1. Introduction

Territory and territoriality have attracted the attention of social scientists studying the interaction of policy, planning and governance in the European space for some time. As an “abstract principle for creating and reproducing social order” (Perkmann 2007, 256), territoriality has arisen as a concept applied in the ever-changing European territorial arrangements across the disciplines. The territorial dimension of European policy presents challenges and opportunities for governance from political, economic and environmental aspects, while the elusive policy goal of territorial cohesion, which has been the guiding principle at the heart of EU Regional Policy and the European Union’s long-term development strategy, remains largely undefined and poorly understood, seemingly to the detriment of peripheries. This introduction to the Special Issue considers the themes of territory and governance and aims to extend the meanings of major concepts in the literature from the perspective of the European Eastern peripheries, specifically the post-socialist states of Central and Eastern Europe (CEE).

The aspect of territoriality has become widespread in a range of European policy areas, including spatial planning, regional policy and governance. Increasing awareness of territoriality in turn lends to a recognition of regional inequalities and their associated problems, which can be considered in terms of the core-periphery relationship and related processes, institutions and power structures. Regional inequalities have long been the target of EU policy by way of Regional and Cohesion Policy, which disperses vast sums of European Funds to lagging territories, based on an economic productivity criterion in the aim of balanced territorial development. Meanwhile, global processes affecting the territorial distribution of capital and demographic shifts are reinforcing territorial differentiation and polarization, undermining local initiatives and democracy and further entrenching peripheries. CEE has been particularly prone to such processes of polarization and peripheralization (Lang et al. 2015). Yet, political attention and subsequent policy indicates a shift in favour of core urban areas in order to address European and national economic growth and competitiveness goals (European Commission 2014), thereby neglecting the growth and innovation opportunities of peripheries.
Introduction to the Special Issue

This special issue focuses on the governance of peripheries in CEE from a multiscale perspective to identify current policy responses and practices at the European, regional, cross-border and local levels. We attempt to unite various paradigms of peripheries by taking a governance approach – paradigms that, when used independently, threaten to further fragment our understanding of non-core territories across CEE. The introductory paper progresses from discussing the territorial basis of peripheries, through rescaling processes and issues of governance, to the introduction of the selected papers of this issue.

2. Major Themes in Territoriality

A review of the literature finds that territoriality is approached from politico-institutional and socio-spatial perspectives. Territory has been defined as the institutionalized forms of social representation and domination based on bounded geographic spaces and populations, which therefore are sites of governance (Perkmann 2007). Meanwhile, territoriality, providing the basis of the state system (Anderson and O’Dowd 1999), can be described as the influence of such institutionalized power on the territory. It is no surprise, then, that territoriality has garnered much attention by scholars focused on the European Union, with its ever-changing territorial arrangements and experimental governance structures. Due to this attention, major themes in the literature are distinctly related to the European project and processes occurring within and across Member States, including the distribution of competences between various levels of government, subsidiarity and multi-level governance (Faludi 2013), the construction of regional identities (Healey 2006; Paasi 2013) and effects of changing border regimes on border regions (Anderson and O’Dowd 1999). These we describe as the politico-institutional and socio-spatial aspects of territoriality, which align with various scholars’ frameworks for analyzing territorial issues, e.g. instrumental institutions of control and identity-providing institutions (Blatter 2004), hard and soft spaces (Allmendinger and Haughton 2009, 2010; Faludi 2013) and regulatory, social-integrative and discursive dimensions (Perkmann 2007). For the purposes of this article, we will focus on issues of governance and territoriality applicable in the EU context over the wider globalization literature, since the European Commission, Council of Europe, Member States and related institutions have been instrumental in shaping a distinct strand of the discourse on territoriality.

