

ESPON

TERMS OF REFERENCE ESPON STUDY

THE ROLE OF SMALL AND MEDIUM SIZED TOWNS (2005-2006)

o) Political challenges for the ESPON projects

The Second and Third Report on Economic and Social Cohesion, published in January 2001 and February 2004 respectively, presented for the first time a third territorial dimension of cohesion (beside the economic and social cohesion), which calls for a better co-ordination of territorially relevant decisions. Stressing the persistence of territorial disparities within the Union, the report stated the need for a cohesion policy not limited to the less developed areas as well as the need to promote a more balanced and more sustainable development of the European territory.

The Cohesion Reports represent in that respect a follow up of the European Spatial Development Perspective (ESDP), adopted at ministerial level in May 1999, calling for a better balance and polycentric development of the European territory. The projects launched under the ESPON programme shall follow an integrated approach and, seen together, cover a wide range of issues, such as:

- Identifying the **decisive factors relevant for a more polycentric European territory**; accessibility of a wide range of services in the context of enlargement; integration of wider transnational spaces¹; promotion of dynamic urban growth centres; linking peripheral and disadvantaged areas with those centres; etc.
- Developing **territorial indicators and typologies** capable of identifying and measuring development trends as well as monitoring the political aim of a better balanced and polycentric EU territory
- Developing **tools supporting diagnoses of principal structural difficulties as well as potentialities**, such as disparities within cities and regenerating deprived urban areas; structural adjustment and diversification of rural areas; strategic alliances between neighbouring cities at transnational, national and regional scale; new partnerships between rural and urban areas; potential support from infrastructure networks in the field of transport, telecommunication, energy; etc.

¹ Please be aware that the term “transnational” in this Terms of Reference should not be interpreted as Interreg III B transnational spaces. In this Terms of Reference the word “transnational” indicates contiguous spatial patterns or territories across national borders, which the analysis at transnational scale will display, and which might be different for different indicators and analytical contexts.

- Investigating **territorial impacts of sectoral and structural policies** in order to enhance synergy and well-co-ordinated decisions relevant for territorial development within policy fields such as Structural Funds, agriculture, transport, fisheries, environment, research and development as well as impacts to be taken into account in Integrated Coastal Zone Management activities; developing methods for measuring the territorial impact of sectoral and structural policies; etc.

- Developing **integrated tools in support of a balanced and polycentric territorial development**; approaches to enhance the potential of cities as drivers of regional development, new tools for integrated urban-rural development and planning, etc.

The Third Report on Economic and Social Cohesion included new scientific knowledge and information from a series of ESPON projects. As such the ESPON programme has met one of its objectives by delivering new scientific knowledge and information on European spatial issues as basis for future policy development at EU-level and within Member States.

With the results of all ESPON projects, the Commission and the Member States expect in particular to have at their disposal: **a diagnosis of the principal territorial trends** at EU scale and of the difficulties and potentialities within the European territory as a whole; **a cartographic picture of the major territorial disparities** and of their respective intensity; a number of **territorial indicators and typologies assisting a setting of European priorities** for a balanced and polycentric enlarged European territory; some **integrated tools and appropriate instruments** (databases, indicators, methodologies for territorial impact analysis and systematic spatial analyses) to improve the spatial co-ordination of sector policies.

In this respect, the ESPON projects will serve as a strong scientific basis for the propositions of the Commission in view of the reform of post-2006 Structural Funds.

Further information on the ESPON programme and single ESPON projects is available at www.espon.lu.

The intention of the ESPON study on the role of small and medium sized towns is to explore their contribution to European spatial development. So far ESPON projects focused mainly on major urban agglomeration or on rural areas. This project will compile existing knowledge on the role, importance and development perspectives of small and medium sized towns.

i) Relation to the ESPON 2006 Programme

The priorities describing the work-programme of the ESPON 2006 Programme are structured in four strands plus minor ESPON studies and support projects:

1. **Thematic projects** on the major spatial developments on the background of typologies of regions, and the situation of cities.

2. **Policy impact projects** on the spatial impact of Community sector policies and Member States' spatial development policy on types of regions with a focus on the institutional inter-linkages between the governmental levels and instrumental dimension of policies

3. **Co-ordinating and territorial cross-thematic projects** represent a key component of the programme. These projects evaluate the results of the other projects towards integrated results such as indicator systems and data, typologies of territories, spatial development scenarios. The cross section projects help to thematically co-ordinate the whole programme and add value to the results and to fill gaps, which are unavoidable when different themes are dealt with in different projects.

4. **Scientific briefing and networking** in order to explore the synergies between the national and EU source for research and research capacities.

5. **ESPON studies** in order to deepen results already achieved and/or explore ESPON results and issues in a targeted way in response to demands from policy development.

