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## Europe in the World

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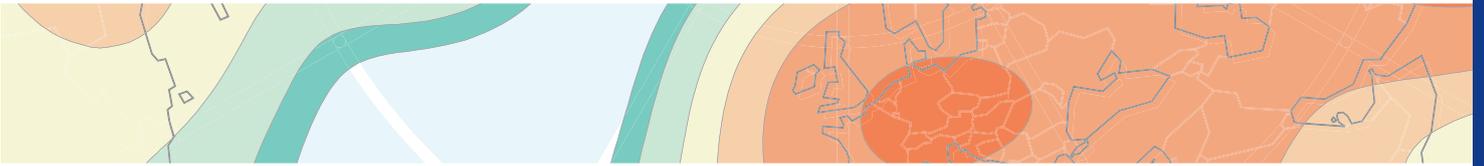
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# Europe in the World

Territorial evidence and visions

ESPON Project 3.4.1, results by autumn 2007



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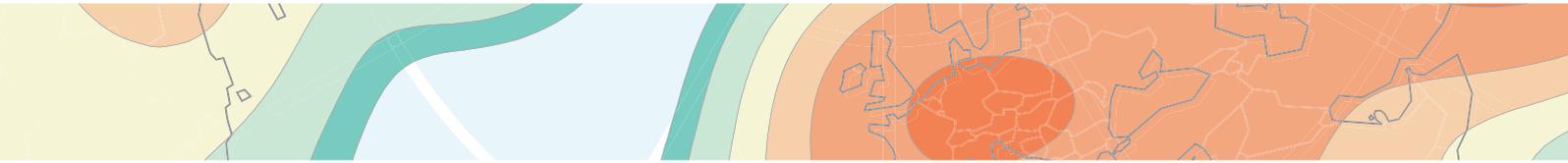
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# Europe in the World

Territorial evidence and visions

ESPON Project 3.4.1, results by autumn 2007



Internal and external policies are generally considered as independent parts of the political agenda of the European Union. The debate is to a large extent conducted without detailed information on territorial structures and impacts. Not many maps are used explaining connections between the diversity of countries and regions of Europe and the situation of Europe in the World, in particular to the states located in the immediate neighbourhood.

The accelerating globalisation and new emerging markets will have major impacts on Europe and in particular on its territory, its cities and regions. The enlargement of the European Union has established a new neighbourhood that also needs attention.

European policy making related to the territorial development, competitiveness and cohesion, has in future to consider deeper the global context. Countries, regions and cities will increasingly need to understand their development opportunities and weaknesses by examining their position as part of a world-wide complex reality.

This is why the ESPON programme has carried through an applied research project in order to contribute to the understanding of Europe in the World, focusing on strengths, weaknesses, opportunities and threats which European regions and cities facing globalization are exposed to. The main aim of this report is to inform European policy makers, practitioners and researchers on facts and key findings of the ESPON project Europe in the World.

Part 1 is directly based on results of ESPON project 3.4.1 and can be considered as a summary of main discoveries. It includes an overview of 12 key factors concerning structural evidence, dynamics and neighbourhoods of the European Union.

The facts and key-findings have made it evident that the global context is increasingly relevant for the territorial development in Europe.

At the ESPON seminar on 12-13 November 2007, the Monitoring Committee discussed 4 different perceptions and visions for Europe in the world based on the evidence of Part 1. The visions were all elaborated by the team of researchers behind the ESPON project, exclusively expressing their ideas and considerations. The geopolitical visions are food for thought, innovative and interesting, as they clearly have different territorial impacts on Europe.

Wanting to share the ideas of the researchers with a broad range of stakeholders, it has been decided to include for debate in Part 2 of this report, the 4 visions of Europe in the World.

ESPON, the European Spatial Planning Observation Network, has been set up to support policy development and to build a European scientific community in the field of European territorial development. Its main goal is to increase the knowledge about territorial structures, trends, perspectives and policy impacts in an enlarging European Union. All of the applied research undertaken within the ESPON 2006 Programme addresses the territory of 29 European countries including the 27 Member States of the EU and Norway and Switzerland. This report on Europe in the World has been addressed to the Monitoring Committee of the ESPON 2006 Programme. However, the evidence and visions presented are under the responsibility of the researchers and consultants behind the project. The present report does therefore not necessarily reflect the opinion of the ESPON Monitoring Committee and its members.

Results of the ESPON programme are disseminated in an open and transparent fashion in order to continually nourish the discussion and policy development related to territorial development and cohesion. This report presenting new evidence and visions can hopefully serve this purpose by stimulating this debate.

On the ESPON website at [www.espon.eu](http://www.espon.eu) you can access the extensive information and results of the ESPON programme, including the final report of ESPON 3.4.1 providing more detailed explanations.

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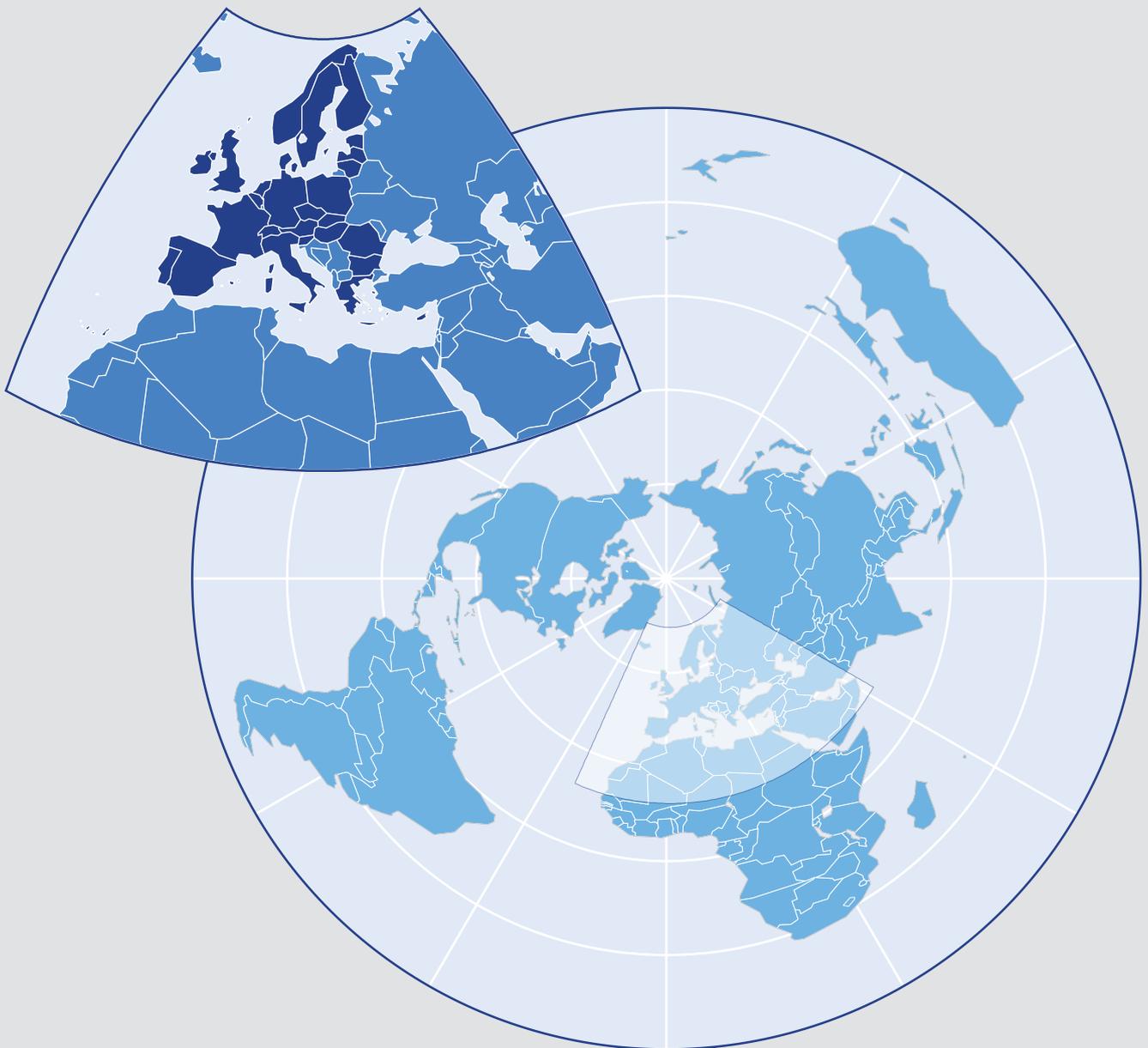
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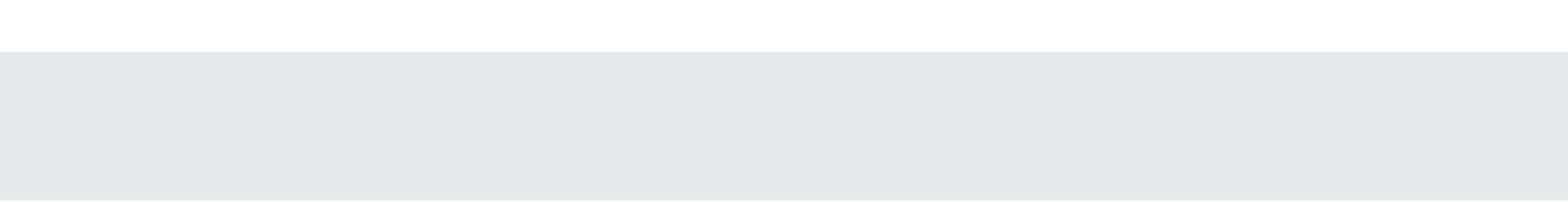
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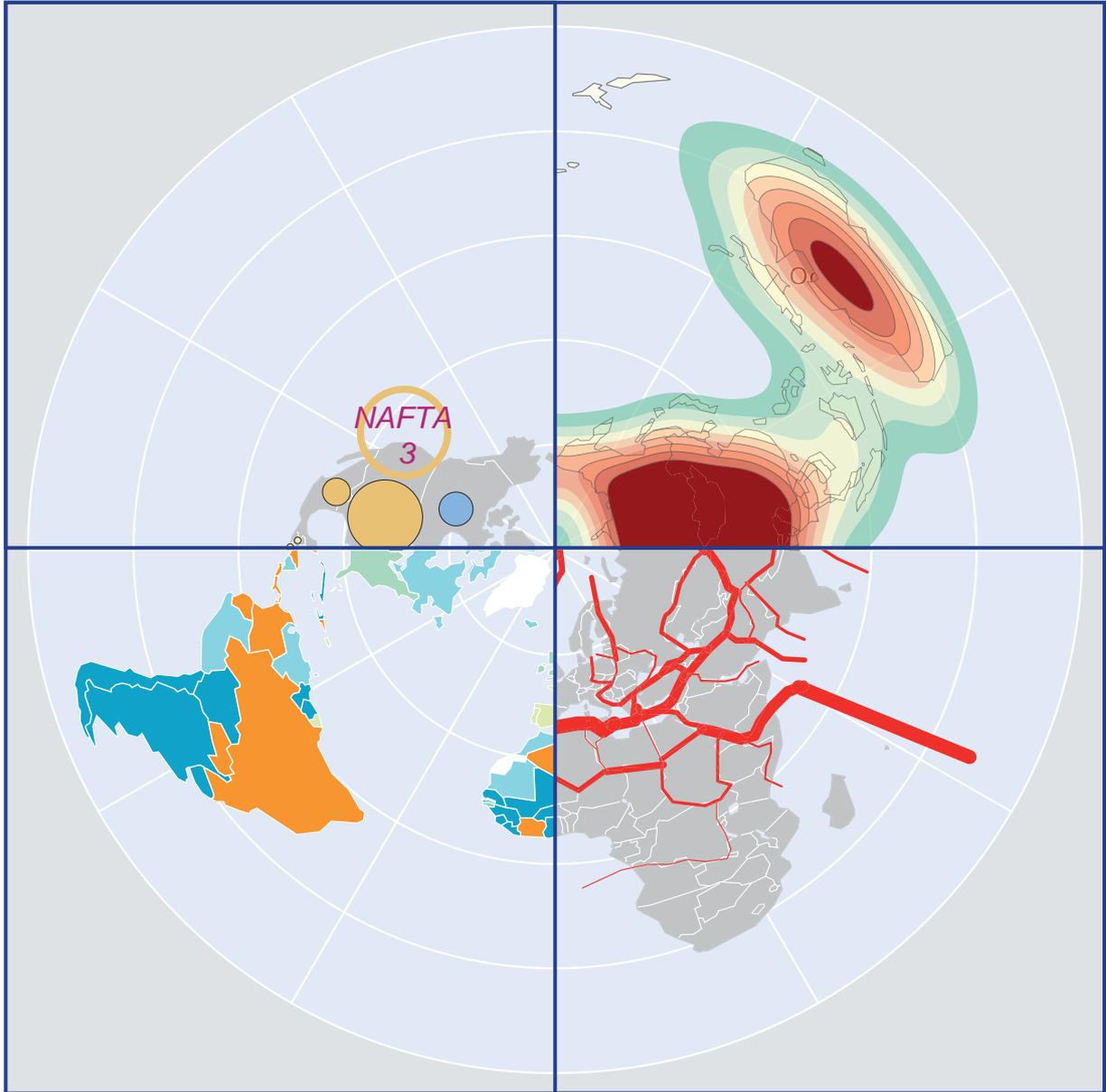
# 1 - FACTS

## *KEY-EVIDENCE ABOUT EUROPE IN THE WORLD*





## 1.1 STRUCTURAL EVIDENCE



“What is Europe? It is a kind of cape of the Old Continent, a western appendix of Asia”

*Paul VALERY, La Crise de l'Esprit, 1919*

**Question:**

The division of the World into continents is not an objective scientific reality but a social and historical production, established by Europe and for Europe when it was a dominating power in the World. This fact leads to the following questions: what would the continents look like if their limits were drawn according to an objective definition based on a scientific criterion? In particular, where would the potential limits of the so-called European continent be?

**Methodology/Sources:**

It is possible to propose a mathematical objective measure of “continentality” associated with a cartographic representation of the main concentrations of land on the Earth’s surface. What is measured is the potential of a land area (or population, or GDP/ ppp in 2000) located at a given distance<sup>1</sup> around each point of the earth’s surface. The “peaks” of potential define the centres of the continents and their limits are obtained by delineation of “water basin” around these peaks.

**Key-findings:**

- The potential of land area (Fig. 1) does not reveal the existence of any peak in Europe. From this classical continental point of view, Europe is a small cape of the Eurasian geological continent.
- The potential of population in 2000 (Fig. 2) indicates that the third peak of population in the World is located in Central Europe. The limit of the demographic region located in the periphery of this peak defines a Euro-Mediterranean demographic continent.
- Continents based on potential of wealth (GDP/ppp in 2000) indicates that one of the three major peaks of economic activity is located in Western Europe (Fig. 3). The limits of the economic polarised by these economic centres cover European Union, Western Russia, Middle-East and most of Africa. The entire area forms what can be called a Europe & North Central Africa economic continent.

**Conclusion:**

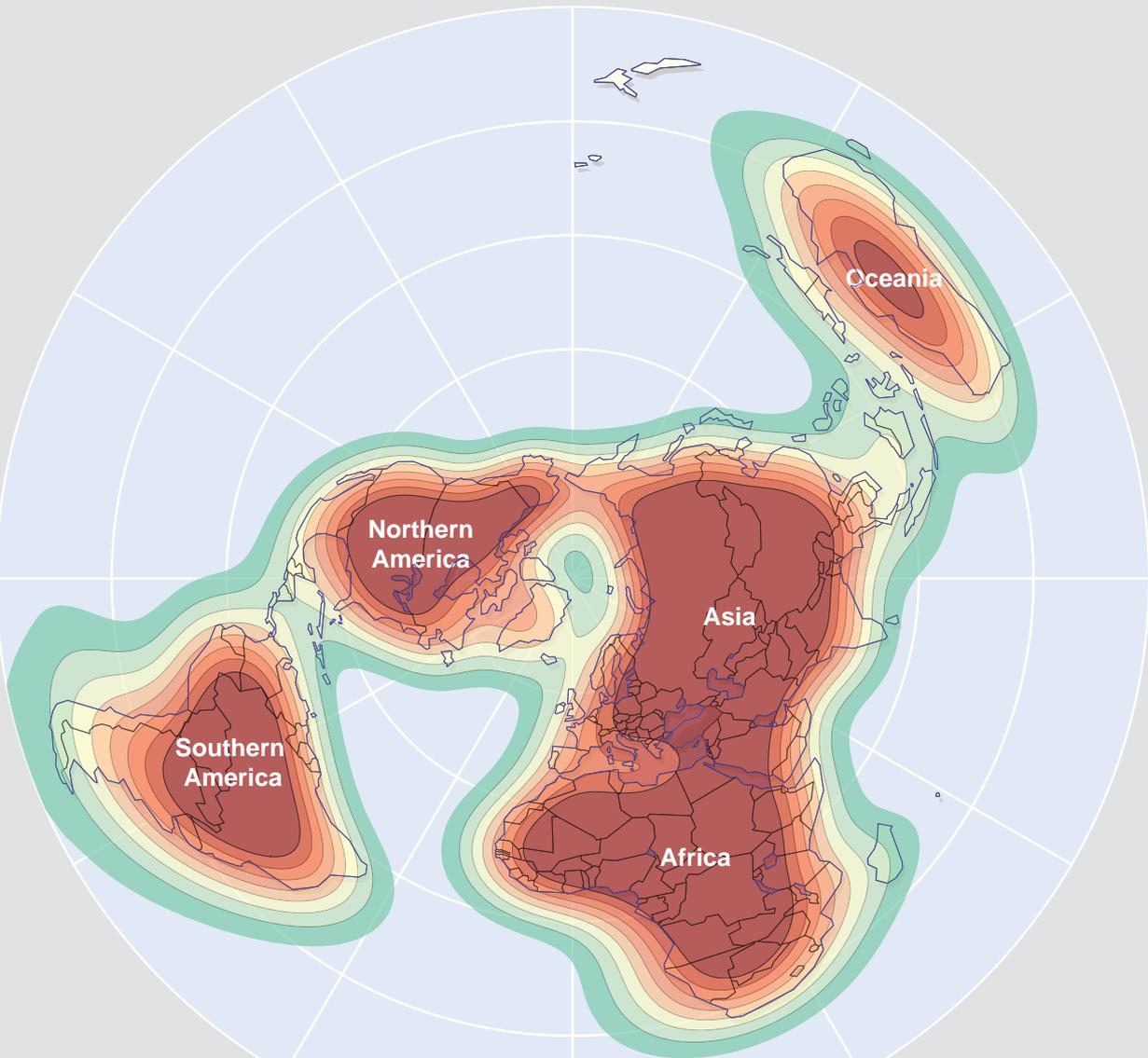
The analysis of “continentality” does not provide a clear delineation of the Europe continent, which challenges analysis of the situation of Europe in the World. As in the case of the functional delimitation of cities, it is necessary to start from an arbitrary core area which could be either too small or too large but would be further redesigned according to further analysis of flows, similarities, and networks, etc.

Even if we agree on a “core area” of interest (EU27+2), different objective definitions of “continents” can be produced according to the thematic criteria (concentration of land, population, wealth) or according to the assumption made on the scale of interactions (we could use a potential function with higher or lower smoothing effect). Objective scientific methods can therefore support different definitions of “Europe”, more or less extended towards the east (Eurasia), south-east (Euro-mediterranea) or south (Europe & North central Africa). But they can not decide which one is the best from a political point of view.

<sup>1</sup> The function of distance is a Gaussian bell with a standard deviation of 1000 km.

# Figure 1: Potential of land area

A small cape of the Eurasian geographic continent

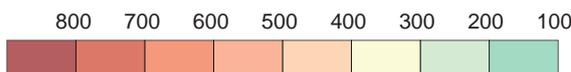


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Source: World Elevation (ESRI 2002)

Amount of land area located in a gaussian neighbourhood of 1000km (thousands of km<sup>2</sup>)



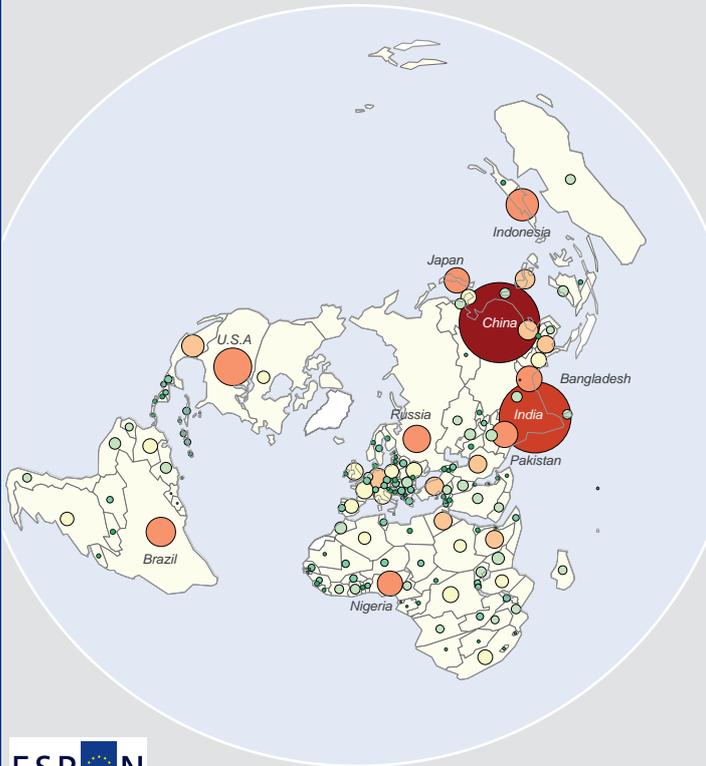
NB: The 6th continent, Antarctica is not represented

*“We obtain a representation of the World in 5 to 6 concentrations of land more or less according to the common list but with an important difference: it is impossible to define any such area as Europe! According to the famous quotation of P. Valery “What is Europe? It is a kind of cap of the Old Continent, a western appendix of Asia”. We also notice here that the limit between the so-called continents of Asia and Africa is not clear and that the Mediterranean Sea appears to be a kind of “Gulf” between Asia and Africa. The idea that Europe is a kind of lost continent located somewhere between Asia and Africa fits very well with the Hellenistic Myth which localises the wedding of Jupiter and Europe into Crete.”*

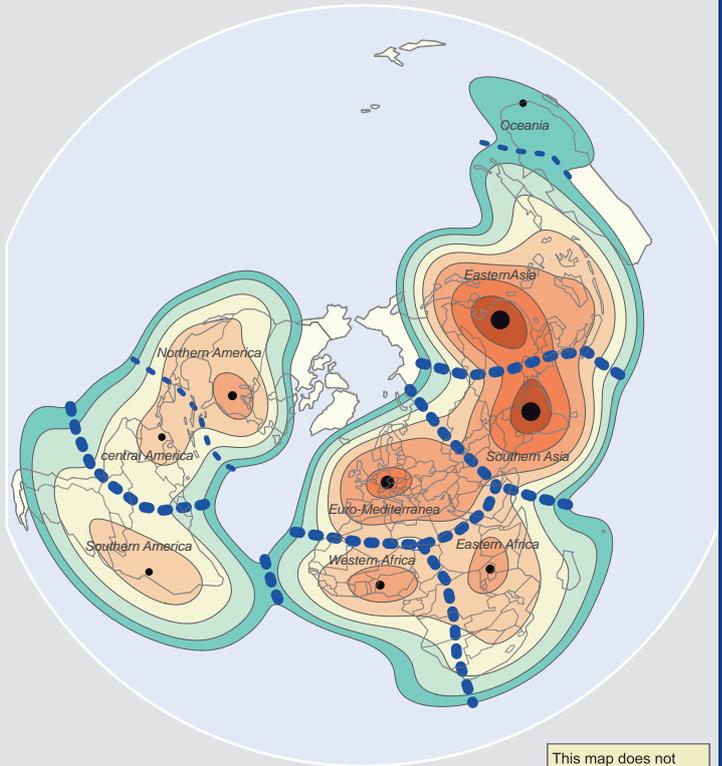
UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 62

**Figure 2: A Euro-Mediterranean demographic continent, 1999**

**Population by state**



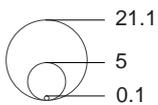
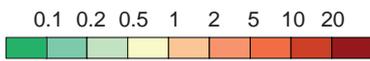
**Population potential**



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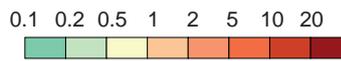
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Share of world population located in each state (%)



□ no data

Share of world population located in a gaussian neighbourhood of 1000 km

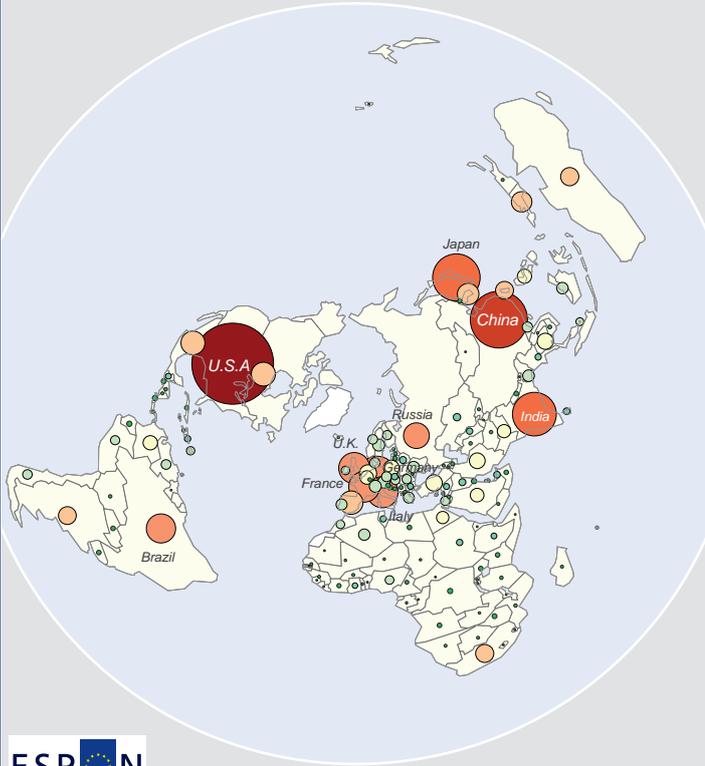


Source: WDI, 2003

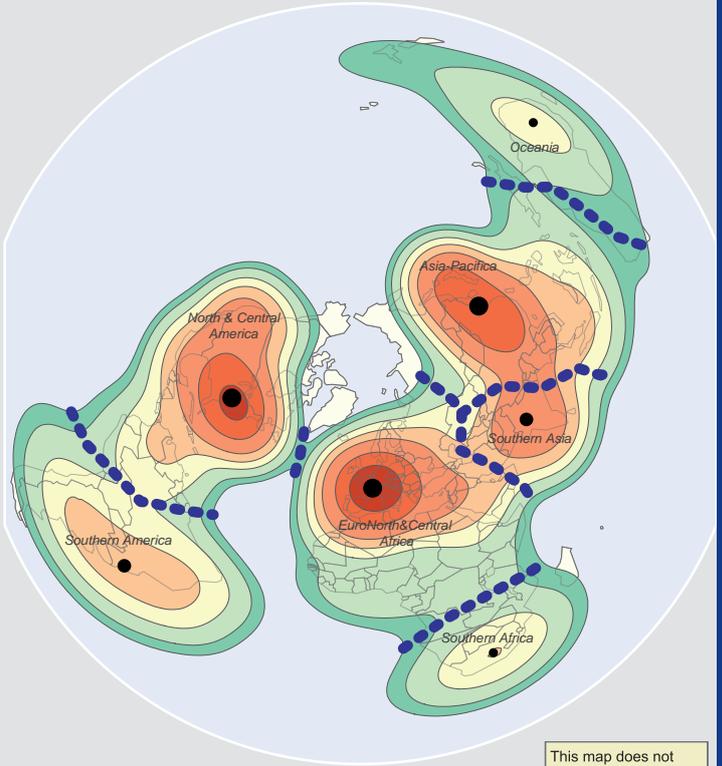
*“None of the EU27 + 2 states belong to the top 10 of the most important states from a demographic point of view, and the EU27 + 2 territory itself appears as a concentration of small and medium-sized demographic units. World population is most densely concentrated in the two main regions of Southern Asia and South-Eastern Asia where the peaks of population potential in 1 000 km reach 10 to 15% of world population. But the third peak of population concentration in the world is centred on the territory of the enlarged European Union with a maximum of 6% of world population located in a neighbourhood of 1 000 km around Prague. The other peaks of population located in Americas, Africa and Oceania are clearly less important than the European one.”*

Figure 3: A Euro-African economic continent, 1999

GDP ppp by state



Economic potential



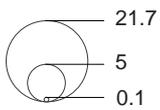
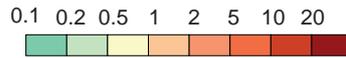
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Share of world GDP (ppp) located in each state (%)



Share of world GDP (ppp) located in a gaussian neighbourhood of 1000 km



□ no data

Source: WDI, 2003

*“This map classically reveals the existence of three major economic poles in the northern hemisphere (The “Great Triad”) and, symmetrically, three minor poles in the southern hemisphere (the “Little Triad”), and an emerging seventh pole located in South Asia. In the case of the EU27 + 2 area, the economic core is clearly located in the western part of the EU (which was not the case in demographic terms) while the peripheries are organised in concentric circles to the South and East. Most of Africa (except those states located in the South), the majority of the Middle East and more than half of Russia and the former soviet republics are involved in the potential economic influence area of what can be called the core of the economic continent of Euro-Africa”*

**Question:**

Mental barriers are powerful dimensions of reality which can not be overcome if they are not firstly recognised and evaluated. It is the reason why the project tried to evaluate what is actually “in the mind” of people living in European Union. What are the subjective limits of Europe? Does it have any influence over the European Union policies?

**Methodology/Sources:**

International Organisations, countries, NGOs (Non Governmental Organisations) and global private firms are the main actors at global level<sup>1</sup>. Those actors often propose, on their websites or reports, maps or pictures of the World divided into regions. Those pictures do not necessarily reflect their operational divisions of the World. But as they are exposed to the public opinion, it has been assumed that such maps necessarily have some meaning for the actors involved. As such they at least function as symbols of their influence at world scale.

As a complement, a survey has been realised in 2005 on a sample of 116 people involved in the ESPON 2006 Programme (including policy makers, practitioners and scientists) who were asked to divide the world in different number of regions and to present a delimitation of Europe.

**Key-findings:**

- The traditional division of the World in 5 to 7 continents remains dominant for most actors at world scale (Fig. 5). Of course, the limits of the so-called continents can be slightly different, e.g. inclusion of Turkey in Europe etc. There are however very few cases of alternative approaches to the mainstream world divisions.
- The survey to the ESPON community (Fig. 4) reveals that Mediterranean Sea is considered by the majority of the respondents (without differences between scientists and policy makers) as a border rather than a link. This is probably related to the strong identification of “Europe” and “Africa” in their mental representations.
- The eastern border is not defined in a precise way. This is particularly obvious when we observe the situation of Russia and Turkey according to the websites of foreign offices (Fig. 6).

**Conclusion:**

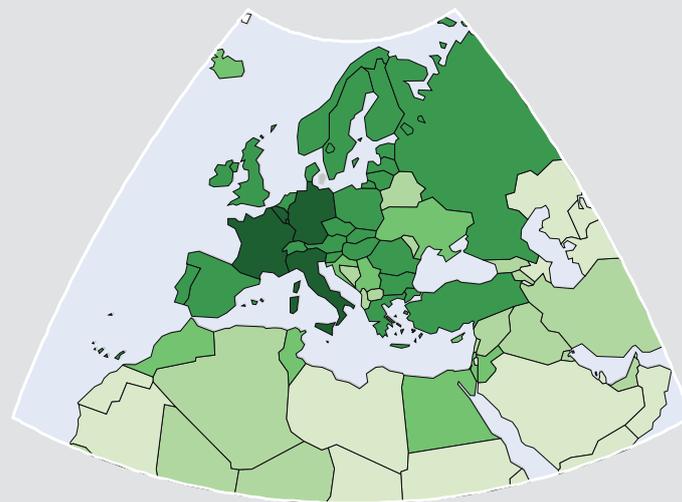
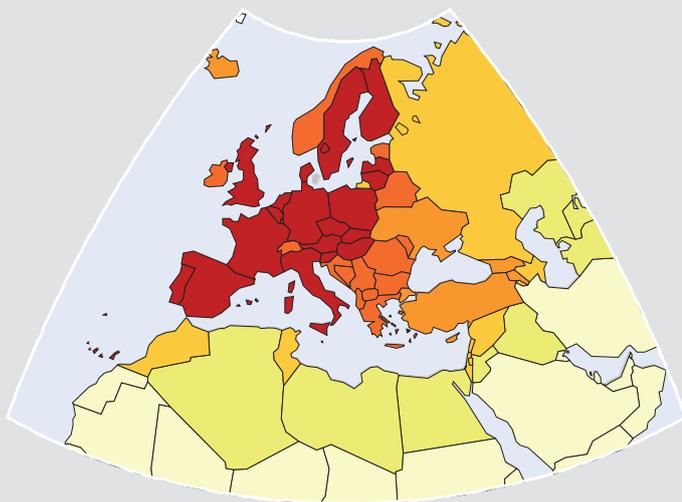
One major explanation of the difficulty for Europe to develop strategies towards the south and east is probably the mental barriers that exist in the minds of most of its citizens and decision makers. The Mediterranean Sea is by many seen as a “natural barrier” between two continents. Breaking mental barriers seems to be a necessary, but not sufficient, precondition for new strategic approaches considering Europe in a world wide context and in relation to the immediate neighbourhood. The fact that European Union citizens and decision makers are reluctant to open their southern border to migrants from Africa or to invest in the African economies is partly related to their perception of European borders and European identity. The situation is also unclear for eastern borders where very different perceptions exist concerning the belonging of the neighbouring countries to “Europe”.

<sup>1</sup> We have selected the firms that are present in the main European stock exchanges: CAC40 (40 firms), FTSE100 (102 firms) and DAX (30 firms).

