

# Territorial cohesion, the COVID-19 crisis and the urban paradox: Future challenges in urbanization and economic agglomeration

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**Abstract.** The recent COVID-19 pandemic and the subsequent economic downturn due to the lockdown of economic activities have spurred a lively debate concerning their effects across locations in the EU and the resulting challenges to territorial cohesion policy. The COVID-19 emergency not only has provoked EU cohesion policy responses but also may change some of the basic principles on which these policies have been built. This paper briefly casts light on some present and future implications of the COVID-19 pandemic for two fundamental aspects of territorial cohesion policy, namely urbanization and economic agglomeration. Both aspects are linked to territorial cohesion's significant dimension of polycentricity (as balanced and harmonious development), and together they constitute a challenge to established norms of urban agglomeration. Finally, the paper discusses some policy ideas that have recently (re)appeared on the European policy landscape. Such policy options bring together urban development and regional policy agendas with the aim of promoting territorial cohesion by attempting to solve the 'urban paradox' – the coexisting positive and negative effects of urban agglomeration and its established geography.

**Key words:** territorial cohesion, COVID-19, urbanization, economic agglomeration, urban paradox, regional policy

## 1 Introduction

The recent COVID-19 pandemic and the subsequent economic downturn due to the lockdown of economic activities have greatly affected the economic well-being of Europeans, putting the European Union (EU) member states under severe stress. The recession had not only economic but also social effects, as relative indicators reveal (Grasso et al. 2021). Furthermore, the effects of the crisis appear anything but spatially uniform, affecting different EU locations in very different ways (Bailey et al. 2020, Kapitsinis 2020). These new developments have triggered a growing and heated debate concerning the uneven impact of the pandemic on different locations in the EU and the resulting challenges to territorial cohesion and territorial cohesion policy (Capello, Caragliu 2021).

Territorial cohesion is a shared competence distributed between the European Commission and the various EU member states/governments. It is an ambiguous and multifaceted concept with many interpretations. It has been the subject of numerous efforts to (re)construct its character and meaning (Artelaris, Mavrommatis 2020). Among other

interpretations, [Mirwaldt et al. \(2008\)](#) have argued that territorial cohesion is comprised of the following dimensions: 1) a form of polycentricity that can promote economic competitiveness and innovation; 2) balanced development that reduces socioeconomic disparities; 3) access to services, facilities and knowledge irrespective of where one lives; 4) networking and the creation of physical and interactive connections between centres and other areas. For [Medeiros \(2019\)](#), the most characteristic dimension of territorial cohesion is polycentricity as it promotes balanced and harmonious development.

The emergence of the European policy discourse on territorial cohesion has also led to the re-conceptualization of regional policy by supplementing it with the notion of spatial justice ([Davoudi 2005](#)). This notion considers justice as a matter of geography ([Heynen et al. 2018](#)) associated with ‘both processes (income distribution mechanisms) and outcomes (level of imbalances) prevailing in different territories’ ([Petraikos et al. 2021](#), p. 2). Great strides have been made in academia during recent years toward the application of the concept of spatial justice in relation to EU cohesion policy concerns ([Kearns et al. 2014](#), [Jones et al. 2020](#)), and some European policymakers have explored whether the concept of spatial justice can be used as an effective alternative to territorial cohesion ([Jones et al. 2019](#), p. 99).

This paper sheds light on the possible effects of the COVID-19 pandemic on a few critical aspects of EU territorial cohesion and territorial cohesion policy. It can be argued that the COVID-19 emergency has provoked EU cohesion policy responses by possibly increasing territorial inequality and necessitating recovery across EU territories. It can also be suggested that the COVID-19 emergency might lead to changes in some of the basic foundations on which territorial cohesion policies have been built. More to the point, the paper envisages some present and future implications of the COVID-19 pandemic for two fundamental aspects of territorial cohesion, namely urbanization and economic agglomeration (which, in combination, are called urban agglomeration). Although territorial cohesion policy has many dimensions, extending from social cohesion to environmental sustainability and from physical and digital networking to regions that are lagging behind, this paper’s emphasis on urbanization (urban agglomeration) stems from the following two considerations. Firstly, although urbanization is a highly differentiated process across EU space, almost 75% of EU residents are based in cities and towns, with that share estimated to reach almost 85% by 2050 ([Bachtler et al. 2020](#)). In other words, the EU is clearly an urbanized and urbanizing space. Secondly, territorial cohesion has a clearly marked urban dimension ([Medeiros 2019](#)) as it is related to polycentricity, which promotes harmonious and balanced development across regions; cities are the centres of economic growth and have the potential to lead regions toward economic development. Accordingly, as we shall see, urban development and regional policy agendas can be interconnected and interrelated.

