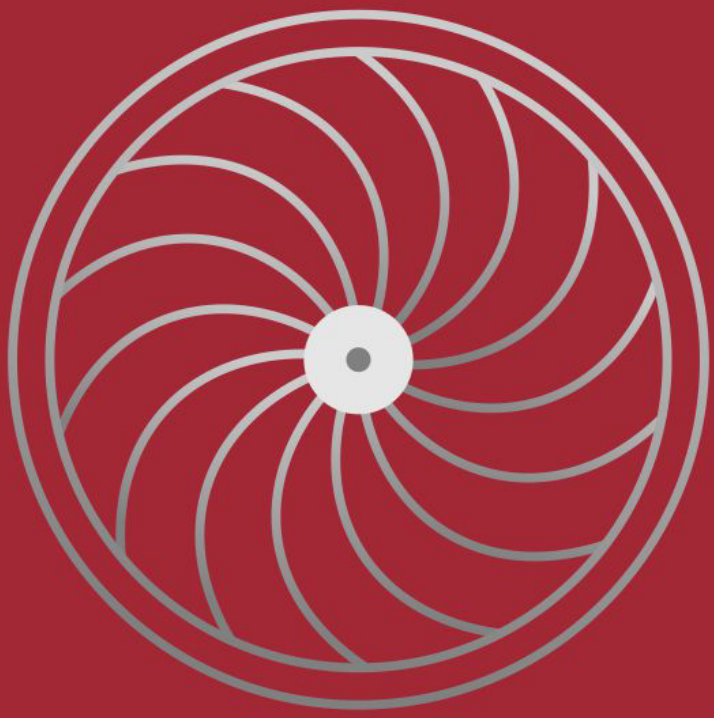
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POLICY PAPERS

COHESION IN TRANSITION. EMERGING TERRITORIAL CHALLENGES AND PUBLIC POLICY RESPONSES, CONTRIBUTIONS TO RETHINKING TERRITORIAL COHESION IN EUROPE

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APRESENTAÇÃO DA UMPP / UMPP PRESENTATION

A Unidade de Monitorização de Políticas Públicas (UMPP) da Universidade de Évora é uma estrutura técnica e científica dedicada à produção de conhecimento e informação sobre conceção, monitorização e avaliação de políticas públicas.

A UMPP foi criada com o apoio do Programa Operacional Regional do Alentejo 2007-2013 (INALENTEJO) e tem como objetivo principal promover a avaliação e monitorização das políticas públicas implementadas ou em processo de implementação na unidade territorial NUTS II do Alentejo, em Portugal e na União Europeia, bem como assegurar a ampla disseminação desse conhecimento neste âmbito territorial.

A competitividade dos países, das regiões e das empresas está cada vez mais dependente das condições em que uns e outras tomam decisões e as concretizam de forma eficiente e eficaz. Neste sentido, a capacidade e competência na definição e implementação de políticas públicas por parte do Estado e a assertividade na concretização de estratégias e iniciativas bem sucedidas por parte das demais organizações são hoje fatores decisivos para o desempenho das sociedades em que se inserem.

A relevância, pertinência, coerência e valor acrescentado das políticas públicas são hoje aspetos absolutamente cruciais para as condições de desenvolvimento dos países, dos territórios, das organizações e dos indivíduos. Desde logo, em função dos contextos regulamentares e de enquadramento que estabelecem, dos mecanismos de incentivo e estímulo em que assentam, dos paradigmas e visão de futuro para que apontam, do nível de sofisticação e inovação que lhe está associado e da intencionalidade estratégica que imprimem e transmitem, numa perspetiva de médio e longo prazo, aos setores e atividades a que se destinam.

Num momento em que é cada vez maior o nível de exigência técnica e científica associado ao processo de planeamento da economia, da sociedade e dos territórios, e à construção e salvaguarda das suas condições de competitividade e de desenvolvimento, a Universidade de Évora entendeu criar uma Unidade de Monitorização de Políticas Públicas dedicada à produção de conhecimento e à avaliação e monitorização de políticas públicas aplicadas, ou em processo de aplicação nesta região.

A UMPP pauta a sua atividade por princípios de rigor, isenção, transparência e responsabilidade, e uma preocupação constante de auscultação e colaboração com as entidades e agentes da região Alentejo, mas também relativamente às de âmbito nacional e internacional.

Convidamo-lo(a) a conhecer o trabalho que fazemos.

The Public Policy Monitoring Unit (UMPP) of the University of Évora is a technical and scientific unit dedicated to producing knowledge and information on the design, monitoring, and evaluation of public policies.

UMPP was established with the support of the Alentejo Regional Operational Programme 2007-2013 (INALENTEJO). Its main mission is to promote the monitoring and evaluation of public policies that have been implemented, or are currently being implemented, in the NUTS II region of Alentejo, in Portugal and the European Union while also ensuring the broad dissemination of knowledge in this field across the territory.

The competitiveness of countries, regions, and organisations increasingly depends on the conditions under which decisions are made and translated into effective and efficient action. In this context, the State's capacity to design and implement public policies, together with the ability of other organisations to deliver successful strategies and initiatives, has become a decisive factor in the performance of the societies in which they operate.

The relevance, consistency, coherence, and added value of public policies are now crucial to the development prospects of countries, territories, organisations, and individuals. This is reflected in the regulatory and institutional frameworks they establish, the incentive mechanisms on which they are built, the paradigms and future visions they promote, the degree of sophistication and innovation they embody, and the strategic direction they provide to the sectors and activities they are intended to support over the medium and long term.

At a time when the technical and scientific demands associated with planning the economy, society, and territories – and with strengthening and safeguarding their competitiveness and development – are becoming ever more complex, the University of Évora created UMPP as a dedicated unit for the production of knowledge and for the monitoring and evaluation of public policies applied, or in the process of being applied, in the region.

UMPP carries out its work in accordance with the principles of rigour, impartiality, transparency, and responsibility, while maintaining an ongoing commitment to dialogue and collaboration with institutions and stakeholders in the Alentejo region, as well as with partners at national and international level.

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Esta publicação destina-se a cumprir um dos objetivos da UMPP, nomeadamente a produção de conhecimento e de informação sobre a conceção, monitorização e avaliação das políticas públicas implementadas ou em processo de implementação na Região Alentejo, em Portugal e na União Europeia, bem como promover a disseminação dessa informação no contexto regional, nacional e europeu.

O UMPP Policy Paper No. 6 | 2026 O presente manuscrito propõe uma releitura da coesão territorial como quadro para governar transições diferenciadas na Europa. Parte do argumento de que as desigualdades territoriais contemporâneas já não podem ser lidas apenas através das disparidades regionais tradicionais, uma vez que demografia, serviços públicos, clima, digitalização, segurança, legitimidade democrática e capacidade institucional se combinam agora de forma cumulativa e espacialmente diferenciada.

Este texto assume ainda que a Política de Coesão da União Europeia deve também ser entendida como uma questão de justiça intergeracional, na medida em que as desigualdades territoriais condicionam a distribuição de oportunidades, capacidades e projetos de vida ao longo do ciclo de vida e entre gerações.

