

POLICIES FOR SMALL AND MEDIUM-SIZED TOWNS: EUROPEAN, NATIONAL AND LOCAL APPROACHES

ROB ATKINSON

ABSTRACT

This article addresses the ‘policy dimension’ of the TOWN project drawing on the implications of the case studies for policy(ies) for Small and Medium-sized Towns (SMSTs) across Europe. It firstly considers approaches at European and national levels to SMSTs arguing in recent years there has been limited recognition that SMSTs have a significant role to play in the European territory. The article provides an illustrative selection of towns from the ten case study countries. The research shows that the category SMSTs contains a varied and often dissimilar group of towns in a wide variety of regional contexts. This is true not only between countries but within them. The results indicate that while there are actions to support SMSTs that can be done at European level a prescriptive ‘one-size fits all’ approach should be avoided. Policy approaches should be developed within particular national and regional contexts supported by the European level.

KEYWORDS: Small and Medium-Sized Towns; Case Studies; Territorial Development; Rural Development; Governance; Place-Based Approach

INTRODUCTION

This article focuses on the ‘policy dimension’ of the TOWN¹ project in terms of the implications of the case studies vis-à-vis policy(ies) for Small and Medium-sized Towns (SMSTs) across Europe. In recent years there has been an increasing, albeit limited, recognition that SMSTs have a significant role to play in the European territory and its urban system (cf. German Presidency 2007, p. 3; CEC 2011, p.1). There has also been some recognition that SMSTs play a significant role in rural areas: in terms of maintaining people’s well-being and quality of life, as (local) service centres, countering migration to urban areas and rural depopulation and as part of regional economies and thus their overall role in achieving “...balanced regional development, cohesion and sustainability of the European territory” (CEC 2011, p. 4).

The new post-2014 regulations for Cohesion Policy and the Structural Funds with their new instruments (see Atkinson 2015) potentially offer enhanced possibilities to address SMSTs; much, however, depends on how Member States engage with lower levels of government in drawing up Partnership Agreements and to what extent Managing Authorities choose to utilise these new possibilities and the degree to which they actively engage with local authorities and identify the role of SMSTs during the design of their Operational Programmes and creatively utilise the place-based approach of the Barca Report (2009).

In what follows I first of all consider the ‘higher level’ policies/contexts affecting SMSTs, then go on to consider the results/implications of the case studies before finally providing some more general conclusions based on the case studies.

THE EU, NATIONAL AND REGIONAL POLICY CONTEXTS OF SMSTS

First, I will provide a brief background to developments at European level drawing on EU documents and other relevant sources, then, drawing on the case studies, provide examples of how SMSTs have figured in the thinking and policy of Member States.

European Policy Approaches SMSTs have, if at all, been addressed within two distinct ‘policy domains’:

- Regional Development - Territorial/Spatial Development
- Rural Development

While I consider the domains separately there is considerable overlap between them (Artmann et al 2012, make a similar point) in terms of normative assumptions and thinking.

Regional Policy has a longer history than Territorial/Spatial Development but they have essentially become one sharing an underlying discourse. This policy discourse is closely

¹ The TOWN project (Small and medium sized towns in their functional territorial context) was funded by the ESPON programme under Applied Research. Further details can be found at: http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/town.html.

associated with the European Spatial Development Perspective (ESDP 1999) and its evolution. The ESDP acknowledged a role for SMSTs, albeit at a rather general level. In terms of policy options the ESDP suggested: “Promoting integrated spatial development strategies for city clusters in individual Member States, within the framework of transnational and crossborder co-operation, including corresponding rural areas and their small cities and towns.” (ESDP 1999 p. 21). Given that the main goal at the time the ESDP was developed was to achieve a consensus among the then 15 EU Member States over the general themes of the ESDP the document limited itself to recommending that integrated spatial approaches be adopted for relevant areas without prescribing the form and content of such an approach.

Given that larger cities and metropolitan regions and that cities are widely seen as the ‘motors of economic development’ in the European, national and regional economy (CEC 2005) the roles of what are often known as ‘market towns’ or isolated SMSTs have until recently been largely ignored. The Fourth Cohesion Report (CEC 2007a) did pay more attention to their roles and functions as service and employment centres, their complex relationship with surrounding areas and role in achieving balanced regional growth (ibid p. 59). The *Green Paper on Territorial Cohesion* (CEC 2008) brought together many of these issues, here the focus is on identifying and supporting the strengths of a diverse range of places and promoting endogenous growth as an approach that will benefit all regions and places. Indeed, territorial diversity is portrayed as one of Europe’s major strengths and this potentially supports a greater emphasis on the position and role of smaller places.

What this brief overview of Regional Policy and Territorial/Spatial Development indicates is that since the publication of the ESDP there has been an increased awareness that SMSTs have a role to play in Europe’s spatial and territorial structure and its development. A point emphasised vis-à-vis Europe 2020 (CEC 2010) by the accompanying Territorial Agenda 2020 (2010) which argues “In rural areas small and medium-sized towns play a crucial role; therefore it is important to improve the accessibility of urban centres from related rural territories to ensure the necessary availability of job opportunities and services of general interest”. (p. 8; see also Hungarian Presidency 2011 pp. 53, 54 and 80-81).

The new regulations for Cohesion Policy/Structural Funds post-2014 have the potential to assist SMSTs through the emphasis on the use of the Common Strategic Framework (CSF) and Partnership Agreements (see Pucher et al 2012). The aim of the CSF is to “...increase coherence between policy commitments made in the context of Europe 2020 and investment on the ground. It should encourage integration by setting out how the funds can work together.” (CEC 2012, p. 3). This focus on territorial development potentially allows for greater integration and more focussed use of different strands of the Structural Funds along with the provision of new instruments such as Integrated Territorial Investment (ITI) and integrated sustainable urban development. For instance it may be possible to support groups of SMSTs and their relationships with larger urban areas through the use of integrated sustainable urban development. Also, the emphasis on Community-Led Local Development (CLLD) should support a ‘bottom-up’ approach that may benefit SMSTs. In tandem with the place-based approach there is the *potential* to develop more tailored approaches to SMSTs in their regional/functional context.