## 2 Territorial cohesion, spatial inequalities and the COVID-19 pandemic

During the last two decades, the EU has experienced rising levels of territorial inequality as a result of important socioeconomic and political changes ([Artelaris, Tsirbas 2018](#), [Iammarino et al. 2019](#), [Bailey et al. 2020](#), [Dijkstra et al. 2020](#)). The increase in, and need to limit, spatial inequalities among EU localities have lately been highlighted in several official EU documents, such as the Territorial Agenda 2030 ([Ministers 2020](#)). Furthermore, it has been argued that spatial disparities might not only endanger what is perceived as the European Model of Society and EU economic, social and territorial cohesion ([Faludi 2007a,b](#), [Zaucha, Böhme 2020](#)) but also hamper European integration and even threaten democracy.

Territorial cohesion is the opposite of territorial inequality; when the aims and goals of territorial cohesion are met, spatial inequalities and disparities between and within places gradually diminish. However, the COVID-19 pandemic encountered an environment of increased territorial inequality across EU space. Only a few years after the end of the 2008 crisis, the COVID-19 crisis once again poses great challenges for several EU countries and the EU as a whole; this is probably the most serious test of the EU in terms of crisis management since the end of World War II ([Russack, Blockmans 2020](#)), calling

many past certainties into question. Beyond its effects on health, COVID-19 has triggered an economic and social crisis. However, the ‘footprint’ of the crisis is expected to be spatially uneven rather than homogeneous. Although the literature on geographies of crisis is scarce and underdeveloped, and rigorous explanations for the respective responses of different regions to shocks are lacking (Eraydin 2016, Martin et al. 2016, Artelaris 2017),<sup>1</sup> a clear message from studies of the 2008 economic crisis in the EU was that some regions were more affected than others (Committee of the Regions 2010, Martin 2010, Kitson et al. 2011, Brakman et al. 2015, Capello et al. 2015).

Although more and better data is needed to understand and evaluate the economic and social effects of COVID-19 at the spatial level, a few recent studies, mainly focusing on GDP per capita, reveal that the pandemic crisis has left an uneven spatial footprint and show evidence of increasing levels of territorial inequality (OECD 2020). For instance, Capello, Caragliu (2021), using the latest generation of the Macroeconomic, Sectoral, Social, Territorial (MASST4) model, show evidence of increasing regional inequality in the EU, mainly arising from the heterogeneous effects of the crisis at the country level. In a similar vein, Brada et al. (2021) also offer evidence of growing regional inequalities in their examination of 199 NUTS-3 regions in Central and Eastern Europe (CEE). In short, the COVID-19 crisis appears to have reinforced and even deepened spatial disparities, posing new challenges to EU territorial cohesion.

From a policy point of view, the existing (preliminary) empirical evidence encourages the implementation of a sound territorial policy and the adoption of spatially selective interventions to ameliorate the effects of the pandemic crisis on the areas most affected. Moreover, (past) experience suggests that there is a need for appropriate and focused policy efforts to actively protect social outcomes rather than trying to recover losses in the aftermath of crises, as economic recoveries do not necessarily and inevitably lead to recoveries for human and social indicators; very often, the damage is permanent or highly persistent because some of these losses are simply not recoverable (Martin 2010, Mohseni-Cheraghlou 2016, Artelaris 2017). As stated in the Territorial Agenda 2030:

While revising the Territorial Agenda, the COVID-19 pandemic has changed policy making and future development outlooks. As implications and policy responses vary across territories due to different conditions, the pandemic shows that territories matter and are highly interdependent. Territorial cohesion should play an important role in the recovery process. (Ministers 2020, p. 2)

### 3 European Union Policy Responses to the COVID-19 Pandemic

In this challenging environment, some questions naturally arise in terms of EU policy: What were the immediate EU policy responses to the pandemic? What changes did the COVID-19 pandemic bring to EU cohesion policies and territorial cohesion policy in particular? To start with, the EU adjusted its budget to cope with the negative socioeconomic consequences of the pandemic. In July 2020, the Special European Council decided on a massive European Recovery Plan increasing the budget of the post-2020 period. The main aim was to support a ‘sustainable and resilient recovery’ while promoting the already-intended green and digital transitions (Bachtler et al. 2020). The most significant measures were the launching of the ‘Next Generation EU’ initiative (2021-2024) and a new, revamped budget for the current programming period (2021-2027) exceeding one billion euros. Other significant measures included the creation of a financial

<sup>1</sup>It is worth noting that the literature focusing on this issue has two main strands. The first strand relates the spatial concentration of economic activities to cycles, suggesting that regional disparities exhibit a pro-cyclical behavior, increasing in periods of expansion and decreasing in periods of recession (Berry 1988). The second strand, known as regional resilience and triggered by the 2008 crisis, refers to the manner in which spatial entities or systems react to and recover from adverse disruptions, such as recessionary downturns and economic shocks (Martin 2012, Martin et al. 2016, Sensier et al. 2016). Although there is no consensus, potential critical determinants of the crisis have been considered to include geography, economic structures, policies, the openness of trade and instability of exports of goods, infrastructure and regional innovation systems (Artelaris 2017).

instrument providing (temporary) support to mitigate unemployment risks in a crisis-ridden environment (SURE), amendments to the EU budget to address urgent issues, redirection of EU funds to help the member states most in need and support to the sectors most affected<sup>2</sup>. Apart from these emergency measures, the main priorities remained the facilitation of a transition to a ‘smarter’ and ‘greener’ Europe. For the European Commission, the advent of the pandemic was not only a challenge but also an opportunity to bring closer the much-needed digital and green revolutions. As stated by the European Commission: ‘Our generational challenges – the green and digital revolutions – are even more important now than before the [COVID-19] crisis started. Through the recovery, we will press fast-forward on the twin green and digital revolutions’ (EC 2020b).

Cohesion policy has proven to be an effective and efficient policy tool in mitigating economic crises, such as the 2008 economic crisis and the 2014-15 refugee crisis. The current pandemic is no exception as cohesion policy has been one of the cornerstones of the European response to the COVID-19 crisis. For example, a new initiative, REACT-EU, was established to increase the 2014-2020 budget for cohesion policies by 55 billion euros. The REACT-EU initiative stands for Recovery Assistance for Cohesion and Territories of Europe. The extra funding was distributed between the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Fund for Aid to the Most Deprived (EC 2020a). The new instrument was launched in 2020 and continues in 2021-2022 through funds from the ‘Next Generation EU’ initiative. It aims to provide financial support for the recovery of significant sectors of the economy while decisions for the allocation of funds take place at the national level. All these initiatives offer great help in all EU countries, but those hit hardest benefit the most (Sapir 2020).

#### 4 Looking into the future: Changes in urbanization?

All across Europe, economic development concentrates in cities and their adjacent metropolitan (functional) areas. These are the places where the bulk of innovation, digitization and rapid economic growth are concentrated; these are the hotspots of our established economic system. The concentration of people, activity and resources in a small number of big cities advances economic growth and innovation and even drags surrounding regions into development through a number of positive externalities (Annez, Buckley 2009). European societies are based on the concentration of population and human activity in cities and thus are highly urbanized in nature. Apart from being significant economic growth machines, cities are also the social, cultural and political pinnacles of our urban civilization. In short, urbanization and city life constitute the mainstream of our way of life (Quigley 2009). However, this state of affairs is not without problems. For instance, the concentration of people and wealth in a few urban areas creates traffic congestion, pollution, inflated housing prices and spatial inequality not only within cities but also between developed cities and other, less developed areas. This is the ‘urban paradox’ that characterizes established forms of urbanization in the EU and beyond (Eurostat 2016, p. 34).

