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# European Spatial Development, the Polycentric EU Capital, and Eastern Enlargement

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#### **Abstract:**

Over five decades a new decentralized model for the European capital city has emerged through the distribution of European Union (EU) institutions and agencies, but as the result of national compromise and competition rather than the implementation of a vision of Europe. More than a purely administrative issue, the location of EU headquarters opens questions on the nature of European spatiality, the relation between politics and space and the role of headquarters cities in that space. To date, the decentralized unplanned structure has brought economic and symbolic benefits to the host cities and nations, but has also caused—notably in Brussels—the destruction of neighbourhoods and increased socio-economic disparities. This article argues that, given the particular history and structure

of the EU and the Eastern enlargement of 2004, a deliberate polycentric headquarters policy is necessary: to balance competition and collaboration among host cities, to tie the political EU capitals into larger economic network of cities, and to align it with polycentricity stipulated by the European Spatial Development Perspective (ESDP). Such a policy would contribute to the emergence of a postnational European space, promote European identity and synergy, and facilitate the integration of cities and citizens in Eastern Europe into the EU.

The coming together of Europe in the post-World War II period has led to increased collaboration on political, economic, social, and cultural levels and to the emergence of new postnational, cross-border European spatialities that need to be identified and analyzed. A distinctly European spatial issue, and one that provides insight into the struggles between European authorities and between competing national and local interests, is the location of headquarters for EU-policy and decision-making institutions—(notably the main Community institutions, the Commission, Council, and Parliament)—and for European agencies, (bodies governed by European public law, created to accomplish specific technical, scientific or managerial tasks defined in Community acts).

Since the Second World War, politicians and observers alike have dreamt of a future single and monumental European capital city. But wrangling among member states about the physical location of these institutions and agencies, because of their economic, political, and symbolic importance, has led to the existence of multiple headquarters, with three locations for the main EU institutions--Brussels, Strasbourg and Luxembourg--and about twenty other cities hosting agencies (Hein, 2004). Thus far the "design" of the EU headquarters is the result of national compromises and local economic initiatives rather than European visions. This article argues that the location of EU headquarters is not just an administrative issue, similar to that of the selection of a major company seat, but a topic intimately related to European symbolism and identity building. As a direct application of EU policies and principles on the ground, involving the interaction among EU institutions, national governments, local authorities and citizens, the locations and forms of the EU capital reflect

the ongoing redefinition of the EU's political, economic, social and physical space beyond national borders. Moreover, decisions about the capital test the EU's cohesion policy and its ability and willingness to mitigate economic forces that aim at socio-economic segregation. And decisions about the capital mark the EU's capacity to positively interact with European citizens, in the headquarters cities and beyond.

Through the selection of multiple headquarters, this article argues, the EU has developed a new polycentric capital form, raising a broader array of questions: What is the meaning of polycentricity in the EU and who promotes it? What is a polycentric capital and what are the relations between the various cities hosting EU institutions and agencies? Does the polycentric capital transcend national powers or does it reinforce them? Is the current polycentricity just a temporary status or is it the way towards a definitive solution? Does the polycentric capital concept help or complicate Eastern enlargement? Will it increase competitiveness or can it actually promote the cohesion strategy, balance socio-economic development, and increase the involvement of citizens?

In order to respond to these questions, this article first investigates the concept of polycentricity as it has developed in the EU and as the European Spatial Development Perspective (ESDP) propagates it. Following a brief history of the polycentric EU capital, it then analyses the applicability of this term to the capitals of the EU, defining and analyzing the relationships among them. Finally, the essay examines how the polycentric structure allows for the integration into the EU of cities in new member states. The essay argues in conclusion that a deliberate polycentric policy may balance competition among the EU capitals and with all other European cities, mitigate economic forces, and help establish a postnational European space, providing a solution to promote European identity and synergy and facilitate enlargement.

