

EUROPE'S REGIONAL PROBLEMS AND POLICIES: AN EVALUATION

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All European societies today have made national and regional planning the cornerstone of their economic and social policies, with an increased emphasis on the problems of the underdeveloped regions. The emphasis of these planning policies is on industrialization of underdeveloped regions in their respective countries and decentralization of certain overcentralized administrative and economic activities, especially related to local and regional problems. Basically, these policies aim to even out national growth imbalances. While the centrally planned economies for some years have encouraged highly centralized plans with emphasis on sector and branches, and some territorial features, the actual disaggregation into regional components usually has been disregarded.¹ Most of the national plans of the western countries emphasize only the macro aspects of development, but give special emphasis to individual regional problems, e. g., regional planning for specific regions such as for southern Italy or for selected regions within a country (the emphasis in Spain on development poles, Northern France, the Ruhr), or zones of preferential location for the development of selected regional projects (The United Kingdom, the Federal Republic of Germany and other countries), or, in the case of France, the establishment of targets for private and public investments and employment levels for the agricultural sector, to name only a few of the kinds of regional approaches contemplated and instituted. The often competing regional and sub-regional claims, especially pronounced in the west European countries, and the emergence of numerous local forces are contributing factors forcing governments into the promulgation of regional development schemes, national regional planning policies and a decentralization of various decision-making institutions.² Regional plans today have become indispensable in any policy of economic development, if for no other reason that they counteract the centripetal forces which may exist in different parts of a national territory. To a certain amount this is true in both East and West European countries.

¹ Bohdan J. Gruchman, »Recent Contributions to the Study of Regional Inequalities in the Socialist Countries of Middle Eastern Europe«, in *Proceedings of the Commission on Regional Aspects of Development of the International Geographical Union*, vol. I, Methodology and Case Studies, edited by S. Thoman, pp. 79—92.

² John Pinder, »Economic Growth, Social Justice, and Political Reform.« in Richard Mayne, editor. *Europe Tomorrow*. London: Chatham House: PEP, Fontana/Collins, 1972, pp. 275—282.

Regional policies have undergone drastic changes in the postwar period, from a piecemeal approach to physical planning to comprehensive planning objectives. Today a broad spectrum of political, social and environmental, as well as economic implications are recognized. The main aims of regional policies is concerned with the overall economic and social growth and specifically is aimed to underdeveloped areas (sometimes called 'lagging') and also does promote a more balanced spatial economic development by encouraging and even subsidizing the movement of capital to areas of low wages or high unemployment. At the same time an effort is being made to encourage investment of local capital in these underdeveloped areas instead of in more advanced regions. Obviously, the aims will differ from country to country and even among the different regions within a country and will depend on the »size and importance of inter-regional disparities.«

In general, it can be said that the centrally planned economies have gone furthest in their national planning in recognizing its political, economic and social implications. West European countries have slowly changed their objectives, with their emphasis on regional planning rather than on the all encompassing national plans. They have more limited policy objectives. France, the United Kingdom, The Netherlands and the Scandinavian countries concentrate on a broader regional policy with more widely embracing objectives, though progress toward giving their regions a greater fiscal capacity to be more independent has been very slow. The Federal Republic of Germany, Austria and Switzerland with their Federal structure of government have more limited objectives. In some countries planning has concentrated in a limited area, at individual growth centers where maximum assistance is received, e. g., Spain, Yugoslavia, Greece, and Norway with the last giving much emphasis to local project planning. Regional planning in the western countries generally emphasized a more concentrated location of manufacturing industries (based on accessibility to markets, availability of raw materials and fuels, etc.), while in the more distant underdeveloped areas various types of agriculture, light industries (Scotland here is a good example) and or if suitable tourism is to be encouraged. The latter, during the 1960's and the early part of the 1970's has left a growing impact on numerous otherwise underdeveloped areas and has brought prosperity to many coastal areas and mountainous wintersport regions (developments in Yugoslavia offer a good example). New technological developments also have had both a positive and negative impact on regional developments, e. g., new coastal locations for manufacturing industries which consume much raw material and new ports for supertankers, to mention only a few.

Regional policies are implemented by a variety of measures such as stimuli to industrial expansion in certain areas, or by restricting expansion elsewhere; infrastructure developments; occupational training, housing and welfare — all intended for the improvement of occupational mobility of people living in underdeveloped areas. A combination of most or and of these measures is used by nearly all European governments. Individual measures serve specific problem areas. All sorts of financial incentives also are used to attract private industry to some of the underdeveloped regions, e. g., loan guarantees (especially emphasized in Norway and Denmark), cheap finance (Belgium and Britain), grants (Sweden, Britain, The Netherlands, The Federal Republic of Germany, France), advantageous tax treatments for investments in backward areas or employment premiums (Britain).