As far as the COVID-19 crisis is concerned, it is widely accepted that the spread of the pandemic has been positively correlated with levels of urbanization and population density (Connolly et al. 2020). For instance, city centres and inner-city areas with high population density have proved to be the prime victims of the pandemic, leading, in several cases (such as New York), to the collapse of their healthcare systems. In this context, demand has greatly increased, at least during the early stage of the pandemic, for housing away from neighbourhoods with high population density; the main cause of this trend is related to the decreased need to live near jobs (Liu, Su 2021). Furthermore, the pandemic appears to have intensified socio-spatial inequalities as infection rates were much higher in deprived neighbourhoods and among ethnic minorities (Biglieri et al. 2020).

The positive relation between urbanization and levels of infection raises questions about the future of our crowded cities. The current pandemic has changed city life

<sup>2</sup>For a thorough presentation, see <https://www.consilium.europa.eu/en/policies/coronavirus/covid-19-economy>.

and, even more importantly, the ways we think about urban density. During successive lockdowns and acute restrictions on mobility, cities and city centres lost much of their liveliness and economic activity (Lee, Huang 2022). Gradually, a small but growing literature has begun to emerge documenting the ways that cities have coped and are still coping with the evolving pandemic crisis. An uncertainty about the future of cities has come to the fore (Gill et al. 2020).

More to the point, the COVID-19 crisis and its urban effects have created dual scenarios for the future of cities. One line of thought (for instance, Graziano 2021) envisions de-urbanization and a ‘back to the villages, towns and rural areas’ movement. In this scenario, technology is deemed to play a paramount role in facilitating forms of remote work and providing other technology-driven services. Closely related to this notion of de-urbanization is the concept of the ‘distanced city’ (Gill et al. 2020), where people work from home, engage in electronic shopping and adopt various measures of physical detachment to protect themselves from the crowdedness of city life. For instance, Lee, Huang (2022) showed the existence of strong support for ‘urban’ flight within metropolitan areas in the United States during the pandemic. In sharp contrast to this, the second scenario envisions the emergence of the city of ‘proximity’ (Cerasoli et al. 2022). According to this scenario, COVID-19-related mobility restrictions have made proximity extremely important. Some other writers have even argued for the need to create ‘an economy of proximity’ (Tricarico, De Vidovich 2021); all these ideas bring to the fore the notion of a new ‘hyper-local’ urbanism. According to such narratives, there is a need to reconfigure the role of proximity in city life by eradicating travel time and thus creating more compact and coherent neighbourhoods where residents can work, shop, be entertained and receive health-related services close to their homes. Many cities around the world, from Seoul to Paris, appear to have adopted this philosophy by working towards the creation of the 10- or 15-minute city. On this model, travel on foot or by cycling should be sufficient to meet all one’s needs. To cut a long story short, the COVID-19 pandemic appears to have produced dual future urban scenarios, based either on de-urbanization and distanced living or on urban living characterized by proximity, neighbourhood self-sufficiency and ‘hyper-localism’.

Furthermore, the post-pandemic city has been envisaged as greener and sustainable (Ferrini, Gori 2020). A new urban planning philosophy and even architectural paradigm have been deemed necessary (Sharifi, Kharavian-Garmsir 2020). Through the prism of the ‘distanced city’, it has been argued that a dominance of suburbs over city centres might characterize post-pandemic times. E-commerce and remote work might become permanent features of our lives and lead to the decentralization of activities and forms of dwelling (Pisano 2020). As a result, urban centres might lose a large part of their vitality and even experience a gradual economic and cultural decline. However, we should not forget that since Louis Mumford’s ‘Culture of Cities’ (Mumford 1970), cities and urban centres have been regarded as manifesting life in its highest form. Jane Jacobs (1961) and Richard Sennett (1970) perceived face-to-face interaction and urban encounters as the very essence of city life. Economic geography contributed a perception of spatial clustering as responsible for producing innovation and economic growth. Richard Florida spoke of the creativity of cities (Florida 2002). All these ideas are, in one way or another, close to the notion of ‘proximity’. One is left wondering whether the pandemic might bring some of these aspects of city life close to an end, changing our urban lives and the ways we think about cities and city centres.