**Figure 4: Limits of Europe according to the ESPON community, 2005**

**Frequency of inclusion of a country (as a whole) in Europe**

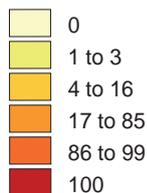
**Countries visited by the respondents**



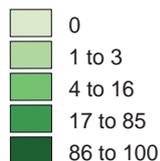
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Frequency of inclusion in Europe (%)



Number of people having visited the country (%)



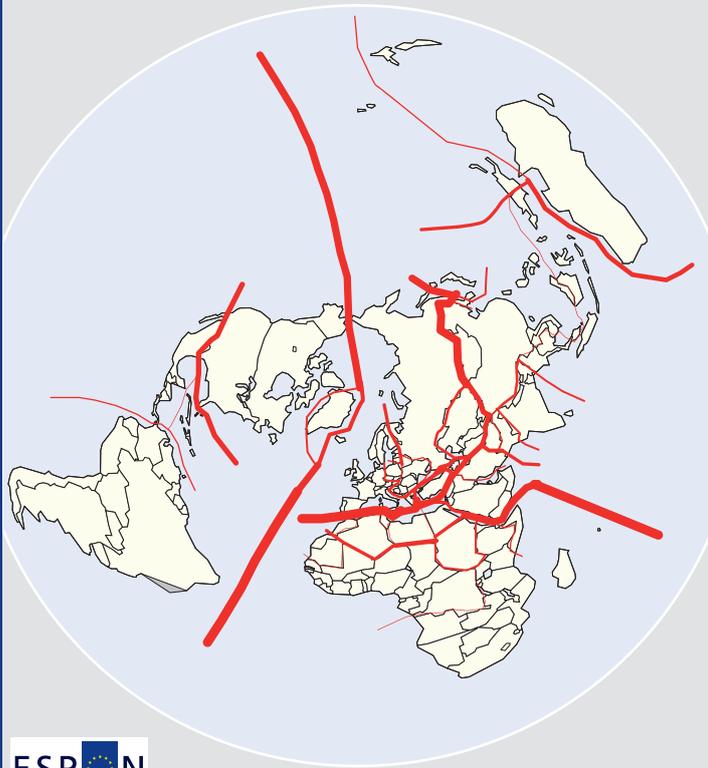
Source: ESPON community survey, 2005

Sample survey:  
116 participants of the ESPON seminar  
in Luxembourg  
(May 2005)

*“A better knowledge about a specific country could lead people to more easily consider it as belonging to Europe or the contrary. So the following question is: is there a relation between the number of people that visit a country and the number of people considering that this country belongs to Europe? The pattern of the correlation plots shows that in fact there is no relation at all. In consequence, the frequency of visit of a country can not be considered as a mean to explain the fact that people consider that a country belongs or not to Europe.”*

**Figure 5: Divisions of the world by international organisations, 2005**

**Limits**



**Aggregation**



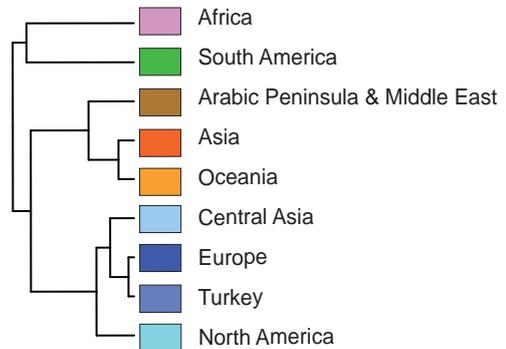
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**Most frequent limits**

- Limit proposed by 1 organisation
- Limit proposed by 10 organisations

**Most frequent aggregation of countries**

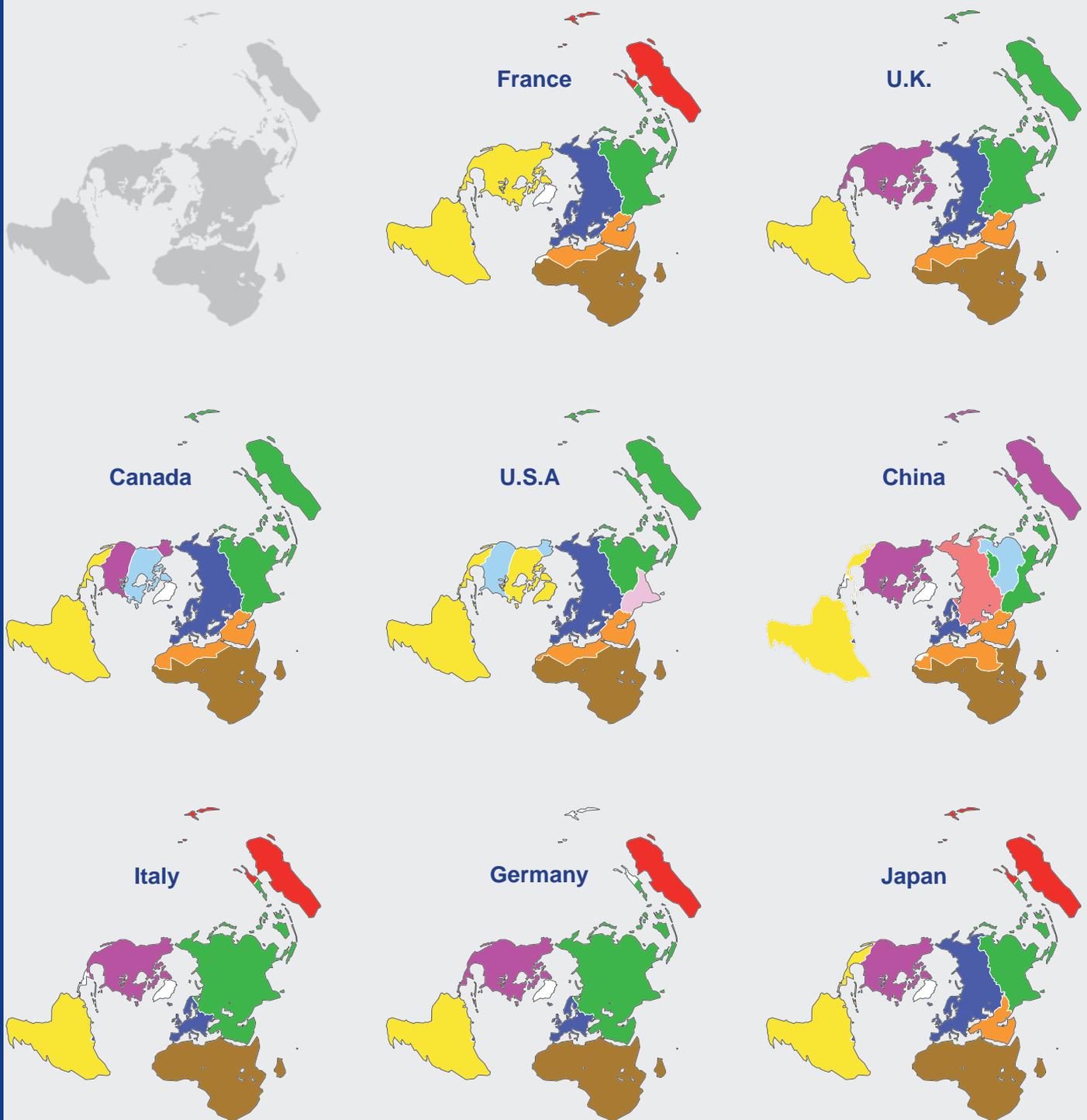


Source: Websites of 15 international organisation, 2005

UNESCO, UNICEF, UNHCR, International Labour Organization, United Nations, World Meteorological Organization, World Tourism Organization, United Nation, World bank, Universal Postal Union, World Health Organization, International Telecommunication Union, International Monetary Fund, Food and agriculture organization, World Trade Organization

*“In most cases, the limits subconsciously drawn when grouping countries follow those relating to the traditional outlines of the continents. The use of continents to draw world regions makes the divisions more consensual and more legitimate in respect of public opinion as such a division is not based on contestable criteria but on the so-called objective “facts” taught by geography.”*

**Figure 6: Divisions of the world by Foreign Offices of countries, 2005**



This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

*“The websites of the Foreign Offices of countries show a division of the world into six to nine zones. The four European countries included in the analysis, i.e. France, Germany, Italy and United-Kingdom show a division in six parts. Northern America countries (U.S.A. and Canada) propose a division in seven parts. Asiatic countries show a division in seven (Japan) and nine parts (China). But Germany and Italy strictly follow the traditional division in continents established in the 20th century. The only difference between them is the limit between North and South America. The small countries of Central America are included in Northern America according to Germany but in Southern America according to Italy.”*

**Question:**

The EU has achieved substantial progresses over the years in economic, social and environmental terms. It is a general perception that “together the EU Member States operate a combined economy, which is about one third of the world-wide Gross Domestic Product. This economic power as well as a territory covering more than 4 millions km<sup>2</sup> and a population of 490 millions inhabitants in a variety of regions and cities characterise the territorial dimension of the EU” (Territorial Agenda of the EU, art. 1, May 2007). However, is this perception questionable? What is the weight of the European Union in the World?

**Methodology/Sources:**

The harmonised database elaborated in the framework of the ESPON project “Europe in the World” provides comparative figures of the size of the 168 major States of the World in 1999. Six criteria<sup>1</sup> of size have been selected and expressed in share (%) of the total World amount in order to know for which criteria the EU and the neighbouring countries (EU27 + 8)<sup>2</sup> are really global players, as compared to other countries and to other areas of economic integration.

**Key-findings:**

- The fact that the EU27 + 8 represents one third of the world economy is actually questionable. It depends on the criteria used for the measurement of wealth. When considering GDP in Purchasing Power Parity (ppp), the results show that EU accounts for one quarter of the world GDP in 1999 with a continuous decreasing trend during the period 1965-2000.(Fig. 9).
- Other criteria of size (population, agricultural area, ...) have been examined (Fig. 8). The analysis suggest that it is more realistic to consider that the actual share of EU27 + 8 in the World is globally comprised between 10 and 15%.
- The countries of Europe present a relative equilibrium of the criteria defining their size at world scale even if some of them are characterised by a strong economic and demographic concentration on a small territory (Fig. 7).

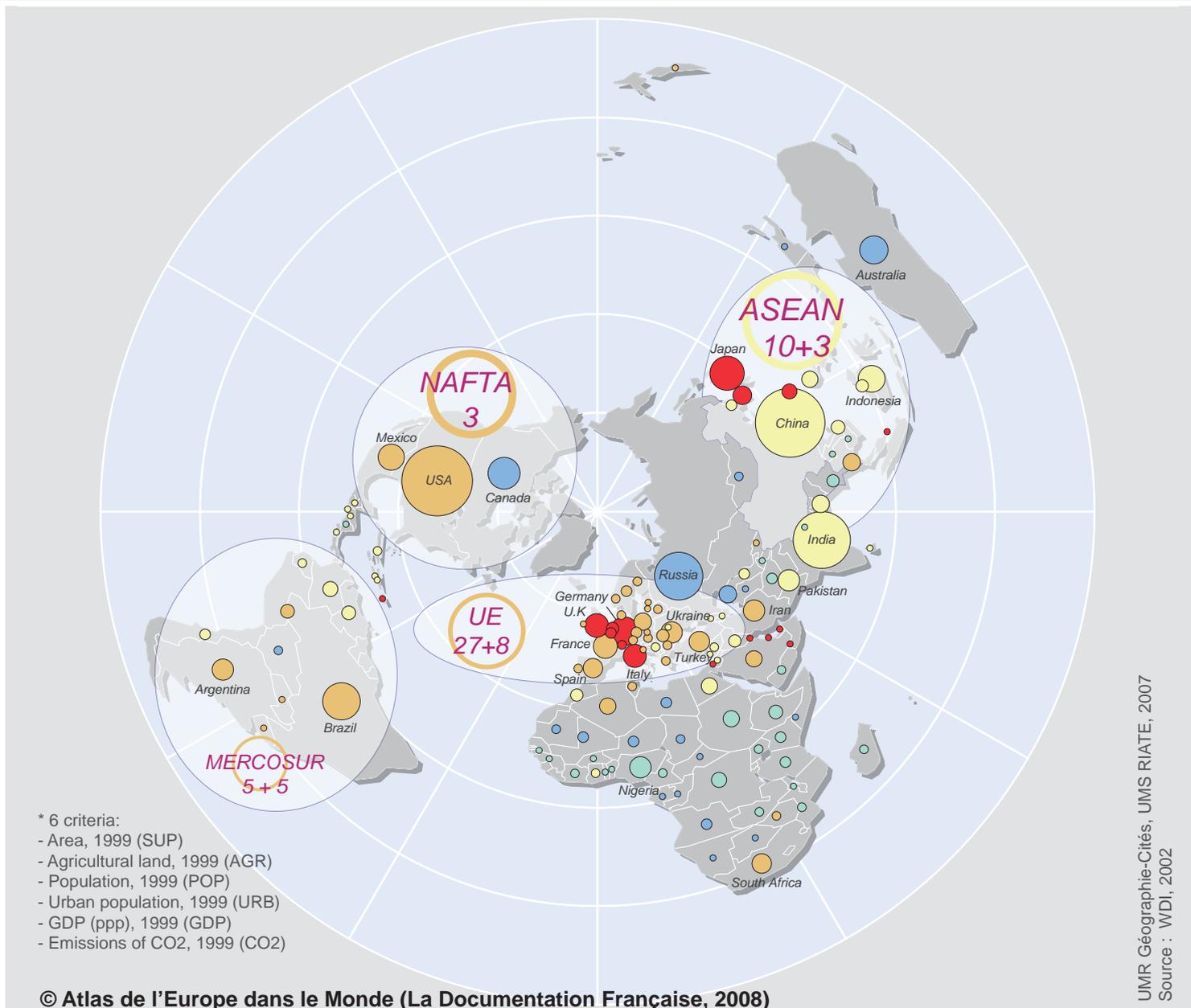
**Conclusion:**

Apart from Germany (and only for the economic criteria), the EU Member States are never in the top 10 of world countries for the six criteria that have been examined. It underlines that they are less important players when considered individually and it is only by their political union that they become an important collective actor in the World. But even when considered as a whole, the European Union remains relatively minor for many criteria (land area, agricultural area, urban population, etc.) as compared to other countries in the World (USA, China, Japan) or to other integration zones, such as the Association of Southeast Asian Nations (ASEAN), the North American Free Trade Agreement (NAFTA) and the Southern Common Market (MERCOSUR). Even when it comes to the share of the EU27 + 8 in the world GDP, one must recognised that it is not as high as it is usually said in the official analysis.

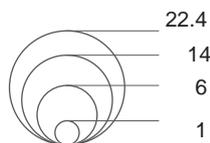
<sup>1</sup> 6 criteria of size: area, agricultural land, population, urban population and emissions of CO<sub>2</sub>, in 1999.

<sup>2</sup> “Europe” has been considered here in a broad definition included the EU 27 countries plus Norway, and Switzerland, and the present and future candidate countries (Albania, Bosnia & Herzegovina, Croatia, FYR of Macedonia, Serbia & Montenegro and Turkey).

Figure 7: Synthesis of the size of states and world regions, 1999



Size of states  
Average of 6  
criteria\* in share  
of world (%)



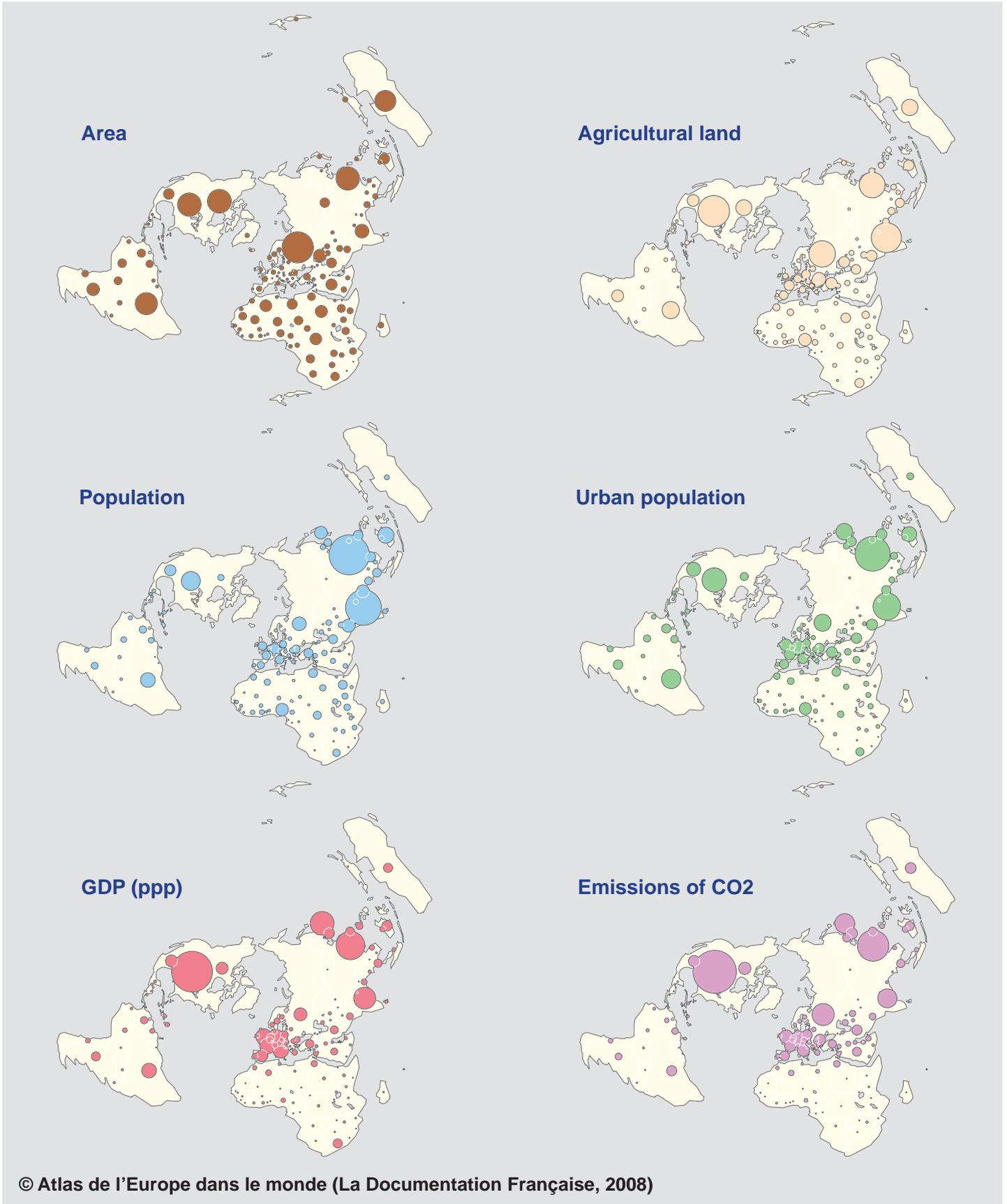
Global size of States in share of world (%)

in %	SUP	AGR	POP	URB	GDP	CO2	Average
NAFTA3	16.1	18.1	6.8	11.1	25.5	28.0	17.6
ASEAN10+3	10.9	14.1	32.9	28.0	24.7	23.9	22.4
MERCOSUR5+5	13.0	7.0	5.7	9.6	5.7	3.4	7.4
EU27+8	4.6	11.0	9.8	15.2	24.4	18.2	13.9
Rest of world	55.5	49.7	44.9	36.2	19.7	26.5	38.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

more than 10%    5 to 10%    2 to 5%    1 to 2%    0.5 to 1%

Size	Type A Low density	Type B Pauvreté	Type C Population	Type D Equilibrium	Type E Accumulation
	Russia	Canada Australia			Kazakhstan
		Nigeria			Sudan, Congo RDC., Ethiopia
	ASEAN 10+3 China	India			Bangladesh, Colombia, Egypt, Philippines, Vietnam, Venezuela
	NAFTA 3 USA UE 27+8	MERCOSUR 5+5		Brazil	Poland, Thailand, Saudi Arabia, Algeria, Peru
		Japan, Germany		U.K Italy	South Korea Taiwan

**Figure 8: Benchmarking of the size of the states in the world, 1999**

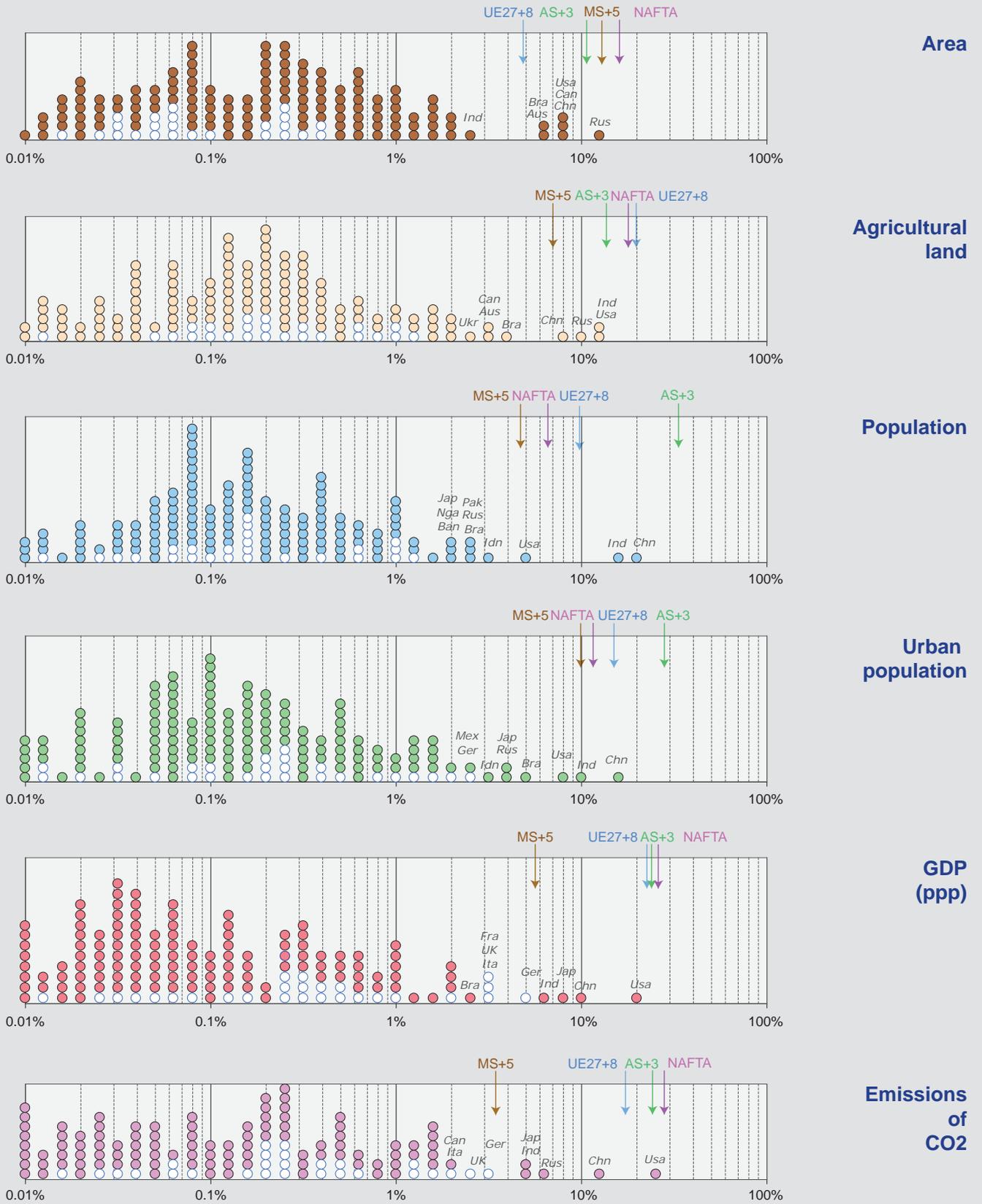


Share of world total in 1999 (%)

1	5	10	15	25

UMR Géographie-Cités, UMS RIATE  
Source: WDI, 2002

Figure 9: Benchmarking of the size of the states in the world, 1999 (graphics)



Each dot represents the world share of a state according to a size criteria  
 ○ EU countries

**Question:**

With very few exceptions, the share of population and GDP in the majority of the European countries at a world scale has been steadily decreasing since the 1950s. Since then, however, and although this structural decline continues, it has over the years been counterbalanced by the dynamics of EU enlargements. The question is: what would happen in case that further enlargement were considered as no longer realistic?

**Methodology/Sources:**

The long term “Maddison database” used for the ESPON applied research project allowed to analyse the evolution of UE27’s share of world population and wealth during the period 1950-2000. Data was averaged by 5-years period in order to focus on structural trends. Extrapolation has been made for the period 2000-2020 with an assumption of enlargement of EU to Turkey in 2015. The other official and potential candidate countries were not taken into consideration in this extrapolation (Western Balkans) because their population is small. Consequently, their accession will not help the EU to increase or even maintain its share in the world population.

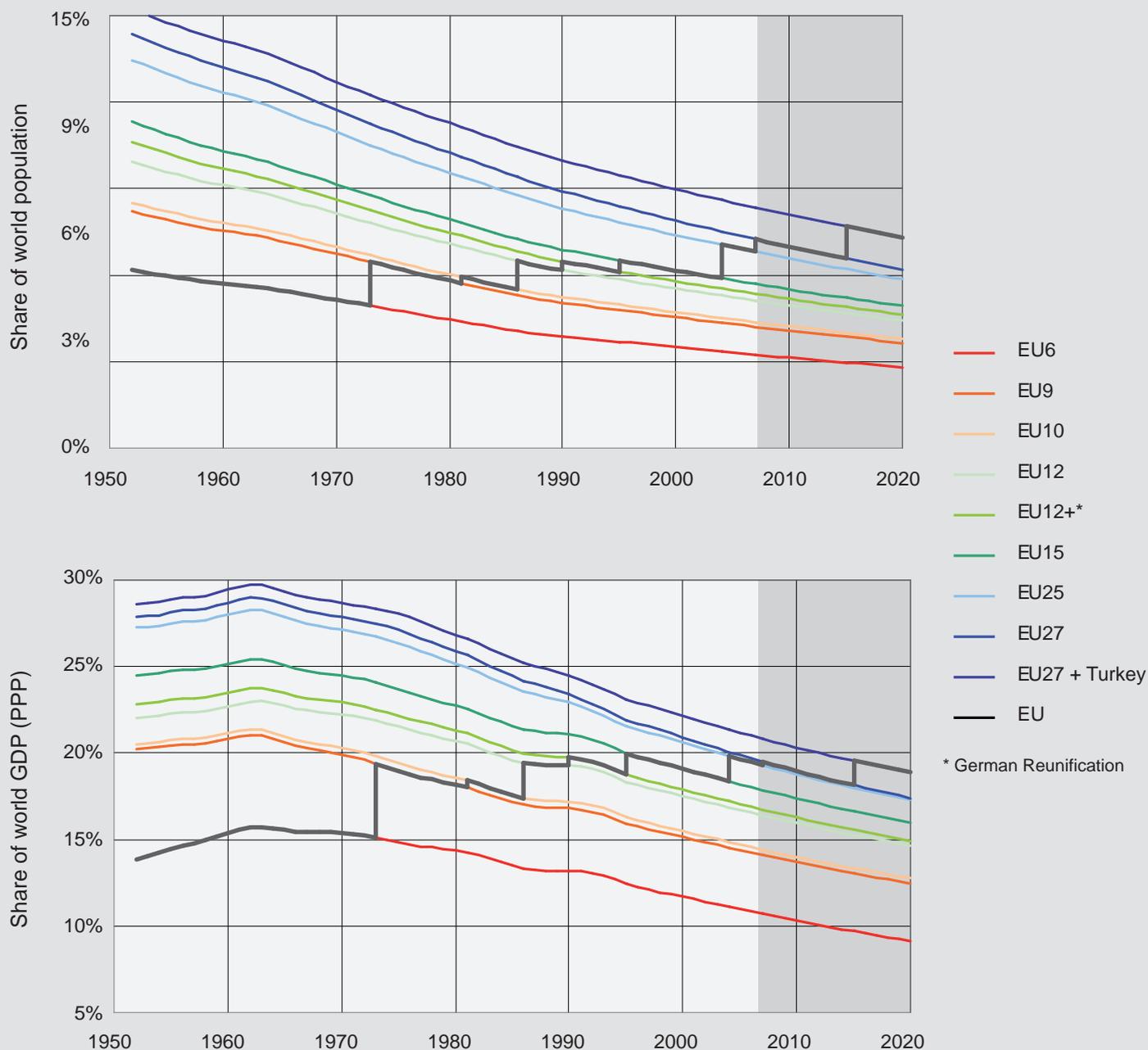
**Key-findings:**

- The European Union has always maintained a level of 6% of the world population during the period 1950-2000, thanks to enlargements. This share has jumped to 7% with the enlargement from 15 to 25 and 27. It will return to 6% in 2020 in the condition that there are further EU enlargements until that date (Fig. 10).
- The European Union has reached a level of more or less 20% of the world GDP (in Purchasing Power Standards) in 1973 when UK decided to join. This share of the world economy could not have been maintained during the last 30 years without the following enlargements to 12, 15, 25 and 27. Without any further enlargement, this share would probably decline to less than 15% of the world economy in 2030 (Fig.10).
- The currently most dynamic countries in the world both from economic and demographic points of view are located in the southern periphery of what is usually called the “Triade” (Northern America, Western Europe, Japan). They form a “ring of steady growth” that spreads from South America to North Africa, Middle East, South and East Asia (Fig. 11 & 12).
- The countries of the European Union have experienced a “golden decline” as both their share of world GDP and world population was reduced in the period 1960-2000. But as the decline was generally more important for population than for GDP, their level of GDP per capita appeared to increase as compared to world average (Fig. 11 & 12).

**Conclusion:**

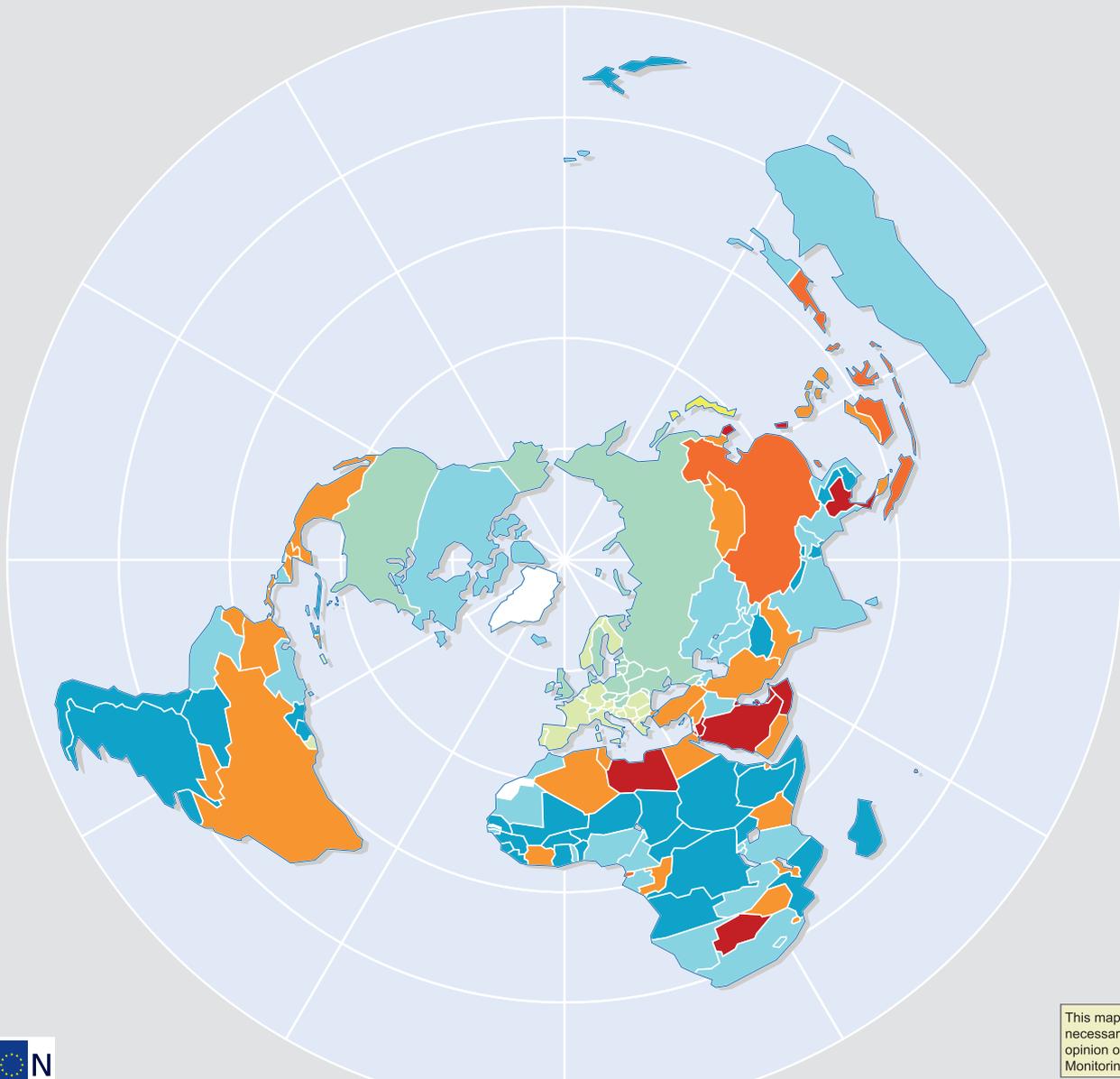
The European Union will not in the future automatically maintain its rank in the world in economic and demographic terms. Other centres of the World (USA, China and Japan) develop actually strong economic or demographic relations with the most dynamic countries located in their immediate neighbourhood. This is not the case for the European Union that tends to focus its major economic investments towards more distant emerging markets and not towards its own southern and eastern neighbours. This strategy implies a decreasing influence of the European Union in the World (because of the lack of regional integration with neighbours) and a higher level of vulnerability of the European economy to external shocks (because the investments are realised in more and more distant regions of the World). The future accessions of Turkey and the Western Balkan countries won’t be enough to help the EU to maintain its rank both in demographic and economic terms.

**Figure 10: Evolution of the share of world population and GDP (ppp) of the European Union, 1950-2020**



*“The population or the GDP level of the European Union between 1950 and 2004 provides a fascinating example of what may have been an implicit political strategy. This strategy – if that is what it was – was designed to maintain Europe’s place in the World: for the period as a whole we can observe a distinct structural trend of demographic and economic decline which is only balanced by means of a reliance on the political dynamic of enlargement to ‘balance the books’.”*

Figure 11: Synthesis of world demographic and economic evolutions, 1952-1998



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Typology of joint evolution of world shares of population and GDP (ppp), 1952-1998

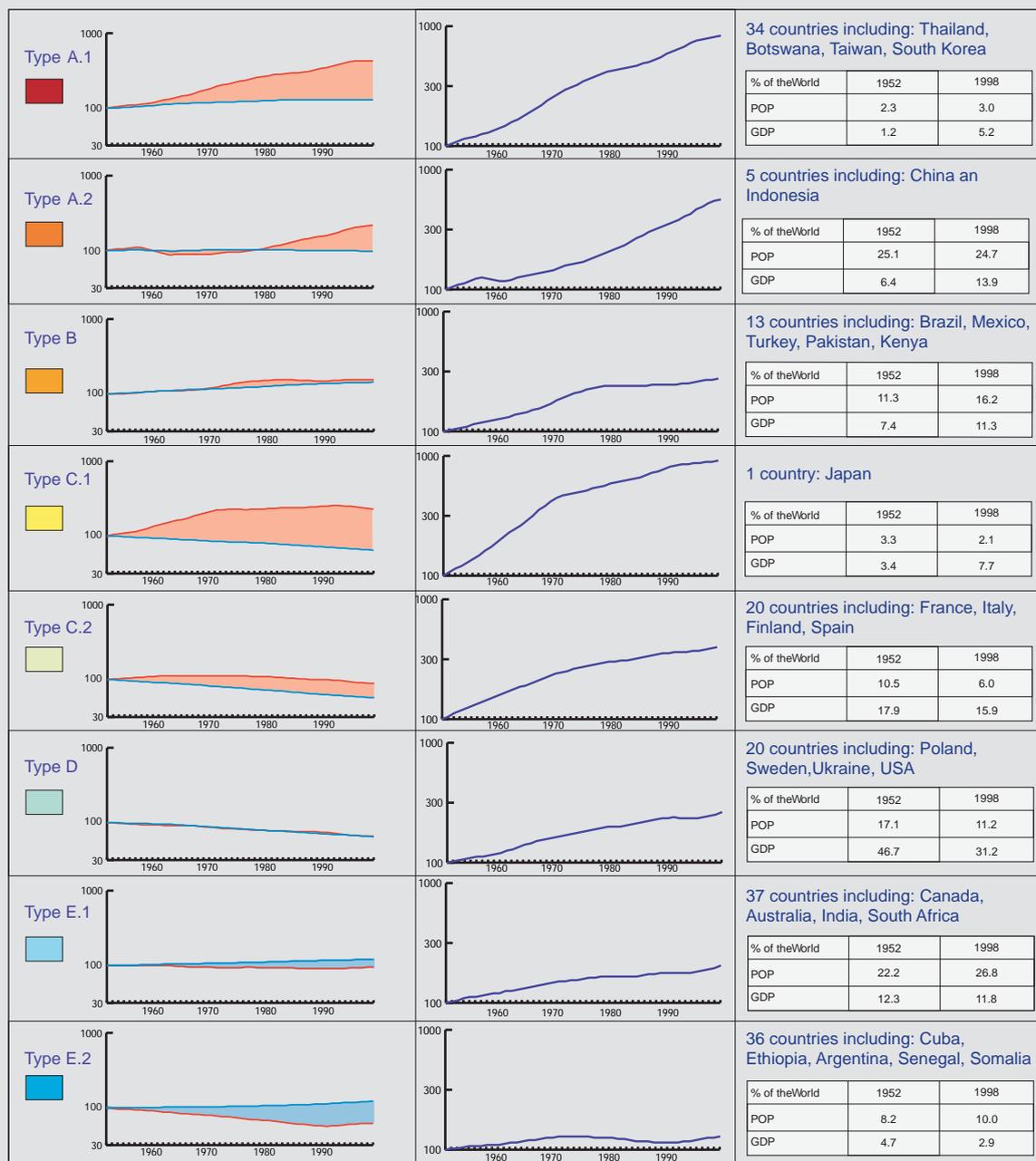
<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #800000; border: 1px solid black; margin-right: 5px;"></span> Type A.1</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FF4500; border: 1px solid black; margin-right: 5px;"></span> Type A.2</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FF8C00; border: 1px solid black; margin-right: 5px;"></span> Type B</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #FFFF00; border: 1px solid black; margin-right: 5px;"></span> Type C.1</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Type C.2</li> </ul>	<ul style="list-style-type: none"> <li>A. Positive divergence</li> <li>B. Positive equilibrium</li> <li>C. "Golden decline"</li> </ul>	<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Type D</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #ADD8E6; border: 1px solid black; margin-right: 5px;"></span> Type E.1</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: #008080; border: 1px solid black; margin-right: 5px;"></span> Type E.2</li> <li><span style="display: inline-block; width: 15px; height: 15px; background-color: white; border: 1px solid black; margin-right: 5px;"></span> no data</li> </ul>	<ul style="list-style-type: none"> <li>D. Negative equilibrium</li> <li>E. Negative divergence</li> </ul>
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Source: WDI, 2002

