over-bounded.
- 5.8 The inability to define metro-regions in a comparable way limits the possibility of including these countries in the data analysis component of our study. If we were to include just the central NUTS 3 region covering the core of a city, this would invalidate international comparisons. Even for the analysis within countries, it is important to ensure that urban areas are bounded consistently and appropriately to ensure that fair comparisons are made against one another and in relation to national averages. Limited data availability is a further problem

which inhibits the inclusion of these countries. Very few indicators are available. Those that are available can usually only be obtained for very limited points in time. And the data are often dated. This limits opportunities for carrying out up to date, comparable time series analysis.

- 5.9 The ESPON 2013 database project attempts to provide data sets for a number of population-related measures, Labour Force Survey indicators, and a measure of GDP, all at NUTS 3 level. Data availability is poor with exceptions for Croatia and FYROM. Only for total population and population density are some data available for all countries however here data are often dated and for varying years. Currently all NUTS 3 Labour Force Survey data are blank. Eurostat data is limited to just three of the eight countries: Croatia, FYROM and Turkey. Of the data sets that we have examined so far, employment data are available for just one of the countries (Croatia). There is some GDP, GDP per capita and population data for the three countries for varying years. Other data sets will be explored as the project progresses.
- 5.10 Our overall judgement is that, given the problem of defining metro-regions on a comparable basis and the added difficulty of limited data availability, it is not possible to include the countries of the Western Balkans and Turkey in the data analysis.

Which data sets?

- 5.11 Having decided on the places and countries to focus on, the next question that we considered was which data sets. The best source of European NUTS 3 level data is Eurostat. This year a number of additional NUTS 3 level data sets are being made available for the first time. In addition the ESPON database also provides some interesting measures. In selecting indicators we were trying to find indicators that relate in some way to our drivers of urban competitiveness, those of (i) innovation, (ii) human capital, (iii) connectivity, (iv) quality of life, and (v) governance capacity. Some of these drivers are easier to measure than others. We have explored five key data sets: population, GDP per capita, employment, employment rates and high education levels. We plan to expand our selection of data sets to include: total GDP, employment by sector, accessibility to flights, patent applications, inventors, natural population growth, migration rates, and unemployment rates. It will only become clear how complete these data sets will prove once we begin the work.

Which years?

- 5.12 Eurostat data sets are available typically from 1995 up to 2009. However data sets typically have gaps in the earlier years and in the most recent years. Our analysis thus far has aimed at examining change over the longer term however in places this is compromised by breaks in the time series data.

Data issues

- 5.13 There are some important data issues that the project needs to consider. The first issue is the problem of data gaps. Many data sets have incomplete data. It is difficult to know whether data are not available or whether they exist but have not been uploaded onto the Eurostat web site or ESPON database. For example we have supplemented Eurostat NUTS 3 population data with UK data held nationally. This has provided data for many additional years. It may be possible to do this for other countries for various data sets. Our position on data gaps however is that in the main we will work with what we have. It is beyond the scope of this project to attempt to plug the gaps. We will instead try to work around missing years by using differing time periods where necessary for the various countries. If gaps exist in the most essential data sets we will consider approaching national statistical offices or local contacts to enquire about data availability. But again our focus will be to work with the data that is readily available.
- 5.14 A second issue is the timeliness of data. The most recent year where reasonably complete data are available is currently 2007. This 'latest' data omits the economic downturn which has had a major impact on cities. It will be important to determine whether second tier cities have been more or less affected by the downturn compared with capitals. However the data currently does not allow us to say. We will have to wait for more recent data to be published as the project progresses.
- 5.15 A third issue to consider is how to handle the analysis of trends in countries where the relationship between capital and secondary cities appears to be to some extent reversed, e.g.

Bern and Zurich, or where the relationship between metro-regions straddles a national border, e.g. Luxembourg in relation to Brussels. Here our analysis in the text will need to be sensitive to such situations.

What typology?

- 5.16 The data analysis will feed into our typology of major second tier cities. We intend to create a simple typology that is easy to understand. We will use the data in particular to identify second tier cities that are performing well or less well in relation to national economy. To do this we will focus on key measures such as population, employment, GDP per capita and total GDP.

Data presentation

- 5.17 We have already undertaken some preliminary analysis of the data that we have collected. We include this in Annex 2.

6. PROJECT WORK PACKAGES & PARTNERS' RESPONSIBILITIES

- 6.1 We will divide the research project into three overarching Work packages (WPs).
- ❖ WP1 – Coordination
 - ❖ WP2 – Research Activity
 - ❖ WP3 – Dissemination
- 6.2 The EIUA will undertake WP1 - the coordination of the project. It will lead on WP3 - the dissemination activities - but will be supported by the other partners.
- 6.3 We have clarified the division of WP2 research activities within the TPG. The EIUA will undertake: the academic literature review, the review of EU policy, the review of member states Strategic and Operational Programmes, the interviews with the Monitoring Committee, interviews with national research experts, the additional interviews with officials outside the case study countries, interviews with European level policy makers, the questionnaires to the private sector and secondary cities, the quantitative data analysis and the proposed case studies in Munich, Lyon, Cork, Leeds and Barcelona. It will lead the synthesis and writing of the final report with other partners. The University of Tampere will undertake a review of intangible assets, a review of territorial policies in the Nordic states, a review of Finnish national innovation and territorial policy and the case study of Tampere. MRI in Budapest will be responsible for analysis of member states policies for secondary cities in the East, central East and South East countries. It will also undertake the proposed case studies of Katowice and Timisoara. Christian Lefevre will undertake the review of national strategies in the Mediterranean, focussing upon Spain Italy and France. He will also undertake the case study of Turin. Sir Peter Hall will act as critical friend and overall quality adviser to the project.

Table 6.1: Research Activity Work Packages and Team Responsibilities

Work packages	EIUA	Metropolitan Research Institute	University of Tampere	Expert Advisor: Sir Peter Hall	Expert Advisor: Christian Lefevre
2A: Conceptual framework					
Literature review	✓				
Review of intangible assets			✓		
2B: Review of policy					
EU policy	✓				
Member States' National Strategic Reference Frameworks and Operational Programmes	✓				
Member States' policies for the development of secondary cities	✓	✓	✓	✓	✓
Interviews/questionnaires with Monitoring Committee members	✓				
Interviews/questionnaires with national research experts member states	✓				
Interviews with policy makers in the European Commission, Parliament, COR	✓				
Questionnaire to European private sector representative organisations	✓				
Questionnaire to European secondary cities through EUROCIITIES and the Core Cities organisations	✓				
Interviews with policy makers individual Member States	✓	✓	✓		
2C: Developing a typology of secondary cities					
Review of existing urban typologies	✓	✓	✓		
Primary Quantitative data analysis	✓	✓			
Review of performance secondary cities	✓			✓	✓
Review of questionnaires	✓				
2D: City case study work	✓	✓	✓		✓
2E: Analysis, synthesis and recommendations	✓	✓	✓	✓	✓

Outputs – Deliverables

- 6.4 The research activities will together provide the full set of project deliverables specified in the Tender Brief as indicated in Table 6.2 below.

Table 6.2 Project Deliverables

Project deliverables	Workpackage 2: Research Activities				
	2A: Conceptual framework	2B: Review of policy	2C: Developing a typology of secondary cities	2D: Regional case study work	2E: Analysis, synthesis & recommendations
Data input to the development, update and extension of the ESPON database			✓	✓	
Indicators on the territorial performance of secondary cities	✓	✓	✓	✓	
European wide maps			✓	✓	✓
Review of EU and national policies for territorial development of secondary cities		✓		✓	
Review paper on intangible assets	✓				
Typologies of secondary cities	✓	✓	✓	✓	
Case studies of different secondary cities across 7 regional groupings				✓	✓
Inception, interim, draft final , final reports	✓	✓	✓	✓	✓
Overall assessment performance of , and policies and prospects for secondary cities in the ESPON territory	✓	✓	✓	✓	✓

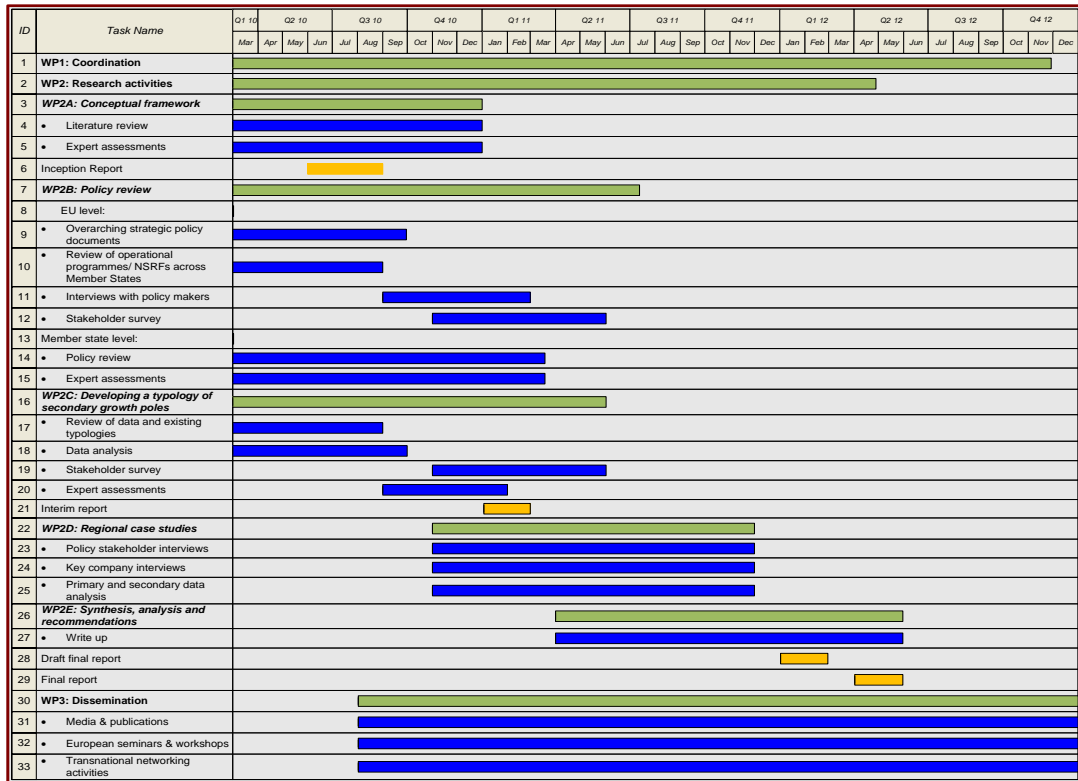
Workpackage 3: Dissemination

- 6.5 We will ensure that findings will be valuable and easily accessible to policy makers and practitioners. We will ensure that the project findings have high levels of European visibility and awareness. We will disseminate the findings to four key groups - policy makers, practitioners, scientists and experts at European, national, regional and local level.
- 6.6 Dissemination will involve the creation of a project web-site and the production of the reports. It will also involve participation in international conferences and seminars including the transnational activities of the ECP Network and events organised by the ESPON CU. Given the proposed involvement of EURO CITIES in the research, dissemination will also involve participation in events organised by EURO CITIES. In addition to the formal project reporting described above, the research team would also give regular presentations on the research at internal and external ESPON seminars. Dissemination would involve:
- ❖ establishment of project web-site;
 - ❖ reports and accessible summaries of research findings;
 - ❖ participation in conferences, seminars and workshops;
 - ❖ newsletters.

Project Timetable

- 6.7 Figure 6.3 summarises diagrammatically the phasing of the different work packages in relation to production of the project's four principal reports: Inception, Interim, Draft Final and Final.

Figure 6.3: Project Timetable



Potential Report Outline

- 6.8 The report could be structured in the following way:
1. What policy questions are we are trying to answer - why and how?
 2. What does the existing literature tell us about the performance, policies and prospects of secondary cities across Europe?
 3. How have secondary cities in general performed across Europe?
 4. How have individual cities across Europe performed, why and what policy messages?
 5. What kinds of policies have national, European and city governments adopted for secondary cities and what is good practice?
 6. What are the prospects for secondary cities in Europe?
 7. What works and what are the key policy messages for decision-makers – at city-regional, regional, national and European levels?

ANNEX 1

THE SELECTION OF SECONDARY CITIES

1. INTRODUCTION

- 1.1 This note outlines our provisional selection of secondary cities for data analysis. Initial discussions with our client helped us to define what was meant by a secondary growth pole. The focus was on major second-tier cities in the ESPON space, and in particular on major non-capitals.
- 1.2 The initial source of information that provided the basis for our selection was work carried out by OECD and DG Regio on European metro-regions. This work identified significant urban areas in the European space and provided harmonised agreed NUTS 3 boundary approximations for these areas. The agreed boundaries were particularly useful. Without them one could invest considerable amounts of time and energy trying to determine what the best available boundary approximations were and face the challenge of trying to reach broader acceptance. While one can always debate boundaries we here have chosen to accept the OECD/DG-Regio definitions as our starting point. The NUTS 3 boundary approximations are valuable in that they match the lowest spatial scale at which pan-European Eurostat data are published at. The OECD / DG Regio work identified a total of 255 metro-regions in 30 European countries. These are listed in table 1.
- 1.3 The next stage in our selection process was to focus on the capital and second-tier metro-regions that were of most significance. Initially we chose to include all metro-regions in 24 of the 30 countries. In six countries: France, Germany, Italy, Poland, Spain and the UK, we chose to limit the number of metro-regions to focus attention on the metro-regions that matter most, using a population cut off point. We did this using corresponding Urban Audit larger urban zone (LUZ) population data. With LUZs ranked in terms of size we chose only those that had populations of over 400,000. This reduced the number of metro-regions from 255 to 178. These are listed in table 2. There was a feeling that this list of 178 still contained a number of smaller places that ought to be omitted.
- 1.4 We wanted to also consider work carried out by others in this area. We next considered a report produced by DG-Regio that examined metro regions in Europe. This study identified 83 metro-regions as capital or second-tier. These are listed in table 3.
- 1.5 After discussions with the client and consideration of our list of 178 metro-regions compared with DG-Regio's work examining 83, we have provisionally decided to focus attention on 109 metro-regions. We did this through a combination of the use of population thresholds and judgement regarding the places that were of most interest. Essentially the focus of this report is secondary cities. However, since the report has clear European implications, we have decided to include a number of capital cities from smaller countries which do not have a secondary city. The capitals themselves have significant European potential as second tier capital cities. For this reason we have added Luxembourg, Valletta in Malta and Nicosia in Cyprus to this list. We list these in table 4. At this stage the list is provisional and comments on the selection are welcome.

Table 1: OECD/DG-Regio's 255 metro-regions with agreed NUTS 3

boundary definitions

Country	Metro-region	Country	Metro-region
Austria	Vienna	France (continued)	Lens - Liévin
	Linz		Mulhouse
	Graz		Nice
	Salzburg		Orléans
	Innsbruck		Reims
Belgium	Brussels		Saint-Etienne
	Antwerpen		Toulon
	Liege		Tours
	Gent	Germany	Berlin
	Charleroi		Dusseldorf-Ruhrgebiet
Bulgaria	Sofia		Hamburg
	Plovdiv		Stuttgart
	Varna		Munich
Croatia	Zagreb		Frankfurt am Main
Cyprus	Nicosia		Cologne-Bonn
Czech Republic	Prague		Bielefeld
	Ostrava		Hannover
	Brno		Nurnberg
	Plzen		Bremen
Denmark	Copenhagen		Leipzig
	Aarhus		Dresden
	Aalborg		Saarbrücken
	Odense		Karlsruhe
Estonia	Tallinn		Kiel
Finland	Helsinki		Augsburg
	Tampere		Freiburg im Breisgau
	Turku		Magdeburg
France	Paris		Erfurt
	Lyon		Halle an der Saale
	Lille		Regensburg
	Toulouse		Göttingen
	Marseille		Aachen
	Bordeaux		Braunschweig
	Nantes		Bremerhaven
	Strasbourg		Chemnitz
	Rennes		Cottbus
	Grenoble		Heidelberg
	Rouen		Heilbronn
	Montpellier		Hildesheim
	Metz		Ingolstadt
	Clermont-Ferrand		Kassel
	Nancy		Koblenz
	Amiens		Lübeck
	Angers		Mainz
	Avignon		Mannheim
	Brest		Münster
	Caen		Oldenburg
	Dijon		Osnabrück
	Le Mans		Paderborn

Table 1 (continued) 2 of 3

Country	Metro-region	Country	Metro-region
Germany (continued)	Pforzheim	Netherlands (continued)	Breda
	Reutlingen		Tilburg
	Rostock		Heerlen
	Schwerin		Leiden
	Siegen	Norway	Oslo
	Ulm		Bergen
	Wolfsburg		Stavanger
	Würzburg	Poland	Warsaw
Greece	Athens		Katowice & Zory
	Thessaloniki		Krakow
Hungary	Budapest		Lodz
	Debrecen		Gdansk
	Miskolc		Wroclaw
Ireland	Dublin		Poznan
	Cork		Szczecin
Italy	Rome		Lublin
	Milan		Bydgoszcz
	Naples		Bialystok
	Turin		Czestochowa
	Palermo		Kalisz
	Bologna		Kielce
	Genoa		Bielsko-Biala
	Florence		Olsztyn
	Bari		Opole
	Venice		Radom
	Padua		Rzeszów
	Catania		Tarnow
	Verona		Walbrzych
	Cagliari		Wloclawek
	Taranto	Portugal	Lisbon
	Brescia		Porto
	Caserta	Romania	Bucharest
	Salerno		Cluj-Napoca
	Latina		Craiova
	Modena		Timisoara
	Parma		Constanta
	Pescara		Iasi
	Prato		Galatia
	Reggio nell Emilia		Brasov
	Vicenza	Slovakia	Bratislava
Latvia	Riga		Kosice
Lithuania	Vilnius	Slovenia	Ljubljana
	Kaunas		Maribor
Luxembourg	Luxembourg	Spain	Madrid
Malta	Valletta		Barcelona
Netherlands	Randstad North		Valencia
	Randstad South		Sevilla
	Eindhoven		Bilbao
	Arnhem		Cordoba
	Groningen		Malaga
	Enschede		Zaragoza

Table 1 (continued) 3 of 3			
Country	Metro-region	Country	Metro-region
Spain (continued)	Las Palmas	UK (continued)	Sunderland
	Palma di Mallorca		Swansea
	Vigo		Swindon
	Sta. Cruz de Tenerife		Worcester
	Murcia		Wrexham
	Valladolid		
	Alicante/Alacant		
	Cádiz		
	Coruña (A)		
	Donostia-San Sebastián		
	Granada		
	Oviedo		
	Pamplona/Iruña		
	Santander		
Sweden	Stockholm		
	Gothenburg		
	Malmo		
Switzerland	Zurich		
	Geneva		
	Bern		
	Lausanne		
UK	London		
	Manchester		
	Leeds - Bradford		
	Birmingham		
	Glasgow		
	Liverpool		
	Sheffield		
	Newcastle upon Tyne		
	Bristol		
	Cardiff		
	Nottingham		
	Edinburgh		
	Leicester		
	Coventry		
	Belfast		
	Kingston-upon-Hull		
	Portsmouth		
	Stoke-on-Trent		
	Exeter		
	Aberdeen		
	Bournemouth		
	Brighton and Hove		
	Derby		
	Luton		
	Northampton		
	Norwich		
	Plymouth		
	Southampton		
	Stockton-on-Tees		

Table 2: Refined OECD/DG-Regio list with population threshold in largest countries 178 Metro Regions

Country	Metro-region	Country	Metro-region
Austria	Vienna	Germany (continued)	Hannover
	Linz		Cologne-Bonn
	Graz		Bielefeld
	Salzburg		Nurnberg
	Innsbruck		Bremen
Belgium	Brussels		Leipzig
	Antwerpen		Dresden
	Liege		Saarbrucken
	Gent		Karlsruhe
	Charleroi		Kiel
Bulgaria	Sofia		Augsburg
	Plovdiv		Freiburg im Breisgau
	Varna		Magdeburg
Croatia	Zagreb		Erfurt
Cyprus	Nicosia		Halle an der Saale
Czech Republic	Prague		Regensburg
	Ostrava		Gottingen
	Brno	Greece	Athens
	Plzen		Thessaloniki
Denmark	Copenhagen	Hungary	Budapest
	Aarhus		Debrecen
	Aalborg		Miskolc
	Odense	Ireland	Dublin
Estonia	Tallinn		Cork
Finland	Helsinki	Italy	Rome
	Tampere		Milan
	Turku		Naples
France	Paris		Turin
	Lyon		Palermo
	Lille		Bologna
	Toulouse		Genoa
	Marseille		Florence
	Bordeaux		Bari
	Nantes		Venice
	Strasbourg		Padua
	Rennes		Catania
	Grenoble		Verona
	Rouen		Cagliari
	Montpellier		Taranto
	Metz		Brescia
	Clermont-Ferrand		Caserta
	Nancy		Salerno
Germany	Berlin	Latvia	Riga
	Dusseldorf-Ruhrgebiet	Lithuania	Vilnius
	Hamburg		Kaunas
	Stuttgart	Luxembourg	Luxembourg
	Munich	Malta	Valetta
	Frankfurt am Main	Netherlands	Randstad North

Table 2 (continued) 2 of 2

Country	Metro-region	Country	Metro-region
Netherlands (contd.)	Randstad South	Spain (continued)	Sta. Cruz de Tenerife
	Eindhoven		Murcia
	Arnhem		Valladolid
	Groningen		Alicante
	Enschede	Sweden	Stockholm
	Breda		Gothenburg
	Tilburg		Malmö
	Heerlen	Switzerland	Zurich
	Leiden		Geneva
Norway	Oslo		Bern
	Bergen		Lausanne
	Stavanger	UK	London
Poland	Warsaw		Manchester
	Katowice & Zory		Leeds - Bradford
	Krakow		Birmingham
	Lodz		Glasgow
	Gdansk		Liverpool
	Wroclaw		Sheffield
	Poznan		Newcastle upon Tyne
	Szczecin		Bristol
	Lublin		Cardiff
	Bydgoszcz		Nottingham
	Bialystok		Edinburgh
	Czestochowa		Leicester
	Kalisz		Coventry
	Kielce		Belfast
Portugal	Lisbon		Kingston-upon-Hull
	Porto		Portsmouth
Romania	Bucharest		Stoke-on-Trent
	Cluj-Napoca		Exeter
	Craiova		Aberdeen
	Timisoara		
	Constanta		
	Iasi		
	Galatia		
	Brasov		
Slovakia	Bratislava		
	Kosice		
Slovenia	Ljubljana		
	Maribor		
Spain	Madrid		
	Barcelona		
	Valencia		
	Sevilla		
	Bilbao		
	Cordoba		
	Malaga		
	Zaragoza		
	Las Palmas		
	Palma di Mallorca		
	Vigo		

Table 3: DG-Regio Metro-regions defined as Capital or Second Tier – 83 Metro Regions

Country	Metro-region	Country	Metro-region
Austria	Vienna		Wroclaw
	Linz	Poland (continued)	Poznan
Belgium	Brussels		Gdansk
	Antwerp		Katowice-Zory
	Liege	Portugal	Lisbon
Bulgaria	Sofia		Porto
	Plovdiv	Romania	Bucharest
	Varna		Cluj-Napoca
Czech Republic	Prague		Timisoara
	Brno		Craiova
	Ostrava		Constanta
Denmark	Copenhagen		Iasi
	Aarhus	Slovakia	Bratislava
	Odense		Košice
	Aalborg	Slovenia	Ljubljana
Germany	Berlin		Maribor
	Hamburg	Finland	Helsinki
	Munich		Tampere
	Frankfurt am Main		Turku
	Stuttgart	Sweden	Stockholm
	Ruhrgebiet		Gothenburg
Estonia	Tallinn		Malmo
Ireland	Dublin	UK	London
	Cork		Birmingham
Greece	Athens		Glasgow
	Thessaloniki		Liverpool
Spain	Madrid		Manchester
	Barcelona		Sheffield
	Valencia		Newcastle upon Tyne
	Seville		Bradford-Leeds
France	Paris		
	Lyon		
	Toulouse		
	Bordeaux		
	Lille		
	Marseille		
Italy	Roma		
	Milano		
	Napoli		
	Torino		
Latvia	Riga		
Lithuania	Vilnius		
	Kaunas		
Hungary	Budapest		
	Miskolc		
	Debrecen		
Netherlands	s' Gravenhage		
	Amsterdam		
	Rotterdam		
	Utrecht		
Poland	Warszawa		
	Łódź		
	Kraków		

Table 4: EIUA Provisional Selection – 109 Secondary Cities

Country	Metro-region	Country	Metro-region
Austria	Vienna	Lithuania	Vilnius
	Linz		Kaunas
	Graz	Luxembourg	Luxembourg
Belgium	Brussels	Malta	Valletta
	Antwerp	Netherlands	Randstad North
	Liege		Randstad South
Bulgaria	Sofia		Eindhoven
	Plovdiv	Norway	Oslo
	Varna		Bergen
Croatia	Zagreb		Stavanger
Cyprus	Nicosia	Poland	Warsaw
Czech Republic	Prague		Lodz
	Ostrava		Krakow
	Brno		Wroclaw
Denmark	Copenhagen		Poznan
	Aarhus		Gdansk
	Aalborg		Katowice & Zory
	Odense	Portugal	Lisbon
Estonia	Tallinn		Porto
Finland	Helsinki	Romania	Bucharest
	Tampere		Cluj-Napoca
	Turku		Craiova
France	Paris		Timisoara
	Lyon		Constanta
	Toulouse		Iasi
	Bordeaux	Slovakia	Bratislava
	Lille		Kosice
	Marseille	Slovenia	Ljubljana
	Montpellier		Maribor
	Grenoble	Spain	Madrid
	Strasbourg		Barcelona
	Nantes		Valencia
Germany	Berlin		Seville
	Hamburg		Bilbao
	Munich	Sweden	Stockholm
	Cologne-Bonn		Gothenburg
	Frankfurt am Main		Malmo
	Stuttgart	Switzerland	Bern
	Leipzig		Geneva
	Dresden		Zurich
	Dusseldorf-Ruhrgebiet		Lausanne
	Hannover	UK	London
	Bremen		Birmingham
Greece	Athens		Manchester
	Thessalonica		Glasgow
Hungary	Budapest		Leeds-Bradford
	Debrecen		Newcastle-u-Tyne
	Miskolc		Liverpool
Ireland	Dublin		Bristol
	Cork		Cardiff
Italy	Rome		Nottingham
	Milan		Sheffield
	Naples		Edinburgh
	Turin		Belfast
Latvia	Riga		