For some authors, the expected effect of the pandemic on cities depends on its duration. If the pandemic lasts for years, they believe, cities will change to a significant extent; if its duration is shorter, changes to cities might not be of great concern (Florida et al. 2021). Currently, we are in the midst of an economic recovery, compromised by rising inflation, near the end of a pandemic and facing the risk that COVID-19 might become endemic. Consumption has increased, and many city centres are open to customers and workers alike. Several reports anticipate that cities and urban centres will prosper as people are eager for face-to-face contact (Giorgi et al. 2022). However, some cities are still empty as people continue to work from home. For Mumford (1970), as long as people desire face-to-face contact, cities and city centres will exist in one form or another. Again, only

the passage of time will make clear whether the pandemic eventually changes urbanization or cities continue as they have been.

## 5 Looking into the future: A more dispersed economic agglomeration?

The COVID-19 pandemic has the potential not only to transform cities and urbanization but also, more importantly, to challenge the territorial logic on which our economic system is based. As argued above, polycentric development is one of the most important aspects of territorial cohesion. The idea of polycentricity is close to the notions of economic competitiveness, smart growth and digital connectivity (Artelaris, Mavrommatis 2020). For territorial cohesion policy, the concentration of people, activity and prosperity in a few specific urban areas both increases costs (land values, quality of life, commuting time, etc.) and creates obstacles to spatial justice (concentration of economic opportunity, facilities, infrastructure, etc.). These are the negative aspects of the urban paradox. Nevertheless, territorial cohesion policy accepts the positive side of the urban paradox, namely that cities are the main engines of economic growth and innovation. In a way, one of the goals of territorial cohesion policy is to take advantage of the positive side (urban growth) while counteracting the negative aspects of the urban paradox. The aim of territorial cohesion can further be described as facilitating harmonious and balanced development through the creation of a polycentric urban system able to produce significant economic growth and development. The creation of such a system can increase the economic competitiveness of different regions and break the monopolistic conditions attendant on the European global city model.

Leaving aside for a moment the idea of the polycentric system, the reality is that cohesion policies in general and territorial cohesion policy in particular are based on the notion of economic agglomeration. Since the 1990s, the agglomeration of economic activity has been the model on which cohesion policies were built. To put it differently, cohesion and territorial cohesion policies have followed, or simply accepted, an agglomeration-centric approach by adopting neoliberal economic principles: the free economy boosts economic growth while finding, in parallel, ways for it to trickle down (Davoudi 2020). In short, the agglomeration model has been the economic cornerstone of cohesion policy (Cotella, Vitale Brovarone 2021). Agglomeration is even the basis for the idea of creating a polycentric European urban system, albeit a more dispersed one with more cities (polycentric development) creating growth, advancing economic development and bringing along surrounding regions.

However, the COVID-19 pandemic appears to create barriers to the efficiency of the economic agglomeration or urban agglomeration model. As the pandemic has spread widely in cities, those are the places under the greatest threat (Connolly et al. 2020). In this sense, the vulnerability of (crowded) cities to the pandemic calls into question the future viability of the agglomeration-centric approach according to which economic activity and human skills concentrate in urban densely populated areas. Accordingly, in the light of the COVID-19 pandemic, some pertinent (although theoretical) questions arise: What is the future of economic agglomeration or urban agglomeration? What alternative types of spatial models could emerge to create economic growth in a post-pandemic world that takes seriously the possibility of new pandemic outbreaks? Could these new spatial models be closer to the aims of territorial cohesion?

