

SeGI

Indicators and perspectives for services of general interest in territorial cohesion and development

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This report presents a more detailed overview of the analytical approach to be applied by the project. This Applied Research Project is 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.

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Table of contents

1	The applied analytical approach.....	6
1.1	Definitions and concepts	6
1.2	Scientific literature review	7
1.3	Theories of SGI	7
1.4	Methodological aspects	7
1.5	SGI in regional development	8
2	Methodology and hypotheses	9
2.1	Case studies	9
2.1.1	Methodology and selection	9
2.1.2	Stakeholder survey.....	10
2.2	Scenarios	11
2.3	Policy and governance	13
2.3.1	Policy options	13
3	Review of data	14
3.1	Data and indicators	14
3.1.1	Indicator proposals by ESPON projects:	15
3.1.2	Eurostat database and ESPON database.....	15
3.2	Adjustments to re-calculate missing values and to harmonise statistics... ..	15
4	Use of relevant existing ESPON results.....	15
4.1	Typologies.....	15
4.1.1	Typology Compilation	15
4.1.2	OECD/DGRegio-Typology	16
4.1.3	Relevant thematic typologies of ESPON 2013 projects.....	17
4.2	Priority 1 and 2 projects.....	17
5	Distribution of work packages among partners, the project budget breakdown to the individual partners per budget line	18
6	Project-specific part	20
6.1	Indicator development and data availability	20
6.2	Use of existing typologies.....	20
6.3	Adjustment of the case-study selection	20
6.4	Elaboration of the role of access in the analytical approach.....	21
7	Overview of the more detailed outputs envisaged by the project	21
8	Indication of likely barriers that the project implementation might face	22
9	Orientation of the project previewed towards the Interim Report	23

Figures

Figure 1: A first categorisation of SGI's	7
Figure 2: Overview of scenario framework.....	12

Diagrams

Diagram 1: Organisation of work.....	19
Diagram 2: Time Plan and Schedule	19

Tables

Table 1: Case study selection	10
Table 2: Policy Options Matrix.....	13
Table 3: Preliminary proposal of outputs	22
Table 4: Planned activities towards the Interim Report.....	23

1 The applied analytical approach

In the application (pages 8-9) a general analytical approach was outlined to the subject of applied research on this vast research topic. The key aspects for analysis were highlighted and clarified with the analytical framework presented built upon the following seven aspects:

- Definitions and concepts
- Scientific literature review
- Theories of SGI
- Methodologies for analysing SGI
- Indicators of SGI
- SGI in regional development
- Policy aspects and governance of SGI

In addition to these seven aspects, case studies will also be of importance in the applied analytical approach adopted. Indicators (including data availability), policy aspects and governance are discussed more thoroughly in other sections of this Inception Report and will, consequently, not be discussed further here.

In sections 1.1-1.5 below a number of important issues in respect of definitions and concepts, the scientific literature review, theories, methodology and SGI's in regional development will be clarified.

1.1 Definitions and concepts

The main task of Activity 1 is to establish a theoretical and operational definition and a classification of Services of General Interest (SGI) which will form the basis of the overall research design and be the guiding principle in carrying out the specific tasks within all subsequent project activities.

The term "Services of General Interest" was coined within the EU policy process and does not reflect national terminologies or the conceptual world of the scientific literature. The Commission Green Paper (CEC 2003) acknowledges that: "In the Member States different terms and definitions are used in the context of SGI, thus reflecting different historical, economic, cultural and political developments". The Green Paper notes that neither is the term to be found in the Treaty itself. It is derived in Community practice from the term "services of general economic interest" but denotes a broader scope of purposes and activities (services, functions), including non-market as well as market services "*which the public authorities class as being of general interest and subject to specific public service obligations*".

The Commission White Paper, in presenting its conclusions of the broad public consultation process launched on the basis of the Green Paper (CEC 2004), does not bring much more clarity to the concept from a scientific point of view but rather underlines that the consultation revealed "significant differences in points of view and outlook", although there seemed to be an emerging consensus on "the need to ensure the harmonious combination of market mechanisms and public service missions".

The general definition of SGI is thus simply too vague and imprecise for analytical purposes. As such it currently covers everything from e.g. the consumption of health care to investment in nuclear power plants. For policy reasons however the current definition of SGI may be useful. In the analytical work undertaken within the context of SeGI efforts will be made to create adequate and relevant concepts and definitions; for the policy side of SeGI then the current definition will continue to be used. A further elaboration of concepts and definitions can be found in Annex A1.

1.2 Scientific literature review

As SGI is a multifaceted and complex group of services it is not in line with sound scientific methods to lump electronic communications, postal services, electricity, gas, water and transport, labour market services, education, health care, child care, social care and social housing together in a “meta” literature review. Nor will this be a comprehensive literature review for policy makers and practitioners. Instead a separate literature review will be given for each in the annexes to the Inception report, draft Final Report and Final Report (see also section 7 below).

In the application many policy documents were reviewed as were the results from previous relevant ESPON projects. The application also contained a general overview of the scientific literature covering the analysed areas in SeGI. This Inception Report also contains a significant reviewing of the literature and of the various data sources outside the context of the traditional “literature review”. The efforts made in the application and in this Inception Report will be utilised in the separate annexes to the Inception report, draft Final Report and Final Report.

1.3 Theories of SGI

The underlying theories explaining e.g. social housing are completely different from those explaining e.g. postal services. Therefore, the commonly used theories for each and every one of the analysed SGI’s will be presented and discussed in the annexes of the Inception report, draft Final Report and Final Report.

1.4 Methodological aspects

For reasons related to the issues raised in sections 1.2 and 1.3 above no single methodology is used in this project. All methodological aspects will be discussed and further elaborated in the annexes of the Inception report, draft Final Report and Final Report.