The politico-institutional situation of territory in the EU is currently defined by the state system and principles of the European Union, namely the subsidiarity principle defining Member State-EU relations and reinforcing the state system as well as – until recently threatened by Brexit and the rise of right-wing populism – the trend towards integrative, power-sharing activities, such as multi-level governance. The Committee of the Regions (2009) understood subsidiarity to refer to the responsibilities of different levels of government and multi-level governance to the interaction between different levels of government, whereas subsidiarity has also been described as the principle of keeping functions as low as possible (Swianiewicz 2010). Cross-border cooperation, a hallmark of European integration and experimental governance, is an example of multi-level governance operating in new terrains of transnational actors (Perkmann 1999, 2007). Territorialism is enforced through the
subsidarity principle and is therefore fixed upon hard spaces, ignoring real-life experiences of soft spaces (Faludi 2013), whereas the soft spaces of regional identities can be seen as social constructs arising from “plural and contextual discourses” (Paasi 2013) and characterized by “relational complexity” (Healey 2006). The EU contributes intensively to the creation of these soft spaces, e.g. Euroregions and Local Action Groups, differing from the existing administrative structure, thereby acting as a driver of soft planning (Purkarthofer 2016).

Territorial cohesion as a policy goal is left up to the Member States to implement even though considerable incentive is exercised by the EU to guide territorial development through Structural and Cohesion Funds and their related policy frameworks. Specific programmes funded by the EU, such as INTERREG, have long targeted specific territories by implementing cross-border cooperation largely between non-central state or local actors (Perkmann 1999). However, outcomes tend to be unbalanced towards Western partners and/or city-based consultants, as the CEE local and regional authorities lack both the true knowledge necessary to understand EU policies in depth and the capacity to compile and manage projects with high bureaucratic demands (Raagmaa 2015). Therefore, the real place- and network-based soft spaces may significantly differ from the theoretical policy-based soft spaces.

Thus, socio-spatial aspects of territoriality encompass the social construction and reproduction of regional identities through state and non-state actors and everyday practices. These necessarily demonstrate high variability across regions and are historically contingent. In contrast to the INTERREG programme, which is defined by hard spaces and governmental actors, the EU’s LEADER programme for rural development takes a bottom-up, network approach including non-governmental actors and is thus amenable to the social relatedness and complexity of soft spaces as well as the locality of territory. Nevertheless, such programmes emphasizing the role of local and regional actors, whether implemented through top-down or bottom-up processes, must not neglect the external forces shaping the reality in their territories, reinforcing the importance of wider knowledge and expertise to navigate complex global processes.

Recognizing the distinction between politico-institutional and socio-spatial aspects of territoriality, it is important to also acknowledge the wider set of factors affecting both sides, such as globalization. Contrary to earlier notions of diminishing territoriality associated with globalization (e.g. Ohmae 1990, 1993, 1995) and the transition from “spaces of place” to “spaces of flows” (Castells 1996), previous claims of de-territorialization were considered to have been overestimated in the literature (Anderson and O’Dowd 1999). Instead of shrinking into obscurity, territoriality has taken on inherent contradictions and increased in complexity. As some aspects of boundedness have softened, others have hardened. Borders have become more differentiated and taken on a multiplicity of meanings (ibid.). Institutional models in Europe, including multi-level governance and cross-border cooperation, have been territorial (Blatter 2004), but such structures of governance have not fully incorporated territoriality (Faludi 2012), and the gap between territorial knowledge and institutions of governance has not been bridged (Schmitt and Van Well 2016). A deeper understanding of these applications in CEE over the course of more than ten years holds a promise of bringing new meanings, interpretations and outcomes.
Thus, major issues surrounding territoriality and the changes in territoriality must continue to be explored from multiple perspectives in order to understand their impacts in peripheral regions.

3. Scales, Boundedness and Borderlands

Several concepts related to territoriality help to analyze peripheries: scale, boundedness and borderlands. According to Perkmann (2007), scale has regulatory, social-integrative and discursive dimensions and can therefore be analyzed in terms of functions as sites of governance, nature of social formations and construction through narratives and discourses. In addition to these three dimensions, scale can be described in terms of horizontal and vertical aspects (Dicken 2015), as it refers to both bounded places as arenas and objects of governance as well as external processes, such as globalization. Driven by transnational corporations and world-scale organizations (e.g. the World Bank), i.e. vertical aspects, globalization has a major impact on governance and particularly on horizontal rescaling, as local and national governments have to adjust to transnational corporate needs. Limiting scale to the horizontal meaning, Perkmann defined territorial re-scaling as “the establishment of government functions at a scale that is different from previously situated” (2007, 256), a phenomenon which can be observed in various decentralization and centralization processes between the local and supranational levels in the European Union. Territorial re-scaling therefore highlights changing institutional arrangements of governance in response to global processes as well as European initiatives and development programmes.

