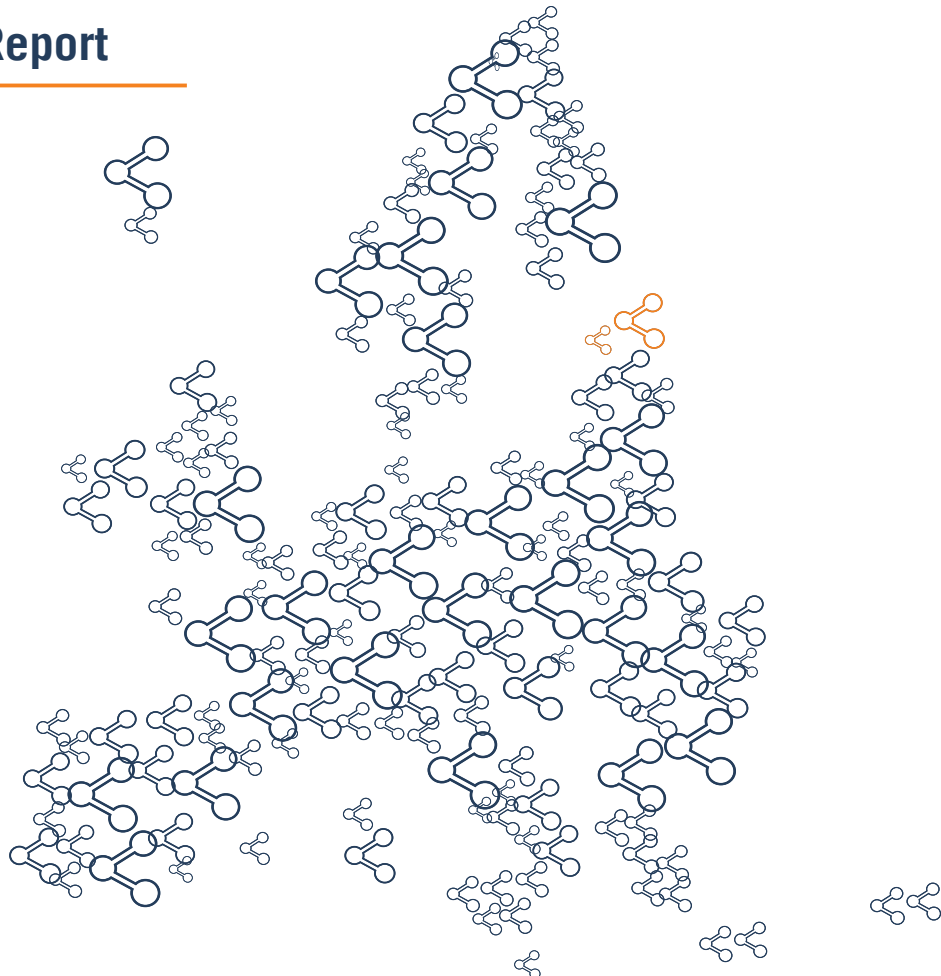


// ESPON Seminar

Transforming territorial thinking through digitalisation

Synthesis Report



Seminar 6 & 7 December 2017
Transforming territorial thinking through digitalisation



Transforming territorial thinking through digitalisation

Synthesis report from the ESPON seminar on 6-7 December 2017
Tallinn, Estonia



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// Preface

Dear Reader,

The pace of territorial change has never been as fast as it is today. Our territorial thinking is being reshaped by a number of complex interrelations, causalities and paradigm shifts, with digitalisation leading prominently the way. In December last year, our Seminar in Tallinn gathered about 200 territorial analysts and policy makers from across Europe, who joined a debate on how digitalisation is transforming territorial thinking. It was a privilege to start this debate under the Estonian Presidency in a member state that has been lauded as the EU champion for the provision of digital public services. The potential of digital trends for the public sector has resonated in the ESPON community. An interactive audience vote during the Seminar revealed the confidence that the digital transition will be most impactful in the provision of public services in the years to come. Researchers and policymakers alike believe that digitalisation can reduce the existing divides between places. Yet, there are still considerable differences in accessibility of digital infrastructure and capital, which in fact adds to the territorial disparities. This leads us back to the roots of the territorial cohesion concept. Its nucleus are the Europeans and the places they live in. It postulates that no European should be disadvantaged by living in one region rather than another. If understood and addressed correctly, ter-

ritorial cohesion can help bringing Europe back to its citizens. With our reunion in Tallinn, we sought to confront the ESPON community with the need for a renewed territorial focus. Delegates immersed in debates about curing the 'spatial blindness', aligning sectoral and territorial policies, designing and implementing place-based investment strategies. Yet, no investment strategy can lead us to a bright future if we do not understand what future we want to achieve. The way to do that, we believe, is to devise and well articulate a long-term vision that can mitigate disruptions, capitalise on the place-based potential and react to a new logic of dynamic development patterns. The event vocalised ESPON's endeavour to help making this vision a reality. With this report, we are pleased to share key findings from the Seminar in Tallinn as well as insights into how the ESPON community is gearing up for shaping the territorial future of Europe. I wish you an enjoyable reading!



Ilona Raugze, Director of ESPON EGTC

Dear ladies and gentlemen,

Estonia can be called in some sense a living digital society, with internet access defined as a social right and majority of the country covered with fast broadband. We have a fully functioning e-governance. Central government and state public services are widely digitalised, local public services are closely following. We could say that Estonia's e-solutions have resulted in a high level of transparency and accessibility in governance. As a conclusion of Tallinn Digital Summit in September 2017, the heads of the Member States agreed to bring governments and public sector fully into the digital age, improve public services to citizens and businesses and promote innovation. Furthermore, they agreed to work to empower people in the digital age as well as to invest in the growth of digital economy. A great deal of knowledge exists in terms of what is going on in Europe as a whole and at national level. However,

there are significant knowledge gaps on the progress of digitalisation in different European regions and cities. The ESPON Seminar in Tallinn addressed this gap, revealing evidence about significant disparities between the levels of digitalisation in smaller and larger urban areas and regions. We thank ESPON for the fruitful discussions about opportunities and risks of the digital transition, elevating this subject to a wider perspective of the future territorial cohesion, its challenges and solutions.



Priidu Ristkok, Estonian Presidency

// Executive Summary

This report is based upon the discussion that took place at the ESPON seminar held in Tallinn, Estonia under the Estonian Presidency of the EU on 6 and 7 December 2017. The seminar contributed to the debate about the digital transformation of the economy, governance and society of Europe, and the impact of technology change on territorial development patterns and the future of EU Cohesion policy.

The exponential rate of digital transformation provides many opportunities for Europe's cities and regions to:

- » Achieve substantial quality of life improvements for Europe's citizens, thanks to more efficient and effective health, education, climate change adaptation, transport & mobility systems and others.
- » Help their businesses to integrate systems, update their business models, improve productivity, and capture a share in the next generation of sectors, products and services.
- » Reshape public services and improve monitoring and implementation of public strategies and systems, while also reducing costs.
- » Boost citizen participation and transparency, galvanise community networks, and achieve positive behavior change.

However, in this fast moving agenda there are major uncertainties about:

- » What the next cycle of technologies are and what impacts they will have on human, collective and business behaviour.
- » Whether differences in digital access and inclusion will become wider between different demographic groups (young, old, urban, rural etc.)
- » Whether demand for labour will grow or shrink given future automation and industrial shifts, and what the future labour market will look like.
- » How Europeans' relationship to technologies, to themselves and to others will evolve, and the role of government in responding to these changes.
- » How significant the security and privacy risks are as data management becomes more complex.
- » What kind of financial or strategic capability is required to optimise the processes of digitalisation in cities and regions.

More precisely, there is profound uncertainty as to whether digitalisation will foster further spatial concentration in Europe, or whether it might promote dispersal and poly-centricity, or a mix of both. Initial assessments suggest that digitalisation could increase flows and overcome barriers at the sub-national and inter-regional levels in terms of public services and eCommerce. At the same time, it appears that digitalisation could also promote concentration of jobs in specific locations through specialisation processes.

// Policy implications and recommendations

Given these opportunities and uncertainties, a number of immediate and long-term recommendations were shared across the panels, policy labs, and audience debates:

- » Prioritise the digital access challenges of remote, rural, lagging and under-served areas, and of all demographic groups.
- » Introduce digital systems and services that are co-created with citizens, educational institutions and businesses.
- » Engage in partnerships and governance models that are not spatially and institutionally fixed but are able to cascade capability 'up' and 'down' different layers and boundaries of responsibility.
- » Customise economic development initiatives tailored to different territories, with more focus on demand drivers, innovation potential, demonstration/experimental projects, and on leveraging territorial assets.
- » Closely track and respond to the exponential trends and developments in the European digital transition.