The emergence of polycentricity and the European Spatial Development Perspective

The Single European Act of 1986, which prepared for the advent of the European Union (EU) in 1992, laid the basis for the so-called cohesion policy aimed at a balanced and

sustainable development in all parts of the EU to be achieved through policy means, as well as improved life quality for all citizens (Rumford, 2000). These positive aspects of the cohesion policy would offset the burden that its single market would create for less favoured regions (Forget, 1979, Romus, 1990, Faludi, 2002, Martin and Robert, 2002, Jensen and Richardson, 2004). Based on this concept, the recent European Spatial Development Perspective (ESDP), approved by the ministers of the members of the European Union in 1999, promotes interconnected transportation and communications infrastructure, transnational collaboration, and the development of cultural and natural heritage as part of a balanced, polycentric system of towns and cities. The goal was to encourage each locality in the pursuit of its specific objectives and to create specialized centres across the EU (Kunzmann and Wegener, 1991, Faludi, 2000, Faludi, 2002, Waterhout, 2002, Faludi, 2004, Jensen and Richardson, 2004).

The ESDP is one example of the EU concretely addressing issues of spatial development, and of the territorialization of the EU's rather abstract functions. Although the programs established by the EU offer general guidelines for a balanced and environmentally aware approach to spatial planning, they include no active planning policy. At present, any intervention by the EU is limited to stimulating local projects. It is left to cities and (particularly in the case of capital cities) their respective national governments to initiate projects, to use their geographical and infrastructural positions to develop their economies, and to promote themselves by attaching Europe to their names. Hosting EU agencies or activities is so far largely a means of increasing the economic potential of a city.

The rapidly growing literature on polycentricity in the EU has tackled a variety of issues surrounding the ESDP: the development of super-regions (Nadin, 2002, Zonneveld, 2005), the various EU-sponsored so-called INTERREG programs aimed at promoting transnational cooperation (Faludi, 2000, Pedrazzini, 2005), issues of city networking (Globalization and World Cities Study Group and Network), and the place of European cities in the global economy.

The question of how locations for EU headquarters are selected and how these institutions are integrated into specific cities has not been discussed in the context of the polycentricity debate. Yet the location and design of a capital offers an excellent example of

an emerging new EU spatiality and of the interaction among multiple layers of European policy making—European, national, regional and local authorities—as well as private stakeholders and citizens on spatial issues. — These decisions are thus a concrete part of the creation of a postnational Europe.

Creation of a postnational European space and its capital

From 1952, with the establishment of the first European community, the European Coal and Steel Community (ECSC), until 1992, the EU opted for three temporary headquarters for its main institutions while postponing a definitive solution to the location question. Faced with the impossibility of obtaining a unanimous agreement on the site of a capital city, the EU made the three temporary headquarters permanent with the Edinburgh decision of 1992. Indeed, since the 1990s the EU has broadened the number of host cities to more than twenty by establishing new decentralized agencies on the periphery of its territory.

Figure 1 shows that EU headquarters functions are spread out over Europe, with the central location of the three main headquarters offset by the decentralization of many smaller agencies. As a result, a European space beyond national borders is emerging. The EU presence is strongest in Brussels, which in 2005 hosted about 27,000 of the more than 34,000 permanent employees and 2,092 temporary workers.<sup>i</sup>. While most agencies have only a few hundred employees, some host up to 2500 workers; the European Central Bank (ECB) in Frankfurt, alone employs almost half as many people as the EU does in all of Luxembourg, for example. The desire to disperse these agencies throughout the member states and away from the EU core area, although never expressed as policy or embodied in site selection procedures, is clearly visible on the ground. They are spread unevenly across countries: Spain, for example, hosts three agencies, whereas Sweden and Finland host none. This discrepancy may be related to the size of the population in each country

So far, national expectations have strongly influenced the location of agencies a straightforward and open policy on the distribution of headquarters or on competitions for their location does not exist. The continuously strong national interests in the making of a

European space are also evidenced in the selection of cities for the Capitals of Culture program through which, since its inception in 1985, one or more European cities have been selected as "cultural capitals" to offer activities celebrating a multifaceted European identity. The Capital of Culture function rotates among member states. Following changes in 1999 (Decision 1419/1999/EC), the Council of the EU now makes the decision, taking into account the views of an independent jury of experts in the culture sector. The dominance of national interests in the selection of European headquarters continues, as evidenced in the location in national capitals of the so-called Houses of Europe, representations of the Commission, and the Parliament.