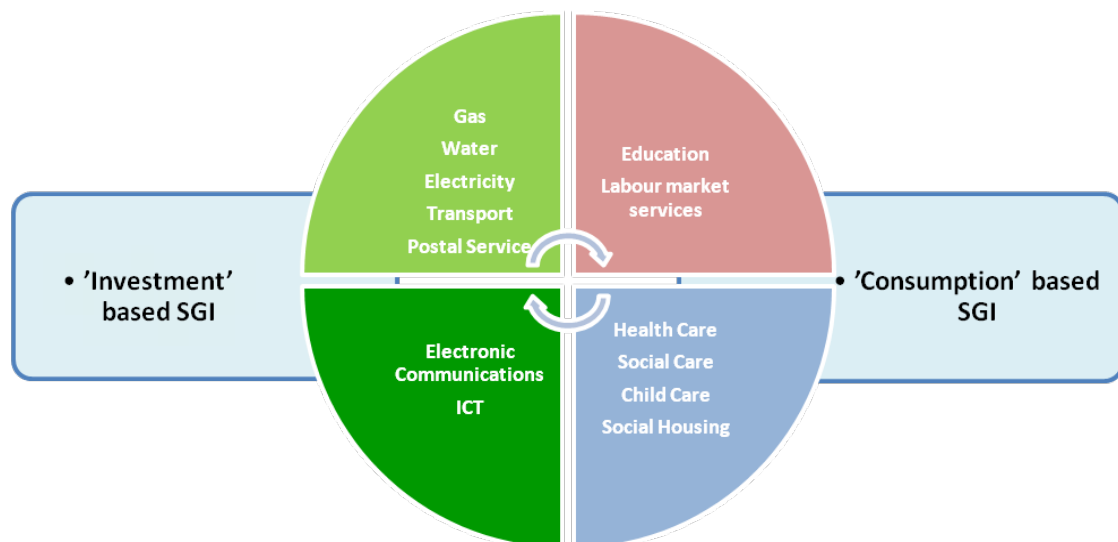


Figure 1: A first categorisation of SGI's

An important methodological aspect of this project is the view that SGI's can be divided into investment-based and consumption-based elements. In the analytical work education and labour market services will be separated from each other as will care services from social housing.

Gas, water, electricity, transport and postal services are very much 'traditional' infrastructure areas with ICT (including electronic communications) representing 'new' infrastructure areas. Needless to say, the methodology needed for the analysis of care services is completely different from that needed for infrastructure. As noted previously, methodological aspects such as this will be further discussed and analysed in the annexes to the deliveries of this project.

1.5 SGI in regional development

Discussion of the national and regional backgrounds, of the various welfare regimes and of trajectories of European cohesion policy implementation (e.g. infrastructures and ICT), is vitally important and is integrated into sections 1.2 and 1.3. Some of the empirical evidence on territorial effects and regional convergence is linked to case study analysis, representing a number of different situations, namely in the peripheral areas. It is anticipated that analyses of the development and provision of diverse services in various regions covered in the SeGI project will shed light on the nature of the relationship between regional development and accessibility, the diversity and the quality of SGIs in the ESPON area.

Regional development is fundamentally interrelated with the development and provision of services and infrastructure which are here termed collectively as services of general interest. Challenges related to SGIs are being faced by regions in many different ways. In general, more populous and densely populated core regions tend to have a good supply and diversity of services to meet most needs. These services can however become challenged e.g. due to increased demand resulting from in-migration and changes in the general management of services and their financing. On the other side of the coin, more peripheral and less densely populated regions tend to be less favoured where the provision of SGIs is concerned. SGIs in these regions may become challenged due factors such as low population density, out-migration and where services become more limited due to rationalisation and changes in management (CEC 2010). At the core of the difference between these two broad categories of regions lie the concepts of demand and supply and their interrelationship.

The overall tendency in the Member States has been to move towards decentralising responsibility for social policy from the central state to sub-national authorities (CEC 2008). The idea that local authorities have a better knowledge of their citizens' local needs than central authorities, the increasing demands for regional autonomy and the search for cost-effectiveness and efficiency are among the many reasons for initiating these reforms. However, decentralisation should be accompanied by the allocation of sufficient budgetary resources as otherwise the differences in economic resources among regions could have a negative impact on service provision.

In most Member States, however, a number of social policy instruments remain to varying degrees in the hands of central governments. Apart from enacting legislation and formulating policy aims and directions, the state has regulatory and control authority over most national social security, social welfare and employment institutions. In designing a multi-level governance system for social services, governments are confronted with two types of trade-off, between adaptation to local needs and universal social rights and benefits as well as between local autonomy and centralised budgetary control (CEC 2004).

Also from a policy perspective the Commission (CEC 2007) final identifies the terms of a protocol on services of general interest to be annexed to the Treaty of Lisbon, stressing the responsibility of the Union and the Member States, and establishing a legal basis for the EU to take action.

2 Methodology and hypotheses

2.1 Case studies

2.1.1 Methodology and selection

The two levels of analysis undertaken in the case studies require two different methodological approaches, each suited to the scope of the cases. Nevertheless, both rely heavily on the outputs of Activities 2 and 3 (indicators for the micro, meso and macro level, covering all of the countries to be studied), as well as intense use of sectoral policy analysis and expert interviews, employing, in this sense, a combination of quantitative and qualitative methods to ensure an in dept analysis.

(1) A broader investigation concerns the national level of analysis *vis-a-vis* the context of the welfare regime of the respective country. The analysis, conducted in each of the nine selected countries (see table below) will be prepared along similar lines to ensure comparability. Initially a panorama of services of general interest is constructed for each case, based on the results of Activities 2 and 3, national statistic databases, policy documents and published research. This will be refined with qualitative data gained from the expert interviews. The experts are selected from the following groups; public administrators and policy-makers from the central level of government, academia, and practitioners (companies and other stakeholders involved). The focus here will be on the provision of services of general interest within different types of welfare regimes (how they were developed and function within these regimes), as well as the questions of accessibility and affordability (for various groups of users). The analysis of the quality of services in each case takes into consideration the services distribution within the country and the population density of regions/areas.

(2) The analysis focuses on a region of each country in order to allow an in-depth examination of services of general interest. The cases were selected with different geographical features in order to provide an overview of service provision across a set of fairly diverse European areas (see table below). The regional level of case study analysis is – in the majority of cases – of regional administrative divisions; however, there are cases in which the functional delimitation offers a better scope of analysis. The analysis on this level will be undertaken as deep as LAU 2 in some cases. The second phase of the case study task contains a more detailed analysis than that initially performed at the national level. Besides making use of the quantitative and qualitative methods used in the country level study (indicators and maps of Activities 2 and 3, national statistics databases, research and policy documents and expert interviews), this stage includes specific surveys and involves a broader spectrum of services in the analysis. The aspects central to the investigation are the provision of SGI, the quality of services, as well as their accessibility (for various groups of users and areas) and their spatial distribution.