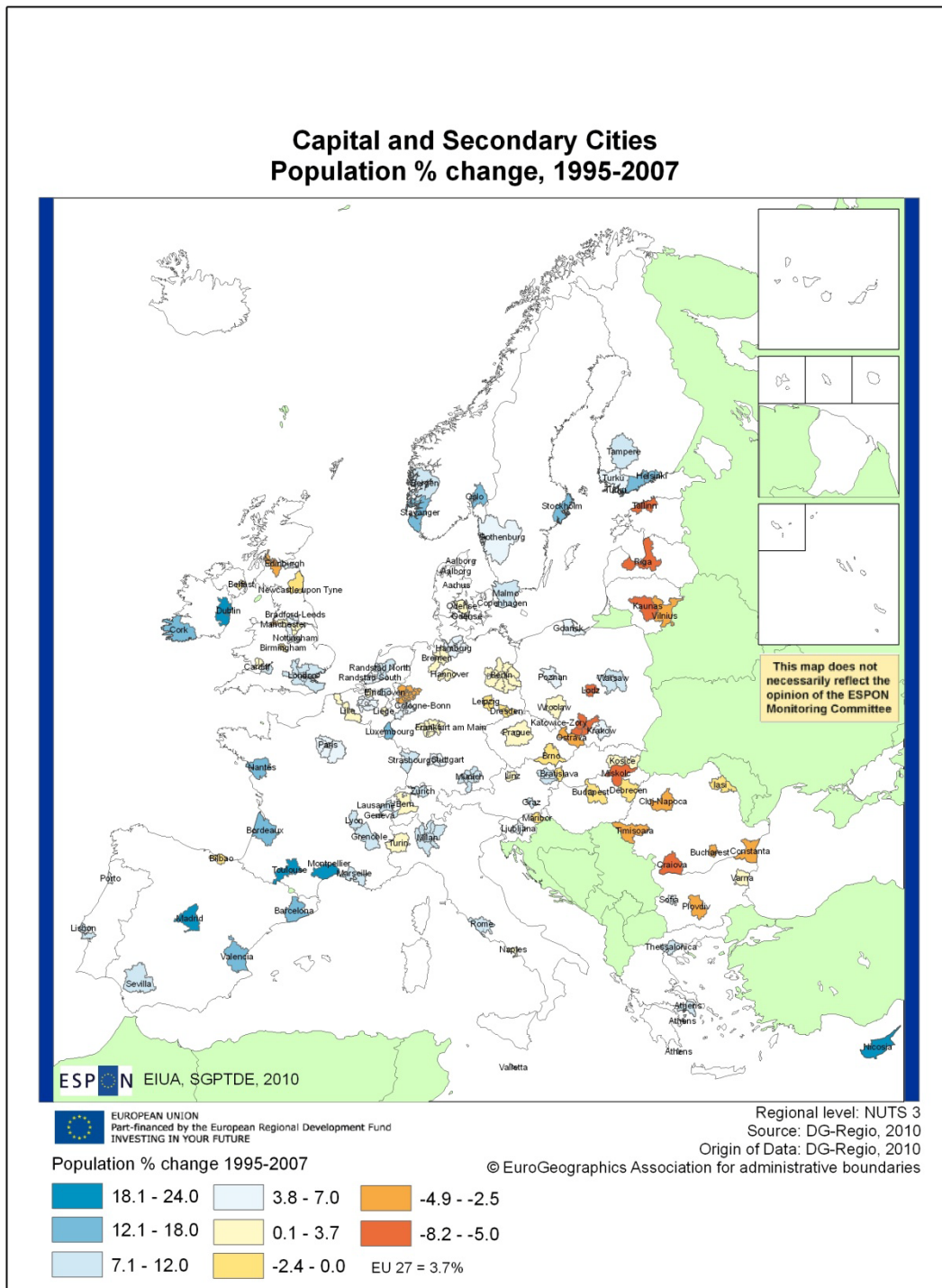
ANNEX 2

SELECTED DATA ON SECONDARY AND CAPITAL CITIES - MAPS & TABLES

- **Population 1995-2007**
- **GDP per capita 2007**
- **GDP per capita 1995-2007**
- **Employment 1998-2007**
- **High level of education 2008**
- **Employment rate 2008**

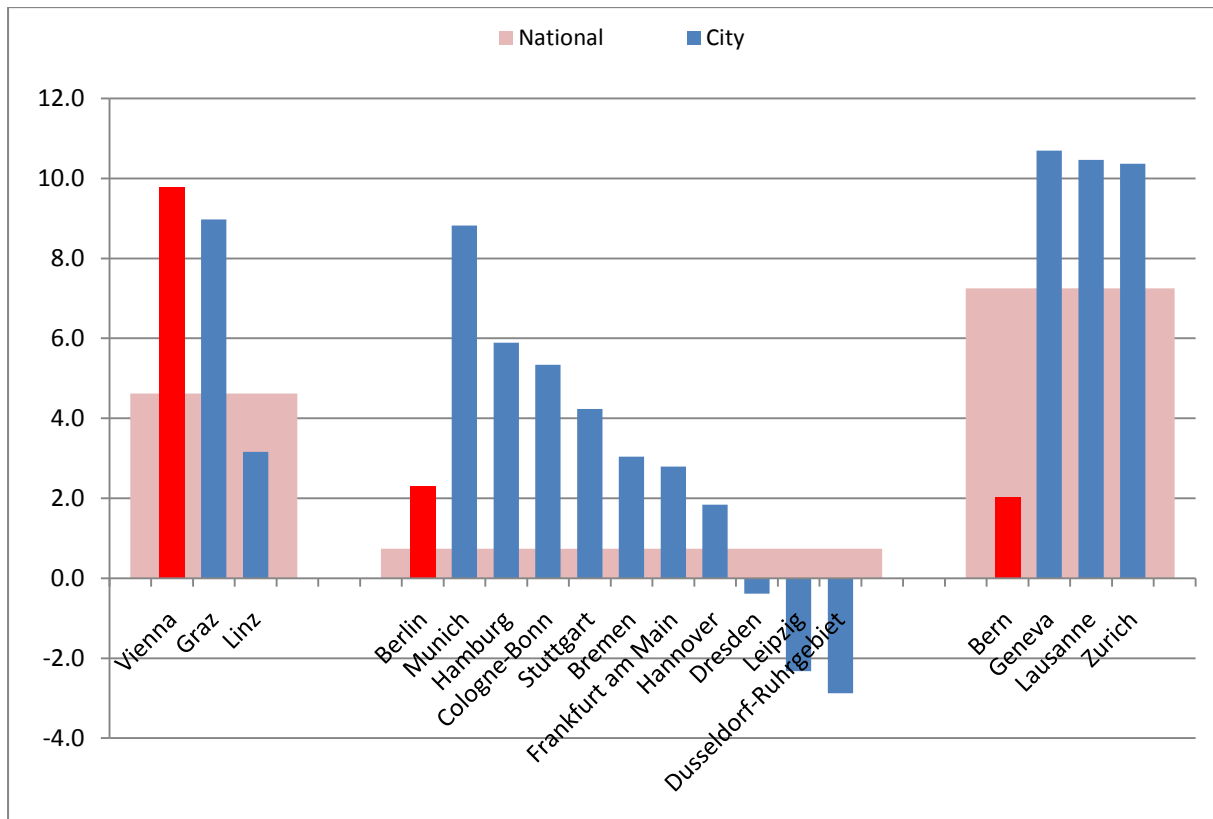
Population % Change 1995-2007

Capital & Secondary Cities



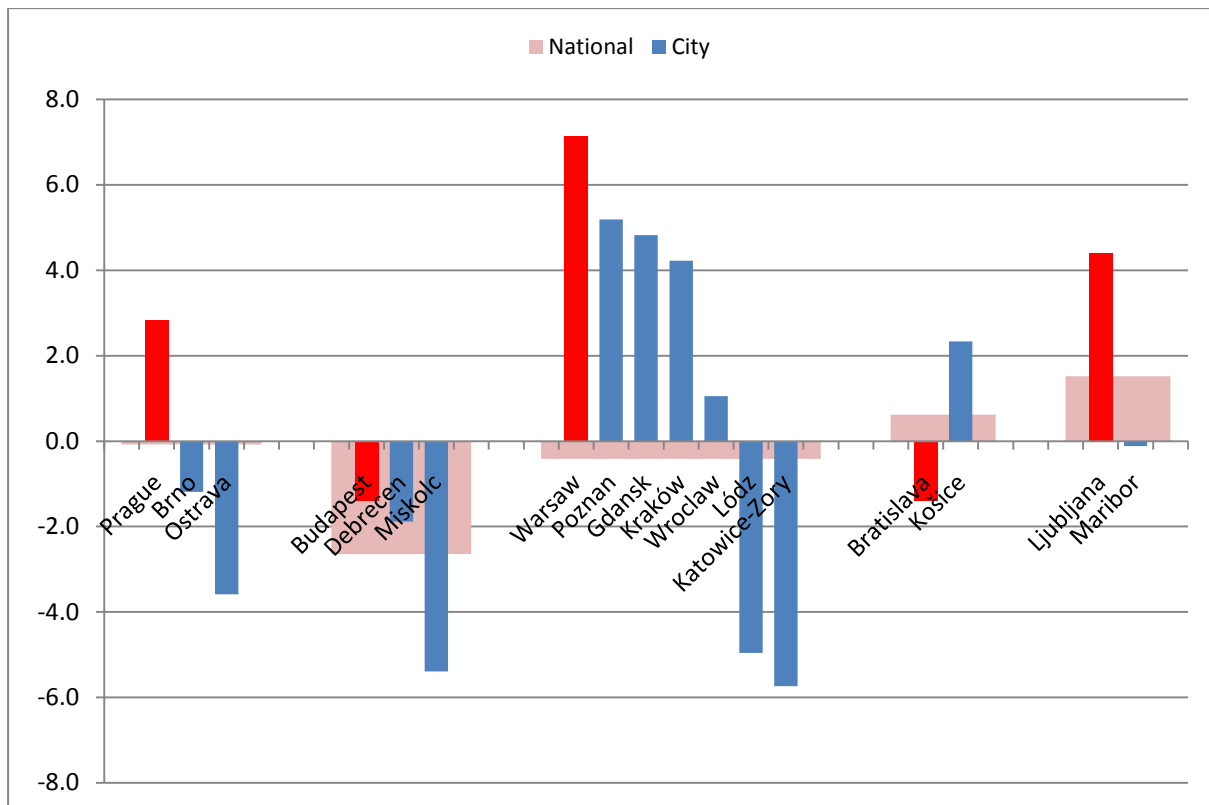
Population % Change 1995-2007 Secondary and Capital Cities

Central: Austria, Germany, Switzerland



Source: DG-Regio

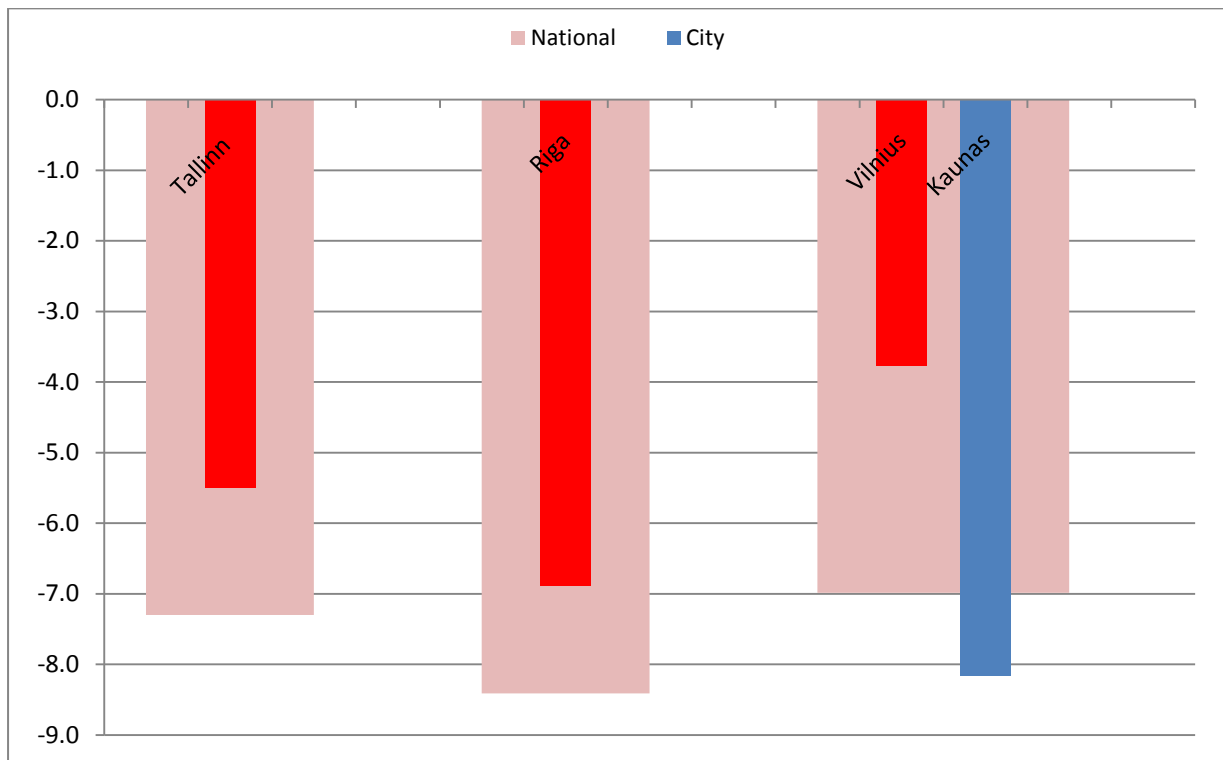
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: DG-Regio

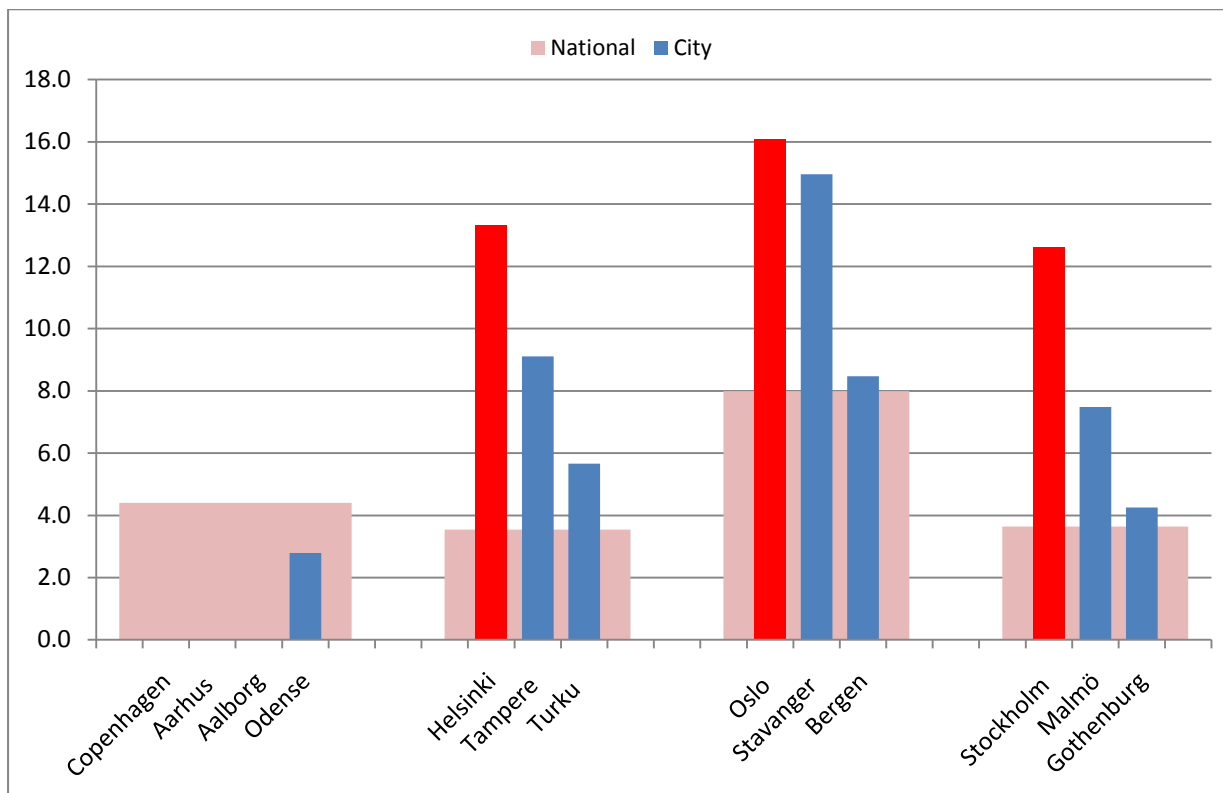
Population % Change 1995-2007 Secondary and Capital Cities

East: Estonia, Latvia, Lithuania



Source: DG-Regio

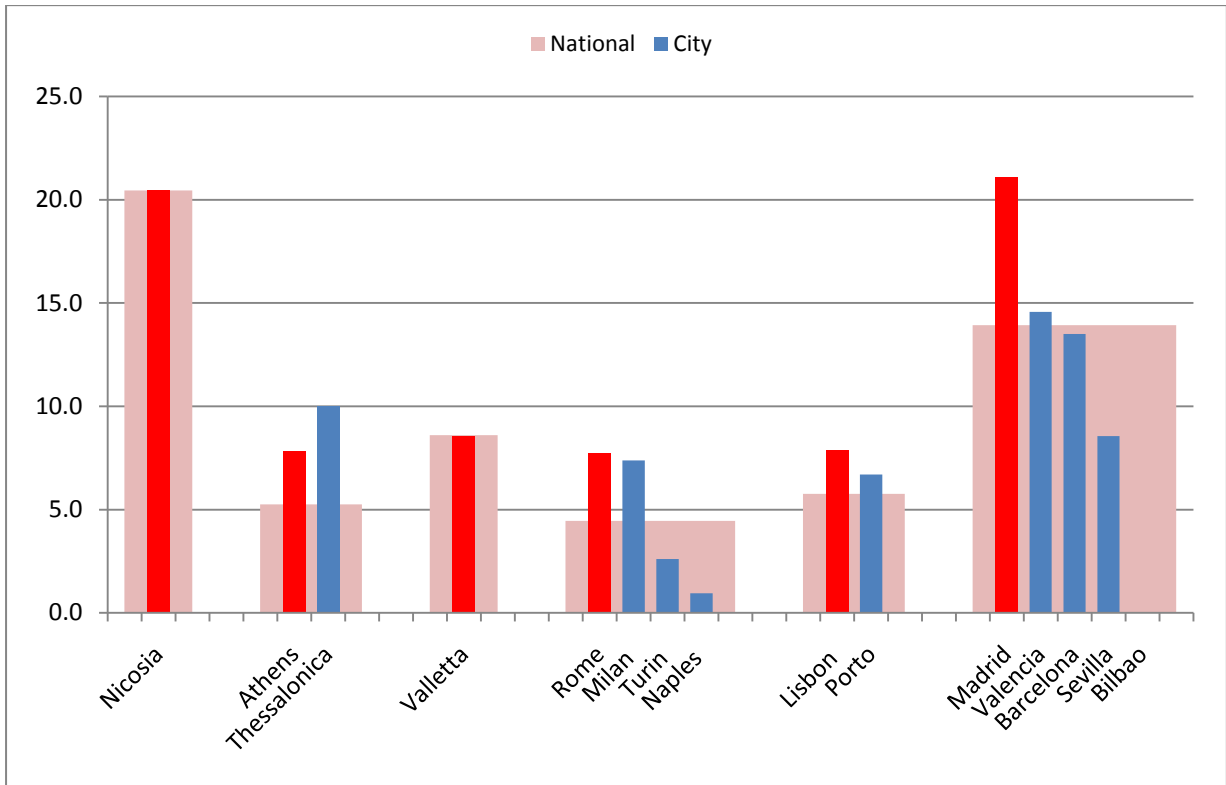
North: Denmark, Finland, Norway, Sweden



Source: DG-Regio

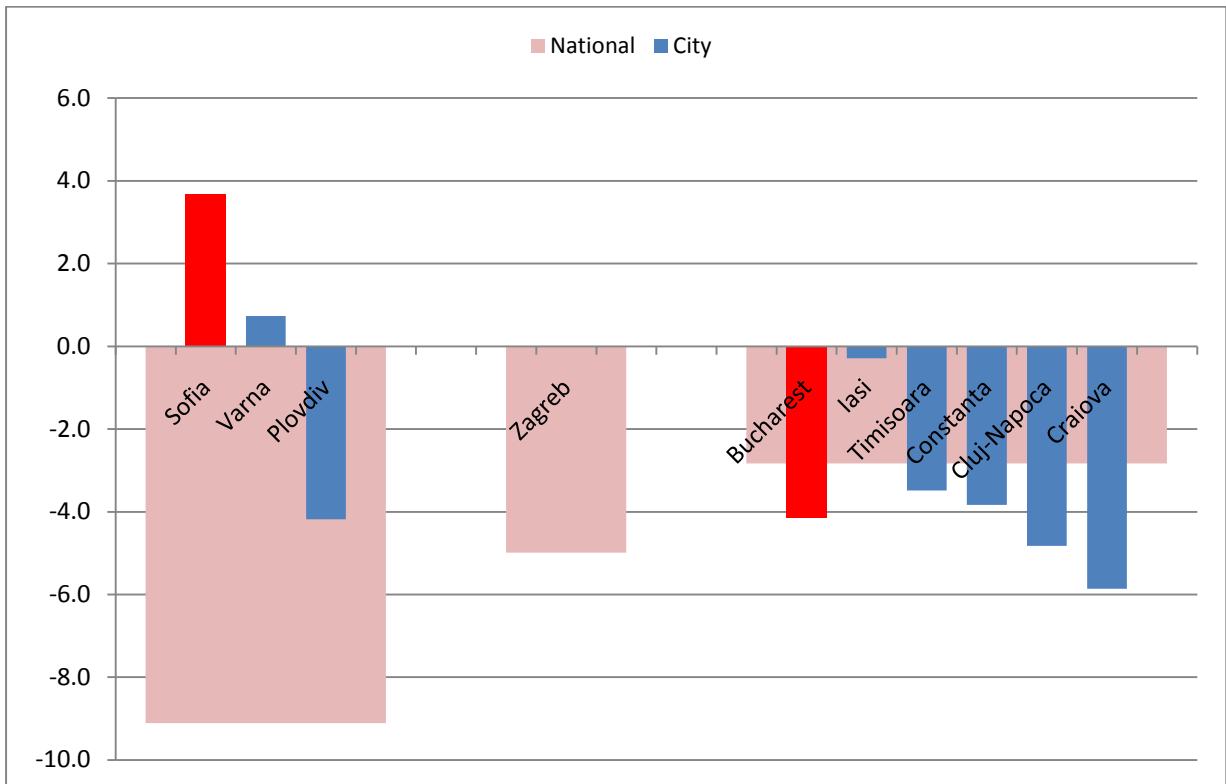
Population % Change 1995-2007 Secondary and Capital Cities