*"When we analyse the evolution of the share of world population and world GDP (ppp) of each state of the world, it is clear that very important changes have occurred over the last 50 years with a global transfer of population and economic production from the traditional centres of the Triad to their peripheries. The fact is that the USA, Canada, the European Union and the states of the former Soviet Union have experienced lower rates of increase in terms of their population and their GDP than the rest of the world. Their population and wealth did not decrease in absolute terms, but their share of the global world was strongly reduced in favour of other countries such as China (for GDP) or India (for population)."*

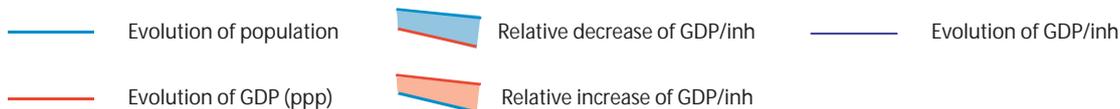
UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 84

**Figure 12: Synthesis of world demographic and economic evolutions, 1952-1998 (legend)**



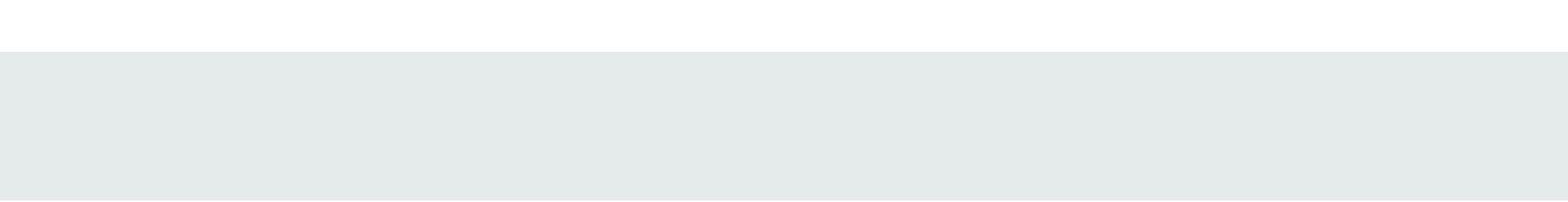
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Source: WDI, 2002

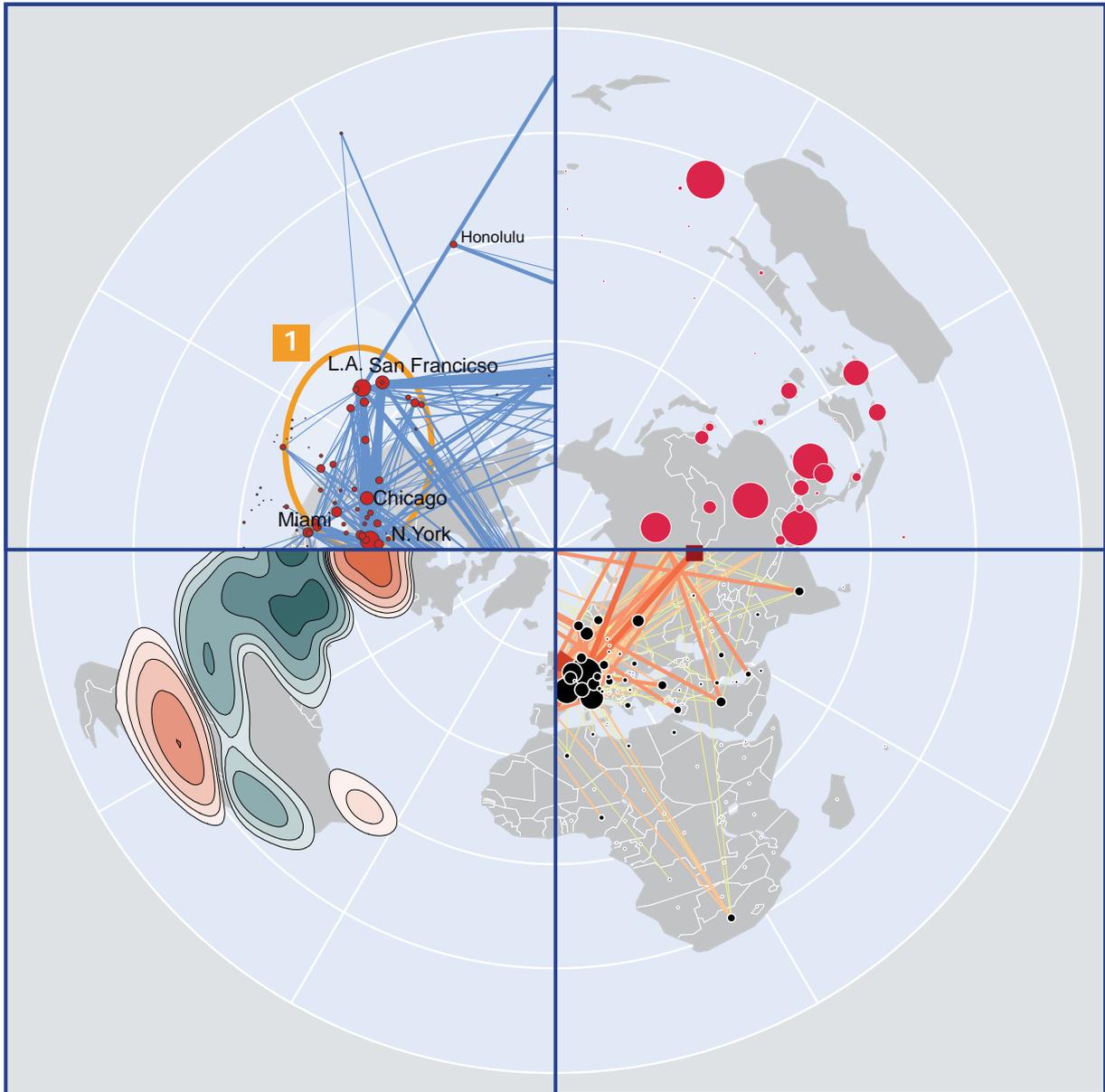


*“A synthetic typology of the evolution of the share of world population and GDP of the various states reveals differentiated patterns. The centres of the Triad (i.e Northern America, Western Europe and Japan) have generally experienced a joint decline in their shares of GDP and population. [...] They maintained or indeed even increased their relative level of GDP per inhabitant (type C and D). The states located in their immediate periphery however experienced rather the opposite with a joint increase of their share of population and GDP in the world. [...] The states in this situation (type A and B) define a “golden ring” of growth from Mexico to Brazil, North Africa, the Middle East and South-East Asia. It is generally only in the deep peripheries, located at longer distance from the Triad, that the worse situation of an increase in the share of population associated with a decrease in the share of GDP was manifest (type E)”*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 84



## 1.2 FUNCTIONAL EVIDENCE



“What seems to have emerged from the empirical work of the past dozen years is a compromise vision. Distance matters a lot, though possibly less than it did before modern telecommunications. Borders also matter a lot, though possibly less than they did before free trade agreements. The spaceless, borderless world is still a Platonic ideal, a long way from coming into existence”

*P. Krugman, 2004*

**Question:**

Major international institutions such as the Organisation of Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the World Bank, consider the development of globalization and the increase of trade as major opportunities for all countries. But important debates occurred during the last decade about the best way to share the benefits of globalization (Stiglitz J., 2006). What is the real impact of the globalization process on the European economy?

**Methodology/Sources:**

A complete matrix of trade exchanges between countries has been established by the ESPON projects "Integrated tools for European spatial development" (3.1.) and "Europe in the World" (3.4.1.) for the period 1996-2000 (United Nations Conference on Trade and Development (UNCTAD)/ World Trade Organisation (WTO)) in order to evaluate in detail the geography of trade relations. At a more aggregated level (subcontinent, continent), other statistics (EUROSTAT, UNCTAD) have been further collected for the examination of historical trends 1960-1995 or recent changes 2001-2005.

**Key-findings:**

- The European Union remains a major player in the global trade system but its real influence is more or less important according to the statistical criteria used. In 1996-2000, EU27 + 2 accounts for 37% of the World international bilateral trade flows. However, only for 17%, when internal trade between these countries is excluded (Fig. 13).
- The openness of the major global economic regions of the World remains relatively low. The openness rate, which is the ratio between the sum of exports and imports and global GDP, was 14.1% for EU25, 13.5% for NAFTA and 17.5% for Japan in 1996-2000.
- The trade influence of the European Union as a whole is potentially important in Russia, Middle East and Africa, defining strong asymmetric trade relations with these countries. But the specific areas of influence of each Member States remain strongly diverse. They are still determined by historical legacies of the individual countries (Fig.14).
- The European Union presents a rather high level of trade with emerging countries such as India, Brazil or Southern Africa that can not be considered as dominated by any one of the three major economic centres of the World.

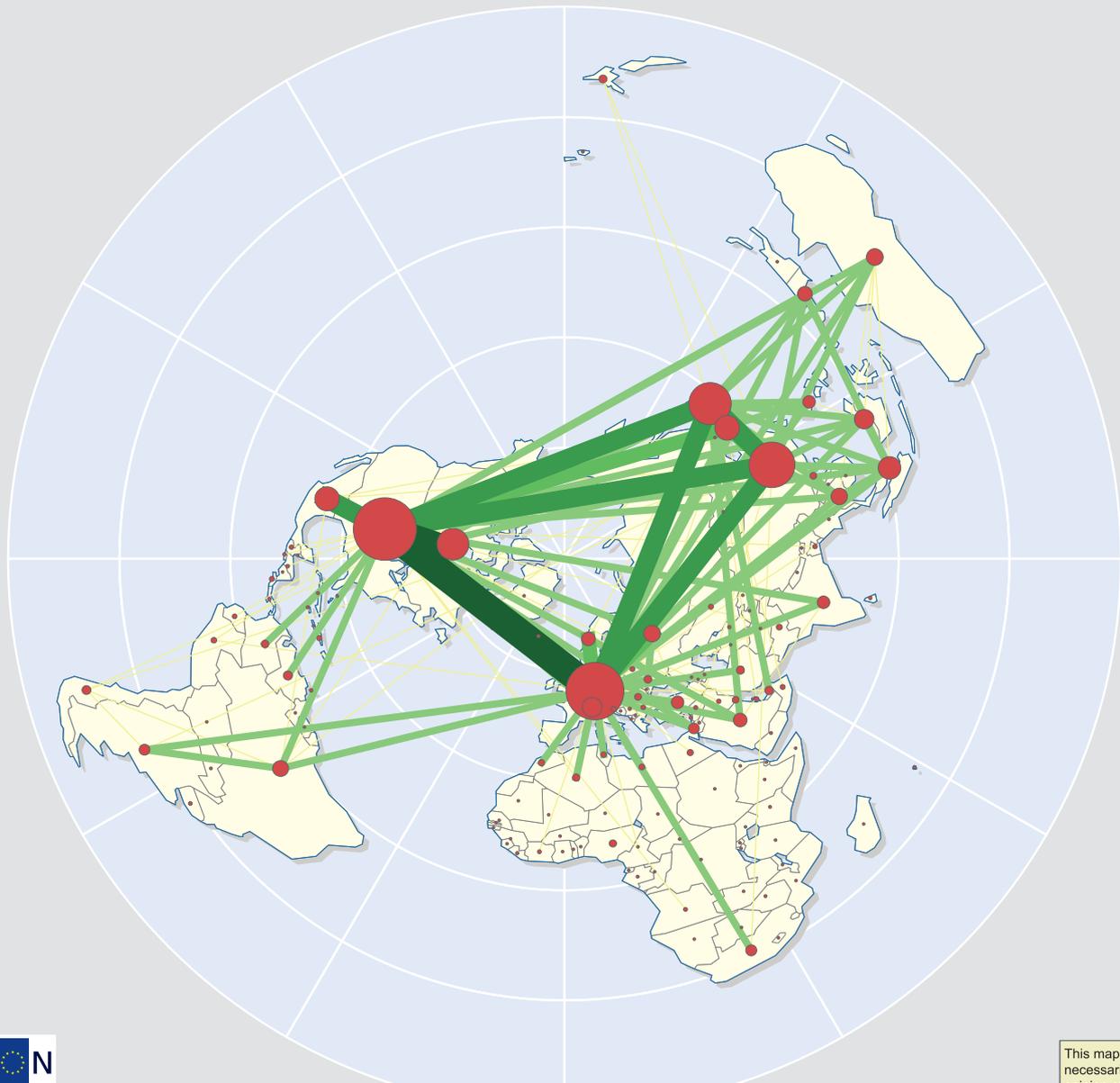
**Conclusion:**

Trade remains a major factor of influence of the European Union in the World. There is a strong discrepancy between areas which are dependant from Europe (e.g. Western Africa) and areas which are important for Europe (e.g. USA, Eastern Asia). By crossing dependency<sup>1</sup> and importance<sup>2</sup>, an area of potential economic integration can be defined which is one way to outline the European neighbourhood (Fig. 15). This area of mutual economic dependence shows both an eastern pattern (Russian and Newly Independent States) and a southern pattern (Mediterranean countries).

<sup>1</sup> Dependency concerns countries which have a share of bilateral trade with Europe greater than 20%.

<sup>2</sup> Importance concerns countries that represents more than 1% of EU27 + 2 external bilateral trade.

Figure 13: The world trade, 1996-2000



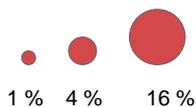
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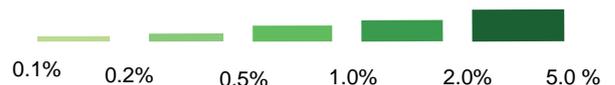
Source: PC-TAS (1996-2000)

Bilateral international trade flows 1996-2000  
(with EU25 aggregated)

Share of world bilateral trade of each state



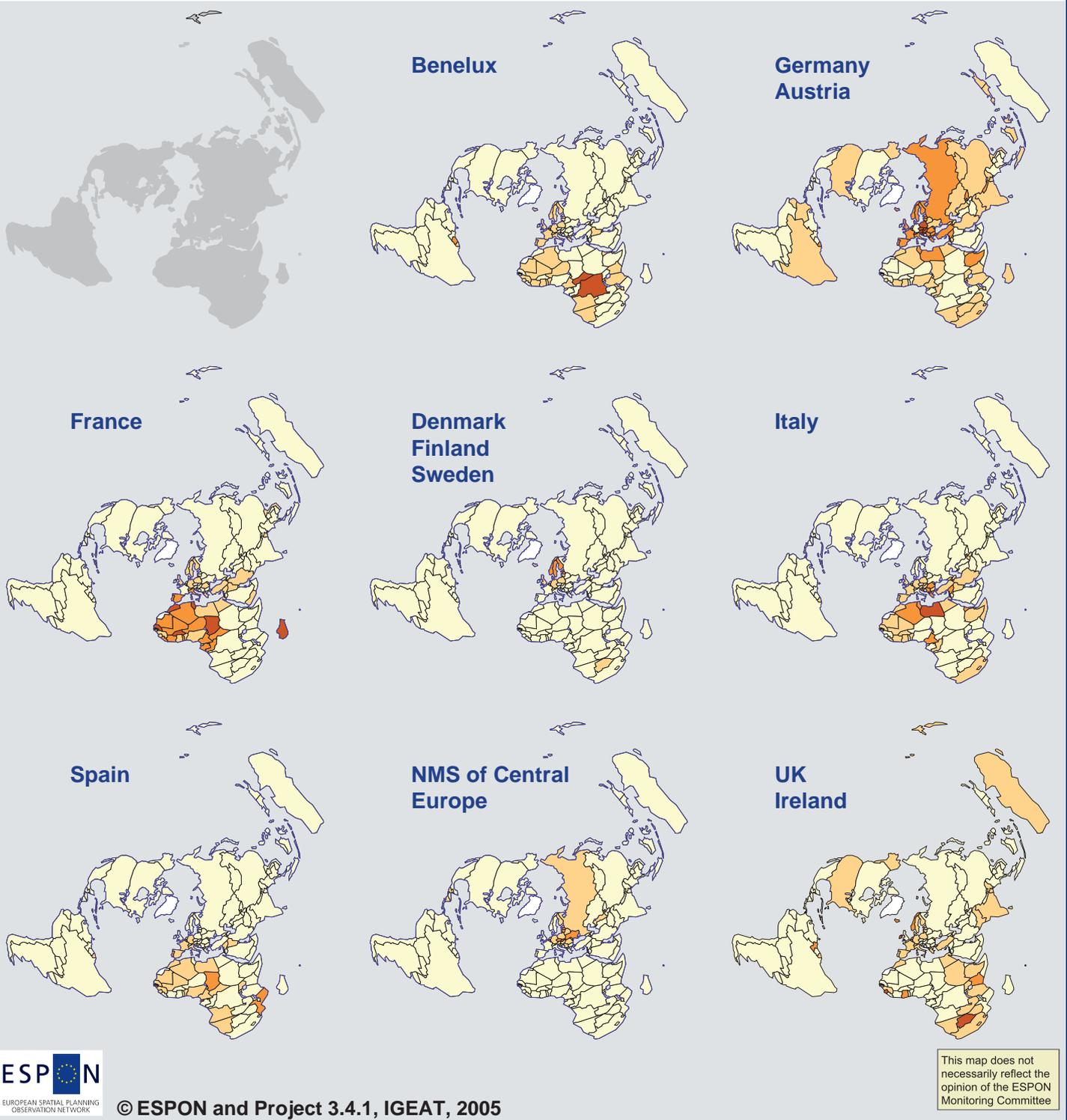
International flows measured in % of world bilateral trade



*“Centres are characterized by their weight in terms of global production and flows, and by their social and economic structures as well as their leading role in the world economy. The concept of centres however only assumes its meaning in the context of the dialectical relations which take place between the poles of the Triad and their peripheries: centres only exist through their dominant relation with their peripheries. These links are characterised, from the point of view of trade flows, by a relation of dependence, on both quantitative and qualitative aspects.”*

UMS RIATE/ESPON 3.4.1,2006 , Vol. 1, p. 113

Figure 14: Share of EU members in the trade of the other countries, 1996-2000



Share of the EU members (countries or group of countries) in the international trade of the other countries, 1996-2000 (%)

Source: PC-TAS (1996-2000)

0 5 12 25 50

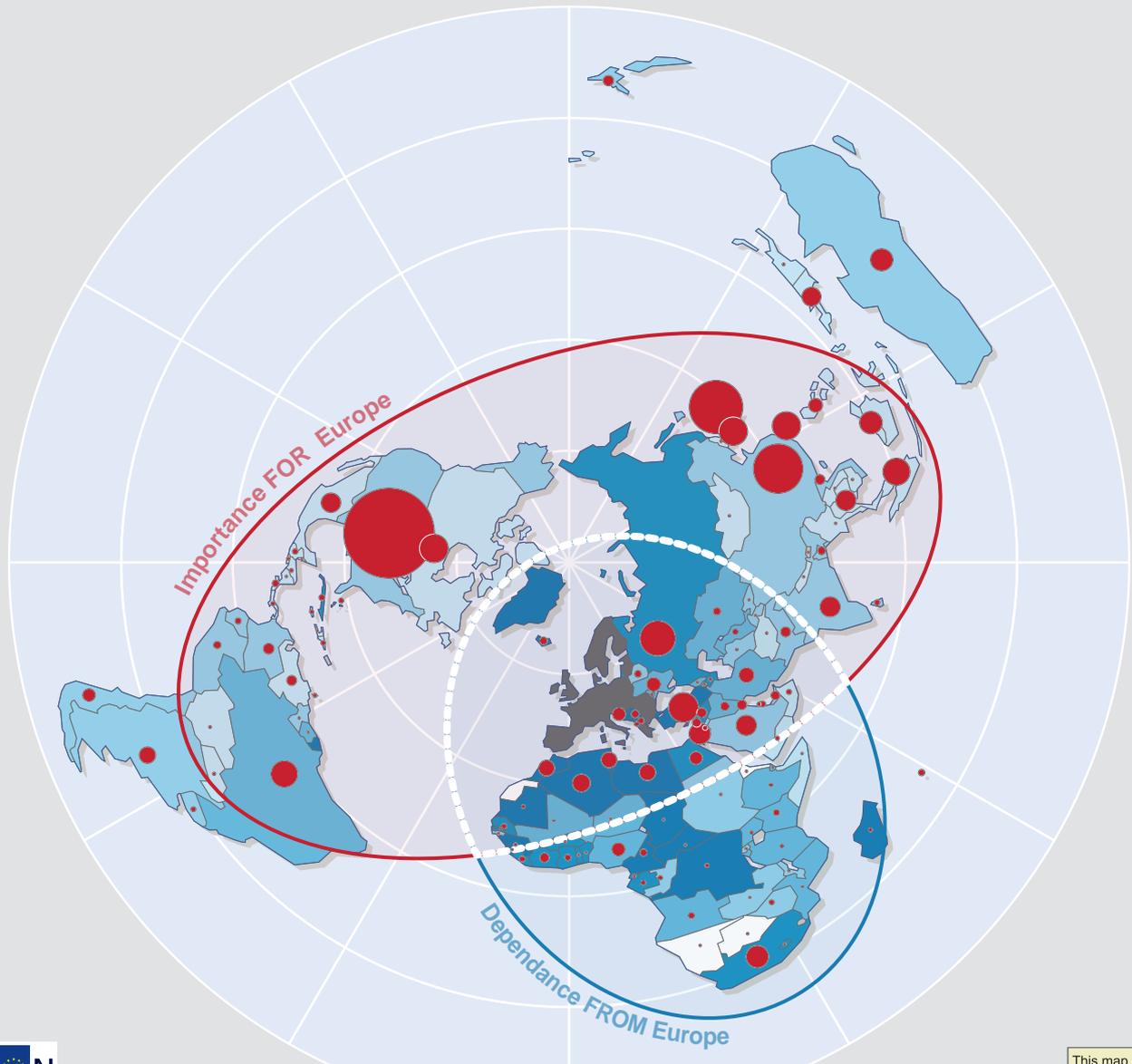


NB: The trade with Greece is not represented

*“The global trade area of EU27 + 2 in terms of world trade is then actually the result of a simple addition of the various national trade areas which clearly cover different parts of the world through a kind of geographical specialisation. The idea that the “whole is better than the sum of the parts” is particularly interesting but it is important to use a distinction here between EU 25 and EU27 + 2, for countries which are not members of the EU 25 have developed original strategies of their own.”*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 222

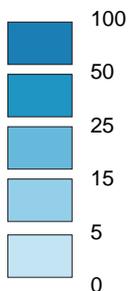
Figure 15: Bilateral trade of EU27 + 2 with the rest of the world, 1999-2003



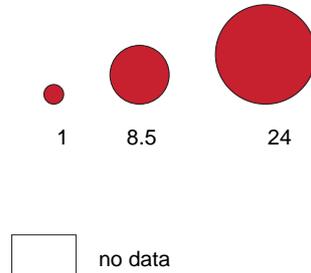
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Share of trade (%)



External european trade (%)



Source: UNCTAD, 2004

*“From the quantitative approach, these imbalances can be observed in terms of exclusive relations of the peripheries with their centres, while centres mostly trade between themselves. This reality is well illustrated by the commercial area of influence of EU27 + 2: the countries that are important for EU27 + 2 (blue circle) are not the same as those for which EU27 + 2 is important (red circle). The most caricatured example is the one relating to sub-Saharan Africa: while it is of negligible importance for European trade, the opposite is true for Sub-Saharan African countries as Europe is vital for the existence of this part of the world.”*

**Question:**

World and European Union's territorial structures have often been reduced to two conventional models: the centre-periphery one, and the hierarchical model of urban networks. However, many human activities are not present in all points of a territory but are concentrated in several specific areas strongly connected to each other. Accordingly, the new "borders" of the EU are to be found in several international gateway cities and not only on the physical external borders of the EU territory be it its eastern limits or its southern ones. What is the position of the gateway cities of EU27 + 2 in the "World Archipelago"?

**Methodology/Sources:**

ESPOON project "Europe in the World" has established a complete database on air connections and number of passengers between world cities in 2000, providing both international and national connections. The initial database at airport level (Institut de transport aérien (ITA) was aggregated further to city, region and state levels. However, most analysis focused on the city level which is considered the most relevant. In many analyses air flows was measured in passengers weighted by kilometre which is a better way to measure the global impact than the sole number of passengers. International air connections provide only a partial view on the strength and weakness of regions according to globalisation. On the synthetic map based on various criteria (headquarters of firm, patents, etc.), we used (1) the "internationalization indicator" to distinguish the cities that are highly connected to the rest of the World, and the (2) "technological level"<sup>1</sup> to differentiate all regions according to their technological capacities (Fig. 18).

**Key-findings:**

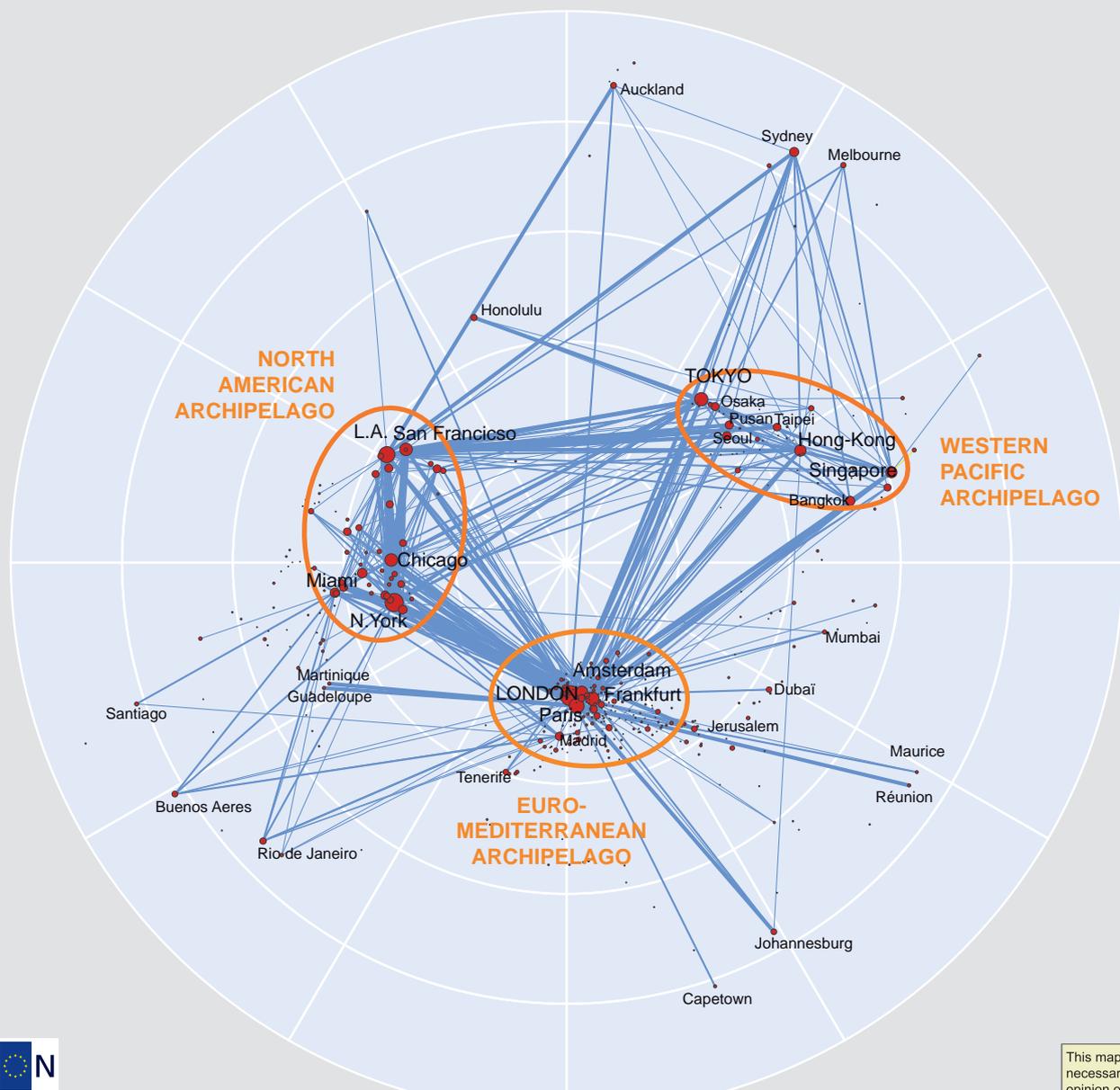
- The major gateway cities of EU27 + 2 clearly stands at the top of the list of world cities in respect of air connections. However, this is not the case when looking at cities further down in the ranking where we find a majority of American and Asian cities and very few European ones, except Madrid, Zurich and Manchester (Fig. 16).
- The major European world gateways (London, Paris, Frankfurt, Amsterdam, Zürich, Madrid) are efficient interfaces towards the global world, with a relative degree of specialisation (e.g. Madrid for Southern America, Paris for Africa). But they are strongly concentrated in the western part of the EU territory. In the same time, other cities rather play a regional role for internal connections between EU and its eastern and southern neighbourhood: "Central nodes" are connecting the pentagon area to southern and eastern peripheries; "peripheral nodes" are connecting Mediterranean cities and Eastern Europe countries to the economic heart of EU (fig. 17)

**Conclusion:**

The world metropolitan "archipelago" is not necessarily connected to the countries, regions or macro-regions where the metropolitan areas are located. A strong correlation between the location of the main gateway cities and the most developed regions in Europe exists. However, it does not mean that only well connected regions are able to face world economic competition. And it neither does mean that focusing on nodal regions is necessarily the best choice for European territorial development. Air flows show also a strong internal network that links EU and its southern and eastern neighbourhoods.

<sup>1</sup> Technological level is based on 3 indicators: number of patents per inhabitants, productivity and the share of high-tech manufacturing industry.

Figure 16: European situation according to world air flows, 2000



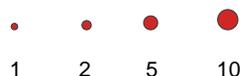
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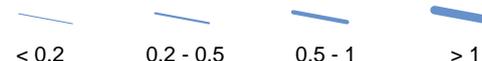
Source: IATA, 2000

Major air connections

Size of airports  
(% of world traffic\*)



Size of flows  
(% of world traffic\*)

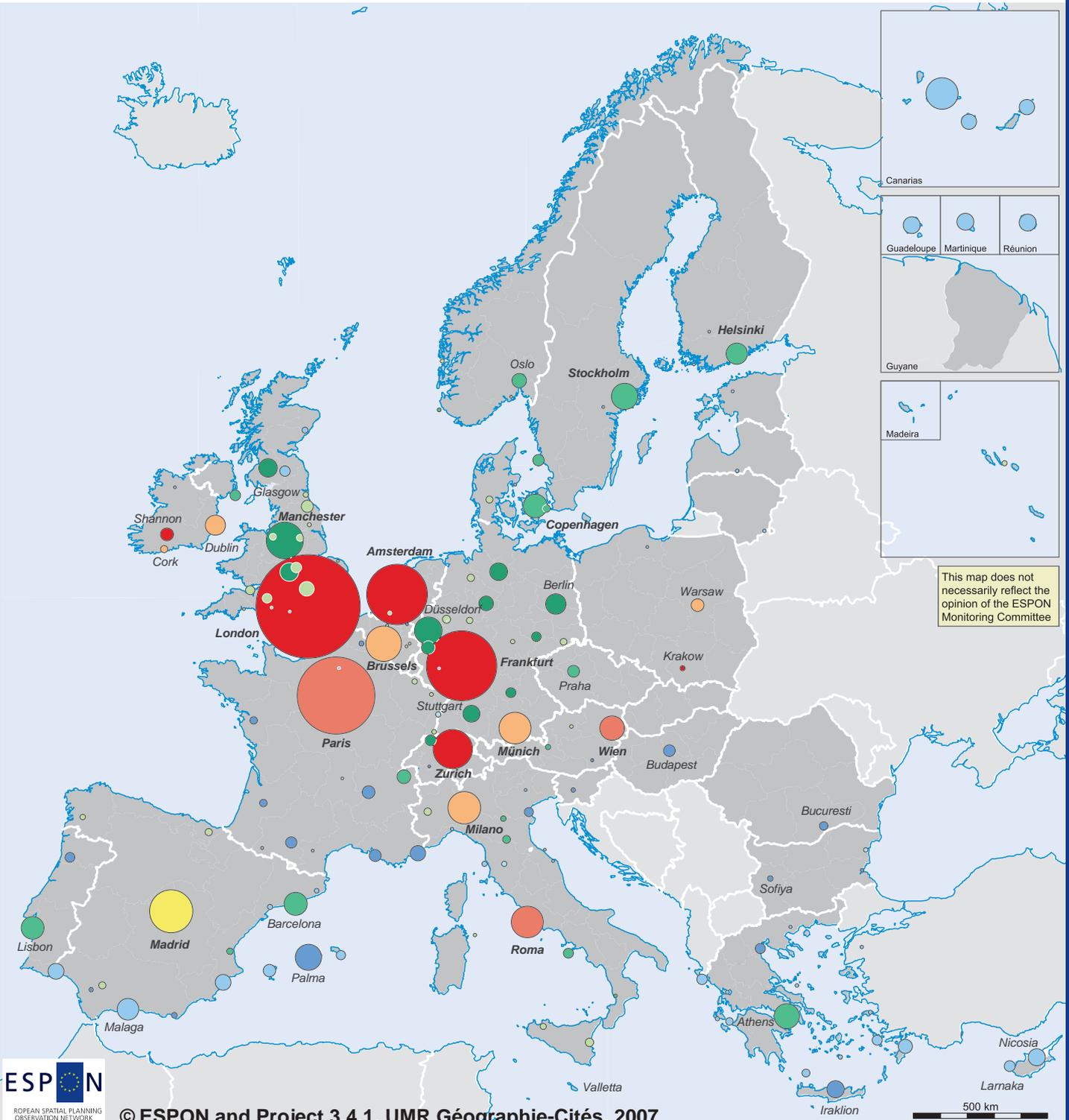


(\*) measured in passengers weight by km

Top ten world airports according to various criteria, 2000

World Cities	Intranational and International Flows				International Flows only			
	Passengers.km		Passengers		Passengers.km		Passengers	
	Rank	%	Rank	%	Rank	%	Rank	%
LONDON	1	13.2	1	10.2	1	16.9	1	15.9
NEW YORK	2	10.9	2	9.0	3	8.0	6	4.6
LOS ANGELES	3	8.5	5	5.6	6	6.8	13	2.9
PARIS	4	7.4	3	6.5	2	9.2	2	8.7
FRANKFURT	5	6.0	6	4.6	4	7.7	3	6.6
TOKYO	6	5.8	19	2.4	5	7.6	8	4.2
CHICAGO	7	5.2	4	6.1	14	3.0	30	1.7
SAN FRANCISCO	8	5.2	9	3.5	12	3.3	35	1.4
AMSTERDAM	9	4.5	8	3.8	7	5.8	4	6.5
HONG KONG	10	4.2	10	3.2	8	5.5	5	5.6
MADRID	19	2.3	14	2.8	17	2.7	12	3.0
ZÜRICH	26	1.9	27	2.0	20	2.5	11	3.2

Figure 17: European gateway cities in the top list of world airports, 2000

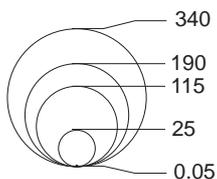


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Global interactions  
(in billions of passengers.km, 2000)



Type A  
Global gateways

- A1 - Specifically oriented to long distance connections and Middle East
- A2 - Specifically oriented to long distance connections, Africa, Eastern Mediterranean and Maghreb
- A3 - Specifically oriented to Balkans, Turkey and Maghreb
- A4 - Specifically oriented to Latin America

Type B  
Central nodes

- B1 - Specifically oriented to Southern Europe, Eastern and Southern European neighbourhood
- B2 - Specifically oriented to Europe and Eastern European neighbourhood
- B3 - Specifically oriented to Southern European Balkans and Turkey

Type C  
Peripheral nodes

- C1 - Specifically oriented to Northern and West Central Europe and Maghreb
- C2 - Specifically oriented to Northern and West Central Europe
- C3 - Specifically oriented to West Central Europe

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Association for  
administrative boundaries

□ no data

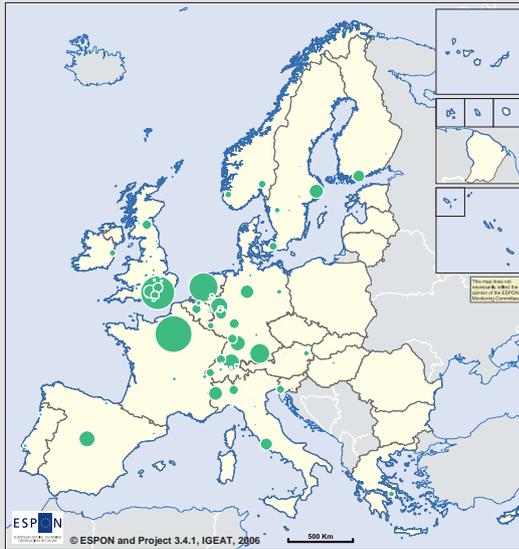
Source: IATA database

*“Whatever the criteria, the EU 27 + 2 territory appears particularly well connected to the rest of the world via London (1st rank whatever the criteria), Paris (2nd to 4th rank), Frankfurt (3rd to 6th rank) and Amsterdam (4th to 9th rank). EU world gateways are efficient but also very concentrated in the Pentagon area”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 132

Figure 18: Regional insertion in the world economy, 2000

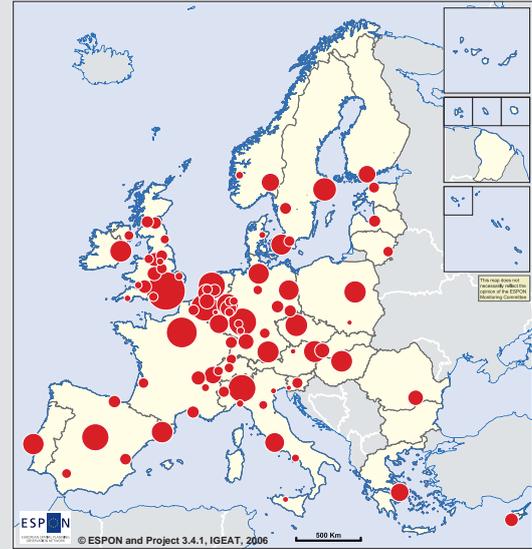
Headquarters of transnational firms



Number of headquarters



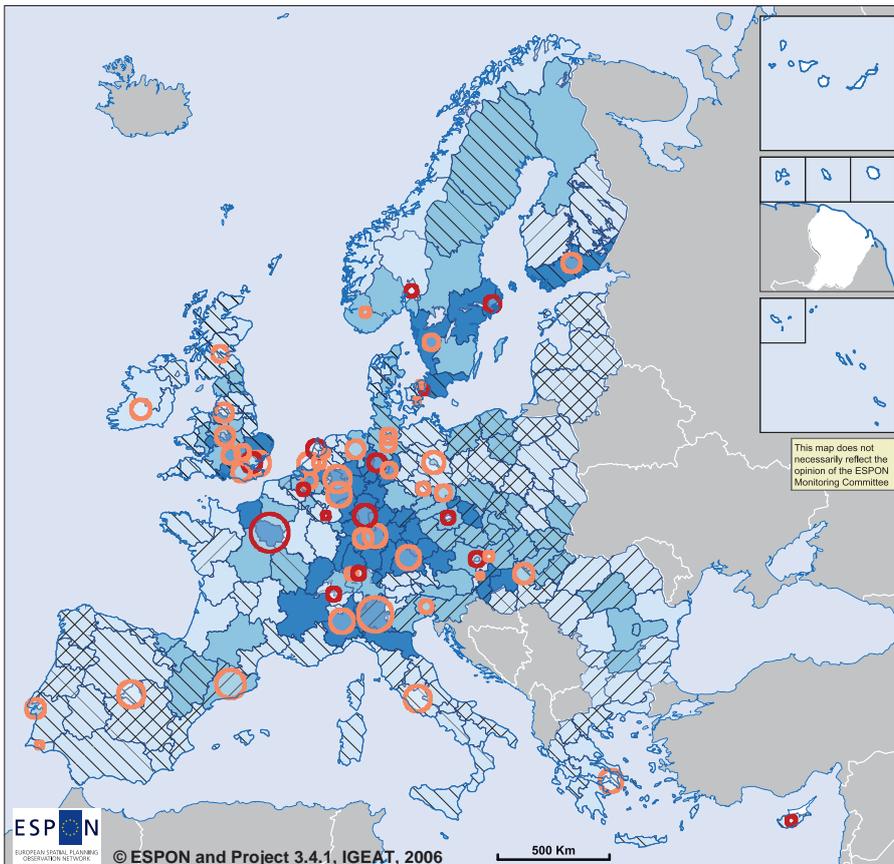
Advanced services firms



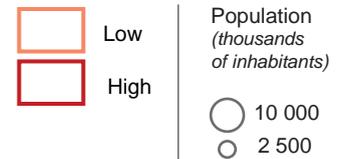
Number of offices



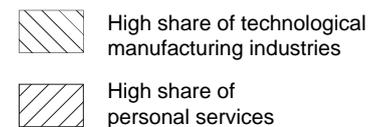
Synthesis of the regional insertion in the world economy



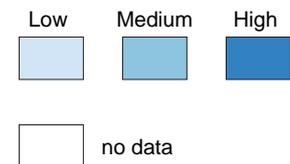
Internationalisation level  
(NUTS2 regions with major urban areas)



Structural strengths and weaknesses



Technological level



© Eurogeographics Association  
for administrative boundaries

Source: Eurostat, Norway and Switzerland national statistical offices, Forbes global 2000

*“Globalisation tends to increase the economic inequalities between European regions. The metropolitan regions of the Pentagon where the major gateway cities are localised are actually the most likely to benefit from the opening up of EU27 + 2 territory to internationalisation. But globalisation does not necessarily have negative effects on all peripheral regions. Depending on their economic specialisation some peripheral regions can benefit from the development of tourist flows or from the relocation of traditional industrial activities for which they display comparative advantages”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 242

**Question:**

Migration is related to different crucial political issues. It is important to distinguish between economic migrants (labour force shortage, qualification) and political migrants (refugees, asylum seekers,...), even though this distinction is often difficult and fuzzy in practice. When focusing rather on economic and demographic effect of migration the diversity of demographic flows and the diversity of national migration policies in EU countries make it difficult to set up a global approach. However, the consolidation of migration flows towards the European Union and of economic and demographic conditions allows to raise some questions related to labour needs and labour shortage. Is migration sufficient for future replacement of the workforce? Does the “qualitative structure” of the migration flows towards the European Union fit with the European labour market needs?