6. **Scientific support** projects address issues of a technical and/or scientific nature that should be developed into "state of the art" documents, and as well serve as preparatory work for a continuation of ESPON activities after 2005.

This specific ESPON study belongs to a series of studies which as well could lay the ground for possible future research. The aim is to provide a description of the diversity of the role of small and medium sized towns in various territorial conditions and regional throughout the 29 countries covered by ESPON research (EU 25 plus Bulgaria, Romania, Norway and Switzerland). The focus will be on compiling and categorising existing research, complemented by case studies and own spatial analysis.

The project shall be conducted as part of the ESPON network by a transnational team representing at least three Member States. The participation of an ESPON Contact Points as partner(s) in the project is recommended (a list of ECP's can be found at www.espon.lu).

A close coordination will be required with both the ESPON Co-ordination Unit.

ii) General objectives of this project

The ESDP contains several policy options (p.o.) focusing on small and medium sized towns like e.g:

- Strengthening small and medium sized towns in rural areas as focal points for regional development and promotion of their networking (ESDP – p.o.14)
- Maintenance of basic supply of services and public transport in small and medium sized towns (ESDP – p.o.19)
- Promotion and support of partnership-based cooperation between small and medium sized towns at a national and transnational level through joint projects and mutual exchange of experience. (ESDP – p.o.22)

Basically all ESPON projects deal with aspects, which to various degrees have a determining impact on quality of life and future prosperity in small and medium sized towns.

The development of information society and global economy encapsulates development potentials for small and medium sized towns, which so far have been explored only to a minor degree - presumably. Research has however shown that in a number of member states a reasonably number of particular medium sized towns and cities already do play a proportional major role in the global economy.

The knowledge of the role of small and medium sized towns needs however to be explored to a much larger degree in order to formulate adequate policy recommendations – both at EU- and national level, which on one hand can support existing positive development and on the other hand can assist small and medium sized towns in decline in diverting present negative development trends.

It is important to clarify the diversity of roles played by small and medium sized towns locally. Many of them may seem insignificant at a European or even at a national level, whereas at regional and local level they may be of reasonably significant importance, like main towns being decision centres on islands or in more remote or peripheral areas.

There is a need for clarification and differentiation of their role in various contexts, like in relation to distances to larger cities or agglomerations, in relation to infrastructure (like broadband connections and related costs), in relation to conditions for competitive abilities related to various business sectors, in relation to various geo-morphological “handicaps” like isolated position on islands, in mountainous areas or in peripheral or outermost regions. What are the advantages and the disadvantages and will answers be conditioned on various approaches?

It is important to get a first impression of how small and medium sized towns related to the developed ESPON typologies. Which relationships are there between e.g. territorial location, size and age profile of population, characteristics of the local workforce and education standard, etc. and various ESPON typologies like e.g. FUAs?

It is important to formulate a series of hypotheses on basis of the various typologies and there after examine to what extent they are true or not or in need for more knowledge, before questions can be answered reasonably satisfactorily.

The geographical focus of the study is on the so called ESPON space, which covers EU 25 plus Bulgaria, Romania, Norway and Switzerland.

The ESPON study should build on developed ESPON knowledge and take a starting point in specifically project 1.1.1 – polycentrism, project 1.1.2 – urban-rural relationship, project 1.1.3 – enlargement, and project 1.1.4 demography. However, also findings from other ESPON project such as those on transportation, telecommunication or energy should be considered. Furthermore, the case study work on rural-urban relations carried out under the Study Programme on European Spatial Planning (SPESP) might be of interest for this study.

In addition, the ESPON guidance papers (available at www.espon.lu) are to be considered when drawing-up the conceptual framework for the study.

iii) Primary Research Issues envisaged

1) Definition of Small and Medium Sized Towns

Small and medium sized towns are characterised both by their size and their specific functions in a territory. As the size of towns and cities varies throughout Europe, a definition of small and medium sized towns cannot be solely based on their demographic mass, or at least the definition of minimum and maximum numbers of inhabitants needs to be adjusted for each country. However, the presence and/or absence of specific functions, as well as the place in the national urban system/hierarchy are much more likely to constitute a suitable indicator for the definition of small and medium sized towns.

Based on literature and experience from existing ESPON studies – in particular 1.1.1, 1.1.2 and 1.1.3 – a European wide definition of small and medium sized towns needs to be elaborated.

The ESPON Contact Points can be of assistance for getting hold of existing national definitions.

2) Analysis of the role of Small and Medium Sized Towns in Spatial Development

Having defined small and medium sized towns, their role in spatial development needs to be further analysed. The role might differ regarding the geographical context of a town (being linked with a big city or part of a functional cluster of towns or the only town in a region), the economic performance, the function and size a town has or other aspects such as accessibility or socio-economic specialisation in a certain sector.