Since SGI are contextually based, the selection of case-studies aims at covering the diversity of the European territory, including a maximum of territorial diversification. As such, three criteria were utilised in order to guarantee a selection that covers this diversity: (1) the type of country connection to the EU; (2) the state welfare regime, and (3) the range of geographical, demographic and socio-economic characteristics of the sub-national territory.

(1) The countries were chosen on the basis of the connection to the EU considering the following:

- 4 case studies from countries/regions in EU15 countries (EU15)
- 3 case studies from countries/regions in the New Member States (NMS)

- One case study from a country/region in a candidate country (CC)
- One case study from a country/region in an associated EES country (EES)

Table 1: Case study selection

Country	Region	Characteristics		Welfare regime
Austria	East Austrian Periphery	Border-area, Mountainous, Urban/rural	EU15	Corporative
Germany	Ruhrgebiet	Densely populated, post-industrial, inside Pentagon	EU15	Corporative
Hungary	Dél-Alföld	Agricultural, peripheral	NMS	Transitory
Iceland	Northeast	Island, coastal peripheral, rural	CC	Social democratic
Norway	Finnmark	Outermost, coastal	EES	Social democratic
Poland	Mazowieckie	Urban/rural, metropolitan, core area	NMS	Transitory
Romania	Bucharest-Ilfov	Metropolitan	NMS	Transitory
Spain	Navarre	Mountainous, peripheral, urban/rural,	EU15	Family
U.K.	South Gloucestershire	Peri-urban	EU15	Liberal

(2) Within the context of the different connections to the EU above, a careful variety of the welfare regimes were chosen. These were: Corporative systems; Liberal; Family; Social democratic; and Transitory.

(3) The territorial aspects selected aimed at including the variety of European territories, therefore comprising:

- Geographical features: Mountainous, Coastal, Islands, Outermost/Peripheral, Agricultural/Rural, Urban, Peri-urban, Metropolitan,
- Socio-economic-demographic features: densely populated, depopulating, poor accessibility, post-industrial, inside Pentagon, tourist hotspot, protected areas

2.1.2 Stakeholder survey

Regarding the specific survey to be conducted in the regions, a two-stage research process is envisaged providing respectively an overview of and detailed information on SGI. In the first step, a standardised questionnaire will be applied to check the presence, quality, accessibility and state of development of SGI in the given region. The questions will cover the SGI's listed in the Project Brief. The research population is composed of local administration representatives. This research step allows us to collect broad and suitable statistical information on SGIs across the entire case study region, including the identification of groups of users with differentiated access to services. In order to achieve a higher return rate for the questionnaires, a reinforcing procedure will be used (see below).

The second part consists of in-depth interviews with key government representatives, and, eventually, key stakeholders. These interviews provide a proper contextual background to the region in question and help to qualitatively situate the statistical information gathered in the first step, providing valuable insights on the development of SGI in particular regions, an explanation of the difficulties encountered in developing and maintaining services, and good and bad examples of SGI. Furthermore, the interviews could provide interesting information on the perceived challenges in the case study regions and how they view their region in the context of the broader EU policy agenda and Cohesion Policy.

2.2 Scenarios

Different kinds of scenarios will be used to explore potential political strategies for the future development of services of general interest. According to Börjeson *et al* (2006) there are three types of scenarios: predictive, explorative and normative. The first makes use of forecasts and/or what-if scenarios to address the question '*What will happen?*' This kind of scenario is useful in foreseeing the probable consequences of the continuance of past and present trends into the future. Therefore, this type of scenario does not deal with uncertainties, because it assumes that the future will simply be an extension of past and present trends. Nevertheless, predictive scenarios are able to pinpoint necessary changes to avoid unwanted consequences if a certain development continues (Svenfelt, 2010).

Explorative scenarios deal with possible futures. They answer the question '*What can happen?*' (Börjeson *et al*, 2006). They differ from predictive scenarios mainly because they are able to acknowledge deep changes in their scope; therefore they are useful in long term planning when the planning organisation is greatly reliant on changing external conditions (Dreborg, 2004). They are divided into external and strategic scenarios. While its external focus is on what can happen to the development of external factors, strategic scenarios emphasise what can happen if we act in a certain way. Explorative external scenarios assist the process of developing robust strategies which can endure several kinds of external development; consequently they provide a framework for the development and assessment of policies and strategies (Svenfelt, 2010)

Normative scenarios deal with the question '*How can a specific target be met?*' In this sense the starting point is the goal to be reached in the future which provides the basis for designing strategies and policies backwards in time. They can be either preservative or transformative normative scenarios. In the first case the target can be reached through the prevalence of ongoing trends. On the other hand, normative transformative scenarios, also known as 'backcasting', demand changes to the development pattern. Dreborg (2004) affirms that the use of backcasting is useful in "long-term complex studies involving many aspects of society as well as technological innovation and change". This scenario typology has been applied successfully to studies where sustainability goals are in focus therefore the present condition and current trends cannot be used as a mean to reach it. This method is often combined with a stakeholder workshop and structured brainstorming, also known as participative backcasting. It is useful here to include local stakeholders in visionary and problem solving activities related to sustainable development (Carlsson-Kanyama *et al*, 2003).

Each of these scenario techniques will be employed to explore potential political strategies for the future development of services of general interest. Figure 1 provides an overview of the scenario framework.

Predictive scenarios will be used to construct the baseline scenario for the year 2030. This scenario will be based on predictions of expected events based on official forecasts. The variables that should be incorporated in the process of construction will be further explored through a literature review and will be supported by findings in Activities 1 (Concepts and definitions) and 3 (Indicators). The baseline scenario will be developed taking into account the European scale. This scenario might be seen as assuming business as usual.