Notions of peripherality are dependent on scale and the relative identification of the core within the territory. Within the EU, Northern, Eastern and Southern states are traditionally deemed peripheral in relation to those wholly or partially integrated with the European core – the so-called “blue banana” (Brunet 1989) – while within the majority of states, core-periphery dynamics can be detected between capital regions and the rest of the territories. Cross-border cooperation programmes have been established across Europe to connect peripheries between states with the aim of overcoming structural deficiencies of borderlands. These cooperations are supposedly examples of multi-level governance networks functioning in new terrains for transnational actors (Perkmann 1999), but, especially in CEE, they have scarcely spurred integration (e.g. Špaček, this issue).

Such multi-scalar peripheral territories rest on our understanding of bounded places. To borrow from the border-studies literature, peripheries are considered the objects rather than the subjects of policies and politics in a state-centric system, while territoriality necessarily focuses attention on borders (Anderson and O’Dowd 1999). Territorial rescaling therefore involves the shifting and recombining of such places in ways that challenge existing understandings of subsidiarity, governance and the region itself. As Perkmann stated, “the ‘object of governance’ is not preconstituted but co-evolves with the operation of governance institutions” (1999, 660). From the perspective of peripheries, the question is how they can adapt and cope with regional dynamics, such as territorial re-scaling and regional polarization. After more than ten years in the EU, these concepts merit revisiting in CEE in order to
understand how governance in peripheries and the understandings of peripheries in CEE border regions have really evolved, especially apart from the often-times Western cases from which the EU cross-border structures emerged.

Territories as bounded places take their meaning from endogenous characteristics and relationships with other territories. Extending this argument, peripheral territories are seen to be lacking valuable attributes in relation to others. Therefore, governance plays an important role to develop such attributes through policies, institutional structures and leadership initiatives targeted to the conditions in their territories. As the next section shows, European and CEE peripheries in particular are faced with a diversity of problems and pre-conditions, but tackling these through a governance approach presents an opportunity to unite under common principles as we delve into local policies, practices and adaptations.

4. Objects of Policy: Conceptualizing and Governing Peripheries

European peripheries have long been spaces of targeted policy intervention, but the conceptualization of the region as the basis for policy has been the subject of academic debate since the 1980s. This debate on the territorial versus relational conceptualization of the region has settled towards an uneasy convergence that recognizes both various relational constructions of the region and the territoriality of structural local characteristics of place: “‘Territorially embedded’ and ‘relational and unbounded’ conceptions of regions are complementary alternatives, and actually existing regions are a product of a struggle and tension between territorializing and de-territorializing processes” (Varró and Lagendijk 2013, 21). Indeed, it is difficult to deny both relational and territorial aspects in peripheries that are now widely recognized to be affected by globalizing processes. Relationists such as Paasi (1999) demonstrated that the territoriality of peripheries is partially defined by boundedness and exclusion as socially constructed and significantly produced by the core. Meanwhile, the European policy of place-based development put forth in the Barca Report (Barca 2009) is built upon harnessing the potentials of endogenous characteristics of bounded territory and administered through territorially defined programme areas. Policy and governance increasingly tries to bridge the gap between relational and territorial discourses, as they account for endogenous and exogenous forces shaping peripheral regions in their particular contexts.

European peripheries are not homogeneous, and their myriad problems fit into various development models. Uniting peripheries under a single framework of governance activities, such as guiding policies, strategies and targeted actions, can therefore be difficult. Typologies of peripheries vary, from those based on economic diversity and rurality, such as Watkins’ (1963) primary and single-industry staples economies evolving through globalization processes towards Woods’ (2007) global countryside of farmlands and branch plant economies, to those more focused on competitiveness and institutional depth, such as the organizationally thin peripheries and overspecialized and inefficient old industrial regions described in the regional innovations-systems literature (Isaksen 2001; Tödtling and Tripp 2005). A common aspect to these paradigms of European peripheries nowadays is that their current condition has been largely shaped by globalization, causing shifts in their traditional
economies, demographics and power structures, with implications for local governance. A common question is, therefore, how peripheries can provide similar- or even better-quality governance and institutional arrangements as the core to compete amidst globalization, to support economic development, diversification, reinvestment and innovation, social and demographic development and to mitigate environmental degradation. Isaksen (2001) believed that organizational thinness, reflecting a lack of regional actors and institutional capacity – commonly describing peripheries – should be understood from territorial and functional perspectives. Nevertheless, with comparatively little recent attention paid compared to economic competitiveness (i.e. innovation systems), the lens of governance, it seems, provides a particularly useful way forward in understanding peripheries.