UMPP Policy Papers are concise publications addressing methodological issues and technical and scientific debate in the field of public policy monitoring and evaluation. Among other topics, they include evaluation and analytical exercises focusing on specific public policies or policy instruments, and are designed to present recommendations and proposals for future action.

This publication contributes to one of UMPP's core objectives: the production of knowledge and information on the design, monitoring, and evaluation of public policies implemented, or in the process of being implemented, in the Alentejo Region, while also promoting the dissemination of this knowledge at regional, national and European levels.

UMPP Policy Paper No. 6 | 2026 reinterprets territorial cohesion as a framework for governing differentiated transition in Europe. It argues that contemporary territorial inequalities can no longer be read only through traditional regional disparities, since demography, public services, climate, digitalisation, security, democratic legitimacy and institutional capacity now combine in cumulative and spatially differentiated ways.

The paper also advances the proposition that EU Cohesion Policy should be understood as a matter of intergenerational justice, insofar as territorial inequalities shape the distribution of opportunities, capabilities and life projects across the life course and between generations.

COHESION IN TRANSITION. EMERGING TERRITORIAL CHALLENGES AND PUBLIC POLICY RESPONSES, CONTRIBUTIONS TO RETHINKING TERRITORIAL COHESION IN EUROPE

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Abstract

Territorial cohesion in Europe is entering a new and more demanding phase. The central challenge is no longer only to reduce inherited disparities between richer and poorer regions through redistribution and investment. It is increasingly to govern a territorially differentiated landscape of structural transitions in which demographic decline, public service vulnerability, uneven digital readiness, climate exposure, housing stress, geopolitical uncertainty, democratic fragility, and institutional asymmetries interact in cumulative and place-specific ways. Recent European and OECD work makes clear that these pressures are not spatially neutral. They generate differentiated territorial vulnerabilities and unequal capacities to anticipate, absorb, adapt to and shape structural change (European Commission, 2025a; Hériaud et al., 2025; OECD, 2025a).

At the same time, the policy framework within which cohesion is being redefined is itself in transition. The post-2027 debate on the future of the European Union budget points toward stronger emphasis on competitiveness, security, resilience, strategic autonomy, simplification and performance-based delivery. While this reorientation reflects real geopolitical and economic pressures, it also raises fundamental questions about the future identity of Cohesion Policy as a place-based, multilevel and territorially differentiated long-term investment policy (Committee of the Regions, 2025; European Commission, 2025b; Mendez et al., 2025; Molica et al., 2025b).

This paper argues that territorial cohesion must therefore be rethought as a forward-looking framework for governing transition in a differentiated Europe, rather than as a narrower redistributive mechanism aimed only at compensating historical backwardness. Such a reframing does not abandon convergence. Instead, it embeds convergence within a broader understanding of resilience, territorial capability, institutional capacity, democratic legitimacy and anticipatory public action. It also advances a complementary normative claim: EU Cohesion Policy should increasingly be understood as a matter of intergenerational justice. If territorial inequalities systematically shape access to education, housing, health, mobility, connectivity, innovation and future life chances, then they are not merely spatial asymmetries; they are also mechanisms through which disadvantage may be reproduced across the life course and between generations.

This argument builds on earlier work by the author on the post-2020 future of place-based approaches and on the evolving social and territorial dimensions of smart specialisation (Neto, 2020; Neto et al., 2018), as well as on two more recent UMPP Policy Papers. The first argues that geography has become a strategic variable for productivity, innovation, resilience and cohesion, and that Smart Specialisation should be treated as a strategic governance architecture for territorialising Europe's new competitiveness agenda (Neto, 2026a). The second argues that economic, social and territorial cohesion should be recognised as a central condition of intergenerational fairness and as a territorial guarantee of opportunity within the post-2030 reform of EU policies (Neto, 2026b). Building on these contributions, the present paper develops an integrated argument on cohesion in transition and concludes with a structured set of policy recommendations for the European Union, Member States and territorially differentiated public action.

The broader conclusion is that cohesion and transition can no longer be treated as separate agendas. Cohesion is not an older distributive concern to be traded off against competitiveness, resilience or strategic autonomy. It is one of the conditions under which those agendas can be pursued without deepening the fractures they seek to overcome. In this sense, rethinking territorial cohesion in Europe means recognising that balanced territorial development, public legitimacy and long-term transformation have become more, not less, interdependent.

Executive Summary

This Policy Paper argues that Europe's territorial problem is changing and that the conceptual and policy vocabulary of territorial cohesion must change with it. The classic concern with regional disparities in productivity, income and infrastructure remains important, but it is no longer sufficient to explain the contemporary territorial condition. Europe is increasingly shaped by differentiated transition pressures associated with demographic ageing and depopulation, uneven regional resilience, service-access inequalities, climate and environmental risks, housing affordability, digital divides, uneven administrative modernisation, democratic vulnerability, and growing pressure for security-oriented strategic investment (European Commission, 2025a, 2025b, 2025d, 2025e; Hériaud et al., 2025; OECD, 2025a).

The paper develops five central claims.

First, territorial cohesion must be understood in multidimensional terms. A region's development prospects depend not only on output or productivity but also on its demographic viability, institutional capability, service infrastructure, digital readiness, adaptive capacity, and ability to retain or attract people, skills and investment. GDP-based convergence remains necessary but is no longer analytically sufficient.

Second, many of Europe's emerging challenges are cumulative and relational. Climate transition affects housing, mobility, infrastructure and local budgets. Demographic decline affects labour markets, education systems, care services and transport viability. Digital transition depends on both technological infrastructure and administrative capability. Security and defence priorities are becoming more territorially relevant, but their spatial distribution may reinforce rather than reduce asymmetries unless explicitly assessed through a cohesion lens.

Third, current public policy responses are frequently insufficient because they remain too spatially blind, sectorally fragmented, centrally steered, or weakly grounded in implementation realities. Recent debates on the future MFF suggest a further move towards national and regional partnership plans, stronger reform linkages, greater flexibility and performance-based disbursement. These changes may improve coherence in some respects, but they also risk weakening territorial differentiation, multilevel governance and the long-term developmental rationale of cohesion policy (Committee of the Regions, 2025; Mendez et al., 2025; Molica et al., 2025b).

Fourth, EU Cohesion Policy should also be understood as a question of intergenerational justice. Territorial inequalities are not only spatial imbalances; they are also mechanisms through which unequal opportunities are reproduced over the life course and between generations. Access to education, healthcare, housing, public services, mobility, digital connectivity, innovation ecosystems and participation is strongly conditioned by geography. A territorially blind understanding of intergenerational fairness is therefore incomplete (European Commission, 2025a; Neto, 2026b).