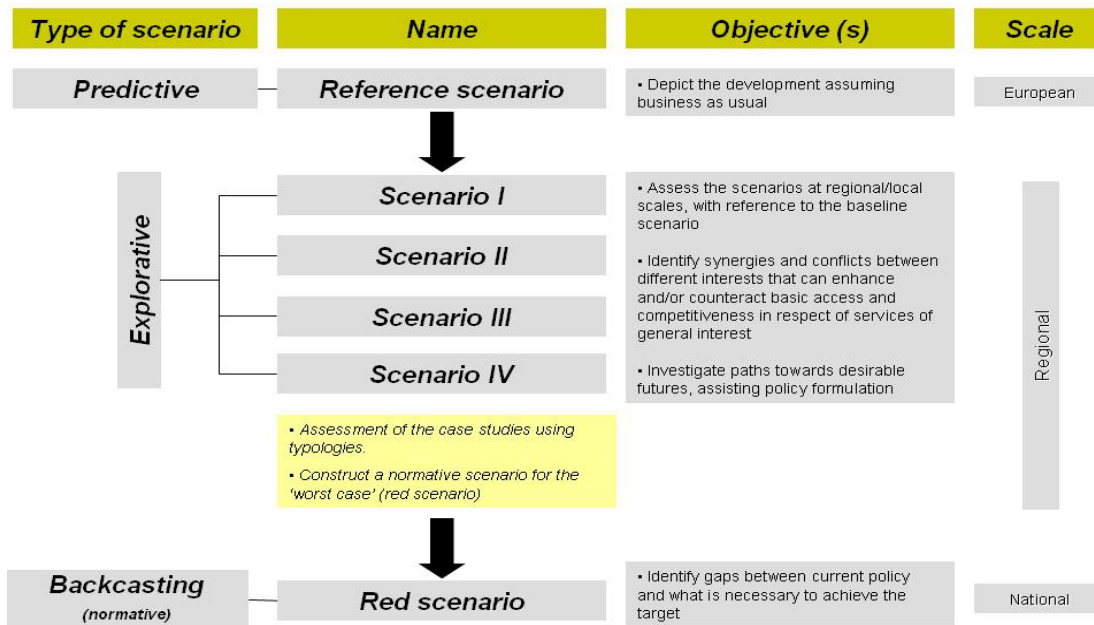


Figure 2: Overview of scenario framework

Four explorative scenarios will be developed to investigate a variety of possible futures and provide a common framework to evaluate services of general interests with regard to both the wide range of services that the definition encompasses and to the differing socio-economic contexts of the various countries involved. Dreborg (2004) suggests a number of steps to follow in order to build external explorative scenarios: (i) identify outstanding external factors; (ii) cluster similar factors together; (iii) choose the most important factors; (iv) identify possible futures states for these; (v) combine future states of different factors into scenarios outlines and (vi) describe credible paths (scenario logic).

Even though we recognise the need to deepen a literature review of the salient external factors that influence the provision and consumption of services of general interests the expertise of this research consortium has preliminarily agreed that the scenarios will be constructed along two main dimensions: demographic and economic trends. **(a)** Demographic trends indicate the demand for different services, not only with regard to population size but also to population structure. Ageing in particular is a central ingredient to take on board in the scenario formulation process. Here it is important to distinguish between 'young' elderly and 'old' elderly people as they have quite a different impact on the service sector from both the production and the consumption point of view. It must be acknowledged here that many 'young' elderly persons are good consumers and that much of their consumption is regionally or locally oriented. **(b)** Economic development influences the quality of service provision as well as the ability to give a higher share of e.g. elderly people a satisfactory service. This is of course also valid for other age groups that consume services of general interest in varying degrees. Here the level of productivity development within the economy as a whole, not just the service sectors, is of the utmost importance. The interconnectedness between demographic and economic development in both directions must also be highlighted as it has differing outcomes depending on the nature and strength of those relations. The territorial aspect will be incorporated into the scenario logic through a correlation between both demographic and economic trends, and territorial performance e.g. polycentric, monocentric development. In this context the inter-linkages with indicator activities (Activities 2 and 3) are very strong, as well as with policy and governance (Activity 6). In this way the case studies analysis (Activity 4) will collect information essential for

us to understand the policy and governance activity, which thus also creates an indirect inter-linkage to that Activity also.

Nevertheless, a few questions will be included in the 'stakeholder survey' that will be carried out in Activity 4 (Case Studies) in order to determine the legitimacy or otherwise of the choice of these two dimensions. The scenario methodology will be further elaborated in Annex A3.

2.3 Policy and governance

2.3.1 Policy options

A key project output is support for policy formulation at all levels of governance and in respect of all types of territory, and in particular the identification of existing gaps in the territorial evidence to support the implementation, monitoring and evaluation of territorial policy measures for services of general interest.

These relationships will be developed by assessing the governance and policy aspects in support of services of general interest in a conceptual framework defined in the following terms:

- territorial assessment
- policy perspectives
- policy potentials
- welfare

From this analysis a policy options matrix will be developed specified in the following terms: (a) Objectives: to identify innovative policy instruments for different territorial levels that can facilitate access to services of general interest. For this purpose, the results of the literature review, e.g. good governance, and the results of the case studies regarding integrated approaches to key policy areas, will be drawn upon. The failure of policy actions will also be identified and described in this part of the study.

(b) The policy relevant findings will be presented so that policy makers can use them in their considerations on territorial development strategies and policies. Although issues of access to services of general interest are relevant to all countries, the recommended policy actions for regions, given by this part of the project, will be tailored to the specific circumstances of the respective country within the ESPON territory taking into account local, regional, national and European governance levels.

The "Policy Options Matrix" (see Table below) is conceived as a systematic way in which to present the findings of the research (all Activities) in a way that is accessible and relevant to the policy community.

Table 2: Policy Options Matrix

Generic Types of potentials for SGI	Region Type 1	Region Type 2	Region Type 3	Region Type 4	Region Type <i>n</i>
SGI potentials category 1	Policy Option	Policy Option	Policy Option	Policy Option	Policy Option
SGI potentials category 2	Policy Option	Policy Option	Policy Option	Policy Option	Policy Option
SGI potentials category 3	Policy Option	Policy Option	Policy Option	Policy Option	Policy Option
SGI potentials category <i>n</i>	Policy Option	Policy Option	Policy Option	Policy Option	Policy Option

As demonstrated in studies by the OECD (2010b) and Pawson and Tilley (2010) the Policy Options Matrix will draw on recent reviews of policy, in which the generic categories of territorial potentials for services of general interest form the rows, and the columns contain the range of types of regions from the selected typologies. The body of the matrix represents all possible combinations of these two dimensions of variation, and these will be populated by one or more “policy options”. These are conceived in terms of the approach to delivery/potentials of services of general interest.

The information for the Policy Options Matrix will come from the case studies activities and literature reviews. The Stakeholder Survey is a most valuable source of information for this Activity as we can gather information of the perceived challenges in the area of SGI’s and the perceived solutions from the case study regions.

Several Policy Options Matrices may be developed, representing different assumptions in respect of the policy scenarios. The matrices will provide a systematic and visual way to present the findings of the research activities, supported by concise descriptions of each of the policy options. These will be structured in a standard series of headings and in accessible language. The Policy Options Matrices will be based on the outcome of consensus discussions among the partners.

3 Review of data

3.1 Data and indicators

SeGI touches upon political and scientific questions regarding the impacts of services of general interest on territorial development, competitiveness and cohesion, which must be remembered when reviewing the indicators. Furthermore, indicators measuring demographic, economic and environmental development have also to be taken into account. As such, the project seeks to represent a highly complex system. For the understanding of a complex system it is not necessary to collect information about every detail but to find the most important elements (indicators) and to connect them wisely. The connections between the indicators should be given the same level of priority as the indicators themselves (Vester 1999).

At this stage of the work, Activities 2 and 3 are being worked on together, in order to create a good starting point from which to make the linkages to Activity 1 (as presented in the Annex, the preliminary list of indicators, specifically related to the NUTS 2 scale of analysis, in order to generate a list of indicators that allows us to define the situation of the regions, but also, information/indicators that correspond to the background of the regions and that represent the effects of the policy system. As the definition of the system and the indicators are the results of WP 2 (Activity 1), the following assessment of the data situation as a basis for the indicators can only be shown as an **example**. The availability and representation of data constitutes one of the steps in the process, the analysis of indicator relevance will be another step, developed by activities 2 and 3. The full screening of indicators and data will continue throughout the coming months based on the results of WP2-A1, in order to discuss the inclusion of other sources in the context of the theoretical discussion and its policy relevance.

The list of indicators presented here has two main origins: ESPON projects that emphasise inter-linkages between projects and guarantee the territorial/regional approach, and the EUROSTAT/ESPON database.

3.1.1 Indicator proposals by ESPON projects:

A number of projects in the ESPON 2006 programme developed indicators of some importance for the SeGI project. The indicators have however to be defined though the results of these projects do provide a number of fruitful hints in respect of data availability and restrictions in terms of indicator building on the regional level. These are listed in Annex A3.1.

3.1.2 The Eurostat ESPON databases

The data availability checks undertaken here focus on the six areas outlined in the Project Brief:

- infrastructure (e.g. transport)
- ICT Telecommunication
- labour market
- education
- care services (health, child care)
- social housing

Detailed results of the availability check are found in Annex A3.2.

3.2 Adjustments to recalculate missing values and to harmonise statistics

The possibilities available in respect of composing indicators that make sense in both analytical and political terms have been elaborated further in Annexes A3.3-A3.5. How the project will deal with potential risks in terms of data availability and suitability harmonisation as well as dealing with incomplete information is also described here.

4 Use of relevant existing ESPON results

Due to the importance of the previous results in terms of territorial typologies, it will be important to discuss these results and their relevance to the present analysis.

4.1 Typologies

4.1.1 Typology Compilation

In 2009/2010, the ESPON Priority 3 Project "Typology Compilation" was conducted. The research team took all the hitherto published typologies contained in the various ESPON projects as well as useful other typologies from e.g. the OECD into consideration ($n=56$) with the final aim of producing 9 territorial typologies on a NUTS3 basis. The resulting 9 typologies are meant to be a reference for interpreting specific/thematic typologies in the context of the ESPON 2013 programme.

From the 56 considered typologies by TypComp (see Annex to Interim Report from June 2009), only a few turn out to be of potential relevance for SeGI – taking into account the NUTS3 coverage of ESPON31, the explanatory power and content (directly or indirectly related to SeGI, accessibility, demographic regimes, settlement structures, economic performance,...)

- Typology 1.2 "Degree of Urbanisation" is on LAU2 for ESPON31+HR. Further modification steps to show results for NUTS3 would be necessary. (source: EEA)

- Typology 2.1 “Areas within 45min reach from urban centres ”is of high explanatory value but available only for ESPON29 (ESPON2006-1.1.1)
- Typology 2.17 “Urban-Rural” is definitely an important reference but has been updated in the meanwhile – see *Chapter 4.1.2*. (DG Regio)
- Typology 5.9 “density of border crossings” might be an attractive typology but would also need updating. The fact that it is only for ESPON29 would not matter as Iceland is not touched by the issue in any case.

All 1 351 NUTS3 regions from ESPON31 are fully defined within the 9 typologies. Furthermore, some typologies are applied for the 110 NUTS3 regions from the candidate countries (CC) Croatia (HR), Turkey (TK) and Macedonia (MK). The 9 typologies are defined as follows (number of types & CC-coverage in brackets):

- urban-rural (5; TR, HR);
- metropolitan (4; HR);
- border (2; TR, MK, HR);
- islands (6; MK, HR);
- sparsely populated (2; TR, HR);
- outermost (2; TR, MK, HR);
- mountainous (5);
- coastal (5);
- industrial transition (4; TR, MK, HR)

Every one of the 9 typologies is explored in terms of its own logic – e.g. qualitative as “border” (1= within eligible EU border programme; 0= not) or complex calculated as “coastal” (A-E, depending on the percentage of coastal population within a NUTS3, including only municipalities with max. 10km away from a coast.). More important is the fact that every one of the 1 351 NUTS3 regions are ascribed to a certain value of each of the 9 typologies – e.g. region AT113 South Burgenland:

id	level	NUTS_version	urbrur	metro	border	island	sparsely	outermost	mountains	typ_coastal	indtrans
AT113	NUTS3	2006	31	0	1	6	0	0	E	E	B

- ➔ Predominantly rural region, close to a city
- ➔ Not a metropolitan region
- ➔ Region in eligible border programme
- ➔ Not an island region
- ➔ Not a sparsely populated region
- ➔ Not an outermost region
- ➔ Not a mountainous region
- ➔ Not a coastal region
- ➔ Not a region in industrial transition

When conducting the typologies within SeGI, the TypComp is of only minor relevance. When it comes to applying and interpreting the SeGI Typologies, the TypComp will however be of crucial importance. SeGI patterns correlated with the types of territories of TypComp will deliver the “territorially sensitive” approach required by an ESPON project while also providing added value.

Therefore, it is highly recommended that the SeGI Typologies are calculated on the NUTS3 level in order to get a perfect match with TypComp. As input to the SeGI Typologies themselves, no territorially sensitive variables should be included in order to avoid a bias.

4.1.2 OECD/DGRegio-Typology

In 2010, DG Regio presented a newly calibrated urban/rural typology based on the OECD typology. The coverage is EU27, the regional level used is NUTS3. With three types the typology is kept simple: (1) predominantly urban, (2)

intermediate, (3) predominantly rural. In reality this typology does not offer anything of additional value to SeGI, at least no more than does TypComp urban-rural, moreover neither does it even cover the full ESPON31 space.

4.1.3 Relevant thematic typologies in the ESPON 2013 projects

In addition to the typologies on types of territories presented in (a) and (b) above, further thematic typologies conducted within ESPON might be of interest in the course of SeGI Typologies. The thematic aspects of demographics and accessibility need to be correlated with SeGI Typologies. The following thematic typologies have been identified as being of (high) relevance to SeGI:

DEMIFER (Demographic and Migratory Flows Affecting European Regions and Cities; finalised) provides a typology for ESPON31 on NUTS3 (with a few exceptions usually through the merging of single NUTS3 units) with 7 types of demographic status. 4 input variables have been applied: (1) Net Migration 2001-2005, (2) Natural Population Increase 2001-2005, (3) Population aged 20-39 in 2005, (4) Population aged 65+ in 2005.

TRACC (TRansport ACCessibility at regional/local scale and patterns in Europe; ongoing) will create a multimodal accessibility potential typology including all four transport modes. Both above-mentioned projects and their typologies could be used for SeGI in the following ways:

- Minor: Using the typologies as input variables for SeGI Typologies;
- Minor: Integrating single variables of the typologies (or other kind of data/indicators) into the SeGI Typologies;
- Major: Correlating the typologies with the SeGI Typologies during the interpretation phase.

EDORA (European Development Opportunities in Rural Areas; finalised) identifies the key themes of rural areas and the issues that cause rural change (Drivers of change), as well as the development opportunities and constraints (D.O.C). EDORA uses both existing (on the basis of the OECD/DG Regio Typology) and self-built typologies (from the project's indicators and meta-narratives). Instead of a single typology, EDORA establishes three types of typologies, each represented in one dimension of the so-called "EDORA cube". The "EDORA cube" is built from the premise that a single typology cannot cover all important aspects of the differentiation among rural regions. As EDORA's purpose is to focus on rural areas only, the results themselves seem to be of minor importance in comparison to the methodological aspects from which SeGI could learn.

- strong link between Activity 5 and Activity 1 conceptual framework in order to guarantee the involvement of highly relevant variables/indicators in the SeGI typology building process;
- developing more than one typology and by comprehensively explaining them gaining better findings;
- In EDORA, typologies were the basis used for choosing the Case Studies, in SeGI it will be done the other way round, namely, evidence from the Case Studies will influence the typology building process.

GeoSPECS (Geographic Specificities and Development Potentials in Europe; ongoing) is about to be conducted. At this stage, it is not possible to define precisely what transfers from GeoSpecs to SeGI (Typology) may be feasible.

4.2 Priority 1 and 2 projects

The SeGI project can take advantage of the already existing results of other ESPON projects from both the ESPON 2006 and ESPON 2013 Programmes. In the SeGI application section 1.5 (pages 13-15) a review of what contributions

previous ESPON Priority 1 and 2 projects can provide SeGI with is listed. That review shows that relevant **results** from at least 16 previous ESPON projects can, to varying degrees, be used in SeGI (the review is listed in Annex A6).

In addition to the results, which were also outlined in the application, SeGI can benefit from previous ESPON projects in five distinct areas:

1. Data – specific data can be derived from ESPON 2006 projects via the ESPON Database as well as through the final project reports, targeting specific elements of services of general interest. Data availability is good for the higher geographical scales, especially at the national level.
2. Typologies - a number of relevant typologies were created in ESPON 2006. Territorially, the typologies focus on FUAs and urban-rural relations; thematically, the projects on demographic development as well as economic development are of key relevance for a SeGI typology.
3. Scenarios – in order to construct the baseline scenario requested by the Terms of Reference, SeGI can use, modify and recycle scenarios made by the ESPON 2006 projects in respect of data, indicators and methodology.
4. Case studies - in many ESPON projects in-depth analysis was conducted via case studies. This approach could also be pursued by SeGI to gain a deeper level of knowledge about processes at the micro scale, for different types of territories, thereby enhancing the construction of the typologies.
5. Policy options – according to the principles of the ESPON programme, all of the above-mentioned projects did extract, at least in some way, conclusions and policy recommendations from the research analyses. Relevant thoughts and outcomes will be implemented in the SeGI policy analysis.

5 Distribution of work packages among the partners and the project budget breakdown on the basis of individual partners per budget line

The distribution of work packages among the partners is listed in table 1 on page 17 of the application. The project was asked to revise the selected case studies and, consequently, the number of partners participating in Activity 4 has changed: both the University of Akureyri (IS, Partner 5) and PlanIdea (HU, Partner 8) will now also participate in Activity 4 (case studies).

Table 1 Organisation of work packages and activities

	WP1	WP2								WP3
	Coordination	Activity 1	Activity 2	Activity 3	Activity 4	Activity 5	Activity 6	Activity 7	Activity 8	Dissemination
Responsible partner	KTH	NIBR	BBSR	CEG	IGSO	UNIVIE	UWE	KTH	KTH	KTH
Other partners	(all)	KTH, UNIVIE, BBSR, UNAK, UWE	NIBR, ASEB, Nasursa	KTH, UNIVIE, IGSO, ASEB, Nasursa	UNIVIE, BBSR, UNAK, NIBR, IGSO, PlanIdea, ASEB, Nasursa, UWE	KTH, CEG, Nasursa	CEG, UNAK, NIBR, KTH, PlanIdea	CEG, UNAK, IGSO, UWE	UNIVIE, CEG, UNAK, IGSO, UWE	all

The work plan illustrated in Diagram 1 (above) provides an indication of research and policy-orientated activities in WP2, while Diagram 2 (below) indicates the overall time plan and schedule. The work plan has been devised in this way to effectively address the policy and research questions identified by the project specification for research activities in WP2.

