

SIESTA

Spatial Indicators for a 'Europe 2020 Strategy' Territorial Analysis

Applied Research 2013/1/18

(Draft) Final Report | Version 10/08/2012

Executive Summary



This report presents the draft final results of an Applied Research Project conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

Information on the ESPON Programme and projects can be found on www.espon.eu

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

This basic report exists only in an electronic version.

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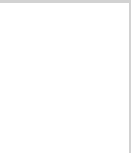
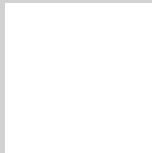
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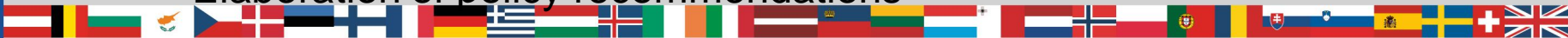
Objectives

- **Basic Aim:** to illustrate the territorial dimension of the 'Europe 2020 Strategy' (EU2020S), this is, to show how the EU2020S acts territorially, particularly at the regional scale. Böhme *et al.* (2011) have stated that the EU2020S is territorially blind and this makes the Project challenging
- **1st Major Objective:** to assess how EU2020S documentation can be territorially understood and expressed
- **2nd Major Objective:** to analyse what means the territorial mosaic resulting from considering the EU2020S at regional and urban levels
- **3rd Major Objective:** to contribute with guidance for policy directions and means of implementation of the EU2020S at regional and urban levels