- » Vigilance on the legal and ethical frameworks to ensure that new technology-enabled services and platforms deliver inclusive outcomes, ethical transparency and open data.
- » Better understand the relative roles and capabilities of the public and private sectors .
- » Proactive rather than reactive leadership from all levels of government.

A number of specific challenges and imperatives emerged for different stakeholders:

For the EU, Member States and EFTA countries

Bundle new technologies and services, to provide a platform for key rural locations to become hubs of support for their local economy.

- » Recentre planning at the heart of territorial policy to help avoid further costs of non-coordination.
- » Engage decisionmakers in territorial foresight and consider territorial drivers and disruptors.
- » Develop versatile, user-friendly and open-source data portals on city and regional performance, trajectories and scenarios, that can inform policy choices on territorial development.
- » Identify the costs and risks of unmanaged rural shrinkage and the adaptation required, in a similar way to climate change.
- » Help Europe to establish a leadership role in the global digital transition, showing others how to manage ethical dilemmas and inclusion challenges associated with digital change.
- » Create a European platform for cities to share their data and services.

For Higher tiers of government

- » Remove barriers to cross-border interoperability and look to develop digital public services based on agreed common standards.
- » Create a supportive legal framework for digital solutions, particularly in healthcare and social welfare services, which have low digital uptake.
- » Promote national and regional level leadership and coordination to bring together actors from the public and private sectors and design digital solutions that are tailored to local needs, particularly in key sectors such as education and transport.
- » Support the digital transition of towns and smaller cities so as to ensure that public service provision is not left behind.
- » Training of sectorally-based national ministries to show the impact and value added of a territorial approach.
- » Encourage collaboration in data exchange across borders and sectors, and ensure greater interoperability between data systems.
- » Empower cities and local governments to manage and crunch big data in order to understand how services are being delivered and how to improve service provision.

City and local governments should use the digital transition:

- » as an opportunity to improve the business model and the quality of services, geared around the real needs of citizens.
- » to rapidly pilot, evaluate and iterate with the delivery of new services, avoiding big ticket solutions.
- » To participate in metropolitan/regional structures that involve public and private sector input and data providers, where information, incentives and risks are all shared.
- » to prioritise improving the competitiveness of city and regional businesses, including by capitalising on digital assets and fostering data exchange.

The Seminar discussions ultimately highlighted a number of Implications for the next cycle of Cohesion Policy.

A new and stronger narrative for Territorial Cohesion

- » Stronger promotion of the achievements of Cohesion Policy so far (e.g. the Smart Specialisation platforms).

- » Emphasise the counterfactual costs of ‘non-Europe’ scenarios without Cohesion Policy.
- » An enhanced focus on best practice and cutting edge experiments in pilot projects.
- » Active development of a bolder and more compelling evidence base.
- » A powerful and appealing long-term vision for Europe.

How to territorialise EU policies and add value to territorial co-operation?

- » Incentivise tangible territorial cooperation, both within borders but also across borders.
- » Institutional partnership and building stakeholder ownership over the long-term.
- » Mechanisms to fully align sectoral and territorial policies – raising policymakers’ awareness about policies’ territorial dimensions.
- » Aggregate and harness data platforms using new technology innovations.

1.

Introduction

The momentum of the Europe’s digital transformation is accelerating. Existing industries are harnessing advanced digital technologies to integrate systems, alter business models, improve productivity, and capture a share in the emerging sectors, products and services of the future. As such the digital economy is driving a wave of business innovation in many cities and regions across Europe. These technologies are also, aided by ever-growing ICT development and usage across Europe, promising to reshape public services, citizen participation, community networks and broader social norms.

At the same time, Europe’s territorial cohesion and development faces significant uncertainty in light of Brexit, budget negotiations, recentralisation and the rise of populism. Recent political ruptures at national level have been linked to growing spatial divides. New evidence is also revealing that the digital divide is growing alongside the territorial divides, and the digital access challenges for many of Europe’s rural areas are intensifying. As a result, debates about the next chapter of Cohesion Policy are underway, with strong appetite for it to adopt more implementable actions. In this context, research, debate and discussion about the links between digital development and Europe’s territorial future was enthusiastically shared at this ESPON seminar.

The seminar brought together around 200 attendees from 30 countries, including representatives of European Commission, ETC programmes, national, regional and local governments, academics, researchers, entrepreneurs and non-profits. The size and varied attendance of the event meant it provided an important arena for sharing the latest evidence and ideas about the big territorial development trends in Europe, possible effects of rapid digital transformation on European cohesion, the reform and digitisation of public services, and the wider future of the European territorial agenda.

Over the course of two days, the seminar comprised a dynamic mix of high-level keynote presentations, panel discussions, interactive policy labs, incisive policy pitches and regular live audience polling. Together these ensured a fresh, focused and vibrant conversation among the gathered decision-makers, practitioners and experts about the next cycle of policies to respond to digital change.

This synthesis report provides a detailed account of the key points and policy imperatives raised by the seminar. In Section 2, the summary of the opening plenary on digital change and its territorial implications for Europe focuses on the big new trends, opportunities and risks. Section 3 presents a synthesis of the three policy labs– digitalisation of public services, new digital tools and data flows, and shrinking rural areas. Section 4 reviews policy implications of current ESPON research across themes of economics and employment, planning and governance, and sustainability and territorial futures. The final plenary and debate on the territorial future of Europe is summarised in Section 5, and underlines the policy recommendations and next steps required to enhance the territorial agenda’s profile and effectiveness.



Europe has to plug the broadband gap. Build the key asset of data – harness it, give it to citizens, make it open. Put digital to work in the urban and regional agendas. All sectors will have to reform. Shape your own future by building the territorial programmes.

Paul Timmers, Digital Policy and Economy

2.

Digital Transition and the territorial implications for Europe

The opening plenary began the lively discussion about how the digital transition is unfolding across Europe and the imperatives for territorial policy. Speakers highlighted the major new digital technology trends and the opportunities these may bring, as well as the challenges and externalities that fast-paced digital change is creating. In the panel discussion that followed a number of priorities and imperatives for the European territorial agenda were shared.

// The Big New Trends

Digital technology has become pervasive in the everyday lives of nearly all Europeans. With that has come the explosive growth of data that has many applications across multiple sectors.

Big data and Artificial Intelligence (AI) are currently viewed by industry experts to be the biggest drivers of change, but the Internet of Things (IoT) and blockchain open source software are not far behind (Figure 1). The exponential character of digital change indicates that other disruptions at least as big as mobile technology and social media should be expected in the next 20 years, which means there is little option for governments but to respond proactively.

Which technologies will bring the most profound change in how we learn, work and do commerce in the next 10 years?

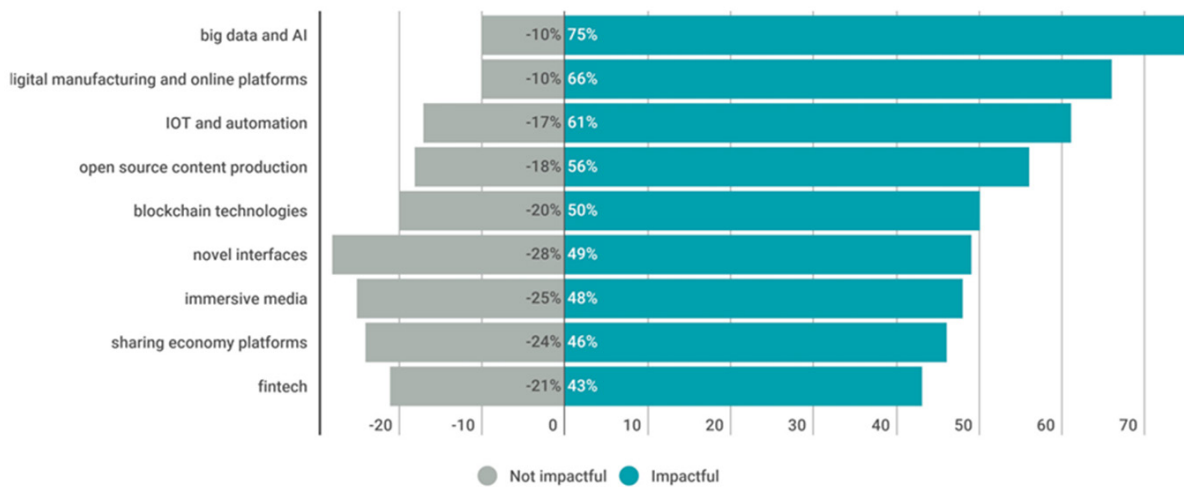


Figure 1: Perceived digital drivers of change over the next 10 years // source: ESPON seminar presentation, Paul Timmers



For towns and smaller cities, the key to the success of the implementation of a digital strategy is the deployment of a digital leader to drive the transformation.