Despite the continuously strong presence of national interest in the making of a European space, this article argues that the EU is effectively building a capital spread out over multiple locations, what I call a polycentric capital. The selection of EU headquarters is much more than a bureaucratic, national decision and the term 'seat' used by EU institutions for their headquarters does not appropriately reflect their function. The term and concept of a 'seat' does not take into account the political and cultural dimensions of the emerging European Union. It limits the space of representation to primarily private and architectural elements that can be easily displaced or split between various locations and is typical for the physical representation of major companies and international institutions. The concept of the 'capital' on the contrary relates to multiple elements within and beyond the government zone. Not only political and administrative buildings—the headquarters—but also cultural and leisure functions and urban and built forms beyond the government zone throughout the host area contribute to the creation of a capital. Even though spatial policy is still largely in the hands of national governments, the EU—both as a major policy-making institution, and through its concrete presence in host cities—sets examples for buildings and urban interventions as well as for citizen interaction.

For this article, all EU institutions and agencies as well as highly symbolic events—including itinerant ones such as the Capital of Culture programme—are thus perceived as being part of the capital. The term capital city is, however, handicapped by the dominant imagery of a capital city as built and conceived in the nineteenth century for strong nation states. Paris, with its national museums, theatres, operas, public spaces, and

monuments, is the most eloquent example of such a national capital, but its close association with national interests makes it least appropriate in the context of an emerging EU. Because the EU is based on nation-states, and because numerous European cities are willing to host the EU are too small to house the entire institution without risking their identities, the emergence of multiple headquarters without common forms makes sense.

The current location of EU organs is primarily the result of national lobbying and local considerations, which treat the European presence as an opportunity for urban economic development and city marketing. A different facet of Europe is being built in each of the European headquarters, depending on local, regional, and national land use and planning policies. Economic interests and public-private collaboration with minimal citizen participation have characterized the construction of some headquarters buildings, most notably in Brussels. In contrast, Luxembourg and Strasbourg have made attempts at improving the quality of the built and urban environment and the life of citizens in the last fifteen years, and Frankfurt is using the construction of the European Central Bank (ECB) to revitalize the former wholesale market site (Hein 2004).

The current dispersed, opportunistic European capital clearly differs from the national capitals of the EU in its regional integration and urban governance, but it may be an appropriate form for the new political structure of the EU (Hooghe and Marks, 2001). Assuming that the EU will eventually have a capital and not a seat, that the current host cities and nations will not permit resident institutions to leave, and that multiple locations will be acknowledged as helping to promote the emergence of European synergy and identity, the EU may develop the current decentralized form into a deliberate polycentric capital policy, aimed at balancing competition and collaboration—both among the host cities as well as between them and other European cities. On a par with the innovative character of the European Union itself, the polycentric EU capital would highlight the multilayered structure of European governance, the interaction of Europeanization and globalization with national and local structures, and allow for the involvement of citizens in the construction of European symbolism and place identity through its capitals (Hague and Jenkins, 2005).

### Polycentricity on the European scale

The decentralization of EU headquarters occurs at the same time as a growing political, bureaucratic, and academic awareness and interest in spatial European networks. Although the term polycentricity has as yet no agreed—upon definition, it is widely used in policy papers, notably in the context of the European Spatial Development Perspective (ESDP). Generally, polycentricity can be defined as a settlement pattern with multiple centres or nodes rather than a single, dominant metropolis. This vague definition invites further investigation of its territorial scale, and the form and quality of interaction among its nodes.