Fifth, a renewed territorial policy framework should combine place-based design, stronger multilevel governance, institutional capacity-building, challenge-oriented policy mixes, strategic foresight, better territorial monitoring, and a broader conception of territorial intelligence. The paper argues that cohesion policy should increasingly be seen as a framework for governing differentiated transition. This does not imply abandoning competitiveness. It implies territorialising competitiveness, resilience and strategic autonomy so that Europe's broader strategic objectives remain economically effective, socially legitimate and territorially sustainable.

The paper also situates itself in relation to the author's recent work. It builds on earlier reflections on the place-based approach in the post-2020 EU policy framework (Neto, 2020) and on the evolution from RIS3 toward broader social and territorial dimensions of smart specialisation (Neto et al., 2018). It also extends two recent UMPP Policy Papers: one on geography and Smart Specialisation in the Draghi and Letta reports (Neto, 2026a), and another on cohesion policy and intergenerational fairness (Neto, 2026b). The present manuscript consolidates these lines of argument into a broader interpretation of territorial cohesion as a policy architecture for governing transition fairly across Europe.

The paper concludes with twelve policy recommendations. These include broadening the operational definition of territorial cohesion; explicitly recognising cohesion as a condition of intergenerational justice; strengthening place-based policy design in territorially sensitive fields; protecting multilevel governance in the post-2027 reform; treating institutional capacity as a first-order cohesion variable; embedding strategic foresight in territorial programming; developing more integrated territorial policy mixes; building stronger monitoring and learning systems; incorporating democratic resilience into territorial policy; ensuring that new strategic priorities do not hollow out cohesion; and preserving cohesion as a long-term investment pillar.

The broader argument is clear: a more competitive, more secure and more resilient Europe will only be politically legitimate and economically sustainable if it is also more territorially balanced, more institutionally capable and better able to respond to the differentiated realities of its places and to the distribution of opportunities across generations.

Keywords

EU Cohesion Policy; territorial cohesion; place-based policy; regional resilience; multilevel governance; institutional capacity; strategic foresight; public policy; Europe; transitions; intergenerational justice.

1. Introduction

Territorial cohesion has long been one of the European Union's defining policy ambitions. It expresses a foundational political intuition: that economic integration, market deepening and common strategic action cannot remain legitimate over time if they are accompanied by persistent or widening territorial asymmetries. For several decades, this intuition was operationalised primarily through the language of convergence. Regions lagged behind because of lower productivity, weaker infrastructures, limited connectivity, lower human capital or weaker employment performance, and Cohesion Policy was intended to reduce those gaps through targeted public investment, institutional modernisation and solidarity-based redistribution.

That older language remains relevant, but it is no longer sufficient. The contemporary territorial landscape of Europe is shaped less by a single map of backwardness than by a layered geography of differentiated transitions. Demographic ageing and depopulation affect some places more than others. Climate exposure is unevenly distributed. Digital transition creates new asymmetries in institutional and service capability. Housing pressures are acute in some metropolitan and tourist-intensive areas while other territories face stagnation, shrinking opportunity structures or declining service accessibility. Geopolitical tensions and the rise of security-related investment priorities are likewise producing new territorial implications. In short, the challenge is no longer only how to help lagging regions catch up; it is also how to govern structural transition in ways that remain fair, territorially sensitive and institutionally feasible (European Commission, 2025a; Hériaud et al., 2025; OECD, 2025a).

This shift matters because territorial inequalities now operate through more complex mechanisms than in earlier phases of regional policy. A region may not be among the poorest in GDP terms and yet still face cumulative vulnerability because of ageing, weak service accessibility, institutional fragility, low digital maturity, housing stress or limited resilience to environmental and geopolitical shocks. Conversely, some strong metropolitan regions may concentrate capabilities and opportunity while also generating affordability pressures, congestion and exclusion. A contemporary discussion of territorial cohesion must therefore move beyond a static and single-variable understanding of disparity.

At the same time, the policy context in which cohesion is being redefined is itself changing rapidly. Recent Commission proposals for the post-2027 Multiannual Financial Framework indicate a stronger orientation toward competitiveness, security, resilience, simplification and performance-based delivery. These priorities are understandable. Europe faces technological disruption, climate transition, energy-system transformation, geoeconomic fragmentation, military insecurity and intense strategic competition. Yet the way these priorities are institutionalised matters. If the next MFF further centralises planning, weakens territorial differentiation, or reduces regions to implementation spaces for nationally defined plans, then the place-based and multilevel rationale of cohesion policy may be significantly diluted (Committee of the Regions, 2025; European Commission, 2025b; Mendez et al., 2025).

The emerging debate is therefore not merely technical. It is constitutional and strategic in the broader sense. It concerns the type of territorial contract Europe wishes to sustain in the next phase of integration. A Union organised around resilience, competitiveness and strategic autonomy still needs a territorial logic capable of linking common goals to differentiated places. Without such a logic, European priorities risk being experienced as spatially uneven obligations rather than as shared and territorially embedded opportunities.

This is why territorial cohesion deserves conceptual renewal rather than only procedural adjustment. The core proposition of this paper is that territorial cohesion should be rethought as a framework for governing differentiated transition in Europe. Such a reframing retains the concern with economic and social disparities, but it extends it to territorial capability, adaptive capacity, service accessibility, institutional resilience, democratic legitimacy and anticipatory governance. In this perspective, cohesion is not merely about catching up; it is about ensuring that structurally diverse territories can remain viable, connected, governable and opportunity-generating under changing conditions.

A further reason for revisiting territorial cohesion now is that this paper does not emerge in isolation. It builds on a line of work developed by the author across several contributions. Earlier publications examined the future of the place-based approach in the post-2020 European policy framework and the need to rethink smart specialisation in light of new social and territorial challenges (Neto, 2020; Neto et al., 2018). More recently, two UMPP Policy Papers further sharpened this trajectory. One argued that the Draghi and Letta reports should be read through a territorial lens and that Smart Specialisation constitutes one of the most mature governance instruments available to territorialise Europe's renewed competitiveness agenda (Neto, 2026a). The other argued that EU Cohesion Policy should be understood as a core instrument of intergenerational fairness because territorial inequalities structure the unequal distribution of opportunity across the life course and between generations (Neto, 2026b).

The present paper incorporates and extends both lines of argument by framing territorial cohesion as a policy architecture for governing transition in ways that are territorially differentiated, institutionally grounded and normatively attentive to intergenerational justice.

The paper proceeds as follows. Section 2 revisits the conceptual foundations of territorial cohesion and explains why the place-based tradition remains essential to the current debate. Section 3 analyses the main emerging territorial challenges in Europe. Section 4 discusses why many current policy responses remain insufficient. Section 5 proposes a renewed public policy framework for territorial cohesion in transition. Section 6 considers the implications for Portugal as a relevant empirical and policy case. Section 7 presents policy recommendations. Section 8 concludes.

2. From Territorial Cohesion to Cohesion in Transition: A Conceptual Reframing

2.1. Beyond convergence as the sole language of cohesion

The classical rationale of cohesion policy was built around the reduction of regional disparities in income, productivity, employment and infrastructure. This rationale remains indispensable. Yet the problem arises when convergence becomes the only language through which territorial development is interpreted. Regions do not differ solely in output levels. They differ in demographic composition, institutional capability, accessibility, quality of services, governance capacity, environmental exposure, innovation systems, housing conditions, and ability to adapt to shocks.

