

# The Driving Forces behind Macro regions



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Europe today is focusing its structural interventions and funds on creating results that are evidence-based. In times of crisis, interventions should be even better to produce efficient results that deliver growth and jobs. Moreover, integrated thinking is in progress in European policy, putting territories more into policy focus. This development should in turn provide more efficient and better decisions on where and on what the money should be invested.

There is a lot of pan-European and comparable regional evidence available compared to 10 years ago. It is a matter of having the right attitude towards using this knowledge in a smart way. Different approaches to strategy building are not in opposition, here there is no "one and only" correct model. If Ile-de-France is going to look deeper into particular issues, of strength, challenges and comparative advantages in relation to other metropolitan regions worldwide, it is a matter of trying to understand your territory, your situation from different angles, in the larger European and Global context, by using the evidence at hand.

This is the way I would hope that the outputs from more academic processes are being considered by policy makers, because it is, at the end of the day, the political level deciding the development strategy in a certain territory.

We have, in ESPON, undertaken quite a number of applied research projects trying to understand the urban system and the majority of projects have taken the functional approach to the urban dynamics, because if you want smart growth, this is not possible only on information related to the population. This is not enough for finding competitive advantages, to see where you have some comparative strong points *vis à vis* neighbouring regions, *vis à vis* other

metropolitan regions; you need to have more information that has to do with the functionality, the networking and economic base. This is the starting point for discussing: "Can we cooperate and mutually gain? Can we make a strategic alliance enhancing our common competitiveness and set up a stronger market strategy? Can we make things together in the new global competitive context?" That is a reality.

## The macro region: a new strategic model

Macro regions are a perception of regional reality that becomes more important with accelerating globalisation and connection of the World. You find this trend in the Baltic Sea region and in other macro regional development in Europe, such as the Danube. It is a geographic scale and context that metropolitan regions need to take seriously. If you take the North-west Europe, London and Paris are considered as "world cities" and very active in that respect. The macro-regional scale and the potential role in the macro region need to be part of strategic thinking that metropolitan regions like Ile-de-France are conducting. Changes ahead are dramatic, as far as we can see, in terms of changing the regional balances on the globe and it has to be a more important element in all strategy building today. It is about being very firm on the approach, on looking, also at world scale, for these comparative advantages that might be options to unleash and which can both be endogenous and generated through a regional cooperation approach. Metropolitan regions should today explore both avenues.

## The importance of global benchmarking

One keyword for the evidence produced by ESPON is "benchmarking of regions and cities in the European context". You have to look into your position in Europe and add your own more detailed knowledge about your own territory to actually have the information needed for policy. For policy makers driving a regional development process, it is about informed processes, it is about evidence information, and it is not about delivering facts as if only one truth exists. As said, in today's world, the benchmarking has to be global. You also have to consider the metropolitan regions in relation to other macro regions in the world. Which macro regions in Europe does Ile-de-France belong to? This is one thing you have to consider in the revision of your strategy for Ile-de-France. I think that an important element is about looking for options, development opportunities that might lie in a cooperation London-Paris and in other combinations with European metropolises making use of specialisations. Such European metropolitan cooperation could be a contribution to the competitiveness of Europe in the World.