In terms of Rural Development Policy (RDP) associated with Pillar II of CAP the Commission's 1988 document on *The Future of Rural Society* (CEC 1988) represents "...the starting point of a genuine rural development policy in the EU." (RuDi, 2010 p. 24) and prefigures much of the subsequent debate, sharing many of the same concerns and approach to be found in Territorial/Spatial Development and Regional Development. The approach to rural development is based on (economic) diversification utilising the indigenous potential of local conditions and developing strategies appropriate to the social and economic circumstances of each region. This requires a multi-sectoral strategy that integrates with other policy areas. Dialogue between and partnership involving a wide range of partners (see CEC 1988 p. 62). However, there is no focus on the role of SMSTS in rural development policy.

A key influence on the evolution of RDP has been LEADER (*Liaison Entre Actions de Développement de l'Économie Rurale*), launched as a Community Initiative in 1991 it the best known and most widespread element in RDP; there were three versions: LEADER I, LEADER II and LEADER+. It has also been the subject of considerable scrutiny both as a stand-alone initiative and in terms of its wider implications for EU Rural Development Policy (cf. Ray 2001; High and Nemes 2007; Maurel 2008; Dargan and Shucksmith 2008; Böcher 2008). While the LEADER approach has evolved since its inception there has been a core set of ideas and actions that define the essence of the approach: essentially a method that involves local partnerships steering the development of their area. There is no requirement that local LEADER projects be implemented within pre-existing administrative boundaries, the focus is on identifying and working within small areas that are homogenous, socially cohesive territories that share common traditions, a local identity, a sense of belonging or common needs and expectations. Nor is the definition of the local area considered as fixed and static (see CEC 2006b, p. 9).

The Local Action Group (LAG) is central to the whole process, as the Commission noted: "The LAG has the task of identifying and implementing a local development strategy, making decisions about the allocation of its financial resources and managing them." (CEC 2006, p. 10).

Given that the LEADER approach has been mainstreamed in the 2014-2020 Programming Period the Commission clearly believes it has achieved a sufficient degree of success to justify the approach being integrated into the mainstream of RDP to facilitate that process. Moreover, the extension of this approach to all areas, taken in conjunction with the new emphasis on CLLD, shows that the Commission has recognised the artificial, and potentially damaging, effect of the arbitrary divide between 'urban' and 'rural' and the need to adopt a territorial and integrated approach (a similar point is made in OECD 2013).

Despite the potential for SMSTs to be the beneficiaries of the above approaches there is little evidence to suggest that at European level they have been the explicit object of EU policy, indeed it may be suggested they have largely been neglected in favour of an emphasis on large cities which are seen as the motors of Europe's economic growth and competitiveness (see CEC 2005 and 2007b) which has come to

increasingly dominate the European policy agenda on spatial and territorial development.

National and Regional Approaches in the Case Study Countries The previous subsection outlined thinking on SMSTs at European level; here, drawing on the case study reports, I turn to the national and regional level in the case study countries. What is clear from these is that none of the ten countries had an ‘explicit policy’² for SMSTs. In some countries SMSTs were considered ‘indirectly’ in terms of wider categories into which some of them fell (e.g. market towns, coastal towns, isolated towns). What this shows is that when SMSTs are considered at national level/regional level it is in terms of the particular roles they play within certain policy contexts/domains making it difficult to identify national policy approaches. However, the wider TOWN research suggests the starting point for any approach to SMSTs is to identify the role(s) and function(s) they play within a particular territory and to understand the dynamics of the territory and the challenges it faces. Only then will it be possible to begin to develop an integrated and place-based approach to the territory in which SMSTs figure.

Despite the importance of regional context it is important to bear in mind the institutional context within which SMSTs operate. The case studies exhibit a variety of different institutional arrangements: from Unitary (e.g. UK and France) to Federal (e.g. Belgium), degrees of regionalisation (e.g. Italy and Spain) and varying degrees of political and fiscal decentralisation which do not necessarily reflect any simplistic idea that Unitary States are more centralised while Federal States are more decentralised (e.g. Slovenia and Sweden are Unitary States with a relatively high level of decentralisation). Nor does a higher degree of ‘financial autonomy’ necessarily mean SMSTs have more resources available to develop local policy responses.

Some countries have large numbers of small municipalities/local authorities (e.g. France and the Czech Republic) and a fragmented territorial structure, while others have much smaller numbers of large municipalities (e.g. Sweden and the UK). In both cases this has implications for SMSTs. In the former case this means the municipality only covers the core of the SMST (e.g. France) while in the latter the municipality may well include a number of SMSTs (e.g. Wales). In both cases the issue of collaborative working/cooperation between SMSTs is important but how it is facilitated differs.

What is clear from the TOWN project is the importance of regional context and we might reasonably ask does a greater level of regional autonomy allow regions to develop responses to the position(s) of SMSTs in their territory? Some support for this may be found in the case studies. For instance if we take the cases of Wales³ (part of a Unitary State with some decentralisation) and Catalonia (part of a Unitary

² In terms of what constitutes an ‘explicit’ policy this chapter broadly follows the definition offered by van den Berg, Braun and van der Meer (2007 p. 1) as regarding cities as “...policies that affect the cities knowingly and directly.” (see also CEC 1992). Thus an ‘explicit’ policy on SMSTs would be one that ‘affected SMSTs knowingly and directly’.

³ Whilst Wales is one of four constituent nations that make up the United Kingdom here I treat it as a region.