Various turns have affected the governance of peripheries in CEE countries since their transitions. Not only did they have the opportunity to reform public administrations and systems of governance, but transitioning meant that some countries built new institutions from scratch (Drechsler and Randma-Liiv 2015). One universal trend in public administration that was transferred to CEE countries was New Public Management (NPM); researchers have been critical of definitive conclusions drawn from this due to the variety of implementations between countries (ibid.). The guiding NPM principle of lean and efficient administration may undermine institutional capacity more so in peripheries than cores, since peripheries must actively respond to the more often devastating effects of globalization.

Meanwhile, the LEADER approach for rural development has provided a framework for local governance that has met some success in CEE (Chevalier et al. 2012). This bottom-up, territorial approach has depended on the cooperation and partnership of local actors as opposed to previously centralized regimes in CEE, challenging the limits of local institutional capacities. However, the emergence of clientelistic practices amidst a weak and disinterested civil society (ibid.) as well as a professional “project class” able to navigate complex and bureaucratic processes (Kovách and Kučerová 2006) have threatened the legitimacy of the approach. In a similar vein, relatively early research on the INTERREG programme was critical towards the more vertical integration in cross-border regions lacking knowledgeable local actors and capacities, in some cases operating without them (Perkmann 1999), while others have more recently pointed to the pressing need for enhanced institutional and leadership capacities in peripheries in order to realize development potentials (Sotarauta et al. 2012; Beer and Clower 2014). Methods of governance imported from the West are increasingly recognized to deliver inconclusive or lacklustre results in CEE, and more research is needed to uncover what works amidst on-going globalization and peripheralization processes in Europe’s Eastern peripheries.

Drawing together territoriality and governance, a dilemma emerges in CEE countries regarding core strategies of regional development for peripheries. Place-based development, as mentioned above, relies on endogenous potentials to promote growth in economically lagging regions (Barca 2009), while weak endogenous potentials and the characteristic lack of institutional capacity and know-how presents challenges for local leaders, who in turn engage in a variety of multi-actor leadership practices that are, indeed, difficult to pin down. Place leadership has therefore been identified as a key factor of regional development, but knowledge of effective prac-
Bradley Loewen and Garri Raagmaa

tices is lacking and difficult to generalize in different national, institutional and power-structure contexts (Sotarauta 2016). In the globalizing peripheries, expanding networked power relations of place leadership have the potential to overstep territoriality and formality.

5. Advancing Research on Governance in European peripheries

The selected papers in this issue address interactions between territoriality and governance of European peripheries, drawing on cases from Central and Eastern Europe and Baltic regions. Theories of governance in relation to particular EU structures and programmes and its operationalization through actors, practices and leadership qualities are expounded in the Eastern peripheries. In the first paper, Bradley Loewen turns to the issue of scale and institutional arrangements shaped by EU Regional Policy within national contexts through the cases of Estonia and Hungary, arguing that inconsistent decentralization and centralization tendencies supported in pre- and post-accession EU programming may threaten institutional capacities and support for regional-policy objectives. Second, Alexandru Brad investigates how regional actors understand and interpret global and EU processes, drawing conclusions for regional and local capacities, regional development and socio-spatial polarization in Romania. Eva Purkarthofer and Hanna Mattila follow with institutional arrangements at the regional level in their analysis of a regional self governance experiment in Finland’s Northern peripheral region of Kainuu, claiming untapped potentials of integration and coordination for regional development. In the fourth paper, Martin Špaček investigates local decision-making processes and actor-network relations in the under-realized cross-border development regions of Germany, the Czech Republic and Slovakia, finding evidence that governance of cross-border regions can, in practice, be led by personal and special-interest groups rather than fulfilling EU-favoured theories of multi-level governance. In the closing paper, Martiene Grootens examines local leadership in peripheral Estonia and the diverse practices that can lead to increased visibility in a centralized political system as well as the challenges that such visibility can present.