Laurent Frideres, ESPON EGTC



The Agenda-Setting ESPON Policy Brief “Territorial and urban dimensions of the digital transition of public services”

Since 2014, it has been one of the key EU priorities to support the digital transition in order to create a comprehensive EU Digital Single Market and maximise the potential of Europe’s digital economy. An effective digital transition is also one of the priority themes in the Urban Agenda for the EU, adopted in 2016. As part of this shift, ESPON’s 2017 Policy Brief ‘Territorial Dimensions of Digital Transition of Public Services’ provides a significant new evidence base. By drawing on the assessment of hundreds of city and regional officers, the Brief is helping Europe’s regional and urban authorities to gauge the extent of the digital transition and begin a process of learning from others through benchmarking. The Brief highlights the many returns to actively adopting digitalisation, including simplified governance and greater efficiency and outreach. But it also dwells on the challenges that arise in terms of what digital governance should look like, what resources should be deployed to upskill users, and what legislative/policy reforms will be needed.

Perceived impact of Digitalisation:

- » 91% of city services have improved
- » 39% of cities saw a substantial increase in uptake of specific services
- » 68% use data from digitalised services to improve services or decision making
- » 1 in 3 cities has seen a substantial reduction in operating costs
- » Reduction of staffing for 3 in 5 cities

The Brief raised a number of key questions that were debated at the Seminar:

- » Do different types of cities and regions have different digital priorities?
- » How can Europe address the divergence in uptake and cost-savings found within cities and outside cities?
- » How important is a digital strategy and what should one look like?
- » What are the main funding and skills constraints?

// The Digital Opportunities

The keynote speeches also raised several examples of the positive implications of exponential digital change. Speakers raised five main opportunities associated with the digital transition:

- » New technologies will emerge as means to make humankind more intelligent and productive.
- » It will be possible to live longer, healthier lives due to the impact of new data and devices on healthcare and lifestyle.
- » AI, cloud and deep science will help to address societal challenges such as climate change and produce other social benefits.
- » The engagement between cities and citizens will be more inclusive and interactive with citizen centered approach on service provision and increased transparency of governance.
- » Open access technologies will to foster bottom-up solutions to common local problems.

Estonia's pioneering digital society

The Seminar was organised in cooperation with the Estonian Presidency of the Council of the EU, and Estonia's own digital adaptation was an important theme of the event. Estonia was described as a "champion" of the digital economy and society, that benefits from many online public services, electronic ID cards, and widespread access to e-services such as electronic taxation, prescriptions, and e-voting. An estimated 2% of GDP has been saved through these initiatives.

"Estonia is a living digital society... [Our] e-solutions have resulted in high level of transparency and accessibility in government, safe and convenient exchange of data, and a better educated population with easy access to services."

Priidu Ristkok, Estonian Ministry of Finance

Estonia's digitalisation is now entering a 2nd phase. The country's embrace of open data is having an important effect on the provision of public services, economy and industry, GIS, accounting, health and transport. The impact of past and current efforts has created a very beneficial environment for businesses and for entrepreneurs to set up. Estonia's groundbreaking e-resident programme, which enables non-residents to set up a company that can be run remotely, has seen 30,000 people register in first three years.

// The Digital Divides, Risks and Uncertainties

The speakers and the panel debate in the opening plenary also pointed to reasons why the optimistic scenarios of technology may overlook the possible externalities and divisions that are emerging. Both keynote speeches underlined how digitalisation may entrench divides not only between "haves" and "have-nots", but also between rural and urban areas and large and small cities.

Panelists pointed to five further kinds of uncertainty:

- » The Spatial consequences of digitalisation: concentration or dispersal? Panelists emphasised that previous cycles of technology disruption have had unintended effects: the rise of ICT in 1980s helped to concentrate growth in finance and professional services, sectors which benefited from agglomeration in cities. The rise of on-line retail in the 2000s has diminished role of local retail but also contributed to the re-urbanisation of retail and the rise of the experience economy. There are uncertainties if the next cycle of technology will foster more concentration or provide avenues for de-centralisation and a more balanced territorial development. Some seminar participants argued that digital technology amplifies the wider trends of migration, re-urbanisation and agglomeration. Others pointed to the prospect of digital development to allow a wider range of cities and regions to succeed.
- » Will there be territorial divergences in who takes advantage of digital opportunities? Divides between small and large places are appearing, especially in terms of financial and strategic capability. Large cities are able to collaborate better due to their bankability, access to PPPs and city networks. This means that they are at the threshold of rolling out next-gen infrastructure and creating an environment for testing and piloting new technology. Meanwhile most smaller places need basic competences, a strategic framework, and to build skills and mechanisms for peer-to-peer sharing.
- » Demographic differences. Young people are likely to benefit most from the digital transition. Panelists observed the challenge of maintaining digital inclusion as technology becomes more complex in order that all demographic and income groups can continue to access the technologies and make most of them.
- » Will demand for labour grow or shrink? Concern about the future of jobs is rising, and there are conflicting signals about what the profile of the future labour market shaped by humans'

relationship with technology will look like. Many analysts do not believe digital disruption will contribute to net job creation, and this leads to much uncertainty about future employment and welfare policy.

- » Human identity and community. There are growing worries that digital machines and technologies are eroding human identity, and that digitalisation feeds fragmentation and division within societies and communities.
- » High security and privacy risks. The threat of digital theft, identity crime and outages are considerable, and the need for cyber-resilience and cyber-security was raised in the plenary. The vulnerability to these risks is viewed to be spatially uneven.

// Key messages and recommendations

From the panel discussion, these risks and uncertainties mean that there are several short and long-term recommendations:

- » Address access challenges of remote and rural areas. The mobile coverage in rural areas is still only approximately 40%, and it is vital to prioritise the digital connectivity of those areas that are presently most under-served.
- » Develop legal and ethical frameworks. The high-profile controversies surrounding the data economy highlight the challenges of regulating technology, and the need for principles and policies to be developed to ensure that the transformative potential that open data offers can deliver inclusive outcomes. Panelists underscored the need to safeguard the public interest, achieve transparency on critical ethical issues and ensure that the free flow of data generates value that flows back to citizens.
- » Prioritise a collaborative governance system. Because the digital transitions span multiple sectors and multiple tiers of government and responsibility, making sure partners are engaged in joined up thinking was a key imperative identified by the panelists. Partnerships are required that can cascade capability 'up' and 'down' different layers and boundaries of responsibility. Panelists emphasised that governments must work together with education systems, citizens and businesses, despite the barriers to doing so. Proactive rather than reactive leadership from all levels of government was identified as a key priority to make this happen.
- » Encourage citizen empowerment and organise around citizens. Europe's citizens, local institutions and communities have to be given the capacity to understand and use technologies and thereby respond positively to the future. A key responsibility will be to help older citizens to learn to navigate the technology, and provide offline tools and one stop shops to do so. Tools and incentives are needed to make services cheaper to use online, and to provide simple courses to educate the elderly population about how to read mail and use public services.
- » Use digital to establish Europe's leadership and enhance Europe's role in the world. Europe is very well positioned to lead in the global digital transition, particularly to show the world how to manage ethical dilemmas and inclusion challenges associated with digital change.

The imperatives shared at the opening plenary suggest a distinct set of implications for future territorial cohesion, including the need to progress towards the digital single market and the creation of digital society, invest in digital infrastructure and technologies, build a European data economy and digital industry as well as focus on the issues related to ethics, trust and cybersecurity. These themes were prominent throughout the rest of the Seminar.



We need a toolbox for cities, to show what they need to take into account from a practical, ethical, and legal perspective

Jonas Onland, City of Eindhoven



The environment that the EU can build through technology... will create a whole new market and community – SMEs and people will be empowered to become business people, because doing business will be so simple.

Anna Piperal, Enterprise Estonia



When asked whether they were optimistic about Europe's readiness for digital transition, the audience responded positively, with 95% either very or somewhat optimistic and only 5% not at all optimistic (Figure 3). The audience was particularly optimistic about the effects that the digital transition will have on transport, education, public services and health.

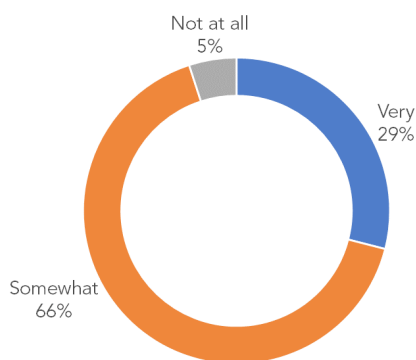


Figure 3: Poll Results – Are you optimistic about Europe's readiness for digital transition?



Figure 4: Poll Results – What are the three key areas where digital transition will have the biggest effect in the coming years (ESPON produced Wordmap) // Source: Slido



We need to ask the question, 'which mechanisms and standards might work for everyone?'