‘regionalised’ State) we can see some evidence of a regional approach to SMSTs being developed. In both regions (and sub-regions within them) a hierarchy of towns and cities has been identified and within this certain places specified as sites for future growth of jobs and housing and as service centres for a wider hinterland. This is linked to a particular vision of the region’s future development that requires a degree of decentralisation of population, jobs and services from the main metropolitan centres and supporting the specified SMSTs. On the other hand the Italian case study region, despite being in a Unitary State with ongoing regionalisation, reveals no evidence of a regional approach to SMSTs. Similarly in a Federal State such as Belgium with powerful regions the case study provides no evidence that Flanders has developed a regional approach to SMSTs. So again we cannot identify a simple and straightforward relationship between institutional structure and propensity to address SMSTs at the regional level.

What is apparent is that, despite a growing interest in SMSTs, at European, National and Regional level there is no clear focus on them. Only in Wales and Catalonia was there evidence of a regional approach to SMSTs and this involved defining an ‘urban hierarchy’ in which certain SMSTs were designated as sites for employment/housing/services/retail in the particular sub-region in which they were located. In the Welsh case this reflected an explicit recognition by the Welsh government that SMSTs played an important role in the spatial structure of Wales, particularly in terms of the provision of public and private services, employment, housing and connectivity. In the Catalan case there was an explicit recognition that SMSTs had a role to play in counteracting the dominance of Barcelona and the need to support development in SMSTs outside of the Barcelona metropolitan region. What both examples illustrate is the important role that regional governments *can* play in supporting SMSTs through policy initiatives targeted at them. However, where regional governments have not recognised the potential significance of SMSTs then specific initiatives to support SMSTs are unlikely to develop regardless of whether regions have significant powers or not.

THE LOCAL RESPONSE: ILLUSTRATIVE EXAMPLES FROM THE CASE STUDIES

The TOWN project sought to study SMSTs through 31 cases studies in 10 countries⁴. The selection of case studies reflected:

...the aim of covering a large variety of contexts and characteristics...in order to provide additional contributions to the understanding of the pan-EU analysis conducted in other TOWN research activities. The verification and validation of conceptual understanding of SMSTs and their performance and qualitative and quantitative analyses of a sample of SMSTs in their specific regional contexts. (TOWN 2013, p26, see also Chs 2.2.)

⁴ The full case studies can be accessed at:

http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/town.html

In addition the research team designed a detailed 17 page case study protocol including structured topics and their presentation in final case study reports in order to ensure consistency in the data collected and its presentation in case study reports. This was supplemented by on-going discussions within the research team to discuss initial findings.

The definition of what constitutes an SMST was in part restricted by the ESPON brief which specified places with populations between 5,000 and 50,000. In addition the project team considered three different approaches to defining an SMST: morphological, administrative and functional. After reviewing these approaches it decided to use the morphological definition of urban settlements as main approach (see Town 2014 Chs 2).

The case study SMSTs (see Table for a full list) exhibited a wide variation in population size (from just over 5,000 to almost 40,000). One important point to bear in mind is that an SMST, even when it coincides with a municipality, rarely covers its micro-region, it is embedded in a larger regional/sub-regional territory (that may include other SMSTs) to which it has a variety of relationships.

INSERT TABLE ABOUT HERE

The overarching TOWN (2014) analysis of SMSTs suggested that size, their morphology and their function (e.g. industrial or market town) do not necessarily determine their performance within the territory or their future development. The socio-economic development of SMSTs is rather related to innovative and network strategies and building on local comparative advantages, resources and distinctiveness (Knox and Mayer, 2009); in other words to generate neo-endogenous development, albeit with exogenous support (e.g. in the form of regional, national or European funds) (Ray 2001; Shucksmith 2010). Given the number of case study SMSTs what follows is a selection of towns to the of key factors identified by Know and Mayer (2009): 1) how they were responding to their (local) situation (i.e. capacity to act); 2) the influence of location; 3) the role of industrial structure; and 4) networking. The intention is not simply to provide ‘success stories’ but to illustrate both the potentials and dilemmas the towns faced. Furthermore, although the selection of SMSTs for discussion is structured around the four key factors reference is also made to how they interact. Finally it should be noted that where SMSTs were selected to be the focus of policy action this was determined by local factors (e.g. the regional government or local authority selected them for reasons ‘internal’ to the relevant administrative unit).

I start with two examples that have developed coherent strategies to address their situation (i.e. capacity to act), next two successful towns that have been strongly influenced by their location in (or adjacent to) a major metropolitan region. Then I consider two towns experiencing deindustrialisation (i.e. industrial structure). Finally I consider issues related to cooperation between adjacent towns through two examples of networked SMSTs that illustrate the issue of cooperation between what are in principal complimentary adjacent towns (i.e. networking).

Two of our SMST case studies demonstrate the importance of ‘capacity to act’: the Swedish town of Östersund and the Welsh town of Colwyn Bay. Östersund is the largest of our SMSTs with a university. The town developed a vision: ‘A Sustainable Östersund’ which focuses on sustainability and endogenously generated growth (reflecting its isolated location), this emphasises its role as a ‘winter city’ and associated winter sports, tourism and related R&D. The university has a significant role as a local employer and as a centre for tourism research. The other crucial issue is increasing the population (reflecting its isolated location); this serves as a pivot around which everything else is organised. The strategy emphasises developments in business, housing and infrastructure to attract migrants. A range of plans (and sub-plans) were developed to implement this overarching strategy. The town successfully accessed EU and national regional funds to support these initiatives. A series of partnerships with local stakeholders were developed and these appear to function effectively. The town also engaged in regional partnerships which are important to the town’s development. The case study report points out that it is quite unusual for a Swedish municipality to develop this range of partnerships and networking. While the public sector is driving the overall process there is evidence of strong relationships and partnerships with private and civil society sectors. It seems to be the bringing together of all sectors to develop and support a common vision for the future that underlies the strategy. This is a case of isolation and a strong ‘local identity’ acting as the driving force that binds the various partners/stakeholders together and provides a sense of common purpose. In this sense it also demonstrates the importance of intra-local networking to bring partnerships together and establish a common vision and strategy for the town.