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: DG-Regio

South East: Bulgaria, Croatia, Romania

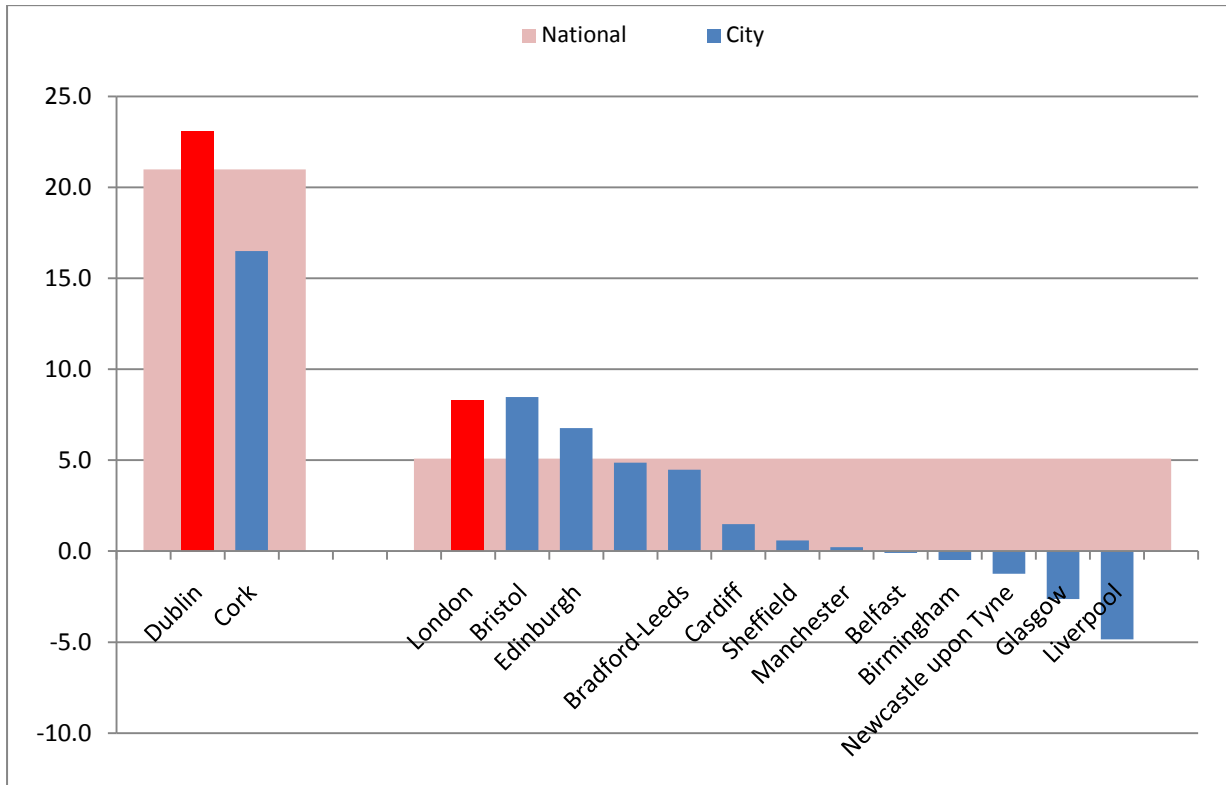


Source: DG-Regio

Romania country data are from Eurostat

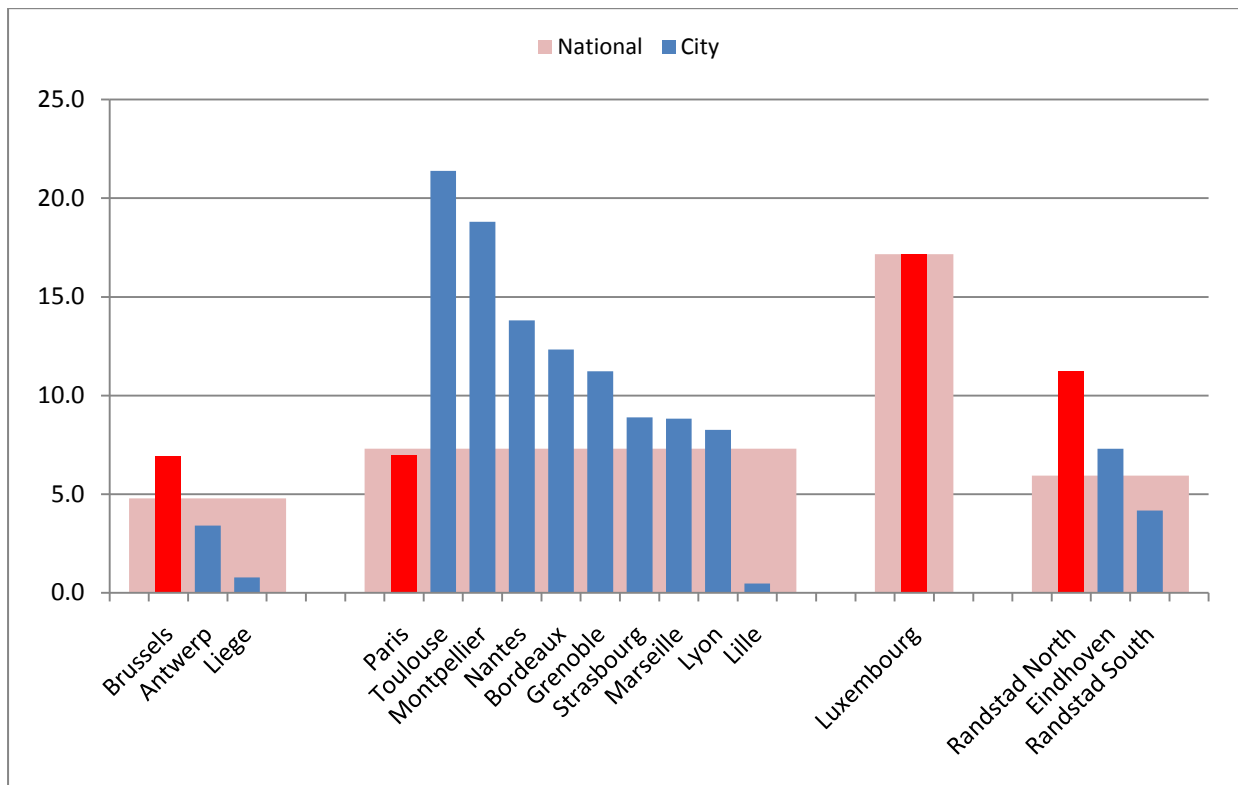
Population % Change 1995-2007 Secondary and Capital Cities

West: Ireland & UK



Source: DG-Regio

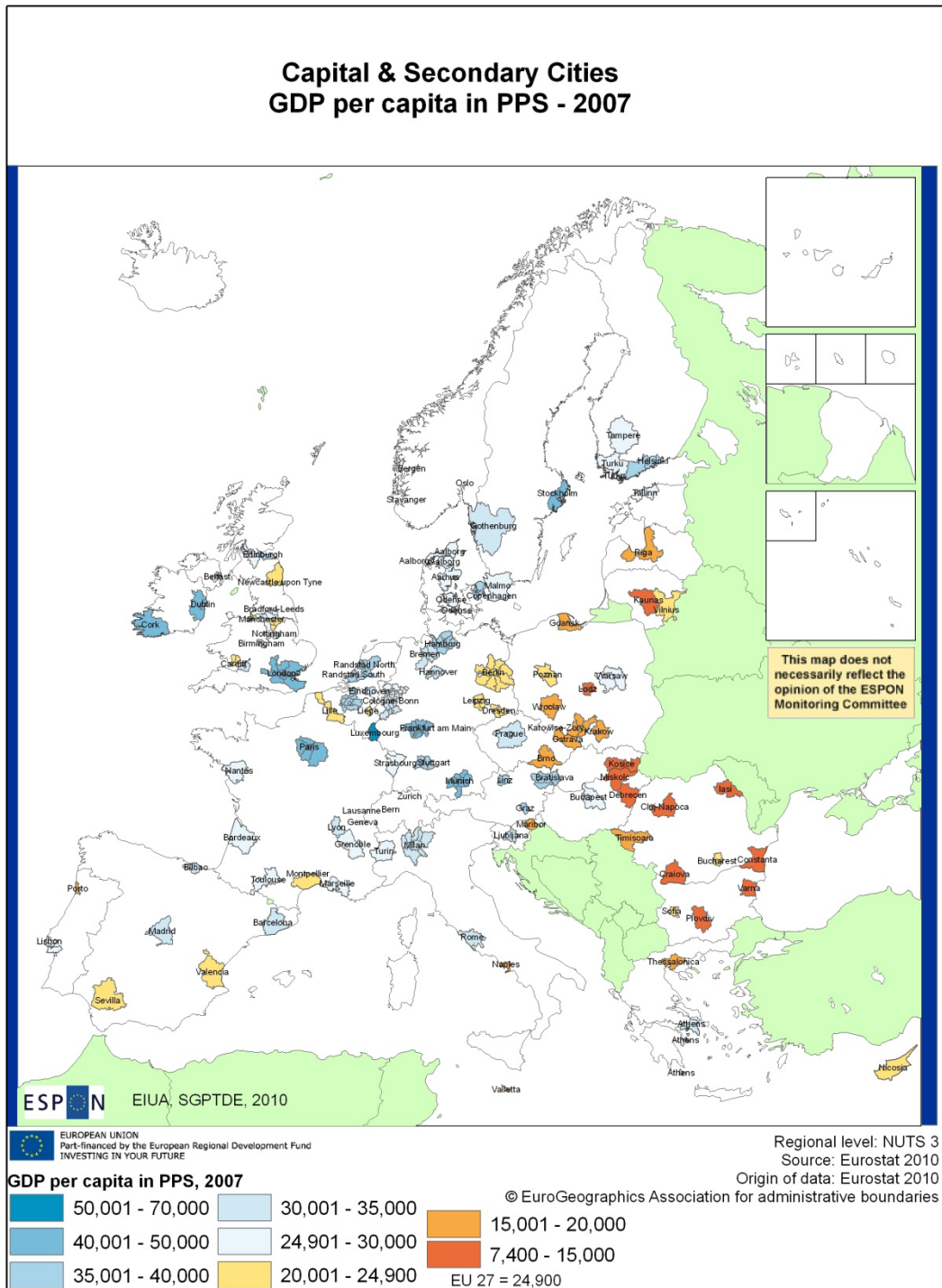
West: Belgium, France, Luxembourg, Netherlands



Source: DG-Regio

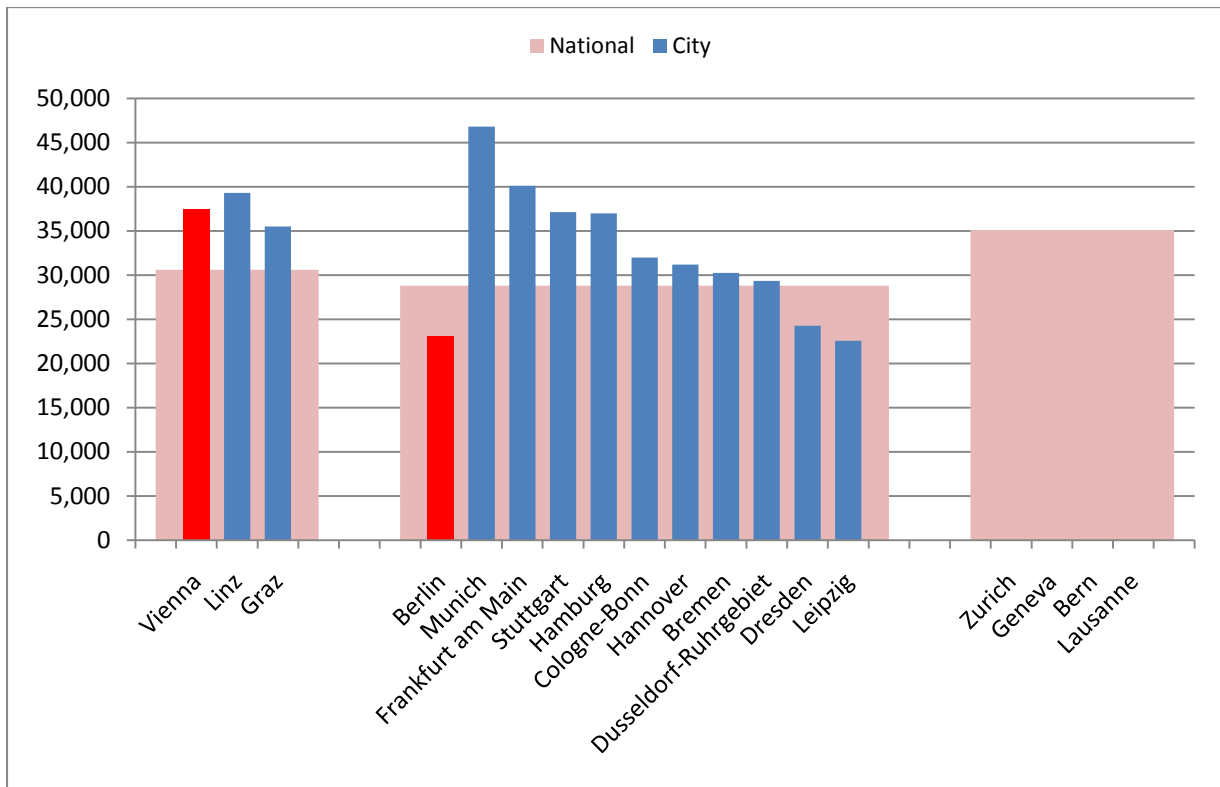
GDP per capita in PPS, 2007

Capital & Secondary Cities



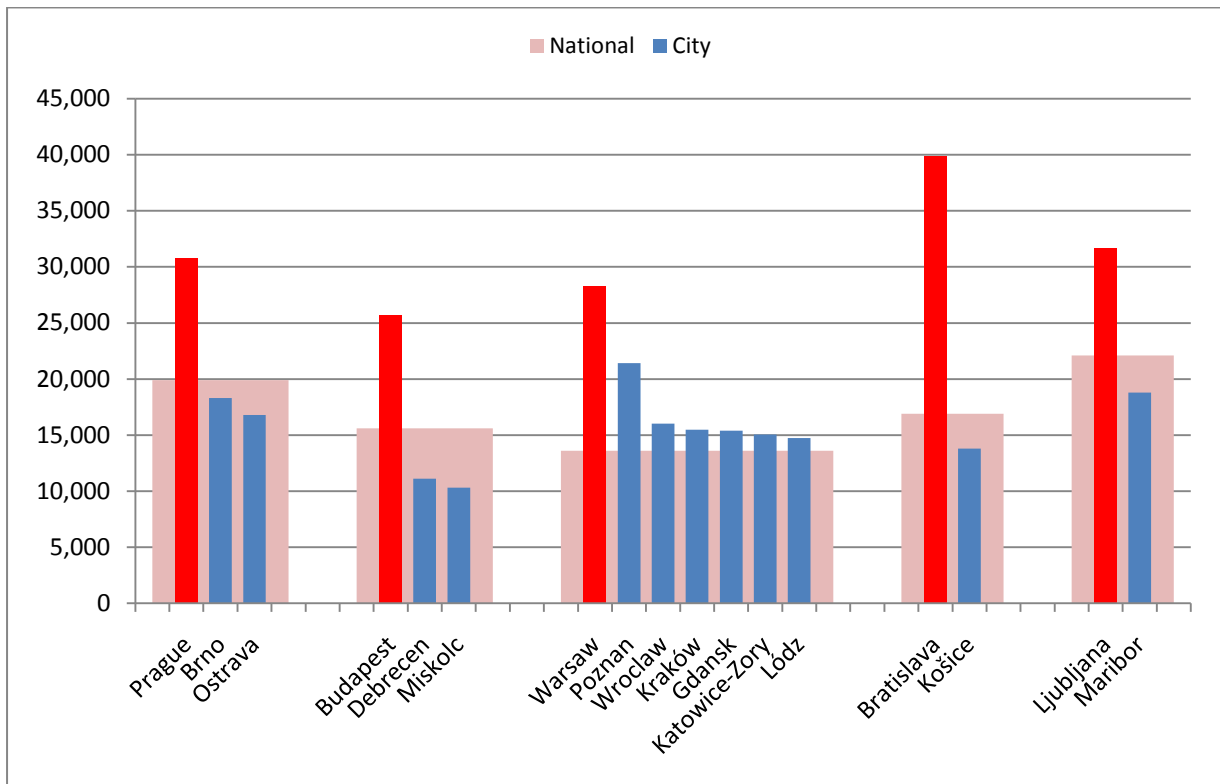
GDP per capita in PPS 2007 – Secondary and Capital Cities

Central: Austria, Germany, Switzerland



Source: Eurostat & DG-Regio

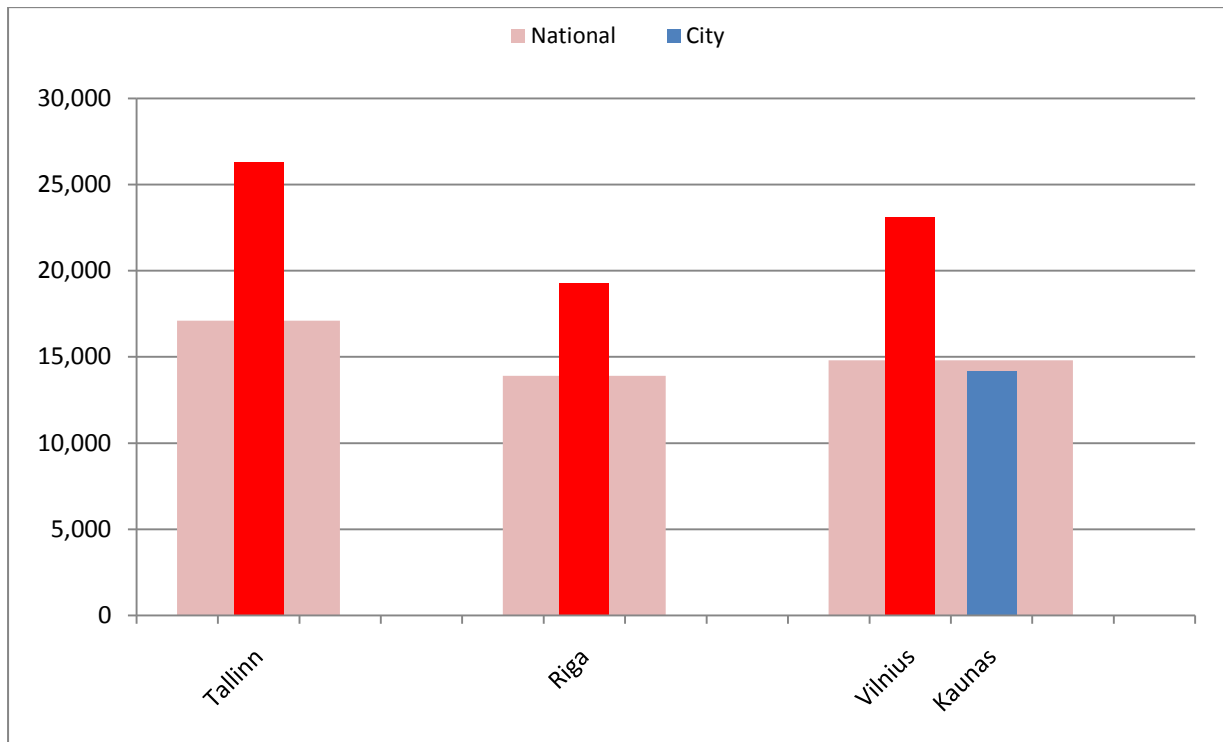
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: Eurostat & DG-Regio

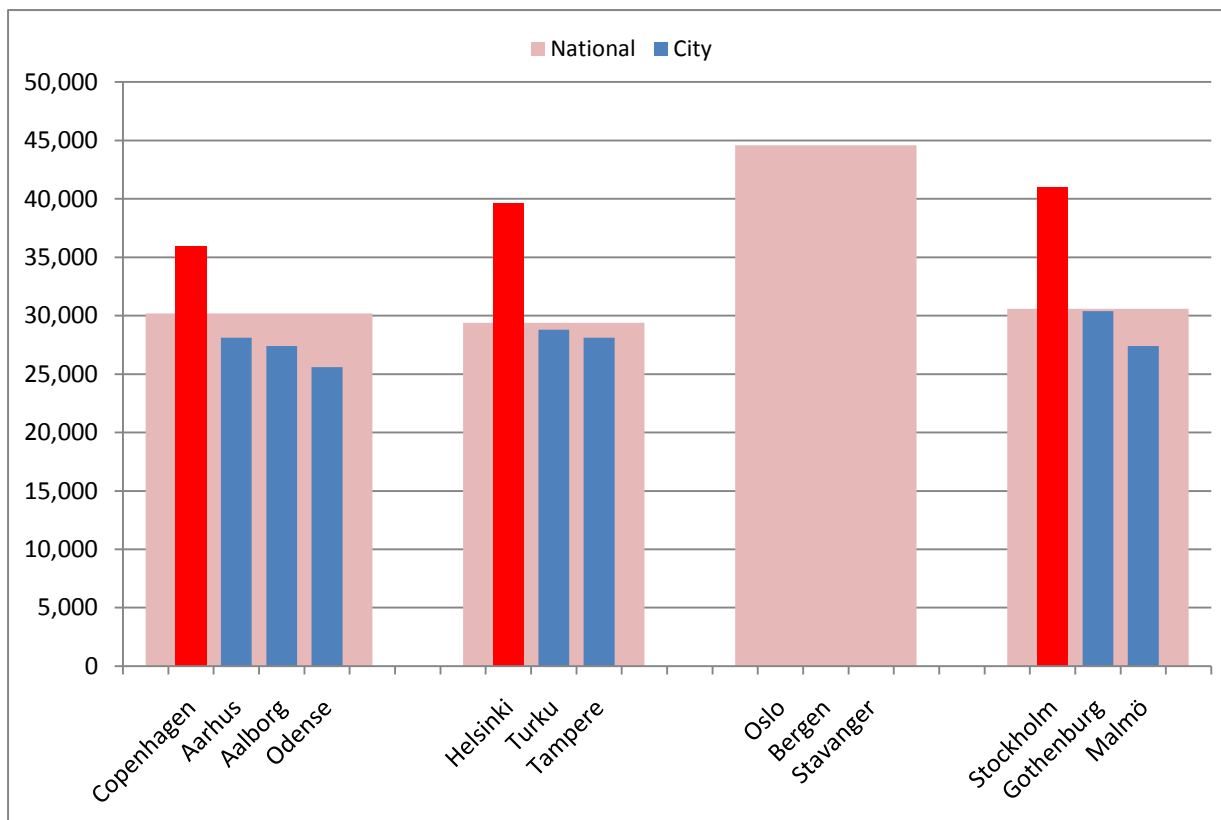
GDP per capita in PPS 2007 – Secondary and Capital Cities

East: Estonia, Latvia, Lithuania



Source: Eurostat & DG-Regio

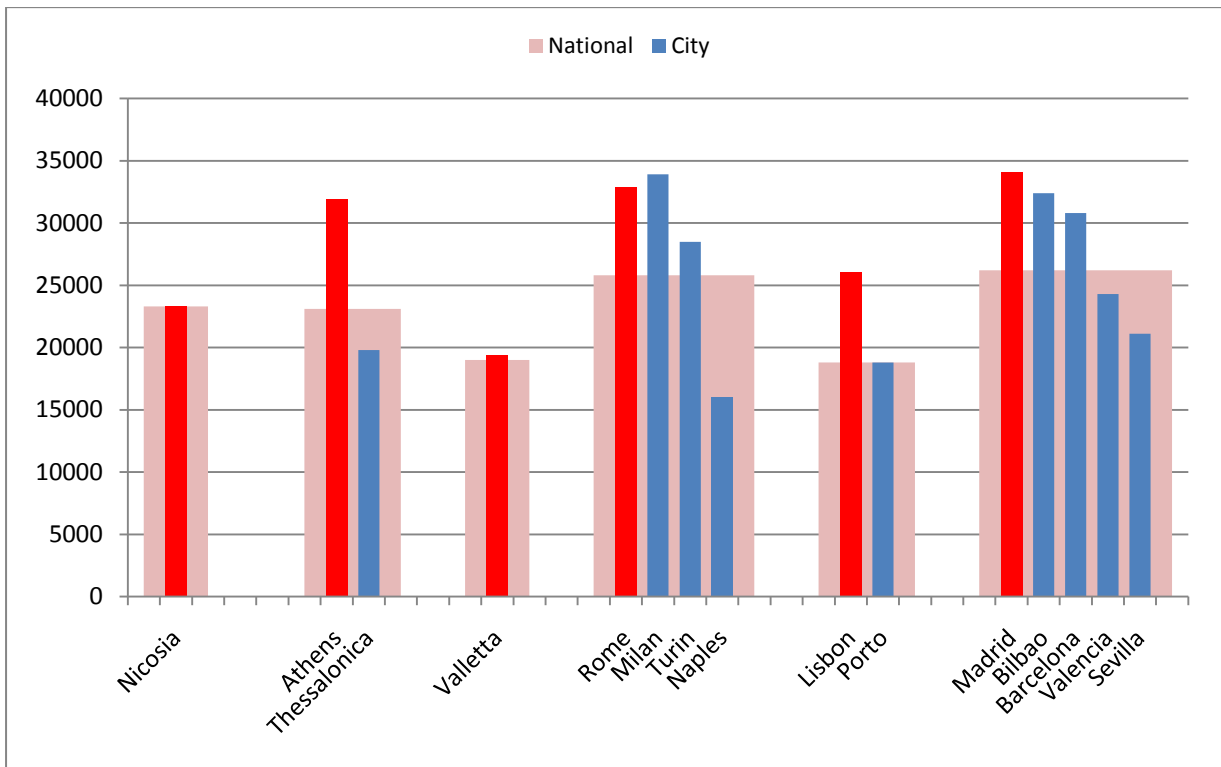
North: Denmark, Finland, Norway, Sweden



Source: Eurostat & DG-Regio

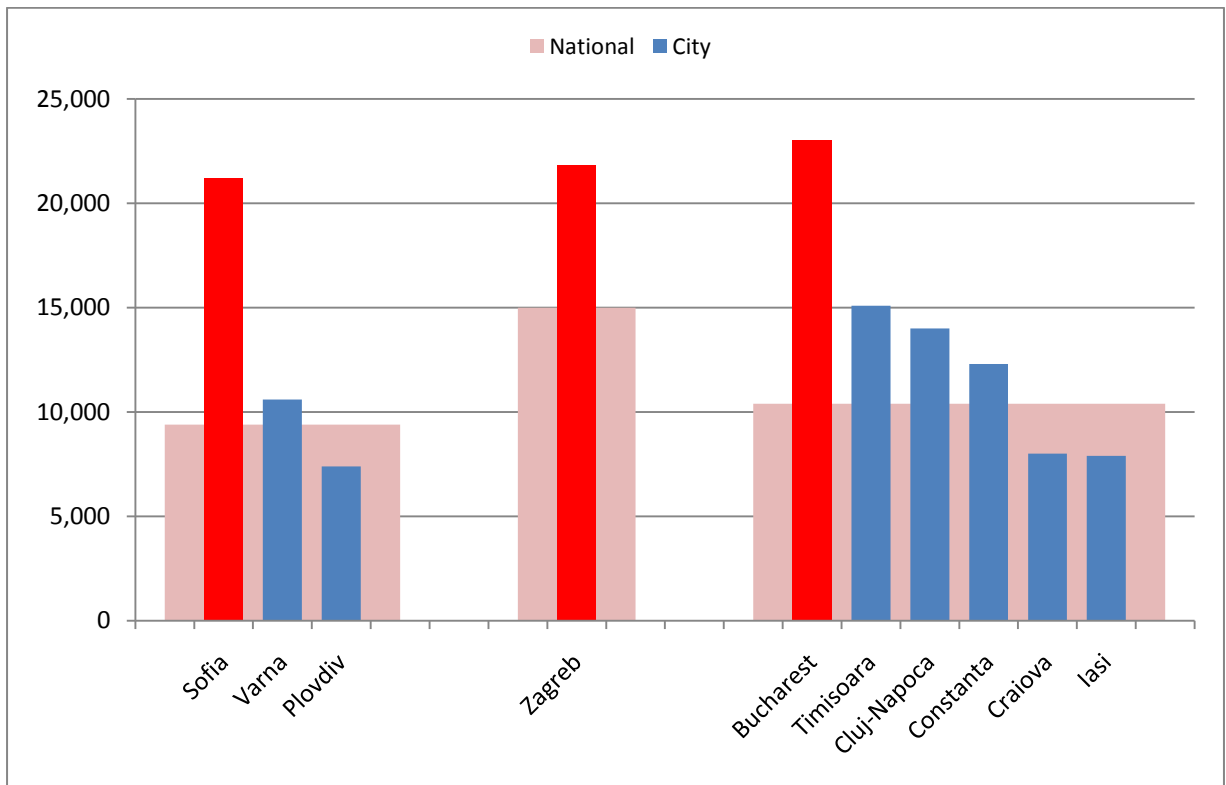
GDP per capita in PPS 2007 – Secondary and Capital Cities