Martin Brynskov, Open & Agile Smart Cities, Aarhus University

The potential of showcased ESPON research to understand the digital disruption alongside other disruptors

Several other lines of innovative multi-method and comparative ESPON research were presented at the Seminar, each of which has potentially important overlaps with digital trends including the rise of digitally enabled economic models, and the imperative to use digital technology to capture the evolving patterns of migration and environmental change.

The potential effects of **Green Infrastructure and Ecosystem Services** on the development of regions and cities, which territories may benefit the most, and how the public and private sectors can be supported and incentivised to invest in these assets. The territorial drivers that influence digitisation and the development of the **Circular Economy**, and the potential for implementing it in specific European regions and cities.



The territorial patterns of **youth unemployment and migration**, and the role of regional resilience as technological disruption accelerates.

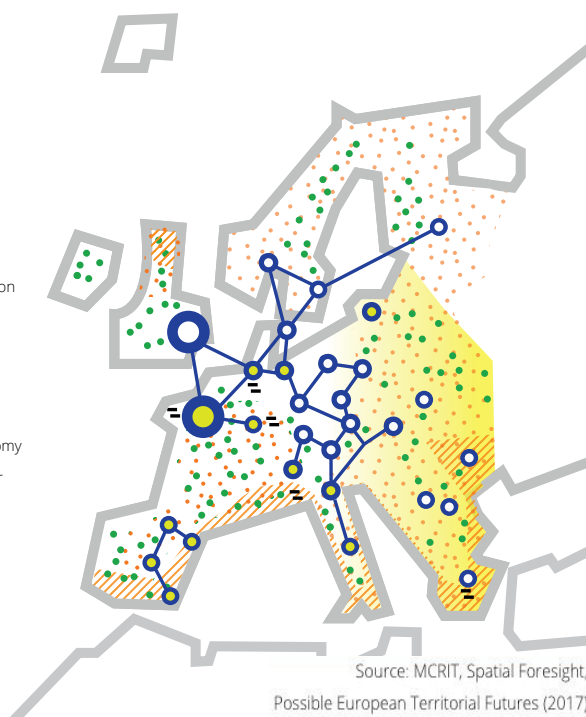
The impact of **Refugee and Migration Flows** on regional and local labour markets, and the policy responses to ensure social integration and economic inclusion.

These different research agendas are set to produce a rich set of local and regional case studies, address the transferability of good practices, and inform how cohesion policy may be strengthened to support long-term structural reform.

Circular Economy: Integrated Place-based & Network-based Territorial Foresight

Circular Economy

-  Leading circular economy innovation
-  Forerunners in sharing economy
-  Declining manufacturing or export
-  Declining hub functions
-  Smart cities growing in economic...
-  Too small places for sharing economy
-  Challenged in consumer behaviour



Source: MCRIT, Spatial Foresight, Possible European Territorial Futures (2017)

Source: ESPON seminar presentation, Kai Böhme

3.

Policy Labs and Stakeholder Debates

// Policy Lab 1 – Digitalisation of Public Services

A window of opportunity to accelerate digital transformation of the public sector has opened up in 2017. The EU member states' declaration for public sector transformation has led to an Action Plan that looks to break siloes vertically and horizontally, and prioritise the creation of digital services that are user-centric, transparent, and have scope for re-use and scaling. As a result, local governments are now being incentivised to work across borders, share information and use common infrastructure.

In this context, Policy Lab 1 homed in on two overarching questions.

- » What are the strategies and initiatives that can help city and regional public services shift effectively to digitalisation?
- » How does e-governance reshape and recast the role and purpose of government? Who will govern the new inter-operable mechanisms, and how?

The panel agreed that the role of government is firstly to ensure core digital systems (e.g. fast broadband) are rolled out comprehensively. After that there are the much trickier tasks of tailoring digital services, evaluating and optimising these services, and connecting the stakeholders in a city/region. The panel reflected on how these multiple tasks can be achieved at once despite limited resource and capacity.

Several panellists voiced an overall caution about the rate of progress made so far in public sector adaptation to the digital challenge, due to concerns about:

- » Understanding the purpose of digital transformation. Digitalisation is sometimes viewed by governments as an end in itself, a 'silver bullet' that does not address or improve the underlying quality of services and their business model.
- » Prioritisation. The panel highlighted the risk that governments prioritise the upgrade of services that have the highest volume, and ignore low volume high cost services that may benefit most from digital reform, such as childcare, hospital transport. The opportunities to use digital reform to improve competitiveness of city and regional businesses were also raised.
- » Evaluation and iteration. It is imperative to develop the habits, tools and evidence base to quickly evaluate the success and shortcomings of digital services. This can help governments assess the ROI on digitalisation, avoid costly failures, and learn the best balance between face to face and digital services. Panellists observed that the journey of public sector innovation needs active government support to test, trial and pilot new initiatives.

Barriers to digital roll-out and uptake

Timelines of technological change, political change and organisational change are very different.

Different responsibilities of different levels of government make digital innovation very hard, especially in sectors such as health.

Proving the validity and effectiveness of entirely new digital services/systems can be difficult.



If we look at what is coming in future, the shift that is underway will transform the role of public administrations.

Jean-François Junger, European Commission

We should use the digital shift to redesign processes, rather than simply pursue the digital roll out of existing inefficient systems.

Kitty Kubo, Tehnopol

We have siloed our thinking, and got stuck with the idea it is just about the digital delivery of public services. We can achieve transformative change, but we haven't even begun to run the race

Matthew Cain, City of London

It's important at the European level to evaluate the successes of shortcomings of digital services. One example is business support services – what's the optimum balance between face to face and digital interaction, what is the true return of public sector investment?

David Hope, City of Coventry

What is important is that a sense of urgency is there at all levels of government, and that there is a co-ordinated approach to proceeding.

Laurent Frideres, ESPON EGTC



The panellists debated a number of innovations and imperatives, including:

Building a territorial strategy for digital

- » Orient all digital policies and systems around the needs of citizens first and foremost, rather than needs of government or technology. This was observed as the most important priority in the Lab's main audience poll.
- » A Digital Strategy with leadership commitment to implementing it is essential for local governments that are making first steps to digitalise services. For more advanced regions, technology is often embedded in all aspects of a broader strategy.
- » Make the digital agenda accessible, engaging and use it to revitalise local democracy.
- » Avoid big ticket solutions. Panellists agreed that the mantra 'fail in a fortnight' is valuable to ensure the right scale of initiative.

Empowering territorial digital solutions

- » Local governments need access to big data and internal capacity to crunch big data in order to understand how services are being delivered.
- » Substantive learning and collaboration with private sector partners (especially SMEs) is viewed as important. One example is Digital Boards that operate regionally that involve public and private sector input.

The role of higher tiers of government

- » Promote public-private partnerships to develop and deploy new redesigned digital solutions, particularly in sectors such as education and transport
- » Remove barriers to cross-border interoperability and look to develop digital public services based on harmonised standards and technical specifications.
- » Create a supportive legal framework for digital solutions, particularly for services where digital uptake is currently low, such as healthcare and social welfare.
- » Support the digital transition of small towns and cities, in recognition that not all services can or should be digitalised at all levels.

New ESPON research to feed into the discussion

Two research projects presented in the Seminar can make a direct contribution to this agenda. A project on **Cross-border Public Services** responds to stakeholder demands for information on how to optimise these services and implement next steps. Preliminary results suggest some regions are more experienced at providing CPS than others and that solutions must consider different regional needs and starting points.

Meanwhile a project on **Future Digital Health in the EU** addresses the rise in cross-border movements of patients and the role of the rapid development of e-health solutions to assess the landscape of technology, territorial governance and cross-border cooperation in the health sector.

Key panel imperatives

- » Strategy and purpose should come first.
- » Strategies should be guided by the needs of citizens – take accessibility and appeal seriously.
- » Pilots, iteration and quick failures.
- » Avoid big ticket solutions.
- » Ensure shared benefits with private partners and data providers.
- » Invest in institutional capacity, especially at local scale.