These papers identify shared problems of the European peripheries centred around the following issues: unrealized potentials of institutional arrangements, in terms of both regional-development models and programme and funding structures; effective management of horizontal, vertical and asymmetrical coordination in order to develop a shared understanding of the often ambiguous “region” and to define the roles, responsibilities and competencies of its members; and qualities of actors, both in terms of leadership and the often necessary multi-functionalism that arises in peripheral places, also related to coordination. These problems indicate a need for capacity-building that has hardly been addressed through past policy reforms. Moreover, the issue of governance has retreated from the policy agenda since reforms related to the EU’s Eastern expansion. In light of the continuation of global trends exacerbating regional polarization and the limited impact of regional-policy interventions, the evidence indicates that governance, and indeed the deficiencies of governance and proactive leadership in peripheral places, warrants due attention through policy and programming interventions and therefore a more prominent position in the regional-policy discourse.
6. Conclusion

We live in a highly territorialized world, the most obvious manifestation of which is the political division of the earth into separate countries or states. However, this macro-scale territorialization is accompanied by a myriad of much more micro-scale variants involving the staking of claims to geographic space, the "production" of territories, and the deployment of territorial strategies. (Storey 2015)

Addressing territoriality is inevitable in order to understand changing governance and to secure the effectiveness of regional policy. As stated by Paasi (2010, 2300), “Region building brings together various forms of power, varying from coercive to immanent, from power that bounds spaces to power that opens them up.” However, both the ICT revolution-boosted globalization and the neoliberal turn that amplified after the (temporary) collapse of the Soviet (Russian) empire reduced the importance of territorial aspects so that spatially blind sectorial thinking became dominant. Capitalist development concentrated in the metropolitan regions, and the “interpretations of territorial cohesion” were “grounded in a belief that favours economic concentration” (Brad, this issue) that, arguably, would help CEE peripheries to quickly catch up to Western European welfare levels. The acceptance of the Washington Consensus and New Public Management principles was particularly strong in CEE countries that were prone to react against the former state-dominated and deficit-afflicted economic system. Thus, approaching 30 years of neoliberal policies, there have been dramatic consequences to the development of peripheral areas, where in all CEE countries, but also in other European peripheries, the market-adoring non-planning attitude led to irreversible spatial polarization, uncontrolled urban sprawl and – as a result – numerous spatial development fiascos. The most affected regions suffering from massive outflow of population are the peripheries-of-the-peripheries along the external border of the EU. This, especially after the security situation has escalated in the Eastern (and also Southern) borders, has European policymakers increasingly concerned, and, as such, the European policies and governance structures leading to this situation need to be critically reviewed.

In Central and Eastern Europe, the exuberance regarding the freedom that followed the breakdown of the Soviet Union first generated massive decentralization and re-establishment of pre-war structures. The CEE governments carried out a number of administrative and territorial reforms, but even when hotly debating borders, territoriality was obscured by sectoral interests. Old and new administrative silos had risen to new heights by the turn of the millennium. Under pressure from the Commission during the pre-accession period, CEE countries advanced their administrative capacities on the national level, while lower administrative tiers – just 10 years earlier enthusiastically re-established and expanded – were gradually reduced to administrative roles with little power to influence planning decisions made by the central administration and political establishment. As the central-government civil servants had to invest more of their time in the corridors of Brussels, this left far less attention to their local affairs.
Thus, when most Western European countries intentionally tested subsidiarity and multi-level governance-based devolutionary territorial policies, CEE countries somewhat paradoxically experienced “the absence of effective decentralization or regionalization”, such that “the basic institutional arrangements for the central delivery of EU Regional Policy programmes do little to support programme objectives in themselves, and there is a missed opportunity to support programme objectives through institutional design” (Loewen, this issue). The forced attempt to apply NUTS-2 regions in Hungary, setting up powerless Romanian regional-development agencies and almost completely writing off the regional dimension in Estonian EU Structural Fund applications, ignored existing territorial structures and intraregional networks, diminishing their administrative role to a minimum: the Hungarian government abolished Euroregions but set up central government offices in the county seats, leaving little space for local decision makers; Romanian Regional Development Agencies became project organizations producing pseudo-strategies supported by neither central nor local authorities; Estonian central government silos “succeeded” in their own turn to create thirty-three parallel territorial divisions purely based on administrative needs and ignoring territorial logic as well as interests of local stakeholders.