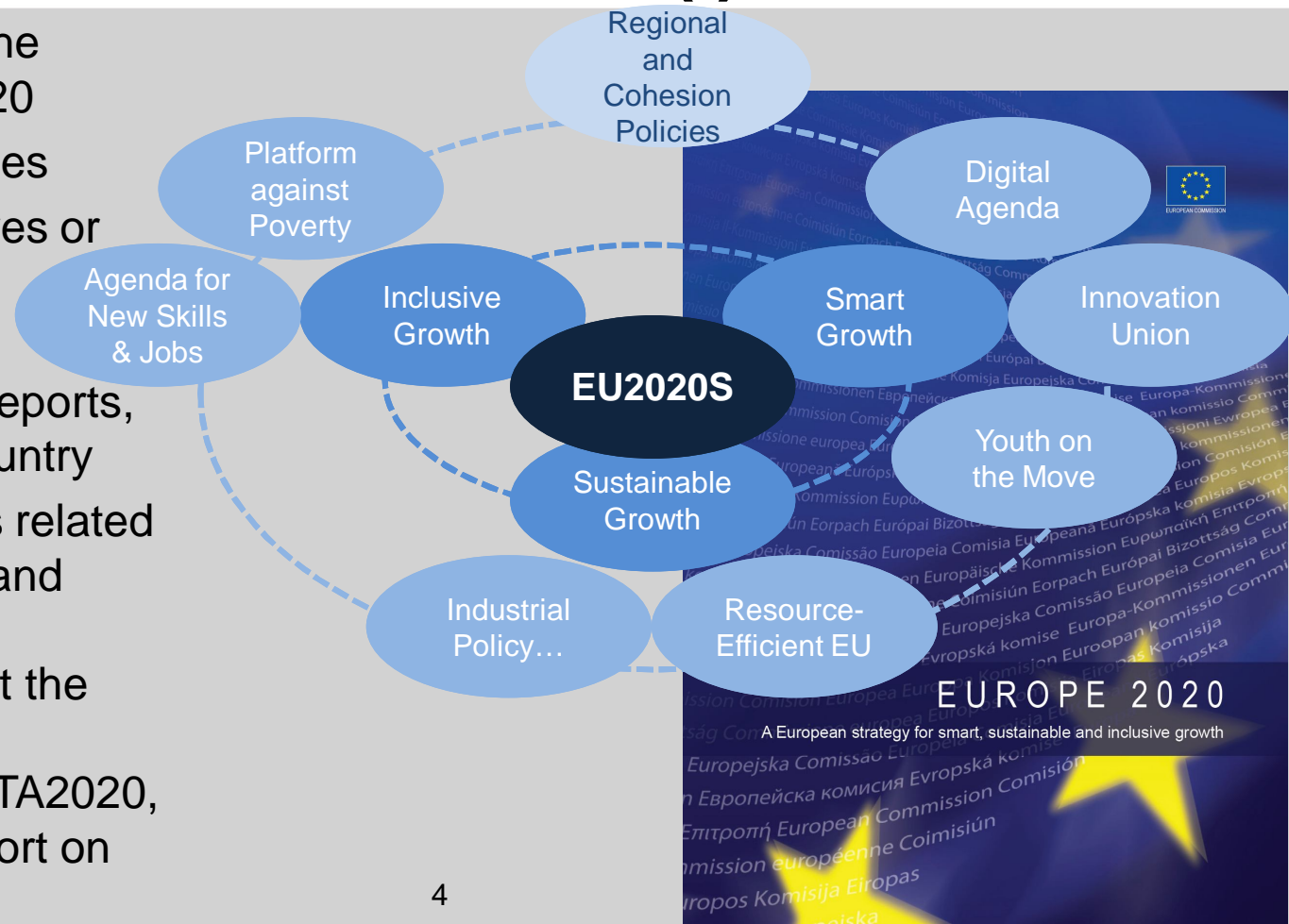
Methodology

- Analysis of the EU2020S documentation (and related documentation) in order to grasp policy expectations. In this respect, it has to be said that the research has been qualitative-driven
- Based on this analysis, early list of indicators, including as 'compulsory indicators' the headline targets set by the EU2020S. Early screening of data availability of these indicators at the coarsest grain possible, considering urban areas
- First and second selection of indicators, according to data availability intensive screening. In the meantime, data collection and first cartographic production
- Analysis of obtained maps, taking on board the policy context, literature and previous ESPON projects. Elaboration of thematic research papers. Statistical analysis, including PCA and data clustering
- Elaboration of the Atlas, with texts partially inferred from previous analysis. Digital version pending on the approval of maps by ESPON CU
- Elaboration of policy recommendations³



The EU2020S (i)

- Growth plan for the decade 2010-2020
- 3 pillars or priorities
- 7 flagship initiatives or key programmes to boost growth
- Yearly progress reports, advising each country
- Other documents related to the EU2020S and substantial for its implementation at the regional scale:
COM(2010)553, TA2020, 7th Progress Report on Cohesion, etc.



The EU2020S (& ii)

- **Smart Growth headline targets**
 - 3% of the GDP to be invested in R&D
 - Reducing early school leavers to below 10%
 - At least 40% of 30-34 year-old population completing third level education
- **Sustainable Growth headline targets**
 - The three targets known as “20/20/20”: a 20% reduction (and even 30% if possible) in greenhouse gas emissions in relation to 1990 levels, 20% of energy from renewable sources and a 20% increase in energy efficiency
- **Inclusive Growth headline targets**
 - 75% of the 20-64 year-old population to be employed
 - At least 20 million fewer people in or at-risk-of-poverty and social exclusion
- Each country sets its own targets derived from the EU targets. SIESTA has demonstrated that in general the aggregation of all the national targets does not mean achieving the overall EU target
- According to the 7th Progress Report on Cohesion (EC, 2011), it is not implicit that all the regions can or should reach the national 2020 targets



Main Results on Sustainable Growth (i)

- Particular understanding of ‘Sustainable Growth’ dimension by the EU2020S, basically meaning sustainable recovery of the path of economic growth through increasing levels of competitiveness
- Although it is true that the EU2020S conception of ‘Sustainable Growth’ embraces some of the typically associated notions to sustainable development (resource efficiency, renewable sources of energy, etc.), in practice it primarily means building an economy which leaves the crisis behind
- Thus, research has considered competitiveness and economic growth in the years of the crisis
- Also green economy has been examined, including issues related to combating climate change and moving towards a cleaner and more efficient energy production and consumption



Main Results on Sustainable Growth (ii)

- Enormous differences of levels of growth between regions and cities, with a marked East/West divide. Be that as it may, Eastern territories tend to catch up. On the whole, regional disparities in GDP per capita in pps are being reduced since the 1990s
- Urban areas score higher levels of economic activity and growth than their rural counterparts
- However, the crisis measured in GDP per capita in pps change (2007-2011) does not have an East/West pattern and seems to be multi-faceted, with several underlying causes; unfortunately, the territorial picture in this respect can only be obtained at state level
- Current debt levels do not correlate with GDP evolution in the years of the crisis. However, it is true that the crisis is increasing debt levels almost everywhere in Europe



Main Results on Sustainable Growth (& iii)

- The “20/20/20” headline targets are likely to be achieved, but due to the crisis, which is causing a major contraction of economic activity, thus GHG emissions and energy intensity are decreasing
- In the case of renewable energies, the national targets will effectively contribute to meet by 2020 the EU overall target, but the regional scale is critical and it is usually forgotten
- However, these 3 targets must be assessed at member state level, without a clear regional picture. In addition, their definition and statistical precision remain doubtful
- Globally, the “20/20/20” indicators do not mean that sustainable development takes place, with issues such as sustainable transport, pollution treatment and recycling or biodiversity conservation being in practice underestimated by the EU2020S. SIESTA has considered them and strongly believes that they are critical for sustainable regions and cities