Regional planning policies vary fundamentally between the centrally planned economies of the social societies of Eastern Europe (Yugoslavia has a different system) and the market oriented economies of the western societies. While the planning system of the centrally planned economies vary little between the individual countries (basically it follows the Soviet model), regional planning in the western countries differs widely among the individual countries. The approach to regional planning in these countries is primarily economic and is closely related to the nature of the institutional structure which is largely due to historical, social and ethnic factors; centralization or the absence thereof, and the structure of local government which places constraints on regional development policies. In the western countries we must distinguish between countries with a decentralized administrative structure at the regional level (the Federal Republic of Germany, most of the Scandinavian countries, Austria and Switzerland), and countries with centralized institutions with France being the model among the western societies (among other countries are Greece, the United Kingdom, Spain). Belgium and Italy have recently made great strides in modifying their centralized institutions and therefore must be located somewhere between the two basic structures.

To enable the reader to relate the type of regional emphasis in the different west European countries, the categorization established by the European Community (Common Market) is cited, not as a guide for every regional problem, but as an example of the type of regional problem most commonly found: (1) declining agricultural areas (consisting of several sub-types), (2) older industrial regions and politically isolated areas such as frontier regions (for example the German East-West zonal region). Mention should here be made of the permanent working party on European Frontier Regions organized in Bonn with the support of the European Community specifically giving attention to the so-called **Eur-Regions**: Dutch-German, the various transfrontier associations for the Upper-Rhine, the Saar-Lorraine-Luxembourg and Franco-Belgium border regions; peripheral regions and dominantly rural regions, e. g., North-Noreay (three provinces of Nordland, Troms and Finnmark) lying almost wholly to the north of the Arctic circle; western Eire, Corsica; (3) the European Community also refers to the problems of regions of over-concentration and development, but with the urgent necessity of giving attention to the problems of the underdeveloped regions, little action in addition to recognition of this problem has been undertaken. The problems of the agriculturally depressed areas (southern Italy, most of Ireland, southwest and parts of western France, in hilly and mountainous areas, particularly some in higher altitudes in Austria and Switzerland)³ and the industrially declining and stagnating areas (particularly obvious in Britain, the Borinage of Belgium, Northern France, Limburg province in The Netherlands) include the most pressing regional problems in the west European countries.

Regional imbalances are as old as the land itself. Various physical factors have accentuated regional economic diversity throughout Europe's history. During periods of agrarian economy, men settled and prospered in the most advantageous agricultural regions. During initial industrialization, and until the

³ European Communities, Division for Agricultural Information, Directorate-General for Agriculture, *The European Community and Hill Farming (and Farming in Certain other Less-Favoured Areas)*. Directive adopted by the Council. X(109)74-E. March, 1974.

mid-century, economies of Europe with their associated population concentrations primarily developed near certain natural resources or transportation routes and key nodal points. The consequences of industrialization of formerly agrarian economies — the greatly increased demand for industrial and service labor together with technological advances in agriculture have created a sizeable surplus labor force which has been released from agriculture and is unable to find local employment opportunities and this contributes to important regional inequalities, especially in marginal agricultural areas. The important technological changes in every sector of human activities, have left their impact in the older industrial regions with an overdependence on declining sectors and this is especially true in the countries of Western Europe, e. g., the Ruhr and Saar coal regions, textile centers in Münster, München-Gladbach; the Sambre-Meuse coalfields and mining centers in the Campine in Belgium; coalfields of Centre-Midi (Loire, Cévennes, Auvergne); the iron mining and steel centers of Lorraine, certain regions around ports such as Saint-Nazaire; the large textile centers of Nord France and Vosges; the peat producing centers of Drenthe and the coal centers of Limburg in southeastern Netherlands; the cotton towns of Lancashire, the coal fields of South Wales, the North-East and Scotland, the shipbuilding centers of the Nord-East and Northwest England and the smaller ports of Wales, southwest and eastern Scotland; some localized shipbuilding and mining centers in Italy. Obviously the degree of the decline varies within each region and from place to place in any one region.

These changes also left their impact on a type of urban depressed region which is especially noticeable in certain areas of Britain, Belgium and northern France. Traditional locational principles for most of the manufacturing industries underwent radical changes in the postwar period due to the diversification of available energy sources, the ease of their transport, and less dependence upon the traditional location of mineral and energy resources. All of this resulted in a spread of locational possibilities for a variety of production and had an impact again on the spatial distribution of economic activities. The infusion of sizeable investments in the early postwar period in older prewar industrial establishments also contributed to increased regional imbalances and inequalities which exist today within nearly every European country.