**Methodology/Sources:**

Reliable and complete data on migration do not exist and only legal migration is provided by organisation such as OECD or UN databases. Illegal migration can not be directly evaluated. We have therefore built a push-pull model<sup>1</sup> describing the potential flows of migration and investments at world and European scales. The cartographic outcomes of the model are then compared with the observed figures of legal migrants.

**Key-findings:**

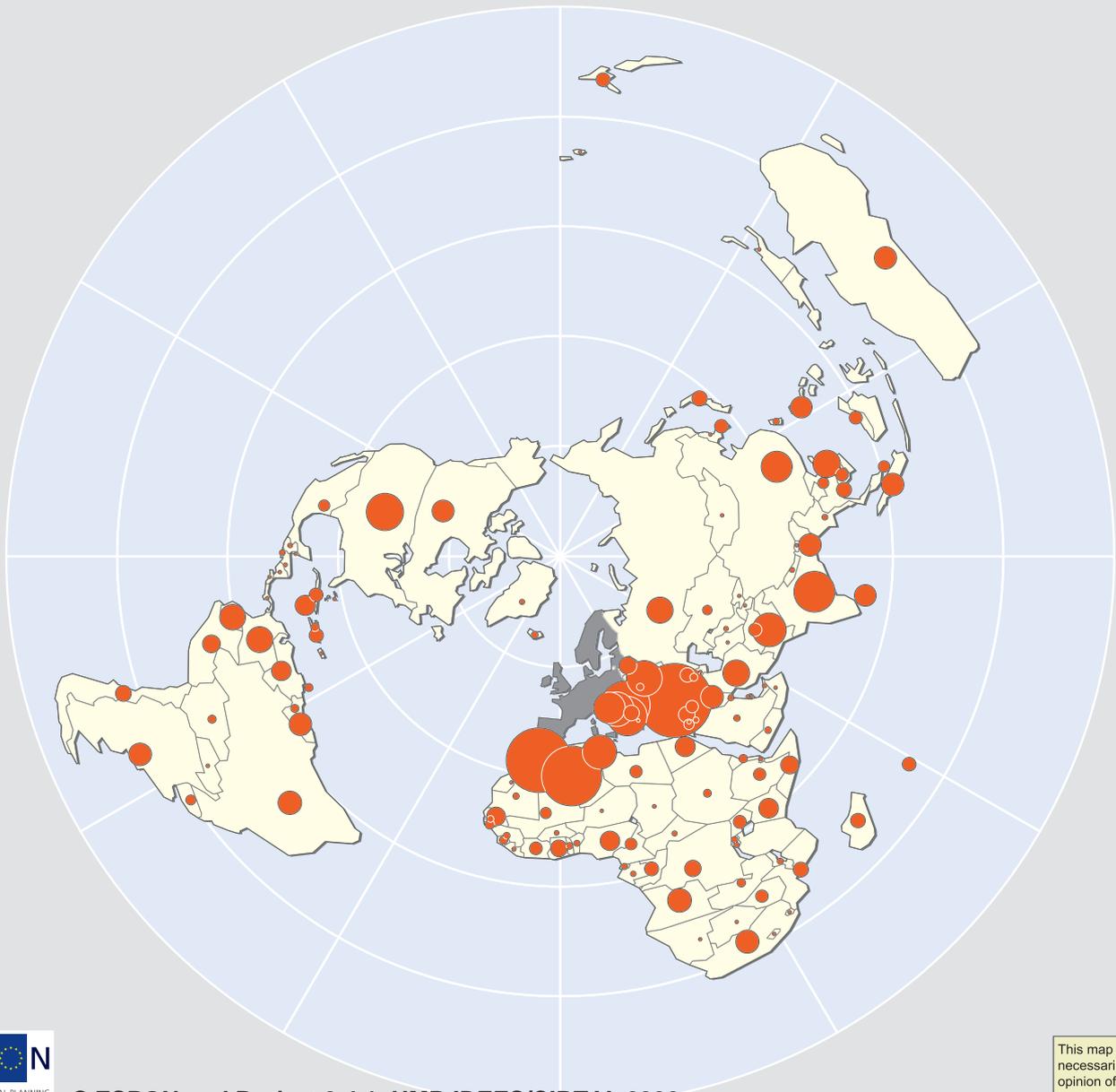
- In 2000, migrants come to EU27, Switzerland and Norway come from nearly all parts of the World. Two main areas are sources of migrants: Maghreb countries (Morocco, Algeria and Tunisia) and Balkan countries plus Turkey. Those countries are in the neighbourhood of the European Union and have close historical links with the European countries, particularly through past colonisation (Fig. 19).
- The push-pull spatial econometric model fits with the empirical data on migration and Foreign Direct Investments (FDI). The three major economic centres of the world are huge attractive spaces for migrants (Northern America, Western Europe), except Japan which is a big exporter of FDI. There exist as well secondary attractive poles for migrants, such as the Persian Gulf which is an area clearly competing with the EU for migrants coming from the Eastern Mediterranean (Fig. 20)
- Not only economic differences but also the demographic development trends are in favour of greater potential migrations in the future between EU and its southern and eastern neighbours. Due to low fertility rates, the EU will soon experience labour shortages coupled with an increasing pressure of old people at pension age (Fig. 21). However, a great proportion of migrants who come to Europe have a low or medium education level, hiding the correspondence between the business cycles and labour force migration since the second half of the 1970s and 1980s (Fig. 22)

**Conclusion:**

Migrations will certainly increase in the future between “southern” and “northern” countries on a basis of economic and demographic complementarities. But EU is not the only attractive part of the world, especially to highly skilled labour force. And it is not quite sure that EU will be able to compete in the future global competition with more attractive destinations, especially if it reinforces the closure of its borders and tries to limit the entry of workers without their families. A better strategy would be certainly the promotion of higher education and high school networks in the countries of the neighbourhood which are actually sending migrants to EU.

<sup>1</sup> Push-Pull model is a measure of economic disequilibrium between spatial distributions of population and GDP. It was firstly used inside EU territory (see BBR/ESPON 3.1, 2005, Part. C, pp. 398-411 ). The same model is here transposed at world scale.

Figure 19: Origin of migrants in EU27 + 2 according to their country of birth, 2000

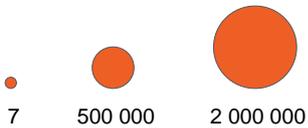


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This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Source: OECD, 2005

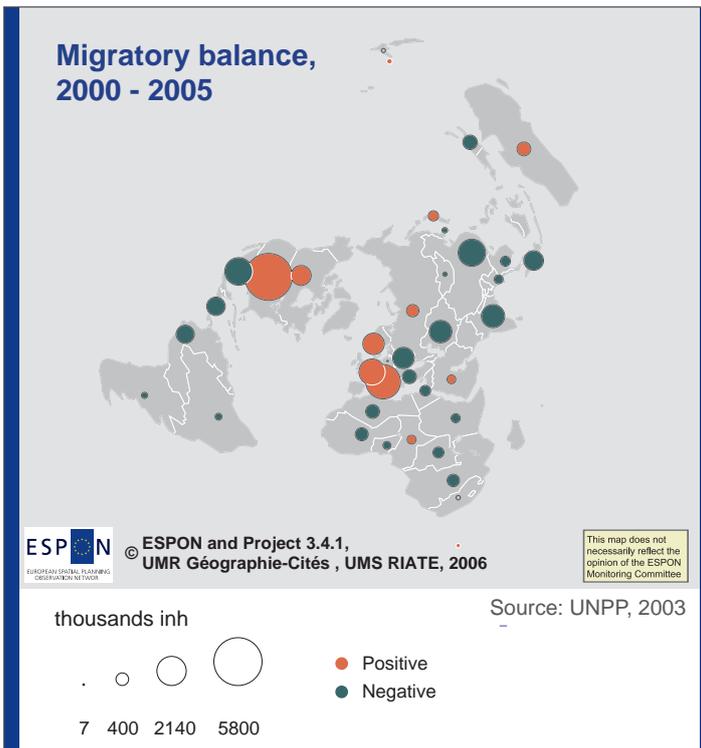
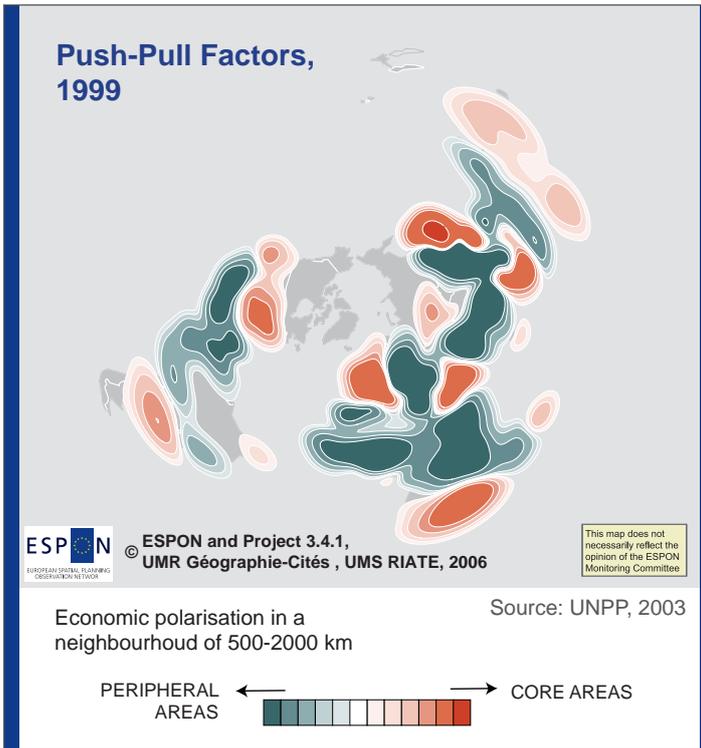
Number of migrants, 2000



*“Colonial ties still have an impact on the origins and destinations of these migrants. This was not a new phenomenon but together with the new migration patterns alluded to above, it probably accentuates the choice of Western Europe as a destination and, more, as the destination for migrants. Colonial ties explain migrations from South Asia (mainly towards the United Kingdom), from Southern America (towards Spain and Portugal), and from the Maghreb, sub-Saharan Africa or the former Indochina towards France.”*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 131

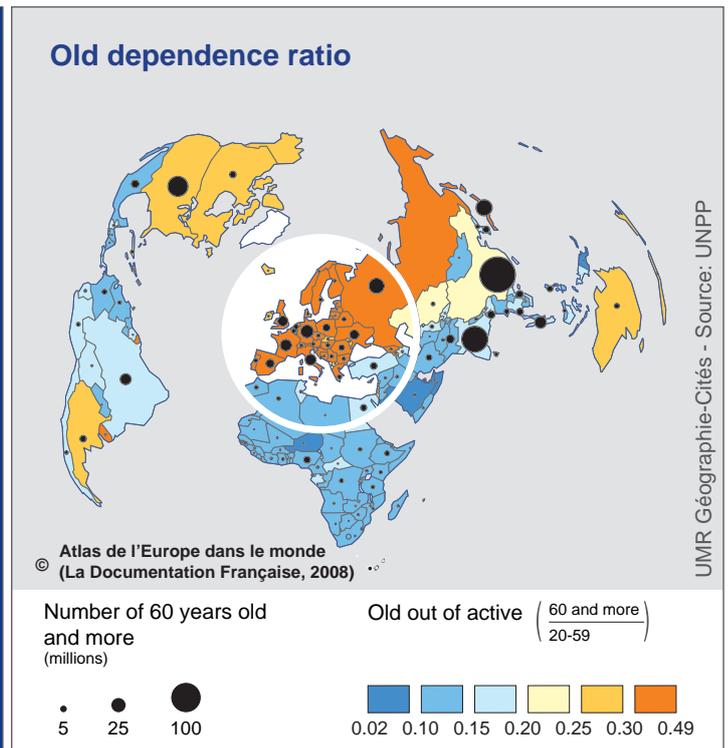
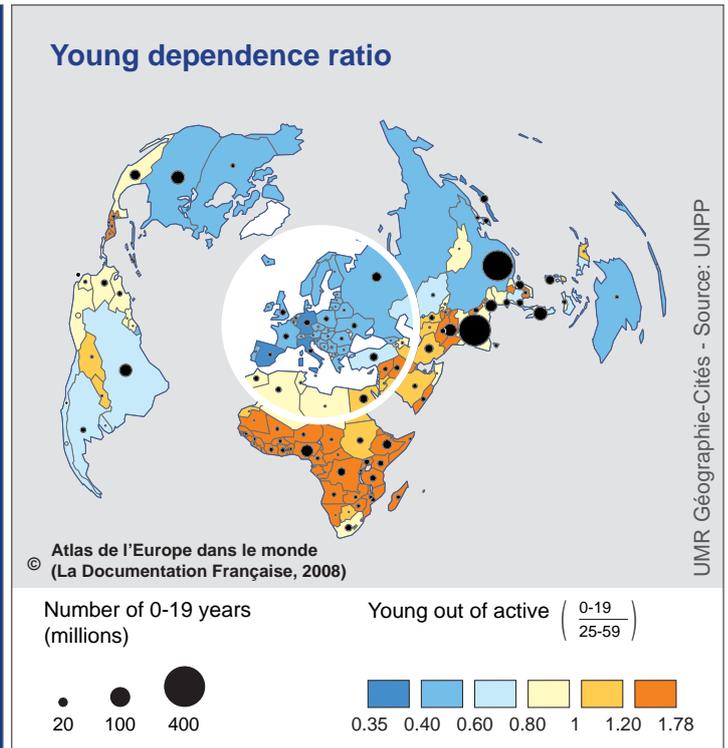
**Figure 20: Theoretical and effective migratory patterns**



*"According to traditional push-pull theories, these disparities should, in a free labour market, give rise to high migration from low wealth/high population growth countries (sub-Saharan countries) to high wealth/low population growth ones (such as the EU25). This implies that labour surplus and low wages in the developing countries will be the determinant factors behind the migration decisions."*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 126

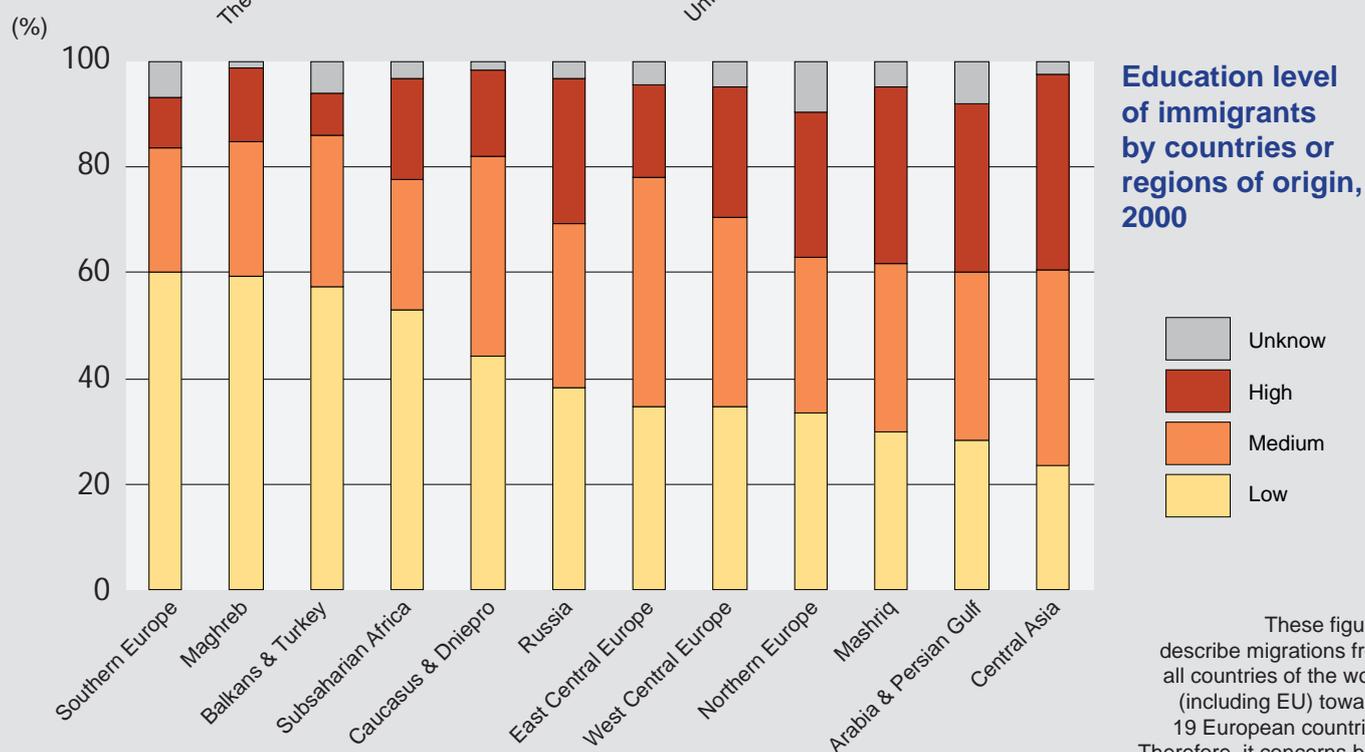
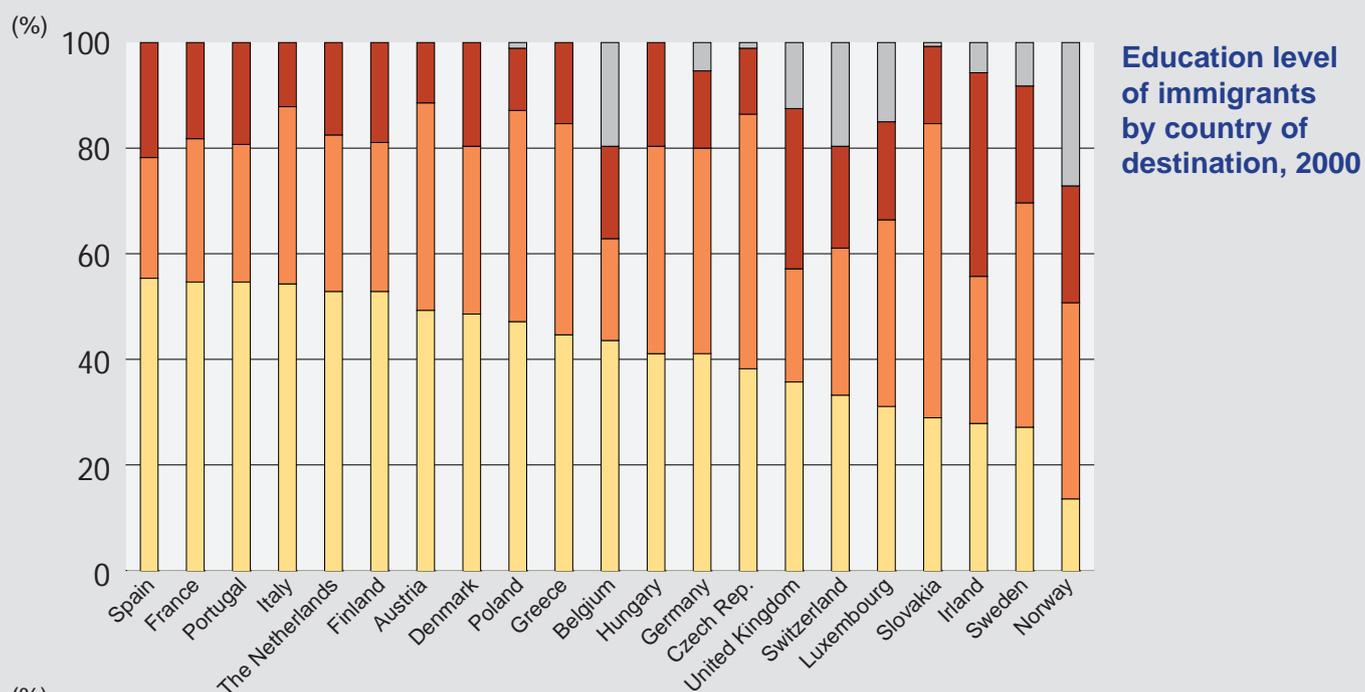
**Figure 21: Young and old dependence ratio, 2000**



*"Southern Mediterranean countries (Morocco, Algeria, Tunisia and Egypt) and eastern European ones shown as potential senders of migrants are effectively net emigration countries. For each space, the possible impact of this migration is quite different. In the first case, migration is related to the growing population and in particular to a high number of young people without work. In the second case, net emigration correlates more to a low fertility rate and even to decreasing population rates in the case of Ukraine, which could worsen the demographic situation".*

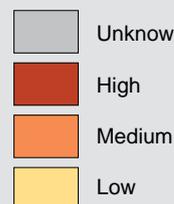
UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 128

**Figure 22: Education level of immigrants\* in 19 EU members + Switzerland + Norway, 2000**



**Education level of immigrants by country of destination, 2000**

**Education level of immigrants by countries or regions of origin, 2000**



(\*) These figures describe migrations from all countries of the world (including EU) towards 19 European countries. Therefore, it concerns both intra-European and extra European migrations

*“The structural transformation of the European economy changed the employment opportunities for immigrants. Instead of blue-collar work in the goods-producing sector, immigrants are now predominantly employed in the lower segments of the service sector. As a consequence of the structural transformation of the European economy, the push factors are now stronger than the pull factors concerning these immigrants. This has also resulted from a change in the employment structure, with a large share of the immigrants accepting jobs refused by the domestic labour force – the 3D jobs, “dirty, dangerous and degrading”.*

**Question:**

Public aid reflects the external policy of a country. In the case of the European Union, the aid of EU members to the rest of the World is a mixture of national decision (bilateral aid flows decided on a national basis by each country) and collective decision (the aid flows provided by the European Union as a specific donor). Putting together both sources of aid, the Member States of the European Union are the first donor of official development assistance to developing countries, with more than 42 % of the total aid disbursed, in 2004, according to OECD (32% for Member States and 10% for the Commission). Which countries of the world benefit from the aid of the European Commission and from the one disbursed by the Member States? Does this fit with the geography of the commercial area of influence of Europe?

**Methodology/Sources:**

The best data (based on commonly admitted definitions) come from the Development Aid Committee (DAC) composed by the OECD countries. The DAC represents 97 % of all development assistance in the World (grants, debt forgiveness grants, technical cooperation, food aid, emergency aid...). The military aid is not reported, except when it delivers humanitarian aid or development services. Arab States and development agencies are taken into consideration in the DAC database and in the ESPON report "Europe in the World".

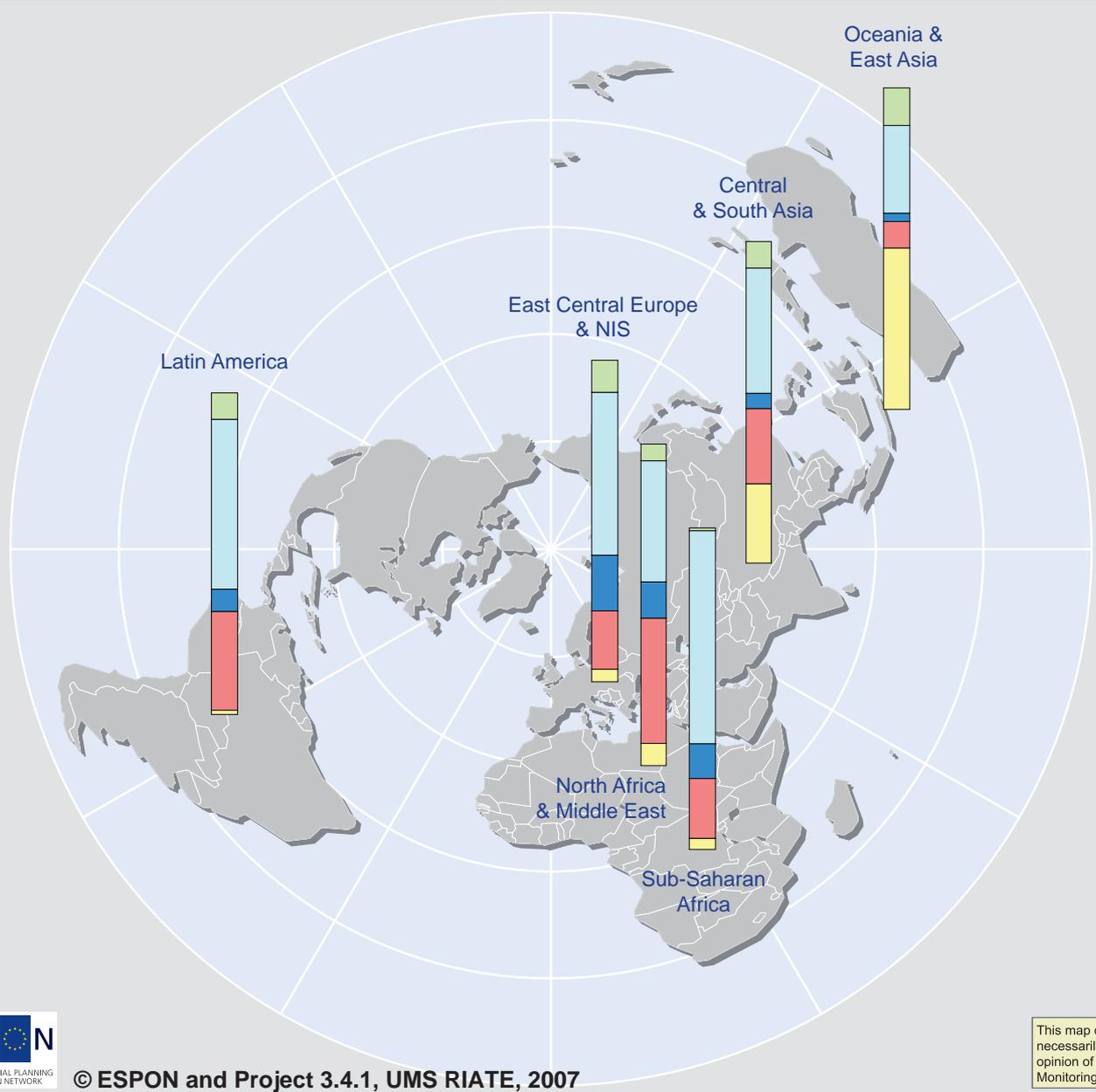
**Key-findings:**

- Geographical breakdown: It is not the same for the Commission (priority to Africa, Eastern Europe, Western Balkans and the Neighbourhood areas), and for the Member States (priority to Africa and then South Asia and East Asia, Eastern Europe, Latin America, and then to the EU Neighbourhoods). Japan shows a clear regional strategy of aid in East Asia. Arab countries focus generally on countries where the Muslim populations are in majority (Fig. 25).
- European influence: The European influence, measured by public aid, is obviously higher in Africa, followed by Eastern Europe. Turkey is much more supported by EU than by the United States. But in the Arab Mediterranean neighbourhoods, USA's aid is almost as high as European's, and is increasing. European public aid is proportionally higher in Latin America than in the Arab neighbourhood (Fig. 22 & 24).
- Since 1990, the geography of public aid provided by EU members has changed: (1) A very strong rise in Eastern Europe, due to the implementation of various development financial programmes 2000-2006 such as Phare (Programme of Community aid to the countries of Central and Eastern Europe), ISPA (Instrument for structural policy for pre-accession), Sapard (Pre-accession agricultural instrument); (2) A slight but regular decrease in North Africa; (3) A significant decrease in the Middle East and in the New Independent States (NIS) and (4) A relative stability in the Western Balkans (Fig. 23).

**Conclusion:**

There is no clear correspondence between the global geography of Europe's private economy, and the geography of its public aid. There is a dramatic difference between the geography of the public aid of the European Commission and the one of the Member States. For individual Member States, the aid strategy remains linked to their prior colonial area of influence. The Member of EU generally give low priority to the geopolitical stakes of their Arab Mediterranean neighbourhood.

**Figure 23: OECD countries' public aid: donors and beneficiaries, 2003-2004**



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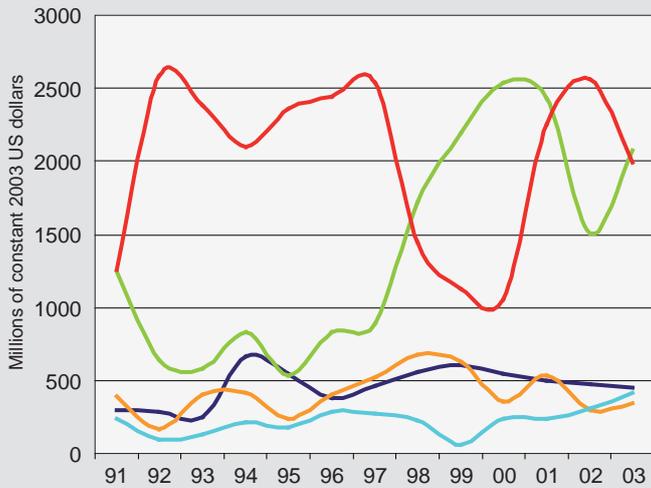
Source: OECD DAC database

*“EU (EU 15 Member States + European Commission) is the first donor in almost all the receiving regions, except in Oceania and eastern Asia where Japan is the first one. The status of EU as the first donor is mostly obvious in sub-Saharan Africa, in Eastern Europe (NMS, NIS and Balkan countries together) and secondarily in Latin America. It also shows that EU gives the most important amount of aid in absolute terms in sub-Saharan Africa, and secondarily in Central and Southern Asia and in North Africa and Middle East. The aid sent to the neighbourhood represented only 23.5 % of the total European aid disbursed”.*

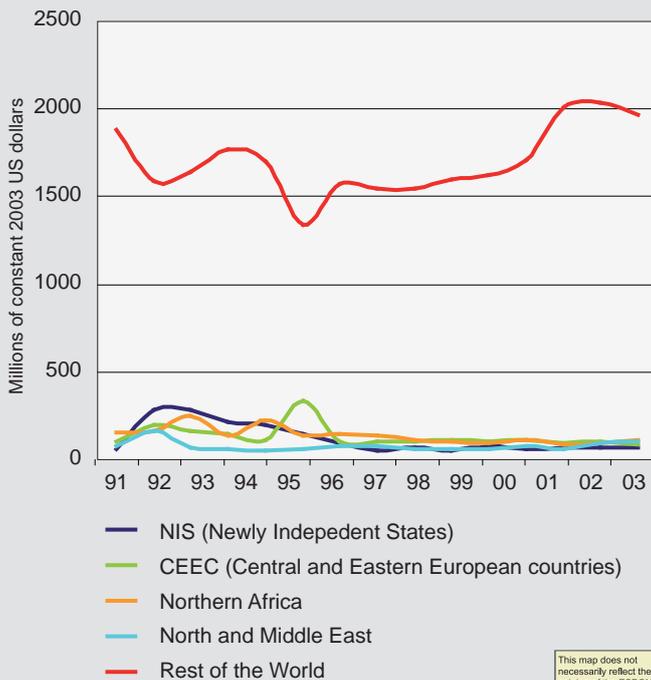
UMS RIATE/ESPON 3.4.1, 2006, Vol. 2, p. 221

**Figure 24: European aid subsidies, 1991-2003**

**Official development aid of the European Commission**



**Official development assistance disbursed by EU Members**



Source: European commission, OECD DAC database

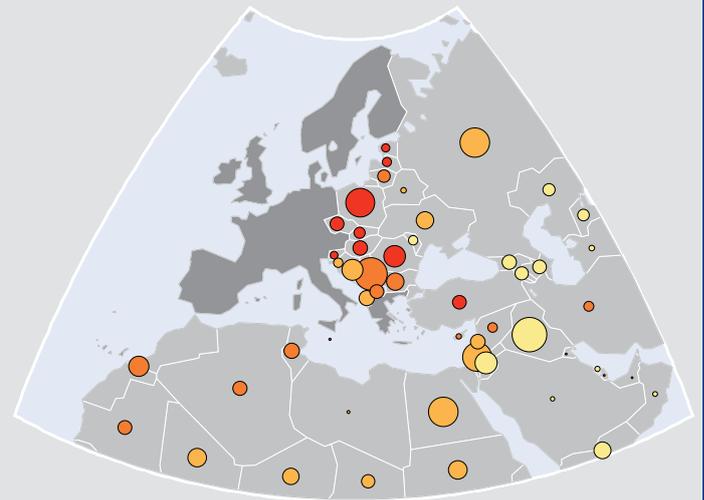


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**Figure 25: European aid to the neighbourhood, 2001-2004**

**Official development assistance to the neighbourhood and the EU share in the total aid received (Member States and EC), 2001 - 2004 (annual average)**

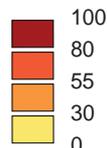


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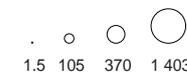


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**Part of EU in the total aid received (%)**



**Millions \$ (deflated \$2003)**



Source: European commission, OECD DAC database

“Compared to the official aid disbursed by the EU Members (many of which maintain their relationships with their former colonial areas), that of the European Commission is much more focused on the Central and Eastern Europe (CEE) countries, Turkey, the Palestinian Territories and, generally speaking, on the neighbourhood. In absolute terms, EU members give larger subsidies than the Commission to the neighbourhood. However, the Commission follows a clear political line in making specifically targeted efforts towards the neighbourhood”.