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: Eurostat & DG-Regio

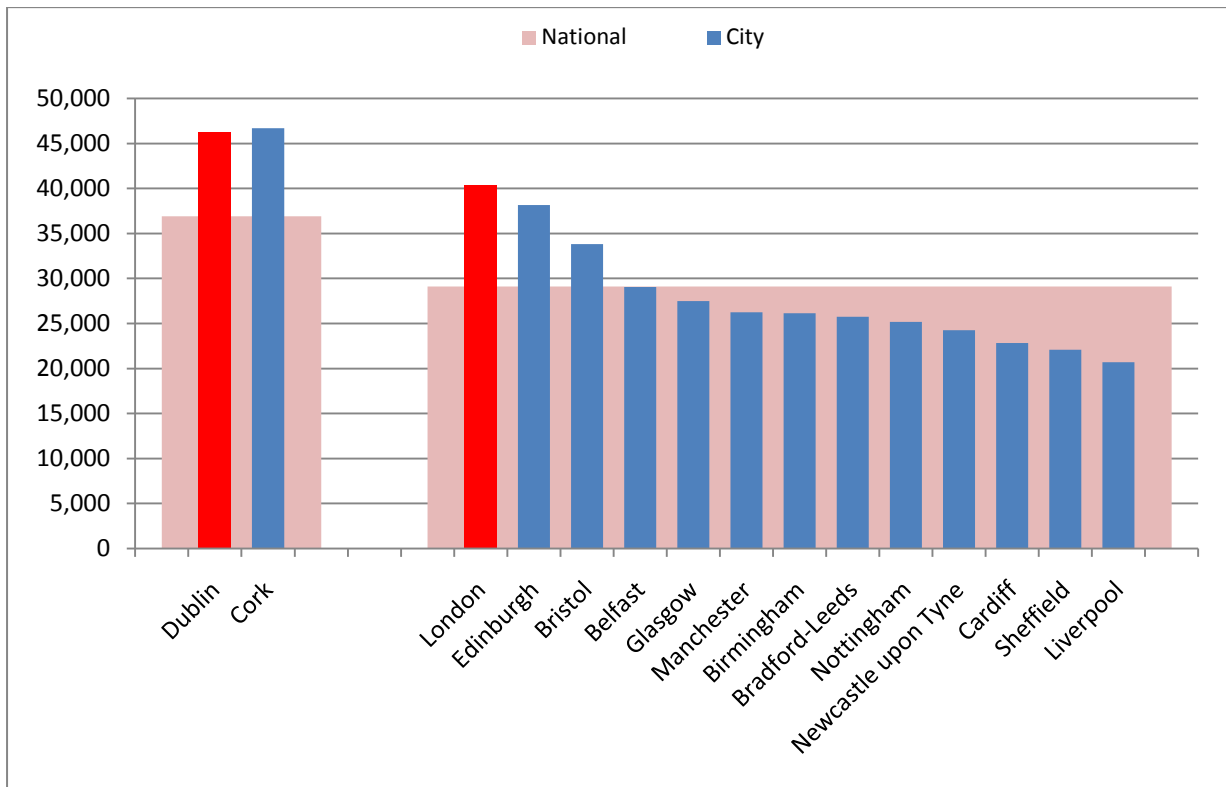
South East: Bulgaria, Croatia, Romania



Source: Eurostat & DG-Regio

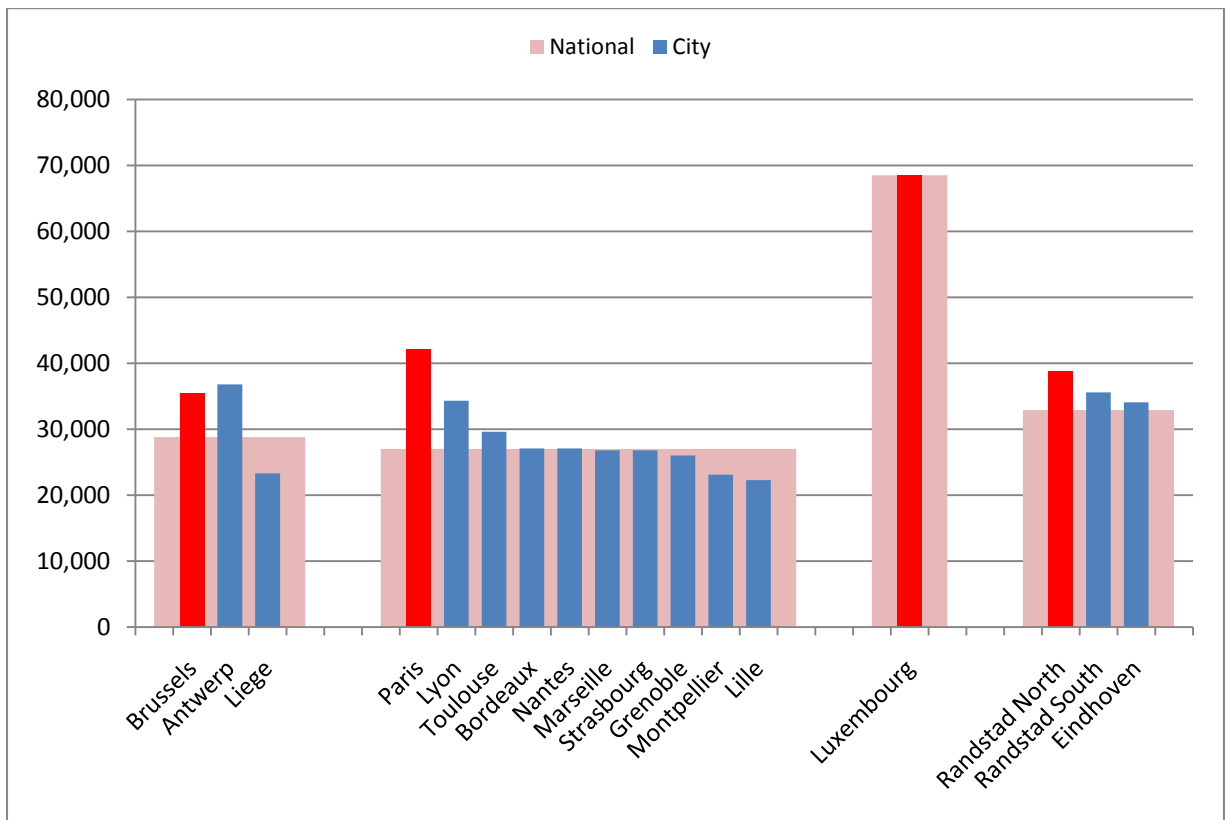
GDP per capita in PPS 2007 – Secondary and Capital Cities

West: Ireland & UK



Source: Eurostat & DG-Regio

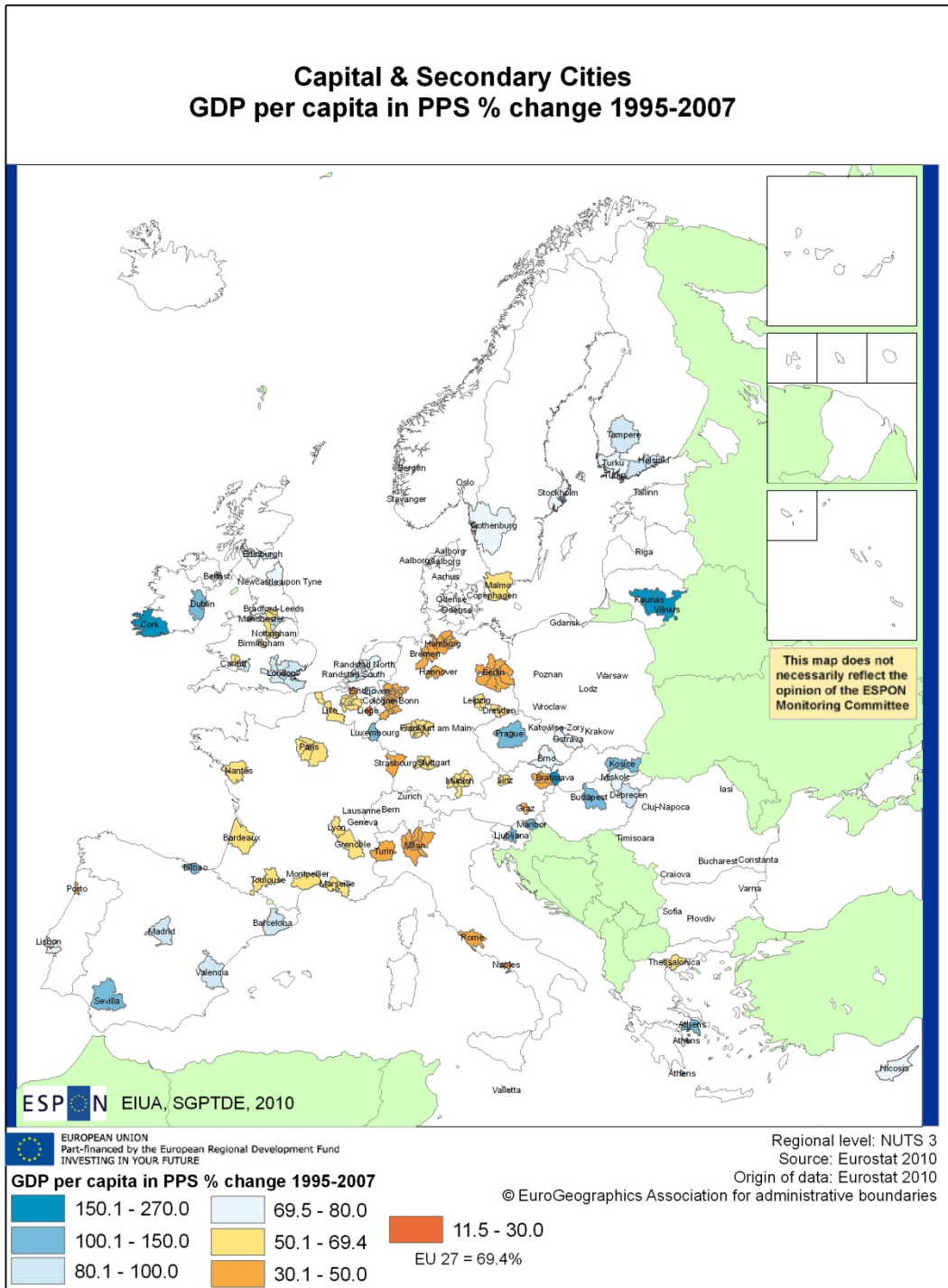
West: Belgium, France, Luxembourg, Netherlands



Source: Eurostat & DG-Regio

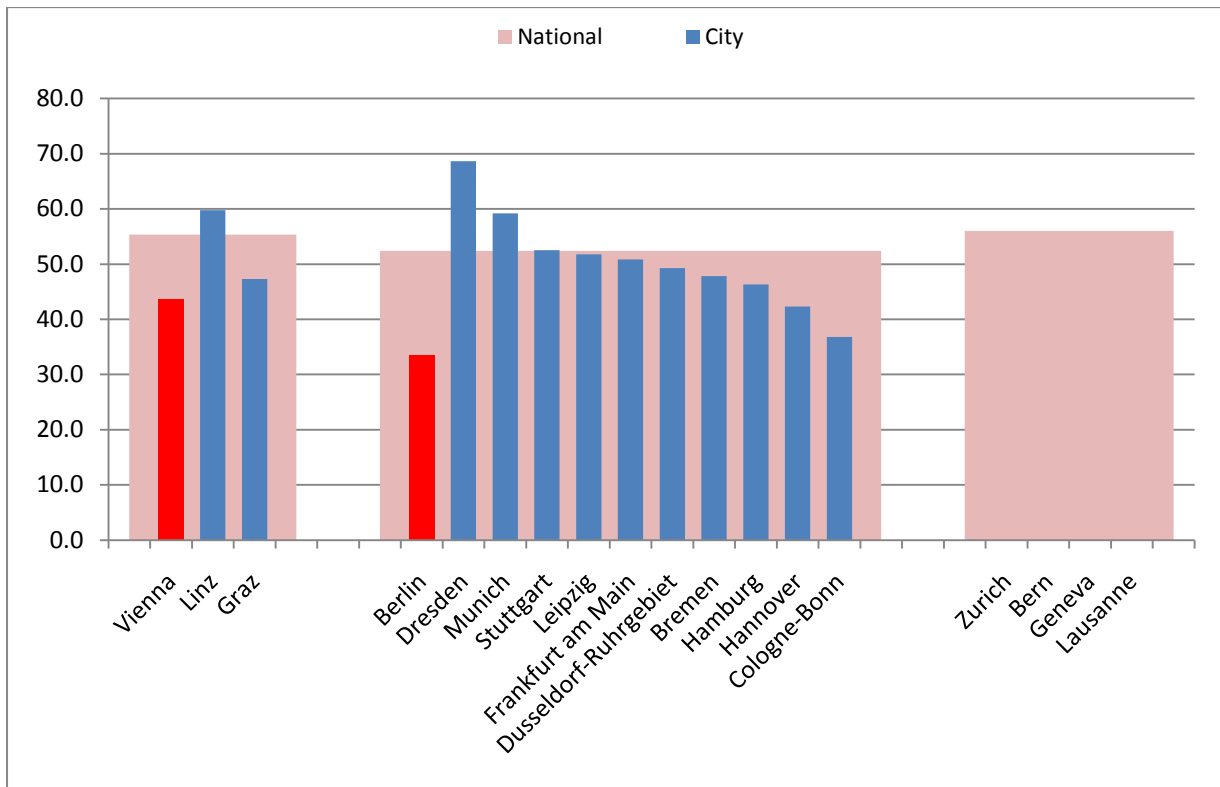
GDP per capita in PPS % Change 1995-2007

Capital and Secondary Cities



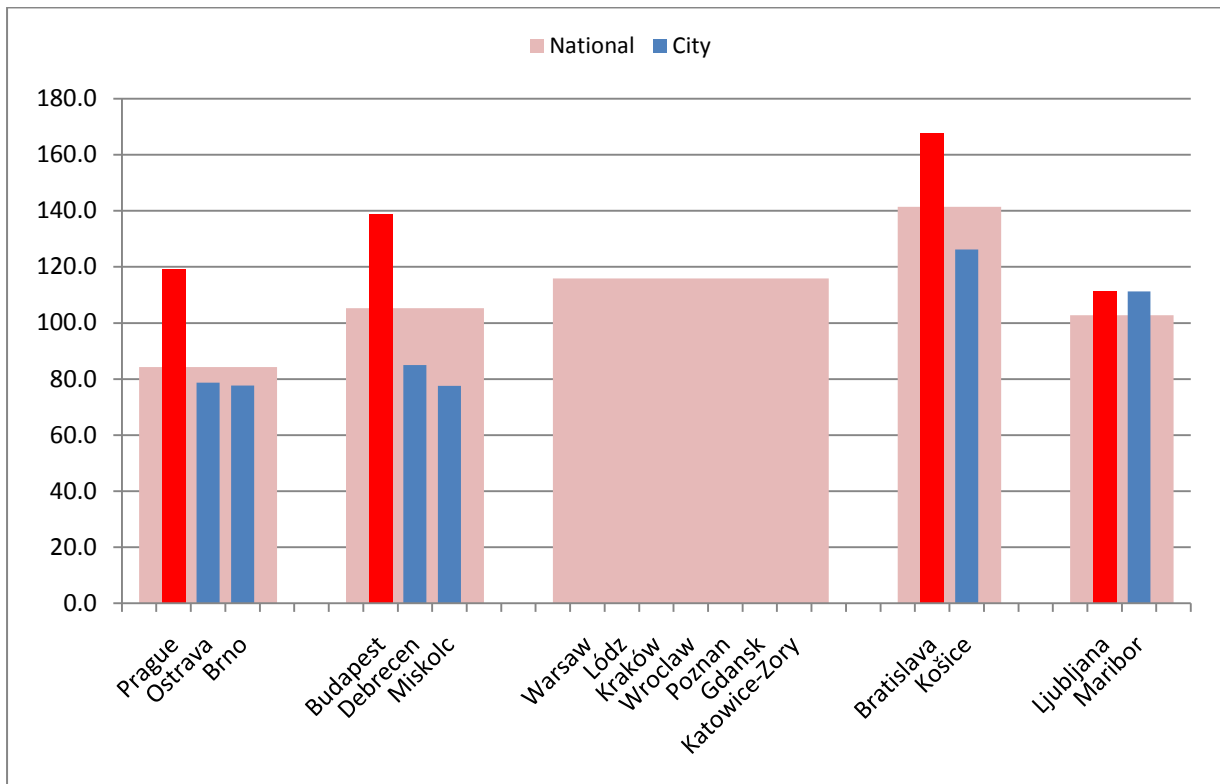
GDP per capita in PPS % Change 1995-2007 Secondary and Capital Cities

Central: Austria, Germany, Switzerland



Source: Eurostat & DG-Regio

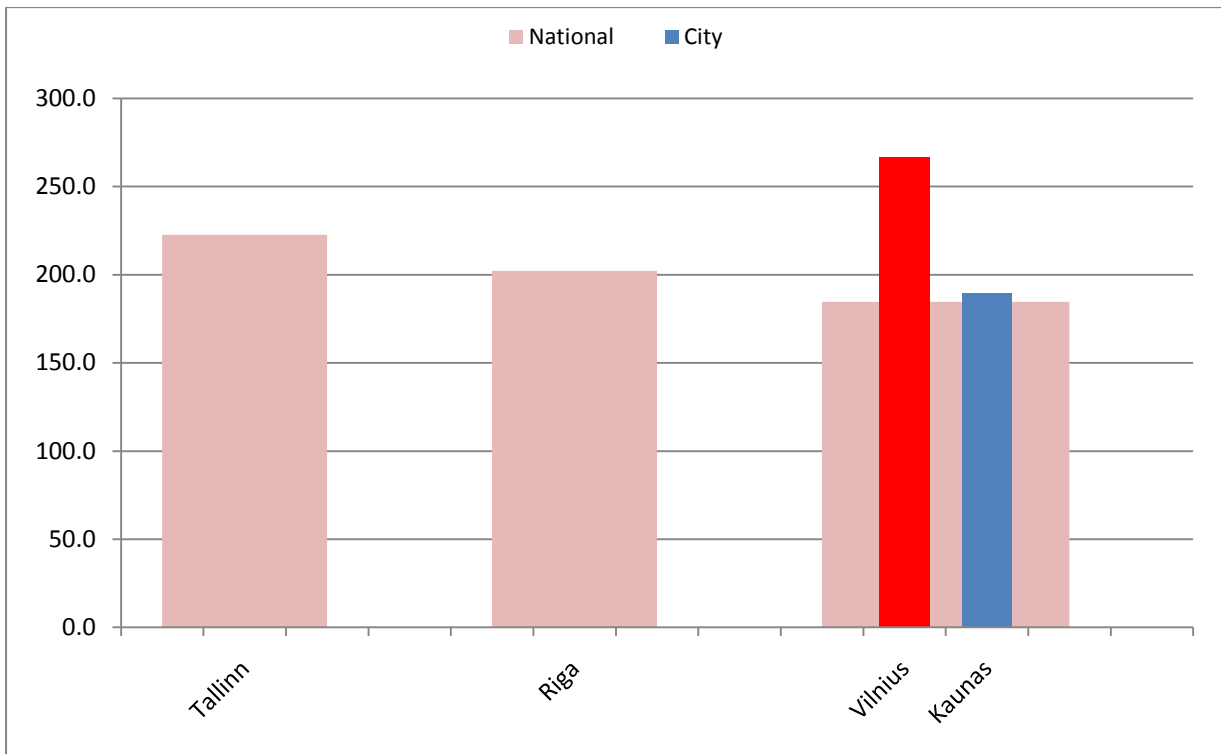
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: Eurostat & DG-Regio

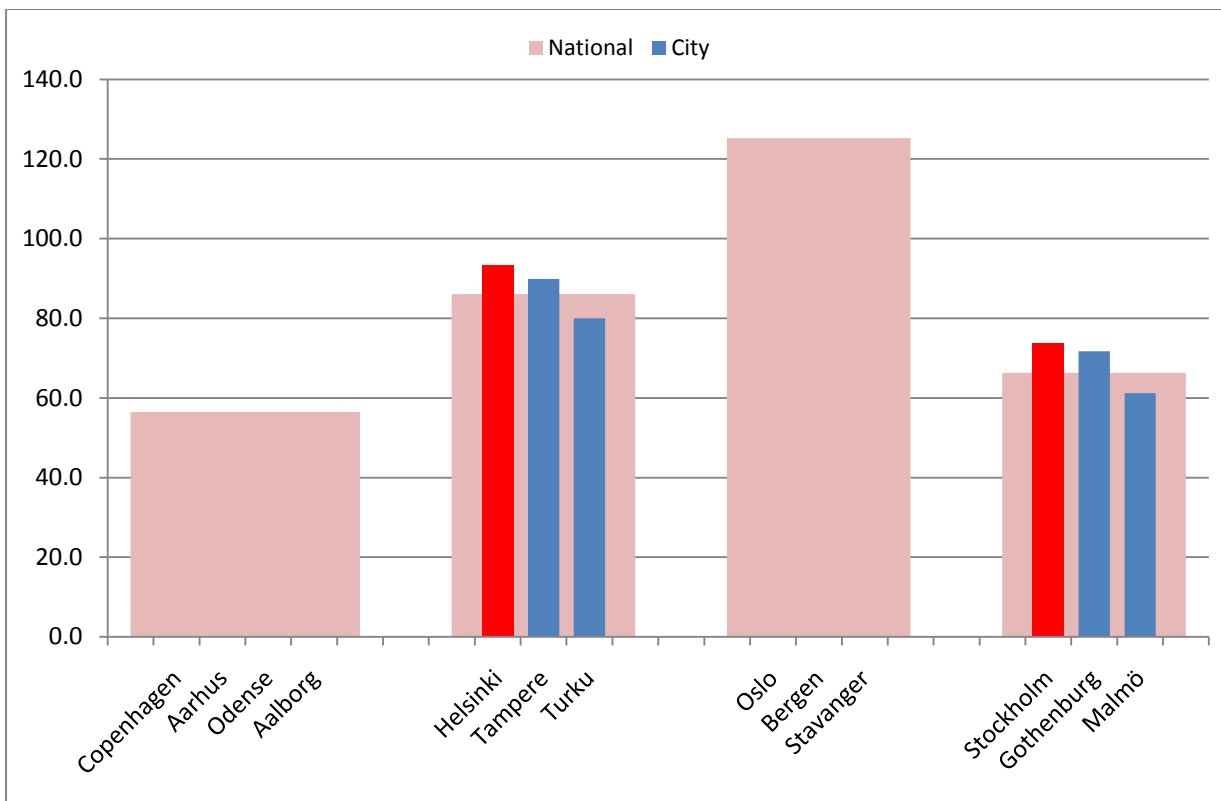
GDP per capita in PPS % Change 1995-2007 Secondary and Capital Cities

East: Estonia, Latvia, Lithuania



Source: Eurostat & DG-Regio

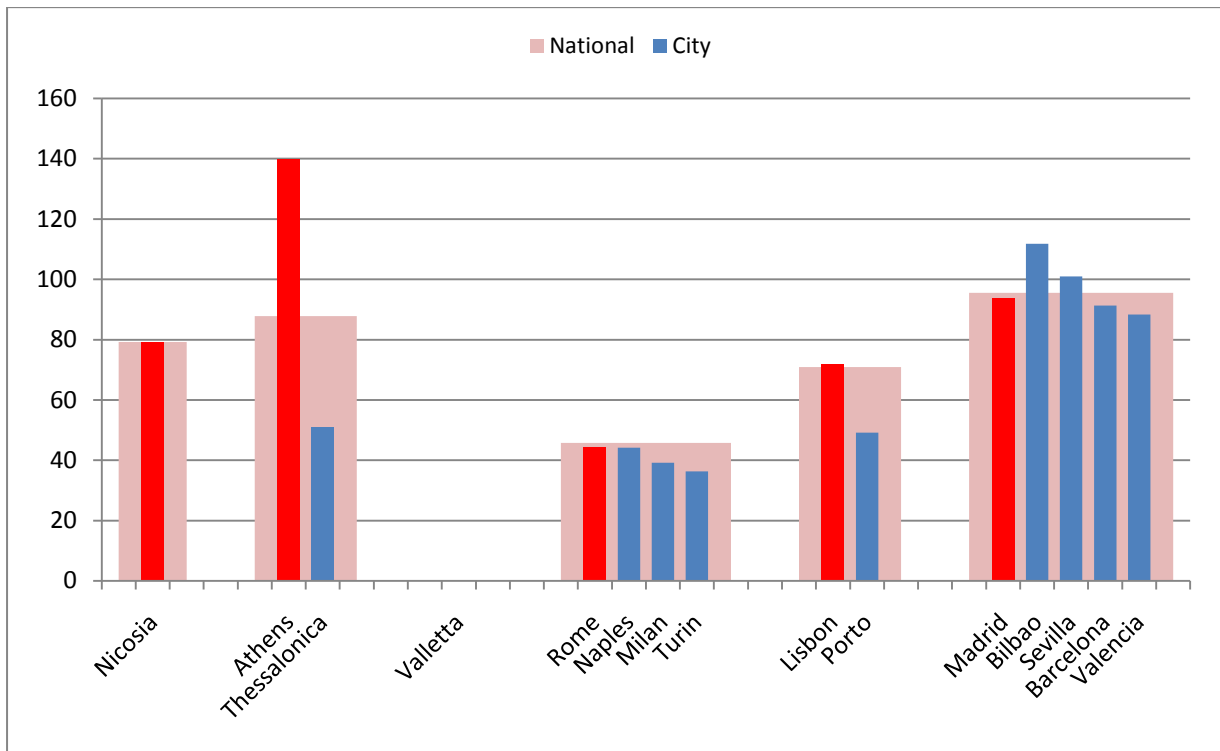
North: Denmark, Finland, Norway, Sweden



Source: Eurostat & DG-Regio

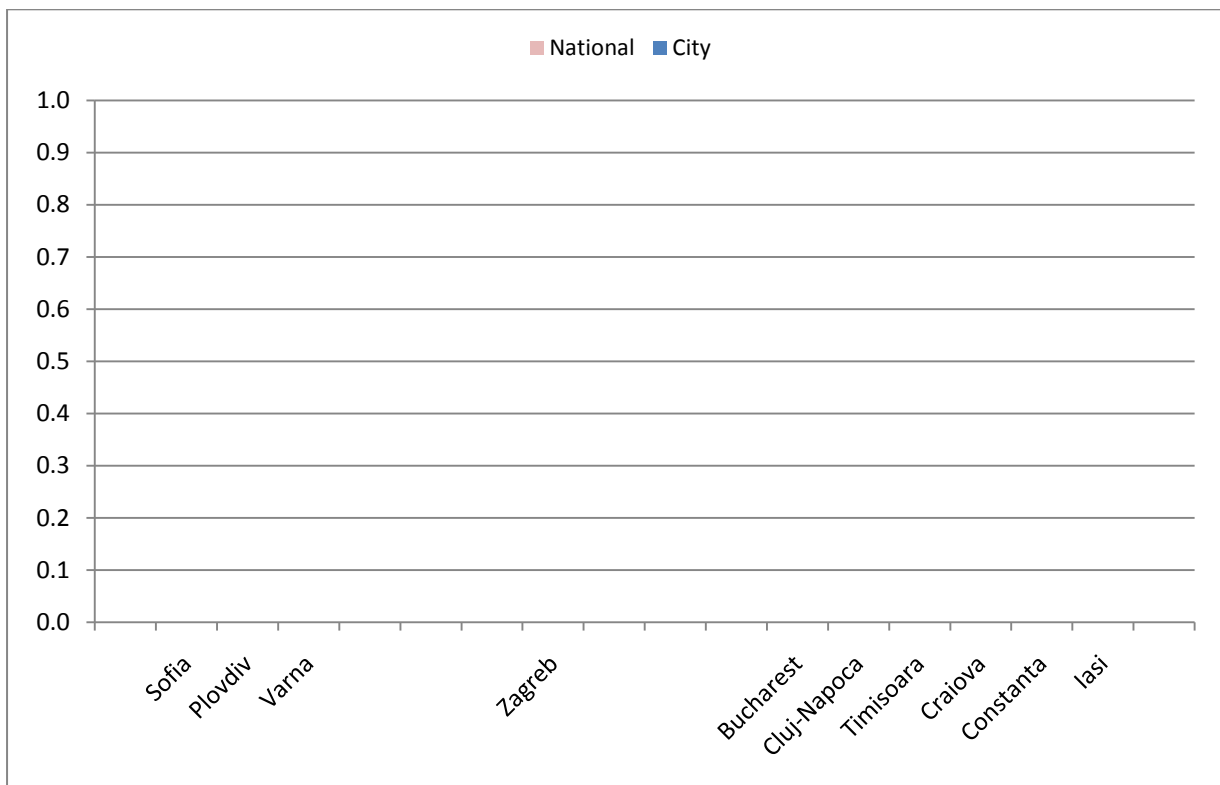
GDP per capita in PPS % Change 1995-2007 Secondary and Capital Cities