Colwyn Bay in Wales offers an example of a long-term strategy for an SMST. The process is led by the local authority (Conwy Country Borough Council) in which the town is located. A range of plans were developed by Conwy Council for its territory and Colwyn Bay was identified as part of a coastal Urban Development Strategy Area in which most new development in the county would take place. Within this framework Conwy council chose to focus on the town and embark on a range of regeneration projects (including new sea defences, seafront environmental development, a multi-purpose sports and leisure park, Welsh Rugby Academy and townscape improvements). Initially these were developed in isolation but have been ‘joined up’ by a Masterplan for the town. The aim is also to upgrade the town’s retail offer and to develop new forms of tourism designed to benefit from the increased numbers of visitors to the seafront development and the adjacent sports and leisure-park. The town’s inclusion in the West Wales and The Valleys Objective1/Convergence Area has also facilitated this process through the provision of considerable additional funds.

The process has been driven by senior officers in Conwy council working across boundaries and coming up with ‘innovative’ approaches to accessing, combining and using different funds. Partnership working with Welsh government and other partners (Welsh Rugby, Bay Life Initiative) has been an important aspect of the strategy. In addition it has used the funding sources in a strategic manner to support development. The partnership structures in the town are well developed and apparently functioning effectively, although the private sector is weak and underrepresented in the process. Despite impressive achievements to date all concerned recognise that there is a long

way to go as the retail offer remains weak and the tourist infrastructure underdeveloped. This case also illustrates the importance of intra-local networking and multi-level governance to support endogenous development.

These cases suggest that it is possible for SMSTs, or in the case of Colwyn Bay the relevant local authority, to develop a strategy that attempts to identify local assets and deficiencies and to address them in a strategic manner. In both cases it is possible to identify a driving force behind the strategy: in Colwyn Bay the local authority, while in Östersund the public sector, working in close partnership with other sectors, has led the process. This is typical of the majority of our case studies; the public sector, often in partnership with other sectors, played the leading role in developing and implementing a strategy. In both cases local actions were embedded in multi-level governance arrangements and the important role was played by external support (Shucksmith 2010).

In terms of how location can influence SMSTs performance I now turn to two towns in important metropolitan regions: the Czech town of Bradýs nad Labem and the Catalan town of Vilafranca del Penedès. Bradýs nad Labem is agglomerated to Prague and is an administrative centre for the district. The key to its success is its proximity to Prague, location on a highway and access to a regional mass transit system. It has a growing population mainly due to migration linked to suburbanization from Prague, resulting in high levels of commuting to Prague. However, it has its own industrial base and people commute into town for work from the surrounding region. In recent years it has seen a growth in recreation and tourist related employment and has a low unemployment rate. The town has a good quality of life, services and education facilities. The main policy of the local authority has been one of ensuring a supply of land for residential and non-residential development by private developers and individuals. This represents a reactive approach in the sense of responding to perceived market trends.

However, it faces a dilemma – its success depends on its proximity to Prague and the associated suburbanisation process which means many residents shop in Prague and use recreational/cultural facilities there. This represents a threat to the town's future as it undermines those available in the town – thus there is the spectre of becoming a 'dormitory town'. The municipality is aware of this 'threat' and is prioritising local economic, social and cultural development through the provision of technical and transport infrastructure and housing along with renovation of the built environment. How the town develops in the future is unclear, but as part of its future thinking the council has identified two scenarios: massive (population) growth or stabilisation. Whether the town has the capacity to 'control' population growth is questionable, but more growth could undermine the very conditions that have made it attractive to migrants from Prague. Here location has been crucial to the town's development but it faces a clear dilemma caused by its location.

Vilafranca del Penedès, in the Province of Barcelona, is the county capital of Alt Penedès and is agglomerated to the Barcelona metropolitan regional system. The town is in an area dominated by agriculture and is a centre for the local wine industry and an important service and employment centre for the area. It has grown steadily at the expense of the more rural areas of Alt Penedès, aided by its excellent transport links

and by the strength of the local economy (particularly the wine industry). The town, along with other medium sized cities in the metropolitan Region of Barcelona, has been and continues to be the, object of planning policies aimed at expanding the range of functional specialisations and strengthening its capacity to attract and retain population within the wider context of a multi-polar metropolitan development strategy.

Despite the severity of the crisis affecting Spain the town, while not unaffected, has maintained its service and employment rolls. This has been achieved in part through the development of the 'creative economy' in the town but also by the development of its tourism offer related to the wine industry. The town along with the County Council of the Alt Penedès has created a consortium to promote wine tourism related to the 'wine landscape' economy. This is an 'integrated package' involving wine tasting, culture and heritage, museums and related tourism and knowledge sectors such as a graduate management programme for wineries and wine establishments. In conjunction with this there has been an effort to develop rural tourism through the provision of cottage accommodation. As a result Alt Penadès receives 480,000 visitors annually principally oriented to wine tourism. Here the town's location has stimulated concerted action to support endogenous development based on local assets and a coherent development strategy (capacity to act) supported by regional planning to create a successful local economy.

Bradýs nad Labem and Vilafranca del Penedès are 'successful' towns, they have an expanding population and economy with relatively low levels of unemployment, a good quality of life and few social problems. However, Bradýs nad Labem faces the threat of becoming a dormitory town for a large metropolis and all this entails in terms of possible negative effects on the local economy and society. It has recognised this dilemma and is seeking to counter it. This illustrates that 'success' brings with it new problems and challenges that need to be addressed through a detailed analysis of change and what it is that makes the town attractive and how further development (in this case population growth) might actually undermine that attractiveness. Of course whether the town has the capacity to 'control growth' is questionable as the past approach has been based on this. On the other hand Vilafranca del Penedès illustrates that even when there is the presence of a dominant metropolitan centre an SMST can, when supported by sympathetic regional policies and working with surrounding municipalities, develop an approach of its own based on the territorial assets of the town and the surrounding region.