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 193

“The map shows that the European Union’s (Commission + Member States) share in terms of total assistance given to the CEE countries is high (they are now of course full Members), as well as in the Balkans and the Maghreb countries. It is however significantly lower in the Near and Middle East, where the USA’s share is higher”.

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 193

Figure 26: Geography of official development assistance, 2001-2004

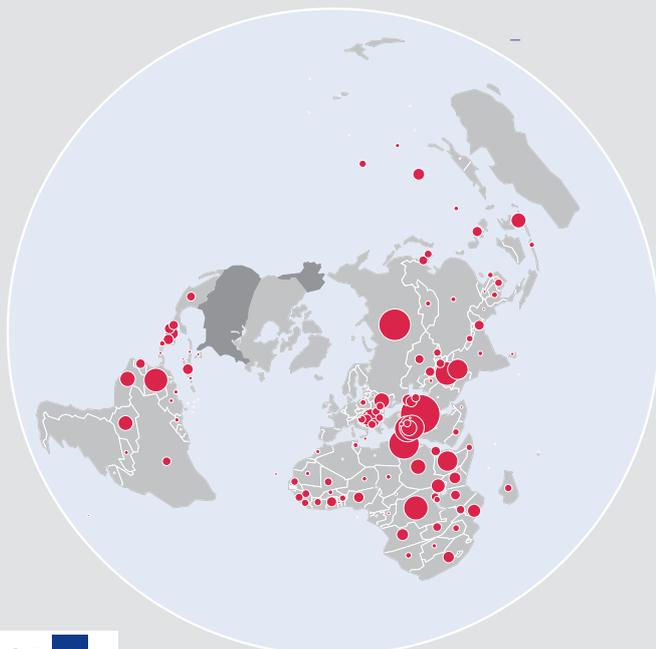
European Commission



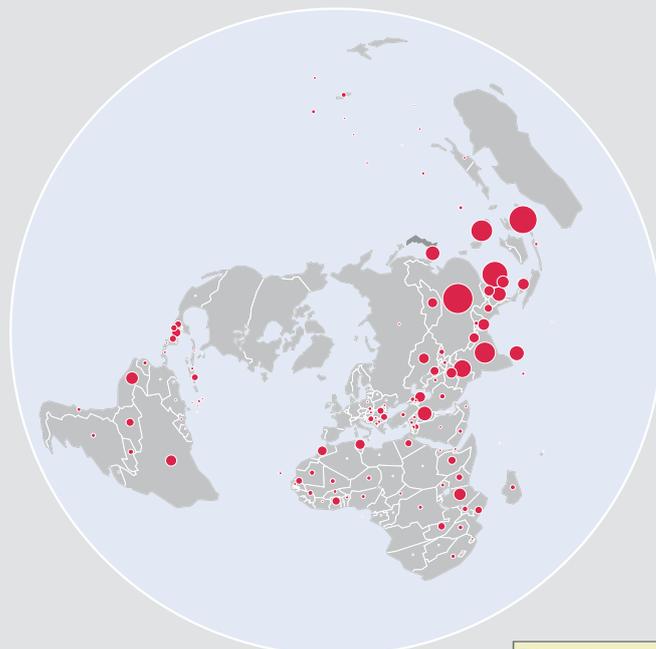
EU Member States



U.S.A.



Japan

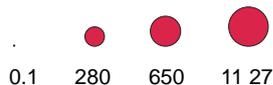


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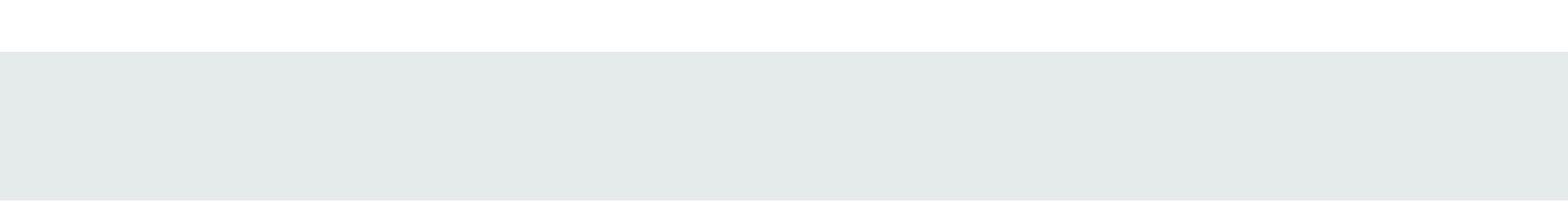
Source: OECD DAC database, 2004

Millions \$ (current prices 2003)  
annual average (2001-2004)

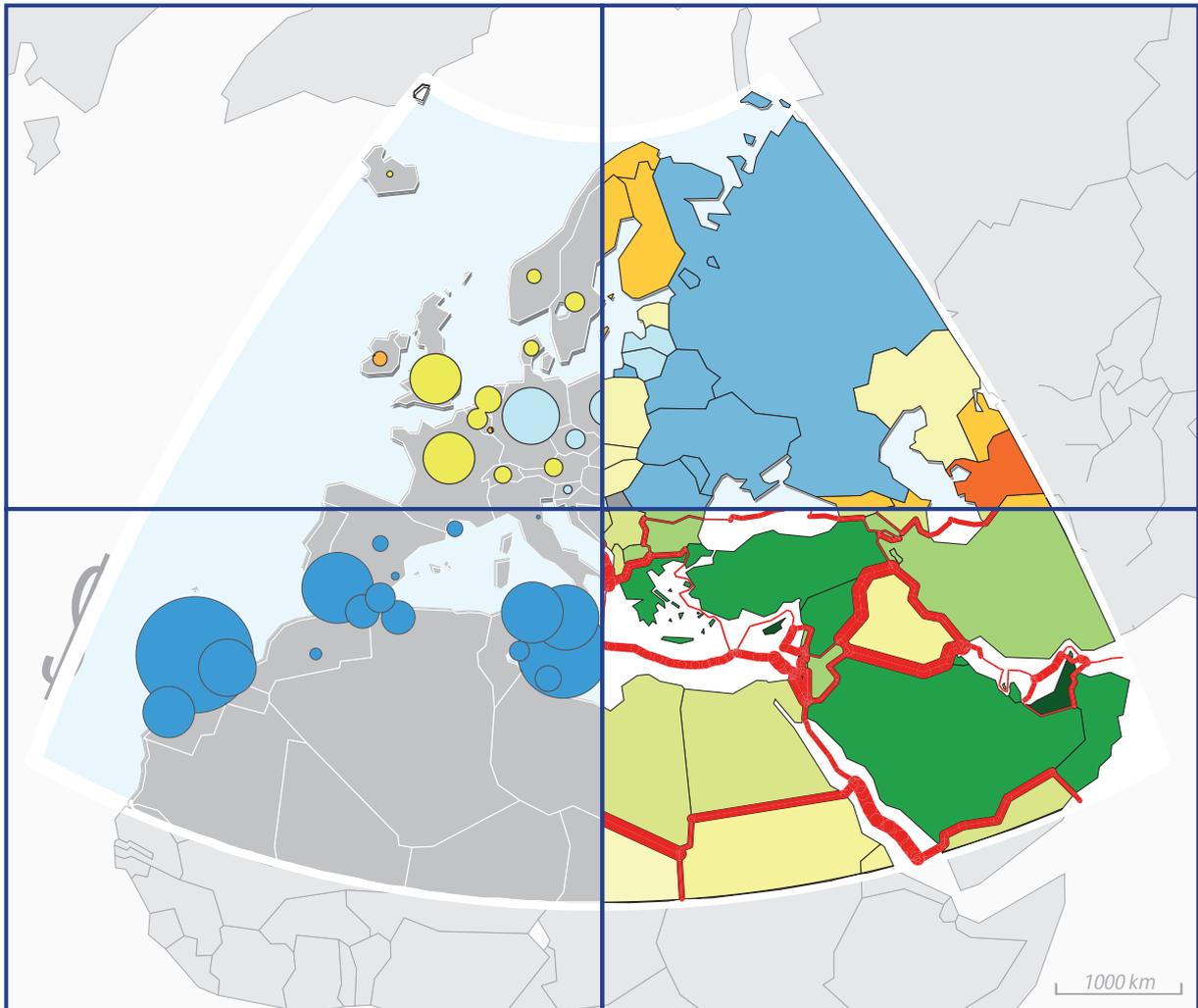


*“The official aid of the European Commission is clearly oriented towards the CEEC, Turkey and Palestinian Territories. The aid disbursed by the EU Members does not show the same pattern at all. The map highlights the concentration of the US aid on a few regions: Central America and the Northern part of Southern America, Near and Middle East, Southern Asia, Eastern and Central Africa. It shows to which extent the United States are involved in the aid to Mediterranean countries such as Jordan, Palestinian Territories, Lebanon, Egypt and so on. The aid delivered by Japan is more oriented to countries of South, South-Eastern and Eastern Asia. In this case, the regional pattern is much more obvious than in the cases of USA and EU Members”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 2, p. 222



## 1.3 NEIGHBOURHOOD EVIDENCE



“North-South Regional Trade Agreements promote quicker, freer and deeper integration, act as laboratories of new disciplines and serve as an incubator of export expansion and diversification for developing countries. Developing countries have adopted RTAs as the nucleus of national development strategies for their progressive and strategic integration into the world economy.”

*Mina Mashayekhi and Taisuke Ito, UNCTAD report  
Multilateralism and Regionalism, the New Interface”, 2005.*

**Question:**

What is the real influence in the World of the European Union? Answers to this question would support the development of European strategies at a world scale. It was therefore of utmost importance for the ESPON project “Europe in the World” to propose a first delimitation of the European area of influence.

**Methodology/Sources:**

The delimitation of the European Union’s area of influence was carried out step by step. First, we selected a list of 18 criteria encompassing the various kinds of relations existing between the EU and all the countries of the world : complementarity, interactions, network and accessibility (Fig. 29). Secondly, we tried to build a synthetic quantitative index of influence taking into account the joint effects of all criteria (Fig 28) but we noticed that this synthetic index summarised only 34% of the information on the 18 criteria. Many countries are strongly connected to EU for one set of criteria but not for the others. That is the reason why we elaborated finally a qualitative typology in four types that provide a better summary of the complexity of relations between EU and the other countries of the world (Fig. 27).

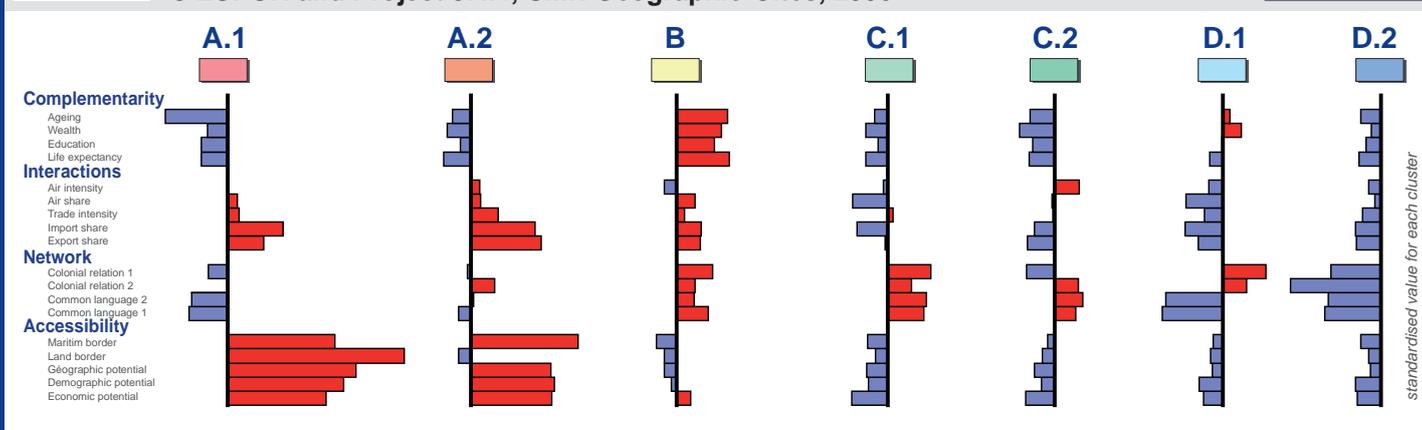
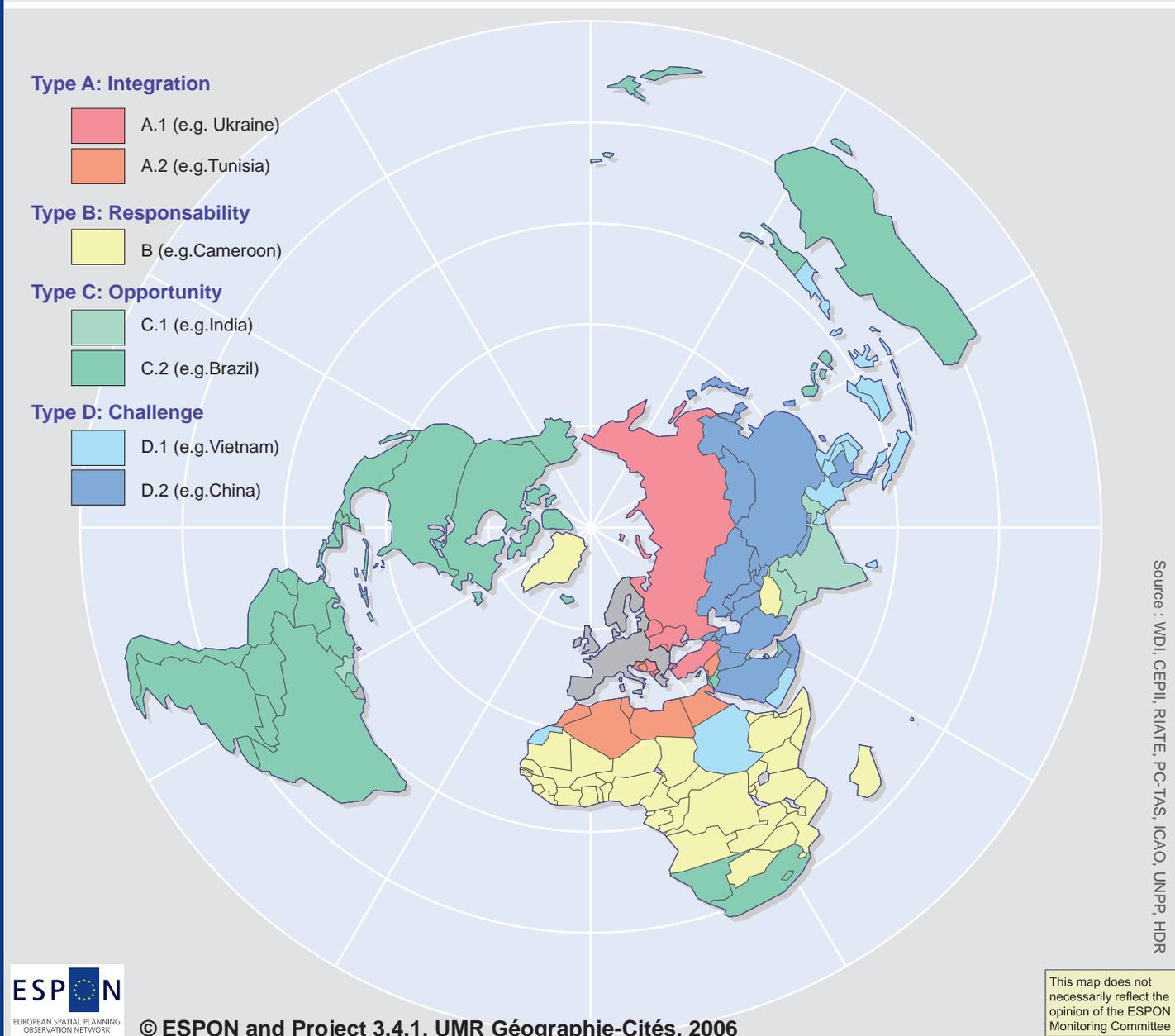
**Key-findings:**

- The synthetic typology revealed four basic types of potential external relations between the countries of the World and EU member states.
- Type A: Functional Integration: States located in the immediate eastern and southern neighbourhood of the EU are all characterised by a very strong polarisation of their trade and air relations towards Europe, despite the fact that they do not necessarily share the same language.
- Type B: Historical Responsibility: Many countries of Western Europe (especially France, UK, Spain, Belgium, Portugal, Spain, Germany and Italy) has established colonial relation in Africa in the 19th century. This common past induces a particular political responsibility of Europe for the development of this countries in present time. A strong economic and demographic differential can be reduced through a real partnership based on equality and complementarities.
- Type C: Opportunity: States located far from the European territory sharing a common language and history are particularly strong partners in a global World, where services, scientific and cultural innovation represent a major part of added value and need in–depth social interaction.
- Type D: Challenge: States located in a “large” diagonal running from Sudan to Arabia, Iran, China and Japan define that part of the World where the European countries have a significantly lower influence.

**Conclusion:**

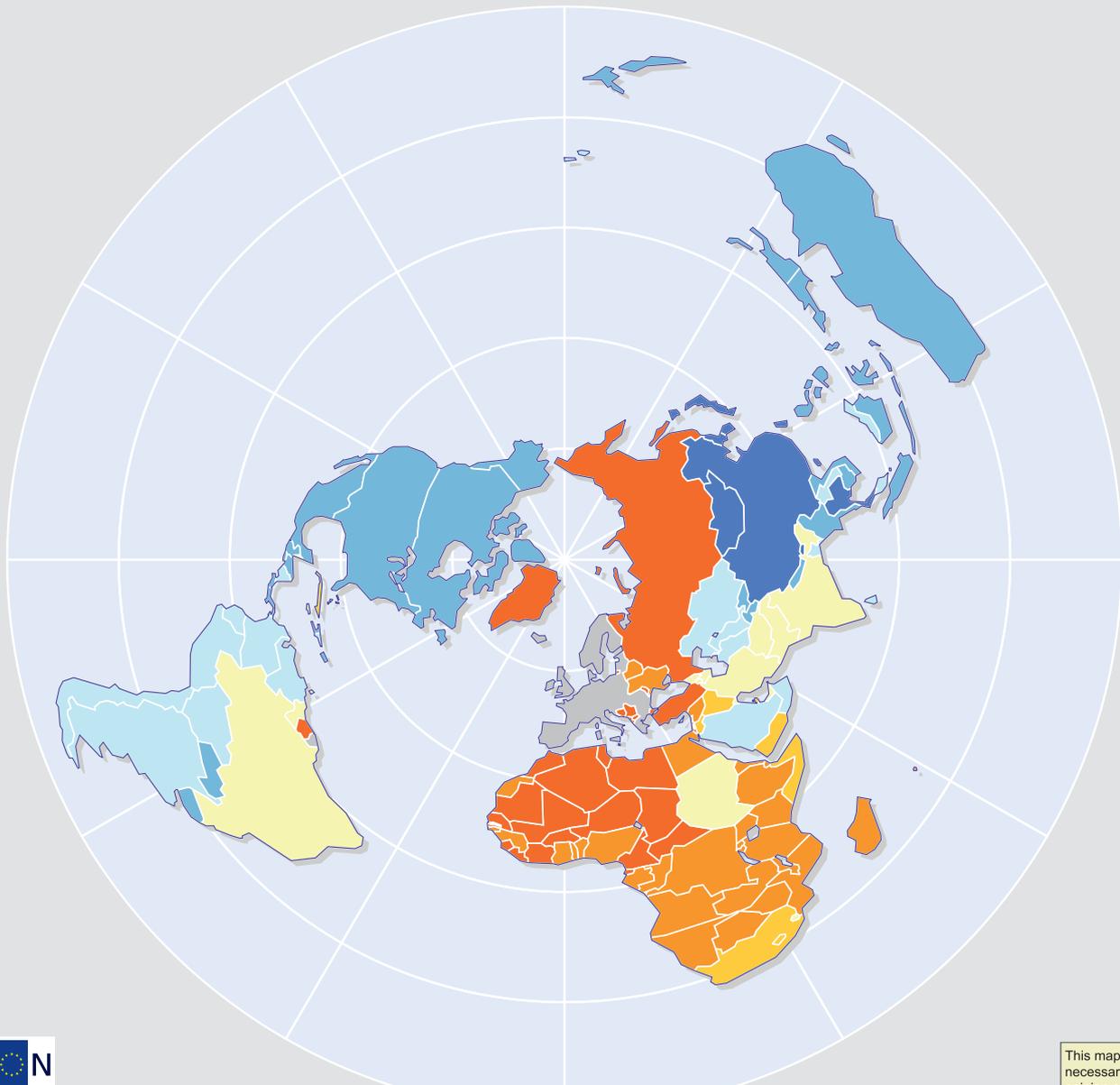
Currently, European countries and companies invest in parts of the World where their level of influence is in the lower end (Type D). They focus also at a less degree on the areas of opportunity (type C) where not only USA but also Brasil, India or Southern Africa are crucial partners for the future. What is striking is the very low level of investments in their integrated neighbourhood (type A) as compared to what is done by USA in Mexico or Japan in Eastern Asia. At the same time, the European Union neglects the opportunities of development of subsaharan Africa (type B) where the economic growth could become one of the most dynamic in the World in less than 20 years and which is more and more open to Asian or American influence.

**Fig 27: Influence area of the European Union in the world, 2000**



*“The analysis of air, trade and migratory flows presented in previous sections suggests the possibility of identifying a so-called “area of influence” of Europe in the world. It also suggests that it is perhaps better to speak of the “relational network” of Europe in the world and to admit that the results should be qualitative (typology) rather than quantitative (index) and will not necessary display a continuous area organised in concentric circles.”*

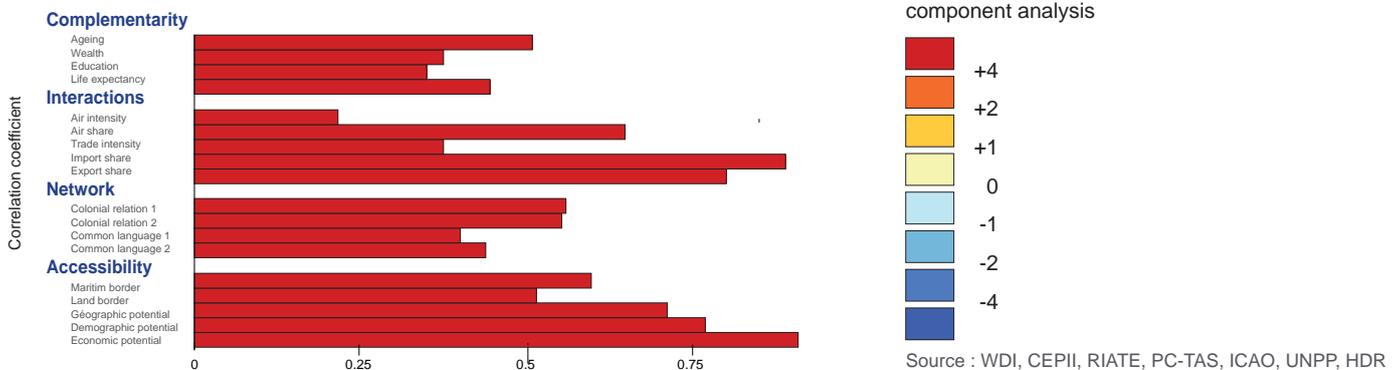
**Figure 28: Global influence of EU 27 + 2 in the World, 2000**



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This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

**FACTOR 1: GLOBAL INFLUENCE (35% of variance)**



*"This map proposes index of global influence of Europe which is positive for states which (1) has good accessibility to EU27 + 2 (2) share a common language and a common history with EU27 + 2 (3) are strongly dependant from EU27 + 2 for trade and air flows (4) are less developed in economic and social terms than EU27 + 2 but has a younger population (map 46). Of course, all the criteria are not necessary fulfilled by any states but a positive sign on this component indicates that a majority of condition are available and a negative sign indicates the contrary."*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 138

**Figure 29: Criteria used for the influence area of Europe in the world**

CODE	Definition	Source	Year
<b>Weight factor</b>			
POP99	Population, total (inh.), 1999, (SP.POP.TOTL)	WDI	1999
<b>Accessibility Criteria</b>			
A_GDP	Contribution of EU27 + 2 to potential of GDP ppp 1999 (see fig 3, p.7)	WDI+CEPII	1999
A_POP	Contribution of EU27 + 2 to potential of Population 1999 (see fig 2, p.6)	WDI+CEPII	1999
A_SUP	Contribution of EU27 + 2 to potential of Area (see fig 1, p.5)	WDI+CEPII	1999
A_BO1	Existence of a common land border with EU27 + 2	CEPII	2000
A_BO2	Existence of a common maritime border with EU27 + 2	RIATE	2005
<b>Network Criteria</b>			
N_LA1	Share with EU27 + 2 at less one common official or national languages and languages spoken by at least 20% of the population of the country	CEPII	2000
N_LA2	Share with EU27 + 2 at least one language (mother tongue, lingua franca or second languages), spoken by at least 20% of the population	CEPII	2000
N_CO1	Colonizers or colonised by at less one EU27 + 2 country for a relatively long period of time and with a substantial participation in the governance of the colonized country.	CEPII	2000
N_CO2	idem, but with colonial relations still active in 1945	CEPII	2000
<b>Interaction Criteria</b>			
F_EXP	Ratio between observed and expected exportations toward EU27 + 2 (under the assumption of random allocation of trade flows according to capacity of import and export of world states)	PC-TAS	1996-2000
F_IMP	Ratio between observed and expected importations from EU27 + 2 (under the assumption of random allocation of trade flows according to capacity of import and export of world states)	PC-TAS	1996-2000
F_AIR	Ratio between observed and expected air flows with EU27 + 2 (under the assumption of random allocation of air flows according to total sum of air relations of each state)	OACI	2000
F_TRA	Intensity of trade flows with EU27 + 2 measured by the ratio between bilateral trade flows 1996-2000 and GDP ppp 1999 (normalised to 1)	PC-TAS+WDI	1996-2000
F_AIR2	Intensity of air flows with EU27 + 2 measured by the ratio between bilateral air flows 2000 and population 1999 (normalised to 1)	ITA+WDI	2000
<b>Complementarity Criteria</b>			
S_LIF	Ratio between HDI life component of EU27 + 2 and HDI Life component of the state	HDR	2002
S_EDU	Ratio between HDI Education component of EU27 + 2 and HDI Education component of the state	HDR	2002
S_GDP	Ratio between HDI Economic component of EU27 + 2 and HDI Economic component of the state	HDR	2002
S_AGE	Ratio between median age of population of EU27 + 2 and median age of population of the state	UNPP	2002

*“This synthetic exercise is based on four groups of criteria which aim to provide the most complete view in accordance with the available statistics: (1) Accessibility is a basic condition for the development of relations of any type; (2) Networks define another condition for the development of relations based on the existence of a common language (official or not) or a common history; (3) Interactions are effective relations established in the present but also defining further relations in the future; (4) Complementarities are both the cause and consequence of flows.”*

**Question:**

The European Union has become the first destination of emigrants in the World, ahead of North America. Still, the United States hosts 24 million persons who were born abroad compared to 18 million in the EU. The EU has a much lower birth rate than the US and is facing important upcoming labour shortage. Yet, European asylum policy in general has become increasingly restricted and illegal migration of poor migrants is more and more controlled. What are the most likely consequences of an increasing closure of European borders? Which mental representations are behind this fear of migrants ?

**Methodology/Sources:**

The ESPON survey on mental world regions has made possible to draw some subjective limits of Europe. In another part of the report, objective discontinuities have been measured in demographic and economic terms. This has made possible to compare subjective and objective limits with statistical methods.

The death of migrants at the borders of Europe is partly due to the increasing closure of borders. Their total number is unknown but compilation of officially reported deaths provides a minimum estimation, documented by O. Clochard (Migrinter).

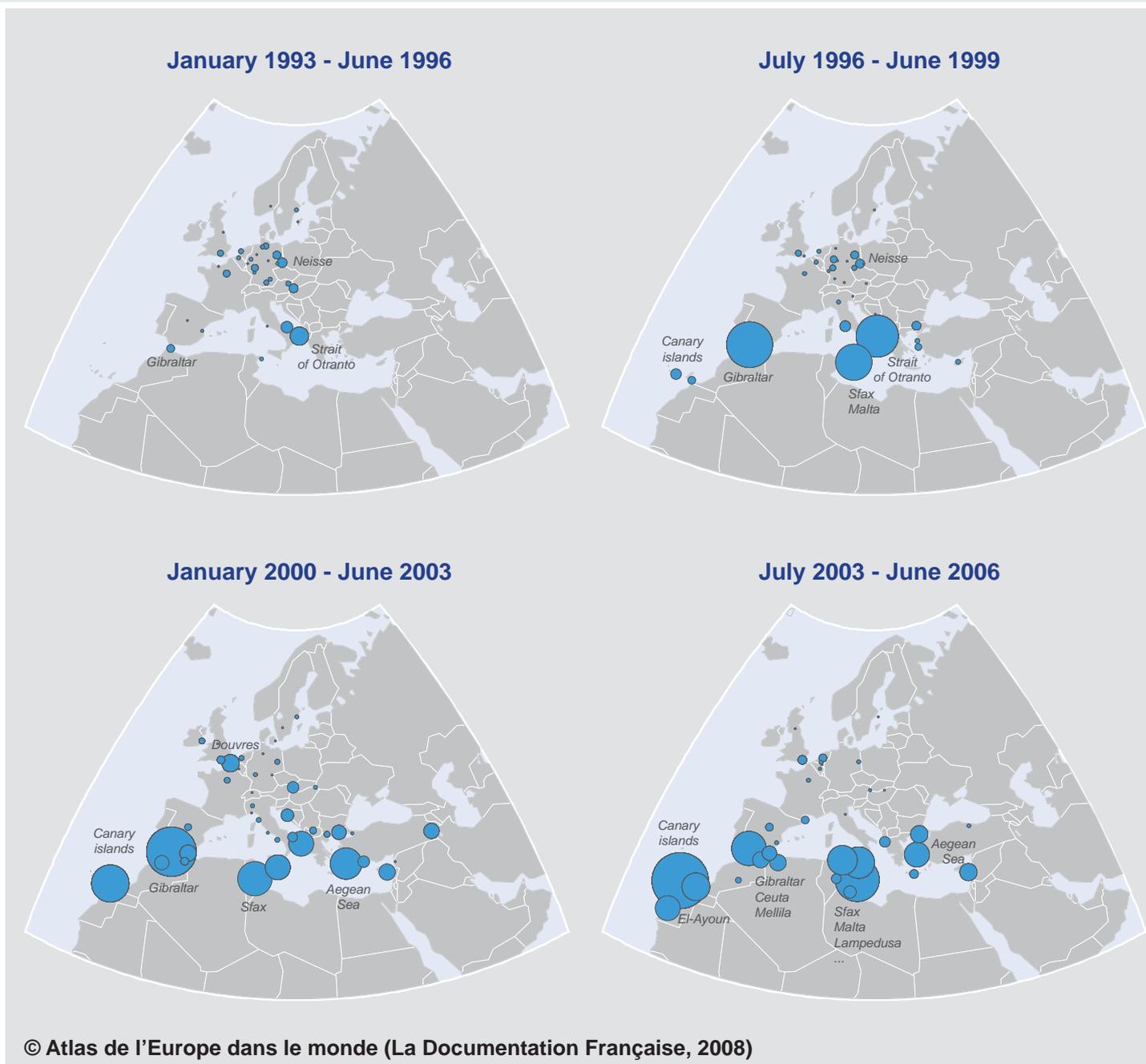
**Key-findings:**

- More and more people die in trying to cross the Mediterranean Sea. These dramatic events reveal indirectly that the routes followed by the illegal migrants are changing through time. They become longer and more dangerous because of the strengthening of controls along the terrestrial and maritime borders of the EU (Fig. 30).
- Looking towards the south, nowadays, North African countries are not only countries of emigration. They have also become countries of transit, such as the Western Balkans countries and several countries of Eastern Europe (Ukraine, Moldova...). For example, migrations from Morocco have stagnated since 2002, but the migrations from the sub-Saharan countries have ceaselessly grown since the middle of the 1990s.
- For many observers, the main economic discontinuity is located on the Mediterranean, where precisely so many migrants die. This can explain why, according to the survey on mental maps, the most frequent limit of Europe towards south was the Mediterranean and, only in very few cases, the Sahara (Fig. 31).
- But in fact, objective criteria of economic and social development show that reality is more complex. For GDP per capita as well as for Human Development Index, one can notice two geographical patterns: a regular decreasing gradient from Western to Eastern Europe and a double line of discontinuity between Europe and Africa. The discontinuity located on Mediterranean was strong in the 1970's and is decreasing; the discontinuity located on the Sahara is the most dramatic one and is increasing (Fig. 32).

**Conclusion:**

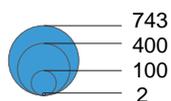
Visions of joint economic, social, ecological and cultural development of both sides of the Mediterranean, the Euromed strategy, is currently emphasising issues of security and fear of terrorism. The same paradigm is also occurring on the eastern side, with a particular focus on geopolitical equilibrium with Russia and hesitation on the potential role of Turkey as a gatekeeper for central Asia. Closure of borders and lack of a clear strategy towards eastern and southern neighbourhoods could however encourage the countries affected outside the European Union to develop tighter links with other countries such as USA and China, that could have a negative impact from economic and political points of view.