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: Eurostat & DG-Regio

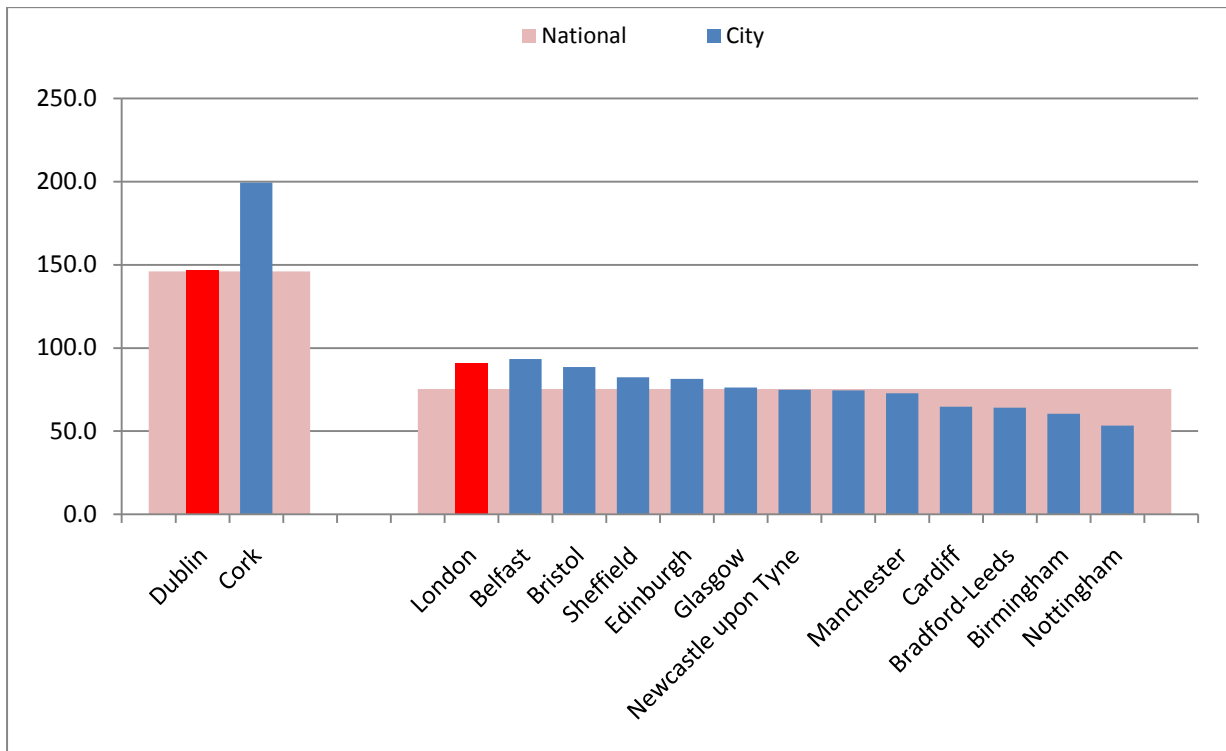
South East: Bulgaria, Croatia, Romania



Source: Eurostat & DG-Regio

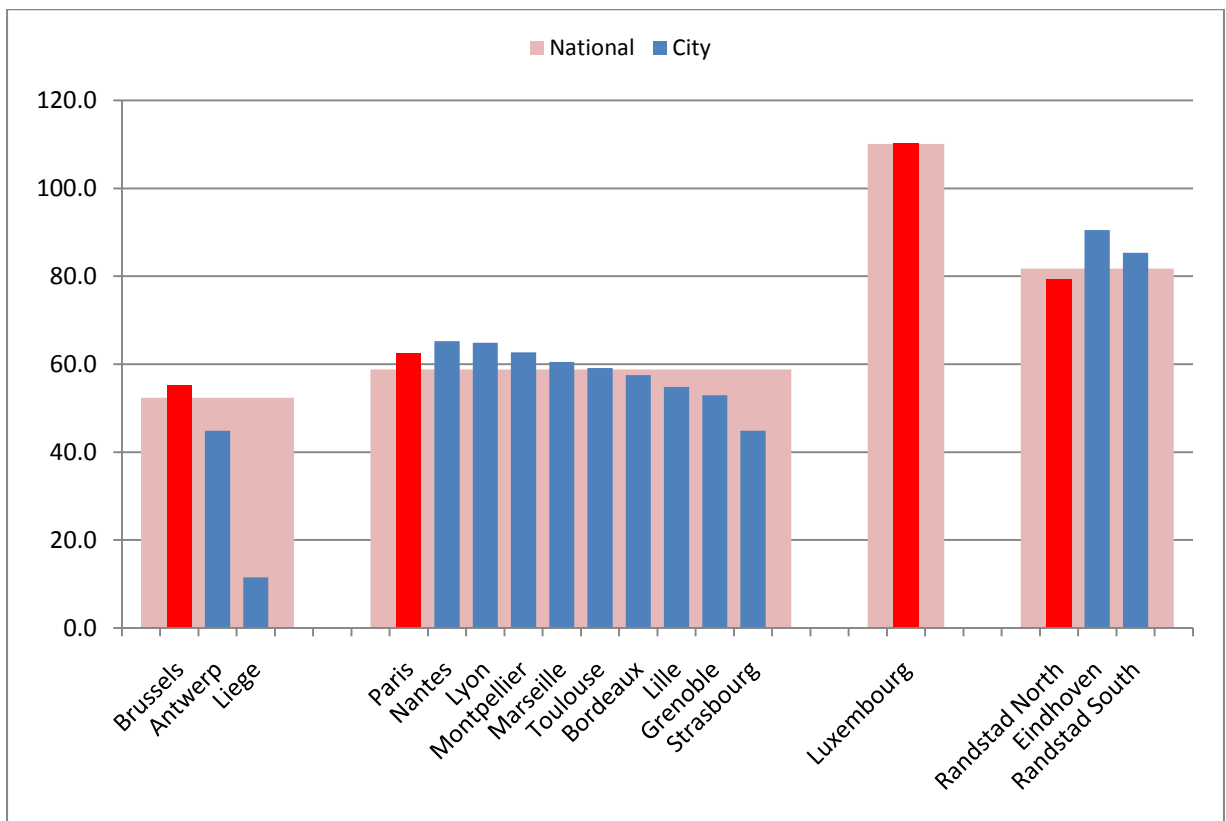
GDP per capita in PPS % Change 1995-2007 Secondary and Capital Cities

West: Ireland & UK



Source: Eurostat & DG-Regio

West: Belgium, France, Luxembourg, Netherlands

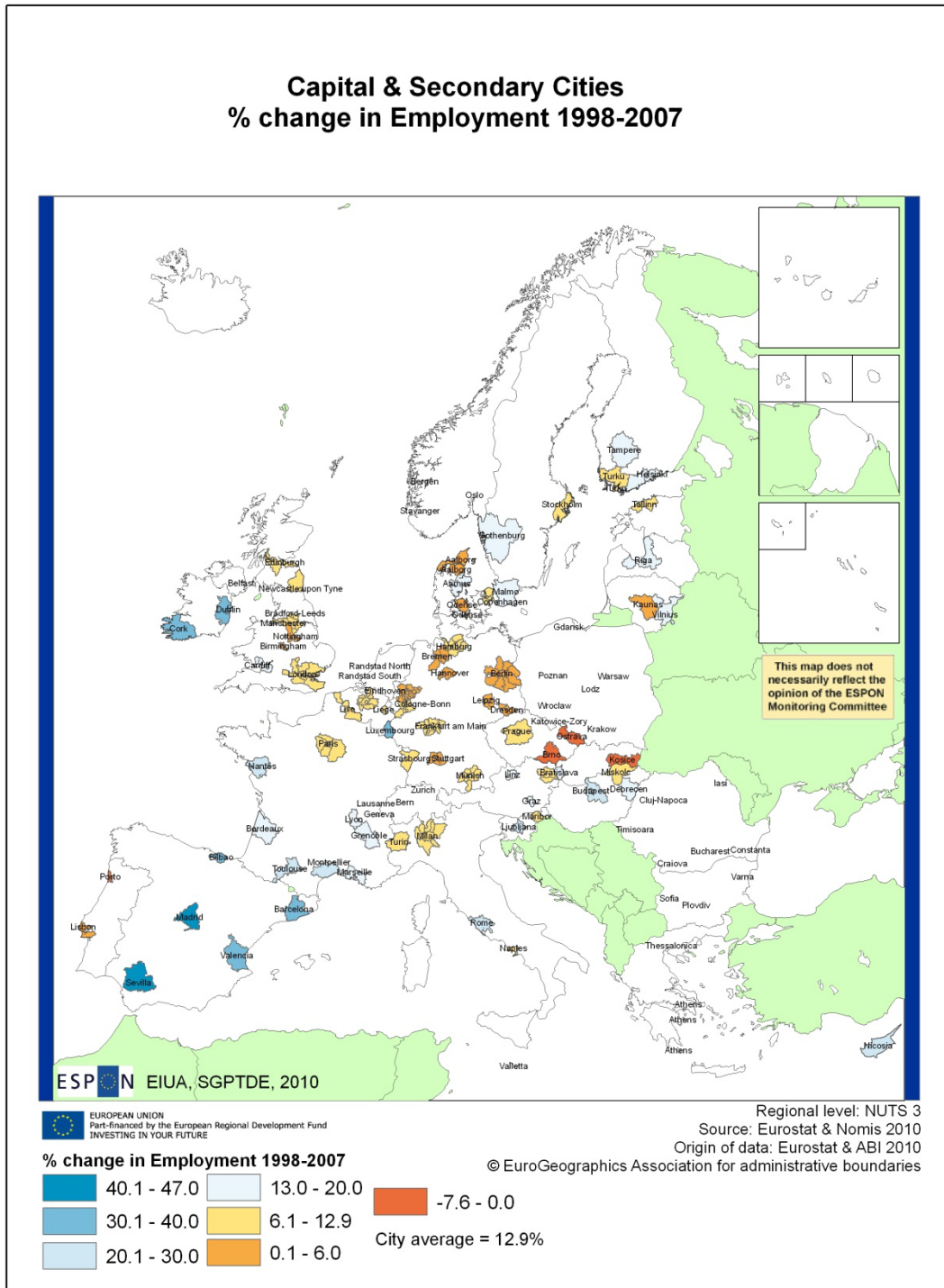


Source: Eurostat & DG-Regio

Employment % Change 1998-2007

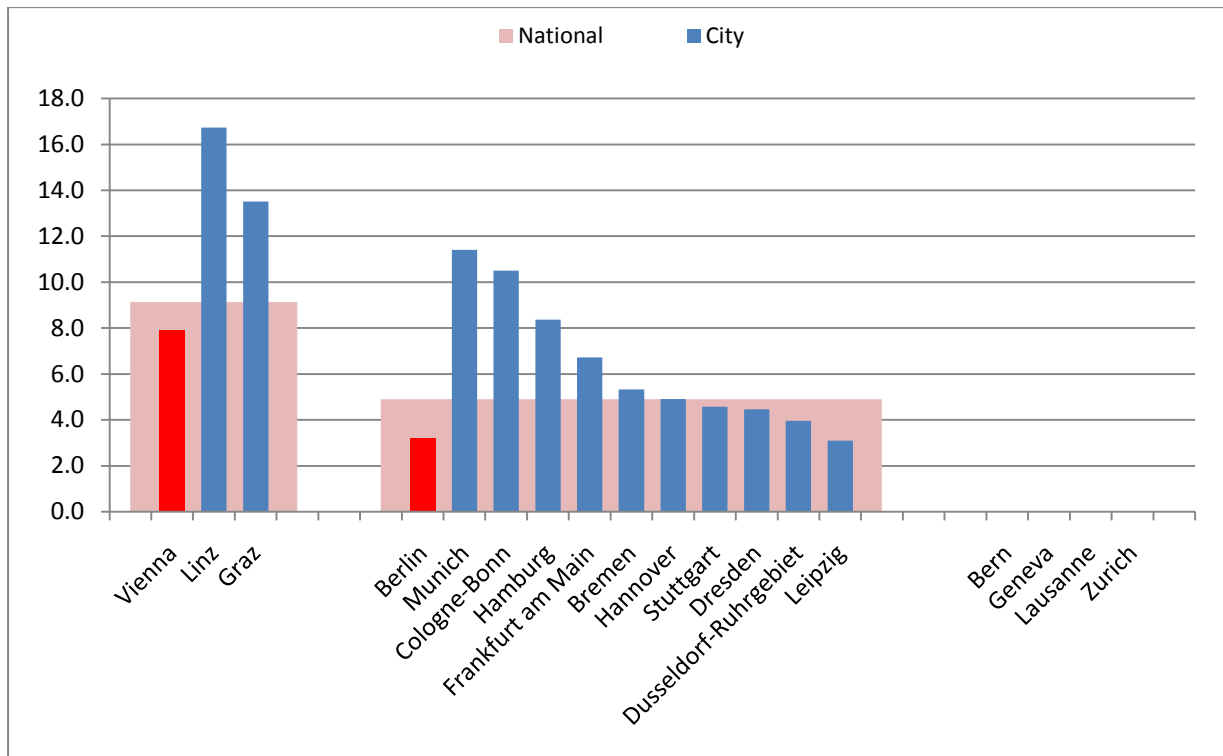
Capital and Secondary Cities

Capital & Secondary Cities % change in Employment 1998-2007



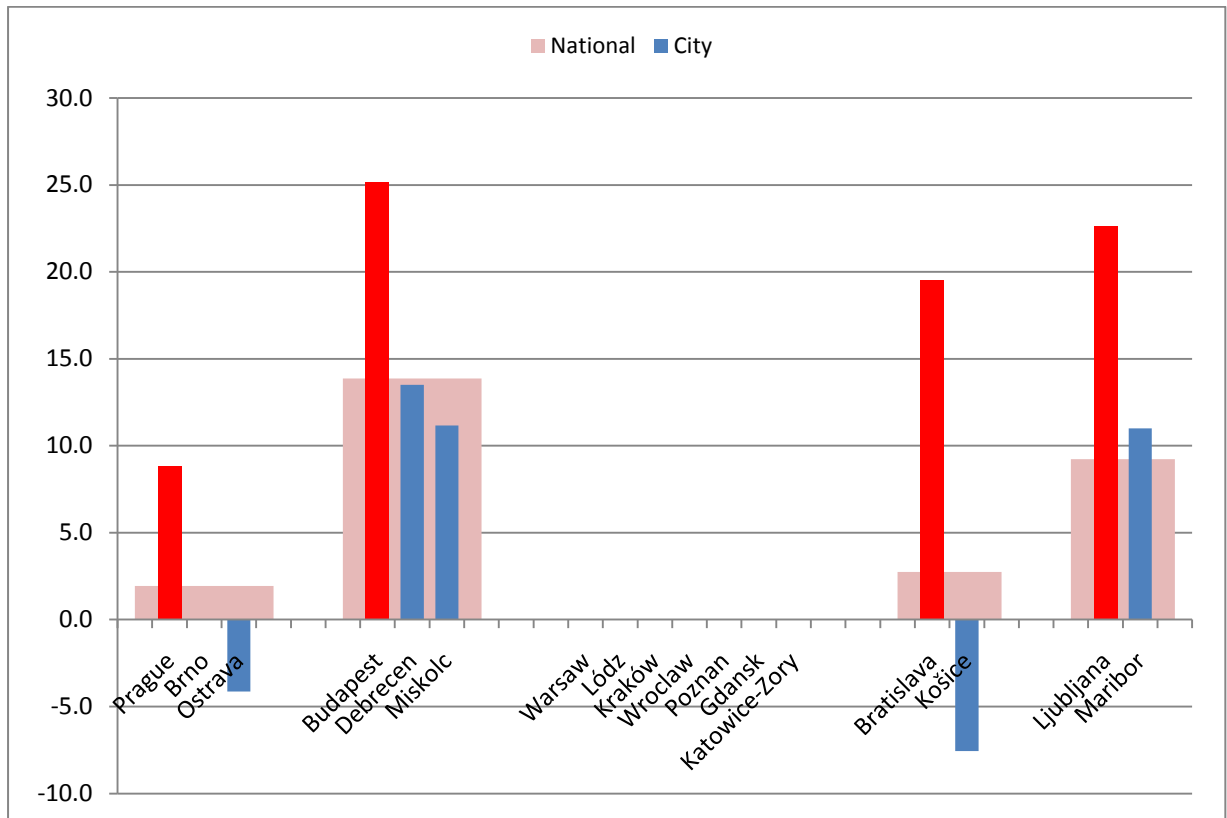
Employment % Change 1998-2007 Secondary and Capital Cities

Central: Austria, Germany, Switzerland



Source: Eurostat

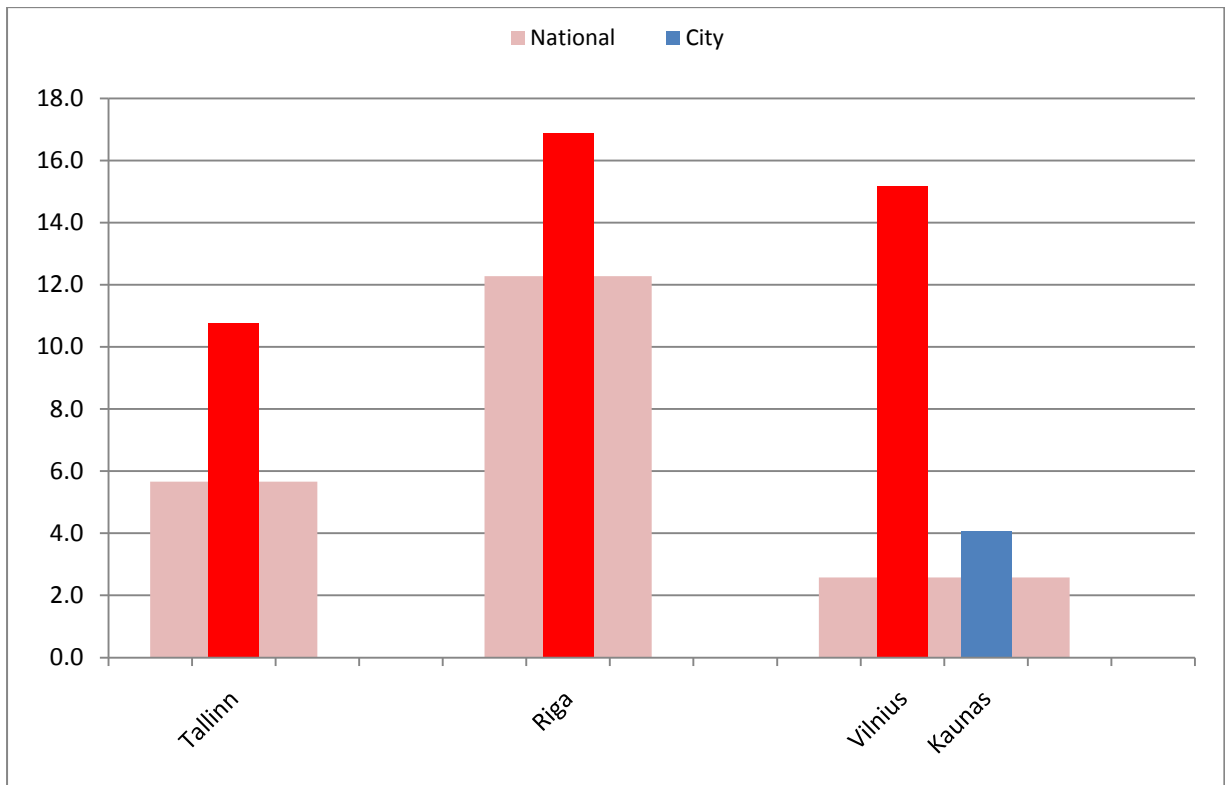
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: Eurostat

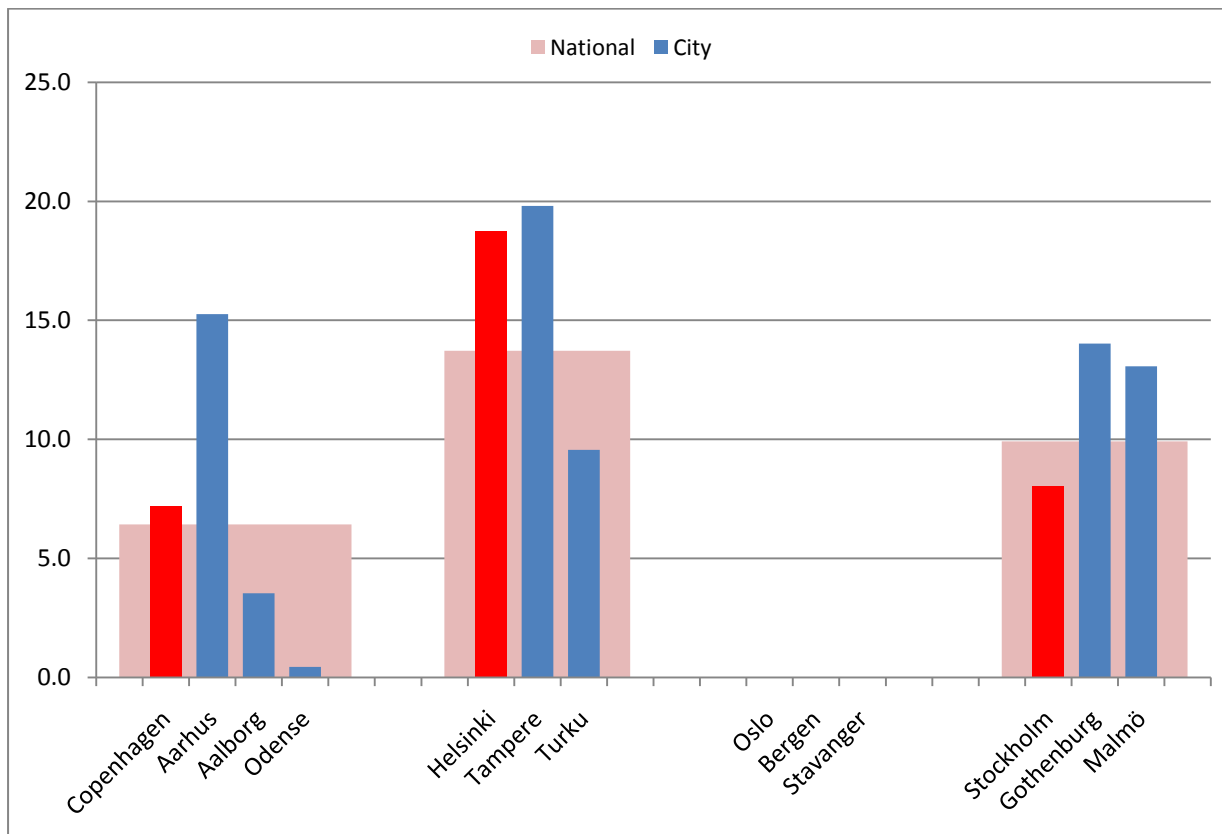
Employment % Change 1998-2007 Secondary and Capital Cities