I now consider two examples of deindustrialising towns (industrial structure): Tredegar in Wales and Ústí nad Orlicí in the Czech Republic. Tredegar is an agglomerated declining industrial town on the periphery of the Cardiff capital region located in a quite densely populated 'urban area'. While it retains some manufacturing industry and retailing it is a secondary centre in the administrative authority of Blaenau Gwent, one of the most deprived local authority areas in Wales. The town functions as a local centre for shopping and some services. Tredegar is part of a linked series of towns (known as the Heads of the Valleys) forming a distinct sub-region. These towns are expected to work as a network of complimentary towns with Ebbw Vale as the main centre. Most investment has been directed to Ebbw Vale (e.g. the

redevelopment of a former large industrial site as a centre for education, housing and business known as The Works).

Blaenau Gwent has designated Tredegar as a secondary functional and employment centre. There have been attempts to revive the retail offer in the town and improve its built environment which is also linked to attempts to develop a 'cultural heritage' tourist offer in the town. It also has a business park (part of an Enterprise Zone) that aims to offer 'high quality offices' as part of an economic diversification strategy. Blaenau Gwent Council aims to 'upgrade the economic base' of its area by developing advanced manufacturing, knowledge-based industries and tourism. This entails creating a better educated and qualified/skilled workforce. Tredegar has benefited from a considerable number of projects (supported by EU, Welsh and local funds), on paper these are 'joined up' by Blaenau Gwent's overarching strategy, but in practice it is difficult to see a clear and consistent strategic focus on Tredegar.

The proposed Circuit of Wales (a large scale motor sports development to be located close to the town) is seen as *the* key development related to developing the area's economic base and employment. Tredegar hopes to benefit in terms of employment but also through tourism (spill-over from those attending events at the circuit) – however, the town currently lacks any basic tourism infrastructure to take advantage if the development goes ahead. In addition the development intends to locate various R&D facilities (and associated manufacturing and retail facilities) on the site that it is hoped will provide additional high quality local employment opportunities. In essence Tredegar remains trapped by its industrial structure and lacks the capacity to act given its reliance on Blaenau Gwent which has chosen to focus on the nearby town of Ebbw Vale. Nor has its location in the Cardiff metropolitan area helped the town. Overall Tredegar appears to be trapped in a 'spiral of decline'.

Ústí nad Orlicí is networked with two other SMSTs and located in a peripheral region with poor accessibility. It was a textile and engineering centre but entered a period of long-term decline post-1989; pre-1989 it also had an important administrative role but this too is declining. Its population has declined slightly over the last 20 years and it has an aging population. The town's basic problem is that it has been unable to attract new investment because of location and poor connectivity.

As a result of industrial decline it now has a derelict industrial environment and cannot provide employment for all its residents, thus many people commute to work in adjacent towns. In an attempt to counter the decline in the 1990s there was heavy investment in infrastructure, but today the town is heavily indebted. There have also been negative impacts on the local economy and trade in the town. Moreover, it is also losing the best educated section of the population (brain drain) as young people move away to university and do not return. Nor is it attractive to foreign investors, this reflects the inadequacy of its skills base and labour force qualifications and its peripheral location. The town has a Strategic Plan based on an innovation strategy and has good cooperation with other towns in its hinterland and the region more widely. Overall the town seems to lack the capacity to bring about change. Once again industrial structure has played a key role but this has been compounded by capacity to act and location (peripheral), it too appears to be trapped in a 'spiral of decline'.

Both Tredegar and Ústí nad Orlicí illustrate the problems of towns facing long-term industrial decline and the legacy of an industrial structure which means there is a poorly qualified and educated workforce that is not attractive to outside investors. In the case of Ústí nad Orlicí this is compounded by its peripheral location and poor connectivity. What further compounds the problem is the loss of the best educated sections of the population who leave to seek higher qualifications elsewhere and do not return. Such towns have entered into a 'spiral of decline' that is extremely difficult to break out of without sustained and massive investment from the public sector which in both cases does not appear to be forthcoming.

Finally I consider networking in relation to Radovljica and Iper to illustrate the role of cooperation. The Slovenian SMST of Radovljica is a town performing quite well in an Alpine location; it is an administrative/service centre, a tourist centre and has good connectivity/accessibility. In national policy terms Radovljica, along with the adjacent towns of Jesenice and Bled, is defined as one of 15 urban centres of national importance. Radovljica is 'networked' with Jesenice and Bled and together they form a 'conurbation', effectively growing into each other. The town has its own development strategy and has used EU Funds, particularly for infrastructure projects, indicating that the town has a 'capacity to act'.

However, one of the main issues it faces is its relationships with the adjacent towns of Jesenice and Bled. The problem lies in the traditional rivalry between the three towns which means that there is a lack of cooperation between them which undermines their individual and collective capacity to act. The reasons underlying this lie in the primacy accorded to the development of each of the individual towns and the more general lack of a culture of cooperation in the region. One of the main aims of the municipality of Radovljica is to be designated as an 'urban municipality' (which will give access to additional funds) and the regions centre and this places it in direct competition with Jesenice which has similar ambitions. Thus instead of strengthening cooperation in the sub-region the effect is one of competition and non-cooperation.