// Policy Lab 2 – Digital Tools and Data Flows

The arrival of new digital tools and data flows has the potential both to advance cross-sector collaboration and cooperation and to generate rich new insights into the impacts of specific policies on territorial development patterns. Big data is quickly emerging as a priority area, as it not only fills existing data gaps, but also can itself encourage collaboration between public and private actors. Overall, data delivery has become an increasingly complex, iterative and interactive process that presents a series of distinct opportunities and challenges. Policy lab 2 focused on the application and dissemination of new data tools and flows. Drawing on a variety of ESPON, EU and local projects, speakers focused on how and to what effect big data can be integrated with traditional census or national data. The opportunities and challenges of using big data were also discussed. Overall, two sets of messages emerged from the presentations:

New database portals can achieve best results when:

- » There is mutual understanding of project outputs and database concepts in building trust in the data, ensuring sustainability and re-use of the datasets.
- » Formats are versatile and multiple in type (e.g. geospatial data, statistics and documents), data can be easily discovered and updated (e.g. through simple lists that can be efficiently filtered and the option to download data directly and in multiple formats), and technology is open source
- » The right infrastructure and legal requirements are in place. The negotiation of better access to data through supporting open data of the public administration and businesses is a key task. The EU open data portal was cited as a successful example of a database that connects different open data sources and has offered training to member states explicitly directed at developing the right infrastructure alongside providing additional training materials.
- » Citizens collaborate in data co-production. The city of Helsingborg is an example of how free data flows can increase transparency of city activities, facilitate evidence-based decision making, and increase community value through the co-creation of data and citizen-oriented public services.
- » Combined with expert opinion. New data tools increasingly combine traditional and big data with expert opinion. When data tools are being used to forecast the impacts of policies on territorial development, this approach helps to address both the intended and unintended consequences of the policy at hand.

New tools can generate important insights into territorial development patterns

- » ESPON's Territorial Impact Assessment (TIA) tool can be used to understand the impact of policies on territorial development patterns at the often-overlooked granular regional scale. In this way these insights can inform fundamental EU-level decision making.
- » A fine-grained perspective that combines micro-level census data with big data can add vital knowledge about migration, segregation and other fast-moving social trends. For example, a research project combining data on Chinese mobile phone activity in Milan with traditional census data has demonstrated the importance of activity-based segregation alongside residential segregation (which is typically all that can be deduced from official statistical data).

Subsequent panelist discussion and audience participation raised two key questions and concerns:

- » What sort of scrutiny should be applied to big data before incorporation into databases? Rather than agreeing that big data should be subject to additional scrutiny, panelists instead cited interoperability between data systems as the key overriding concern.
- » The engagement of PPPs in the delivery and use of new tools Panelists emphasised the importance of ownership, reassurance about privacy, and a mutual understanding between parties, including a sharing of risks and incentives. The overall message was that cross-sector collaboration is a key to success.



We have statistical offices at the national and regional level, but we need collaboration across borders and sectors – many of the challenges we are facing cannot be addressed just by focusing on one single element.

Márta Nagy-Rothengass, Eurostat

Data tools need iterative processes. For example, with TIA conceptual diagrams and mind maps are used in workshops to promote discussion with experts, and this interaction helps to address both the intended and unintended consequences of the policy at hand.

Bernd Schuh, ÖIR

The city scale is where most Europeans live and where the integration of migrants is taking place... This is where we need to contribute as much data as possible.

Michele Vespe, European Commission Joint Research Centre

Data delivery is an increasingly interactive process. The most important thing is mutual understanding of project outputs and database concepts, and using this understanding to build trust in the data.

Hy Dao, University of Geneva

To use private sector data for public good, we have to offer [vendors] something, or strike a deal with them... – it's crucial that we have a mutual understanding about why we're in this partnership and who gains from it.

Celine Berggreen-Clausen, City of Helsingborg



The seminar audience was fairly familiar with ESPON's data tools but appetite to understand them and use them more often was high. When asked 'Are you familiar with ESPON data and tools?', over 60% of participants responded that they were familiar and 57% responded that they would like to learn more. The lack of available data is viewed as the principle barrier to using data in decision making, although interoperability between systems, lack of capacity and lack of skills were also prominently cited (Figure 4).

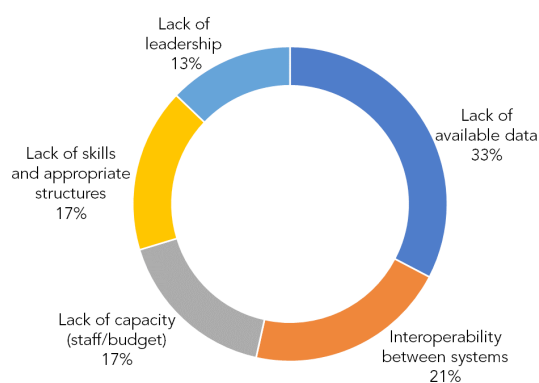


Figure 4: Poll Results – What are the key challenges for you and/or your organisation using data in decision making?

Key panel imperatives

- » In public-private data collaborations, establish clear ownership of data, mutual understanding of data tools and sharing of risks/incentives.
- » Address the interoperability between systems.
- » Work towards “win=win” situations.
- » Find the balance between addressing privacy concerns and achieving added value.

// Policy Lab 3 – Is there a Digital Dividend for Shrinking Rural Areas?

This policy lab discussed the key findings of the ESPON report of Shrinking Rural Regions and sought to link these with the theme of digitalisation.

Although shrinking rural areas are recognised as a feature of EU territorial dynamics, one major problem is that there is actually very little research on the subject. Whilst shrinkage tends to refer to population and demographic trends and flows, there is no agreed definition of what shrinkage means. It might also mean a narrowing of the base of employment in rural areas and also negative changes in the carrying capacity of the land. Overall, de-population is the key underpinning trend.

De-population in rural areas EU is increasing. By 2050 rural populations in EU will have shrunk by 80,000,000 people. Previously, population levels in rural areas have been stable. There are different dynamics in North, South, West, and East Europe reflecting the wider spatial and territorial development processes, but rural de-population is a common element. A ‘new normal’ has emerged in many rural regions in Europe:

- » Supply and demand for services are in a negative trajectory.
- » High dependency ratios combined with low tax bases.
- » Brain drain on young people to cities and metropolitan areas.
- » Ageing population that is increasingly isolated.



This new normal has multiple implications and costs for Europe. It raises critical challenges concerning the nature of decline and how to support rural populations and environments. Given the powerful de-population trends it is necessary to assess whether it is possible to develop a more positive vision of rural areas with smaller populations. At the same time, it is important to address negative perceptions of rural areas, as well as the challenging circumstances. Can shrinkage be reframed as an opportunity? And if so, how?

Changing policy paradigm – from growth orientation to adaptation

One key issue is that almost all territorial development paradigms assume a growth orientation. There is a stark choice between ‘growth’ and ‘decline’ scenarios. The idea to ‘shrinkage’ is to seek to avoid the negative connotations of decline and the ‘compulsory’ pursuit of growth, and to reframe the discussion. The topic is politically difficult because highlighting population decline raises many fears amongst population and leads to growth oriented policies that lack credibility. A more thoughtful approach is needed.

For example, a shrinking population might be seen to have positive environmental outcomes. It might match better the carrying capacity of the land and territory. It might enable consolidation of assets, amenities, and services in key locations, which might, when combined with digital connectivity, and reframed mobility services, be able to support a smaller population with a sustainable quality of life. In these ways a focus on shrinkage is a means to promote positive adaptation in rural areas.

The Lab discussed potential solutions to overcoming the effects of depopulation, ageing and remoteness, including:

- » The ‘Smart Villages’ concept being developed by the EU. The idea is to seek support from future EU budgets to this approach. The focus is to combine the use of new technologies with revised mobility services, to provide a better platform for employment, business development, and public services in certain key villages. This would enable such villages to become hubs of support for the local economy. A wider study and pilot projects are underway.
- » The idea of bundling services in key rural locations is recognized as an important opportunity.
- » Working with local communities is also seen as a key opportunity to develop collaborative ap-

proaches that engage people in finding their own solutions.

- » Another idea is to focus on territorial proofing of EU policies with regard to rural areas that are shrinking. Can we develop a good diagnostic for assessing the impact?
- » The EU LEADER programme on rural economic development is recognised as a successful model involving a detailed development process. How can it be built upon?
- » The EIB's AGRI tools are also seen as having been very useful and could be further developed.

Digital technologies and rural shrinkage

A key debate concerned whether digital technologies can help shrinking rural areas. Key points made were:

- » The digital divide is very strong in rural areas. Very few rural areas have adequate internet connectivity and within rural areas there are areas of very patchy coverage.
- » It may be better to focus on 5G technologies rather than broadband coverage.
- » Social networks are important to combat remoteness and isolation.
- » Many rural people are manual workers who do not have keyboard skills and familiarity with digitally supplied services. They do not use e-governments services much.
- » The idea of digital hubs is a good one, but people will need guidance, training, and incentives in order to use them.
- » More useful technologies may be drones, autonomous vehicles, and observation cameras, to observe people who are remote.

Wider issues and questions

The session raised important wider questions that are part of addressing rural shrinkage.

- » A focus on shrinkage needs to include recognition that population ageing is a key challenge. Providing services for an ageing population is a key dimension.
- » Social isolation is a key dimension of the problem due to remoteness of communities. This is very difficult to address.
- » Services for young people are going to be very important if young people are going to stay or to be attracted back.
- » The costs of rural shrinkage and the adaptation required needs to be seen in a similar way to Climate Change. If we allow shrinkage to occur in an unmanaged way it will produce substantial costs in the forms of negative path dependencies, natural risks (e.g. forest fires), and social costs. A more managed, and better resourced approach may actually be more efficient.

