

ESPON EVIDENCE BRIEF

November 2013 Territories with Geographic Specificities

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Geographically specific territories: a European concern

Article 174 of the Treaty on the Functioning of the European Union states that "the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions" and that "among the regions concerned, particular attention shall be paid to [...] regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions."

Based on this, ESPON has carried out research and analysis to identify the geographically specific territories in Europe and their development potentials and challenges. These findings clearly show that, besides seeing the geographic particularities of these territories as "handicaps" as stated in the Treaty, policy-makers also need to consider their unique development assets.

Characterising geographic specificities

Geographic specificities are multi-faceted

Geographic specificities are related to mountains, islands and sparsely populated territories, often peripheral in location, but are also to be found in cross-border regions and coastal zones. In terms of accessibility, islands, sparsely populated areas and mountains often face more challenges than coastal and cross-border areas. In some cases deficient accessibility and connectivity as well as a weaker economic base, lead to emigration flows and brain-drain.

Inversely, coastal areas (e.g. the Belgian coast) and cross-border regions (e.g. Luxembourg) often have high population density, an entrenched economic structure and broad access to services and transport systems. Moreover, numerous coastal areas, particular in southern Europe, benefit from the settlement of wealthy residents who choose these areas for their retirement.

Normally geographically specific areas display a rich biodiversity, which works as a development factor by offering tourism and recreation activities such as fishing, agro-tourism, hiking, bird or whale watching, and aqua sports. These development assets often have to be balanced with interests of environmental sustainability in order to avoid overexploitation of resources and damages from mass tourism.

Territories with geographic specificities are also characterised by high vulnerability to climate change, especially in the islands and coastal areas of Southern Europe. Climate change could also impact heavily on the Alps, decreasing the snow cover and consequently weaken its position as an attractive ski tourist destination.

Delineating geographically specific areas

Variation and diversity

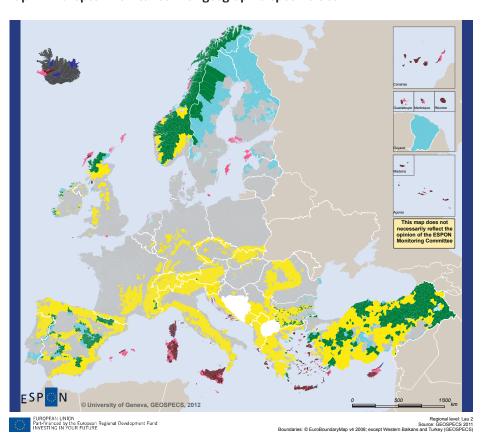
However, it is crucial to bear in mind that in spite of some general commonalities, there is a wide variability between places with similar geographic specificities, due to the influence of multiple factors, such as the socio-economic structures, cultural and historical peculiarities, distinctive climate conditions and the access and vicinity to places offering a diversity of services and jobs. For example, *mountain areas* located mainly in the Alps and Central-Eastern Europe, face smaller barriers to social and economic development if they are located within commuting distance from urban centres providing services and employment opportunities.

Numerous European *islands* are connected to the mainland by bridges or tunnels, which generally improve their development perspectives. However, in spite of good connecting infrastructures, the psychological perception of isolation and an "us and them" mentality often prevails in islands. The many islands, especially small islands, that have no fixed connections and limited transport access to the mainland, faces particular challenges and have to base their development largely on the local assets and resources.

Sparsely populated areas (defined as areas where less than 100.000 people can be reached within daily commuting distance) are mostly a patchwork of geographically distant and scattered small settlements. The low population density can be explained by poor transport infrastructure, e.g. in parts of Bulgaria or Turkey, or by the inappropriateness of the land and the harsh climate for agricultural production, e.g. in northernmost Europe. The economic 'hotspots' in sparsely populated regions are mostly located on the coasts (especially in Scotland, Northern Norway and Iceland) where the climate is milder and local production is based on fisheries or export of other regional products.

Coastal zones and border regions correspond to areas where the proximity to the land border or coastline has a direct effect on socio-economic structures, trends and development perspectives, both as barriers and as interfaces. Open borders, such as those found within the European Economic Area, often facilitate the emergence of «interface cross-border regions» that apart of comparative advantages often capitalise on differences between the national systems in terms of wealth and regulation. Such functions will be all the more developed if there is a high density of border crossings.

Many coastal zones benefit from proximity to the sea in terms of residential attractiveness and blue growth potentials, including tourism, exploitation of marine resources and biodiversity hotspots. However, coastal zones with a strong concentration of people and activities often face a sustainability challenge as an effect of traffic congestion, consumption of energy and fresh water etc. Inversely, in some more isolated coastal zones the proximity to the coast can be difficult to benefit from due to low accessibility for tourists. As a consequence, the specificity of coastal zones spans from highly to sparsely populated and a great variety in terms of other key development factors. Their challenges and potentials in relation to a smart, sustainable and inclusive growth are correspondingly diverse.



Map 1 - European Territories with geographic specificities



Areas for which no data were available are coloured in white.

For analitical purposes, mountains, islands and sparsely populated areas (SPA) can only meaningfully be delineated at the sub-regional level (so-called "LAU2 units"). This is for example a precondition to distinguish mountain areas from adjoining piedmonts, and coastal islands from isolated island regions. It also makes it possible to identify regions confronted to sparsity in some parts only.