Regional inequalities are expressed in numerous ways: in excessive concentrations of people in and around particular towns and cities resulting in overcrowding and uncontrolled urban growth in a few parts of the country or sometimes dominating the whole country, e. g., Paris, London, Vienna, Copenhagen, Sofia, Budapest; in growth concentrated in a few centers or areas, often referred to as growth poles, growth centers, or core regions. Such growth centers can be found in nearly every European country. Imbalances are also created by backward or depressed areas relying on an obsolete agrarian structure, by chronic unemployment and a continuous out-migration,⁴ e. g., from the Italian Mezzogiorno, the Highlands of Scotland, the Massif Central of France, the Dinaric mountain ranges of Yugoslavia and especially the hinterland of its Adriatic littoral; the earlier mentioned declining or stagnating industries,

⁴ For an excellent discussion of this problem in nine West European countries see the study edited by Niles M. Hansen, *Public Policy and Regional Economic Development. The Experience of Nine Western Countries*. Cambridge, Mass.: Ballinger Publishing Company, 1974. See also the various books in the series entitled «Problem Regions of Europe,» edited by D. I. Scargill, Oxford University Press.

reconversion areas such as those brought about by the coal crisis of the 1960's or industrial locational changes brought about by changing fuel and raw material requirements; changes in the location of some manufacturing industries from older industrial areas to both advantageously located coastal regions⁵ and a greater spread through the countryside as in southern Germany. Mention also must be made of the impact of physical factors restricting development, e. g., those of climate, especially in the Northern European countries, bringing about a low population density.

It is clear that economic activities started at certain centers or points and have thus generated other activities by a multiplier effect. Such a development has been true especially of those countries which have centrally planned economies or among those countries of Western Europe with a *de facto* planning program — examples of the latter perhaps are The Netherlands and Sweden, largely because both are rather homogeneous and relatively small, and perhaps also Spain. While regional differences in the larger all-European context have been decreasing due to the greatly increased mobility of the population and the general expansion and spread of economic activities in the postwar period, regional inequalities and their impact within most individual national states have not greatly changed and in some countries (Britain and France) have become more pronounced both in terms of size and political impact.

It is obvious that in Europe's future social, economic and political development, the problem of regional inequalities will receive more attention both nationally and internationally. All west European countries have some type of regional development program, emphasizing a more balanced distribution of spatial activities. At the same time it must be pointed out that regional policies are undergoing rapid changes in all European countries.

⁵ C. Clark, et al.: »Industrial location and economic potential in Western Europe,« *Regional Studies*, vol. 3 (September, 1969), pp. 197—212. Also Douglas K. Fleming, »Coastal Steelworks in the Common Market Countries,« *The Geographical Review*, LVII (1967), pp. 48—71.

The literature on regional planning and policies is a sizeable one. Only few items are mentioned: European Coordination Center for Research and Documentation in the Social Sciences, *Les déséquilibres régionaux en Europe*. Backward Areas in industrialized countries. Bruxelles, 1968; A. Emanuel, *Issues of Regional Politics*. O. E. C. D. September, 1973; E. A. G. Robinson, editor, *Backward Areas in Advanced Countries*. New York, 1969; O. E. C. D., *The Regional factor in economic development*. Policies in Fifteen industrialized OECD countries. July, 1969; Kosta Mihailović, *Regional Development Experiences and Prospects in Eastern Europe*. Mouton, 1972, and George W. Hoffman, *Regional Development Strategy in Southeast Europe. A Comparative Analysis of Albania, Bulgaria, Greece Romania and Yugoslavia*. Praeger Publishers, second printing, 1974; Commission of the European Communities, *Report on the Regional Problems in the Enlarged Community*. Brussels, May 3, 1974.

PROCJENA EVROPSKIH REGIONALNIH PROBLEMA PROSTORNOG PLANIRANJA

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U svim evropskim državama bez obzira na njihov ekonomsko-politički sistem i vanjsko-politički orijentaciju, razvile su poslije drugog svjetskog rata planerske institucije. Težište njihovog rada u većini zemalja bilo je na pronalazenju odgovarajućih mjera ekonomske politike pomoću kojih bi se potakao razvoj nedovoljno razvijenih regija, a u okviru cjelokupnog razvoja tih zemalja. Autor daje pregled najpoznatijih prostorno-planerskih koncepcija različitih evropskih zemalja.

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