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Main Results on Smart Growth (i)

- With regard to research and innovation, the EU is losing ground in relation to competing economies. This means that a determined policy action should take place, as stated by the EU2020S
- Only 37 out of 272 considered regions meet the 3% target of R&D investment. Although it is unlikely that all of them reach this threshold, regions ranking very poorly should be especially targeted given that research is important for all regions, whether they currently be leaders or not
- In terms of research, there are huge imbalances between regions, but the regional arena remains critical. Regions might win by cooperating in order to attain agglomeration economies
- Universities are decisive in research and innovation, thus they are very significant in several medium and small-sized cities, beyond the first-ranked European cities



Main Results on Smart Growth (ii)

- With regard to basic education attainment (measured through the drop-out rate), levels are very worrying and unacceptable in wide regions of Europe, namely the Iberian Peninsula and Turkey, with some Spanish cities scoring particularly dreadful. Indeed, the fact that $\frac{1}{3}$ of regions are very far from the target compromises the ability of Europe as a whole to build a smart economy in the mid-term
- With regard to population with tertiary education, the EU2020S is concerned about the lower EU percentage in comparison with Japan or the US. However, this average masks a much more complex reality. 86 out of 311 considered regions already attain the target, especially in the Northern Periphery, North-West plus France and Spain. Some of these regions are being hit by the current crisis and that predictably might imply a 'brain drain' (Northern Spain, Ireland)



Main Results on Smart Growth (& iii)

- Digital society is perceived by the EU2020S as a crucial topic for European competitiveness
- In general, the urban-rural divide is significant for digital society, but, importantly, national policies play a critical role. In this respect the digital divide between the countries of the Northern Periphery (including Iceland), Scandinavia and the North-West, on the one hand, and the rest of Europe, on the other, is tangible
- Regions lagging behind in digital society, especially in the Mediterranean area and the South-East of Europe (including Turkey), should be especially targeted



Main Results on Inclusive Growth (i)

- The EU2020S states that Europe needs to make full use of its labour potential by creating more employment. Unfortunately, unemployment is currently hitting severely several regions of Europe, especially towards the South; due to the economic sectors prevailing in these areas (i.e. construction and basic services) and because of the current policies in place, unemployment will predictably increase therein
- Regional and urban scales are substantial for understanding the uneven geography of employment and unemployment
- Women and youth are more affected by unemployment than men and adults. However, specific regions and urban areas are more unfair than others in this respect
- Lifelong learning, including tertiary education, might be a solution, but it is also spatially very uneven

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Main Results on Inclusive Growth (& ii)

- With regard to poverty, the basic intention of the EU2020S is to reduce it, but the mechanisms to account for this objective are doubtful
- The study of the national targets derived from the EU target reveal how the commitment of the countries with the EU2020S is feeble. This acknowledges that the implementation of inclusive growth pillar, and the whole EU2020S, remains dubious
- In any case, poverty has a very clear spatial dimension (both regional and urban) that cannot be omitted when developing the EU2020S



Key Messages (i)

- Achieving the smart, sustainable and inclusive growth envisaged through the EU2020S is far from near. This means that the success of the growth strategy delivered to get Europe on track is uncertain
- The current gap in a very large number of regions for several aims and targets means that the EU2020S implementation is not feasible by 2020, even acknowledging that not all the regions can or should reach all the EU2020S targets that have been set
- Regional scale matters for the EU2020S development, hence consistent regional strategies might be issued following the EU2020S framework. The same is applicable for urban areas but unfortunately data are especially scarce for them, thus cities have not been analysed as desired
- A set of policy recommendations has been developed for favouring the implementation of the EU2020S at the regional and urban scale



Key Messages (& ii)

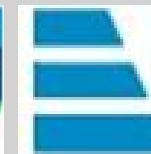
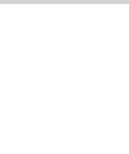
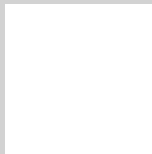
- Within the EU2020S, there is a ‘tension’ between, on the one hand, the smart and inclusive aims and, on the other, sustainable (understood as green) pillar. The heterogeneous nature of the EU2020S is ambitious but, at the same time, rather contradictory
- In the EU, the basic divide in the EU2020S implementation is between the North and the South (South-East and Mediterranean Basin); the former is in general already accomplishing the EU2020S (or in the way to do so) while the latter is challenging this strategic document. Therefore, attention must be paid in the latter in order for the EU2020S to be achieved across Europe
- Importantly, data availability is very poor. More effort is needed by the European institutions, especially Eurostat, in data gathering. It is impracticable to show how the EU2020S acts territorially (at regional and urban scales) if the appropriate datasets do not exist





Thank you very much for your attention

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The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

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