## Four major urban conurbations in the world



### World City Network 2008

UMS 2014 RIATE, *Projet de base de données*  
ORATE/ESPON 2010

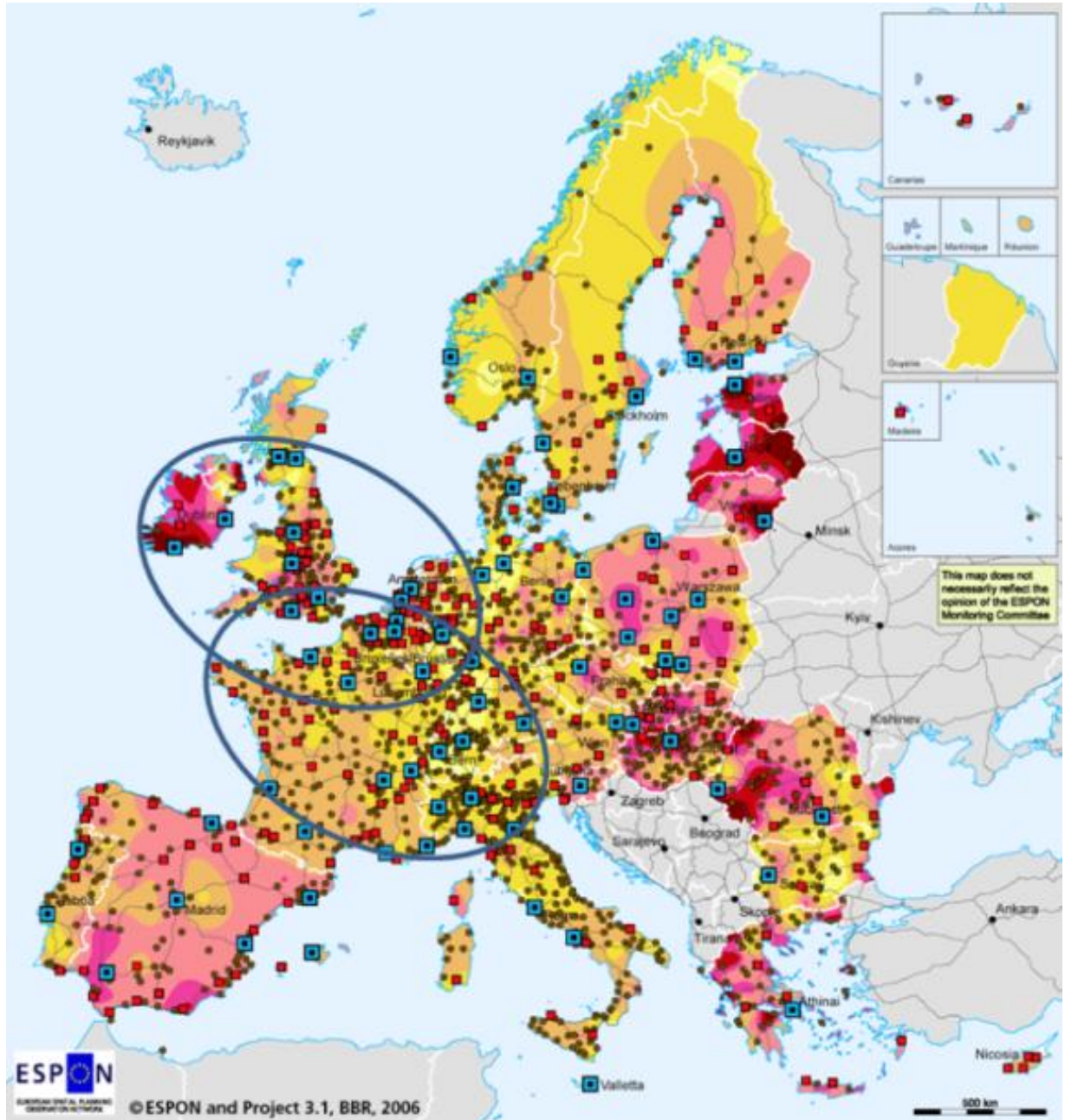
Worldwide, there seems to be four major agglomerations of world cities on the globe. And if you look at Europe, cooperation and comparative advantages are dimensions that need to be taken seriously today. Everyone is speaking about Asia and the ongoing shift of economic balances of power. It might also be that other markets are progressing – maybe not in the next couples of decennium but maybe later in this millennium.

You can as example see how quickly the uptake of internet use is progressing in the African continent; and this is maybe a more long term element for market expansion, trade and development to consider as a strategic opportunity.

However, it is important not to forget that Europe also has a number of regional imbalances. Policy makers are in that respect interested in different initiatives from cities and regions that can help balancing the European territory and create – may be also in a long term – a situation which is more

polycentric and politically acceptable than today. Trends before the crisis actually supported better territorial balances at European level and within many Member States than before. The current crisis has probably neutralised and changed this positive gain resulting in new patterns of imbalances

**What macro region could Ile-de-France belong to?**



Locations driving the European economy  
ORATE and Project 3.1. BBR, 2006

The intention with the above map was to shape the mind by having different ellipses moving around the map and asking: What macro region do you belong to? What is important when we are at the European