This is precisely why the place-based literature remains fundamental. Barca et al. (2012) argued that regional development intervention should not be reduced to a contrast between efficiency and equity, nor to a simplistic opposition between place-neutral and place-based thinking. Their broader insight was that territorial diversity matters because development processes and policy returns are conditioned by local institutional, social and economic structures. Policies that ignore territorial heterogeneity may therefore perform poorly not because their objectives are misguided, but because their design is detached from the places in which they operate.

Recent OECD work deepens this argument by showing that place-based policy is particularly relevant where development traps, uneven well-being, demographic change and environmental pressures create differentiated local constraints and opportunities. Place-based policy is thus not merely spatial targeting. It involves a more demanding combination of territorial diagnosis, multilevel governance, administrative capacity, cross-sectoral integration, stakeholder participation and evaluation (OECD, 2025a).

2.2. Territorial cohesion in an era of resilience, capability and preparedness

A second conceptual shift concerns the rise of resilience as an organising idea. The JRC's Regional Resilience Dashboard is especially important in this regard because it proposes a multidimensional architecture for analysing European regions. Resilience is not treated as a vague capacity to "bounce back", but as a configuration of vulnerabilities and capacities distributed across social, economic, green, digital and institutional dimensions (Hériaud et al., 2025). This framework is particularly useful for territorial cohesion because it moves the analysis beyond a one-dimensional disparity model and toward a more dynamic understanding of adaptation and transformation.

The resilience framework also converges with the growing role of strategic foresight. The 2025 Strategic Foresight Report argues for a shift toward "Resilience 2.0", centred on proactive preparedness, strategic anticipation and the capacity to thrive amid turbulence and uncertainty (European Commission, 2025a). The significance of this move for territorial policy is profound. It implies that regional development cannot be framed only in retrospective terms, based on

inherited weaknesses. It must also be framed prospectively, through an assessment of how territories are positioned in relation to future demographic, technological, environmental and geopolitical pressures.

This perspective opens the door to a broader notion of territorial capability. A territory is not only more or less prosperous; it is more or less capable of maintaining and renewing opportunity under changing conditions. Capability, in this sense, includes institutional and administrative quality, human capital, infrastructure, governance arrangements, connectivity, service accessibility, and the ability to mobilise endogenous and external resources in strategic ways.

2.3. The policy drift of cohesion and the risk of conceptual erosion

The need for conceptual renewal is heightened by the possibility of policy drift. Recent analysis suggests that the evolution of Cohesion Policy has involved a movement from "Lisbonisation" to "Territorialisation" and then to "Hyper-Lisbonisation", with the latter characterised by growing subordination to short-term EU priorities, increasing national centralisation, more sector-based uses of cohesion resources, and weaker territorial differentiation (Molica et al., 2025b). Whether or not one fully accepts this periodisation, it captures a real tension. Cohesion policy now stands at the intersection of multiple rationales: territorial solidarity, competitiveness, crisis management, industrial transformation, reform conditionality and strategic autonomy.

The risk is not simply that new priorities are added. The deeper risk is that cohesion's territorial logic becomes progressively diluted as policy objectives accumulate and governance architectures centralise. In that scenario, cohesion survives as a label but loses much of its spatial selectivity, multilevel character and developmental coherence. This is why the present debate is not only about funding envelopes or programming arrangements. It is also about safeguarding the conceptual distinctiveness of territorial cohesion while updating it for new conditions.

2.4. Cohesion in transition

For the purposes of this paper, territorial cohesion should be defined as a framework for governing differentiated transition across European territories. This definition retains the concern with reducing disparities, but embeds it in a broader understanding of resilience, preparedness, institutional capability, territorial opportunity and democratic legitimacy. It also implies that cohesion is not only a matter of funding weaker places. It is equally a matter of ensuring that Europe's strategic priorities are designed and implemented in ways that do not intensify territorial exclusion or undermine multilevel governance.

This conceptual move allows cohesion policy to remain relevant without becoming merely reactive. It also aligns more closely with the empirical realities of the current European context,

where structural change is increasingly multidimensional, cumulative and territorially differentiated.

2.5. Territorial cohesion as intergenerational justice

A crucial implication of this conceptual reframing is that EU Cohesion Policy should also be understood as a matter of intergenerational justice. This claim goes beyond a generic appeal to long-term policymaking. It rests on a more specific proposition: when access to education, healthcare, housing, public services, mobility, digital connectivity, innovation ecosystems and participation is strongly conditioned by geography, territorial inequality becomes one of the mechanisms through which unequal life chances are reproduced across the life course and transmitted between generations. In that sense, territorial asymmetry is not only a spatial outcome; it is also a temporal and intergenerational one.

This perspective is especially relevant in the current European context. Demographic ageing, youth outmigration from weaker regions, housing stress in opportunity-rich metropolitan areas, declining service accessibility in low-density territories, and differentiated digital and institutional capabilities all affect how opportunities are distributed between present and future generations. A territorially blind reading of intergenerational fairness would therefore be incomplete. Fairness between generations depends not only on fiscal sustainability, climate responsibility or pension reform, but also on the territorial conditions under which different generations live, study, work, move, care and participate.

This argument has already been developed in the author's recent UMPP Policy Paper on EU Cohesion Policy and the European Strategy on Intergenerational Fairness, which proposes a conceptual shift from cohesion as convergence alone to cohesion as a territorial guarantee of opportunity (Neto, 2026b). The significance of that proposition for the present paper is clear. If Europe wishes to take intergenerational fairness seriously, then Cohesion Policy should not be treated merely as a redistributive legacy instrument. It should also be understood as one of the Union's principal mechanisms for ensuring that no generation inherits systematically diminished life chances because of the territory in which it is born or in which it must build its future.

In this sense, territorial cohesion and intergenerational justice are not separate agendas. They are increasingly interdependent dimensions of a common European public-policy challenge. A territorially differentiated Europe is also an intergenerationally differentiated Europe.

3. Emerging Territorial Challenges in Europe

3.1. Demographic transition and territorial viability

Demographic change is one of the most powerful structural drivers of territorial differentiation in Europe. Ageing, depopulation, youth outmigration and shrinking labour pools affect the viability of many regions, particularly rural, low-density, border and interior territories. These trends matter because they reshape not only labour supply and social structure but also the conditions under which schools, healthcare services, mobility systems, long-term care, local commerce and municipal budgets can remain viable.

The significance of demography is reinforced by the strategic foresight agenda. The 2025 Strategic Foresight Report treats demographic transformation and intergenerational fairness as central resilience challenges, and links them to long-term productivity, public finance, social cohesion and future opportunity structures (European Commission, 2025a). This is not merely a social policy concern. Demographic asymmetry alters the territorial feasibility of public services and development strategies. In some places, the issue is not only whether people are leaving, but whether the scale and composition of the remaining population still allow the maintenance of basic opportunity structures.