**Figure 30: Deaths of migrants at the borders of Europe, 1993-2006**



Olivier Clochard (MIGRINTER), Camille Ratia (MIGRINTER), Nicolas Lambert (UMS RIATE)  
 Source: UNITED, 2006 (www.unitedagainstracism.org)

Number of registered deaths



*“The tragic events of the 5 to 6 October 2005 night had to happen at Ceuta and Melilla to attract the attention on the migrations realities in Morocco and in the region, and on the relations of Morocco with its northern and southern neighbours. (...). The migration pressure its highlighted by dramatic events that are reported nearly each day by media which publish the macabre list of the victims that bump into the more and more hermetic border.”*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 3, p. 274

**Figure 31: The vision of world division by the ESPON community, 2005**



© ESPON and Project 3.4.1, UMR IDEES/CIRTAI, 2005

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Source: ESPON community survey in 2005

Association  
(% of questionnaires)

Dissimilarity



*“One can observe that the strongest division of the world for the ESPON seminar participants is the one drawn through the Mediterranean between Europe and North African countries. Would that mean that they feel that the European countries are very much different from the North African ones? Could that mean that for the European researchers and policy makers who attended the seminar, the Mediterranean should be considered as the most evident frontier of the world, and consequently the frontier of Europe?”*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 3, p. 48

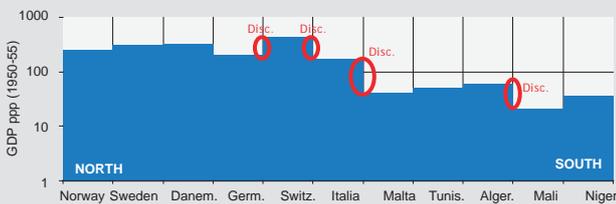
**Figure 32: Discontinuities between Europe and its southern neighbours**

**North-South sample of states**

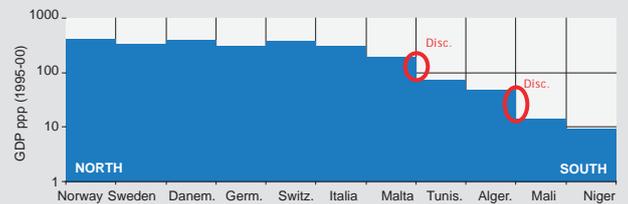


**North-South sample path**

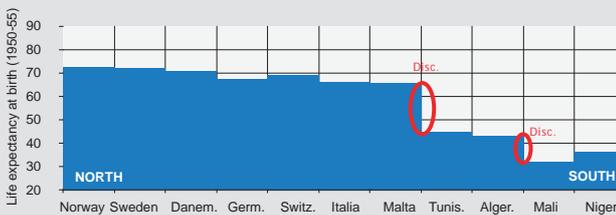
**Discontinuities of GDP ppp in 1950-1955**



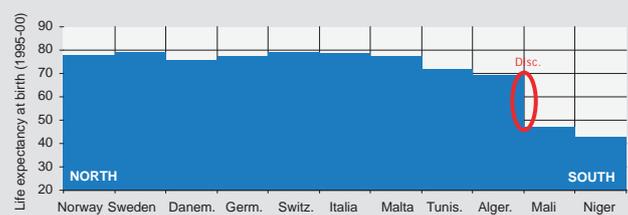
**Discontinuities of GDP ppp in 1995-2000**



**Discontinuities of Life Expectancy in 1950-1955**



**Discontinuities of Life Expectancy in 1995-2000**



© ESPON and Project 3.4.1, UMR Géographie-Cités, 2006

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Source: Maddison historical database, UNPP, The 2004 Revision

*“Contrary to the opinion of the majority of ESPON members, the Mediterranean does not represent a line of abrupt discontinuity for all criteria (...). We can observe a spatial configuration of double lines of discontinuities: the first located on the Mediterranean and a second one on the Sahara desert. This spatial configuration of double discontinuities means that the North African countries actually function as a “buffer zone” or a “shatter-belt”.*

**Question:**

The difference between North-Western Europe and its eastern and southern neighbourhood is both a problem and a potential of development. Indeed, differences can also be interpreted as factors of complementarity and as a base of creation of future economic added value. From this point of view, what are the potential paths of cooperation and development between Europe and its eastern or southern neighbours?

**Methodology/Sources:**

Classical indicators of economic, demographic and human development have been collected at the country level for 168 States. The analysis was performed at different periods of time (1975-2002 for Human Development Index, 1950-2000 for GDP/ppp per capita) in order to evaluate the long term trends shaping the EU and its neighbourhood. Spatial analysis tools (analysis of discontinuities) were applied to terrestrial borders and close sea borders.

**Key-findings:**

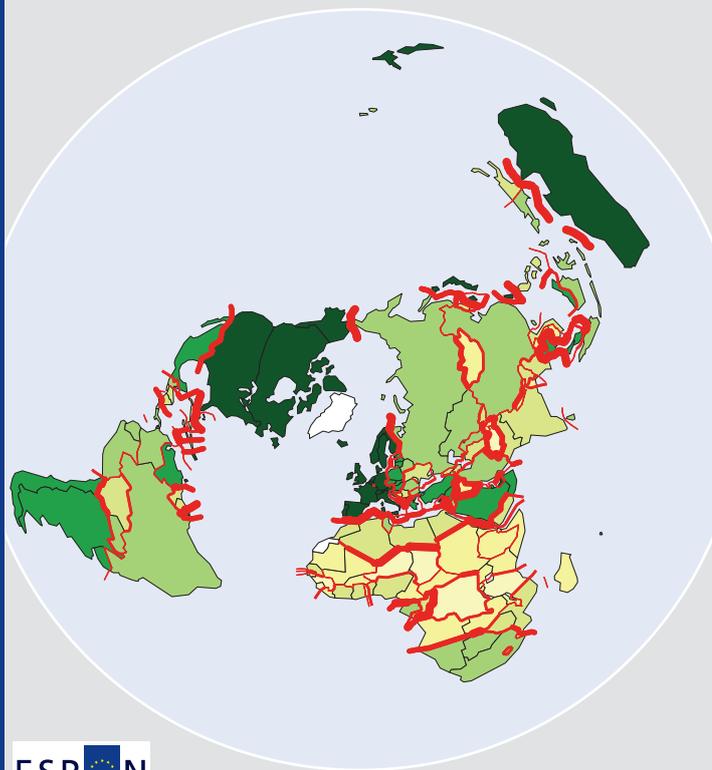
- Economic disparities are important both in eastern and southern directions (Fig.33). They are however characterised by a “step by step” decrease, defining concentric circles with a wide buffer zones of intermediate level of economic development around the EU territory (North Africa, Eastern Europe & Balkans).
- The human development has strongly increased in the southern neighbourhood of Europe whereas it remained stable in the eastern periphery (Fig. 34). Actually, both peripheries are converging around the same level of human development (measured by economy, education and health levels).
- Very strong demographic disparities exist in the world region of Europe and its neighbourhood as regards the crucial issues of unemployment, labour shortage, ageing, etc. Each sub-region has a particular weakness but, considered as a whole, the entire area has a quite favourable demographic structure (Fig. 35).

**Conclusion:**

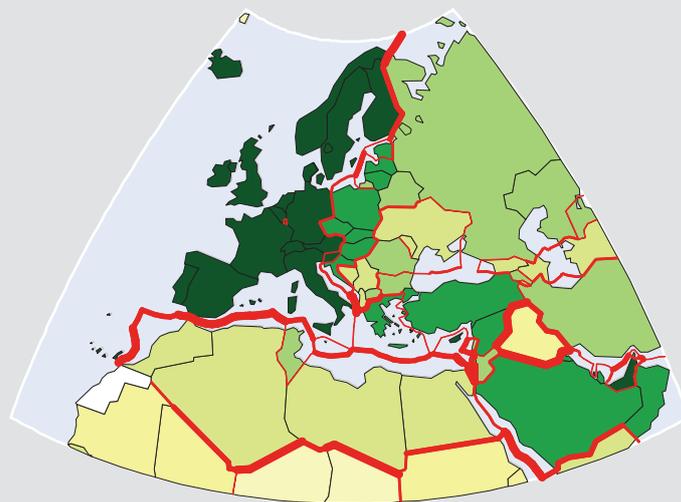
There may be many options for creating and maintaining strong linkages between the European Union and its neighbouring countries. Enlargement of the European Union is one solution among others. However, in any case the European Union will have to create various mechanisms in order to enhance mutually profitable linkages with its eastern and southern neighbours: increasing trade, which means further infrastructures and business cooperation; increasing aid, namely southward; increasing mobility of people to enhance business and cultural exchanges.

Figure 33: Discontinuities of GDP/inh, 2002

In the World



In the Euro-Mediterranean area

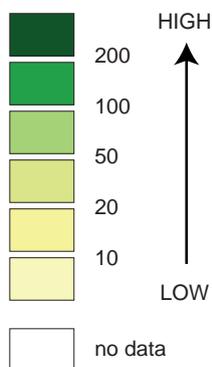


© ESPON and Project 3.4.1, UMR Géographie-Cités, UMS RIATE, 2005

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Index 100 = world

Source: Madisson historical database, 2003



Discontinuities (relative differences)

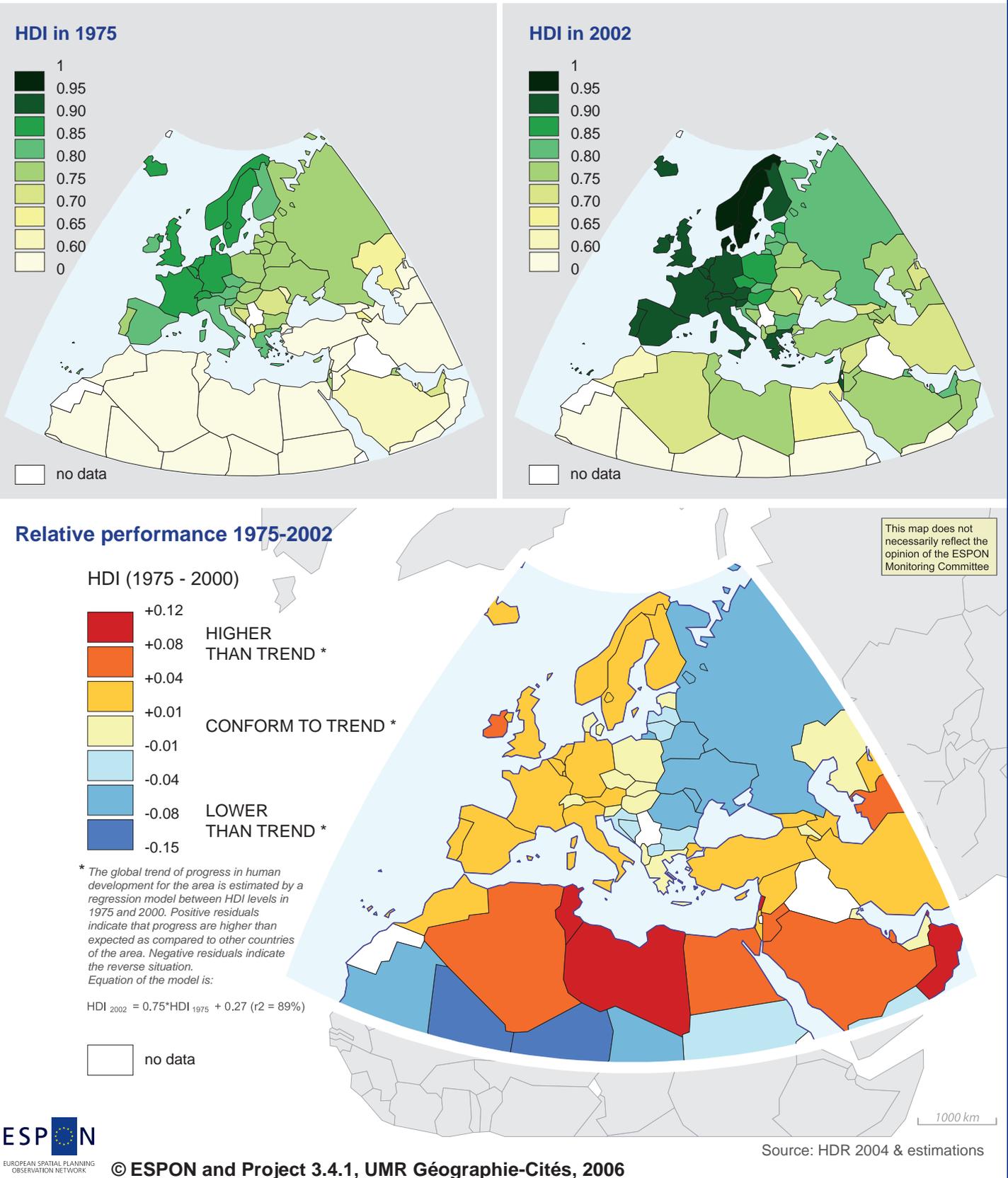


rank	Highest absolute differences			Highest relative differences		
	State i	State j	$X_i - X_j$	State i	State j	$X_i / X_j$
1	U.S.A.	Cuba	24400	Japan	North Korea	17.4
2	U.S.A.	Russia	21900	U.S.A.	Cuba	12.0
3	U.S.A.	Mexico	19900	Australia	Papua N.G.	11.5
4	Japan	North Korea	19500	South Korea	North Korea	10.9
5	Norway	Russia	18900	Kuwait	Iraq	9.9
6	Australia	Papua N.G.	18500	Saudi Arabia	Sudan	9.2
7	Singapore	Indonesia	17500	Iran	Afghanistan	8.6
8	Australia	Indonesia	17000	Congo	Zaire	8.5
9	France	Suriname	16600	Saudi Arabia	Eritrea	8.2
10	Japan	Russia	16000	Saudi Arabia	Iraq	7.6
11	Italy	Albania	15600	Italy	Albania	7.4
12	Italy	Serbia/Mont.	15600	Italy	Serbia/Mont.	7.4
13	Italy	Bosnia	15300	Malaysia	Cambodia	7.3
14	Italy	Algeria	15300	France	Suriname	7.3
15	Luxembourg	Germany	14400	Bahamas	Cuba	7.2

“On the one hand, we observe that important economic discontinuities can be seen all over the world and not only between the richest countries and their neighbours. On the other hand, the map reveals that discontinuities are organised as “concentric lines” around the major peaks of wealth and define different aureoles which help to clarify the delimitation of semi-peripheral regions. It is very clear in the case of the European Union, which is surrounded by a double line of discontinuities to the east and to the south. The same situation can be observed to the south of the USA where Mexico is clearly in an intermediate position, lower than the USA but much better off than the Central American countries”.

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 82

**Figure 34: Human development in the Euro-Mediterranean countries, 1975-2002**



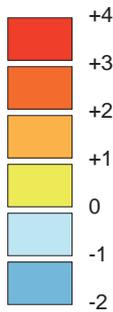
*“The comparison of the distributions of the Human Development Index (HDI) in 1975 and 2002 strongly suggests the existence of a diffusion process of prosperity and development around the core of North-Western Europe. (...) If the assumptions of the diffusion process are correct, the analysis also suggests that, in the near future, the development process will depend on new partnerships between East and Central Europe on the one hand, and the North African and sub-Saharan countries on the other. The European Union should take the initiative in encouraging such movements in both directions”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 203

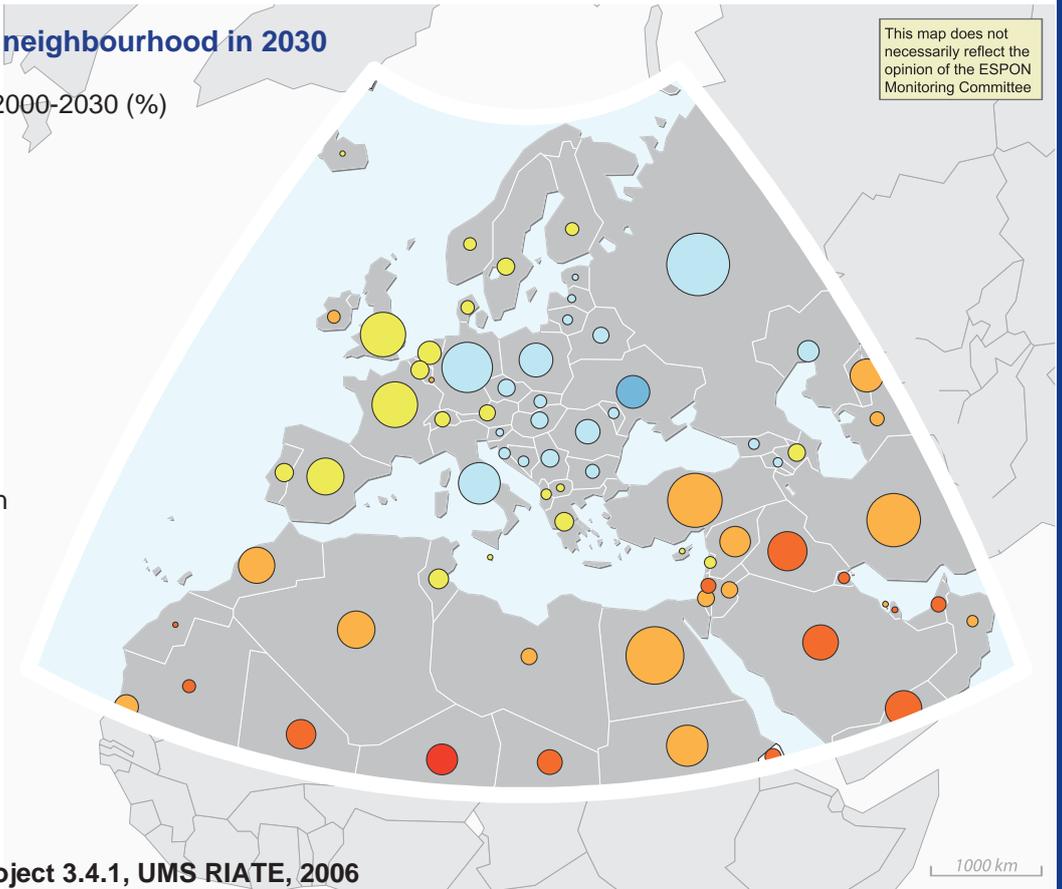
**Figure 35: Demographic complementarities between the EU and its neighbourhood**

**Population in EU and its neighbourhood in 2030**

Annual growth rate 2000-2030 (%)

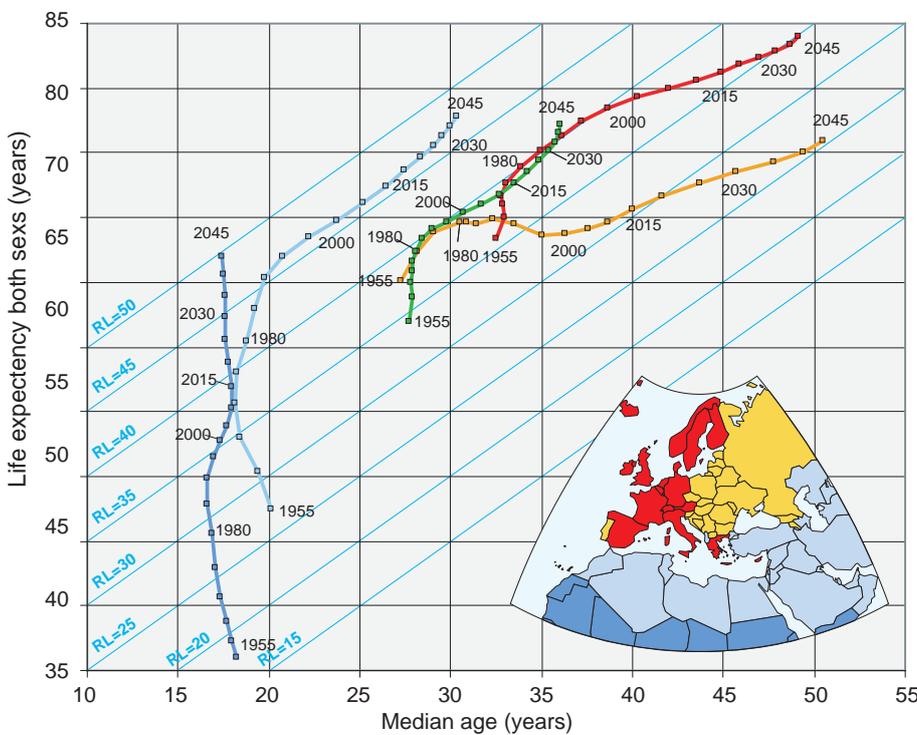


Estimated population in 2030 (millions inh)



© ESPON and Project 3.4.1, UMS RIATE, 2006

**Demographic trends in EU and its neighbourhood, 1950-2045**



Demographic classification of countries according to past and forecast evolutions of life expectancy and median age

- Western Europe
  - Eastern Europe and Portugal
  - Northern Africa and Middle East
  - Subsaharian Africa
  - Total
- RL** Remaining Life  
(Life expectancy - Median age)

Source: UNPP 2005

*"In systemic terms, we can say that each part of the Euro-Mediterranean Region would face strong demographic problems in isolation - too many young active people on the southern shore, and too many old people on the northern shore. The "whole is better than the sum of the parts"; considered together, the area as a whole displays a nice pattern of demographic equilibrium and sustainability."*

## EUROPE AS A FUNCTIONAL REGION?

### Question:

The notion of “region” is a key issue. It is of utmost importance to distinguish between two geographical notions of “Europe”. (1) The first is the institutional one: “Europe” means the European Union. Its borders are established, not necessarily forever, but they are precisely defined. (2) The second one is what one may call the “functional region of Europe.” This functional region is much larger than the European Union and, sometimes, larger than the official area covered by the European Neighbourhood Policy. It is therefore the European Union’s interest to gain a better knowledge of this broader geographical area in which it is embedded.

### Methodology/Sources:

To measure the flows connecting various parts of this large region, economic (trade and investments) and demographic (air transport, migrations, tourism) indicators have been used. One of the main goals, and a difficulty due to the lack of data, was to calculate the trend (decrease vs. increase of regional integration). Of course, the result varies according to the indicators taken into account.

### Key-findings:

- The functional region of Europe is highly integrated and polarised by Western Europe: 50 to 80% of trade, loans and investments flows of the neighbouring countries, are made with Western Europe (Fig. 36 & 38). Migration and tourism (Fig. 39) show high intra-zone integration too.
- Private investments from Europe to the southern neighbours are rather low. Whereas the transnational networks of firms are major assets of NAFTA or eastern Asian regions, transmediterranean foreign direct investment flows are a major potential for “functional” Europe.
- During the two last decades, the evolution has been clear. Economic integration has been rapidly growing between the East and the West of the European continent, at the expenses of the traditional links between Eastern Europe and Russia (Fig. 37 & 40). In comparison, economic exchanges have very slowly increased between Europe and the southern shore of the Mediterranean as new market challenges are coming up (Gulf countries, USA, China...).

### Conclusion:

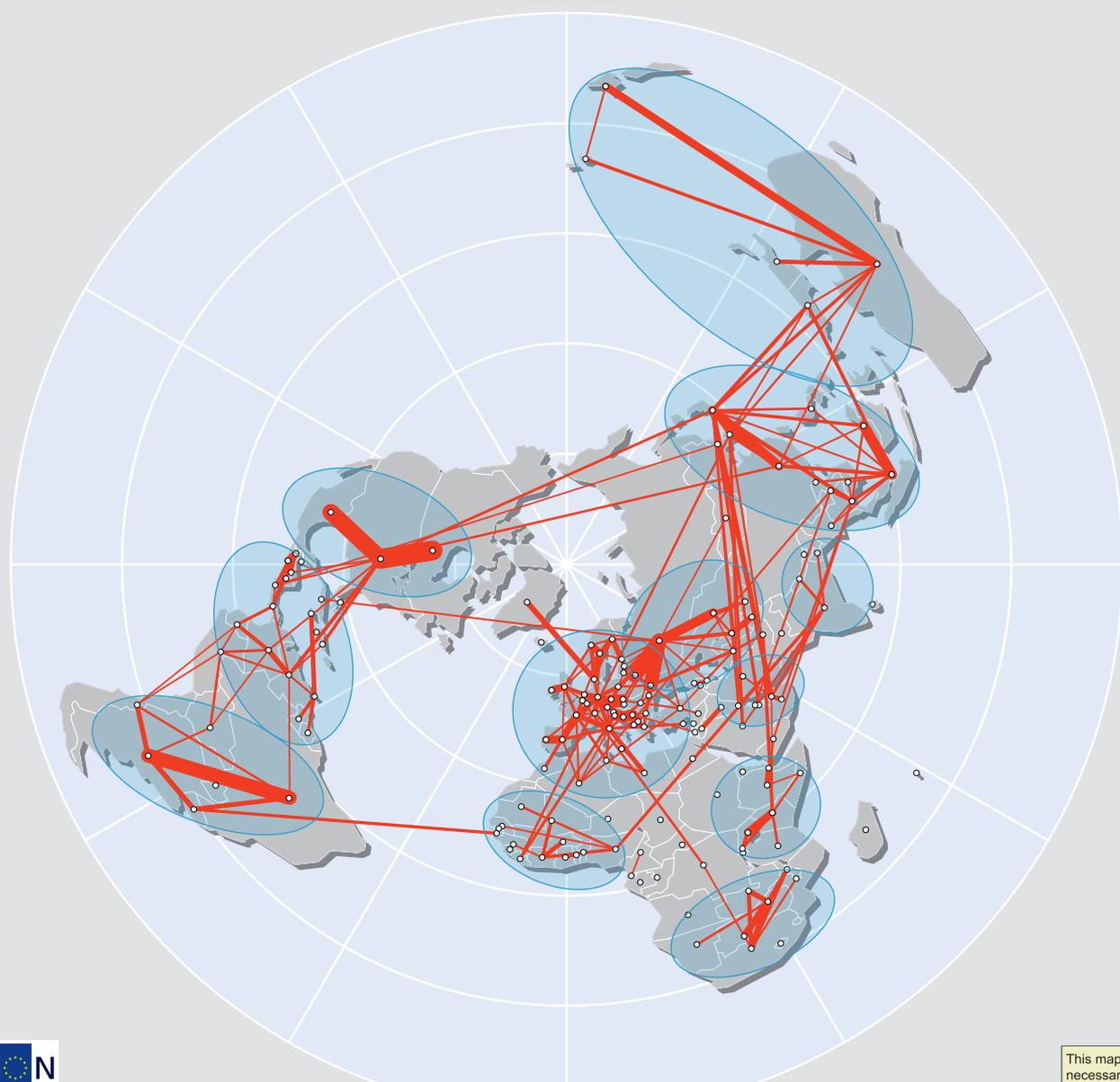
Scoping the European functional area of influence is often neglected.

It is all the more important as these functional relations between Europe and its neighbours are mostly differentiated within the European territory, namely between Northern Europe or Germany (specific links with Western NIS, Turkey...) and Southern Europe or France (specific links with North Africa).

The decreasing North-South integration of the region is another key issue for the coming years.

An important tool for the evaluation of the situation of EU in the world is the World Unified Territorial System (WUTS) presented in Annex which is a hierarchical division of the world in 3, 7 or 17 world regions. This new delimitation fits better to the reality of the 21<sup>st</sup> century than classical “continents”. It helps to benchmark the real potentiality of Europe and its neighbourhood as compared to other global integration zones.

Figure 36: Regionalisation of the World based on trade flows, 1996-2000

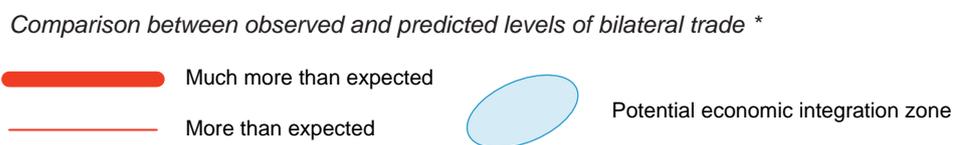


© ESPON and Project 3.4.1, UMR Géographie-Cités, UMS RIATE, 2006

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

Source: PC-TAS (1996-2000)

Preferential trade relations, 1996-2000

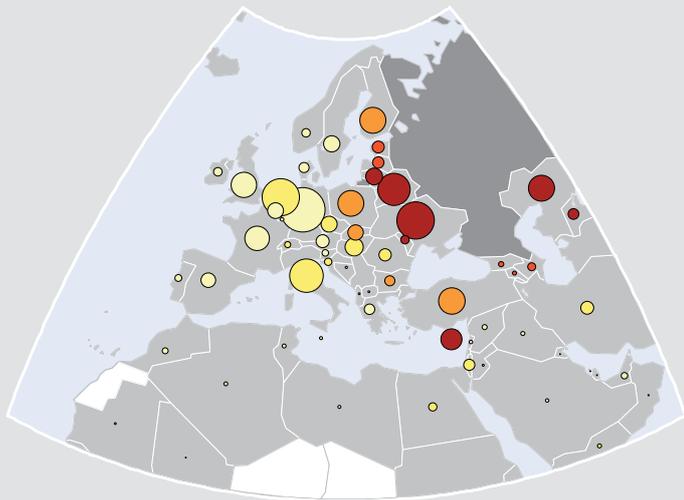


\* Positive residuals of an equilibrium model of exchange based on import and export capacities of the 168 world states. Positives Chi2 differences between observed and predicted exchanges

*“Regionalisation is the dominant form of globalisation, for two reasons. Firstly, the enlargement of exchange scales provokes global flows but above all enhances all types of exchange between a nation-state and its bordering areas. Firms find many interests in locating in remote dynamic areas; but they find it very convenient to “near-shore” too. The strategic advantages of proximity are growing as the oil price rises and travel and transportation costs thus rise. Secondly, the need to re-regulate the world economy is an important driving force here in response to the excesses of the era of borderless ‘footloose’ capitalism”.*

**Figure 37: Russian trade, 2004**

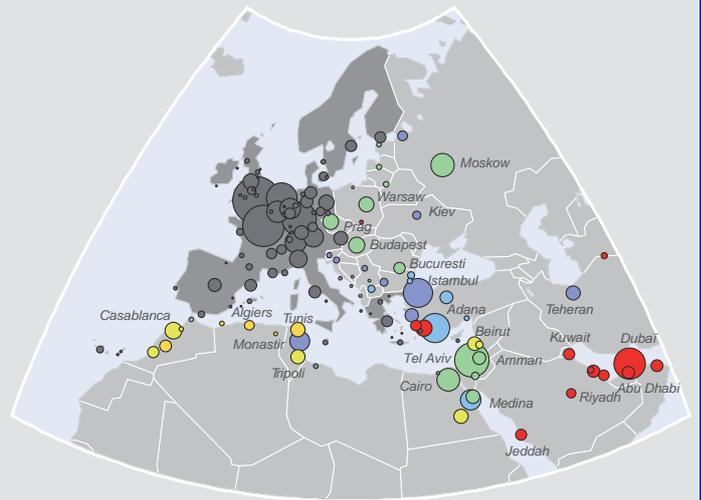
**Bilateral intensity of the Russian trade**



ESPON and Project 3.4.1, UMR Géographie-Cités, UMR LADYSS, UMS RIATE, 2006. This map does not necessarily reflect the opinion of the ESPON Monitoring Committee.

**Figure 38: Air connections, 2000**

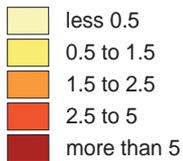
**Major air connections between western Europe and its neighbourhood**



ESPON and Project 3.4.1, UMR Géographie-Cités, UMR LADYSS, UMS RIATE, 2006. This map does not necessarily reflect the opinion of the ESPON Monitoring Committee.

Source: ITA, 2003

**Intensity of bilateral exchanges**



1 = world average

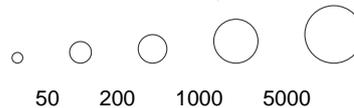
□ no data

**Exchanges of goods (imports and exports in millions \$)**



Source: International Monetary Fund, International Trade Statistics Yearbook, 2005

**Air traffic weighted by distance (millions of passengers.km)**



**Preferential air connections**

	1	2	3	4	5	6	Tot
<b>British Islands</b>	58	13	12	20	4	18	23
<b>France</b>	9	78	40	15	3	12	18
<b>Southern Europe</b>	3	6	8	23	1	5	10
<b>Northern Europe</b>	1	0	1	5	6	2	3
<b>Benelux</b>	10	6	13	13	14	14	12
<b>Central Europe</b>	19	6	26	25	72	49	33
<b>Total</b>	100	100	100	100	100	100	100

*"Inside the European space interfaces with the neighbours appear clearly: European Mediterranean countries have a high intensity of exchanges with their Mediterranean neighbours; Central and Eastern Europe countries and Finland with one or several New Independent States".*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 165

*"The analysis reveals an obvious specialisation in the distribution of connections between Europe and its neighbourhood. It could however give the false impression that the entire neighbouring region is strongly polarised by the major airports of the Pentagon. This is not however the case: the Middle-East and the Persian Gulf form an area of strong inter-relations organised by a polycentric cluster of major airports".*

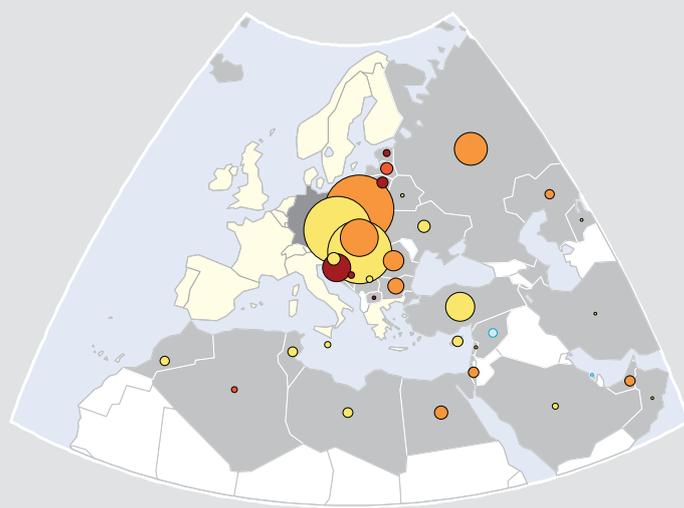
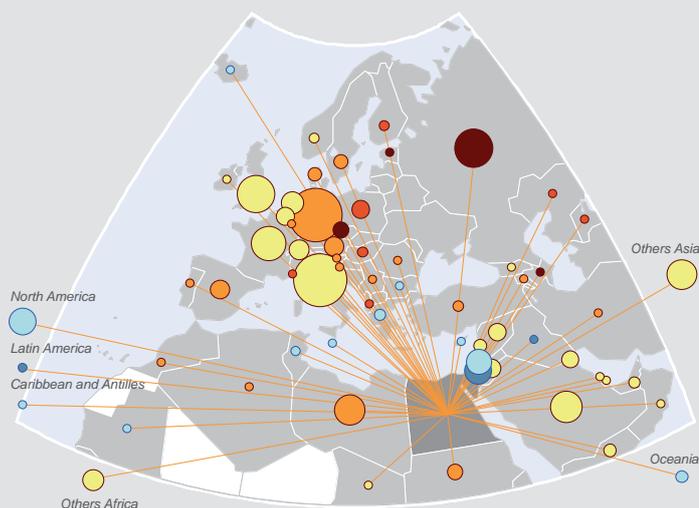
UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 197

**Figure 39: Egypt tourism, 2001-2003**

**Figure 40: German Investment, 1994-2003**

**Origin of tourists going to Egypt**

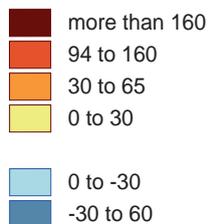
**German Foreign Direct Investment outward stock in the neighbourhood**



ESPON and Project 3.4.1, UMR Géographie-Cités, UMR LADYSS, UMS RIATE, 2006

ESPON and Project 3.4.1, UMR Géographie-Cités, UMR LADYSS, UMS RIATE, 2006

Variation rate, 1997-2003 (%)

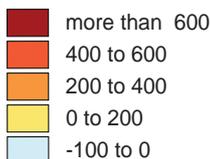


no data

Thousands of tourists annual average, 2001-2003

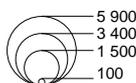


Relative variation (%)



no data

Absolute variation (millions of euros)



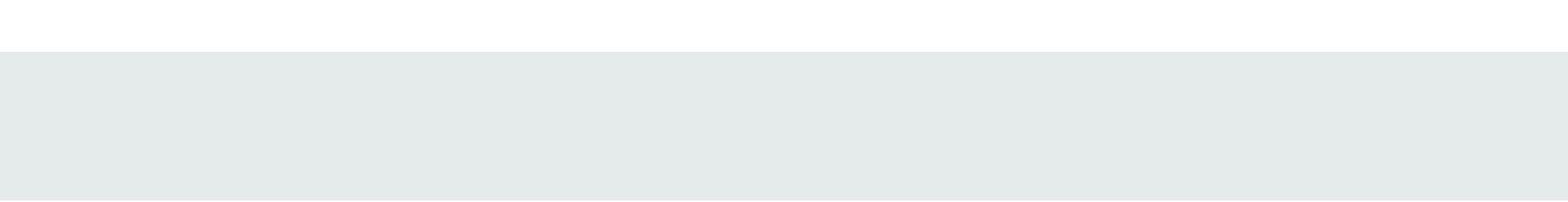
UMR Géographie-Cités, UMR LADYSS, UMS RIATE  
Source: UNWTO Yearbook of tourism, 2003,2005

*“Tourism flows to or from one of the countries of the European region show an incredible level of integration. For instance, almost 90 out of 100 tourists who visit Egypt come from the European region: 52 from the Western Europe, 4 from Central and East European countries, 9 from the New Independent States, 13 from the South Mediterranean countries and Turkey, and 10 from the Middle East. The numbers for North America (3) or Asia (4) are very low indeed, and decreasing. Flows of German tourists tell the same story: the bulk of them visit a country belonging to the region”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 184

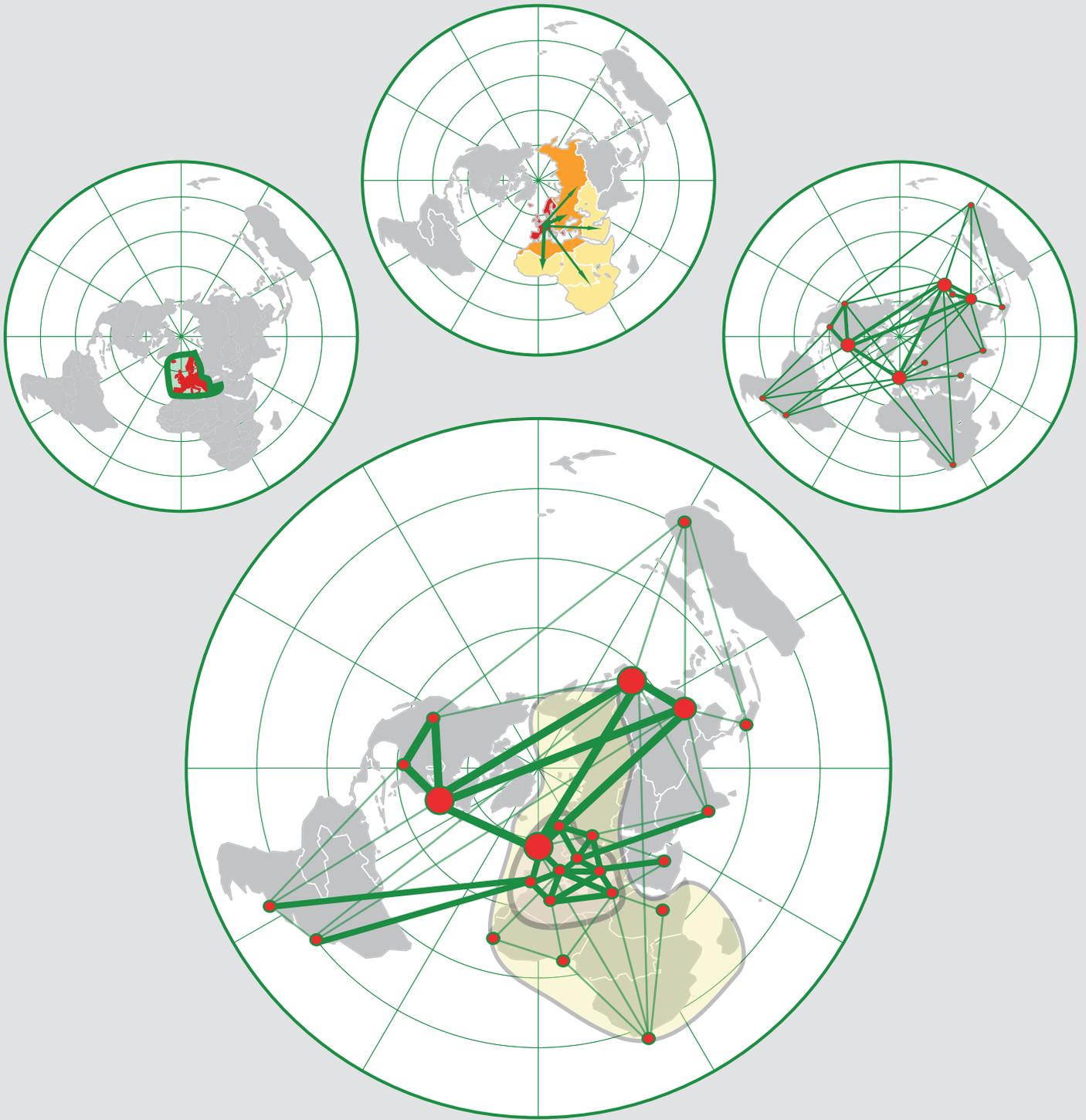
*“Germans invest essentially in other European countries and in North America (including Mexico, which international investors nowadays regard as a “North American country”). The part of central and eastern European countries in the German FDI is quite relevant, especially for the central European countries which depend quite a lot on German investments. South Mediterranean countries are insignificant. The feature is quite alike for Dutch, Swedish or Finnish investments”.*

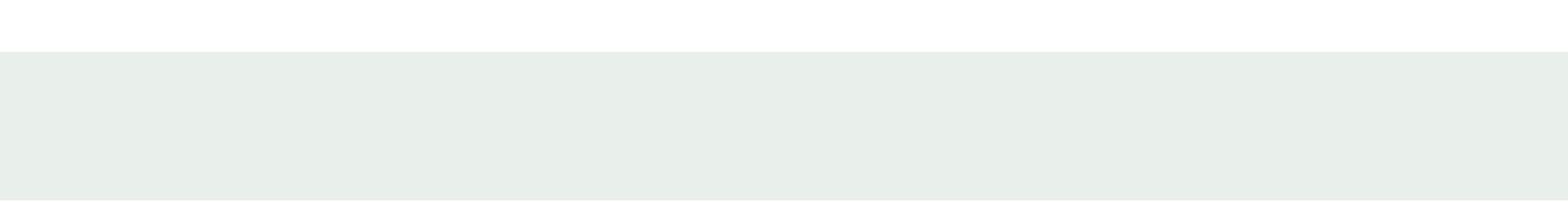
UMS RIATE/ESPON 3.4.1, 2006, Vol.2, p. 210



# 2 - DEBATE

## *VISIONS OF EUROPE IN THE WORLD*





Part 2 of this report is based on additional work done by the team of researchers that carried through the ESPON project 3.4.1. It exclusively represents their thoughts and considerations and therefore Part 2 does not represent nor reflect any opinion of the members of the ESPON Monitoring Committee.

