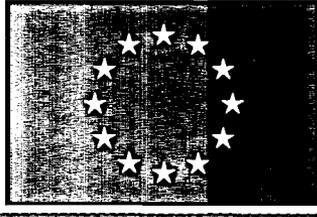


EUROPEAN
FILE



Europe 2000:
the development
of the
Community's territory

There is a growing interest throughout the Community of Twelve in the European dimension of development planning. The economies of the Member States are becoming increasingly integrated and more and more policies are being formulated on a European scale. The *Europe 2000* document, published by the Commission at the end of 1991, is a first attempt to provide Community-wide information for those responsible for town and country planning.¹

Clearly the Commission does not intend to take over functions which are, quite rightly and very effectively, carried out within Member States, whether at national, regional or local level. The aim is not a master plan for Europe; but more systematic transnational cooperation between those responsible for planning is obviously necessary. Policies and plans drafted at both Community and national level in areas such as transport or energy must also be considered from the point of view of regional development.

An expanded 'core' or broader decentralization?

The general pattern of the Community shows core areas where economic activity is concentrated (see map on gross domestic product per head). It is becoming increasingly clear that the traditional centre of European development, bounded by the Paris-London-Amsterdam-Ruhr quadrangle, is being complemented by a second, covering the wealthy regions of southern Germany and northern Italy extending westwards over increasingly large areas of the French Midi and the regions around Barcelona and Valencia.

Close proximity to suppliers and services still determines to a large extent the location of economic activities. Clusters of economic, administrative and political decision-making will continue to attract new firms.

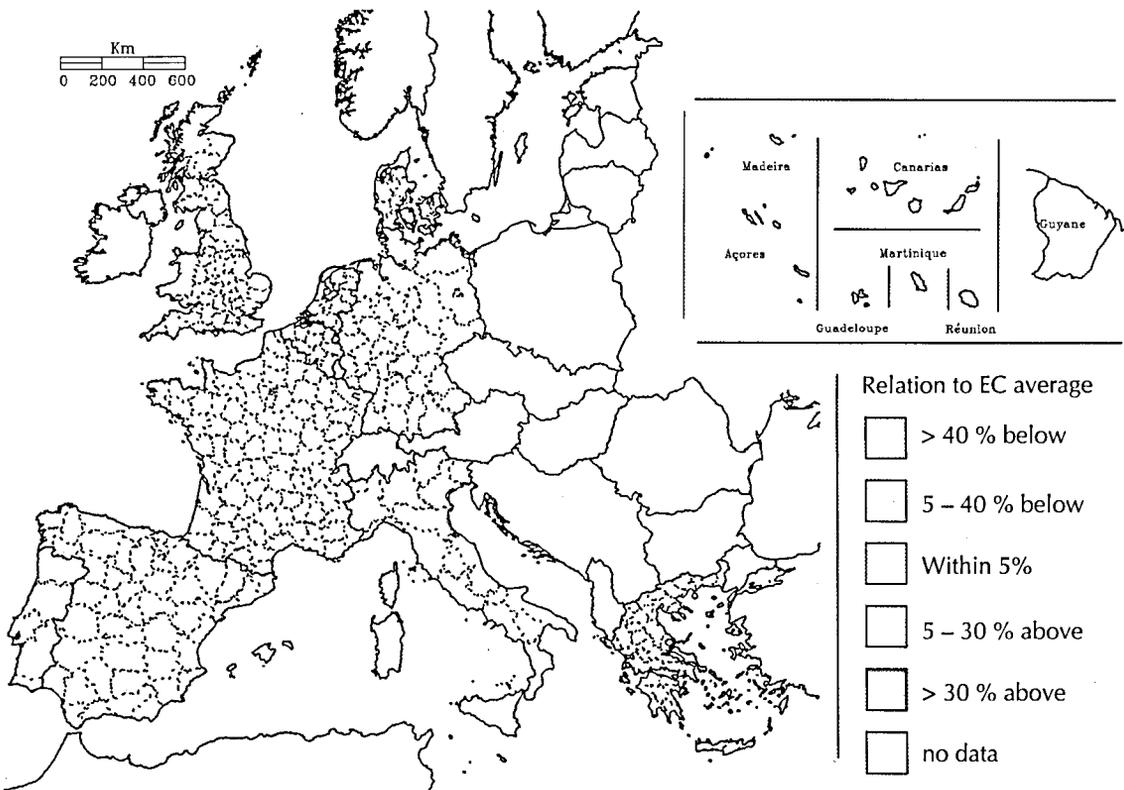
Other factors are, however, growing in importance and could stimulate decentralization and the diffusion of activities throughout the whole of the Community:

- Over the past decade or so, firms have introduced flexible production systems and, with reduced scope for economies of scale, there have been increased opportunities for small firms.
- The costs of the congestion of activities in large cities and the age structure of the population could reduce the dynamism of the traditional 'central' areas.
- New possibilities, provided by modern means of transport, telecommunications and the integration of energy transmission networks, will help to overcome the disadvantages of the remote regions.