New ESPON research relevant to Rural Areas

ESPON research continues to develop the evidence base for rural areas. Work on territories with geographical specificities is exploring the role of remoteness and vulnerability in influencing quality of life and regional competitiveness. This research provides insight about when and how public intervention is required, and the benefits of place-based, smart and integrated approaches for these territories. Meanwhile work on 'Networks of Protected Areas' is examining the implications of protecting mountain regions on regional and local development patterns, territorial planning and governance.



Shrinkage can best be seen as an opportunity to consolidate and revitalise, rather than just see it as decline

Gavin Daly, ESPON EGTC

There are possibilities to re-energize the rural economy via strategic action, closing digital divide, multi-level governance, empowering rural societies with more place-based policies.

Joan Noguera, University of Valencia

The EU supports the Smart Villages concept as a means to support employment and business development opportunities and to underpin rural quality of life.

Robert Hodosi, EC DG AGRI

In Voru County we are 4 hours from Tallinn and there is only 6 busses per day. Most people who work have 3 different jobs. Young people are leaving all the time. We must plan around having less people, it is an important discipline. Manual workers don't use digital services as they are rarely on line, but other technologies such as drones could be useful.

Britt Vahter, Võru County, Estonia



4.

Policy Implications of current ESPON Research

This Seminar introduced an unconventional approach to communicating ESPON's research. Teams presented 10 three-minute policy pitches to an adjudicating panel and the audience, to explain their findings and policy implications. These pitches spanned economics, planning and governance, and sustainability agendas.

// Economics pitches

- » Geography of New Employment Dynamics in Europe
- » Manuela Samek Lodovici, Istituto per la Ricerca Sociale
- » Small and Medium-sized Enterprises in European Regions and Cities
- » Bernd Schuh, ÖIR
- » The World in Europe, Global FDI Flows Towards Europe
- » Eva Rytter Sunesen, Copenhagen Economics A/S

The findings of the economics pitches and follow-up discussion highlighted a number of common areas that require attention from policymakers:

- » Customised economic development initiatives tailored to different territories. Bespoke approaches should reflect the increasing appetite of businesses to locate where there is access to capital, technology and innovation, and the likelihood that cities and regions will experience distinct patterns of industry demand. This requires a shift in mindset away from regional 'allocation' and towards realising regional potential and leveraging territorial assets.
- » Enhanced focus on citizen collaboration and local capacity building. Research results illustrated the value of better citizen engagement and strengthened local government capacity and responsibilities in achieving economic outcomes.
- » Flexible and responsive policies, beyond one-size-fits-all solutions. Researchers emphasised the complex and changing landscape of job creation and SME activity across Europe since the global financial crisis, the rapidly changing preferences of business, the distinct approaches to risk, and the different regional governance structures through which policies can be delivered. The constant monitoring and re-assessment of the needs of enterprise and the governance framework is important to ensure economic policies are effective.
- » Fine-grained approach to support innovation. Rather than a generic pursuit of 'innovation hubs' and Silicon Valley models, specific approaches are needed to support innovation eco-systems at different stages of maturity, and with different attitudes to risk. Discrete efforts to support start-up and scale-up companies are also important, with panelists and speakers agreeing on the importance for longer term funding streams for SMEs.



Figure 5: Policy recommendations from economics pitches

// Planning and Governance pitches

- » Thinking and Planning in Areas of Territorial Cooperation
- » Erik Gløersen, Spatial Foresight GmbH
- » Spatial Dynamics and Strategic Planning in Metropolitan Areas
- » Vanya Simeonova-van der Grift, Stichting Wageningen Research (Alterra)
- » Comparative Analysis of Territorial Governance and Spatial Planning Systems in Europe
- » Vincent Nadin, TU Delft
- » National Territories Facing Challenges of Access to Basic Services of General Interest
- » Joan Noguera, University of Valencia
- » Regional Strategies for Sustainable and Inclusive Territorial Development
- » Kevin Broughton, Coventry University

The pitches that focused on Planning and Governance themes highlighted three important priorities for policy:

- » How to enable more agile territorial alliances and collaborations that come together around galvanising projects and issues rather than being anchored by fixed geographies. This was highlighted by three separate pieces of research. A stable envelope of funding can support these softer forms of co-operation that span multiple spatial scales and formal tiers of administrative authority. Often there is a missing role for a capable broker of such project-focused alliances. One thing that can help to build long-term trust in these softer alliances is strategies that are designed to evolve through multiple political cycles and are not over-reliant on a vulnerable source of funding.
- » Upgrading the status and value of planning. The erosion of spatial planning's influence is viewed to be a major cause of sprawl, mismanagement and poor urban renewal. Recentring planning at the heart of territorial policy can help to avoid further costs of non-coordination.
- » A new set of priorities and tools for peripheral areas. 'Inner peripheries' require investment not only in connectivity but also in softer factors such as norms, trust and community relations, and in the frameworks (institutional, legal, regulatory) to allow these areas to become laboratories for new kinds of social and economic models to be tested.

To deliver these changes the panelists and speakers stressed the importance of:

- » Long-term institutional capacity to provide the confidence to work together, and boost the ability of institutions to pick up new concepts and use them faster and more effectively.
- » The funding, systems and frameworks need to be in place to encourage local government leaders to take risks and move beyond existing rigidities.
- » Transport as the catalyst to possible greater cooperation, especially when win-wins can be demonstrated.
- » Stronger links between planning and economic development that can help improve grasp of the preferences and needs of firms, workers and capital in relevant sectors.
- » Ongoing training of sectorally-based National Ministries to show the impact and value added of a territorial approach.

Pitch 4	 Focus on capacity-building and facilitation	 Reflect on the roles of public authorities at different levels	 Provide basic funding for stable, durable cooperation	
Pitch 5	 Eight "action areas" for setting different foci in strategic, statutory and collaborative planning	 Redefining the metropolitan areas as clusters of administrative bodies within functional areas: understanding different delineating approaches at the EU scale	 Engaging political leaders and gaining support from all levels of governance: flexible planning systems and changing environment call for both strong leadership and broad involvement	
Pitch 6	 Avoid spatial blindness - understand the relations between spatial planning and cohesion policy	 Avoid costs of non-coordination - direct cohesion policy interventions through the spatial planning system	 Monitor effectiveness - provide an interactive platform on the influence of EU policy on spatial planning	
Pitch 7	 Connectivity & territorial capital to facilitate neo-endogenous development	 Shaping "intangible factors" to bring change and reverse "spiraling-down" processes	 Overcome limited views and realize the potential of IPs to serve as "laboratories"	
Pitch 8	 Our advice is to broker / mediate 'project relevant alliances' – move from authority to facilitator.	 Our advice is to design strategies 'flexible' to implementation and funding realities.	 Our advice is to develop soft structures: trust-based relations in place of statutory relations.	 Our advice is to navigate 'sectorial v territorial' challenges – e.g. by becoming a 'living lab'.

Figure 6: Policy recommendations from planning and governance pitches

// Sustainability and future foresight pitches

- » Territories and Low-Carbon Economy
- » Bernd Schuh, ÖIR
- » Possible European Territorial Futures
- » Kai Böhme, Spatial Foresight GmbH

The special challenges of adapting to climate change, shifting to a low carbon economy, and preparing for the long-term future require their own policy responses. The third set of pitches emphasised the following:

- » Because environmental issues spill over political and jurisdictional boundaries, more vertical and horizontal cooperation is needed including broad involvement of the public sector, private businesses, academia and civil society.
- » It is important to engage decisionmakers in territorial foresight and consider territorial drivers and disruptors beyond what is commonly presented in the data. Foresight activities foster creative and lateral thinking and encourages decisionmakers to respond to uncertainty by testing structured visions of a desirable future.



Figure 7: Policy recommendations from sustainability and future foresight pitches

Panelists responding to this last set of pitches agreed that the value of a foresight approach is that empowers policymakers to address complex trends with a positive, can-do and shared approach. They also debated whether cohesion funding should be used to support regions' transition to a low carbon economy, and the need to align the environmental agenda with the economic and social agendas.

5.

Looking ahead: The Territorial Future of Europe

Keynote speeches in the final plenary emphasised the importance of a renewed territorial focus to address the risk of wider spatial divides throughout Europe in future. The past few years have seen several disruptors which have had territorial impacts throughout Europe, including the economic crisis, the refugee and humanitarian crisis, and Brexit. Subsequently the dichotomies of 'young vs old', 'cities vs rural areas',

'anywheres vs somewheres' and 'utopia vs retropia' have become more visible, and with them the risk that a fragmented politics of 'us' and 'them' could make territorial co-operation harder.