East: Estonia, Latvia, Lithuania



Source: Eurostat

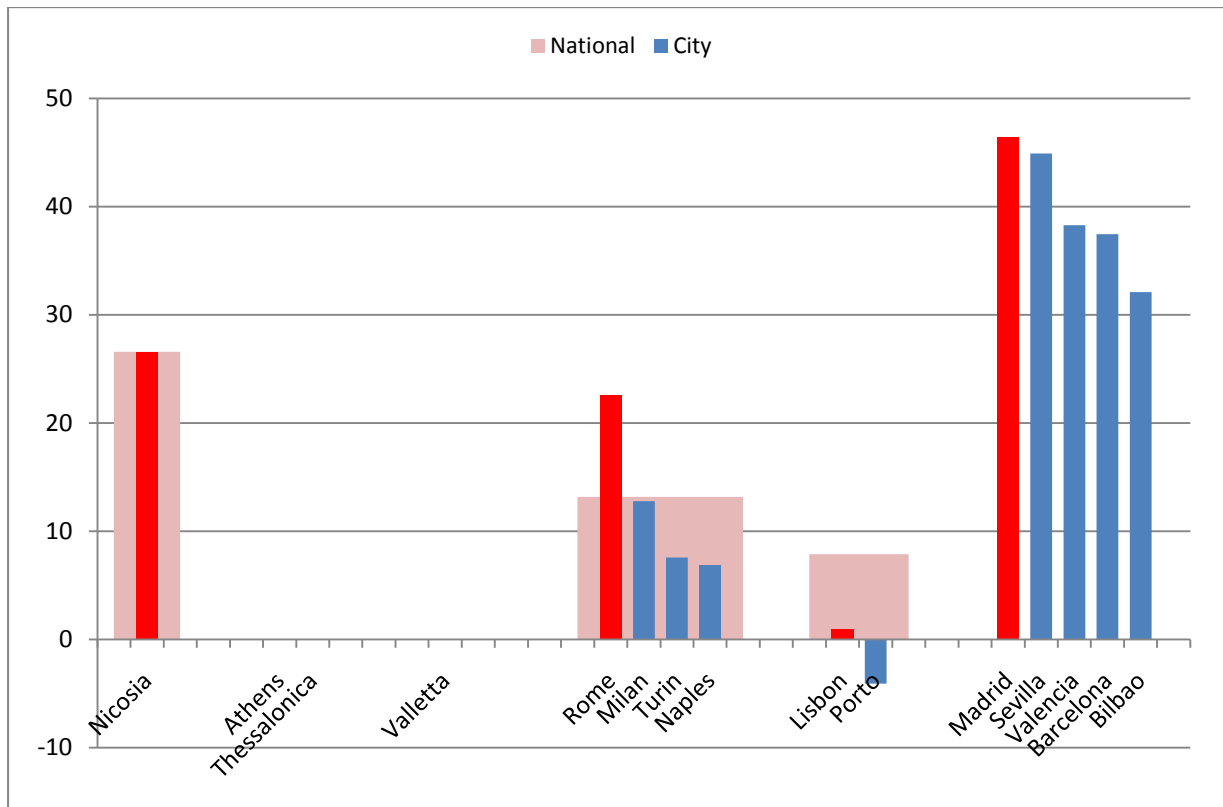
North: Denmark, Finland, Norway, Sweden



Source: Eurostat

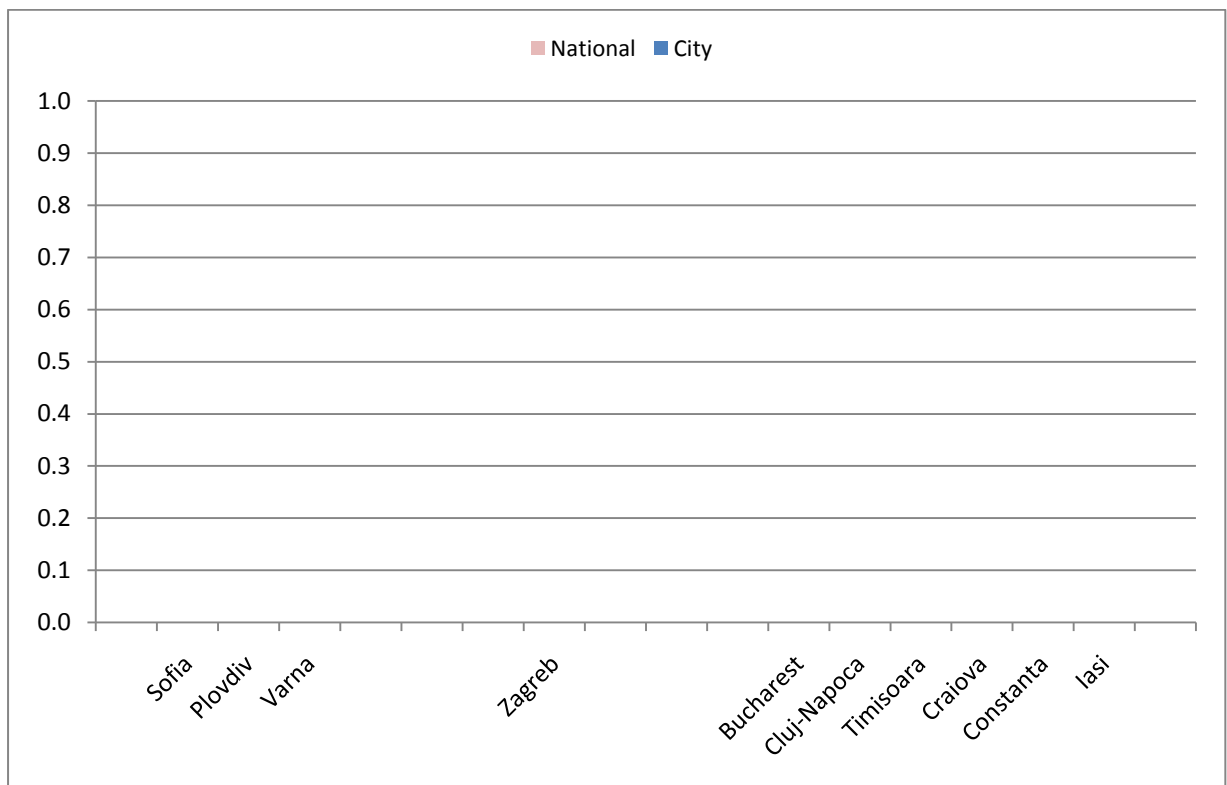
Employment % Change 1998-2007 Secondary and Capital Cities

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: Eurostat

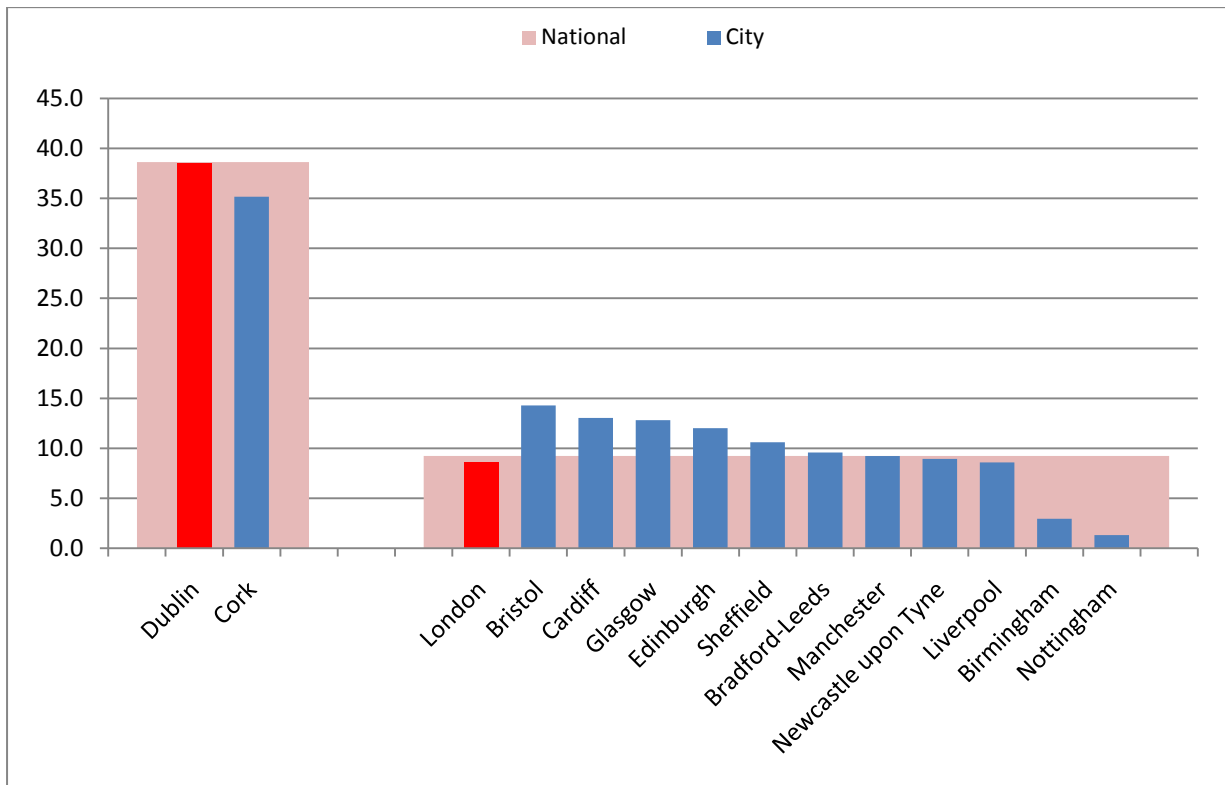
South East: Bulgaria, Croatia, Romania



Source: Eurostat

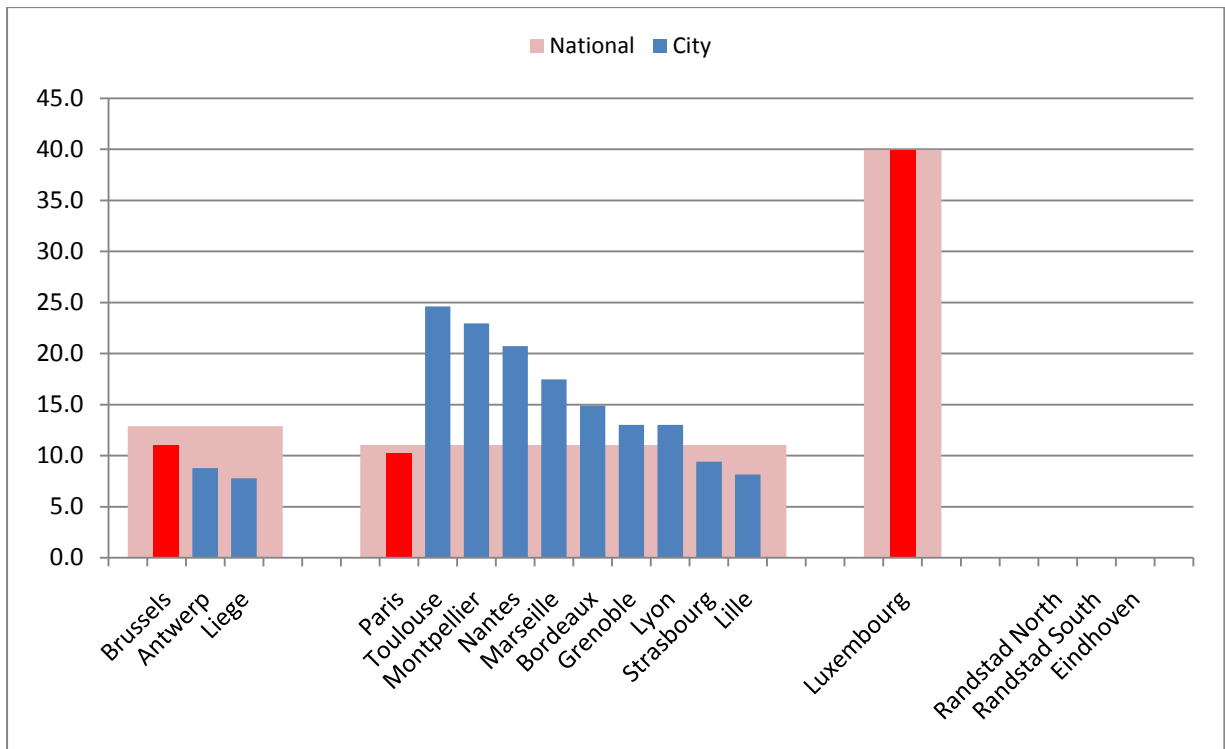
Employment % Change 1998-2007 Secondary and Capital Cities

West: Ireland & UK



Source: Eurostat & Nomis (UK data)
 * UK national data are for Great Britain

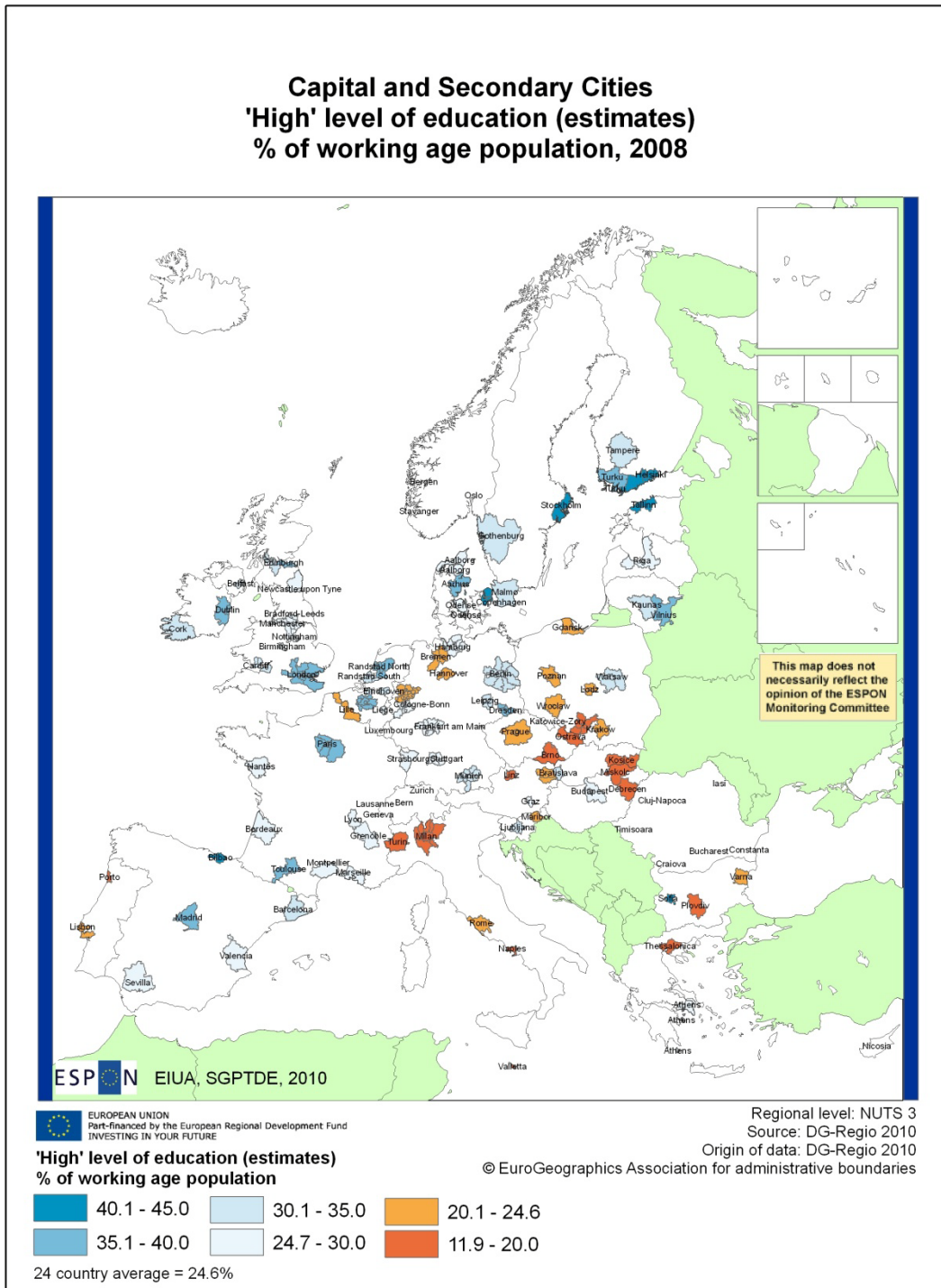
West: Belgium, France, Luxembourg, Netherlands



Source: Eurostat

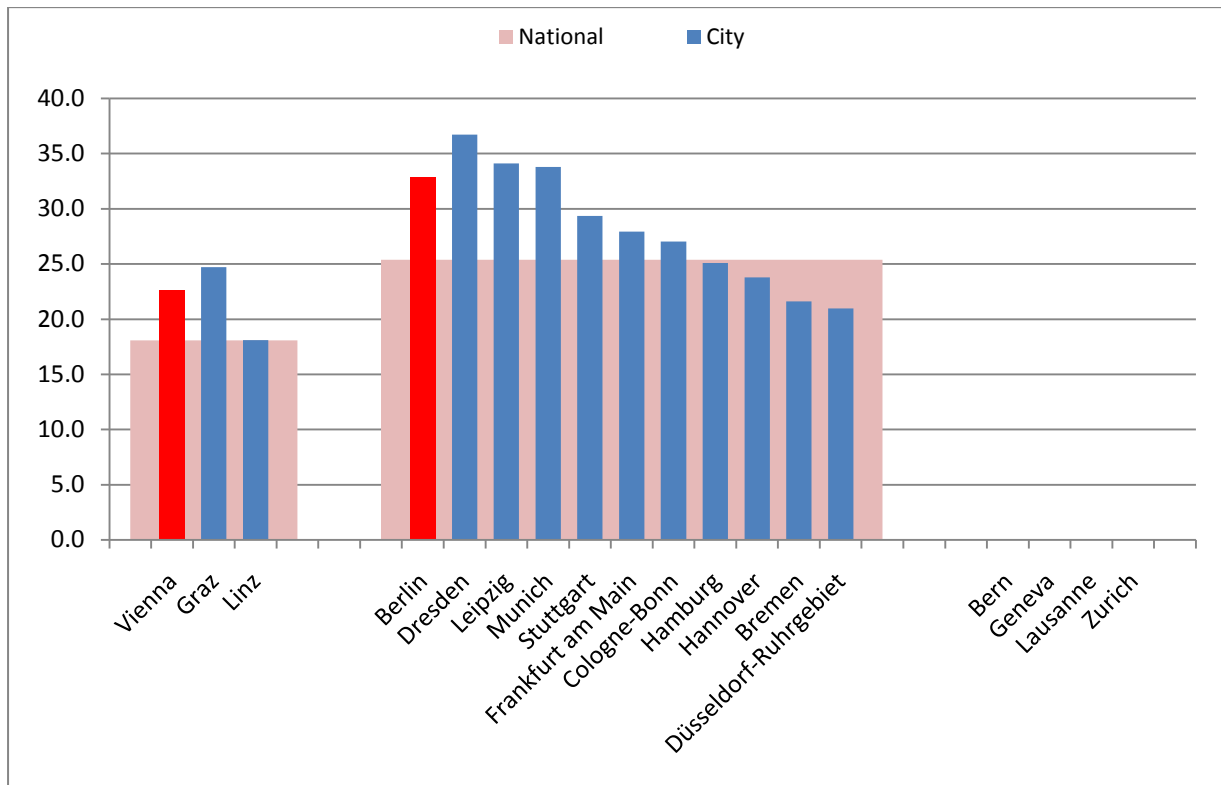
'High' levels of education (estimates) 2008

Capital & Secondary Cities



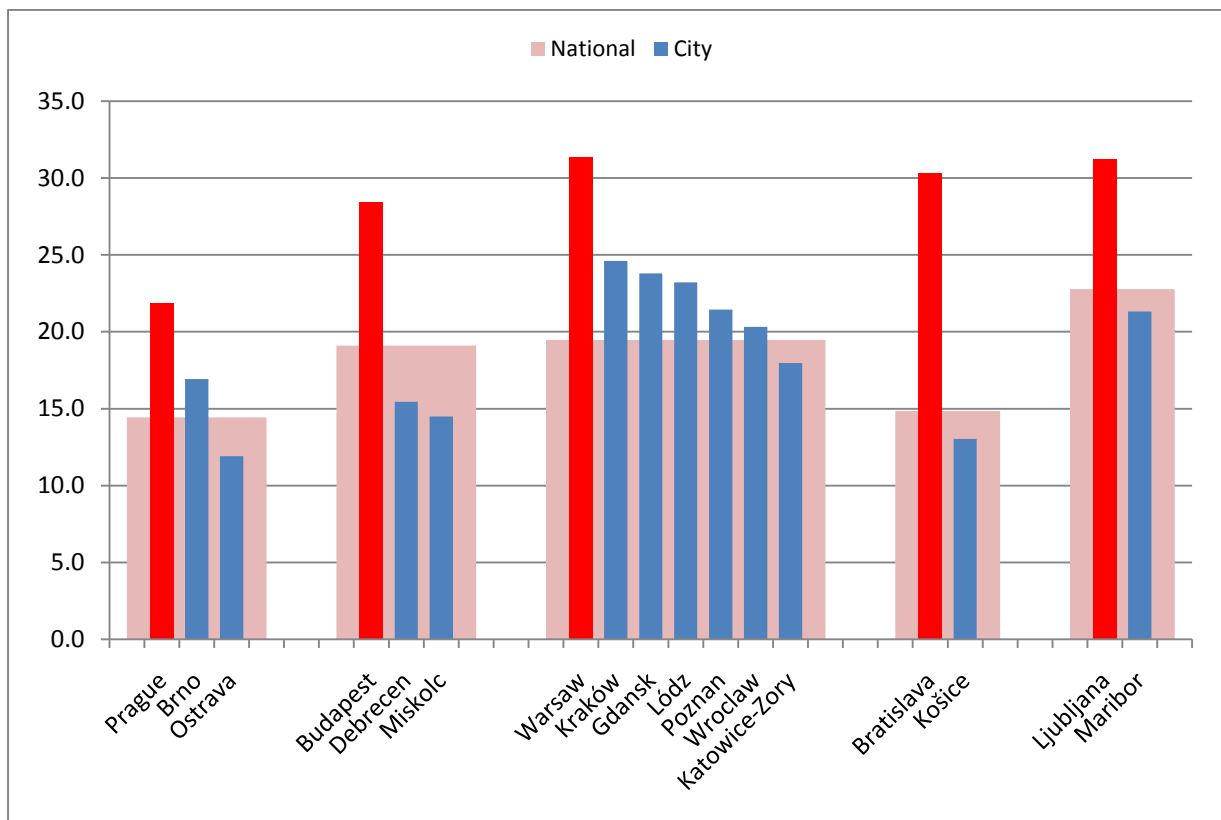
'High' levels education (estimates) % working age, Secondary and Capital Cities 2008

Central: Austria, Germany, Switzerland



Source: DG-Regio

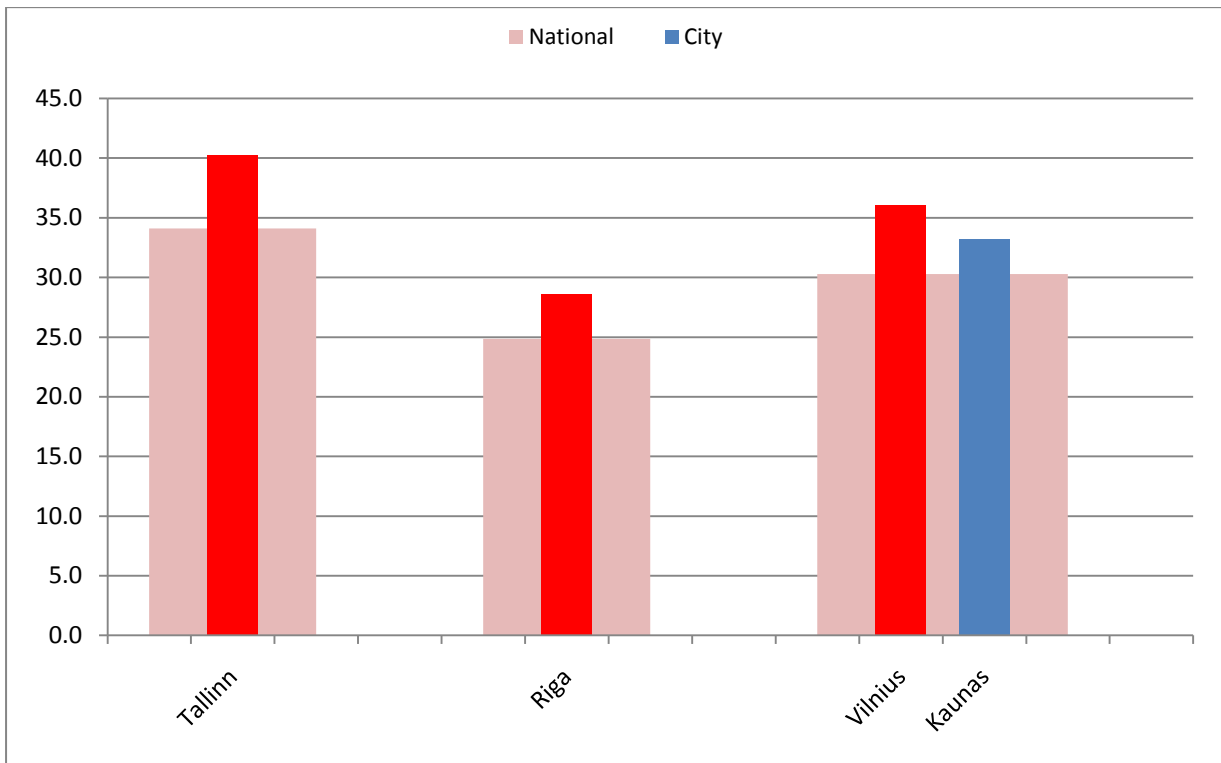
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: DG-Regio