¹ *Europe 2000: Outlook for the development of the Community's territory — a document of more than 200 pages drawn up by the Directorate-General for Regional Policies of the European Commission and published by the Office for Official Publications of the European Communities.*

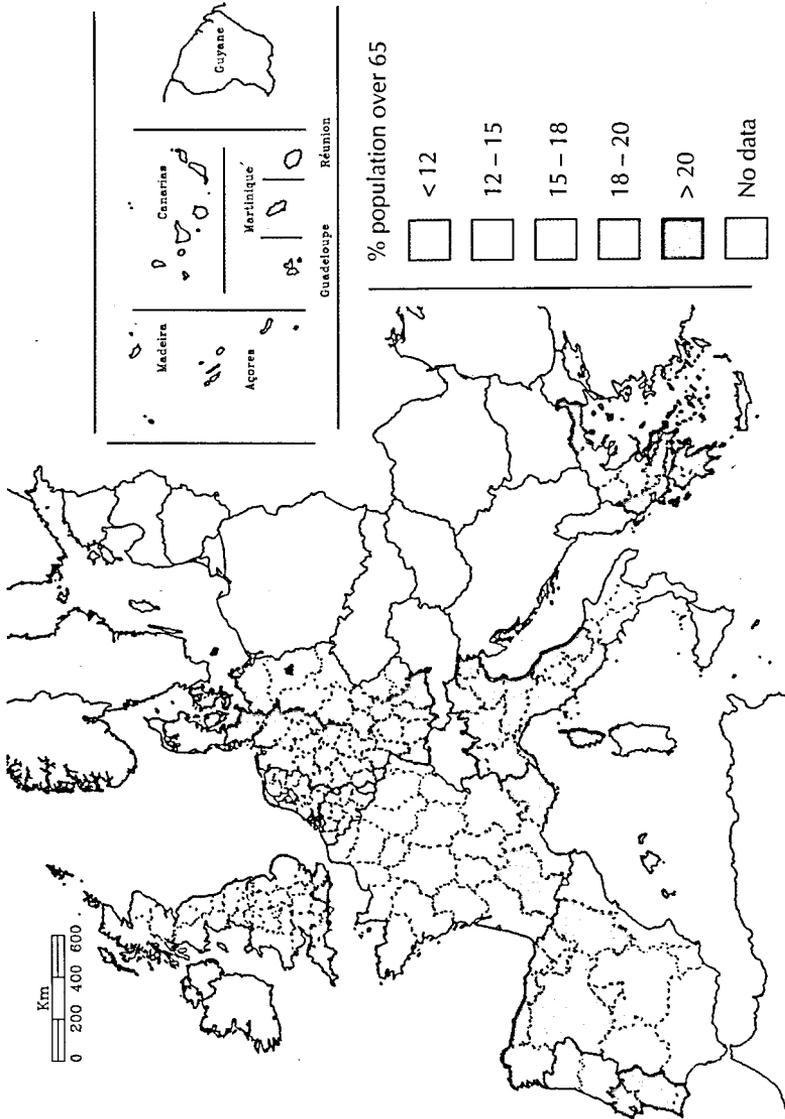
Map 1 — Gross domestic product per capita, 1989

Source: Eurostat — Regio database



Map 2 — The ageing population — projection for 2015

Source: Netherlands Economic Institute, 1990



For the 1990s, an important question will be whether the pressures arising from economic and geographical imbalances between the prosperous centres and the rest of the Community will encourage the mobility of economic activities and jobs, leading to a better distribution of activities.

Population patterns

Current projections suggest that the population of the Community, some 345 million people, is likely to remain unchanged during the 1990s (see map on the ageing of the population) as a result of the continuation of the long-term trend of low birth-rates in the North with rapidly falling birth-rates in the South and in Ireland. The ageing of the population is particularly acute in central regions, especially in Germany and northern Italy, but this trend is spreading across virtually the whole of the Community territory. The Community's southern reservoir of labour is drying up as a result of the rapid decline in birth-rates.

Outside the Community, population growth will continue. For example, the population of the Maghreb countries is set to double from 58 to 103 million between now and 2025. The pressure of such population growth allied to relatively poor economic opportunities may be reflected in increased pressure of migration into the Community. Other pressures may come from the countries of Central and Eastern Europe.

Whilst in the past immigrants have generally shown a preference for the urban industrial centres, today they are also attracted by some southern parts of the Community, such as Greece and the south of Italy, where the number of immigrants is constantly growing.

New location factors

The choice of location of enterprises has gradually become much freer than in the past. At the beginning of the 1960s, for an estimated 70% of total Community employment, there was limited or no flexibility over choice of location. By 1990, changes in economic structure and, in particular, a relative decline in industries dependent on natural resources and in services tied to local markets meant that this proportion had fallen to 50%.

In general, location factors fall into three groups:

- market-related factors (access, general economic climate, etc.),
- transport and telecommunications infrastructures,
- availability of labour.

When it comes to the final choice of location, qualitative factors appear to be more important than quantitative (cost-related) factors. Firms are prepared to trade off cost disadvantages to secure qualitative advantages such as a pleasant climate, attractive surroundings and a good general living environment.

These factors have contributed to the growth of the southern arc stretching from northern Italy through southern France to northern Spain.

Transport

Given the mounting problem of congestion of activities, the use of distance-shrinking technologies could reduce the pressure on central regions and improve the quality of life.

The completion of high-speed transport networks would significantly reduce the disparities in interregional economic competitiveness. Currently:

- 20% of the long-distance international road network is not yet of motorway standard. In the Iberian peninsula, Ireland, the northern part of the UK and Greece continuous, high-quality motorways over long distances do not exist;
- similar inadequacies exist with regard to the Community rail network, where 20% of the interregional passenger network is run at speeds of less than 70 km/h and only 5% at an average speed of above 120 km/h (see map on the missing links in the high-speed train network).

Great care is needed, however, to prevent the development of high-speed transport from merely strengthening existing links between the main economic centres. The development of high-speed means of transport in complementary combinations, including maritime connections, is necessary to reduce disparities between the centre and the periphery, whilst capillary connections are required to spread the benefits of high-speed travel within regions.

Information technology and telecommunications

New developments in information technology and telecommunications are reducing the relevance of distance and narrowing the cost disadvantages arising from the remoteness of certain regions.

The past decade has witnessed enormous growth and development in the field of information technology. International traffic on public networks alone increased by over 500% during the 1980s and global traffic is expected to continue expanding at a minimum of 15 to 20% annually up to the year 2000 and beyond.

Recent studies show that peripheral regions in the south of Europe in particular suffer from the poor quality of even very basic telecommunications services. The average number of telephone lines per 100 people in 1989 was 25 in the less developed regions (those classified as objective 1 for structural Fund purposes) as against, for

THE REGIONAL IMPACT OF THE CHANNEL TUNNEL — A CASE STUDY

The Channel Tunnel provides a good example for anyone wishing to assess the potential regional effects of major investment in new transport links.

It is estimated that passenger traffic across the Channel (including by air) will increase from 84 million to 107 million journeys, or by 27% between 1991 and 1996 and by a further 26% to 135 million by 2001. The number of lorries crossing the Channel is anticipated to grow from 3.3 million to 4.4 million, or by 35%, between 1991 and 1996 and by a further 18% to 5.2 million by 2001.

The gains from the construction of the Tunnel will tend to be concentrated in regions around the exits on either side of the Channel, principally benefiting the regional economies in the London-Brussels-Paris triangle. Linked to the new high-speed network, the Tunnel could marginalize Normandy and Zeeland and reinforce the peripheral character of Denmark, Ireland, Northern Ireland and the north of Scotland.

example, 46 per 100 in France. To bring these regions up to the same standard as the rest of the Community would require expenditure of around ECU 50 billion.²

Energy

A secure supply of energy at competitive prices is a precondition for economic development. To guarantee competitively priced supplies to all regions requires both the development of local or renewable energy resources and the completion of the single market in energy; which in turn calls for the strengthening and integration of transmission networks on a Community-wide basis.

Intra-Community trade in electricity in 1990 represented 8% of total consumption in the Community (as against 2% in 1950). The interconnection of national grids would save 3% of the total costs of supply, equivalent to around ECU 1 billion.

Priority projects for natural gas are :

- In southern Europe, an increase in capacity for the trans-Med pipeline, the construction of a pipeline between Algeria and Spain and between Spain and France as well as the construction of gas distribution infrastructures in Greece and Portugal.

² ECU 1 (European currency unit) = about UKL 0.71, IRL 0.77 and USD 1.25 (at exchange rates current on 31.3.1992).

- In northern Europe, new pipelines between Ireland and the UK and across the North Sea (from the Norwegian wells and between the Dutch and UK wells) and between western Germany and the new *Länder*.

Environment and natural resources

Economic activity is often accompanied by environmental degradation, excessive depletion of resources and serious damage to the natural heritage. A clean and attractive environment is becoming a prerequisite for long-term economic growth.

- **Atmospheric pollution.** Globally, the combustion of fossil fuels (oil, coal and gas) accounts at present for more than 5 000 million tonnes of carbon dioxide (CO₂). Of this, the Community is responsible for more than 700 million tonnes, or 13.5%.

Even with a considerable effort to take action and collaborate world-wide, the Intergovernmental Panel on Climatic Change estimates that sea levels will rise by 8 to 29 cm by 2030 (the most reliable estimate is 18 cm). Low-lying coastal plains, dunes and wetlands will suffer major ecological and economic damage and low-lying towns such as Venice will be even more vulnerable to flooding than now.

Geographically, emissions are concentrated in certain urban areas in northern parts of the Community. The targets for the reduction of emissions of gases and other atmospheric pollutants cannot be achieved without investment, the cost of which should be borne principally by the polluters. Investment is required in particular to change the ways in which energy is produced and used.

Sulphur dioxide (SO₂) emissions remain very high in Central and Eastern Europe. In 1985-86 emissions were estimated at 5 million tonnes in the German Democratic Republic, over 4 million tonnes in Poland and more than 3 million tonnes in Czechoslovakia. On a per capita basis these levels were almost 10 times higher than those in the Community.

- **Water resources.** Across Europe, only about 35% of water use represents depletion. The remainder is returned to rivers, lakes or coastal waters as waste water of varying, but too often poor, quality before being recycled into supply.

Despite the Community Directive on drinking water, the nitrate content in ground-water in shallow wells in the Netherlands, Belgium, Denmark and Germany will only reach an acceptable level in 25 to 50 years' time (see map on nitrogen from animal waste).

- **Waste.** Human activities - production and consumption together - generate some 2 000 million tonnes of waste every year. About 20 million tonnes of this are dangerous substances.

On average an estimated 60% of domestic waste is dumped, 33% incinerated and 7% composted. This problem is increasingly a cross-border one. Until comparatively recently, Member States could find other countries who would receive and dispose of their waste more cheaply.

There is a need for coordination and cooperation to find solutions at Community level. In border regions, for example, incineration plants could be constructed to serve a common catchment area. One such plant is already envisaged for Ireland capable of treating toxic waste from both the Irish Republic and Northern Ireland, thereby increasing its viability and halting the existing transportation of waste to Great Britain.

Urban areas

The imbalances in the use of territory are nowhere more evident than in the fact that 80% of the Community's population lives in towns whilst 80% of the land is rural (see map showing population density).

Some of the Community's most acute problems are found in large towns and urban areas. Even in the relatively favourable economic circumstances of the late 1980s, there appears to have been a growth in the physical separation of rich and poor in many cities. In certain cases, this has been accompanied by immigration from third countries.

An element common to both the North and the South is the development of a more decentralized urban system as the large metropolitan areas either grow more slowly or lose population. The rapid growth, especially in the more prosperous regions, of small and medium-sized towns with good connections or close to large metropolitan areas reflects their advantage in offering skilled workers a good location, easy communications and shorter travelling distances with a cleaner and less congested environment.

Rural areas

The importance of agriculture in overall economic activity has changed considerably:

- In 1960, 21% of the total Community work-force was employed in agriculture. By 1970, this had declined to 13% and by 1989 to under 7% (8% if forestry and fishing are included).
- A total of 800 000 holdings (or 10%) disappeared between 1970 and 1987, whilst the size of farms increased, although the rate differed somewhat from Member State to Member State.
- On present trends, by the year 2000, 75% of the Community's agricultural population will be in the Mediterranean regions.

The common agricultural policy is currently being reoriented towards less intensive production and preserving family farms and the rural environment. New job opportunities outside agriculture, both full-time and part-time, are also required. The development of modern telecommunications and transport links is necessary to increase the attractiveness of rural areas as locations for businesses and employment.

Border areas

The Community has almost 10 000 km of land frontiers. Internal borders make up roughly 60% of this, the remainder being borders between the Community and its neighbours in Central and Eastern Europe. The regions along these borders, as defined for Community purposes, account for around 15% of the total area of the Community and 10% of its population.

With increasing integration, the Community's internal frontiers will lose much of their previous significance. Formal changes after 1992 will not, however, be immediately or automatically reflected in development planning.

There is a danger that the peripheral nature of regions bordering on non-Community countries will increase whilst other regions which are now peripheral in their national context will become more central in a more integrated Community, in particular those on Germany's western borders and in the border areas between France and Italy.

Developing relations with neighbouring countries will create increased pressures in border areas (for example from migratory flows) but will also present new trade opportunities. Cooperation will therefore be an important factor in development, enabling :

- economies of scale,
- common planning of public services,
- integration of transport and telecommunications systems,
- joint promotion of industry and services.

Coastal areas and islands

The Community has 58 000 km of coastline (excluding that of the Greek islands and the inland waters of Denmark) and around 400 inhabited islands. These areas are very unevenly divided between Member States and are extremely varied in terms of geography, population density and the nature of economic activity. Many of these areas are highly dependent on tourism and/or fisheries.

- The most serious problem for the fishing industry is the major imbalance which has arisen between fishery resources and fishing capacities. A reduction of at least 40% in fleet capacity throughout the Community is thought to be required.
- In coastal areas, the use of land for the development of tourist resorts and recreational activities alone is likely to double by the year 2000, affecting another 8 000 km² along the Mediterranean coast.
- For the islands, transport costs represent a particularly serious handicap. They are 30 to 40%, in some cases as much as 200%, higher than on the mainland.

Conclusion

The development of the Community's territory does not stop at its external borders. In all probability, new Member States will join between now and the year 2000 and the Community will develop ever closer links with its neighbours. This is why the Commission's document refers to Europe 2000 and not to the European Community 2000. The Commission's work in the future will give particular emphasis to this wider context.

The Commission's *Europe 2000* document is the first step in a process. The Commission will continue to study the development of territorial problems in Europe on the basis of the information it will collect, improve and regularly update.³



³ Document completed in January 1992.

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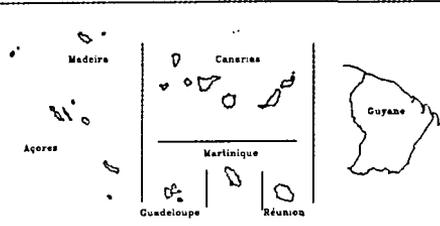
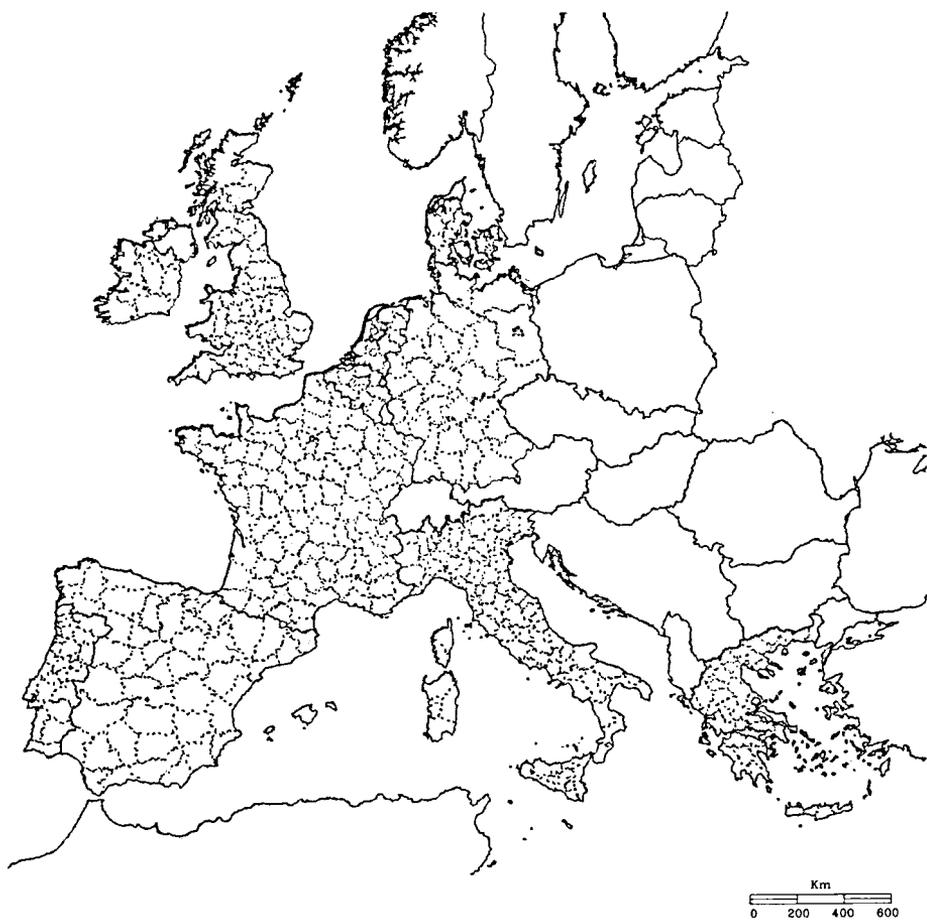
Map 3 — Outline plan of European high-speed network (2010)