While the previous Territorial Agenda focused primarily on the promotion of polycentric and balanced territorial development, integration of cross-border functional regions, and global competitiveness based on strong local economies, these recent crises raise questions about what the key elements of the Territorial Agenda should be moving forward.

The future of European territorial development patterns is uncertain and in flux. While most trends point towards further agglomeration and benefits accruing to existing centres of population, knowledge and innovation, the circular economy and renewable energy systems are two among many disruptors that may have de-centralising effects and partly reduce disparities. De-centralised technologies could curb the predominance of large production centres and counteract against tendencies for concentration, allowing small and medium sized cities to develop the critical mass necessary to attract and host new productive industries.

In the plenary panelists discussed the possibility and feasibility of promoting co-development between neighbouring countries, the critical importance of aligning sectoral and place-based policies, and how to plan and implement place-based investment programmes in close cooperation with cities and regions.

The audience were fairly evenly split on the question of which trends will be most influential for the European territorial future, with migration and economic disparities the most prominent concerns (Figure 8).

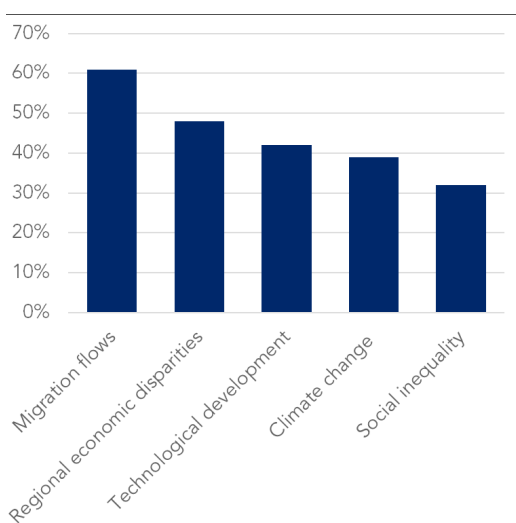


Figure 8: Poll Results – What to you are the 3 most influential trends for the future of the European territory?

The uncertainty of these new trends underlines the need for a multi-scalar approach when analysing territorial patterns. Data platforms are emerging that are capable of mapping and assessing the effect of policies at multiple territorial scales. Such new tools will aid greatly in understanding the diversity and uniqueness of European territories, the challenges of path dependency and cumulative causation, and the effects of cycles of population and economic change on territorial development processes.



We have plans to merge and inter-link platforms in order to provide one consistent service to our users – stakeholders, policymakers and citizens

Claudia Baranzelli, European Commission Joint Research Centre

Regardless of which fund and which programme, there should be an element on territorial co-operation – what is the functional geography of the actions I fund and how can people co-operate?

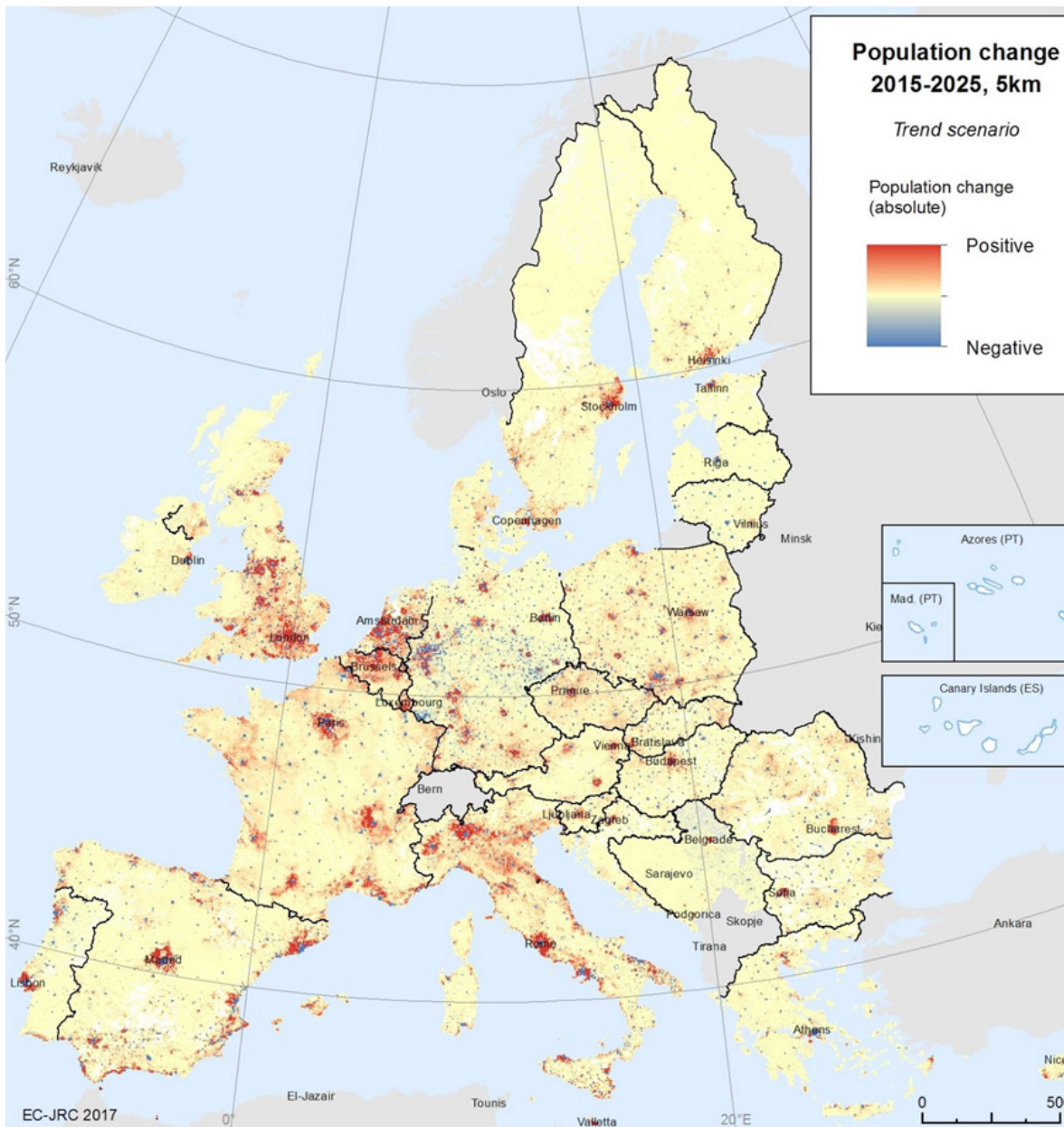
Kai Böhme, Spatial Foresight GmbH

How do we introduce multi-level co-operation, place-based investment programmes, and support local and regional development strategies? They are maybe not working in the same direction, maybe choices need to be made, so this is a key question that we will ask your help to answer.

Andreu Ilied, MCRIT



Example of baseline scenario analysis of future urbanisation in Europe



Source: ESPON seminar presentation, Claudia Baranzelli

The value of territorial cohesion in overcoming key challenges

In response to the plenary presentations, the audience posed a number of questions to the panel. There was significant interest in the questions of how to motivate and incentivise national governments to see the value of a territorial approach, how to create the conditions for better cooperation across different spatial scales, and how to prioritise given the range of challenges. The panelists highlighted the potential of real demonstration projects to show others in Europe what is achievable, the importance of more meetings that bring policymakers across territorial and administrative scales together, and the need for capacity building and awareness-raising, including at national level.

The panelist discussion also focused on ways to strengthen European territorial policies to ensure future cohesion. These are viewed as especially urgent given concerns that the future evolution of

cohesion policy is unclear and contested, and the territorial dimension of future cohesion policy is not sufficiently visible. The profile, ownership, responsibility and funding of cohesion policy over the next period are all in question.

The panelist and audience discussion then evolved into a conversation about how these problems can be addressed in practice. Two main areas were highlighted:

1. The need for a new narrative for Territorial Cohesion
2. How to territorialise EU policies and add value through territorial co-operation

1. A new narrative for territorial cohesion

Panelists underlined the importance of engaging in better and more positive storytelling about the role of Cohesion Policy supporting sustainable territorial development. Panelists suggested this could be done through:

- » Stronger promotion of the achievements of Cohesion Policy so far (including more recently the Smart Specialisation platforms)
- » Highlighting the counterfactual costs of ‘non-Europe’ scenarios without Cohesion Policy
- » An enhanced focus on best practice and cutting-edge experiments in pilot projects
- » Development of a bolder and more compelling evidence base.
- » A powerful and appealing long-term vision for Europe.