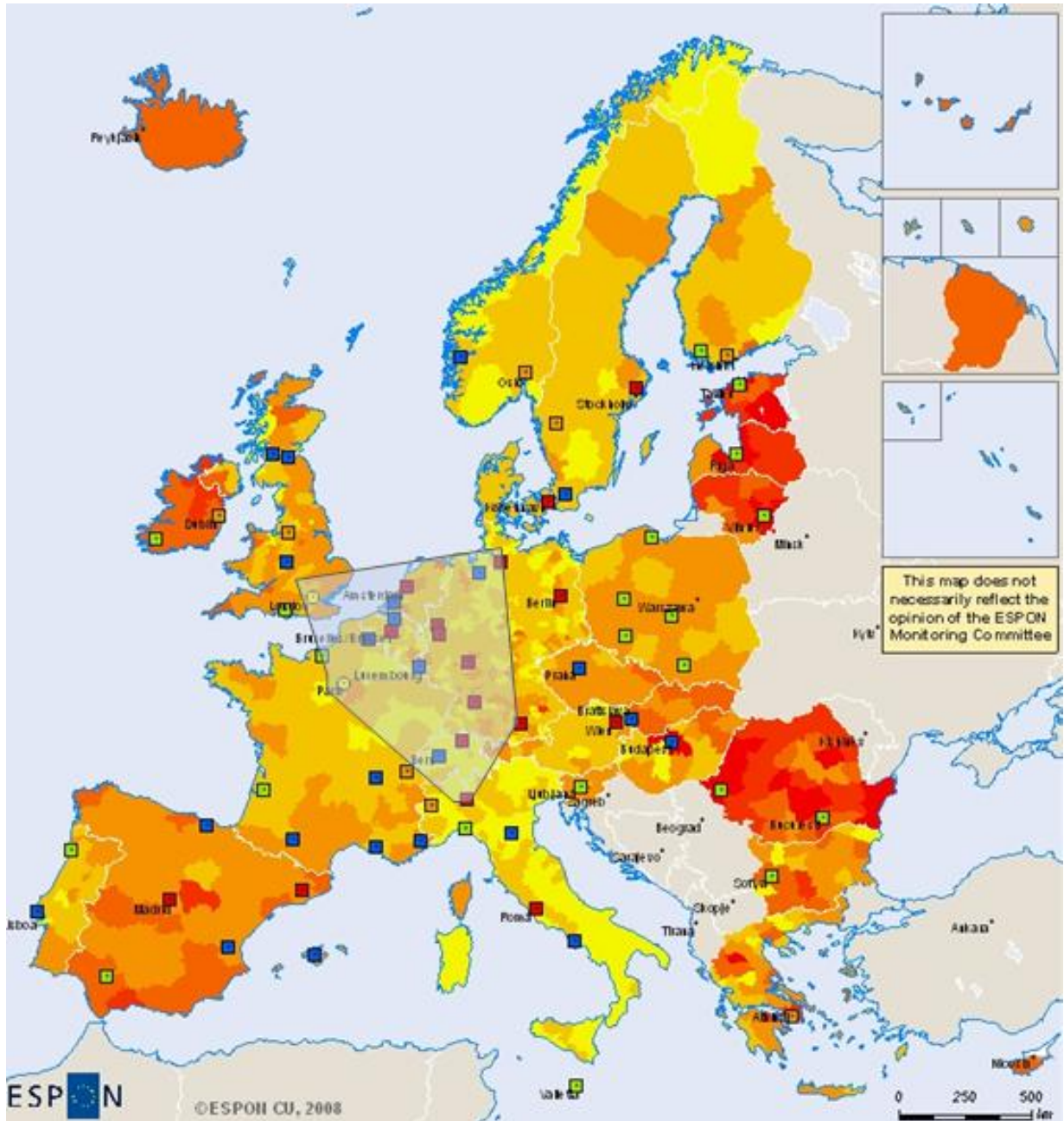
level is to say that we have structures that are highly concentrated, almost a mono-centric European structure.



We learnt here that 50% of the metropolitan functions are located in the Pentagon cornered by London, Paris, Milano, Munich and Hamburg. It shows the territorial concentration. Ile-de-France is in a favourable position; you can say you have the advantage of vicinity with very strong metropolitan

players. But, of course, it is also a matter of thinking: what is the role of Ile-de-France in supporting the French territory, acting as a factor benefiting development in other parts of France? Could this increase through more territorial cooperation?