The reason for the Monitoring Committee to consider the inclusion of Part 2 in an ESPON report is to be seen as an exceptional case and is based on three main reasons:

(1) The visions prepared by the team of researchers were presented and discussed with the ESPON Monitoring Committee and other researchers during a seminar on 12-13 November 2007. The additional work produced by the team of researchers stimulated a vivid debate at the seminar. Although it is clear that the visions presented may not represent all possible visions discussed in the EU Member States and Partner States participating in the ESPON Programme, the Monitoring Committee also found the thoughts and visions presented innovative and interesting, and at the same time food for thought and stimulating for debate.

(2) The results of the applied research undertaken on the territorial dimension of Europe in the world have made it evident that the global context is highly and increasingly relevant for territorial development in Europe. The discussion of the visions at the seminar has already shown that EU policy strategies with regard to the world have an impact on the EU internal territorial development. In fact, this has also been discussed in the ESPON programme with regard to other (sector) policies such as transport policy. Without understanding global dynamics many regions and cities will not be able to compare themselves to others in order to optimise future strategies and decisions for improving their competitiveness and development.

(3) Wanting to share ideas of researchers with a broad range of stakeholders the Monitoring Committee has taken the position that this discussion should find its way into the European debate – even though the visions addressed may not be exhaustive at this stage. The main point for the Monitoring Committee is not to argue in favour of a particular vision but to highlight the relevance of positioning Europe in the world for the territorial development inside Europe. A coherent way to do so is to present a combination of facts from ESPON in Part 1 of this report and perspectives and visions from the research side in the following Part 2.

The Monitoring Committee hopes that presenting Part 2 of the report will raise the awareness of the territorial dimension of the global context of Europe, the implications this has and may have for different regions and cities as well as for policy makers in different policy fields. The Monitoring Committee will consider, based on the development of the discussions, to further deepen the fact-finding mission through applied research on “Europe in the World”.

Once again, the different perceptions and assessments expressed in the following Part 2 are those of the research team and do not necessarily reflect the opinion of members of the ESPON Monitoring Committee. This Part 2 of the report was neither part of the terms of reference for the project “Europe in the World” nor subject to financing by the ESPON 2006 Programme.

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The main recommendations of the ESPON project Europe in the World is that internal and external policies should not be developed separately but should be strongly interlinked as they both depend on a global political project, in this context called “Visions of Europe in the World”. Based on political and factual inputs, such a common global vision of Europe in the World is not clearly formulated.

Moreover, without claiming to cover all visions discussed in the member states, different visions of the EU situations in the World are circulating, which imply different challenges for both internal and external policies. These visions rely on the various perceptions of the world space organization currently available:

- The “continents” vision, which describes territories in the traditional – but still topical – shape of continents or, more recently, in “civilization areas” (Huntington 1996);
- The “centre-periphery” vision, which stresses the asymmetry of relations between developed and developing countries and the real, yet decreasing, European dominant position;
- The “archipelago” vision, based on a networking organization of space, which highlights the connections of remote territories.

Each of these visions reflects partial evidence of the reality of the contemporary World. There are no real contradictions between them. Continental territories may have strong frontiers and asymmetrical relations with the developing countries located in their periphery, and intense exchanges with global nodes of remote parts of the World.

These three patterns have to be analytically distinguished because the finding presented in the first part showed that the place of Europe in the World is not exactly the same when one considers economic flows, or environmental threats, or cultural exchanges. It is very well known that the European territory interacts with the World at different scales and by different ways according to the considered criterion. Very few however acknowledge that these different ways quite easily fit with the three main visions: continent, centre-periphery, archipelago, and that European policies will differ as well as their territorial impact according to what is the dominant vision.

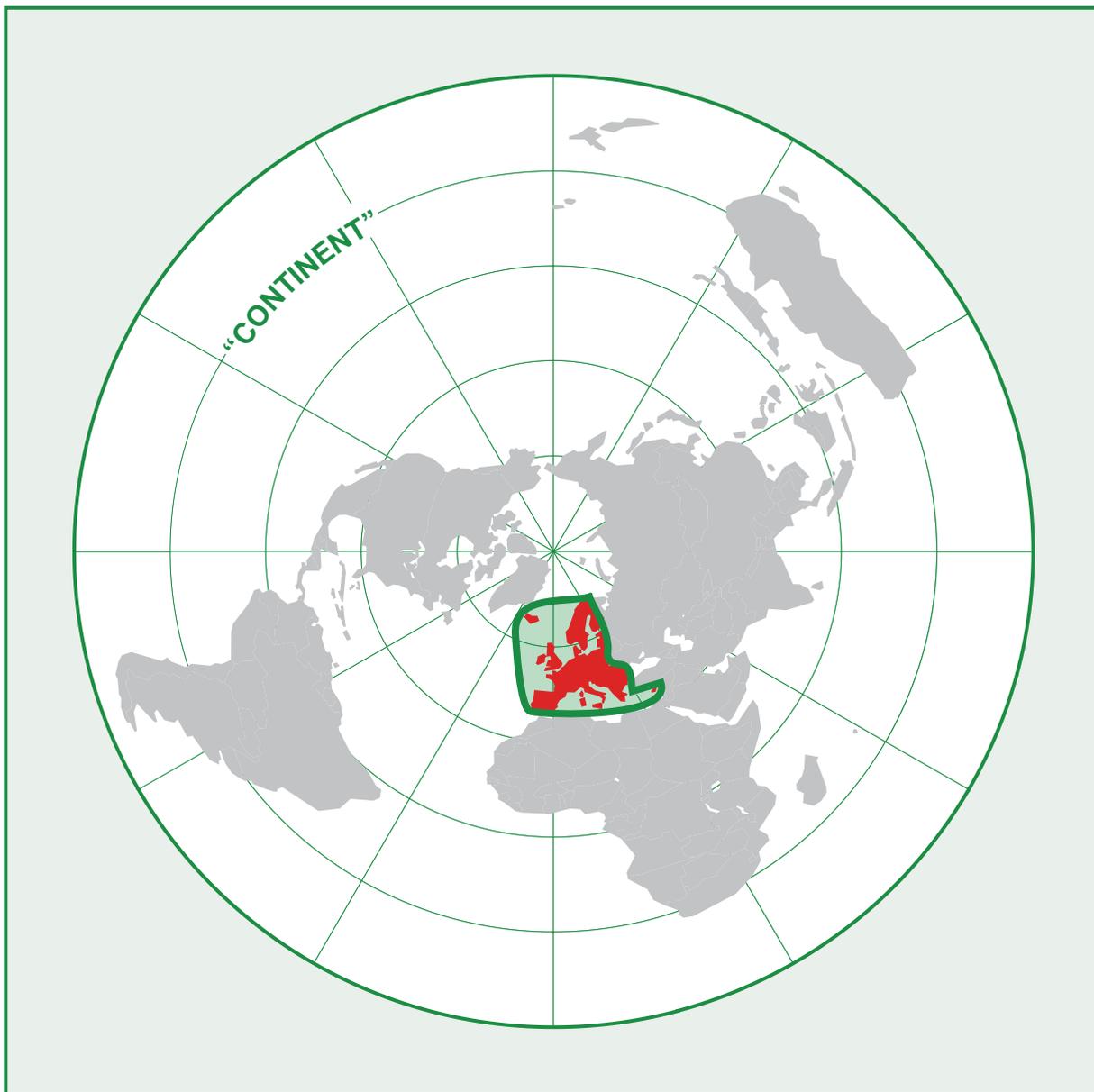
This chapter has two objectives. The first is to sum up the various key findings of the Europe in the World report by sorting them according to these three main visions: mental maps (§1.1.2) are indeed very closed to the “continent” vision, and so are many other maps or analysis, namely on migrations and security issues; many maps of the area of influence (§1.3.1) of Europe or of its aid policy (§1.2.4) draw a “centre-periphery” pattern; findings on the air transports as well as on other data used in the report (§1.2.2) such as FDI flows or firms networks mostly promote an “archipelago” vision. For each of these visions, main evidences of the report will be summarized and linked to political features, and then their probable impacts to be expected on the European territory.

The second objective is to present a fourth integrated vision for debate that could be considered as a pro-active scenario (comparable to what has been elaborated by ESPON 3.2 project “Spatial scenarios in relation to the ESDP and EU Cohesion policy”). This vision is based on the idea that Europe together with its neighbours could potentially represent one major world region. This means that the European Neighbourhood Policy (ENP) would be the key policy to complement the Lisbon three previous ones because it is rather a proposal made by experts in European

territorial development. As a proactive vision, it may appear as a wishful target for the long run rather than a realistic option for the short term.

The conclusive section of the chapter proposes a benchmarking of the four visions and draws some conclusions in respect to European policies.

## THE “CONTINENT” VISION: towards a protected and closed European territory



“Let me start with an affirmation about the organisation of a continent. The contribution which an organized and living Africa can bring to civilization is indispensable to the maintenance of peaceful relations... Africa will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. If this sounds vaguely familiar to you, you shouldn't be surprised. Replace 'Africa' with 'Europe', and you have the famous Schuman Declaration of 9 May 1950. This set in motion an unprecedented period of integration and co-operation which has delivered 50 years of peace and prosperity on my continent.”

BARROSO, J.M., 2005,  
"From Schuman to Sirte: a tale of two unions",  
Opening session of the African Union Assembly, Sirte, Libya

### 2.2.1 Selected evidence

The continent vision does not rely on any geographical scientific evidence (see above §1.1.1). It is rather based on the apparently obvious evidence that the size of the European Union in the World is sufficient to retain relative autonomy in the process of globalization and, more generally, the possibility to partly close its borders and ensure internal protection. The fact that the Constitutional Treaty included a clause on territorial cohesion had supported the conviction of the EU territorial cohesion ministers in Rotterdam and in Luxembourg that the time had come to address the territorial impacts of all EU policies, both regional and sectorial (Eser & Schmeitz, 2007). In this framework, the major political document is the Territorial Agenda of European Union approved under German Presidency in May 2007 and the related document called Territorial State and Perspective of the European Union. These documents are normally focusing on internal policies, but they cannot ignore completely what happens in the external World. The Territorial Agenda acknowledges the "accelerating integration of our regions, including cross border areas, in the global economic competition, at the same time increasing dependencies of States and regions in the World" (Territorial Agenda 2007, par. 7). But in fact the EU keeps on being very confident about its growth, since the first paragraph declares: "Together the EU Member States operate a combined economy which is about one third of the world-wide Gross Domestic Product."

The actual weight of the European territory in the World is important, however less than many believe. Comparisons of the weight of the EU27 in the World in relation to large States (USA, China, Japan, India and Brazil) and to other international economic blocks (NAFTA, MERCOSUR+5, ASEAN+3) give the following figures:

The EU27 territory aggregated with Switzerland, Norway, Turkey and Western Balkans countries represents 5% of the world's continental land area, 11% of agricultural land, 10% of the world's population and 15% of its urban population, a bit more than one quarter of its GDP (measured in purchasing parity). As a whole, it can be said that the average weight of European Union plus associated and candidate countries reaches something like 14% (or 1/7th) of the World, not more.

Furthermore, this weight is decreasing. The share of population and GDP of Europe at the world scale has been steadily falling since the 1950s. Since then, however, although this structural decline continues, it was always counterbalanced by the dynamics of EU enlargement. Once the enlargement process does no longer support the world-wide importance of Europe, success will depend on external policies including the European Neighbourhood Policy.

### 2.2.2 Main political features

In the continent vision, priority is given to the EU internal integration, that is to say the convergence between the new Member States and the rest of the Union. Regarding the rest of the World, the emphasis is put on security. The geographical idea here is that Europe is one of the world civilizations, is strictly circumscribed and defined, should be internally as homogeneous as possible and highly protected against external threats (illegal migrations, environmental menace, human trafficking...). Borders are of high significance; territorial policy is devoted to cohesion. This vision is implemented in the EU Treaties as it is a condition for

accession to the EU that the applicant should be a “European State”. Initially, there was no unequivocal interpretation of this criterion. It can be read either in geographical, cultural or political terms. But with the continent vision, the idea of definitive geographical borders of Europe is clearly at stake. Cooperation with neighbours remains important but only if they are once for all clearly maintained outside the perimeter of Europe.

The European Neighbourhood Policy was launched in 2004. Beyond the EU 27, a ring of countries, from Morocco to Russia, is of major importance for the European stability and development, and “everything but institutions should be shared” with them. The goal is to spread to the European neighbourhood: the free flows of goods, services and people, together with free capital movements. Since this policy has come into force, agreements have enhanced for capital and investments, goods and services, but yet not for people. Restrictions to entries in the EU territory remain severe, asylum has in general become more difficult to obtain. “Many consider that the ENP could be a solution to the debate regarding the accession of Turkey. The neighbourhood policy is sometimes considered as a kind of compensation that should be offered to Turkey instead of a full member status.”

This continent vision is consistent with a strong East-West European integration. Eastern Member States are already included, and would be favoured by the industrial relocation of western firms. Since the beginning of the 1990s, many FDI of EU countries have targeted central and eastern European countries. The fact that their accession to the EU was certain has given them credibility for investors. This process continues: between 2002 and 2006, 80% of the FDI by western European investors has been in other western European countries (innovative industries, banks and services) or in eastern Member States (automobile industry and other manufacturing sectors).

The so-called “European continent” is actually becoming one integrated productive system. During the recent years, the continent has hosted more than 40% of the world FDI inward flows, mostly in Western Europe, and more than 30% of the jobs created by FDI, mostly in Eastern Europe. Western European firms have in both cases been the major investors. According to the continent vision, this evolution of the European economic geography could be intensified as regards new members of Western Balkans and, maybe later also Ukraine, Georgia and other countries of the Caucasus. But the case of Turkey remains a point of debate between EU Member States. And North Africa is generally absent from the debate as “non European”.

As regards agriculture and subsidies, the bulk of the European funds would be devoted to structural adjustment of the agricultural sector within the new Eastern Member States, in order to rapidly reach a homogenous agricultural European market. As regards regional policy, these States would also benefit from the main budget lines. Trans-European Networks would be mostly implemented in Eastern Europe, too, for transport, telecommunication and energy facilities.

The continent vision is the continuation of the development pattern that has been prevailing since the beginning of the 1990s. Since then, the central and eastern European countries have become by far the greatest beneficiaries of EU financial support, partly in relation to their preparation for accession to the EU.

A major geo-economical feature should be stressed: Central and Eastern Europe has been integrated in the Western Europe's economical and political sphere of influence in an incredibly short period of time – less than 15 years (§1.3.4). The European former members of the Soviet block have experienced a surprisingly rapid shift from the COMECON integrated trade system to a highly westernized one. Eastward flows with Russia have dramatically declined, flows to the West have boomed. Concerning subsidies and political influence, the European share (Commission + Member States, see § 1.8) in the total assistance given to the Central and Eastern Europe Countries has increased dramatically, and much more than in the Maghreb countries and the Middle East, where the USA's economic support is very high. In conclusion, the European's influence is growing eastward within the continent vision of Europe in the World, and relatively decreasing southward.

### 2.2.3 Territorial impacts of the continent vision

The territorial impacts of development following the continent vision are multifold:

- Trans European Networks would be implemented on a large European scale, which would be favourable to the internal integration of the European territory;
- The current central core area of Europe would be further consolidated as the centre of Europe;
- Central and eastern European Member States would benefit from subsidies and western private FDI and they would continue catching up with the EU GDP average;
- The regional policy would foster these territories including their less developed areas.

On the other hand, this vision would face a number of territorial challenges:

- Focusing on the EU border security would have negative impacts on many peripheral parts of the EU territory. The southern part of the EU would be particularly affected, especially potential Mediterranean gateway cities such as Seville, Valencia, Barcelona, Marseilles, Geneva, Naples, Athens, Thessalonica, etc.
- On the eastern borders, the economic development would mainly benefit the metropolitan areas such as Warsaw, Prague and Budapest, and not the most peripheral regions. These peripheral territories would suffer from "tunnel effects" (as long as Russia prefers to trade directly with Western Europe). These areas could as well become kind of territorial "dead ends" their links with eastern partners being made more and more difficult by the closure of borders and by limited possibilities of cross border cooperation.
- The size of the eastern markets would probably not be a sufficient incentive per se for western investors. The absolute size of these markets is small (100 million people with relatively low level of purchase power), and the population is rapidly decreasing. Moreover, rise of wages would for western firms be an incentive for relocation of plants to other more competitive labour markets, most certainly in East Asia, where the European FDI is already increasing.
- Restrictions to migration would make it difficult for the EU to gain a new labour supply, and especially the supply of skilled labour force. A continental European vision based on a "fear of migration" especially from Muslim and African countries would hamper the development of the European economy and territory as a

whole. Here, it is important to notice that Northern America hosts many more Latin Americans than Europe hosts migrants coming from its own neighbourhood.

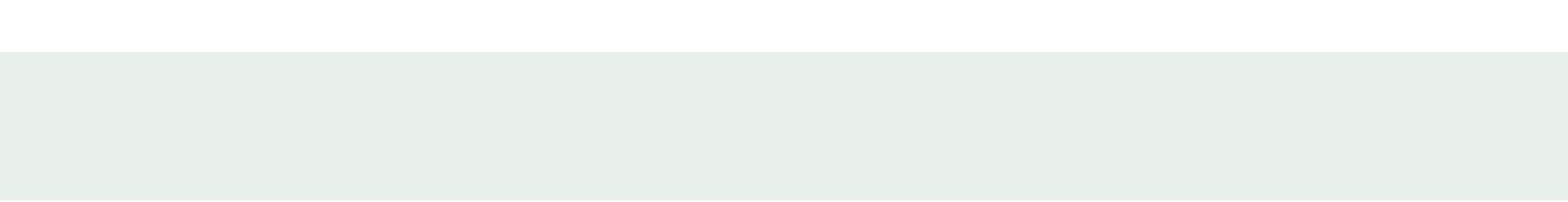
- A vision of Europe as an “insular” continent would be somewhat outdated in a world of accelerating globalisation. The EU is at the same time too small and too big in the world. Too small, because its weight in the World is not sufficient to support an autonomous development. Too big, because Europe is composed by a multitude of countries and cultures, and is in addition surrounded by developing countries.

#### **Territorial assets:**

- (i) Trans European Networks implemented at a large European scale
- (ii) Central & Eastern Europe benefit from Western subsidies and FDI
- (iii) The Regional Policy focuses on Central and Eastern European countries' less developed areas

#### **Shortcomings:**

- (i) Negative impact on EU peripheral territories (Eastward, e.g. Baltic States are no more the interface between Russia and UE; and Southward)
- (ii) Eastern markets not sufficient per se for Western investors
- (iii) Europe as an isolated and ageing island in the world



## THE “CENTRE-PERIPHERY” VISION: towards a dissymmetrical Euro-Mediterranean pattern



“The Mediterranean region is of strategic importance to the European Union. A key external relations priority for the EU is thus to promote prosperity, democracy, stability and security in the Mediterranean basin. This not only because of the political, economic, administrative, ecological and social challenges the basin is faced with, but also in view of the recurrent conflicts/instability in this region on the EU’s southern flank.”

*Euro-Med Partnership, Regional Strategy Paper 2002-2006, European Commission.*

### 2.3.1 Selected evidence

The countries which have experienced the fastest economic and demographic growth during the last 50 years are located in a kind of golden ring around the three dominant economic centres of the Triad (§1.1.3). The challenge for the EU is therefore to integrate its immediate developing periphery in an economic project of competition with other economic centres of the World such as Japan and the United States. But this centre-periphery vision is based on an asymmetrical relationship with the neighbourhood (§1.2.1).

This vision does not claim that the EU represents one third of the global economy, and acknowledges that some economic but not political integration with the neighbours is necessary in order to remain a global player. However, this vision includes the dilemma of the possibility to launch this cooperation in a fully asymmetric way, where developed countries ask developing ones to open their borders for economic investments, but at the same time refuse to open their own borders to immigration - although the majority of migrants into the EU are coming from these peripheral countries (§1.2.3).

This centre-periphery vision could be regarded as a sub-category of the previous continental vision. The difference lies in the fact that the ENP would be more dynamic, at least for economic exchanges. Such a vision is based on the complementarities between low-cost peripheries and high-tech centres (§1.3.3). It is based on the assumption that Europe is surrounded by an area where it can exert influence. This would be an advantage EU would not leave it to US or Chinese competitors.

A vision of a centre-periphery combination could improve European competitiveness in relation to Eastern Asia, Northern America and China. Both Eastern Asia and the US have achieved a huge relocation of firms and extended a transnational productive system based on North-South complementarities. In the American and East-Asian cases, there is either little (East Asia) or much (Mexicans to United States) migration, but in both cases there has been significant FDI flows from industrial countries to neighbouring developing countries. Out of 100 dollars invested abroad by the United States, 18 go to Latin America; out of 100 dollars invested abroad by Japan, 18 are invested in its developing or emerging East Asian peripheries. But out of 100 invested out of Western Europe, only 10 are invested in its peripheries – almost all of it in the central and eastern European countries and less than 2 in the Mediterranean developing countries (§1.3.4).

### 2.3.2 Main political features

A North-South strategy adopted by Europe according to the centre-periphery pattern would probably have the following implications:

The competitive relocation of activities would increase toward eastern but above all towards southern neighbours located between the Mediterranean and the Sahara;

European activities would be relocated there, particularly those are considered dirty, difficult and dangerous, such as the construction of power plants and refinery

facilities: activities that for environmental reasons are difficult to run in Europe, which could be more easily implemented on the southern shore of the Mediterranean, which urgently needs industrial investments and would “benefit” from less attention to environmental concerns;

Europe would benefit from secured procurement of oil, gas and electricity (thanks to the ongoing connection of the electricity grid in the Euro-Mediterranean space). Beyond North Africa and the Middle East, Europe would benefit from secured procurement of African raw materials;

This North-South partnership does not amount to more than the optimization by Europe of a low-cost input strategy for raw materials, energy, manufacturing, as well as the services sectors. The partners could accommodate the growing European demand for cheap call centres, of course, but also: safe tourism, medical tourism (a growing number of Europeans go to Tunisia or Morocco to get surgery in first rank hospitals that only wealthy local people can afford), cheap and attractive areas for retirement inhabited by a growing number of Europeans.

In this context, the ENP could make these peripheral areas secure and bring them into line with European standards (good health systems in some first rank hospitals in the capital cities, international schools close to European dwellings, good internet connection, protection and security). Countries located in North Africa would play the role of “gatekeepers” against sub-Saharan countries, with European financial counterparts. This would worsen the weak side of the Euro-Mediterranean partnership: asymmetry, overall low attention being paid by European leaders to the southern peripheries. This is reflected in the statistics for the past decade, when EU subsidies reached 300€ per inhabitant in Greece, 27€ in the central and eastern countries, but less than 2€ in the south Mediterranean countries (see §1.8).

### **2.3.3 Territorial impacts of the centre-periphery vision**

The centre-periphery vision would enhance the European economy, and would quite deeply change the regional geography due to greater Euro-Mediterranean economic integration, despite its asymmetrical aspect. The 2010 Euro-Mediterranean free trade zone would accelerate the new geography of the value chains in all sectors, with strong impacts in the Mediterranean cities of the European Union.

More than the eastern peripheral parts of the Union, its southern ones would benefit from this change, although in some sectors such as fruits and vegetables European Mediterranean rural areas would be harmed by the relocation of production to the southern shore. In the short run, European growth would partly catch up with its Asian and American counterparts, although not on the high-tech basis of the Lisbon Strategy.

A relocation of the environmental burden to the Southern shore should only be a short-term solution. The ongoing telluric pollution of rivers for instance would increase the pollution of the Mediterranean. This would help the EU to fulfil formally its objective of CO<sub>2</sub> reduction according to the Kyoto protocol. However, it would in fact be a statistical illusion because it would simply transfer the burden to the other side of the Mediterranean without any progress at the global scale (Grasland, 2001).

The current policy of migration control would in the long run impede the development of the European Mediterranean rim and no change would occur in the European migration mix: The lowest levels of education are observed for migration towards South-Western Europe, that is to say France, Italy, Spain and Portugal, whereas the highest for migration to Northern Europe (Sweden, Norway, the UK, Ireland) and to a lesser degree to Germany and Switzerland. In other words, the Mediterranean territories of Europe would not experience any in-depth advantage from a centre-periphery vision. The most probable evolution would be the accelerated departure of highly skilled people from Africa, North Africa and the Middle East to North America, as it has been the case during the last two decades (Fargues 2005, and §1.7).

For these Mediterranean neighbouring countries, the brain drain would not be stopped, because the centre-periphery vision offers them only low and medium-skilled new jobs. Moreover, the social problems of integration of southern immigrants in EU metropolitan areas could become worse as xenophobia and racism could deepen in the suburbs of European cities.

The worst-case consequences could be if North African countries should become gatekeepers against an increasing pressure of migrants from sub-Saharan countries, induced by poverty, climate change and reduction of water resources. This could create a humanitarian situation far worse than today when people try to enter the Schengen Area (see §1.10 above).

#### **Territorial assets:**

- (i) A deeper Euromediterranean integration, although asymmetrical (2010 free trade zone)
- (ii) Mediterranean European territories will boost their development
- (iii) Europe improves catching up with Asian and American counterparts (although not on the high-tech base of the Lisbon strategy)

#### **Shortcomings:**

- (i) The relocation of the environmental burden on the southern shore of the Mediterranean is not sustainable
- (ii) No de-pollution of the Mediterranean
- (iii) No change in the migration mix: mainly low educated migrants toward Mediterranean Europe
- (iv) Southern brain drain is not stopped
- (v) North Africa as gatekeeper against sub-Saharan African migrants

## 2.4 THE “ARCHIPELAGO” VISION: towards rising territorial disparities



8. The shift to a digital, knowledge-based economy, prompted by new goods and services, will be a powerful engine for growth, competitiveness and jobs [...]

9. Businesses and citizens must have access to an inexpensive, world-class communications infrastructure and a wide range of services [...]

10. Realising Europe's full e-potential depends on creating the conditions for electronic commerce and the Internet to flourish, so that the Union can catch up with its competitors by hooking up many more businesses and homes to the Internet via fast connections [...]

*Conclusions of the Lisbon European Council, 23-24 March 2000*

### 2.4.1 Selected evidence

The "archipelago" vision is more based on an opposite set of evidences than the continent and centre-periphery visions as it starts from the assumption that the network relations are more important than purely geographical proximity. Typically, this vision can be illustrated by the distribution of air connections between world cities, measured in passengers weighted by kilometre (instead of raw numbers of passengers, see §1.2.2). With such a type of evidence, the strategic vision of the EU in the World does not focus on the immediate neighbourhood but rather on the connection with the major world centres of innovation, particular in the US and Asia.

The EU is a part of the World metropolitan archipelago and possesses major nodes in the global metropolitan system. London, Paris, Frankfurt or Madrid are well connected to the global network and they are also specialized in specific connections: toward North America for London, Africa for Paris, Asia for Frankfurt and Latin America for Madrid. These powerful gateway cities could therefore be considered as major points for the future development of a European territory and economy fully based on research, innovation, and interaction with the rest of the World.

The current strong development of the metropolitan areas in Europe, as well as in the other parts of the World, fits with this vision. There has been a strong correlation between globalization, concentration of R&D and innovative activities in a limited number of territories benefiting from a highly skilled labour force and international standards in transports, advanced business services, finance and culture. However, the downside is a rise of territorial disparities mainly at a national scale favouring metropolitan areas and increasing international connection between them.

### 2.4.2 Main political features

The main features of this vision are the openness to global networks, free trade and deregulation, low European protection and decreasing subsidies. In this vision, globalization prevails over regionalization. European policies are dedicated to R&D and trade rather than to regional policy or agricultural policy. The only territorial policy promoted by the European Commission would be the Trans-European Networks, but mainly as regards the overall lines connecting the major urban poles of the system.

Main commercial targets are the rapidly growing markets of Asia and in particular China and India. The first partner of Europe remains North America, far from any Euro-Mediterranean partnerships. The ENP is strictly limited to the implementation of liberal reforms in the partner countries. The Euro-Mediterranean free trade zone becomes a purely free-trade area, implying direct competition with North African economies (including agriculture) as well as with any other part of the World.

The geographical pattern is dominated by networks. In the scientific debate this is named "space of flows" rather than "space of places" (Castells 1996). Due to the foremost importance of capital flows, the most prominent territory becomes the Global City (see Sassen 1991, 2002, Taylor, 2000 & 2005). Of course, other

authors argue that the network is more important than the nodes themselves: what does really matter is not the power of each world city, but rather the degree of international inter-connectivity that it provides (Cattan 2004 or Veltz 1996). Still, the multidirectional connection of global territories is the main feature of this archipelago vision.

When it comes to migration, whereas the migration of low-skilled workers follows the centre-periphery pattern, the migration of high-skilled workers is more in line with the archipelago vision. Migration policy focuses and probably succeed on attracting international, highly skilled people and more generally the “creative class” (Florida 2005) including those from the neighbouring countries. That means that the brain drain would increase from neighbourhood countries to Europe.

On the European side, on the contrary, the strategy would be to reduce the out-migration of its own researchers and young entrepreneurs, persuading them not to leave for North America or China. In addition, support by the European Union countries could include the development of higher education infrastructures, with universities and research centres in the countries of the neighbourhood in order to reduce shortages of high-skilled workers. This policy will be associated with strong control of borders against migrants with low level of education.

### 2.4.3 Territorial impacts of the archipelago vision

The archipelago vision has many territorial advantages:

- In this vision, most of the major European cities could become highly internationalized metropolitan areas. The top of the league is dominated by London and Paris, but many others become major gateway cities, connecting their country to the rest of the World (development of air flows, transnational corporation networks, financial services, international events such as fairs and congresses, tourism);
- Western countries which benefit from the presence of many such international metropolises (UK, France, Northern Spain, Northern Italy, Netherlands and Belgium, Western and Southern Germany) could experience fast economic growth, following the spatial pattern described in the “Competitive scenario” proposed by ESPON project 3.2.
- The western large metropolises could be more and more integrated into a high-level global urban network, which increases their comparative advantage and nourishes increasingly profitable transport links between them.

It entails as well some specific shortcomings though:

- The main one could be the increase of territorial disparities in Europe: in Western Europe, in favour of the large metropolitan regions of the “pentagon”; in the eastern Member States too, because the emphasis would be put on the sole metropolitan cities.
- Quite rapidly, the Eastern Member States could lose their competitive advantage due to the rise of wages and costs in their capital cities. For example, the European Cities Monitor indicated that in 2005 that 52% of the European firms were interested in relocating into cities of the new Member States of Eastern Europe, but only 43% in 2006. During the same time relocation

increased from 22% to 36 % for China, 22% to 30% for India and 21% to 28% for Eastern European countries outside the EU (Cushman & Wakefield 2006).

- The worsening of the social, economic and environmental situation could be especially damaging in the neighbouring countries. Eastern neighbours might benefit from the rising costs in the CEEC, but the bulk of European business abroad would rather target the remote large (American) and/or rapidly growing (East Asian) markets.
- The destabilization could be dramatic in the Mediterranean neighbouring countries. The tough 2010 liberalization of trade would have a strong impact on their economy and their territory. The situation in agriculture could be particularly alarming: highly protected products such as cereals could disappear in less than a decade, leaving millions of farmers without revenues. The pressure for rural emigration – probably reinforced by the climate change – could reach a critical level. It would strengthen the pressure on the suburbs of the large cities, and of migration towards Europe. These prospects would get closer to the continent vision.

Many sectors would undergo a major restructuration. In the logistics sector for example, European firms would gain major positions on the southern shore of the Mediterranean. In a highly liberalized framework, this logistical integration would happen predominantly in favour of the large European companies, provoking substantial job losses on the southern shore. In the manufacturing sectors, whether traditional (e.g. crisis of textile in the Northern and Central regions of Tunisia) or modern (IT, pharmaceuticals...), a totally liberalized competition with the other developing countries would weaken their industrial zones. The Mediterranean and Eastern neighbours would be forced to accept relocation of less attractive activities from Europe. Here the vision gets closer to the centre-periphery vision. Besides, the neighbouring territories will lose most part of their elites attracted by the global cities located in Europe, which again would have a negative economic impact as well as politically and culturally.

The only neighbouring country that could be a winner is Russia, since the oil and gas procurement would follow purely commercial considerations. Europe could suffer from the Russia-Algeria cartel in gas, unless Europe offers a valuable alternative strategy to Algeria.

