

## CONFERENCE REPORTS

### TERRITORIAL COHESION IN EUROPE

To celebrate memorably the 70th anniversary of the Hungarian Transdanubian Research Institute (TRI),<sup>1</sup> members of the TRI decided to organise an exciting and – regarding the list of invited regional scientists – a truly distinguished international conference with the above title (Pécs, 27–28 June, 2013). The intention of the organisers was to bring together the internationally well-known scientific partners – many of whom have a long and successful relationship with the TRI – and the ambitious young research fellows to encourage the co-operation between them. More than 30 foreign experts from 16 different countries participated the conference, which truly reflected not just the TRI’s international network but its interdisciplinary character, too. Although the main topic of the symposium was territorial cohesion, given the complexity of this issue, there were presentations about competitiveness, innovation and R&D policy, industrial clusters, regional development, regional planning, EU policies and aspects of the next programming period, measurement and evaluation, etc.<sup>2</sup>

After the welcome speech by *Károly Fazekas* (General Director, Centre for Economic and Regional Studies, Hungarian Academy of Sciences – MTA KRTK)

<sup>1</sup> It is a milestone in the history of the institution that despite its merge with the Institute for Economic Research and Institute for World Economics in 2012, TRI has now become a department within the new Centre for Economic and Regional Studies of the Hungarian Academy of Sciences (MTA KRTK).

<sup>2</sup> The results of the two-day discussions are available on the official website (<http://dti70.rkk.hu/>) and through the more than 520-page edited conference volume that includes 40 papers.

and *Éva Perger* (Director of the Institute for Regional Studies), *Ilona Pálné Kovács* (former Director of the TRI) opened the first plenary session with her presentation about the history of the Institute, the decisive milestones, the most important projects, the struggle against territorial and scientific porphyrisation, and the promising perspectives of the future. As she stated, “[i]t is not direct planning and programming, and not outsourced applied research that can contribute to advances on the periphery, but much more the emergence of active ‘development regimes’ which we can assist with our knowledge and networks”. Elaborating on this statement in his presentation about the R&D structure of six large and medium-sized EU member states in Central and Eastern Europe, *Gyula Horváth* (former General Director of the Centre for Economic and Regional Studies) underlined that “[w]eak regional cohesion and an exaggerated spatial concentration of modern regional development factors (such as R&D structure and capacities) have a clearly negative effect on European competitiveness today”.

*Wolfgang Streitenberger* (Adviser, European Commission Directorate-General for Regional Policy and Urban Development) emphasised that there were three concrete objectives to be achieved by the current cohesion/regional policy: convergence, that is the acceleration of the catching-up process in the least developed regions; improving competitiveness and employment; and territorial co-operation, namely strengthening co-operation between European regions. *John Bachtler* (Professor, University of Strathclyde) pointed out in this context that the cohesion policy regulations for 2014–2020 contain a range of new measures to strengthen the strategic orientation of programming and incentivise better performance. Programmes have to specify objectives, intervention logics and results targets more clearly. According to *Louis Albrechts* (Emeritus Professor, Department of Architecture, Urbanism and Planning, Catholic University of Leuven), these reforms call for the development of more strategic approaches, frameworks, and perspectives for cities, city regions, and regions by both the public and the private sector. The most effective approach for this paradigm shift could be “the strategic spatial planning which is conceived of as a democratic, open, selective, and dynamic process of coproduction”. This produces, in Albrechts’ words, “a vision which leads to a framework within which the problems and challenges can be understood and provides a justification for short-term actions within a revised democratic tradition”. *Anssi Paasi* (Professor, University of Oulu) also highlighted the significance of strategic planning, not just because it could be a tool for coping with diverse challenges, but also regarding the potential contributions for region-building, too. He emphasised that “[n]ew interest in regions reflects the transformations and rescaling of the state that is occurring because state authorities strive to trim state spaces into a more competitive shape in the globalising world, [however,] theorising relational thinking, borders and bounded spaces

should be done contextually, in relation to specific social practices”. *James W. Scott* (Professor, University of Eastern Finland) continued this idea by stressing the importance of cross-border co-operations and the emergence of Euro regions. These ties “are promoted by the EU on the assumption that national and local identities can be complemented (perhaps partly transcended) and goals of co-development are realisable within a broader – a European – vision of community”. To which he added, “borders are used as explicit symbols of European integration, political community, shared values and, hence, identity by very different actors”.