Source: Community of European Railways



Map 4 — Nitrogen produced by animal wastes, 1985

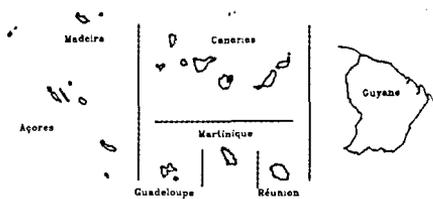
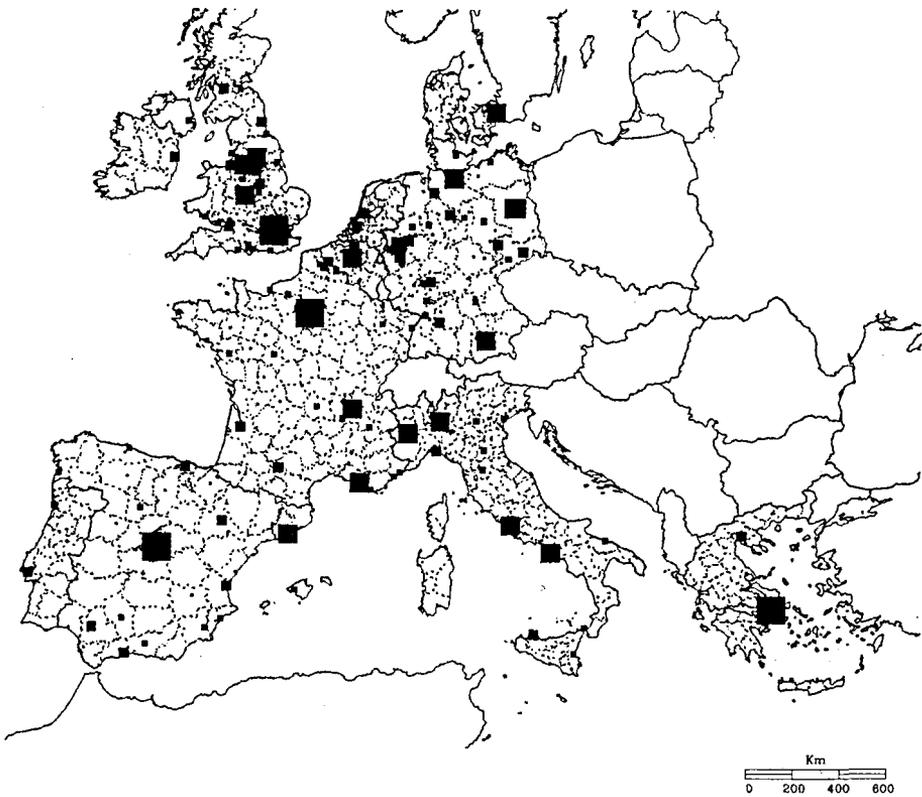
Source: CEC, Corine



kg nitrogen/ha agricultural land/yr			
	< 25		100 – 200
	25 – 50		> 200
	50 – 100		No data

Map 5 — Population density and urban centres, 1989

Sources: Eurostat — Regio database, Corine



Inhabitants/km ²	Number of inhabitants
	< 50
	50 – 100
	100 – 250
	250 – 500
	> 500
	100 – 250 000
	250 – 500 000
	0.5 – 1 Mio
	1 – 3 Mio
	> 3 Mio

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