Whether it is called this or not, polycentricity has a long history in Europe, and connectivity between cities in Europe continues to be higher than in the U.S. (Taylor, 2003). Definitions and perceptions of polycentricity have changed over time, but historic networks continue to influence current structures. Historic cross-border collaborations in Europe, developed between trading cities such as the Hanseatic cities (Bourdeau-Lepage and Huriot, accessed 2005/4/28), continue to be cultural, technological, social, political, and economic exchanges, including such concrete manifestations as interconnected transport and communication infrastructures. a. Today, some European states, notably Germany, have a well-established network of cities, each with its own specialization. For the purpose of this analysis, then, it is essential to define the term precisely.

The planner Simin Davoudi points out that practioners and scholars apply the term polycentricity to very different scales: (a) within individual cities, to designate multiple subcentres, in contrast to monocentric development; (b) multiple centres within one region (Polycentric Urban Regions); and (c) on the European level, as a less hierarchical alternative to the concept of core and periphery (Davoudi, 2002). The first definition is often discussed under the term decentralization. The second definition is currently getting more attention (Bailey and Turok, 2001, Krätke, 2001, Parr, 2003, Turok and Bailey, 2004, Meijers, 2005, Zonneveld, 2005) and some of the analytical tools developed in that context can be applied to the third meaning that is at the heart of the current investigation.

Defining the scale of a polycentric space does not fully capture the meaning of the term; the relationship between the cities and regions involved also needs to be examined. Evert Meijers (2005) from the Technische Universteit Delft, writing on Polycentric Urban Regions (PURs), differentiates two types of networks: club types, where actors have a common objective (for example, a tennis club) based on horizontal synergy; and web types, where each actor pursues a different activity (for example, a chain of businesses) and their interaction is based on vertical synergy (Meijers, 2005). As Meijers points out, on the European scale we find horizontal networks among cities of similar type: for example, port cities, industrial cities, and tourist centres pursue the same interests and profit from common marketing. Formal structures exist for some of these horizontal networks (Meijers 2005, 769): EUROCITIES fosters networking among approximately one hundred European cities both within and outside of the current EU and aims to draw EU attention to urban issues; POLIS, with 65 cities and regions from 18 countries, seeks to solve urban transportation and environmental problems through innovative technologies and policies; and ENERGIE-CITÉS, which consists of more than one hundred European municipalities, intermunicipal groups, and local agencies, develops local initiatives for energy management, the use of renewable energy, and the reduction of atmospheric emissions (Perulli et al., 2002). Vertical networks link cities hosting complementary facilities throughout Europe: for example, Airbus construction at multiple sites, and collaboration among universities across Europe. Citing Capineri and Kamann (Capineri and Kamann, 1998), Meijers suggests that networks do not adhere to one form, but usually overlap (2005, 768).

Intercity relationships, whether horizontal or vertical, need to be examined more widely, as the British geographer Peter Taylor indicates (Taylor, 2003). Recently the Globalization and World Cities Study Group and Network (GaWC), which Taylor codirects, has focused on interurban connectivity and networks based on economic competition on a global scale, reflecting the work of the globalization and urban studies scholar Saskia Sassen (Sassen, 2001, Taylor et al., 2002, Taylor, (accessed 2005/4/28)). Economic competition among European cities is consonant with the EU's desire to increase global competitiveness, but to some extent it conflicts with the EU's own cohesion policy. Many scholars are sceptical of whether it is possible to promote competition and cohesion at the same time and

view the polycentricity discourse as a means to extend competition-oriented policies that promote territorial inequality and contradict cohesion. The German geographer Stefan Krätke (2001), for example, asks how the ESDP will deal with losers as it promotes competitiveness, as well as with the socio-spatial polarization to be expected in the winning cities. He also highlights the need for widespread citizen participation to facilitate the emergence of a European identity.