The reality is that the European economic model cannot really abandon its urban agglomeration logic; practically, it cannot leave cities behind and extensively relocate economic activities to the countryside and beyond. This is not feasible under current circumstances as the economic system is clearly urban in nature. Nevertheless, for some scholars, massive investment could render rural areas more livable and functional as a complement to the urban dimension (Cotella, Vitale Brovarone 2021). In such a scenario, agglomeration would spread from cities to the surrounding rural areas, creating more opportunities for people and economic activities. However, the 'new' rural would not substitute for the urban; instead, the rural and the urban would work together to create a new, more 'spread-out' form of the agglomeration model (Cotella, Vitale Brovarone 2021). This is probably similar to Lefebvre's (2003) idea of the creation of an urban capitalist

economic system that is found not only in cities but also in areas that lie between them – a more dispersed agglomeration that encompasses both urban and rural spaces. Will the pandemic bring Lefebvre's urban 'capitalist revolution' closer to reality than before? This is debatable. However, it is time to shift our focus to some policy ideas and options that have recently appeared on the European policy landscape.

## 6 Policy options: From the urban paradox to territorial cohesion policy for post-pandemic recovery

By situating the idea of the urban paradox within the context of this paper, we seek to put forward some policy thinking and options that, while not new, have lately experienced a boost. In very simple terms, the urban paradox can be summarized as follows: the growth of cities and urban areas promotes economic development and innovation. However, such urban growth also creates problems, including inequality within urban centres and disparities between them and less developed areas. Paradoxes are logical contradictions, which are not exactly meant to be solved. A paradox is inherently unsolvable; solving it would prove it was not a true paradox. From Zeno of Elea to Bertrand Russell, paradoxes have been central to philosophical thinking by challenging us and provoking fresh thought. According to the Cambridge Dictionary, a paradox is 'a situation or statement that seems impossible or difficult to understand because it contains two opposite facts or characteristics'. A paradox presents a contradiction and shows the limitations of reason.

Bringing these ideas closer to the subject of this paper, we could argue that the urban paradox can be rephrased by saying that urban agglomeration is 'good' and urban agglomeration is 'bad' (for the aforementioned reasons). These contradictory statements both characterize our European urban system and its geographical economic logic. Nevertheless, the COVID-19 crisis poses a test for the present and future of our crowded cities, for the established economic system as well as its territorial logic; the pandemic constitutes a challenge to the regime of urban agglomeration in the EU (and elsewhere). Consequently, its effects seem to influence the salience of the urban paradox. As argued, de-urbanization and the creation of a 'distanced city' have the potential to change cities and urban areas. At the same time, the possibility of a more spread-out regime of economic agglomeration might influence the territoriality of our economic system. These developments render the future existence of the urban paradox less certain, partly jeopardizing the 'truth' of the two contradictory statements it contains. Time will tell.

The existence of the urban paradox is a significant reason for the creation of territorial cohesion policy as that policy attempts to ameliorate the negative effects of urban agglomeration without compromising its positive ones. How does it do that? By promoting polycentricity within the European urban system, and through that, a harmonious and balanced development across EU space. In more concrete policy terms, the urban paradox can be seen as the relationship between regional policy, urbanization and economic agglomeration (Ferry, den Hoed 2020). Bringing regional policy to the forefront, the urban paradox can be recast as following: urban agglomeration is 'good' for regional economic growth but 'bad' in terms of regional inequality (at the national level). Regional policy deserves foregrounding here because the harmonious, balanced development that is its very essence makes it part and parcel of territorial cohesion policy.

In this context, the key question is what regional policy can do in relation to the urban paradox, specifically how it can take advantage of the positive while ameliorating the negative effects. It should be highlighted that, in general terms, regional and urban policy are distinct and autonomous fields at the national policy level. Nevertheless, regional policy attempts to promote and facilitate urban growth and development as it accepts that regional growth is (mostly) dependent on the economic performance of urban centres that economically strengthen surrounding areas through spillover effects and positive externalities. At the same time, it attempts to ameliorate the negative effects of urban agglomeration on the equity of inter-regional growth. How can this be done? By bringing urban development and regional policy agendas closer together. As a matter of fact, during the pandemic in the last two years, regional policies in a number

of EU member states have addressed urban issues; there has been an ongoing effort to combine urban and regional agendas by acknowledging the contribution of urban areas to regional development. This has taken place mostly through policy governance measures and strategic frameworks that integrate urban and regional concerns (Ferry, den Hoed 2020).