Table 1: Proportion of geographically specific areas in terms of area and population

Coasts, borders and mountain areas represent a large proportion of the European territory compared to other types of geographical specificities.

| | | Mountain | Island | Islands with fixed link | SPA | Border 45 min. | Border 90 min. | Coast 45 min. | Coast 90 min. |
|----------|------------|----------|--------|-------------------------|--------|-------------------|-------------------|------------------|------------------|
| EU 28 | Population | 16,9 % | 3,1 % | 0,9 % | 0,8 % | 19,9 % | 41,1 % | 35,9 % | 47,8 % |
| | Area | 28,8 % | 2,9 % | 0,6 % | 16,5 % | 22,2 % | 40,0 % | 21,7 % | 37,4 % |
| EU 28+9* | Population | 24,9 % | 2,7 % | 0,8 % | 3,0 % | 17,7 % | 36,1 % | 35,2 % | 46,6 % |
| | Area | 41,3 % | 4,0 % | 0,7 % | 24,2 % | 18,8 % | 32,9 % | 22,9 % | 37,0 % |

^{*} Albania, Iceland, Kosovo, Liechtenstein, Montenegro, Norway, Serbia, Turkey and Switzerland

Further adding to the variability and impacts of geographic specificities is the fact that in several cases these specificities overlap, generating combined socioeconomic effects, as in Liechtenstein which is both a mountainous area and part of a cross-border area, and in Corsica which is an island but also contains mountainous and sparsely populated areas.

The evidence and findings produced by ESPON can provide a better understanding of these territories and support exploiting the social, economic and environmental potentials as well as counter-balancing the challenges. This includes findings that:

- Most mountain areas have a large ageing population compared to the national average. As an exception, young population predominates in large parts of the northern and north-western Alps.
- Most settlements of less than 5000 inhabitants in sparsely populated areas face the challenge of

rapid population decline. However, settlements are growing across Norway, especially in the centre and south of the country.

- The share of public sector employment is generally higher in the bigger islands than in the country they belong to. This is particular true in the north of Europe. However, small islands have generally a significantly lower share of public employment than large islands. Tourism-related activities are the driver of employment in islands of the Atlantic, Mediterranean and North Seas, whilst they are less significant in the island located on the Baltic and Norwegian Seas.
- Depending on the coastal areas considered, the most important economic activities (in terms of number of jobs) are fisheries (e.g. Iceland and the Gulf of Cadiz in Spain), transport (Belgium and Slovenia) and tourism (e.g. Canary Islands).

Constructing tailor-made policies

Filtering the effects of geographic specificity and using them as levers for policy-making

Enhanced knowledge and understanding of the geographic specificities within Europe strengthens the capacity of policy makers to optimise growth while at the same time promote a balanced and sustainable development of the territory. Factors that can influence the development opportunities, but in some cases risk offsetting each other, include:

- The relative isolation of an island can be compensated by a thriving touristic sector, making it possible to maintain a wide range of profitable sea and air connections.
- Concentrations of economic activities and people along the coast do not necessarily lead to a deterioration of the environment and to conflicts between the numerous economic sectors, provided that this is accompanied by strategic management of the assets;
- Landscape qualities of mountain areas can become an asset for the development of rural tourism and leisure activities, if adequate infrastructure and tourism products meet market demands.

• Taking these possible contradictory impacts into account facilitates the design of appropriate tailor-made policy-mixes to overcoming the limitations derived from geographic specificities. They can inspire place-based policy by giving insight on effects of different measures and by anticipating future trends, as well as contribute to raise awareness on the varied effects that policy measures can trigger in the diverse European territories. Moreover, it can enable groups of regions with similar profiles to cooperate on their unique development policies.

Territories with geographical specificities are illustrative examples of the diversity within the European territory. Just as for all territories, the challenge is to capitalise on the distinctive geographic features contributing to smart, sustainable and inclusive growth. However, for the different types of areas with geographical specificities it is important that they are considered as an important component in sector and regional policy development and implementation.

Capitalising on potentials in geographically specific areas

Compensating constrains and promoting assets of island: The Canary Islands

As a remote archipelago with extensive mountain areas, the Canary Islands offer a good example of the policy mix needed in territories with geographic specificities. Political measures usually focus on the compensation of constraints and the promotion of assets. In these considerations environmental assets play a fundamental role as well as a particularly attractive climate for tourists, a multicultural and diverse society, the possibility of developing as a strategic outpost in relation to North-Western Africa and potentials for the production of renewable energy.

Among constrains to be addressed stand the cost of internal and external transport, the excessive dependence on the tourism industry and excessive pressures on a fragile environment. Overcoming these constrains is closely related to the enhancement of its assets, which requires an integrated approach.

Diverse implications of proximity at external and internal borders: Karelia and the Upper Rhine

Karelia, the border region between Finland and Russia, display strong disparities of income and wealth, and major political and regulatory challenges need to be overcome to improve cross-border integration. Many issues of importance for its development, such as visa-free travelling across the border and Russia's membership in the World Trade Organisation (WTO) are beyond the scope of regional and local policies. However, a favourable environment for cross-border trade and measures facilitating institutional dialogue and exchanges can contribute to transform this region into an interface between Europe and its neighbourhood.

The Upper Rhine Trinational Metropolitan Region extends from Basel to Strasbourg and Karlsruhe. As a border region at the core of Europe, it is characterised by a strong economy, intense flows, ambitious growth strategies and well-established cooperation traditions. The cooperation at national level is more developed than in many external border regions which makes a more immediate capitalisation possible, e.g. in terms of demographic trends and economic dynamism. The combination of a very central location in Europe and an attractive living environment create a particular potential for attracting highly qualified workers and building a central node of the European knowledge economy.

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