Diagram 1: Organisation of work

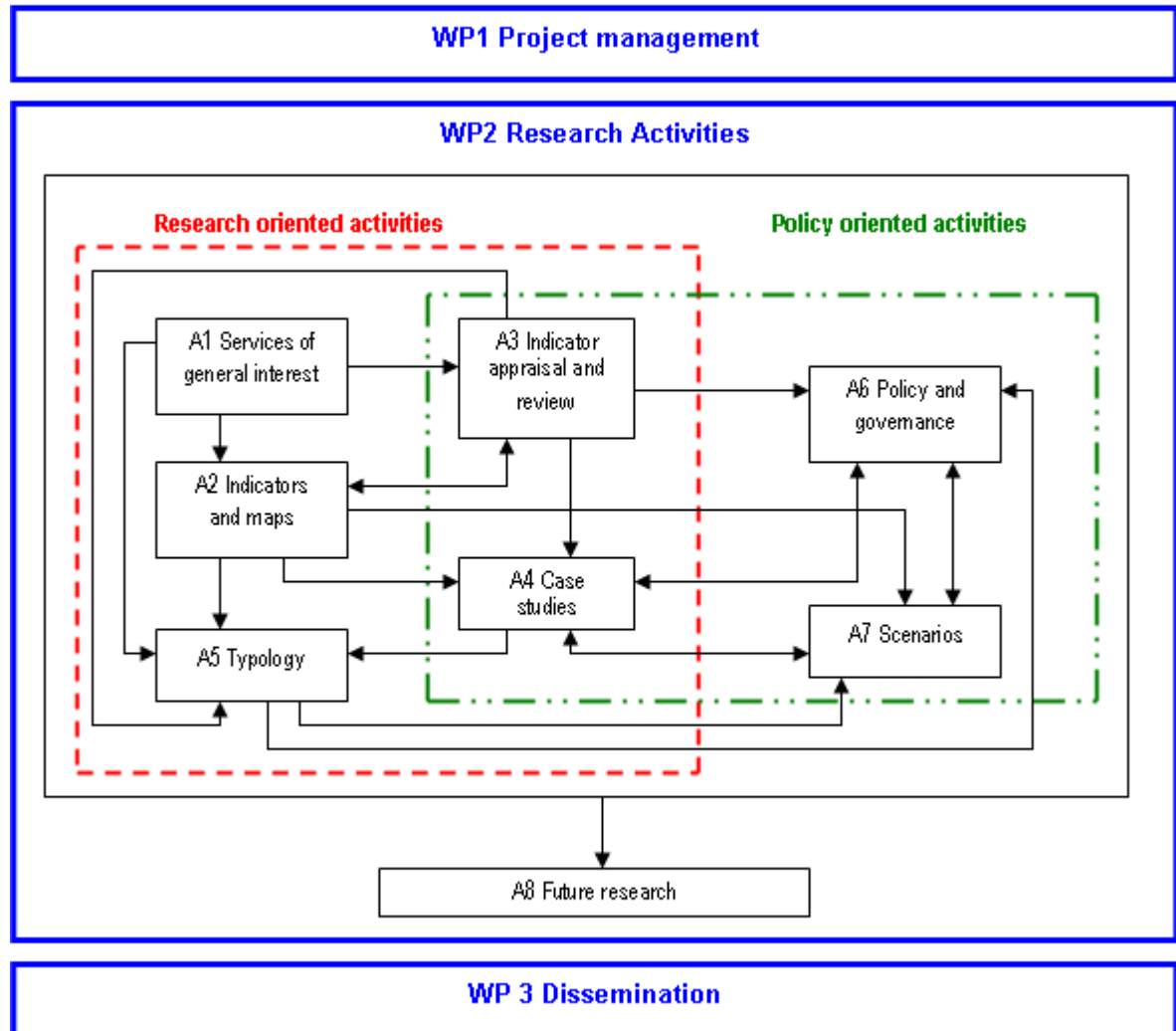


Diagram 2: Time Plan and Schedule

	2010		2011								2012								2013																					
	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	11					
WP1 Project Management																																								
WP2 Research activities																																								
A1. Concepts & methodology																																								
A2. Indicator and maps																																								
A3. Indicator appraisal & review																																								
A4. Case studies																																								
A5. Typology																																								
A6. Policy & governance																																								
A7. Scenarios																																								
A8. Future research																																								
WP3 Dissemination																																								

K	Kick-off meeting	F	Final report
ir	inception report	E	Closure of activities
im	interim report	EA	Closure of administrative activities
dF	draft final report	pm	project meetings

Table 2 Project budget breakdown on the basis of individual partners per budget line

	Staff	Administration	Travel and accommodation	Equipment	External expertise and services	TOTAL €
KTH	141,650.00	31,677,50	12,200.00	0.00	65,000.00	250,527.50
UNIVIE	69,900.00	12,210.00	5,500.00	0.00	6,000.00	93,610.00
BBSR	65,975.00	10646.25	5,000.00	0.00	0.00	81,621.25
CEG	42,430.00	8,254.50	6,600.00	0.00	6,000.00	63,284,50
UNAK	35,720.00	6,348.00	6,600.00	0.00	0.00	48,668.00
NIBR	99,340.00	17,691.00	6,600.00	0.00	12,000.00	135,631.00
IGSO	47,120.00	10,113.00	5,300.00	0.00	15,000.00	77,533.00
PlanIdea	14,255.00	2,858,25	4,800.00	0.00	0.00	21,913,25
ASEB	39,600.00	6,885.00	6,300.00	0.00	0.00	52,785.00
NASURSA	56,580.00	10,707.00	6,800.00	0.00	8,000.00	82,087.00
UWE	56,880.00	10,602.00	5,800.00	0.00	8,000.00	81,282.00
€	669,450.00	127,992,50	71,500.00	0.00	120,000.00	988,942.50

6 Project specific part

In Annex III of the contract SeGI addresses and elaborates on the following issues: indicator development and data availability, the use of existing typologies, adjusting the case study selection and elaborating on the role of accessibility in the analytical approach.

6.1 Indicator development and data availability

The project team has been asked to further elaborate on (a) the underlying approach to data collection and the possibility to compose indicators that make sense in both analytical and political terms, and (b) how the project intends to deal with potential risks in terms of data availability and suitability. This has been done in chapters 3.1 and 3.2 above.

6.2 Use of existing typologies

The project team shall further clarify the use of typologies, and in particular typologies from EDORA and GEOSPECS, in the Inception Report. This has been done in chapter 4.1 above

6.3 Adjustment of the case-study selection

In the original case study selection process 2 case study areas were chosen from 7 countries, of which only 2 were from the New Member States. Consequently, the TPG was asked to revise the initial selection of case studies to include a case study from a smaller New Member State. In chapter 2.1 above a revised list of case studies is presented.