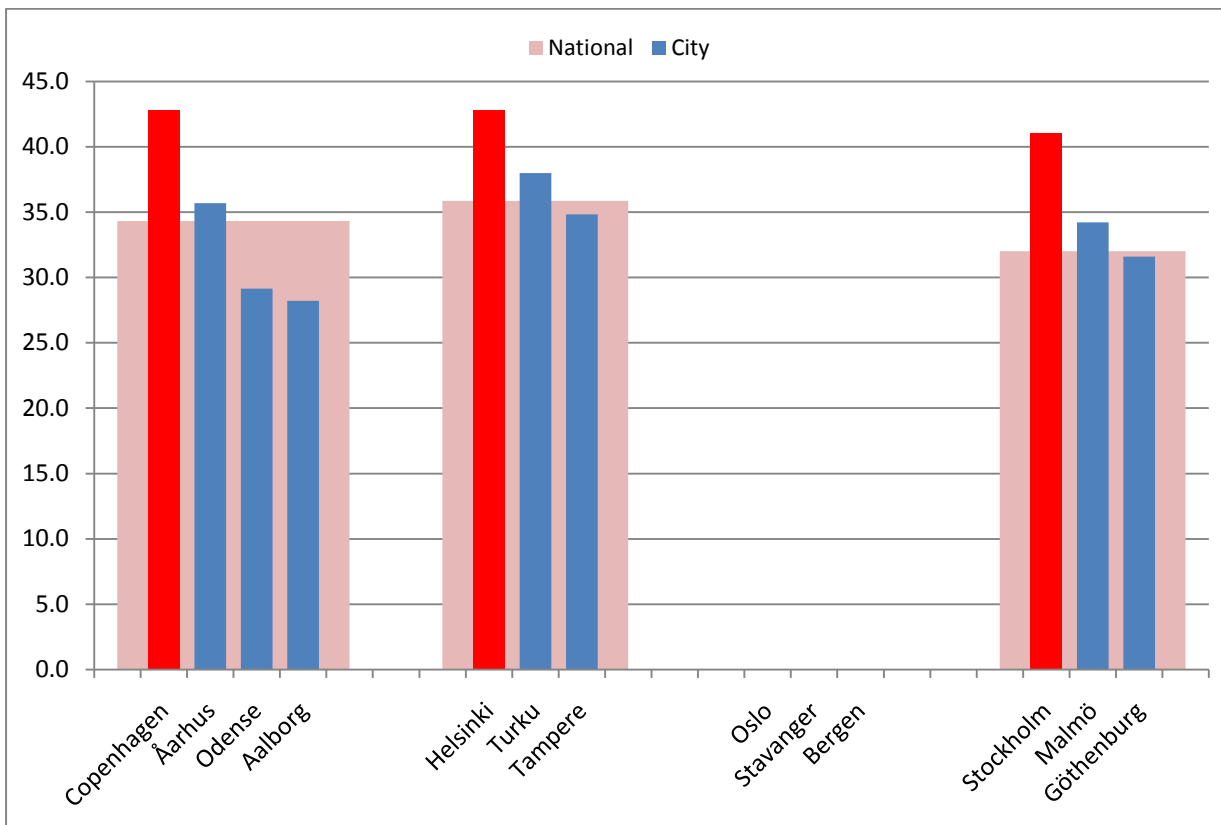
'High' levels of education (estimates) % working age, Secondary and Capital Cities 2008

East: Estonia, Latvia, Lithuania



Source: DG-Regio

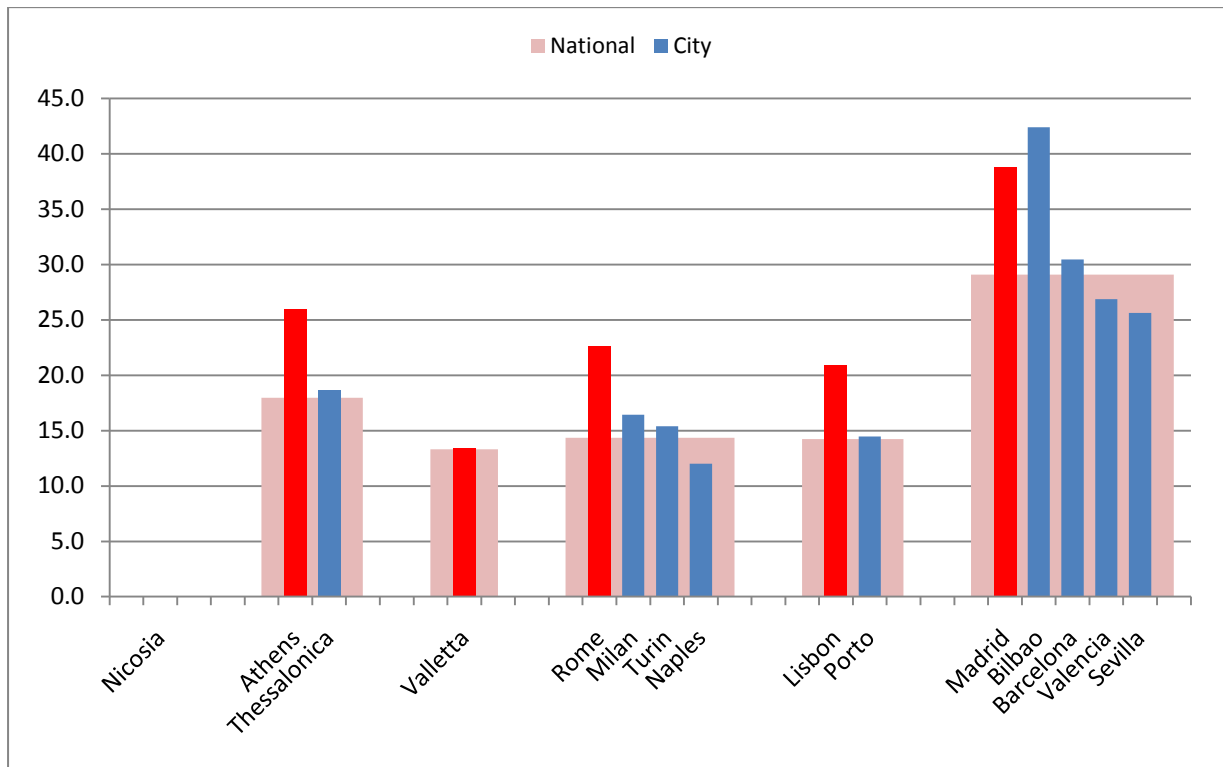
North: Denmark, Finland, Norway, Sweden



Source: DG-Regio

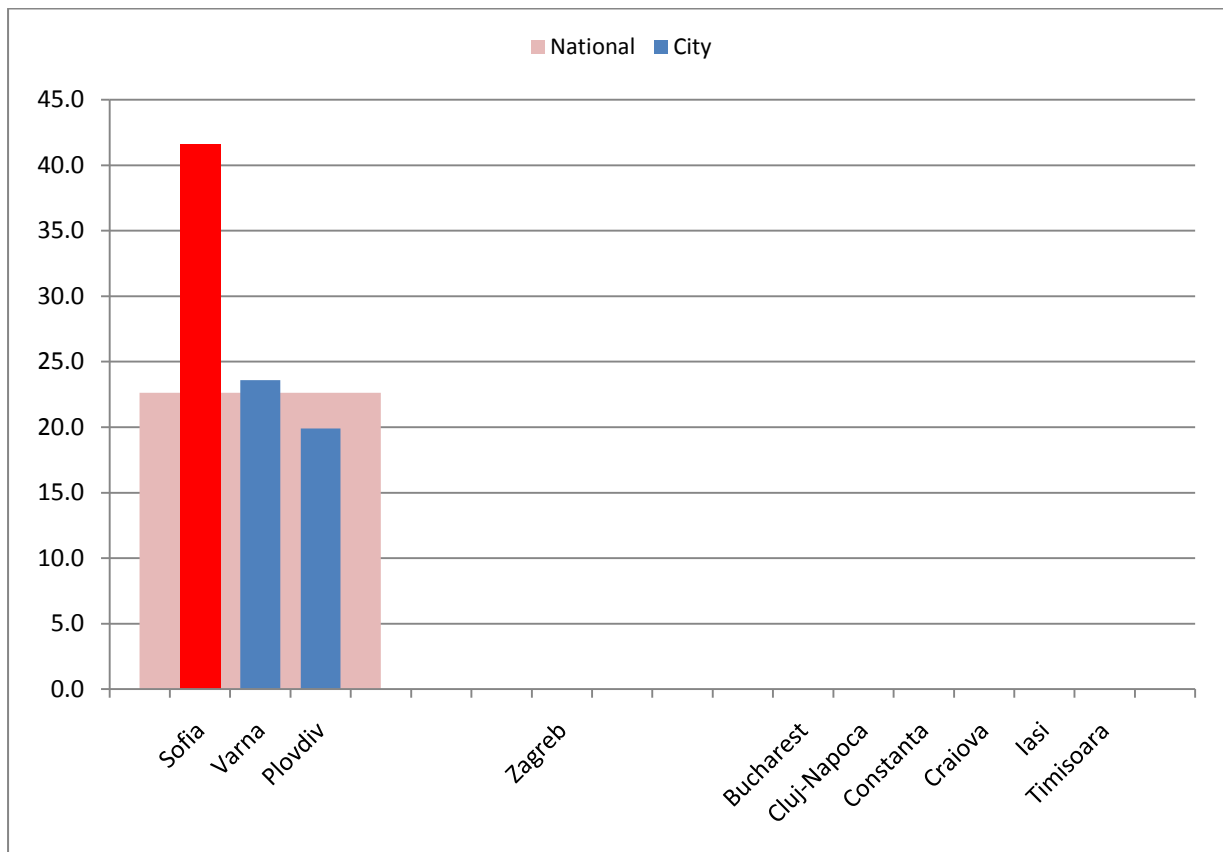
'High' levels of education (estimates) % working age, Secondary and Capital Cities 2008

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: DG-Regio

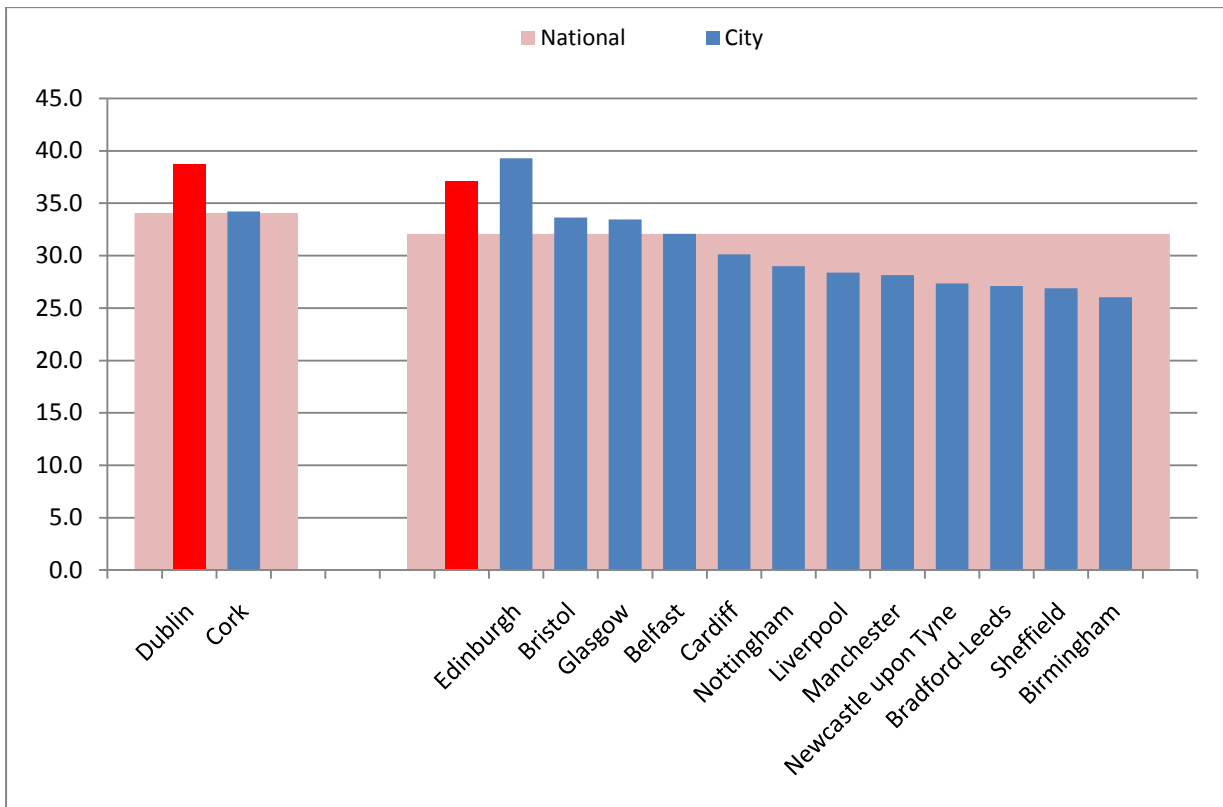
South East: Bulgaria, Croatia, Romania



Source: DG-Regio

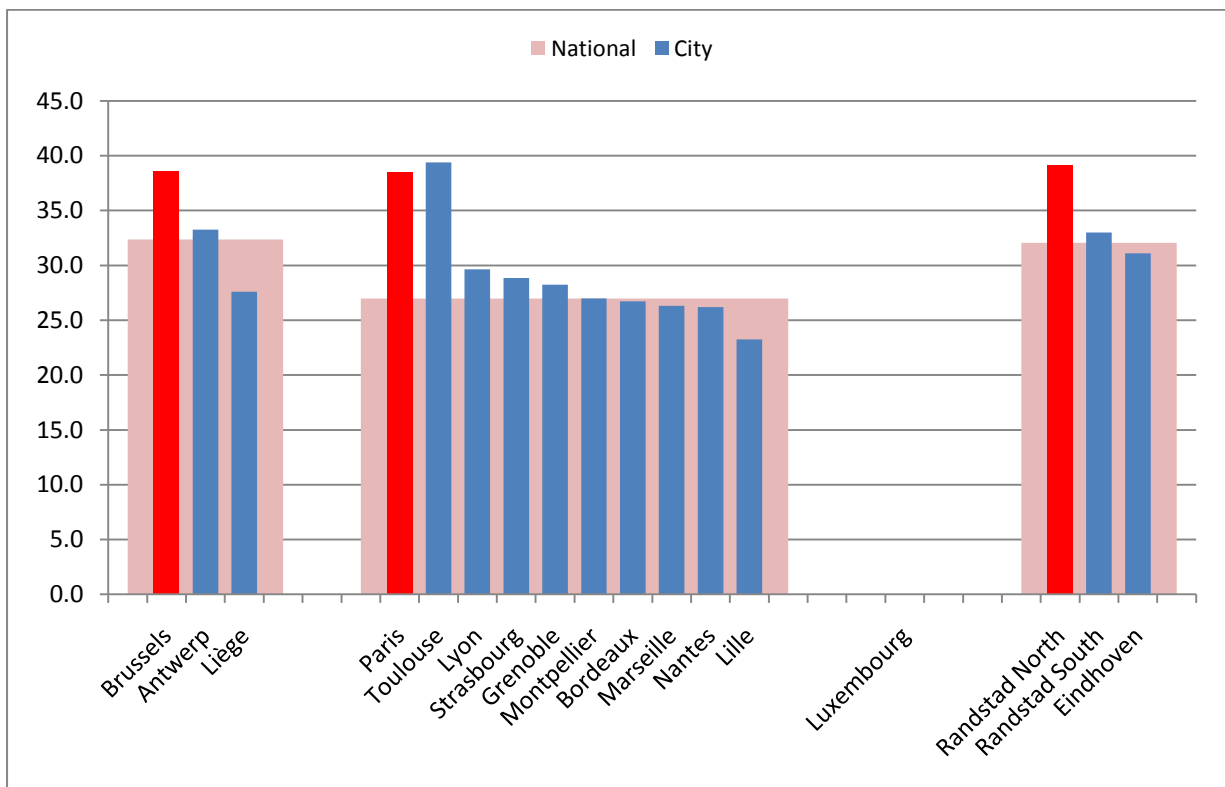
'High' levels of education (estimates) % of working age, Secondary and Capital Cities 2008

West: Ireland & UK



Source: DG-Regio

West: Belgium, France, Luxembourg, Netherlands

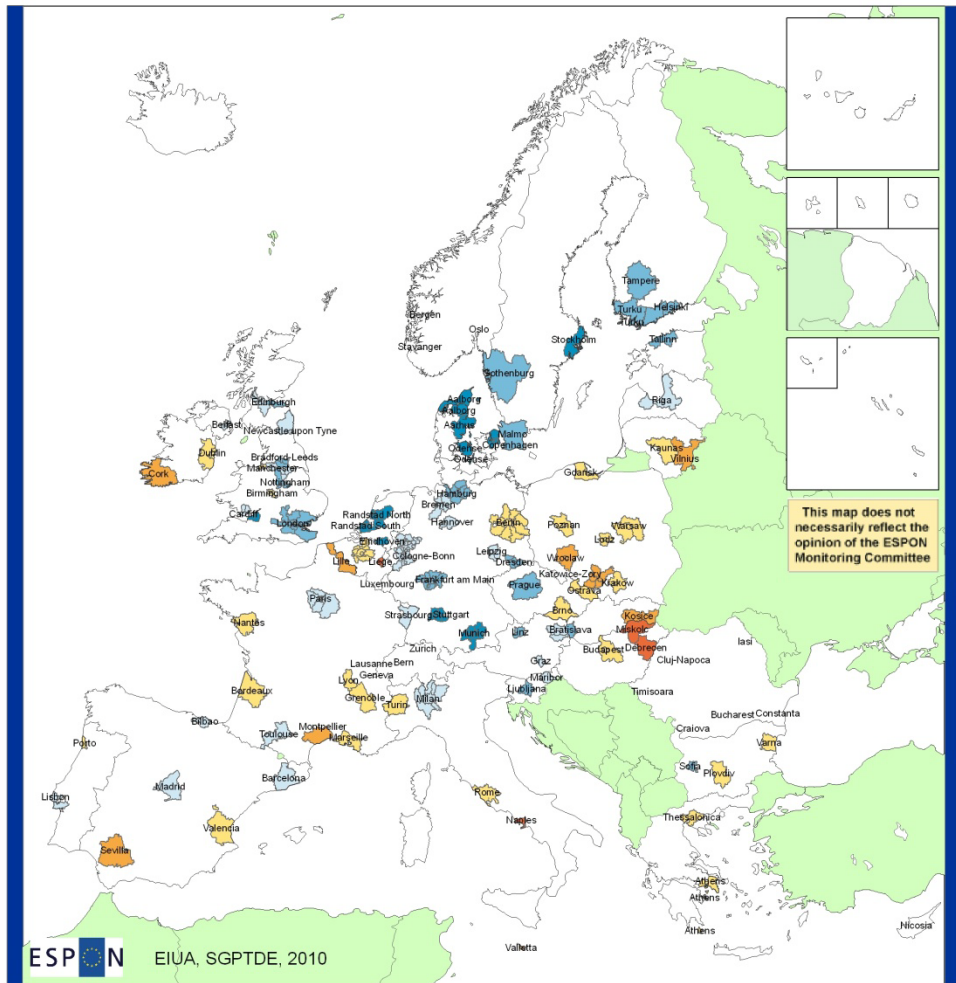


Source: DG-Regio

Employment rate 2008

Capital & Secondary Cities

Capital & Secondary Cities Employment Rate 2008



ESPON EIUA, SGPTDE, 2010

EUROPEAN UNION
Part-financed by the European Regional Development Fund
INVESTING IN YOUR FUTURE

Employment rate 2008



24 country average = 66.1%

Regional level: NUTS 3

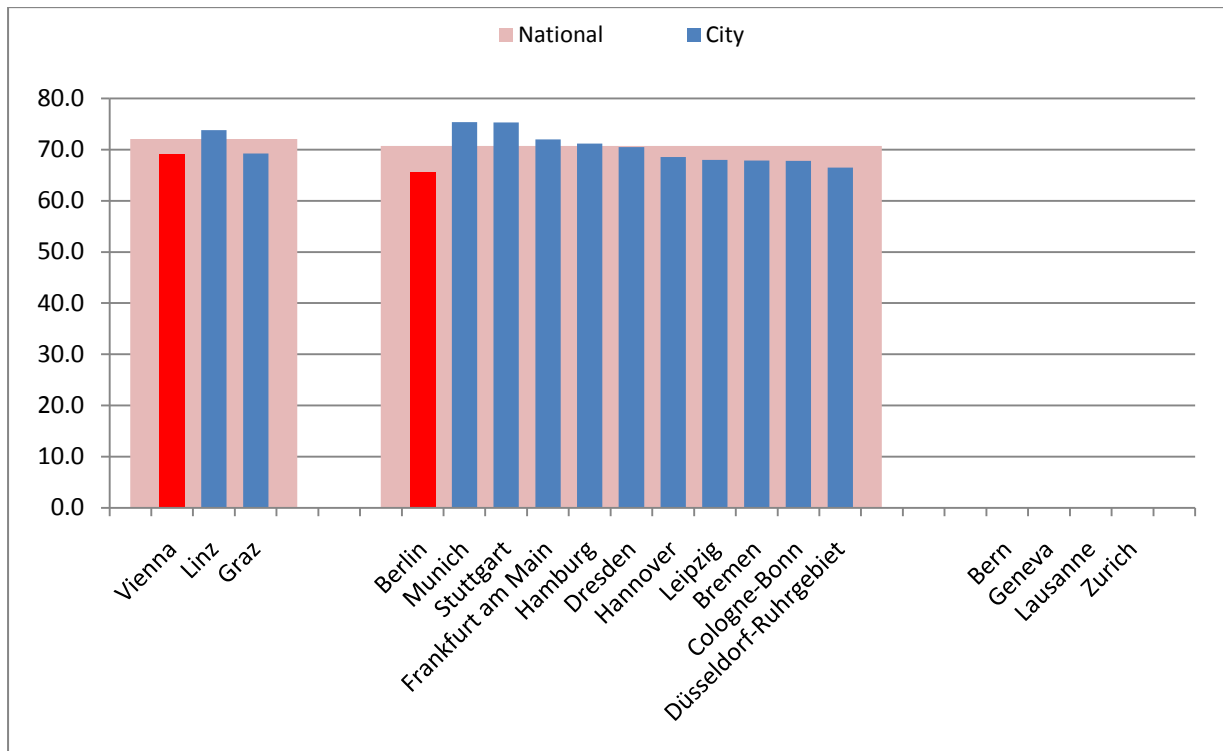
Source: DG-Regio 2010

Origin of data: DG-Regio 2010

© EuroGeographics Association for administrative boundaries

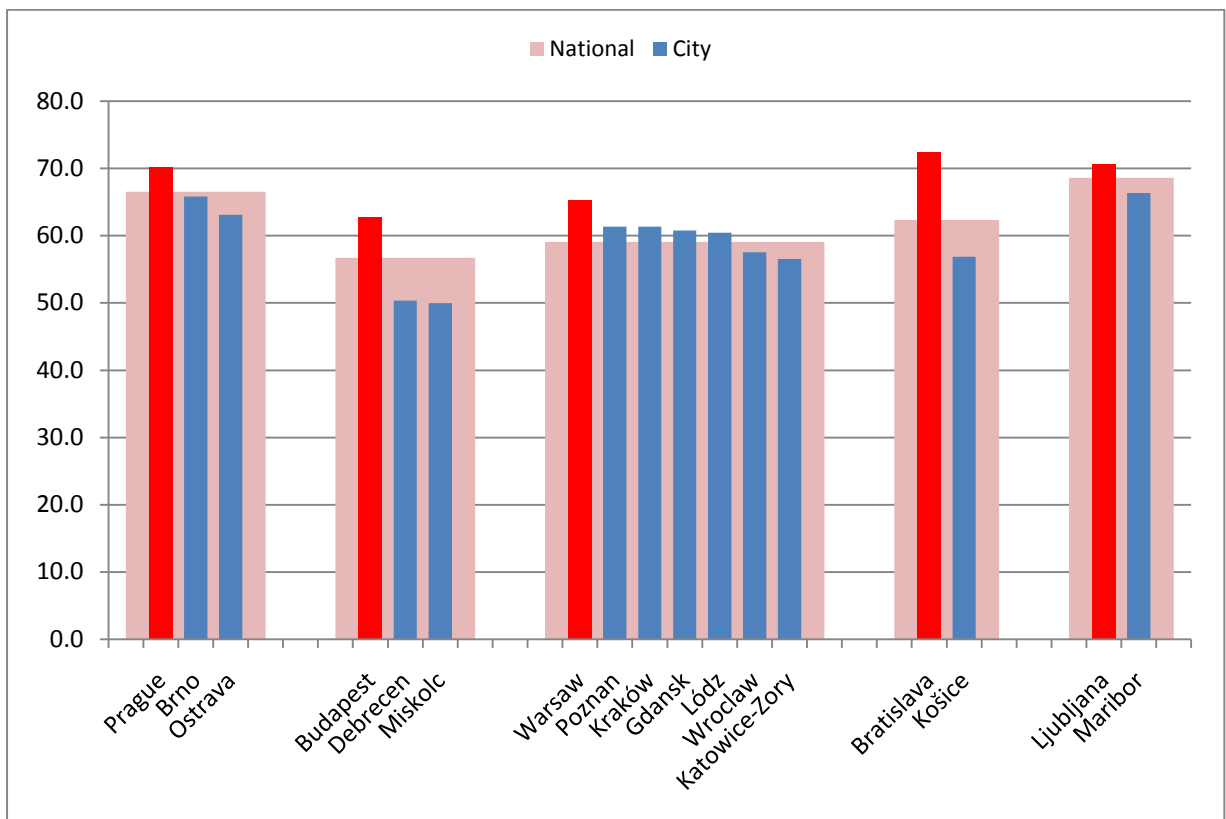
Employment rate 2008 Secondary and Capital Cities