The Flemish town of Ieper (Ypres) aspires to be the 'capital' of Flanders Fields (de "Westhoek"). By Flemish standards this town is considered one of the regions' more isolated areas and it has a role as the service centre of a large (rural) hinterland which is not the case in most parts of Flanders. Ieper is seeking to gain recognition for this 'support and centre role' and aspires to be designated as the fourteenth Flemish "centrum city" as this would mean it gets additional resources from Flemish regional funds.

The town aims to strengthen its economic development and the development of amenities in both Ieper and the area of the Westhoek. To achieve this it has engaged in a number of partnerships particularly with the aim of obtaining financial resources for the area to support the development of services of general interest. In these efforts it (along with other towns in the region) has been supported by the West Flanders Intermunicipal Association (WVI) a long established body that provides a wide range of support to local authorities in the region. The WVI has the task of supporting local authorities with regard to housing, environment, planning and business parks. It also provides access to EU funds which the individual towns find too onerous to access directly.

This regional approach is underwritten by a general recognition on the part of municipalities of the importance of inter-municipal and regional cooperation. While each municipality is concerned with its individual interests this is accompanied by an acknowledgement of the need to work together when required. In particular this occurs for tourism, marketing the wider region and by articulating and defending common interest's vis-à-vis higher authorities. Furthermore there is also the "Westhoekoeverleg" which is a long established council of mayors. This body cooperates around common regional themes and challenges and seeks to politically represent the region vis-à-vis higher authorities.

The above indicates there is a well-established culture of regional and inter-municipal cooperation in the region that has found expression in a range of forms of organisations/bodies able to provide collective political representation and focus on developing approaches to common problems/issues while supporting individual municipalities. This does not mean competition between towns is absent, but when the situation requires it collective action is forthcoming. Nevertheless there was no evidence from the case study that an overarching 'polycentric vision' had been developed for the region. The approach developed in Westhoek contrasts with that in the Slovenian case illustrating the importance of a tradition/culture of cooperation based on recognition of common interests and political commitment that is embedded in common organisations able to support towns individually and collectively.

CONCLUSIONS

What general conclusions can be drawn from the case studies? Overall the case studies confirm the more general results of the TOWN project that *regional context* matters. The research has also shown that the category SMSTs contains an extremely varied and often dissimilar group of towns in a wide variety of regional contexts. This is true not only between countries but within them. However, the 'place-based approach', which is now central to post-2014 Cohesion Policy (see Atkinson 2015), offers an appropriate approach to addressing the situation of small towns, particularly those that constitute a 'functional area' (see Barca 2009; Zaucha and Świątek 2013).

The question is can and should the EU support the development of SMSTs? The Latvian Presidency of the EU has placed the issue of SMSTs firmly on the EU agenda (Latvian Presidency 2015) arguing that:

EU policies and strategies, including the Europe 2020 strategy and EU Macro Regional Strategies and financing instruments should recognise the actual and potential role of SMUAs. EU policies to support urban and territorial development should however consider SMUAs and should take into account the specific needs and potentials of SMUAs. *ibid*, p11)

Moreover, within the framework of 'economic, social and territorial cohesion' there is much that can be done to assist SMSTs. The new territorial focus in the post-2014 Structural Funds should, at least in theory, assist in the improved integration and more focussed use of different strands of the Structural Funds. The Commission could take a lead here by stressing in the CSF that at national and regional level the relevant

authorities when drawing up their Partnership Agreements, Operational Programmes and strategies for the relevant territories explicitly take into account SMSTs and the role(s) they play. This will require the relevant authorities to clearly state their overarching goals, how they will achieve them, provide a systematic analysis of relevant territorial dynamics, how SMSTs fit into this framework and what role they will play in it. On this basis it may be possible, particularly at regional level, to develop an integrated framework that includes SMSTs.

However, we should not assume that this means all SMSTs in a region can be supported. Indeed it may mean identifying an ‘urban hierarchy’ (as in Wales and Catalonia) which designates certain SMSTs as sub-regional centres for employment, services, retailing and housing. The corollary is that other SMSTs, perhaps a majority, cannot expect to receive the same level of attention and support. Much of course depends on their regional location and it is quite possible that for instance in growing metropolitan regions SMSTs will ‘automatically’ benefit from on-going suburbanisation processes and that the challenges they face will be related to future population growth and the implications this has for their development (e.g. Bradýs nad Labem). On the other hand SMSTs in isolated and peripheral regions face very different challenges often related to loss of population, particularly of young people, an aging population, service provision across a sparsely populated area and changes in their traditional economic structures. In these situations different levels and types of support are needed, in particular related to the provision of services, housing and employment. Regardless of the context it is important to develop appropriate governance structures, including partnerships, for the territory that will allow for a strategic and integrated approach to the territory to be developed (see Pucher et al 2012; OECD 2013).

More specifically in terms of European policy the mainstreaming of LEADER and the associated emphasis on CLLD should help support a ‘bottom-up’ approach that could benefit SMSTs. Within regional frameworks European funds could be directed towards particular types of SMSTs (to be designated as part of a national/regional strategy) that have been identified as ‘key centres’ in their sub-region to support community based forms of development that will facilitate endogenous growth based on local assets whilst simultaneously addressing deficiencies in those assets. In addition it may be possible, depending on the regional context, to use the new regulations on integrated sustainable urban development to support networks of SMSTs in rural areas or assist in developing relations between SMSTs and major cities in metropolitan regions. Much, however, will depend on the creativity, capacity and political will of the national and regional levels in member states to move outside of their ‘comfort zone’ and begin to engage in developing genuinely strategic and integrated territorial approaches that cut across the silos of EU and national funding streams.