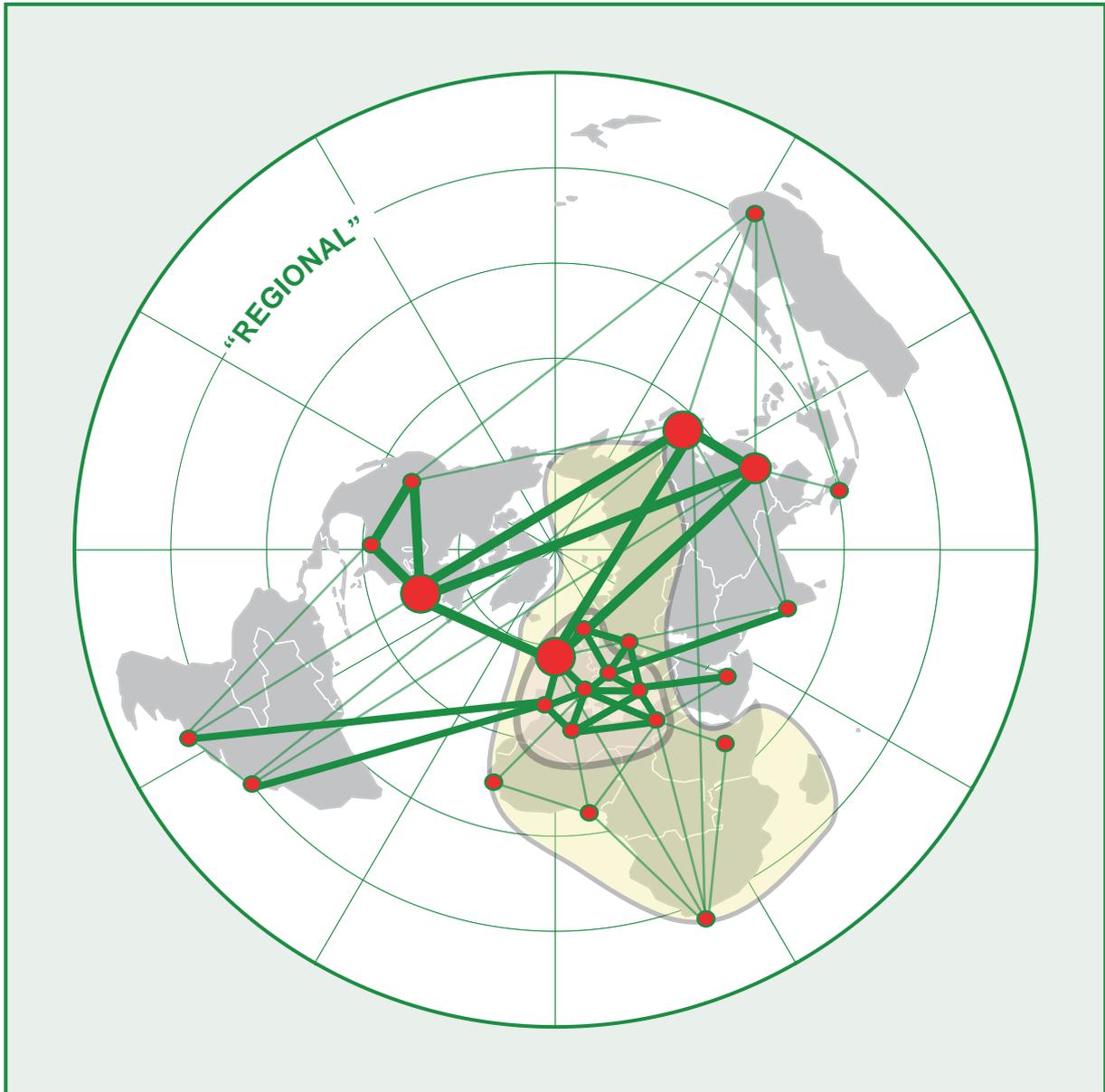
#### **Territorial assets:**

- (i) Major European cities become highly internationalized metropolitan areas
- (ii) Western European countries benefit the most from international metropolises
- (iii) The Western metropolises are most strongly in the global top urban system

#### **Shortcomings:**

- (i) Increase of territorial disparities in Europe
- (ii) Eastern Member States rapidly loose their competitive advantage (rise of costs in their capital cities)
- (iii) Substantial destabilisation of the economy of Mediterranean neighbours (rough 2010 liberalisation)
- (iv) Border situation: toward the "continent" vision

## 2.5 THE “REGIONAL” VISION: a strategic vision of Europe



“World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it. The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance of peaceful relations.[...] The setting up of this powerful productive unit, open to all countries willing to take part and bound ultimately to provide all the member countries with the basic elements of industrial production on the same terms, will lay a true foundation for their economic unification.[...] With increased resources Europe will be able to pursue the achievement of one of its essential tasks, namely, the development of the African continent”.

*R. Schuman, declaration of 9 May 1950*  
Source: *fondation Robert Schuman (www.robert-schuman.org)*

### 2.5.1 Selected evidence

The previous visions were based on relatively simple evidences, generally limited to one or two dominant criteria from both statistical and conceptual points of view. With the "regional" vision of Europe in the World, the reality is assumed to be more complex. When it comes to the delimitation of a so-called "European influence area" in the World, a combination of 18 criteria related to 4 dimensions (accessibility, networks, flows, complementarity, see §1.3.1) has been used. The resulting map shows the geography of the potential "world region" where the European Union could promote a process of integration. This area covers one third of the World's surface, from Russia to Southern Africa, including all Mediterranean countries, but not the Persian Gulf countries neither Central Asia. This means that the notion of large regional area is a strong evidence of the contemporary organization of space.

Despite the growing importance of world wide connections, the strategic advantages of proximity become more important as oil and transportation costs rise. Regional trade agreements have multiplied over the last decade. One of the major characteristics of these processes is that they involve both industrial and developing countries: USA and Mexico, or Japan, China and Asean countries. Deblock & Regnault (2006) say that North and South reconnect themselves, after a long lasting disconnection due to the end of colonialism. Such a reconnection is the reason why UNCTAD now pleads for regionalism (Mashayekhi 2005), seen as a positive interface vis-à-vis globalization.

The scale of world regions has certainly become the best chance for international regulations between developed and developing countries. The need to re-regulate the world economy is an important driving force in response to the excesses of the era of borderless footloose capitalism (Stiglitz 2006). Of course some rules have been implemented at the global scale such as those on trade (WTO). However, the outcome of the WTO's Cancun meeting concerning the Doha round (making development and free trade compatible) and the Millennium Goals, the Kyoto agenda and the difficulties to come to an agreement for a common global legislation on labour or public health, show the current challenges in regulating the wide World.

The regional scale can be seen as more relevant for new international policies, due to the complementarities between the national economies concerned, common environmental stakes (pollution of rivers, seas and air), shared cultural values – or at least an understanding of each other's cultural values –, historical links, migratory flows, and any other assets important in paving the way for win-win cooperation and development.

This is the reason why regional trade agreements have multiplied worldwide in the last fifteen years, and why existing agreements have been re-invigorated with new environmental or social concerns. As demonstrated J.M. Siroën (2000), the debate over the economic benefits of multilateralism and regionalization at world scale is questionable as both forms of integration are in fact complementary. What is really important is not the liberalization of trade (which is not an objective in itself) but rather "the question of defining the scale where public goods and services can be produced the most efficiently according to the cost and the preferences of societies for certain specific characteristics which are often associated with geographical territories." The European reader will easily recognize the principle of subsidiarity here which is the basis for the political

organization of the European Union. The “regional” vision of Europe in the World is a major issue for the Southern Mediterranean countries – all the more so they happen to be actually in the most favourable demographic situation for economic development, with a good proportion of young adults with relatively high life expectancies and a stable fertility rate, which means neither too many children nor too many old persons to look after (§1.3.3). This moment in history where a country reaches its maximum proportion of active population, provides a unique opportunity, both for these countries and for the EU. But these countries absolutely need a strong partnership with Europe to tackle the reforms required by their unemployment rate and lack of transparency. Plus, the various models showing the impact of the climate change are convergent in the Mediterranean area: rain precipitation will diminish from 20% to 40% within 50 years. The southern shore of the Mediterranean will not cope with the dramatic need for water management and soil protection without a very strong European commitment.

Such a regional vision is also at stake when it comes to the relations between EU and Eastern neighbours which were formerly part of the Soviet Union. EU has to tackle there major cross border problems such as water pollution in the Baltic and in the Black Sea, oil and gas supply, border management (traffic, illegal migrations), etc. Concerning oil and gas supply, EU is to intensify its efforts toward a greater cooperation with the countries of Caucasus and Central Asia and not necessarily through the Russian territory. Concerning the pollution of water in the Black Sea, a regional cooperation is also necessary to tackle a problem which is transnational by nature. Besides, countries such as Georgia and Ukraine absolutely need the help of EU to implement an efficient water management; they lack both financial and scientific resources. Moreover, their relations with Russia, without which nothing can be done in such a field in this region, are strained since the colour revolutions. In this context, EU has better relations with Russia and could convince this country to reinforce its commitment in common environmental programmes. On the financial point of view, the current period is certainly the best to launch such programmes because Russia has accumulated huge financial resources thanks to the dramatic increase of prices of natural resources.

### 2.5.2 Main political features

The European countries have a crucial choice to make between two options: (1) to remain a continental integrated area based on homogeneity: gathering comparable countries, with cohesion as the main goal, through a process promoted mainly by States through public policies, a sort of “convergence regionalism”, (2) to build a more ambitious regional entity along with the southern and eastern neighbours: an “in-depth regionalism” gathering unevenly developed countries, with economic growth and environment protection as the main goals, through a process promoted also by firms like in NAFTA or “ASEAN Plus Three”. This second pattern of regionalization provides better economic results than the first one.

Security issues and the fear of terrorism have become the major points of the Barcelona process which was initially based on a much wider vision of a joint economic, social, ecological and cultural development on both sides of the Mediterranean. In the short term, and any moral consideration apart, a “closed-continent” or “centre-periphery” strategy could appear realistic for an

economically declining and ageing Europe. But in fact, constructing an island of prosperity surrounded by oceans of poverty would most probably have tragic consequences in the long run:

- Migration has never been stopped by borders when wealth differentials are greater than 1 to 5 (§1.2.3 and §1.3.1). In such a scenario, the EU would be obliged to invest more and more to control its southern and eastern borders. In a context of limited economic growth, this policy option could imply limiting EU budget allocations to other objectives such as social cohesion, sustainable development or R&D. EU has recently signed agreements with Russia and Ukraine on visa facilitations which might serve as a model for such possible agreements with southern neighbours.
- The developing States of the southern shore of the Mediterranean might not accept to become gatekeepers for the EU against the poorest societies of sub-Saharan Africa. And they could be tempted to develop partnerships with other parts of the World such as the United States (see their Broader Middle East vision) or China, instead of being allied to European Union. Europe would be confronted to competitors in its immediate neighbourhood. Russia is already searching for new partnerships in Eastern Asia and the EU will soon have to face a stronger competition for natural resources in the former Soviet Union with China and Japan. Besides, poor countries such as Ukraine or even Belarus have become major transit countries for illegal migrants trying to enter the EU. They will not be able to tackle such massive flows on the long run and could finally decide to reduce their cooperation with the EU in various fields.
- The social integration of immigrants from the southern shore of the Mediterranean or from countries of the eastern neighbourhood would be profoundly affected by continued limitation on travel and family reunification, multiplying the problems in Europe's inner cities and suburban 'ghettos'. Conversely, tourism flows and the retirement of European people to southern or eastern countries would be affected by the worsening of political relations;
- The identity of the EU could be affected by a climate of fear produced by Europe's isolation. The universal dimension of the European project, its contribution to peace in world and its commitment to the help of developing countries of its neighbourhood – as expressed by R. Schuman in its declaration of 1950 with specific mention of Africa – would then not hold true.

### 2.5.3 Territorial impacts of the regional vision

A broader vision of Europe as a World region has important territorial aspects:

- The European functional region (i.e. the EU members and the strongly integrated countries of the Eastern and Southern neighbourhood) could become a reference in the regulation of agricultural or energy markets. For the latter, this means that the – slow and difficult – regulation of the European gas and electricity market should encompass the southern neighbours, whose facilities are very compatible with those of Western Europe, and some of whom are strategic energy resource providers. For the former (agriculture), this means that the European Union and its integrated neighbours should negotiate a regional set of regulations with the WTO, for example through a regional label for Mediterranean or African

products, maybe even through a regional tariff in order to promote the modernization of agriculture on the southern shore and in the eastern neighbourhood (Ukraine, Caucasian countries, etc) during a period of transition.

- The ENP should manage this transition period in order to prepare the liberalization of the 2010 free trade zone. At that time, either the southern Mediterranean and the eastern countries might have given up free trade agreements with the European Union, and the eastern and southern borders of EU would become a barrier for a long time - the “continent” vision will have won. Or they will have accepted the free trade that the ongoing negotiations are promoting – the “archipelago” or “centre-periphery” vision will have prevailed.
- In both cases, this kind of partnership will be likely to induce destabilization of the South and therefore of the whole functional European region.
- Alternatively, a genuine regional regulation would be implemented. Mobility of the elites, of other workers and students would be promoted, so that the fourth freedom of the ENP, the circulation of people, could ultimately be fulfilled, rather than a brain drain. People from the southern shore and from the states which were formerly parts of the Soviet Union do not necessarily want to migrate to the European Union. Easy opportunities to go to Europe and come back home would appropriately mean mobility rather than migration.
- Useful agreements have been signed by EU members, Estonia or Latvia for example, or by the Commission with some eastern neighbours, but they are probably too much focused on selected professional groups of migrants.

This broad regional vision would potentially have many territorial positive impacts:

- The main one would be the growing prosperity of the peripheral parts of the EU territory, eastward (and not only in capital cities) and mostly southward, that will produce positive feedbacks on EU own prosperity.
- The regional integration of the Western Balkans and Turkey would be facilitated.
- The networking of the Euro-Mediterranean space would give many ports and cities on both shores of the Mediterranean rim the opportunity to function as gateways.
- Many partnerships, such as decentralized cooperation between actors of the North, South and the East, would be facilitated, enhancing mobility, ways of life and work astride the two Mediterranean shores or between Europe and eastern neighbours.
- Visa facilitations for the citizens of the Eastern neighbours would support the development of peripheral regions located in the new member states (Polish Galicia, Slovakian Ruthenia, Romanian Moldova, etc.) whose economies are largely based on fluid relations with their counterparts located in Ukraine, Moldova, Belarus and Russia.
- The role of North Africa as an interface between Europe and sub-Saharan Africa would be fostered. The Maghreb would no longer be a series of buffer States, but a genuine interface. Eastern Europe could become an interface between EU and the former Soviet Union, not only for the management of fluid energy flows but also for the enhancement of fluid back and forth regular or seasonal migration flows.

**Territorial assets:**

- (i) Complementarity between Europe (capital, know how) and its neighbours (markets, labour forces)
- (ii) A regulated relationship (trade agreements but also environment, labour rights, etc.)
- (iii) Europe peripheral territories are boosted in their development
- (iv) The European region becomes a major player in the World
- (v) Maghreb becomes a genuine interface between Africa and Europe
- (vi) Eastern Europe becomes an interface between former Soviet Union and Europe.

**Shortcomings:**

- (i) High political controversy (as Schuman's declaration in 1950)
- (ii) A difficult agreement between EU Member States being in favour either of eastern or of southern neighbours
- (iii) The risk of external conflicts with other world powers having their own interests in avoiding the development of an integrated broader European region.

## CONCLUSION: Europe as a World Region?

### 2.6.1 Benchmarking of the four visions

Each of the three common visions of Europe in the World entails specific advantages but also several territorial shortcomings. None seems to be able to provide a sustainable future to the development of the European territory. The report leads to the idea that it is surely desirable and certainly possible to combine and upgrade them in a fourth integrated vision which could be the most relevant for the European Union. That is what we have tried to do through the pro-active elaboration of the fourth “regional” vision:

- From the centre-periphery pattern, it rejects paternalism and asymmetry as strategies; but this in-depth regionalism vision keeps the complementarities between developed and developing or transition countries, with an in-depth regulated relationship;
- From the archipelago pattern, it rejects the credo that territorial areas no longer matter; but it accepts the openness of borders that would rather be hinges than barriers, since nodes are crucial for the connection of territories – but not at the sole global scale. And it stresses the mobility of people – and not only of capital, goods and services;
- From the continent pattern, it rejects the purely protective aspect, the geographical approach of “natural facts” or “for ever existing civilization areas”; but it accepts the necessity of cohesion – this time enlarged to a wider definition of the region; and it takes account of the need for secure Russian and Arab-Islamic territories – which implies a strong win-win relation between the core and its immediate neighbours (Mediterranean countries, Ukraine, Caucasus countries) and more distant ones (sub-Saharan countries, Central Asia).

The problem about this fourth vision lies in the fact that it is not based on usual mental visions of Europe in the World shared by European citizens and political decision makers. It is therefore difficult to imagine that it could be politically enhanced at the EU level in the near future. Nevertheless, it is interesting to notice that this vision which is apparently not realistic from the immediate political point of view seems to entail huge potential benefits for European development and fits with many evidences presented in the first part of the report : §1.1.4 (the need of the neighbourhood to maintain Europe’s share in global wealth), §1.2.1 (geography of trade), §1.2.3 (migrations) §1.3.1 (Europe area of influence), §1.3.3 (complementarity, undeniable progress of the southern neighbours’ HDI) and §1.3.4 (on the European functional region).

The focus on internal debates of the European Union in the recent period has probably hampered the capacity of EU members to develop strategic plans at a world scale. It is therefore of high interest to examine how Europe appears when it is “seen from outside”<sup>1</sup>. For a North American observer, the four visions described in the present report are all relevant and they could be easily transposed to the context of United States of America (see. Box 1).

<sup>1</sup> “Europe seen from outside” is a research topic proposed in the 7th Framework Program (SSH-2007-8.4.3.1).

### Box 1: An american outlook on four visions

What initially attracted me to European efforts at spatial planning and territorial cohesion was the very continental scope of the project, and the potential for analogous policy development in the United States. If Europe could plan strategically across national borders, could not the United States—one country, after all—establish a national framework for planning across our (sub-national) state boundaries? Now the continued efficacy of the continental vision is being called into question, and it is worth considering what this might suggest for a vision of the United States in the world.

The “continental” vision described in this paper fits the U.S. insofar as strategies to occupy and secure an expansive territory have been national priorities since at least Jefferson’s Louisiana Purchase of 1803, which doubled the land area of the country. By 1845, in urging the annexation of Texas, John L. O’Sullivan had declared America’s “manifest destiny to overspread the continent.” But does the U.S. share the insular tendencies of the type? We do remember Jefferson’s proscription on “entangling alliances,” but even with periods of isolationism, most notably following World War I, it is safe to say that few would characterize the country as a “Giant Switzerland.”

The “centre-periphery” vision brings to mind the North American Free Trade Agreement (NAFTA) between the U.S., Canada, and Mexico. While facilitating commerce, NAFTA can be seen as belonging to an asymmetrical, North/South system of the type that Europe is urged by this paper to reject, with renewed emphasis of late on anti-immigration policies, concretized in a new wall being built on the border with Mexico.

The “archipelago” vision is present in the U.S. as well, although increasingly in its negative manifestation, as anti-globalization impulses aroused by the outsourcing of jobs to India and Chinese imports come into play. It remains to be seen to what degree fear of terrorism will ultimately affect the openness of our borders.

Is it possible to contemplate a new North/South “regional” vision for the U.S., a hemispheric “neighborhood?” Arguing in favor is DR CAFTA, the trade agreement with Central America and the Dominican Republic, which became law in the U.S. in 2005. U.S. exports to these countries today are modest, but on a par with those to France and Italy. Contrariwise, the Free Trade Area of the Americas (FTAA), involving 34 governments, appears to be going nowhere fast. Finally, where European “neighborliness” may be motivated by the economic challenge of a declining population, Americans can look forward to steady population growth on the same order as the reductions forecast for Europe.

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Even if the fourth vision has to be improved and consolidated by further researches, it seems possible to derive from it some concrete and practical recommendations for EU policies, enhancing synergies by crossing internal and external policies.

## 2.6.2 Four principles of actions to complement the current ENP

Throughout its Action Plans with each neighbouring partner, the ENP promotes the “four freedoms”: the free movement of goods; the free movement of services and freedom of establishment; the free movement of persons (and citizenship), including free movement of workers; the free movement of capital). As explained, they are necessary but not sufficient. Four principles of common action have to be added to this motto with reference to the visions discussed:

- The solidarity with the eastern neighbours and with the southern shore of the Mediterranean (and over a longer time period with sub-Saharan Africa) in order to prevent any outburst of social unrest: aid for the building of dwellings and for setting up basic services where they are lacking (South); aid to manage a transition for the rural space in order to avoid the dramatic consequences that a crude liberalisation of agricultural trade could have on migrations (South and East). Several European policies should be expanded into partner countries: the EU Rural Development Policy could be extended to the neighbourhood providing essential services, improving competitiveness, protecting the environment and introducing locally based bottom-up approaches (for instance a “Leader Med” has already been prepared by the EU and the Arab countries). Combining the CAP and the ENP would certainly be the best way to avoid a rapid decline of the CAP, whose legitimacy is at stake. Last, the extension of some instruments of the Regional Policy, as it is proposed to the official candidate by the recent regulation of the Pre accession instrument, could also concern southern and eastern neighbours. This would be a relevant way to take more consideration of the strong interaction that already exist between the regions of the member states and those located in third countries in the functional neighbourhood.

The example of Turkey shows that the neighbouring countries can actively adopt the philosophy and methods of European territorial policies when there is a European commitment. This commitment consists in money of course, but essentially in methods and political involvement. Indeed, there is a lot of financial resources for investment inside these countries; every year, billions of Euros cross the Mediterranean to be invested in Europe since there are no local reliable opportunities in the South. The ongoing project of a common regional financial space could settle the conditions for secured and reliable investments in the neighbourhood. The Persian Gulf could appear in this scheme as a complementary partner rather than a competitor of the European investments.

- The creation of meshing networks over the broader regional territory: the development of banking services connecting EU and its eastern and southern neighbourhoods, integrated transport, telecom, postal and electricity networks, a well-connected cross border urban system, and compatible patterns of higher education's degrees in order to promote mobility. The related European policies here are the TENs which have begun to be studied at a regional scale (see for instance the EIB working group on Euromed transport and logistics). The Bologna process is at stake too, as the recent Tarragona Declaration by the Universities willing to actually create the Euromed higher education & research space shows; why could not the common research and higher education space decided between EU and Russia in 2003, be extended to the eastern neighbours? Other common policies should take a regional path, namely the regulation of gas and electricity markets - discussions on those topics have begun in 2003 between the EU and the Mediterranean partner countries; such

discussion have also begun with eastern neighbours.

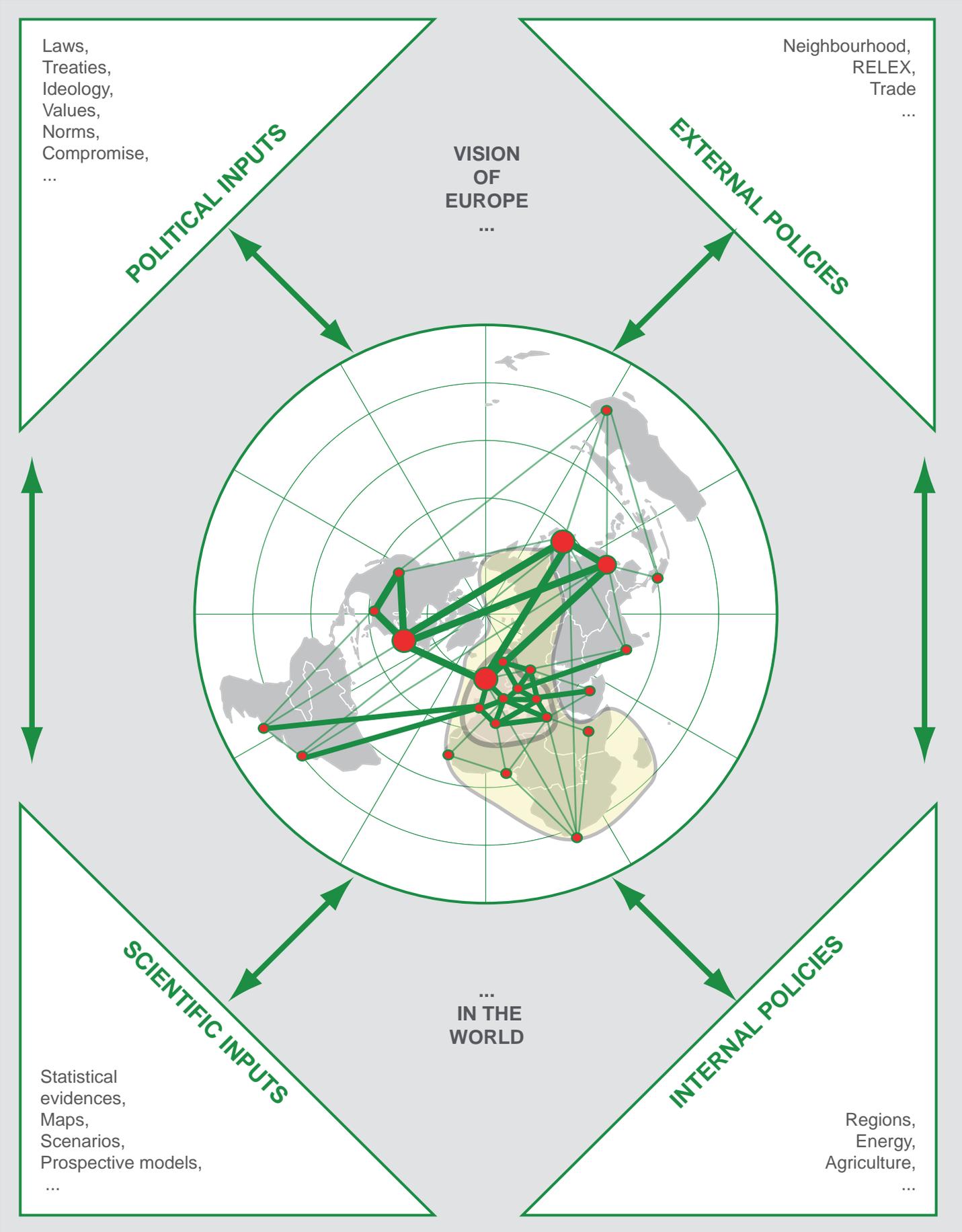
- The economic complementarity between developed countries, and emerging, developing or transition countries: a better sharing of the value chain in agriculture and manufacturing or services, like what is developing within East Asia and North America; cross investments between firms of the “North” and the “South” in order to restore enduring mutual confidence; encouragement of cross direct investments between EU and CIS economies, especially in Russia where strong barriers still exist. No European policy is involved here, since this concerns firms. But the EU should have a main role to play in promoting this industrial cooperation as a key component of the Lisbon Strategy. The EU should say clearly that, if Europe wants to cope with the USA and Japan, it has to embrace the broader regionalism that helps them to surpass us.
- The common interest in regional public goods: promotion of democracy, promotion of knowledge (which supposes an ambitious partnership in the academic and teacher training fields), common agreement to promote regional regulation and tariffs vis-à-vis the WTO and the World Bank, the fight against air and sea pollution. In the framework of the European Sustainable Strategy launched in 2004, the EU has launched common actions in the field of environment (for instance the “2020 Horizon” for the de-pollution of the Mediterranean coordinates the various plans developed by bordering countries, UNEP and the Global Environment Fund; the stake is the same for the Black Sea). The overall stake here concerns the negotiations with WTO and the way the EU would consider the broader region as its referential area.

### 2.6.3 The need for crossing internal and external policies

The visions also suggest to expand European policies at a broader regional scale and to link economic and territorial concerns:

- Efficient local territories are nowadays a genuine factor of production. By enhancing the local dimension of ENP projects, the EU could more easily monitor the implementation of projects and make regular evaluations, using a similar method to that used in the framework of the European Regional Policy.
- Many social issues in the South and East cannot be dealt with without taking the local territories into account, be it in rural areas or in informal urban suburbs;
- The promotion of local actors is a key way of democratizing the southern and eastern neighbours. The promotion of local projects is a mean to encourage decentralization in neighbouring countries. Although expectations of immediate political changes are unrealistic, the initiation of such a process could, ultimately, improve their development and the efficiency of cross-border cooperation programs. Decentralized cooperation and cooperation between NGOs from both shores of the Mediterranean are the best way to build an in-depth regionalism. Such involvement of the NGO and of the civil society is necessary to enhance the territorial cooperation with Russia and Belarus where the local authorities, because of a high degree of political centralisation, lack administrative competencies and financial resources. Last but not least, there is the need for coordinating these various territorial actions, be it at the local or at the sub-regional (Mediterranean, Black Sea, Baltic Sea, etc.) levels.

**Figure 41: The crucial role of visions of Europe in the world for internal and external policies**



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European Union's methods for local development have proven efficient; its connection to local actors would facilitate their involvement in the broader region. Its know-how of drawing up overall territorial strategies (such as ESDP) is very useful because the region needs a comprehensive vision of this common territory that certainly neither the bilateral Action Plans nor the ENP's four freedoms provide as such.

One option could be the development of a "Broader Regional Spatial Development Perspective" as it was done a decade ago for the European space. The EU has already evidence available from studies on de-pollution in the Mediterranean, on migratory movements from the South or the East, on Mediterranean agriculture and macro-economics, on official Development Assistance in the East and in the South, on modernising oil and gas networks, on safer nuclear plants in the East, and many more. These studies could be parts of the knowledge base for a comprehensive regional vision of Europe in the World encompassing EU 27 plus the neighbouring countries.

## TABLE OF ABBREVIATIONS AND ACRONYMS

<b>ASEAN</b>	Association of Southeast Asian Nations (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, VietNam).
<b>ASEAN+3</b>	Association of Southeast Asian Nations plus China, Japan and South Korea
<b>CAP</b>	Comores Agriculture Policy
<b>CEEC</b>	Central and Eastern European countries
<b>CEPII</b>	Centre d'Etudes prospectives et d'Information internationales
<b>COMECON</b>	Council for Mutual Economic Assistance
<b>DAC</b>	Development Aid Committee
<b>ENP</b>	European Neighbourhood Policy
<b>EIB</b>	European Investment Bank
<b>EU</b>	European Union
<b>EU25</b>	European Union with 25 members
<b>EU27 + 8</b>	European Union with 27 Members plus Albania, Bosnia & Herzegovina, Croatia, FYR of Macedonia, Serbia & Montenegro, Norway, Switzerland, Turkey.
<b>EU27 + 2</b>	European Union with 27 Members plus Switzerland and Norway
<b>EU27</b>	European Union with 27 Members
<b>ESDP</b>	European Spatial Development Perspective
<b>FDI</b>	Foreign Direct Investments
<b>GDP</b>	Gross Domestic Product
<b>GDP (ppp)</b>	Gross Domestic Product purchasing power parity.
<b>HDI</b>	Human Development Indicators
<b>HDR</b>	Human Development Report
<b>IMF</b>	International Monetary Fund
<b>ISPA</b>	Instrument for Structural Policy for Pre-Accession
<b>ITA</b>	Institut de transport aérien
<b>MERCOSUR</b>	Southern Common Market (Mercado Común del Sur) (Argentina, Brazil, Paraguay, Uruguay, Venezuela).
<b>MERCOSUR+5</b>	Southern Common Market plus Bolivia, Chile, Colombia, Ecuador, and Peru
<b>NAFTA</b>	North American Free Trade Agreement (Canada, United States, Mexico)
<b>NGO</b>	Non Governmental Organisation
<b>NIS</b>	Newly Independent States
<b>NMS</b>	New Member States
<b>NUTS</b>	Nomenclature d'unités territoriales statistiques (nomenclature of territorial units for statistics).
<b>ICAO</b>	International Civil Aviation Organization
<b>OECD</b>	Organisation of Economic Co-operation and Development
<b>PC-TAS</b>	Personal Computer Trade Analysis System
<b>PHARE</b>	Programme of Community aid to the countries of Central and Eastern Europe (Poland & Hungary Action for Restructuring the Economy)
<b>RIATE</b>	Réseau interdisciplinaire pour l'Aménagement du territoire européen
<b>RTA</b>	Regional trade agreement
<b>SAPARD</b>	Pre-accession agricultural instrument (Special Accession Program for Agriculture And Rural Development)
<b>TEN</b>	Trans-European transport Network
<b>UN</b>	United Nations
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNPP</b>	United Nations Population Prospects
<b>UNWTO</b>	United Nations World Tourism Organization
<b>WDI</b>	World Development Indicators
<b>WTO</b>	World Trade Organisation
<b>WUTS</b>	World Unified Territorial System

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# Annex: World Unified Territorial System (WUTS)

A tool for a better evaluation of EU world position



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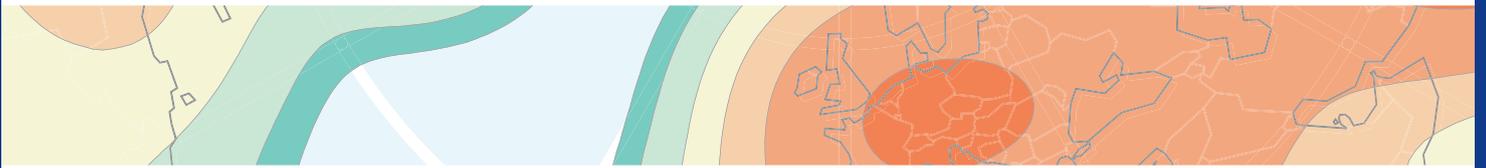
This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

- |   |  |   |
|---|--|---|
|  W111 : Western Europe                   |  W210 : Northern America            |  W311 : Eastern Asia           |
|  W112 : Eastern Europe & Northern Asia   |  W221 : Central America & Caribbean |  W312 : Southern Asia          |
|  W121 : Southern & Eastern Mediterranean |  W222 : Southern America            |  W313 : South Eastern Asia     |
|  W122 : Middle East & Central Asia       |  |  W321 : Western Pacifica       |
|  W131 : Central Africa                   |  |  W322 : South-Western Pacifica |
|  W132 : Eastern Africa                   |  |  W323 : Oceania                |
|  W133 : Western Africa                   |  |   |
|  W134 : Southern Africa                  |  |   |

For complete explanation of the WUTS, see UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, pp. 90-109

*“The major difficulty here to synthesis of this result which took the form of a hierarchy of world divisions in regions of different sizes within the context of the WUTS system. As in the case of the internal division of the European territory via the NUTS system, the WUTS system elaborated here is not perfect and should certainly be improved in the future. The added value generated by the WUTS system for ESPON project Europe in the World lies in the provision of the multi-scalar analysis of the situation of Europe in the world at various scales of analysis with harmonised territorial units which have been specifically elaborated in order to fit to European questions (which is not necessarily the case with the regions of the world elaborated by UN agencies) much easier”.*

UMS RIATE/ESPON 3.4.1, 2006, Vol. 1, p. 102



[www.espon.eu](http://www.espon.eu)

In the ESPON programme, an applied research project was carried out in order to contribute to the understanding of the place and role “Europe in the World”. This project focused on strengths, weaknesses, opportunities and threats which European regions and cities are exposed to in the context globalization. The main aim of this report is to inform the European policy makers, practitioners and researchers on the main facts and key findings revealed by the ESPON project “Europe in the World”.

Part 1 is directly based on results of ESPON project 3.4.1 and can be considered as a summary of main discoveries. It includes an overview of 12 key factors concerning structural evidence, dynamics and neighbourhoods of the European Union. The facts and key-findings have made it evident that the global context is increasingly relevant for the territorial development in Europe. At the ESPON seminar on 12-13 November 2007, the Monitoring Committee discussed 4 different perceptions and visions for Europe in the world based on the evidence of Part 1. The visions were all elaborated by the team of researchers behind the ESPON project, exclusively expressing their ideas and considerations. The geopolitical visions are food for thought, innovative and interesting, as they clearly have different territorial impacts on Europe.

Wanting to share the ideas of the researchers with a broad range of stakeholders, it has been decided to include for debate in Part 2 of this report, the 4 visions of Europe in the world. This part was done outside the ESPON project and can be considered as a follow-up study that focuses on the linkages between internal and external policies. It presents the 4 visions of Europe in the World that are based on the evidence provided before. First, three geopolitical perceptions actually discussed in the European debates are addressed. Secondly, a synthetic vision is proposed for debate, which tries to combine the advantages and to avoid the shortcomings of the mainstream perceptions of Europe in the world.

ESPON, i.e. the European Spatial Planning Observation Network, was set up to support policy developments and to build a European scientific community in the field of European territorial development. The main aim of the programme is to increase the knowledge about territorial structures, trends, perspectives and policy impacts in an enlarging European Union. All the applied research projects undertaken within the ESPON programme address the territory of 29 European countries including the 25 Member States of the EU, the two accession countries of Bulgaria and Romania, plus Norway and Switzerland.