### The Pentagon and Metropolitan regions in Europe



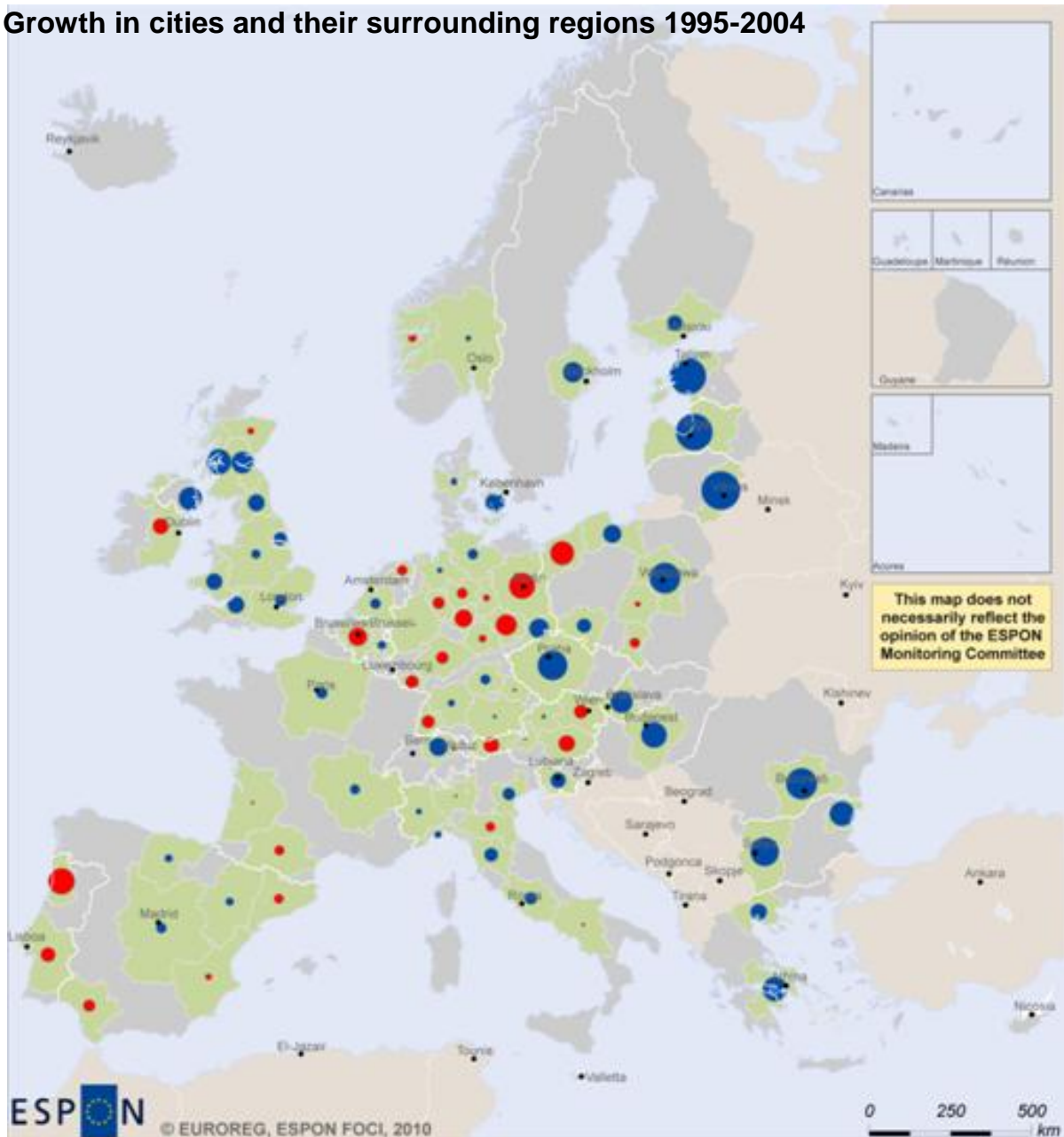
The Pentagon and Metropolitan regions in Europe  
 UC ORATE, 2008

Looking at the balances in terms of GDP per capita inside some of the EU Member States, picking France, Ile-de-France has quite a favourable situation compared to the large majority of other French cities; and here the key question is: How and with what prospects does Ile-de-France consider itself, not only in the European but also in the French context? There might be a need as well as opportunities in going into cooperation activities that could generate a greater national balance.

We heard that even in the current crisis, when looking at the European map, there is a GDP growth in many countries, predominantly in Eastern European Member States. In those countries, the capital cities and not their surrounding regions have the highest growth rates. Here it seems important to remember the Irish experience in the beginning of the 1990's where an "overheating" of Dublin was

simply becoming a political problem resulting in a policy shift asking for regional balance. The decision whether first to build up wealth in the capital and thereafter distribute or redistribute some of the wealth, is of course purely political. However, the Irish example is in a way a clear lesson that many countries could learn from. The Dublin area was starting to create problems and diseconomies, both in terms of area functionality but also social tension in relation to the rest of Ireland. The Irish simply revised their national spatial strategy aiming at regional balance and they took measures in that respect. I predict that a similar story will repeat itself at least in some of the Eastern European countries that, as you can see from the map below, are exactly going in the same direction, however maybe with a time lag of 10 to 20 years.

### Growth in cities and their surrounding regions 1995-2004



In the global context of networking, most research and studies say that Paris and London are the most important cities in Europe. Apparently other European cities are also active in global and European networks as well.

I think Europe has a major challenge here. A large majority of European cities are currently comparatively poorly integrated in world markets and networks. Maybe there is also here a particular benefit for the largest metropolitan areas, like Ile-de-France, to try to get other cities involved particular

cities in the vicinity. Once again it is about creating win-win situations, and integrating more cities than today in the global context. All things even, of course, this is something that would also benefit the European economy and the European competitiveness in this emerging larger global scale. All urban policy-makers have to become acquainted with and take stock of this new reality, because this is our common future.

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