This analysis of polycentricity raises further questions when translated to the EU level. The cities hosting EU functions are part of multiple European, national, and regional networks, interacting with each other and with other European cities in the overlapping realms of economics, politics, and culture. The presence of EU headquarters adds another dimension to the multiple layers and networks in which these cities compete and collaborate. Does the EU presence in cities other than the three headquarters and Frankfurt have more than symbolic value? Is it used only to enhance an economic competition based on local and national initiatives? Are EU political decision-making powers actually decentralized? How can the links between the networks be characterized? Do these networks also include citizens?

The polycentricity of EU headquarters cities is not based on a policy so far, and the current decentralization is not always effective. Whereas independent institutions can and perhaps should be decentralized, the splitting of a single institution, the European Parliament, over three locations seems detrimental to its functioning and unnecessarily expensive. The relationship between EU institutions that allow for decentralization needs to be considered in the perspective of a polycentric capital and in regard to the quality of its horizontal or vertical relationships. So far, most of the EU's decision-making institutions are located in Brussels and horizontal relationships are limited to interaction between Brussels, Luxembourg, Strasbourg, and Frankfurt. Luxembourg hosts many organs that are complementary with those in Brussels, such as the European Court of Justice (ECJ) and the European Investment Bank (EIB). Strasbourg, the official headquarters of the European Parliament, is in a more delicate horizontal position, as day-to-day functions of the institution occur in Brussels and the EP secretariat is located in Luxembourg. The relationship between Brussels and the European Central Bank (ECB) in Frankfurt is also horizontal, in spite of the significant

difference in scale; a fact that needs further investigation. The relationship between Brussels and the headquarters cities of most decentralized agencies is vertical, although many of these cities participate on an equal footing in groups such as EUROCITIES. Given the evolving nature of the EU and the changing number of employees, these relationships are bound to change over time.

The existing pattern of decentralization offers real potential for the creation of horizontal synergies and a network of headquarters cities that can lobby for common interests and develop complementary features. Meijers demonstrates that in the Randstad agglomeration in the Netherlands—consisting of the four largest cities and their surrounding areas--voluntary cooperation and informal collaboration have led to horizontal synergy. Indeed, Randstad has now set up a common office in Brussels to lobby the EU (Meijers, 2005). Moreover, developed as policy, a polycentric network based on local authorities and citizens could strengthen local voices in the face of EU integration led by supranational political and economic stakeholders. Support from citizen groups from all over Europe might thus be a way to balance the largely entrepreneurial approach that has characterized EU integration in Brussels so far. Collaboration of EU headquarters on multiple levels could also contribute to resolving issues of local governance and finance. In the case of the Brussels-Capital Region, for example, the important financial benefits from the EU presence need to be assessed carefully, as the Brussels-Capital Region's Gross Domestic Product (GDP) are rising together with the average living standards of citizens, while the revenues of regional or subregional governments are declining and earlier resident populations are being pushed out because of rising costs. The question of the EU capital and the theme of a citizen based polycentricity beyond economic networks are interrelated and must be discussed together in order to form a policy perspective that can strengthen European spatial networks

The polycentric, opportunistic European capital and cities in the new member states

Recent developments in the EU indicate that the time is ripe for a renewed debate on the question of an EU capital. These developments include the Eastern enlargement of 2004

and the consequent attempts by Eastern European cities (and their national governments) to position themselves in economic European networks as well as in competition for EU headquarters functions. While French and Dutch rejection of the European Constitution in 2005 may express citizens' criticism of the EU, it might also reflect the need for common symbols and centres. Key issues in such a debate would include such a capital's efficiency and financing, its spatial policies, design and symbolism, and its role in the fostering of European identity and citizenship. In the context of this larger body of questions that need debate, this essay investigates the implications of the presence of EU headquarters functions in cities of new member states.