One such approach is the promotion of urban-rural linkages that acknowledge the complex dependencies between urban and rural areas. As Cotella, Vitale Brovarone (2020) argue, the COVID-19 pandemic is ‘a specific moment in time where contextual conditions allow to push forward conditions that would not take root in normal times as for instance those insisting on the valorization of inner areas [inner rural areas in Italy] and the potential synergies that could be established with denser urban regions’ (Cotella, Vitale Brovarone 2020, p. 115). Furthermore, the role of medium-sized cities increases in prominence as a means of promoting regional development and moving towards the always sought-after, yet never attained, goal of regional equity. In close relevance to this, Medeiros, Rauhut (2020), within the context of territorial cohesion policy, have highlighted the importance of strengthening medium-sized towns through targeted public and private investment as a way of achieving territorial cohesion within countries and across EU space. Their rationale is based on the hypothesis that the growth of medium-sized cities, or ‘Territorial Cohesion cities’, will lead to the growth of undeveloped areas and thus contribute to territorial cohesion or regional equity. It is interesting and deserving of further research how the effects of the COVID-19 pandemic may transform these policy ideas (rural-urban relationships and the role of medium-sized cities) in relation to the urban paradox.

## 7 Conclusions

The recent pandemic, probably resulting in the most dramatic economic crisis in the history of the EU, constitutes a major challenge for the EU’s economic, social and territorial cohesion. Although more and better data is needed, there is reason to think that the effects of this multifaceted crisis are not geographically homogeneous across Europe; instead, new forms and increasing levels of inequality have emerged across and within EU countries, regions and localities, undermining the European objectives of economic, social and territorial cohesion. From this perspective, European territorial cohesion policy might be a sound and effective policy tool for bringing about a post-pandemic economic, social and territorial revival. There is also reason to think that the COVID-19 emergency might lead to changes in some of the basic foundations on which territorial cohesion policies have been built.

This paper has shed some light on the possible effects of the COVID-19 crisis on two fundamental aspects of territorial cohesion, namely urbanization and economic agglomeration (urban agglomeration). As city centers and inner-city areas with high population density emerged as the prime victims of the pandemic, the positive relation between urbanization and levels of infection raised questions about the future of our crowded cities. The current pandemic has both transformed city life and, even more significantly, brought changes to the ways we think about urbanization and urban density. As a result, an ambiguity about the future of cities has come to the fore as cities face the choice between a distanced model and a model that prioritizes proximity. Partly as a result of this ambiguity, the pandemic has the potential not only to change cities and urbanization patterns but also, more importantly, to challenge the territorial logic on which our economic system is based. The COVID-19 crisis creates barriers to the efficiency of the economic agglomeration or urban agglomeration model. The vulnerability of (crowded) cities exposed by the pandemic calls into question the future viability of the urban-agglomeration-centric approach. In consequence, we are left to wonder not only about the future of our cities but also about the prospects of the established urban agglomeration model.

In most circumstances, regional and urban policies are distinct and autonomous fields. However, during the last two years, the regional policies of many EU member states have attempted to address urban issues; there have been significant efforts to integrate



urban and regional agendas. One such effort works through the promotion of urban-rural linkages. Additionally, a more prominent role is emerging for medium-sized cities as means of promoting regional development and regional equity. For the urban paradox to be addressed, European territorial cohesion and regional policy should work together to strengthen the merits of urban agglomeration and counteract its negative aspects. However, we do not expect the urban paradox to be solved; if it were solvable, it would not be a true paradox. As a matter of fact, in philosophy, logic and mathematics, paradoxes are not there to be solved; instead, they urge us to think afresh and change our perspective. In the light of the COVID-19 pandemic and the changes it has brought to the established regime of urban agglomeration in and across the EU, our policy perspectives on territorial cohesion and regional policy might well be in need of some novelty and fresh thinking.

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