Czech, Estonian, Hungarian and Romanian practices as well as the Finnish Kainuu experiment (see Purkarthofer and Mattila, this issue) showed that while the central government agencies do not trust peripheral regional structures, local leaders also tend to be short-sighted, skimpy and selfish for jointly developing “policy instruments which should support supra-local coordination, and redistribution of intervention capacities. The gist of the idea is to enable demographically declining, under-financed, and under-staffed local authorities to access expertise for taking part in wider projects or for pursuing their own interventions” (Brad, this issue).

The directly EU-driven, multi-level governance-promoting policies like INTERREG tend to fail for not considering territorial realities. Špaček (this issue) analyzed cross-border cooperation and discovered a persistent multi-level mismatch and therefore multi-level gaps because of different territorial governance systems and, consequently, incompatible political and administrative competencies. Despite wishful thinking of so-called “eurocrats”, the top-down designed Euroregions and dictated institutional models do not fit together because they ignore existing and territorial institutional and cultural specifics. The “official cooperation” only works because of generous EU finances: “Many initial cross-border activities cease after the end of support or do not achieve the expected outcomes” (ibid.).

EU and national policies attempting to find standardized solutions and to promote best practices often tend to generate “grey mass” in the peripheries. Therefore, local strategies and policy documents have to use similar formulations to national and EU guidelines. How to differ? How to become visible? One option is to go global. When local places succeed in attracting a global transnational corporation or are included in the UNESCO heritage list (see Grootens in this issue), their uniqueness may be recognized from the core and thus be taken seriously. Capable leaders are therefore necessary, who are able to engage with global processes, involve passionate actors, and also empower followers who are locally embedded in a similar way.

Thus, territoriality matters. What is more, the process of “creating and reproducing” territories (Perkmann 2009) and the deployment of territorial strategies (Storey
Introduction to the Special Issue

2015) that can ideally be combined with EU and national resources matters. On the basis of the following papers and the evidence they present, we have good reason to suspect that increased awareness of and concern for territorial issues – and particularly for spatial polarization in the European Eastern peripheries-of-the-peripheries – may not affect all governance levels and policy makers in a similar way. Also, the practice of importing Western models to the governance of peripheries in CEE has produced inconclusive and lacklustre results. Hopefully, this special issue contributes to the better understanding of complex territorial processes per se, and their outcomes will contribute towards more adequate policymaking in the future.

References


Lang, Thilo, Sebastian Henn, Wladimir Šgibnev and Kornelia Ehrlich. 2015. Understanding Geographies of Polarization and Peripheralization: Perspectives from Central and Eastern Europe and Beyond. London: Palgrave Macmil-
Introduction to the Special Issue


**Bradley Loewen** is an Early Stage Researcher in the Marie Curie Initial Training Network, “RegPol2 – Socio-economic and political responses to regional polarization in Central and Eastern Europe,” and doctoral candidate at the University of Economics, Prague. His main research interests include urban and regional planning and policy, regional development and governance. Correspondence: Bradley Loewen, Department of Institutional, Environmental and Experimental Economics (KIE), University of Economics, Prague, nám. W. Churchilla 1938/4, 130 67 Praha 3, Czech Republic; E-mail: loeb00@vse.cz

**Garri Raagmaa** (PhD, Human Geography) born in Estonia 1966, is Associated Professor of Regional Planning at the Department of Geography of the University of Tartu (Estonia). He has published four books and over 70 papers about regional planning and development focusing on regional innovation, entrepreneurship, identity and leadership issues. He has taught regional planning, economic geography and regional innovation systems at several Nordic and Baltic Universities. He has also practiced since 1992 as a regional/local development consultant.