The cities that most aggressively market themselves to gain or regain a prominent place among European cities are national capital cities that can profit from long-standing infrastructure connections and national support. They aim to overcome their socialist legacies and compete with other European cities for EU headquarters functions, EU subsidies, and economic investment from Western Europe. These spatial development efforts highlight the polycentricity of the EU capital. That so many Eastern European capital cities are positioning themselves to compete for EU headquarters counters to some extent the European concept of an emerging European space less subject to nationalist influences. Meanwhile their aggressive desire for economic development may lead to urban destruction to the detriment of citizens and increased socio-economic discrepancies. What, then, is the relationship between eastern enlargement and the polycentric EU capital discussed here?

The enlargement of the EU to Eastern Europe brings into the EU a large number of cities and countries that already have historic ties to cities in Western Europe and that wish to recuperate their former standing as leading European cities, economically, culturally and politically. As they position themselves to play a part in the emerging polycentric EU city network and escape national constraints, they challenge cities in Western Europe that are also increasingly developing their distinctiveness in order to promote themselves in EU urban hierarchies (Hooghe and Marks, 2001, Le Galès, 2003).

While Eastern European cities compete with the pre-2004 member states economically, they simultaneously enter collaborative networks with them. Budapest, Prague, and Tallinn, for example, participate in POLIS, and with Warsaw they belong to

EUROCITIES. INTERREG programs also go beyond the boundaries of the EU and include member countries of the Council of Europe. Together, these programs are speeding up the integration of Eastern European cities into collaborative networks of municipal authorities. Similarly, these three cities are attempting to position themselves in cultural and EU networks. Prague, the capital of the Czech Republic, and Cracow, Poland, have participated in the Capital of Culture program in 2000, when that program chose nine cities, including several from Eastern Europe, to be culture capitals in an exceptional move to celebrate the millennium. Starting in 2009 a city from a pre-2004 member state and one from a new entrant will hold the title. Linz, Austria and Vilnius, Lithuania will be the first pair in 2009. Nnine Hungarian cities, including Budapest, have already applied for the European Capital of Culture function for 2010, illustrating these cities' desire to secure recognition of their historical and cultural European identity.

The Eastern European cities and their nations have not shared the first fifty years of European unification and may not feel represented by Brussels, Strasbourg, and Luxembourg. Multiple headquarters and participation in symbolic events, as well as integration into collaborative city networks, seem the most appropriate strategies to facilitate current and future integration of numerous East European cities with long histories into the economic and political networks of European centres. The observation by Jean-François Drevet, a former member of the Directorate General on Regions of the Commission, that the EU needs to live with its flexible border to the East, continues to be valid (Drevet, 2002). Indeed, while it seems unlikely that the current headquarters cities and their nations are going to let major EU institutions relocate, there is likely to be movement towards permanently locating future decentralized agencies in cities of the new member states and holding symbolic EU events in cities of the former Eastern bloc. The EU Council clearly indicated this desire when it suggested that the newly created European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the EU (FRONTEX) should be located in the new member states because these countries have the longest land border. Six cities in Central and Eastern European countries —among them Tallinn, Warsaw, and Budapest, selected as case studies here—heeded the call and applied to host the new institution.

Tallinn, the capital of Estonia, a city of 400,000 inhabitants, is a strong contender for Baltic harbour functions, challenging Helsinki, the Finnish capital, for its role as the gateway to Eastern Europe. Warsaw, with 1.7 million official inhabitants (but, if residents registered elsewhere are included, probably over 2 million) the capital of Poland, the largest new member state, emerges as a challenge to the German city network—particularly the desire of Berlin to become a jumping-off board to the East—and an attractive site for EU functions and new investment. Its location at the centre of the new member states makes it a particularly convincing candidate for FRONTEX. Budapest, the capital of Hungary, with 1.9 million inhabitants, is the largest of these three cities, one of the southernmost cities in the new member states, and the most important link to the three applicant countries of Romania, Bulgaria, and Turkey. It also has deep historic ties to Vienna, a major growth poles in south-eastern Europe.