The revised list of case studies contains case studies from 4 EU15 countries, 3 New Member States, 1 Candidate Country and 1 EES-country, i.e. 9 case studies in total. A description of the case study areas is found in Annex A1.1.

6.4 Elaboration of the role of access in the analytical approach

COM(2007) 725 final identifies the terms of a protocol on services of general interest to be annexed to the Treaty of Lisbon, stressing the responsibility of the Union and the Member States and establishing a legal basis for the EU to take action. The protocol builds on, and reasserts, a number of operational principles guiding EU institutions including those related to the issue of access to services of common interest as follows:

- **Ensuring equal treatment and promoting universal access:** Access to services of general economic interest is recognised as a right in the EU Charter on Fundamental Rights. This includes ensuring equal treatment between women and men and combating all forms of discrimination in accessing services of general economic interest. Where an EU sector-specific rule is based on the concept of universal service, it should establish the right of everyone to access certain services considered as essential and impose obligations on service providers to offer defined services according to specified conditions, including complete territorial coverage and at an affordable price.
- **Upholding user rights:** Citizens, consumer and user rights should be specified, promoted and upheld. The capacity of consumers and users, including vulnerable or disabled persons; to take up their rights, especially their right of access, often requires the existence of independent regulators with appropriate staff and clearly defined powers and duties.

From these principles an analytical framework for accessibility assessment will be devised that provides a major component of the territorial assessment of services of general interest to be undertaken by the project. This assessment will be set within the framework of a broader territorial assessment of services of general interest, which encompasses a range of additional factors including the dynamics of change over time as well as territorial specifics (*Cf. Keeble et al. 1981, 1988, Copus 2001*).

This framework for the territorial assessment of services, including considerations of access to services of general interest, was specified at the SeGI Stockholm kick-off meeting as follows:

1. Supply - producers (social model/ideology/public/private procurement),
2. Demand - universal rights of access,
3. Quantity and quality of access,
4. Dynamics - change over time (drivers of change including technical, political, economic and ideological),
5. Territorial specifics (urban, rural, insular etc.),
6. Governance/policy.

A key output for the project is support for policy formulation at all governance levels, and in respect of all types of territory, and in particular the identification of existing gaps in the territorial evidence to support the implementation, monitoring and evaluation of territorial policy measures for services of general interest.

7 Overview of more detailed outputs envisaged by the project

Apart from the eight deliverables outlined on page 15 in Part B of the application, other deliveries and outputs can be envisaged. In the table below a **preliminary** proposal for the annexes/working papers that can be expected is outlined. The

proposed output will be used to elaborate further on the issues discussed, so that only the summary and/or conclusions will be put into the main SeGI reports.

Table 3: Preliminary proposal of outputs

WP 2		
Activity	Output	Preliminary proposal of output
A1	1	Concepts, Definitions and Theories of SGI
A2	2	SeGI Atlas
A2	3	SeGI Database Manual
A3	4	The State of SGI Indicators
A4	5	Case Studies: Synthesis Report
A4	6	Case Study Region Report
A4	7	Stakeholder Survey
A5	8	Typologies of SGI's
A5/6	9	Welfare Regimes
A4/6	10	SGI's and Regional Development
A6	11	Territorial Cohesion and SGI's
A6	12	Accessibility and SGI's
A6	13	TIA and SGI's
A6	14	Governance and SGI's
A6	15	Social Policy and Territorial Cohesion
A7	16	Scenarios Report
A6/7	17	Economy and SGI's
A6/7	18	Demography and SGI's
A6/7	19	Scenarios and Policy Potentials

8 Indication of likely barriers to project implementation

On the one hand, while we do not expect any major barriers to implementation to emerge on the other, we know from experience that hitherto unforeseen glitches and problems could nevertheless arise. Overall we foresee the possibility of facing the following potential difficulties in terms of project implementation:

1. **The lack of adequate and comparable data for the case studies.** The risk here is that there is a lack of comparable detailed statistical data for case study regions mostly in terms of the validation of processes and the dynamic of land use changes. The alternative solution will be qualitative data, primarily, the results of interviews of key players and local expert knowledge. This type of potential risk is common to all such international and comparative studies. At this stage however it remains unclear the extent to which this will actually be a problem.
2. **A of degree of dissonance appears between our conceptual framework and the data available to operationalise and measure the SGI's.** Again, this is a normal part of any research process and will require us to find the 'best fit' between concepts and data, an activity which the TPG partners are used to dealing with based on past experience of both European and national-level projects. Once again, at this stage it remains difficult to discern the extent to which this will actually be a problem.
3. **Bureaucratic inertia.** We have already experienced problems with bureaucratic inertia. Again, the extent to which further problems can be expected, for time being at least, remains unclear.

9 The orientation of the project previewed: Towards the Interim Report

The Interim Report is to be delivered on 14 October 2011 and is tasked with presenting the main results on the basis of the available data, developed indicators, typologies and maps. This includes (1) an overview of concepts and methodology in respect of services of general interest from the perspective of territorial cohesion and development, and (2) possible final results as well as descriptions of the technique/methodology/indicators/models used to detect and approach services of general interest from the perspective of territorial cohesion and development. Furthermore, (3) preliminary results on the basis of the available territorial indicators, including draft European maps, and of the case studies, will also be provided.

The state of the achieved data collection will be given in the Interim Report. The data overview will include the data collected from Eurostat and the National statistical Offices. If possible, first indications on conclusions and policy relevant options that could be the outcome of SeGI will be outlined. The Interim Report will also contain a plan for the work to be done moving towards the draft Final Report, including a table of content.

The TPG plans the following activities towards the Interim Report:

Table 4: Planned activities towards the Interim Report

When?	Where?	What?	Why?	Who?
10 th May	Warsaw	TPG meeting	-Project Steering Committee Meeting -Organising the work towards the Interim Report (division of work and internal deadlines)	TPG
22-23 June	Budapest	ESPON Seminar	-First presentation of SeGI -Follow-up of the progress made in the work towards the Interim Report	As many partners as possible of the TPG
16 th September	Lisbon	TPG meeting	-Organising the work towards the Interim Report (what has been done and what remains to do) -Project Steering Committee Meeting -Participation of the Scientific Sounding Board and the Project Officer from ESPON CU with feedback from the Inception Report	TPG, SB, ESPON CU
14 October		Deadline Interim Report		

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ISBN