Another new approach was presented by *Rob Atkinson* (Professor, University of West of England). The concept of territorial attractiveness could provide important insights into the endogenous development potentials in a spatially specific sense of places. “It is the complex relations (interactions) between different forms of territorial capital that explain the differential ability of places to attract and retain different mobile populations”. The need for new scientific and policy concepts was mentioned by *Robert Leonardi* (Director of Economic and Social Cohesion Laboratory, London School of Economics) as well, as he clearly showed that European cohesion is weak and ineffective, and that decision-makers cannot respond unitarily and prospectively because of the economic crisis. *Michael Keating* (Professor, University of Aberdeen) underlined that despite the relevant political, economic and social challenges, or the indisputable anomalies about the EU cohesion and policies, “territorial distribution of power is not an issue that can be settled once and for all [...] there are permanent debates about it, complicated by the multiplication of veto players”, so there will always be efforts to centralise/decentralise the entire EU structure, as well as to strengthen/weaken the concentration of power at the level of member states.

After the plenary sessions, the participants of the conference presented their research in four parallel sessions. The presentations in the first session, entitled *Trends and Theories in Regional Science*, addressed the issues of the constructivist theory of space using the concept of autopoiesis (*László Faragó*, MTA KRTK) and the normative constructions of spatial justice that underpin regional policy (*Gordon Dabinett*, University of Sheffield). *Krisztina Varró* (Radboud University Nijmegen) examined the space(s) of Europe beyond the “spaces of flows” and “spaces of places” divide with the help of an alternative, relational perspective that allows acknowledging learning processes and self-empowerment, and the creative space-constructive potential of local and regional initiatives. The role of regional gravity axes (*Pompei Cocean*, University Babeş-Bolyai) and the future challenges of regional science in CEE countries (*Daniela-Luminita Constantin*, Bucharest University of Economic Studies) were also discussed in this session.

Nine presentations were given in the sessions entitled *Regional Policy in CEE Countries I and II*. Three lectures dealt with Poland from the aspects of spatial polarisation, rural–metropolitan divide, the need for spatial thinking (*Iwona Sagan*, University of Gdansk and *Pawel Churski – Anna Borowczak*, Adam Mickiewicz University) and the prospects of ethno-regionalism in Silesia (*Nóra Baranyai*, MTA KRTK). Concerning regional policies in other CEE countries, the presentations highlighted the importance of a clear social dimension, empowered institutions and structures, and democratisation in Russia (*Viacheslav Seliverstov*, Russian Academy of Sciences), and the consequences of an ill-designed territorial reform in Slovakia (*Ján Bucek*, Comenius University); the implications of fragmented municipal structures in the Czech Republic (*Michal Illner*, Academy of Sciences of the Czech Republic); the past and future role of the NUTS 2 level in Hungary (*Zsolt Pálmai*, South Transdanubian Development Agency) and the failure of a cohesion policy in Romania (*László Csák*, CDC Consulting). *Cecília Mezei* (MTA KRTK) focused on institutional issues in connection with the Structural Funds in CEE countries from the perspective of policy coordination, involvement and place-based development.

In the session entitled *Regional Development in Central and Eastern Europe*, the lectures dealt with the potential positive and negative impacts of services offshoring in CEE host countries (*Zoltán Gál*, MTA KRTK), the development and spatial characteristics of the broadband internet market, including the urban–rural divide (*Gábor Nagy*, MTA KRTK), and the German regional development emphasising the importance of entrepreneurship support, strengthened cities and skilled labour (*Gerhard Heimpold*, Halle Institute for Economic Research).

In the session entitled *Urban Aspects of Territorial Cohesion*, *Viggo Plum* (Roskilde University) held a lecture on the shift of regional policy from periphery support to metropolis support. *Viktória Szirmai* (Center for Social Sciences/MTA) analysed general and country-specific trends in social and spatial polarisation in European metropolitan regions in the context of territorial cohesion. *Andrea Suvák* (MTA KRTK) studied sustainability and ethics in urban planning and described the characteristics of egoistic, humanistic and holistic approaches in ethics. *Erika Nagy* (MTA KRTK) focused on urban revitalisation and the dynamics of inequalities generated by the deficiencies in urban planning.

Four presentations were held in the first evening session entitled *Regional Competitiveness*, which highlighted the role of knowledge, innovation and the universities in Europe as reflected by the concept of learning region (*Bruno Dallago*, University of Trento); post-industrial cities characterised by the increased importance of information, flows, diversity and continuous renewal (*Riccardo Cappellin*, University of Rome); a capable governance of regional innovation systems, entrepreneurial discovery, involvement of key agents and find-

ing the way to smart specialisation (*Jaime Del Castillo*, Professor, University of the Basque Country). Finally, *Giuseppe Canullo* (Università Politecnica delle Marche, Ancona) analysed the dynamics of firm-level productivity and other macro variables which reflect national competitiveness in Italy.