The choice of an EU headquarters is a very competitive affair. There are, however, no guidelines for selection that wins an agency. Instead, the application for gaining an EU headquarters is largely a marketing attempt, as the applications submitted by the three cities for housing FRONTEX show. The brochure prepared by the Ministry of the Interior of the Republic of Estonia, for example, boasts about the city's favourable geography and history, its location at the centre of international communication axes, and its rapid development of IT solutions. This marketing document echoes the hype of economic promotion. There is no attempt to present these candidatures as part of creating European identity or symbolism, to promote Europeanization among local citizens, or to build a European spatial network. Indeed, spatial development in Europe has been and continues to be the outcome of multilayered policy making in which the EU or visions of Europe play at most a minor role. In the ESDP, the location of headquarters is not an issue, and it rarely addresses symbolic questions (Jensen and Richardson 2004). As long as headquarters decisions are primarily the result of national marketing efforts, they will not inspire European symbolism. In this case, as in the selection of cities to host EU headquarters in the 1950s (Hein 2004), the final selection of Warsaw was primarily the result of national distributive politics and political wrestling; official visits by Polish leaders to counterparts in other countries seem to have swayed opinion (interview with Janusz Gaciarz and Eliza Konczyk by Carola Hein, 30 June

2005). The applications of the three cities to host EU functions do express their determination to play major roles in the European urban network and evince the marketing strategies they use to position themselves. They reflect urban managements based on economic principles rather than citizens' interests.

Websites for the three cities provide insight into their robust local and regional economies. As centres of their respective nations, they are experiencing rapid growth. Tallinn touts the transformation of its city centre; Warsaw identifies itself as an up-and-coming place to do business; and Budapest promotes itself as a tourist destination and gateway to the southeast (Municipality of Budapest, 2003). Major cities are no longer confined to the "Blue Banana" region; instead, they are dispersed across the continent in a "European Bunch of Grapes." (Brunet, 1989) Several recent studies by private and public institutions are mapping the potential of cities beyond the so-called "Pentagon," the economic core of Europe circumscribed by London, Paris, Milan, Munich, and Hamburg (Kunzmann and Wegener, 1991, Kunzmann, 1997). As early as 1999, the "Roster of World Cities" created by scholars from Loughborough University in England identified Budapest as a world city and Warsaw as manifesting evidence of world city formation (Beaverstock et al., 1999).

The emergence of cities outside of the traditional economic core suggests a readjustment of nodal relationships, particularly among cities in the first 15 member states that are geographically close to and have strong economic relationships with the new member states and their capitals. It also indicates the need for a closer analysis of the ties between cities, as economic competition and municipal collaboration often go hand in hand; the diversity of these ties could be an inspiration for a polycentric capital. The case of Tallinn and Helsinki illustrates this relationship of collaboration and competition. On the one hand, Helsinki fears competition from Tallinn for harbour functions, as the Tallinn harbour is larger and closer to Eastern Europe, which explains current proposals for the construction of a new Helsinki harbour. On the other hand, these capitals need each other for the development and promotion of the larger area. And as the Tallinn Investor's Guide points out, while the two cities are engaged in strong competition for residents, goods, and international service functions, they cooperate to foster tourism and related services,

international service functions, and investments (Figures 2a and b). For example, they are collaborating in the crossborder politico-administrative structure EUREGIO Helsinki-Tallinn and together pursue, Helsinki-Tallinn Science Twin-City Programme sponsored by INTERREG IIIA.