This problem is particularly relevant to territorial cohesion because it shifts the analytical focus from aggregate growth toward territorial viability. A region may not collapse economically in headline terms and yet still enter a trajectory of cumulative fragility through service withdrawal, loss of younger cohorts, talent drain, reduced accessibility and declining institutional capacity. Cohesion policy therefore needs to address demographic transition not simply as background context but as a core territorial development challenge.

3.2. Regional resilience and uneven adaptive capacity

The Regional Resilience Dashboard developed by the JRC offers an especially useful lens through which to understand the changing territorial condition. By combining indicators on economic and financial stability, inequalities and social impacts, health, education and work, green performance, institutions and digitalisation, the Dashboard shows that resilience is distributed unevenly across Europe and that these inequalities have intensified over time (Hériaud et al., 2025).

This matters because resilience is not reducible to sectoral strength or GDP levels. Regions differ in exposure to automation risk, old-age dependency, unmet medical need, government trust, digital interaction with public administration, internet access and other factors that directly affect adaptive capability. Capital regions tend to perform better than many surrounding territories, while numerous regions in Southern and Eastern Europe face more pronounced vulnerabilities. Border regions, especially those exposed to geopolitical tensions, may experience additional fragilities.

For public policy, the key lesson is that territorial cohesion can no longer rely on broad averages or single-variable territorial categorisations. It requires finer diagnostics that identify which dimensions of resilience are weakest in which places. Without such diagnostics, policy risks either over-generalising or under-targeting.

3.3. Climate transition, housing stress and service accessibility

Climate and environmental pressures are redefining the territorial dimension of public policy. The Commission's recent strategic documents place climate action, circularity, environmental protection and water resilience at the centre of the future budgetary architecture (European Commission, 2025a, 2025b). Yet climate transition is not geographically uniform. Regions differ sharply in exposure to drought, wildfire, heat stress, flood risk, coastal vulnerability, biodiversity pressures and resource constraints.

These differentiated exposures matter all the more because adaptive capacity is also uneven. Some places possess stronger institutions, denser infrastructures, larger tax bases and greater technical capability for adaptation. Others face transition under far more constrained conditions. Climate therefore functions as both a common European challenge and a differentiated territorial stress multiplier.

Housing adds a further layer to this problem. Although often discussed primarily in social or urban policy terms, housing affordability and availability are increasingly central to territorial cohesion because they shape access to jobs, services, mobility and demographic retention. In metropolitan and high-demand areas, housing costs may exclude lower-income groups and younger cohorts from opportunity-rich environments. In shrinking or low-density territories, housing may be relatively affordable yet disconnected from services, employment or mobility networks. Territorial inequality is thus increasingly experienced in everyday access terms: whether people can live, move, work and participate under sustainable and reasonable conditions.

Public service accessibility is closely linked to both demography and housing. As populations age or disperse, and as fiscal capacity varies, education, health, transport and care provision become more territorially uneven. Service inequality is one of the most immediate ways in which territorial cohesion is perceived in practice. For that reason, cohesion policy must increasingly incorporate access to services as a central, rather than peripheral, dimension of territorial analysis.

3.4. Digital transition, AI and differentiated state capability

Digital transition is often represented as a force that can compress distance, improve productivity and strengthen access to information and services. Yet its territorial effects depend heavily on infrastructure, skills, institutional capability and trust. The Eurobarometer on future needs in digital education shows very strong public support for digital skills, AI literacy and more

robust preparation for navigating online risks. At the same time, it highlights worries that digital technologies can deepen inequalities and impose uneven burdens if support, literacy and access are insufficient (European Commission, 2025e).

The governance dimension is equally important. OECD work on AI in core government functions emphasises that public administrations face recurring barriers to scaling digital and AI-enabled practices: skills shortages, data-access limitations, legacy IT systems, weak monitoring and evaluation, and difficulties in demonstrating results (OECD, 2025c). These constraints are not evenly distributed. Administrative modernisation varies sharply across Member States, regions and local authorities. Some public institutions are able to integrate new technologies into service delivery and decision support, while others struggle to maintain basic digital interoperability.

From a territorial cohesion perspective, this means that digital transition cannot be treated as a purely technical or innovation-policy issue. It has direct implications for state capability, service quality, administrative responsiveness and access to opportunity. Regions with weaker digital capability may not only lag economically; they may also fall behind in the quality and reliability of public governance itself.

3.5. Security, geopolitical exposure and territorial implications

A further shift in the European policy landscape concerns security and defence. The 2025 Strategic Foresight Report places security at the centre of all EU policies and links resilience to preparedness, technological capability and strategic autonomy (European Commission, 2025a). The proposed future MFF also explicitly embeds defence, critical infrastructure and security priorities in the broader strategic budget architecture (European Commission, 2025b). Public opinion has moved in a similar direction. Europeans increasingly expect the EU to play a stronger role in protecting them against global crises and security risks, and large majorities express concern about wars near the Union, cyber-attacks, disinformation and AI-generated false content (European Commission, 2025d, 2026a; European Parliament, 2026).

These developments matter territorially. Security-oriented investment is not spatially neutral. It privileges some corridors, infrastructures, borderlands, logistics nodes, industrial ecosystems and strategic sectors more than others. It may also reshape the distribution of political attention and financial resources within the EU budget. A cohesion-sensitive perspective must therefore ask how security priorities interact with territorial development. The issue is not whether Europe should invest more in security. It is whether new strategic priorities will be integrated into a territorial logic that avoids further concentration and supports broader regional capability.

3.6. Democratic resilience and territorial legitimacy

Territorial cohesion also has an increasingly explicit democratic dimension. The Eurobarometer on protecting and promoting democracy identifies growing public distrust in democratic institutions, foreign information manipulation and disinformation, and opacity associated with new technologies as major concerns for European citizens (European Commission, 2025d). The Strategic Foresight Report similarly links democratic resilience to social cohesion, participation, trustworthy information, digital literacy and local community life (European Commission, 2025a).

This matters because democratic fragility is often territorially mediated. Persistent territorial stagnation, perceived abandonment, declining services and distance from decision-making centres can erode confidence in institutions and fuel a geography of discontent. Territorial cohesion is therefore not only about growth and redistribution. It is also about sustaining the territorial legitimacy of public action. When long-term European objectives are experienced as unevenly distributed or poorly grounded in local realities, their legitimacy weakens. Cohesion policy, in this sense, also contributes to democratic resilience.

3.7. Competitiveness, geography and the territorial structure of European priorities

A further challenge lies in the territorial character of Europe's renewed competitiveness agenda. As argued in the author's recent UMPP Policy Paper on the Draghi and Letta reports, geography has become a strategic variable for productivity, innovation, resilience and cohesion, and Smart Specialisation should be understood as one of the most mature policy instruments available to territorialise Europe's renewed competitiveness agenda (Neto, 2026a).

This insight is highly relevant to the present paper because it helps clarify that competitiveness is not a placeless agenda. Innovation gaps, strategic dependencies, infrastructure bottlenecks, talent shortages and resilience asymmetries are geographically structured.

This means that the emerging tension between cohesion and competitiveness is frequently overstated or poorly framed. The issue is not whether Europe should pursue competitiveness. It is whether competitiveness will be designed in territorially intelligent ways that mobilise the differentiated capabilities of regions, or whether it will reinforce concentration in already advantaged ecosystems.

The more Europe places competitiveness, industrial transformation and strategic autonomy at the centre of its agenda, the more necessary a territorial lens becomes.

4. Why Current Policy Responses Are Often Insufficient

4.1. Spatial blindness and fragmented territorial governance

A first and recurring problem is that many public policy responses remain insufficiently place-sensitive. Spatially blind measures may be effective in some domains, but they are poorly suited to settings in which demography, accessibility, institutional capability, service provision, climate exposure and digital readiness differ systematically across places.

OECD analysis is unequivocal on this point: where complex and interconnected local challenges persist, territorially neutral interventions may fail to address underlying development traps and may overlook context-specific co-benefits or bottlenecks (OECD, 2025a).

The difficulty becomes even more acute when multiple transitions overlap. A territory may simultaneously face ageing, weak service access, fragile administrative capacity, limited innovation capability and exposure to environmental shocks. Sector-by-sector interventions in such contexts risk generating fragmentation rather than adaptation. This is one of the main reasons why cohesion policy cannot be reduced to compensatory funding alone. It must also support territorial integration across policy domains.

4.2. “Hyper-Lisbonisation” and the risk of mission drift

A second problem concerns the evolving architecture of EU spending and governance. The post-2027 budget debate signals a decisive move toward national and regional partnership plans, stronger reform linkages, higher strategic concentration and more explicit prioritisation of competitiveness, security and resilience (European Commission, 2025b).

While such reforms respond to real pressures, they also risk shifting cohesion policy away from a territorially differentiated development instrument and toward a more centralised strategic envelope.

This concern is reinforced by recent critical analysis. Mendez et al. (2025) describe the current reform debate as the most far-reaching challenge to Cohesion Policy since its creation, pointing to weaker distributive clarity, blurred allocation logics and governance structures that may weaken multilevel safeguards.

Molica et al. (2025b) go further by suggesting that the progressive evolution of cohesion policy has already involved a drift toward greater national control, more reactive policy use and weaker territorial selectivity.

The issue, therefore, is not whether cohesion policy should evolve. It must. The issue is whether that evolution preserves its territorial rationale or erodes it through accumulated mission drift.

4.3. Implementation overload and uneven administrative capacity

A third weakness lies in implementation. The expanding ambition of public policy is not always matched by the adaptive capacity of implementation bodies. Triage Bureaucracy provides an important lens here, showing how growing policy stocks generate overload in implementation organisations, which then engage in forms of prioritisation, delay or abandonment when capacity fails to keep pace with demand (Knill et al., 2026).

This insight is highly relevant to territorial cohesion. Many cohesion-related interventions depend on local and regional administrations, intermediate bodies, public agencies, cross-sector partnerships and frontline institutions.

Where those actors are overstretched or weakly coordinated, formally coherent strategies may fail at the point of delivery. In this sense, implementation capacity is not ancillary to cohesion. It is constitutive of it.

4.4. Performance governance without sufficient territorial intelligence

The growing emphasis on performance-based governance raises a further problem. The updated framework for performance, monitoring and evaluation in ERDF, CF and JTF programmes represents a serious effort to improve clarity, comparability and learning (European Commission, 2025c).

Yet there remains a danger that performance governance becomes too thin when applied to territorially complex and long-term transformations. Simple milestone and target structures are not always well suited to place-based interventions whose outcomes emerge through cumulative, cross-sectoral and delayed effects.

This does not imply rejecting performance-oriented governance. It implies that performance needs better territorial intelligence. Indicators must be able to capture multidimensional vulnerability, service accessibility, institutional strength, territorial opportunity and resilience, rather than only output delivery or spending absorption.

4.5. Directionality without adequate policy engineering

A final weakness lies in the gap between strategic ambition and practical policy engineering. Foray (2023) argues that many policy concepts fail not at the level of normative aspiration but at the level of design detail, sequencing and delivery mechanisms. This lesson applies directly to territorial cohesion in the current context.

Ambitious concepts such as resilience, mission-orientation, strategic autonomy, preparedness or competitiveness do not implement themselves. They require instrument mixes, governance routines, decision rules, feedback systems and territorial adaptation.

This is also evident in the literature on smart specialisation and mission-oriented approaches. While challenge-oriented regional policy can be highly valuable, it depends on reconciling directionality with flexibility, embedding societal actors into governance, and using policy mixes that support real transformation rather than fragmented projects (Molica et al., 2025a). The same lesson applies more broadly to a renewed cohesion agenda.

4.6. The under-recognition of intergenerational implications

Current policy responses are also insufficient because they rarely treat territorial inequality as an intergenerational problem. Yet this omission matters analytically and normatively. If some territories systematically offer weaker access to education, housing, connectivity, healthcare, public services, innovation and mobility, then they also shape diminished capability formation over time.

Territorial disadvantage is then not only a present-day asymmetry; it is a mechanism through which future opportunities become unevenly distributed.

This is precisely why the intergenerational fairness agenda should matter to cohesion policy. The Strategic Foresight Report explicitly links intergenerational fairness to demographic change, access to services, social inclusion and overlapping vulnerabilities (European Commission, 2025a). Neto (2026b) extends this by arguing that cohesion policy should be interpreted as a territorial guarantee of opportunity. A public policy response that overlooks this dimension remains conceptually incomplete.

5. Towards a Renewed Public Policy Framework

5.1. Cohesion as a framework for governing differentiated transition

A renewed territorial policy framework should begin by redefining cohesion itself. Territorial cohesion should be treated as the public-policy capacity to ensure that different territories can navigate structural transition in fair, sustainable and institutionally feasible ways. This entails a shift from static equalisation to dynamic transition governance. The point is no longer only to correct inherited disparities, but to manage differentiated vulnerability and capability under uncertainty.

This framing is especially useful because it allows cohesion to connect with resilience, preparedness and strategic foresight without losing its territorial specificity. Cohesion becomes the organising principle through which European strategic priorities are translated into territorially differentiated action.

5.2. Reaffirming the place-based principle

The place-based principle remains central to this task. The key argument is not that all policy should be spatially customised to the same degree, but that policies with strong territorial effects should be explicitly designed with local conditions, institutional capability and territorial opportunity structures in mind. In many cases, the question is not whether a policy is national or European, but whether it is territorially intelligent.

Place-based policy is also the clearest route for reconciling competitiveness and cohesion. A territorially blind competitiveness strategy may intensify concentration in already strong places. A place-based competitiveness strategy, by contrast, seeks to mobilise differentiated assets across a wider range of regions and to connect territorial capability with broader strategic value chains and transitions.

5.3. Multilevel governance as a condition of effectiveness

Multilevel governance is not simply a constitutional preference of regional actors. It is a condition of effective territorial policy. The Committee of the Regions has stressed that priorities such as competitiveness, the low-carbon transition, sustainability and demographic adjustment are implemented at regional and local level and that successful delivery therefore depends on strong partnership, subsidiarity and territorial impact awareness (Committee of the Regions, 2025).

This point becomes more important, not less, in a context of stronger strategic steering from the European level. The more the Union seeks coherence around competitiveness, security and resilience, the more it needs regional intelligence and territorially differentiated delivery. Simplification that hollows out partnership may ultimately reduce effectiveness.

5.4. Institutional capacity as a core cohesion variable

Institutional capacity should move from the margins to the centre of territorial policy. This means recognising that administrative systems, staffing, data quality, coordination capability, digital maturity, strategic planning and organisational learning directly affect territorial outcomes. Regions and places do not respond to shocks and transitions with infrastructure and funding alone. They respond through institutions.

A serious cohesion framework should therefore treat institutional weakness as a territorial risk factor and capacity-building as a substantive policy objective. Technical assistance remains useful, but it is not enough. What is needed is more strategic investment in territorial governance capability.

5.5. Strategic foresight and anticipatory territorial governance

The integration of strategic foresight into territorial policy is another priority. Europe's major transitions will not unfold linearly. Demographic pressures, climate risks, technological disruption, geopolitical shocks and fiscal constraints will interact in ways that make single-path planning increasingly fragile. Strategic foresight offers a way to identify possible scenarios, stress-test policy designs and reveal territorial blind spots before crises fully materialise (European Commission, 2025a; OECD, 2025b).

An anticipatory territorial policy would ask not only which territories are lagging now, but which may become vulnerable under different future configurations. It would also embed foresight more directly into programming, monitoring and evaluation.

5.6. Challenge-oriented territorial policy mixes

A renewed cohesion agenda also requires more integrated and challenge-oriented policy mixes. Evidence from smart specialisation in Portugal is instructive here. Marques Santos et al. (2021) show that innovation and R&D support can produce stronger productivity effects when embedded in broader, more coherent policy mixes rather than deployed in isolation.

This broader lesson is highly relevant to territorial policy. Structural transformation rarely follows from single instruments. It depends on coordinated bundles linking innovation, skills, services, digitalisation, housing, mobility, climate adaptation and institutional development.

5.7. Monitoring, evaluation and territorial impact assessment

Finally, territorial cohesion in transition requires stronger territorial intelligence. Monitoring systems should become more granular and multidimensional. Evaluation should be designed not only for accountability but for adaptation and learning. Territorial impact assessment should be used more systematically, especially where major European priorities – such as security, competitiveness or decarbonization – may generate uneven spatial effects.

The "do no harm to cohesion" principle proposed in recent debates is especially useful here. It suggests that territorial cohesion should function not only as a standalone policy domain but as a cross-cutting evaluative principle for European public action.

5.8. Cohesion, fair places and intergenerational justice

A renewed cohesion framework should therefore incorporate intergenerational justice more explicitly into its rationale, metrics and policy design. This does not require transforming Cohesion Policy into a different policy family. It requires recognising that territorial policy already shapes the intergenerational distribution of opportunity through education systems,

service provision, housing access, mobility, local labour markets, digital capability, innovation ecosystems and institutional quality. A territorially differentiated Europe is also an intergenerationally differentiated Europe.

For that reason, the future of cohesion should be assessed not only in terms of regional convergence or absorption capacity, but also in terms of whether it protects and expands future opportunity structures across different territories. This line of reasoning is fully consistent with the argument that cohesion should be seen as a territorial guarantee of opportunity and with the broader claim developed in the present paper that governing transition fairly requires governing it territorially (Neto, 2026b).

5.9. Geography, Smart Specialisation and territorialised competitiveness

A renewed public policy framework must also learn from the governance implications of Europe's new competitiveness debate. Neto (2026a) argues that Smart Specialisation should no longer be seen merely as a funding condition, but as a strategic policy architecture for territorialising Europe's new competitiveness agenda.

This argument can be extended to territorial cohesion more broadly. If geography is a strategic variable for productivity, innovation, resilience and cohesion, then territorial policy must be able to connect differentiated regional assets with Europe's larger industrial, technological and societal transformations.

In that sense, the future of cohesion and the future of competitiveness should not be treated as competing agendas. They are mutually dependent. A more competitive Europe will only be politically legitimate and economically sustainable if it is also more territorially balanced, more resilient, and better able to mobilise the differentiated capabilities of its regions.

6. Implications for Portugal

6.1. Portugal as a relevant territorial test case

Portugal offers a particularly relevant case for this debate because it combines longstanding regional asymmetries with strong exposure to several of the transitions discussed above.

The contrast between coastal and interior territories, metropolitan concentration, demographic decline in low-density regions, differentiated institutional capability, and uneven access to services makes Portugal a useful lens through which to interpret territorial cohesion as a framework for governing transition.

6.2. Demography, low density and public service provision

Portuguese territorial development continues to be shaped by demographic and functional asymmetries. Low-density and interior territories face combined pressures of ageing, depopulation, service fragility and lower accessibility.

These dynamics affect not only population trends but also the sustainability of public service provision, local economic ecosystems and territorial attractiveness. In this sense, the Portuguese case illustrates why territorial cohesion cannot be reduced to growth differentials alone.

6.3. Smart specialisation, productivity and institutional learning

Portugal also provides useful evidence regarding challenge-oriented and place-based innovation policy. Earlier work on post-2020 cohesion challenges and the possible evolution from RIS3 toward broader territorial and social innovation logics already anticipated the need to connect strategic priorities such as digitalisation, demography, climate and security with more explicit territorialisation mechanisms (Neto et al., 2018).

Later evidence on smart specialisation and regional productivity shows that coherent innovation policy mixes mattered for regional outcomes and that S3 contributed to improved strategic focus, even if implementation and monitoring weaknesses remained (Marques Santos et al., 2021).

These lessons are highly relevant to a broader cohesion framework in transition. Portugal's experience suggests that territorial policy works best when it combines place-based design, strategic prioritisation, institutional capability and policy learning.

6.4. Portugal in the post-2027 debate

The current European debate on competitiveness, resilience and the future MFF is therefore especially important for Portugal. A stronger European emphasis on strategic priorities need not be disadvantageous. But it will only be beneficial if territorial differentiation, administrative capacity, and place-based development remain central to programming and implementation.

For Portugal, that means defending a model of cohesion that connects competitiveness with territorial balance, not one that assumes those objectives will align automatically.

6.5. Portugal and intergenerational justice

Portugal is also a particularly relevant case for the intergenerational justice dimension of cohesion. Longstanding asymmetries between coast and interior, metropolitan and low-density territories, and more dynamic and more fragile regional systems are not only territorial

imbalances. They are also unequal territorial conditions through which educational trajectories, access to services, housing options, mobility possibilities, labour-market insertion and future capability formation are distributed across generations.

This makes Portugal especially relevant for connecting the place-based tradition developed in the author's earlier work (Neto, 2020; Neto et al., 2018) with the more recent arguments advanced in the UMPP Policy Papers on Smart Specialisation and competitiveness geography (Neto, 2026a) and on cohesion as intergenerational fairness (Neto, 2026b). In that respect, Portugal should not be seen only as a beneficiary of cohesion.

It should also be seen as an analytically rich test case for understanding why the post-2030 reform of EU Cohesion Policy must integrate territorial capability, place-based governance and intergenerational justice within a common framework.

7. Policy Recommendations

1. Broaden the operational definition of territorial cohesion

European and national policymakers should treat territorial cohesion as a multidimensional framework encompassing demographic viability, service accessibility, climate exposure, digital readiness, institutional capability and democratic resilience, in addition to conventional economic indicators.

2. Recognise territorial cohesion as a condition of intergenerational justice

EU institutions and Member States should explicitly acknowledge that territorial inequalities shape the intergenerational distribution of opportunity. Cohesion policy should therefore be assessed not only in terms of current disparities but also in terms of whether it protects future territorial capability and prevents the reproduction of disadvantage across generations.

3. Make place-based design the default in territorially sensitive fields

Policies relating to climate adaptation, affordable housing, service provision, mobility, digital transition, skills and innovation should be designed on explicitly place-sensitive principles.

4. Protect multilevel governance in the reform of the EU budget

National and regional partnership plans should not weaken partnership, subsidiarity or territorial differentiation. Regions and local authorities should remain meaningfully involved in programming, implementation, monitoring and evaluation.

5. Treat institutional capacity as a first-order cohesion objective

Administrative capability, staffing, data systems, coordination routines, digital maturity and organisational learning should be incorporated directly into cohesion-oriented policy design and monitoring.

6. Integrate strategic foresight into territorial programming

Cohesion policy should make systematic use of scenario-building, anticipatory diagnostics and preparedness-oriented planning in order to identify territorial vulnerabilities before they fully materialise.

7. Develop integrated territorial policy mixes

Structural transformation should be pursued through coherent policy bundles linking innovation, skills, housing, services, climate adaptation, digitalisation, mobility and local institutional support.

8. Strengthen territorial monitoring and evaluation systems

Monitoring should become more granular and multidimensional, while evaluation should support adaptive governance and cross-regional policy learning rather than only compliance.

9. Systematise territorial impact assessment

Major European initiatives in competitiveness, defence, climate, digitalisation and security should be assessed for their territorial implications, including rural and low-density impacts.

10. Integrate democratic resilience into territorial policy

Cohesion policy should more explicitly support trusted local governance, civic participation, digital literacy and territorial conditions that reduce the risk of democratic disaffection.

11. Ensure that new strategic priorities do not hollow out cohesion

Competitiveness, defence, resilience and security should be advanced in ways that do not hollow out the territorial and redistributive logic of cohesion or intensify core-periphery concentration.

12. Preserve cohesion as a long-term investment pillar

Flexibility and responsiveness are necessary, but cohesion policy should not be hollowed out by repeated repurposing toward short-term crisis management detached from territorial strategy.

8. Conclusion

Territorial cohesion in Europe can no longer be understood adequately through the conceptual vocabulary of an earlier phase of regional policy. Traditional disparities in productivity, income and infrastructure remain important, but they now coexist with a more complex territorial landscape shaped by demographic decline, service fragility, uneven digital capability, climate exposure, housing stress, geopolitical insecurity, democratic vulnerability and differentiated institutional capacity.

The central issue is no longer only whether weaker regions are catching up. It is also whether structurally diverse territories retain the capability to remain viable, connected, governable and opportunity-generating under conditions of rapid transformation.

This is why the future of cohesion policy cannot be reduced to a technical debate about budgetary envelopes, administrative simplification or target-setting architecture. What is at stake is more fundamental: whether Europe can build a model of public action capable of territorialising its new strategic priorities without sacrificing long-term territorial balance, multilevel governance and democratic legitimacy.

Recent developments in the debate on the post-2027 MFF, together with the growing weight of competitiveness, resilience, security and strategic autonomy, make this question particularly urgent (Committee of the Regions, 2025; European Commission, 2025a, 2025b; Mendez et al., 2025).

The argument advanced in this paper is therefore clear. Territorial cohesion should be redefined as a framework for governing differentiated transition in Europe. This implies a move from static equalisation to dynamic resilience and adaptation; from sectoral fragmentation to integrated territorial policy mixes; and from formal programming routines to deeper attention to implementation, institutional capacity, strategic foresight and territorial intelligence.

None of these shifts requires abandoning the redistributive ethos of cohesion policy. On the contrary, they are ways of making that ethos more effective under contemporary conditions.

A renewed territorial cohesion agenda must also be honest about power and governance. Spatially blind responses are inadequate. Excessively centralised responses are risky. Performance-based architectures can improve discipline, but only if they are supported by sufficiently rich territorial diagnostics and by governance arrangements that preserve the contribution of regions and local authorities.

Territorial cohesion is strongest when European common goals are translated through the diversity of places rather than imposed in abstraction from them.

The broader political significance of this argument should not be underestimated. Cohesion is not only a development policy. It is also part of the territorial legitimacy of European integration. Citizens encounter Europe through the quality of services, the viability of local

opportunity structures, the accessibility of education and mobility, the responsiveness of institutions, the fairness of transitions, and the possibility of building a life project in the place where they live. If these territorial conditions deteriorate or remain persistently unequal, the legitimacy of broader European ambitions will weaken.

This is one of the reasons why the author's recent UMPP Policy Paper on intergenerational fairness argues that EU Cohesion Policy should also be interpreted as a territorial guarantee of opportunity and as a condition of justice between generations (Neto, 2026b).

A similar implication arises from the author's recent UMPP Policy Paper on geography and Smart Specialisation in the Draghi and Letta reports. If geography has indeed become a strategic variable for productivity, innovation, resilience and cohesion, and if Europe's renewed competitiveness agenda requires stronger territorialisation rather than less, then cohesion policy remains indispensable not only as a compensatory mechanism but also as a strategic policy architecture for mobilising the differentiated capabilities of Europe's regions (Neto, 2026a).

For that reason, cohesion and transition can no longer be treated as separate agendas, and cohesion and intergenerational justice should no longer be understood as conceptually distant.

A Europe that seeks competitiveness, resilience, security and strategic autonomy without territorial cohesion risks reproducing the very fractures that undermine those goals.

A Europe that treats cohesion as a living framework for governing transition across diverse places – and as a condition of fair opportunity across generations – will be better equipped to sustain both performance and legitimacy. In this sense, rethinking territorial cohesion in Europe is not a defensive exercise.

It is a constructive attempt to renew one of the Union's most distinctive policy rationales for a more turbulent and more territorially differentiated age.

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