Going beyond the EU, national and regional levels a key question is can SMSTs themselves do anything to ‘shake-off’ the shackles of their regional context? Some of our case studies (e.g. Colwyn Bay) suggest that concerted and focused action by the relevant public authorities (in this case a local authority working with the Welsh Government and the EU to combine resources and focus them on a particular SMST in a strategic and long-term manner) can begin to lay the foundations for a sustainable

regeneration process. There is, however, a ‘downside’ to this; it is highly unlikely that all SMSTs can be the recipients of such sustained and focused action, which means that perhaps a majority of SMSTs in a region, will be ‘neglected’ implying (national and regional) public authorities need to make explicit choices about a hierarchy of SMSTs in their territories and within this hierarchy identify mutual complementarities based on functional roles which they will support and focus action on.

Another key issue is the extent to which SMSTs in a region/sub-region collaborate/cooperate or compete. The case studies suggest a variety of forms of collaboration/cooperation exist (see also OECD 2013) although in most cases this rarely goes beyond the level of basic service provision (e.g. water and waste) while cooperation on other forms of service provision/projects (e.g. health care, education, housing, economic development) is much more limited. The development and implementation of a polycentric approach in which there is a ‘functional division’ between proximate SMSTs is much weaker and there was little evidence of this in the case studies.

In terms of a spatial planning approach and developing appropriate ‘policy bundles’ it is difficult to be prescriptive because of the wide variety of regional situations and types of SMSTs we studied. Clearly spatial planning has an important role to play in terms of the analysis and definition of an overarching strategic approach to a territory that recognises and understands its dynamic and fluid constitution and relationships/overlaps with other territories and is not confined/limited by existing administrative boundaries. In conjunction with regional and local stakeholders spatial planners need to create a vision of current and future territorial development that can direct investment decisions (e.g. in infrastructure) and the allocation of resources. This may involve the definition of appropriate sub-regions and hierarchies based on functional complementarities of SMSTs with the appropriate allocation of roles and functions.

Leadership is also an important issue for many SMSTs both individually and where they seek to work in cooperation/networks collectively. In most of our case studies the public sector provided leadership. However, as Beer and Clower (2014) make clear leadership is a complex notion and goes beyond the traditional Weberian notion of individual charismatic leadership (Weber 1958). Beer and Clower (2014) point to the significance of both formal and informal leadership, they note:

...leadership is often recognized in terms of formally constituted hierarchical power and while formal offices are important – mayors, members of government-appointed boards, etc. – leadership is also expressed informally. Such informal leadership spans institutional and spatial boundaries into territories where leaders act without formal authorization but with a clear sense of need. (ibid, p7)

The TOWN case studies show the importance of both forms of leadership, sometimes in combination, if SMSTs are to identify and build upon the factors Knox and Mayer (2009) identify as important for exogenous development. These more informal, often bottom-up, forms of leadership are anchored in local milieu (see Servillo, Atkinson and Russo 2012) based on trust and tacit and formal knowledge (see Beer and Clower

2014, p13) making them difficult to reproduce. Nevertheless, the EU can support learning and knowledge exchange between SMSTs who face similar issues/problems thereby assisting them to develop strategies appropriate to their, individual and collective, situations.

Finally one can also observe elements of path dependency (see Pierson 2004; Booth 2011, pp20-22) at work and some of our case studies SMSTs (e.g. Tredegar and Ústí nad Orlicí) appeared to be 'trapped' by their economic structure, but others (such as Colwyn Bay and Vilafranca del Penedès) were able to develop strategies to break out of particular developmental paths and to use their existing territorial assets and develop new assets to instigate new paths of development. These 'break-outs' were 'contingent events' (Booth 2011, p21) based on locally generated initiatives embedded in multi-level governance contexts (Shucksmith 2010) that allowed these SMSTs to embark on new pathways of development.

REFERENCES

- ARTMANN, J., HUTTENLOHER, C., KAWKA, R., AND SCHOLZE, J. (2012) *Partnership for sustainable rural-urban development: existing evidences* (Berlin: Federal Institute for Building, Urban Affairs and Spatial Development).
- ATKINSON, R. (2015) 'The Urban Dimension in Cohesion Policy: Past Developments and Future Prospects', *European Structural and Investment Funds Journal*, 3(1), pp21-31.
- BARCA, F. (2009). *An Agenda for a Reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectations* (Brussels: Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy).
- BEER, A. and CLOWER, T. (2014) 'Mobilizing leadership in cities and regions', *Regional Studies, Regional Science*, 1(1), pp5-20, DOI: 10.1080/21681376.2013.869428.
- BÖCHER, M. (2008) 'Regional Governance and Rural Development in Germany@ the Implementation of LEADER+', *Sociologia Ruralis*, 48(4), pp 372-388.
- BOOTH, P. (2011) Culture, planning and path dependence: some reflections on the problems of comparison, *Town Planning Review*, 82(1), pp13-28.
- CEC (1992) *Urbanization and the functions of cities in the European Community* (Brussels: Regional Development Studies).
- CEC (1988) *The Future of Rural Society*, Commission Communication transmitted to the Council and the European Parliament on 29 July 1988, COM (88) 501 (Brussels: Commission of the European Communities).
- CEC (2005) *Cities and the Lisbon Agenda: Assessing the Performance of Cities* (Brussels: Directorate General Regional Policy).

- CEC (2006) *The LEADER Approach: a basic Guide* (Brussels: Commission of the European Communities).
- CEC (2007a) *Growing Regions, growing Europe. Fourth Report on Economic and Social Cohesion* (Brussels: Directorate General Regional Policy).
- CEC (2007b) *State of European Cities Report* (Brussels: Directorate General Regional Policy).
- CEC (2008). *Turning Territorial Diversity into Strength. Green Paper on Territorial Cohesion* (Luxembourg: Office for Official Publications of the European Communities).
- CEC (2010) *Europe 2020. A strategy for smart, sustainable and inclusive growth*, COM(2010) 2020 final (Luxembourg: Office for Official Publications of the European Communities).
- CEC (2011) *Cities of Tomorrow. Challenges, visions, ways forward* (Brussels: Commission of the European Communities).
- CEC (2012) *Elements for a Common Strategic Framework 2014 to 2020 the European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. Part I*, Commission Staff Working Document. SWD(2012) 61. Final, 14.3.2012 (Brussels: Commission of the European Communities).
- DARGAN, L. AND SHUCKSMITH, M. (2008) 'LEADER and Innovation', *Sociologia Ruralis*, 48(3), pp274-291.
- EUROPEAN SPATIAL DEVELOPMENT PERSPECTIVE (1999) *European Spatial Development Perspective. Towards Balanced and Sustainable Development of the Territory of the EU* (Brussels: Committee on Spatial Development).