The emergence of Eastern cities in European networks is an indication of their strong and rapid raise also on an international scale. Claims by cities from new entrants' states not only for European but international status are supported by a study undertaken by Jones Lang LaSalle that identifies so-called "rising stars," cities that are expected to become world players (Jones Lang LaSalle and LaSalle Investment Management, May 2003). Next to unsurprising projections of economic leadership for several Chinese and Indian cities including Shanghai, Guangzhou/Shenzen, Mumbai, and Delhi, there are several unexpected suggestions. The study identifies Helsinki as a leading technology hub with recently upgraded real estate stock. It cites Tallinn for its high level of technical education and a favourable business environment; moreover, it notes that the city profits from its proximity to Helsinki and Stockholm, even though its own real estate is limited. It lauds Budapest for its attractive business environment, lively research and development activities, and expanding real estate stock. The study reinforces Peter Taylor's concept of a "porous Europe", the idea that European interurban relationships need to be analyzed in a global context (Taylor and Derudder, 2004). Whether Warsaw and Budapest have dual relationships with other cities, as Tallinn does, should be investigated; given their greater geographical distance from neighbouring cities, these cities' patterns of cooperation and competition may be more complex. The inclusion of these and other peripheral cities in the class of world cities underscores the increasing decentralization of the European urban network.

As the Eastern countries overcome their old economic system, the changes while particular to post-socialist countries, have similarities to those in Brussels and other Western cities during the 1950s and 1960s. The geographer Guy Baeten described the economic growth coalitions Brussels formed, without respect to local interests and citizens' needs, in its bid to become the capital of Europe. (Baeten, 2001, Baeten, 2003) Similarly, marketing efforts and entrepreneurial forces, are currently dominating the transformation of cities in the new member states. Labour costs are still lower in Eastern Europe than in the first 15 EU

countries, and citizen opposition has been almost nonexistent. Only very recently have grassroots activities emerged in Warsaw. Overall, entrepreneurial forms of government dominate in spite of the EU's claims of cohesive development, socio-spatial redistribution, and mitigated competition (Brenner, 2004).

Cities in Eastern and Central Europe are still struggling with the aftermath of the Communist era. At the same time, these cities are positioning themselves on a European scale, vying for investments and headquarters functions. All three cities have fairly comprehensive planning concepts, but opportunistic local promotion occurs without being framed by EU spatial planning.

#### Conclusion

New physical and social European spaces are emerging throughout Europe. A single European capital might be more effective for the EU's administrative purposes, but this is not an option given the particularities of EU unification, the interests of nation states, and the desire of some host cities to limit the number of EU employees in their walls. The construction of a European identity through a polycentric and itinerant capital, with local projects in multiple cities, is a more viable approach to the creation of European symbolism Nonetheless, careful planning is necessary: to ensure that the decentralisation of specific institutions and high-level events does not impede their effectiveness, to respond to the host cities' special needs due to its particular history, size, or political structure and, most importantly, to provide citizens with ample opportunities to have their voices heard as easily as those of organised lobbying groups. The EU can develop an appropriate aesthetic and political architecture of its organs can only in response to local interests and preferences. The intervention of citizens would give greater legitimacy to the EU, create a counterweight to what is often perceived as a democratic deficit, and allow for construction of the European capital bottom-up, as a local and citizen initiative, rather than top-down, based only on EU decisions.

Recent spatial planning initiatives such as the ESDP have attempted to mediate entrepreneurial undertakings to transform the European space into a polycentric network, but despite this initiative, spatial fragmentation continues. Similarly, the integration of cities from the new member states into the polycentric EU capital network continues to be based on national powers and economic promotion instead of European spatial plans or vision, and citizen participation and the promotion of place identity as part of a European symbolism are not prominent.

The emergence of a networked, polycentric capital and the integration of new member countries require a comprehensive concept and an investigation into the meaning and form of European civil society. To facilitate the integration of EU functions into cities of the new member states, it is necessary for the EU to define clear policies on its headquarters, as well as on land, as part of a European spatial planning approach. As Europe is coming together in a step-by-step fashion without a long-term plan, it can use existing and emerging patterns can with purpose. Civil servants could exchange places; common standards for the organization of urban and architectural competitions for EU buildings could be adopted; EU festivals occurring at the same time in multiple locations could be initiated; and collective citizen initiatives facilitated. The creation of a common European identity from the bottom up could be based on citizen participation in the polycentric headquarters and the development of horizontal citizen networks.

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