Central: Austria, Germany, Switzerland



Source: DG-Regio

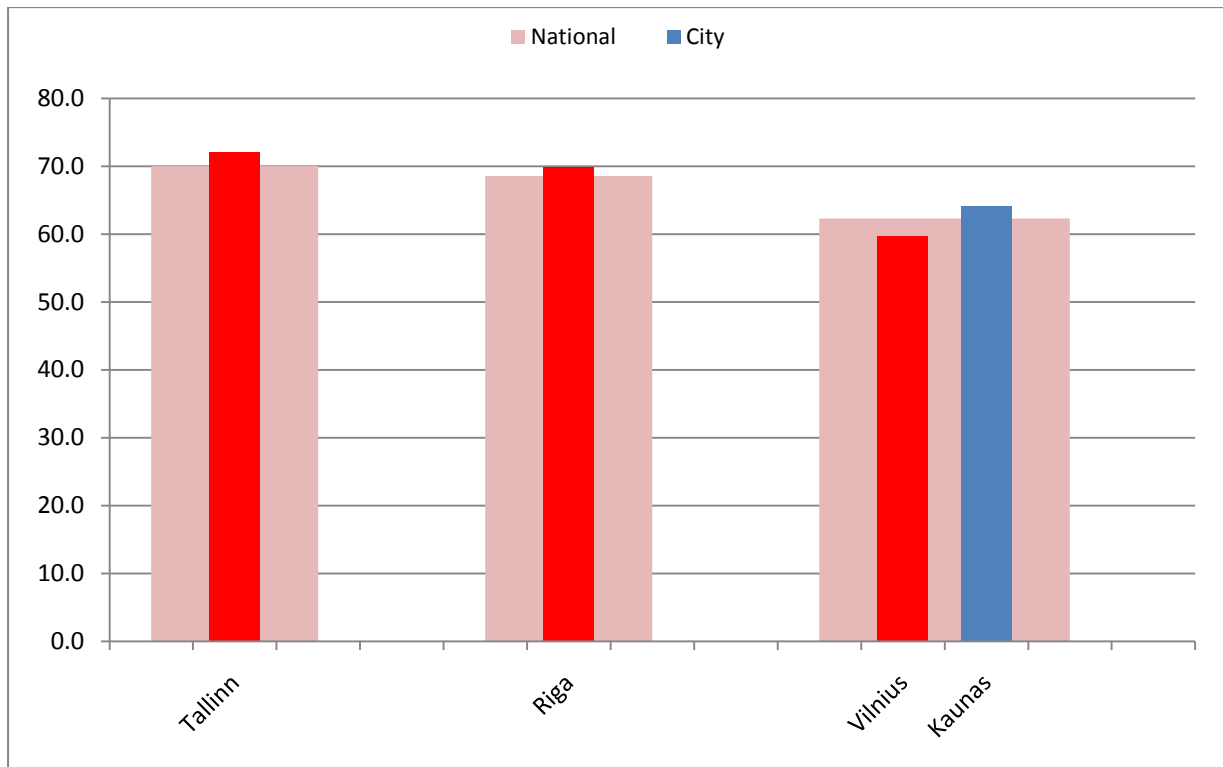
Central East: Czech Republic, Hungary, Poland, Slovakia, Slovenia



Source: DG-Regio

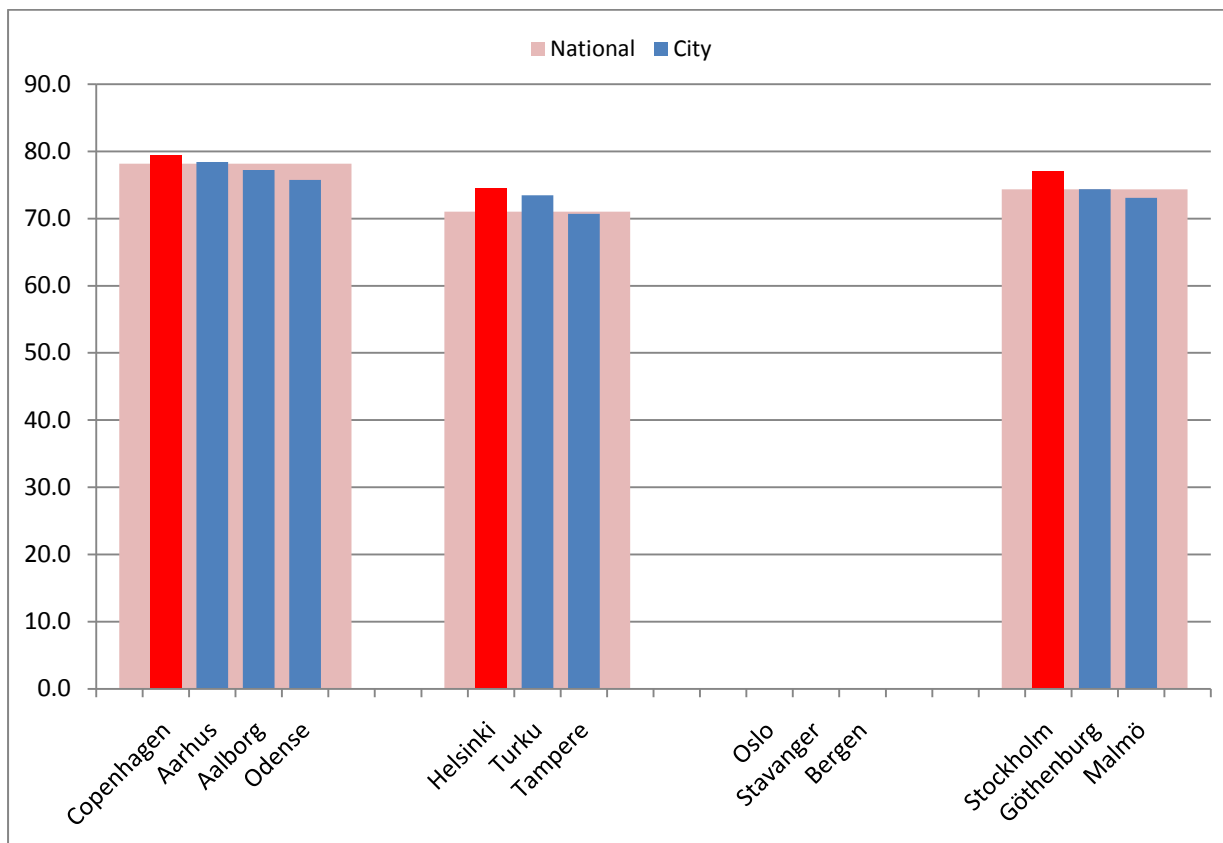
Employment rate 2008 Secondary and Capital Cities

East: Estonia, Latvia, Lithuania



Source: DG-Regio

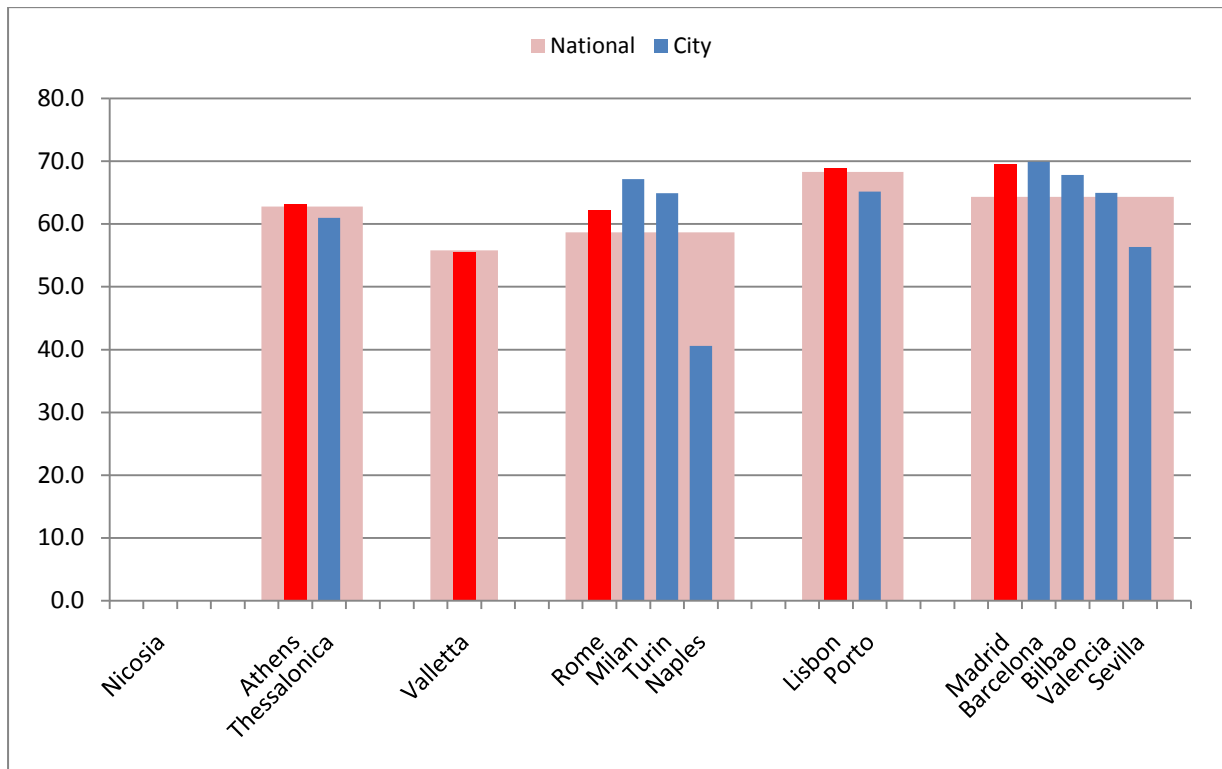
North: Denmark, Finland, Norway, Sweden



Source: DG-Regio

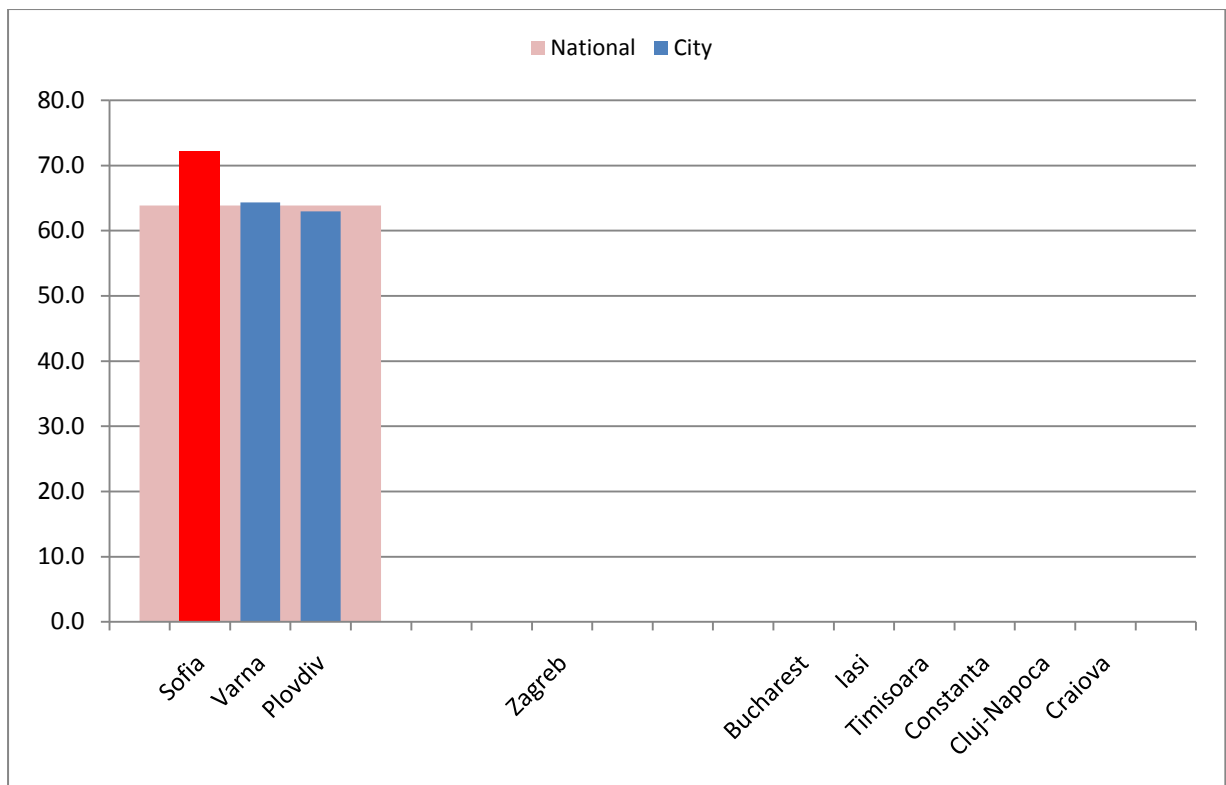
Employment rate 2008 Secondary and Capital Cities

South: Cyprus, Greece, Malta, Italy, Portugal, Spain



Source: DG-Regio

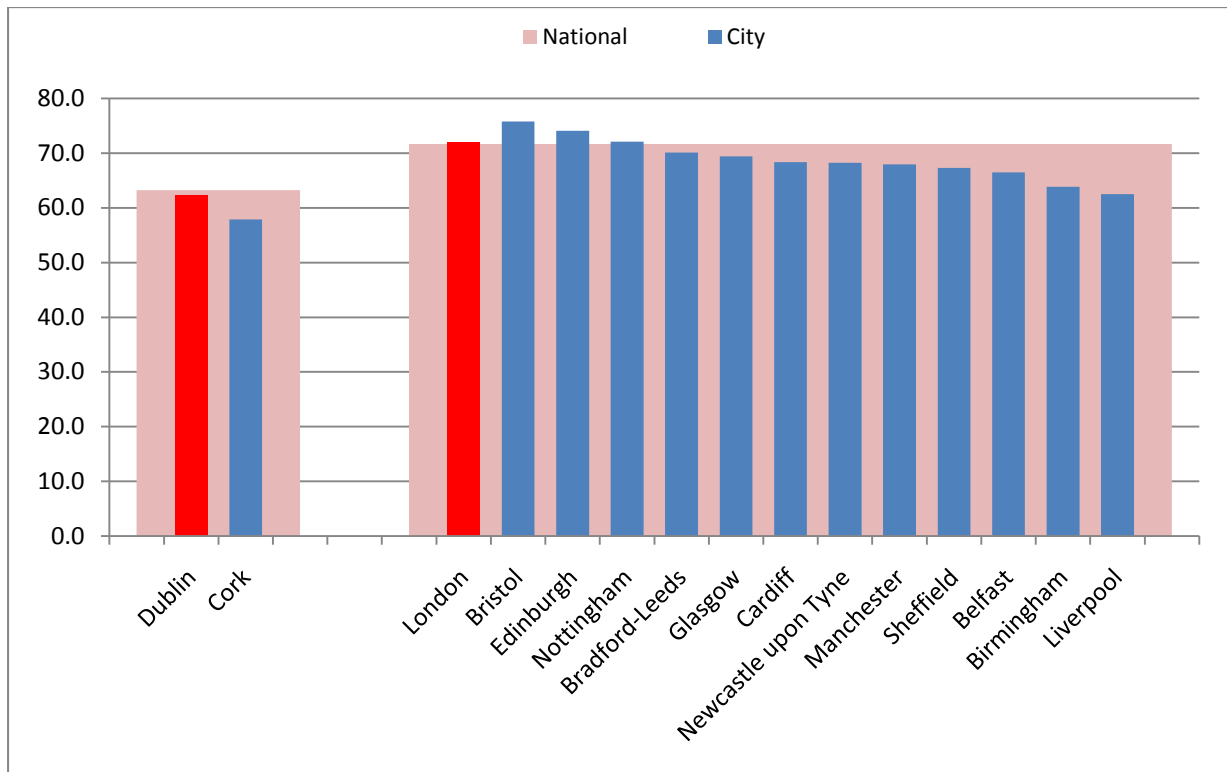
South East: Bulgaria, Croatia, Romania



Source: DG-Regio

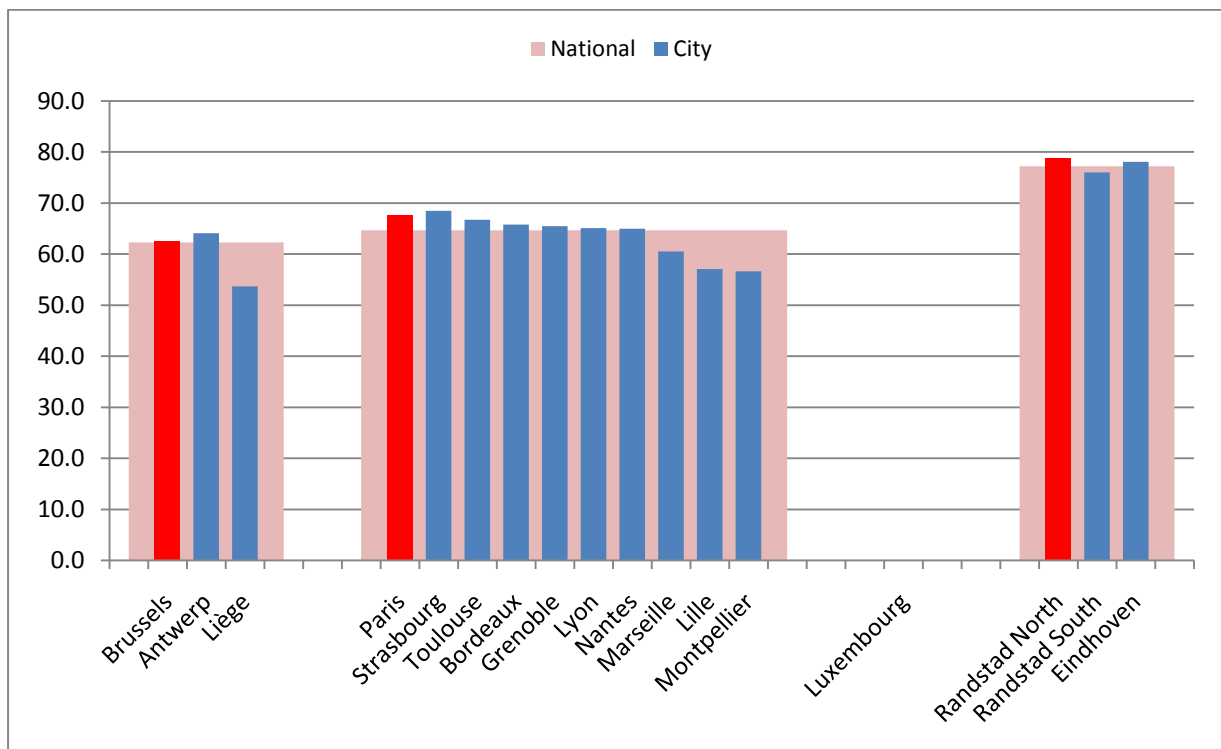
Employment rate 2008 Secondary and Capital Cities

West: Ireland & UK



Source: DG-Regio

West: Belgium, France, Luxembourg, Netherlands



Source: DG-Regio

ANNEX 3

DRAFT CORE INTERVIEW SCHEDULE

DRAFT CORE INTERVIEW SCHEDULE POTENTIAL THEMES AND QUESTIONS

1. INTRODUCTION

- 1.1 The project will interview different policy makers and partners in different ways as the inception report makes clear. The interviewees will include policymakers and partners at European level, national government level, academic experts, private sector groups, community groups, members of European city organisations, and a large number of people in our case study cities. Some will be interviewed face to face, some by telephone, some by questionnaire. This process will complement the evidence we are collecting from our review of primary and secondary literature.
- 1.2 In our discussions we intend to use some version of the following standard questions. The questions will be customised according to the different audiences and the method of interview. In particular, interviews which take place with individual in specific cities will be different in their format from those with policy makers and partners generally. Equally discussions which take place face to face or on the telephone will couch the questions differently from more formal e-questionnaires. So this is not the final interview schedule. Nevertheless it does indicate the themes and issue we intend to explore. We shall pilot the schedule with a small number of partners in early autumn. We would welcome reactions from members of the Monitoring Committee and suggestions about how it could be improved.
- 1.3 As the Inception report makes clear, we define secondary cities as those larger cities outside the capital city whose economic and social performance is sufficiently important to affect the potential performance – positively or adversely - of the national economy. Annex 1 of this report identifies the potential cities by country. We shall attach this to the interview schedule.
- 1.4 We intend to explore three broad themes about the territorial and economic contribution of secondary cities:
- ❖ Policy makers' and partners' perceptions of how different secondary cities are performing in different countries and across Europe, how and why.
 - ❖ Their assessment of the impact of national and other policies upon the performance of those places.
 - ❖ Their views on how secondary cities could improve their performance in future and the policy implications for European, national, regional and local governments and private and community sector partners.
- 1.5 When answering these questions we will ask respondents to provide as much detailed information and examples about places, policies, and projects to allow us to build up a file of specific good and less good practice.

1. HOW WELL ARE SECONDARY CITIES PERFORMING - NATIONALLY AND IN EUROPE?

What is the state of play of secondary cities?

- ❖ Which kinds of cities do you think are performing well economically, socially, environmentally in your country?
- ❖ Are there any significant differences between the performances of different secondary cities in your country? If so what explains it?
- ❖ How well do you think secondary cities in your country perform in relation to those in different countries across Europe?
- ❖ What do you think are the most important factors which encourage or constrain city economic performance in your country? For example this might include: the balance of power between national and local governments; the priorities of government policy for cities, the powers and capacity of cities to govern successfully, city assets including skills, location, infrastructure, place quality, leadership
- ❖ In particular what role does territorial location play in their performance?
- ❖ Do cities play any significant cross border roles cross nationally?

- ❖ What are the key challenges and opportunities for secondary cities in your country?

How are relations between capital and secondary cities?

- ❖ How well are secondary cities performing in relationship to the capital?
- ❖ Do you think there is a significant productivity gap between them and if so how has that been changing in recent years?
- ❖ Is the gap larger in your countries than in others?
- ❖ What factors explain the dominance (or non-dominance) of the capital city? For example this might again include: the balance of power between national and local governments; the priorities of government policy for cities, the powers and capacity of cities to govern successfully, the essential assets of including skills, location, infrastructure
- ❖ Is the current balance between the capital city and the rest measured for example in terms of GDP, employment, political, institutional and financial importance, connectivity and infrastructure – right? Or does its dominance weaken the rest of the urban system?
- ❖ What impact has the current economic and financial crisis had upon the economic performance and prospects of secondary cities?

2. WHAT HAS BEEN THE IMPACT OF POLICIES OF DIFFERENT GOVERNMENT LEVELS?

Existing Policies

- ❖ What policies if any do national and regional governments have for territorial development and secondary cities?
- ❖ Specifically how do national spatial and territorial development policy and instruments impact upon secondary cities?
- ❖ To what extent is there an explicit policy to improve the performance of secondary cities by national government?
- ❖ Who has initiated national policies in this area- for example, government itself, lobbying by cities, the private sector, EU policies?
- ❖ Does national policy focus narrowly on urban policy initiatives or more widely on the full range of mainstream public programmes which affect the performance of secondary cities?
- ❖ If so, what policy targets do they have – economic competitiveness, social cohesion, environmental sustainability, governance relationships and capacity?
- ❖ Does government attach too much or too little significance to these different policy goals? For example, do they favour economic goals over social goals or vice versa? What is your view of that balance?

Political significance of secondary city policies

- ❖ How much importance do you think your national government attaches to the contribution of secondary cities to national economies? Are there ways in which it has encouraged their economic and social contribution to national performance competitiveness? Are there ways in which national government policies have hindered it?
- ❖ What has been the primary political motivation for developing policies for secondary cities economic, social or environmental?
- ❖ Do policy makers recognise the nature of the gap between the capital and other secondary cities? Is it on the policy and political radar? Is a gap seen as a problem for the individual city or is it seen as a policy challenge for the national urban system?
- ❖ Does national government have policies for the development of the capital city? Have those policies helped the development of the capital city? Has its success helped or hindered the performance of secondary cities?

How successful has policy been?

- ❖ How has national policy for the key drivers of urban competitiveness - innovation, infrastructure, skills and human capital, connectivity, governing capacity, quality of place - affected the performance of secondary cities?
- ❖ Do these sectoral policies have an explicit territorial dimension?
- ❖ What explains the success or failure of national government policies to improve the performance of secondary cities?

- ❖ Are there any successful policies or initiatives which have been adopted locally, regionally or nationally to improve the performance of cities and what are the policy messages? Please provide details.

Governance arrangements for successful policy delivery

- ❖ Is national government sufficiently well integrated and comprehensive in its policies towards secondary cities? If not how could it be improved?
- ❖ Are relationships between different levels of government sufficiently well integrated to encourage secondary city development? If not how could they be improved?
- ❖ What is the relationship between national, regional and local governments? For example, is policy top down driven by national or regional goals and targets or more contractual based relationships between national government and cities?
- ❖ What initiatives if any does national government take to co-ordinate and integrate policies with lower levels of government?
- ❖ Do national policies encourage institutional and financial centralisation or decentralisation with less or greater powers and responsibilities allocated to secondary cities?

3. WHAT FUTURE PROSPECTS AND POLICIES FOR SECONDARY CITIES?

Prospects for secondary cities in Europe

- ❖ What are the prospects of secondary cities making a greater contribution to national economic performance and to balanced territorial growth across Europe in future?
- ❖ What are the key assets that could and should be further developed into a coherent national strategy for secondary cities?

Policies at city level

- ❖ At city level what do you think is the capacity and strategic decision making capacity of cities in your country? For example how good are the working relationships between public, private and community and voluntary sectors? Can you cite examples of good practice?
- ❖ How good are the working relationships between cities and their surrounding sub regional and regional authorities? Are there significant differences of interest or conflicts over economic development? Are there good examples of formal or informal collaboration between different levels of government?
- ❖ What specific policies, actions would help to attract more investment, economic activity and skilled people to secondary cities?

National policies for cities

- ❖ What changes if any would you like to see in national government strategies and policies for secondary cities? This might include: more powers and resources for secondary cities; greater collaboration between national, regional and local governments; greater investment in physical or social infrastructure, education and training; more focus on territorial impact of national government policies; more consistency in national policy priorities; greater integration of government agency policies.
- ❖ Is the division of responsibilities, roles and resources between national government and secondary cities adequate to support the effective development of secondary cities?
- ❖ In particular do secondary cities have enough fiscal and institutional power to perform efficiently? If not, in what ways could they be strengthened.

EU Policies for cities

- ❖ What has been the impact of EU policies on secondary cities? Have they encouraged or constrained their performance?
- ❖ What changes in EU priorities or practices would you propose?
- ❖ Does the current Europe 2020 strategy have a sufficiently explicit territorial dimension and does it focus enough upon improving the performance and prospects of enough for the prospects of secondary cities? If not what else might it do?
- ❖ How could cohesion policy in future better support the performance of secondary cities?

ANNEX 4

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