- GERMAN PRESIDENCY (2007) *Leipzig Charter on Sustainable European Cities*, Final Draft, document prepared by the German Presidency of the European Union (Leipzig).
- HIGH, C. AND NEMES, G. (2007) 'Social Learning in LEADER: Exogenous, Endogenous and Hybrid Evaluation in Rural Development', *Sociologia Ruralis*, 47(2), pp103-119.
- HUNGARIAN PRESIDENCY (2011) *The Territorial State and Perspectives of the European Union*, 2011 Update, Background document for the Territorial Agenda of the European Union 2020, (Presented at the Informal Meeting of Ministers responsible for Spatial Planning and Territorial Development, 19th May Gödöllő).
- KNOX, P. and MAYER, H. (2009), *Small Town Sustainability: Economic, Social and Environmental Innovation* (Basel-Boston-Berlin: Birkhauser).
- LATVIAN PRESIDENCY (2015) *Challenges of Small and Medium-Sized Urban Areas (SMUAs), their economic growth potential and impact on territorial development in the European Union and Latvia*, Research report to support the Latvian EU Presidency 2015 (Valmiera: Social, Economic and Humanities Research Institute (HESPI) of Vidzeme University of Applied Sciences)
- MAUREL, M-C, (2008) 'Local Development Stakeholders and the European Model: Learning the LEADER Approach in the New Member States', *Czech Sociological Review*, 44(3), pp511-529.
- OECD (2013) *Rural-Urban Partnerships. An Integrated Approach to Economic Development* (Paris: OECD).
- PIERSON, P. (2004) *Politics in Time. History, Institutions, and Social Analysis* (Princeton: Princeton University Press).

- PUCHER, J., NAYLON, I. AND RESCH, A. (2012) *The Partnership Contracts – how to implement multilevel governance and to guarantee the flexibility of Cohesion Policy* (Directorate-General For Internal Policies, Policy Department B Structural and Cohesion Policies: Brussels).
- RAY, C. (2001) ‘Transnational Co-operation Between Rural Areas: Elements of a Political Economy of EU Rural Development’, *Sociologia Ruralis*, 41(3), pp279-295.
- RuDi (2010) *Conceptual Background and Priorities of European Regional Development Policy* (RuDi Deliverable D1.2).
- SERVILLO, L., ATKINSON, R. AND RUSSO, P. (2012) ‘Territorial attractiveness in EU urban and spatial policy: a critical review and future research agenda’, *European Urban and Regional Studies*, 19(4), pp349-365.
- SHUCKSMITH, M. (2010) ‘Disintegrated Rural Development? Neo-endogenous Rural Development, Planning and Place-Shaping in Diffused Power Contexts’, *Sociologia Ruralis*, 50(1), pp1–14.
- TOWN (2013) Interim Report: Small and medium sized towns in their functional territorial context, ESPON:
http://www.espon.eu/export/sites/default/Documents/Projects/AppliedResearch/TOWN/InterimReport/TOWN_Interim_report_270113_complete.pdf.
- TOWN (2014) *TOWN Scientific Report: Small and medium sized towns in their functional territorial context*, ESPON:
http://www.espon.eu/export/sites/default/Documents/Projects/AppliedResearch/TOWN/TOWN_Scientific_Report_300814.pdf.
- VAN DEN BERG L., BRAUN, E. AND VAN DER MEER J. (eds) (2007) *National policy responses to urban challenges in Europe* (Aldershot: Ashgate).

WEBER, M. (1958). The three types of legitimate rule. Berkeley Publications in Society and Institutions, 4(1), pp1-11 (Translated by Hans Gerth).

ZAUCHA, J. AND ŚWIĄTEK, D. (2013) *Place-based territorially sensitive and integrated approach* (Warsaw: Polish Ministry of Regional Development).

Table: Full list of case studies (including population).

Country	<i>Belgium</i>	<i>Czech Republic</i>	<i>Cyprus</i>	<i>France</i>	<i>Italy</i>	<i>Poland</i>	<i>Slovenia</i>	<i>Spain</i>	<i>Sweden</i>	<i>Wales</i>
Town	Aarschot: 28,636 inh	Brandys nad Labem: 16,247 inh	Athienou: 5,017 inh	Chinon: 5,355 inh	Alba: 25,520 inh	Garwolin: 15,478 inh	Domžale: 23,793 inh	Cambrils: 34,919 inh	Kiruna: 16,368 inh	Colwyn Bay: 32,895 inh
Town	Dendermonde: 44,257 inh	Pisek: 27,979 inh	Dali: 10,466 inh	Issoudun: 11,965 inh	Ceva: 5,056 inh	Łosice: 6,194 inh	Postojna: 7,581 inh	Tarregà: 17,129 inh	Östersund (SE): 39,843 inh	Llandrindod Wells: 6,450 inh
Town	Ieper: 22,051 inh	Usti nad Orlici: 12,457 inh	Paralimni: 14,963 in	Vendôme: 8,578 inh	Fossano: 20,565 inh	Szydłowiec: 10,418 inh	Radovljica: 8,231 inh	Vilafranca del Penedès: 41,322 inh	Timrå: 9,268 inh	Tredegar: 15,103 inh
Town									Avesta: 21,583inh	