For this analysis of roles, the 3-Level-Approach developed by ESPON should be applied, i.e. the analysis should differentiate roles in spatial development regarding (a) regional, (b) national / trans-national, and (c) European context. At present for each geographical context various working hypothesis can be identified, such as cities as motors for regional development, or the importance of second tier cities in national urban systems etc. The main hypotheses in the field should be identified and assessed when analysing the role of small and medium sized cities. The analysis should be based on literature studies as well as on case studies and possibly statistical and spatial analysis. With regard to the decisive role of the national context it is considered important to not only review literature available in English, but also other national literature for selected countries. Certainly, the analysis as well as the selection of suitable case studies need to reflect the European diversity in the field.

The analysis should also pay attention to existing spatial typologies and assess whether the role of cities differs in different types of areas. For this purpose the typologies provided by other ESPON projects should be taken into account, such as functional urban areas, rural-urban distinction, accessibility etc. Furthermore, typologies widely used in the field of European spatial policies should be employed, such as mountain areas, island, coastal areas, areas eligible for different types of Structural Funds support etc.

The underlying objective of the assessment is the possible contribution of small and medium sized towns to balanced spatial development, territorial cohesion, polycentricity and rural-urban partnership. Functionality is a key aspect in this context.

3) Typology of areas regarding Small and Medium Sized Towns

Taking the collected information on definitions of small and medium sized towns and their varying roles, the question emerges whether it is possible to develop a typology of territories being characterised by the specific types of small and medium sized towns.

The project is asked to investigate the development of such a typology preferably at NUTS 3 or 2 level and to provide spatial and statistical analysis and maps on this.

Furthermore, requirements concerning information needed for improving such analysis and typologies and further developing them in future projects are to be discussed and listed.

4) Analysis of specific potentials and challenges of Small and Medium Sized Towns

With regard to the policy orientation of ESPON also the specific potentials and challenges of small and medium sized towns need to be addressed. The main question is which are the specific territorial capitals of small and medium sized cities and what are the main hampering factors for exploiting these.

The discussion on potentials and challenges might also address development dynamics, and the specific role of small and medium sized cities linking up with bigger cities or of several small and medium sized cities cooperating in order to improve their critical mass. Also different paths of population and economic development need to be taken into account. In general, the focus of this debate should not be limited to discussion on GDP but also other concepts such as residential economy are to be considered.

In a similar manner as the analysis of the role of towns, also the potentials and challenges shall be identified and discussed in relation to (a) existing spatial typologies, (b) the 3-Level-Approach, and (c) European diversity. The analysis should be based on literature studies as well as on case studies and possibly statistical and spatial analysis.

5) Recommendations for further research

Based on the work of the project, proposals for future policy-relevant research regarding the role of small and medium sized town in spatial development are to be drawn up. The study should be regarded as a pilot project aiming at giving a deeper understanding of the complexity of the scientifically questions related to the theme. It would be to consider as a positive result if an outcome of the pilot project could be a draft text for a set of Terms of Reference for a much more detailed research project, which may be carried out within the realm of ESPON II.

6) Tentative policy recommendations

In addition to the research recommendations, also first tentative recommendations on policy actions are to be developed. This should stimulate the debate on proactive policies for positive territorial development of small and medium sized towns in order to first and foremost counter balance the demographic trends towards depopulation and secondly to contribute to a balanced territorial development with a satisfactory accessibility, to secure and maintain nature and cultural values and heritage and quality of life.

iv) Expected results and timetable

The study is expected to provide first insights in the role small and medium sized cities have in spatial development at various geographical levels and in various types of territories. The contribution of the project to the development of projects for future applied research in the field is the main result expected.

This calls for a timing of reporting deadlines and expected results in accordance with the timetable below.

September 2005: Interim Report

- (a) Detailed workplan and description of the methodology of the project.
- (b) Review of definitions and development of a definition of small and medium sized towns to be applied over the entire ESPON space (cf. step 1 primary research issues envisaged).
- (c) First analysis of the role of small and medium sized towns differentiated regarding different types of towns and different territorial contexts (cf. step 2 primary research issues envisaged).

May 2006: Final Report

Deepening of elements provided in the first Interim report, and new key elements:

- (d) Final analysis of the role of small and medium sized towns differentiated regarding different types of towns and different territorial contexts (cf. step 2 primary research issues envisaged).
- (e) Typologies of regions regarding predominant types of small and medium sized towns (cf. step 3 primary research issues envisaged).
- (f) Analysis of potentials and challenges of small and medium sized towns (cf. step 4 primary research issues envisaged).
- (g) Recommendations for future research and focus of future ESPON projects in the field (cf. step 5 primary research issues envisaged).
- (h) Tentative policy recommendations for supporting small and medium sized towns (cf. step 6 primary research issues envisaged).

vii) Estimated budget

The budget for this study should not exceed €100.000.

The budget shall also cover the participation in three ESPON seminars, one Luxembourg, one in the UK and one in Austria.