The session entitled *Focusing on EU Funds* considered changes in RDI policy in times of austerity, which threaten national competitiveness and the building of knowledge-based economy, and pointed to the need for a stronger political commitment in Romania (*Dalina Dumitrescu*, Bucharest University of Economic Studies); the rural development funding in Harghita county, Romania, which had positive wealth effects, but negligible competitiveness effects (*Andrea Csata-Kiss*, Sapientia Hungarian University of Transylvania); and the dead weight loss and crowding out effect associated with the unintended effects of enterprise funding (*Sándor Gyula Nagy*, Corvinus University). *Judit Kálmán* (MTA KRTK) addressed the problems emerging from political and administrative factors in EU grant allocation in Hungary such as rent-seeking, overly centralised governance and strong funds dependence of local governments.

The session entitled *New Challenges of EU Regional Policy* discussed the departure from the old dilemma of equality *versus* efficiency, new perspectives on the territorial aspects of innovation and the renaissance of interest in institutions (*Michael Steiner*, University of Graz); the role of citizens' social responsibility/participation in regional development (*Adrienn Reisinger*, Széchenyi István University, Győr); and the explicit appearance of environmental initiatives through the integration of environmental policy into cohesion actions which is termed "environmental cohesion" (*Viktor Varjú*, MTA KRTK).

The first afternoon session on the second day of the conference focused on *Multi-level and Cross-border Governance in the EU*. *Giancarlo Cotella*, *Umberto Janin Rivolin* and *Marco Santangelo* (Politecnico di Torino) shared with the audience the details of the ESPON's TANGO on territorial governance and the experiences on transferring territorial governance, which means building an evidence-based set of opportunities for innovation in territorial governance practices in different contexts. *Mihály Lados* and *László Jóna* (MTA KRTK) addressed multi-level governance challenges in the cross-border region called "Centrope", the development of which is based upon accessibility and transport.

In the session entitled *Regional Development in Southern European Countries and on the Balkan*, the first presentation (*Zoltán Hajdú*, MTA KRTK) discussed the case of the Yugoslav successor states and their path to European integration, which can be considered as a way out from crisis, and drew thought-provoking parallels between integration in the Balkans and in the EU. *Gábor Lux* (MTA KRTK) described the development paths of Central and South-Eastern European countries concerning post-socialist industrial restructuring and tried to identify

common characteristics in the region. *Sándor Zsolt Kovács* (MTA KRTK) studied the characteristics of the financial and banking sector in the South Pannonia Region of Hungary with the help of various statistical data and found a centralised nature of bank assets and a decentralised nature of branch networks.

In the session entitled *The Territorial Landscape of Hungary*, *Katalin Kovács* (MTA KRTK) addressed the problem of rural poverty with the help of deprivation indicators, and investigated the implications of transition and territorially concentrated capital inflow. The weakness of small towns and the ethnic dimension of the problem were also analysed. *Zsolt Radics* (University of Debrecen) gave an overview of the territorial processes with the help of indicators on demography, human resources and infrastructure, and the challenges of spatial planning in Hajdú-Bihar County. He proposed a categorisation of the different spatial units within the investigated area and underlined the importance of a more explicit spatial approach in the planning system.

The last session focused on *Measuring the Impacts of Cohesion Policy*, in which *Attila Varga* (University of Pécs) outlined the challenges of economic impact modelling and the Geographic, Macro and Regional (GMR) approach, which tries to reflect to them. He showed the capabilities that can be realistically expected from the new models in their current stage of development. *Marie-Claude Maurel* (Professor, l'École des Hautes Études en Sciences Sociales, Paris) analysed the frameworks of transferring the LEADER model to the new EU member states (post-socialist rural societies) with the help of comparative case studies. Finally, *Zsuzsanna Zsibók* (MTA KRTK) drew a broad picture of the various territorial impact assessment methodologies available in the recent policy evaluation literature.

As the continuation of this conference, the Institute for Regional Studies will celebrate its 30th anniversary in 2014, and aims to organise a conference with a similar scope, placing priority on bringing together the new generation of regional science scholars.

*Zsuzsanna Zsibók – Zoltán Grünhut*

#### SUMMER WORKSHOP OF THE INSTITUTE OF ECONOMICS

This year was the 13th in the Summer Workshop series of the Institute of Economics, Centre for Economic and Regional Studies of the Hungarian Academy of Sciences (MTA KRTK KTI) (Budapest, August 15–16, 2013). From the very beginning, the primary aim of this workshop was to present the work of Hungarian economists who are studying, teaching and doing research abroad. During the two