2. How to territorialise EU policies and add value through territorial co-operation

Achieving impact of the territorial agenda on policymaking and communicate the added value and visibility of EU policies through territorial cohesion

- » Incentivise tangible territorial cooperation, both within borders but also across borders. This may include clearer policies to address areas at Europe’s edges (40% of audience were in favour of this in snap poll). In general, greater spatial flexibility in order to support adaptive cooperation and alliance-building is widely viewed as a priority.
- » Institutional partnership and building stakeholder ownership over the long-term
- » A more territorial Cohesion Policy that provides support to functional areas, multi-level cooperation built in to sectoral programmes, place-based investment and support for local/regional strategies
- » Mechanisms to fully align sectoral and territorial policies – raising policymakers’ awareness that policies have territorial dimensions so that they do not operate in siloes.
- » Aggregating and harnessing Data platforms using new technology innovations, and shining a light on the information deficiencies and externalities that remain.

Overall, the audience was divided on the question of what should be the key priority of the territorial approach in future policies, albeit with a marginal preference for providing input to the territorial strategy making process (Figure 9).

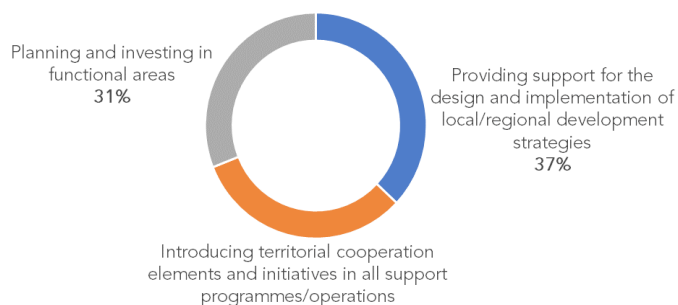


Figure 9: Poll Results – What should be the key priority of the territorial approach in future policies?

“

The challenge ahead is how can TC, TA, be repositioned in the post-2020 period to champion the cohesion agenda – not just be a part of it, but champion it.

Alison Hunter, European Policy Centre

Urban policy is currently missing from the current territorial discussion - cities are important but in secondary place.”

Jacek Szlachta, Warsaw School of Economics

Politicians and stakeholders need to acknowledge that responsibility goes beyond borders and that cooperation between territories with similar interests is crucial.”

Romana Mynarikova, ESPON MC

We are in an incremental process of mobilising member states... There is a vision, but it is not defined – let’s develop a way forward.

Roland Arbter, ESPON MC



ESPON Analyses – New territorial innovations and insights

A number of recent and forthcoming ESPON Analyses are set to inform and stimulate the policy debate on the post-2020 Territorial Agenda, by providing more insight into different policy choices and implications, and more evidence of the long-term value of territorial co-operation.

The **Territorial Reference Framework** to 2050 will establish a baseline and develop territorial scenarios that will be used as a basis for identifying a potential long-term territorial perspective for Europe. The reference scenarios will harness traditional data, big data and crowd-sourced data, and will integrate these with existing platforms. One example baseline scenario will consider 2010-2030 GDP growth assuming 2010 austerity policies. The Territorial Reference Framework then will use such scenarios and the long-term perspective to develop mid-term policy proposals to guide policy discussions on the future of territorial development in Europe.

ESPON's **European Territorial Review** summarises the first applied research results on issues of demography, knowledge economy, innovation, energy and connectivity in order to integrate the scientific evidence and intensify territorial knowledge exchange. It urges more territorial cooperation to address key urban and regional development challenges more efficiently.

Possible European Territorial Futures is applied research whose guidelines assembles the insight of territorial foresight practitioners in order to inspire professionals involved in European policy analysis to develop their own original thinking on foresight.

Meanwhile new projects are also helping to better understand regional and fiscal dynamics. The Alps2050 project is responding to increasing demand to develop a toolbox of how to respond to competing visions of the Alpine region. The project aims to capture the Alpine region as a unified and contiguous geographical space and promote territorial development that overcomes political and institutional borders. And upcoming research is also exploring the implications of the shift to Financial Instruments (FIs) for territorial cohesion. Initial results indicate that the value added of FIs depends on local and institutional factors such as administrative capacity, eligibility, and national experience.

ESPON's next phase of applied research activities will address several new areas of territorial development in cities, regions and rural areas.

- » Transition of regional economies
- » Rural development in Europe
- » Interregional relations in Europe
- » Sustainable land use
- » Territorial impacts of natural disasters
- » Quality of life methodology and measurements

6.

Next steps

// The impetus of the Austrian and Bulgarian Presidencies

The priorities of the Bulgarian Presidency for the first half of 2018 include strengthening polycentric development, supporting the transition to a circular economy, improving long-term job prospects, and promoting entrepreneurship and social innovation.

The focus of the subsequent Austrian Presidency, for its part, will be on effective territorial and urban governance, including better intergovernmental cooperation on territorial matters. Overall the Presidency intends to be “a working presidency that is aiming for realistic progress and results during interesting times for Europe.”

// The ongoing contribution of ESPON

ESPON will continue to add unique value through its territorial evidence base and foresight studies that provide a bridge between science and policy-making, and promote territorial co-operation and capacity building. ESPON's research projects stand out for their robust empirical evidence and systematic focus on territorial development. Most projects also begin with the end in mind, and build ownership among policymakers through engaging stakeholders in the design and implementation of research, thereby establishing new constellations of working together that exceed the lifespan of projects. Targeted Analyses currently in the pipeline involve 84 stakeholders including national and regional governments, local authorities and European agencies (Figure 10).

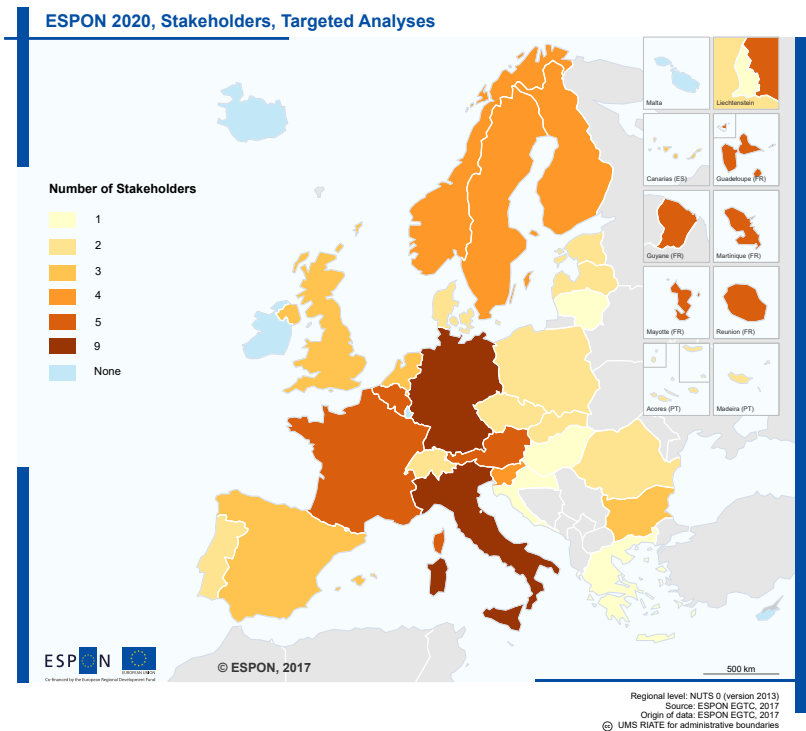


Figure 10: Geographic coverage of stakeholders in ESPON's targeted analyses // Source: ESPON seminar presentation, Ilona Raugze

As the final audience poll of the seminar indicated, the quality and breadth of ESPON's evidence and research showcased in Tallinn has triggered additional interest among policymakers and researchers as they look to improve place based policy around Europe (Figure 11).

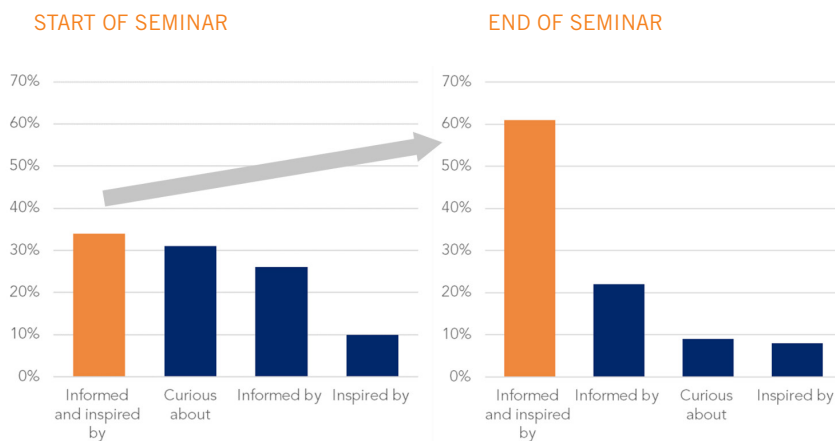


Figure 11: Change in results of Poll – “I feel... ESPON evidence to support place based policy making in my country/region/city

ESPON



EUROPEAN UNION

Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence

