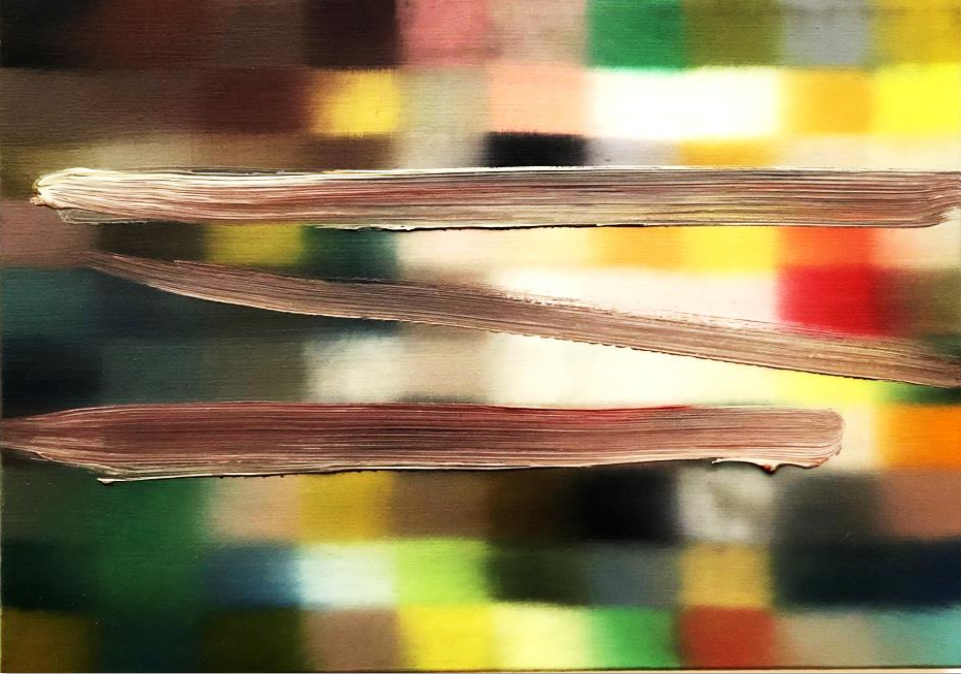Inspire Policy Making with Territorial Evidence

// State of the European Territory

ESPON contribution to the debate on Cohesion Policy post-2020

Terry Martin

evidence and advice

to help policymakers …

address "the mismatch

between the EU's recognized territorial challenges

and the governance based on administrative borders"

What's in the report?

- Overview of <u>key territorial development trends</u> in Europe - challenges and opportunities

- <u>Policy advice</u> - to support integrated territorial development strategies, with a view to achieving EU and global priorities (e.g. SDGs)

What's it for?

To support stakeholders and policymakers in developing their strategies for the next funding period post-2020.
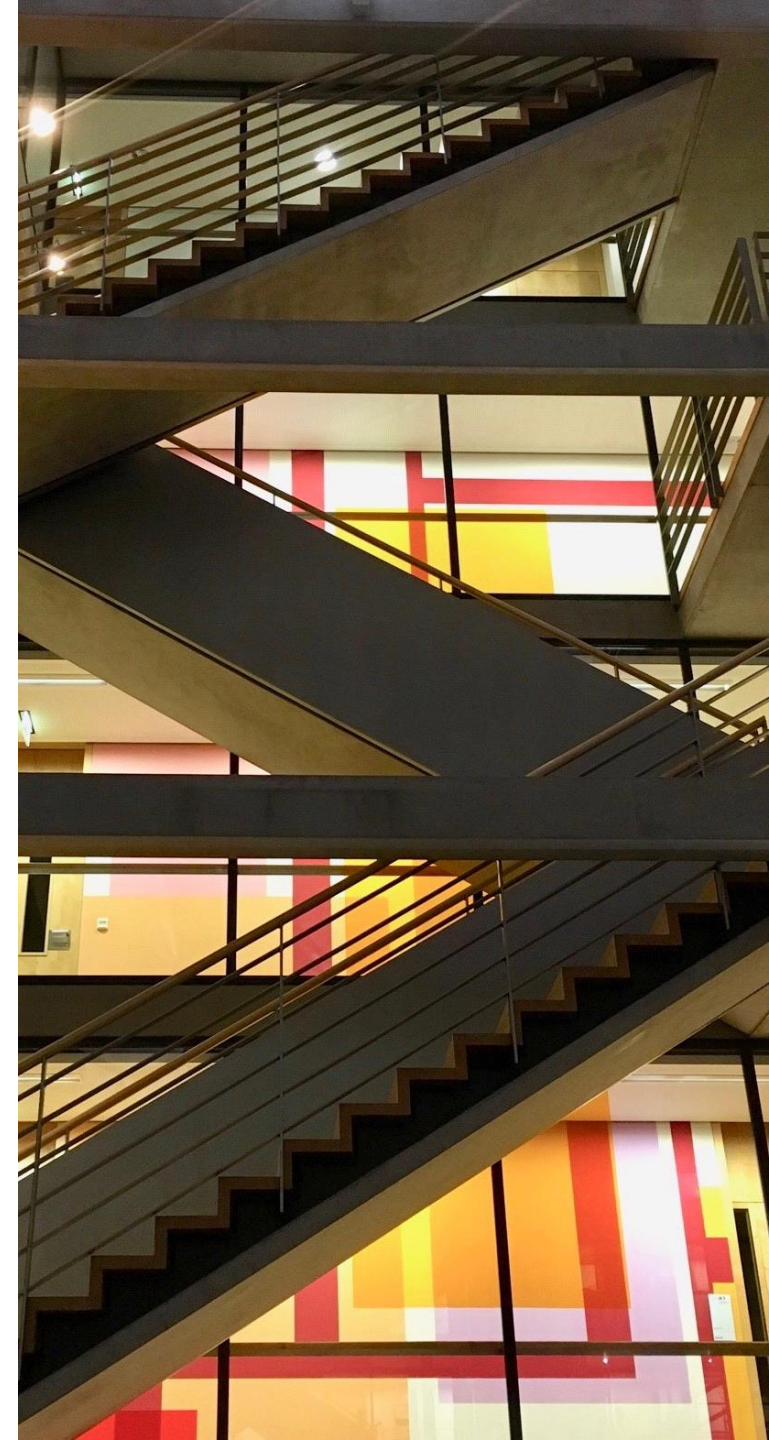
Challenges

Europe is becoming **increasingly fragmented.**

Increasingly, **disparities** are **more pronounced between regions**, **municipalities and neighbourhoods than between countries.**

Geographically concentrated discontent, possibly linked to a concentration of socio-economic challenges, can spill over into **political instability**.

Opportunities

- <u>Recognition</u> that diverse territorial challenges cannot be addressed by one-size-fits-all policy approach

- Growing support for <u>tailored, place-based approaches</u> rather than territorially blind policies

- <u>Rich experience to build upon from</u> testing place-based approaches

Unpacking the report

State of the European territory

a **very compact** synthesis

of existing ESPON evidence and research

Online Interactive Version

SOET.espon.eu

Smarter Europe

Greener, low-carbon Europe

More connected Europe

More social Europe

Europe closer to citizens

Download Custom Report

"Download Custom Report"

- **Interactive** content, data, maps and graphs

- **Multiple layers**

  Layers can be activated or deactivated, allowing you to visualize them separately or overlapping.

5 chapters

→ priorities for post-2020 EU Regional Development and Cohesion Policy

1. <mark>Smarter</mark> Europe

2. <mark>Greener</mark>, low-carbon Europe

3. <mark>More connected</mark> Europe

4. <mark>More social</mark> Europe

5. Europe <mark>closer to citizens</mark>

+ Conclusions and recommendations

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Inspire Policy Making with Territorial Evidence

1.1.1. Enhancing **research and innovation capacity**

European regions follow different territorial patterns of innovation

5 typologies

- **science-based** area

- **applied science** area

- **smart technological application** area

- **smart and creative diversification** area

- **imitative innovation** area

"61 out of 262 regions have been able to evolve towards a more complex pattern of innovation."

"The largest number of regions evolved from a *smart technological application* pattern to an *applied science area,* showing a diversification of the specialised technology fields in which enterprises could innovate."

The Regional Innovation Scoreboard

4 regional performance groups:

- 38 innovation leaders
- 73 strong innovators
- 97 moderate innovators
- 30 modest innovators

(European Commission, 2019)

Performance of regional innovation systems

Smarter Europe

RIS Performance groups 2019

- Leader +
- Leader
- Leader -
- Strong +
- Strong
- Strong -
- Moderate +
- Moderate
- Moderate -
- Modest +
- Modest
- Modest -
- No data

Malta

Canarias (ES)

Guadeloupe (FR)

Guyane (FR)

Martinique (FR)

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15 500 km

Regional level: NUTS 1 / 2 /3 (2013)
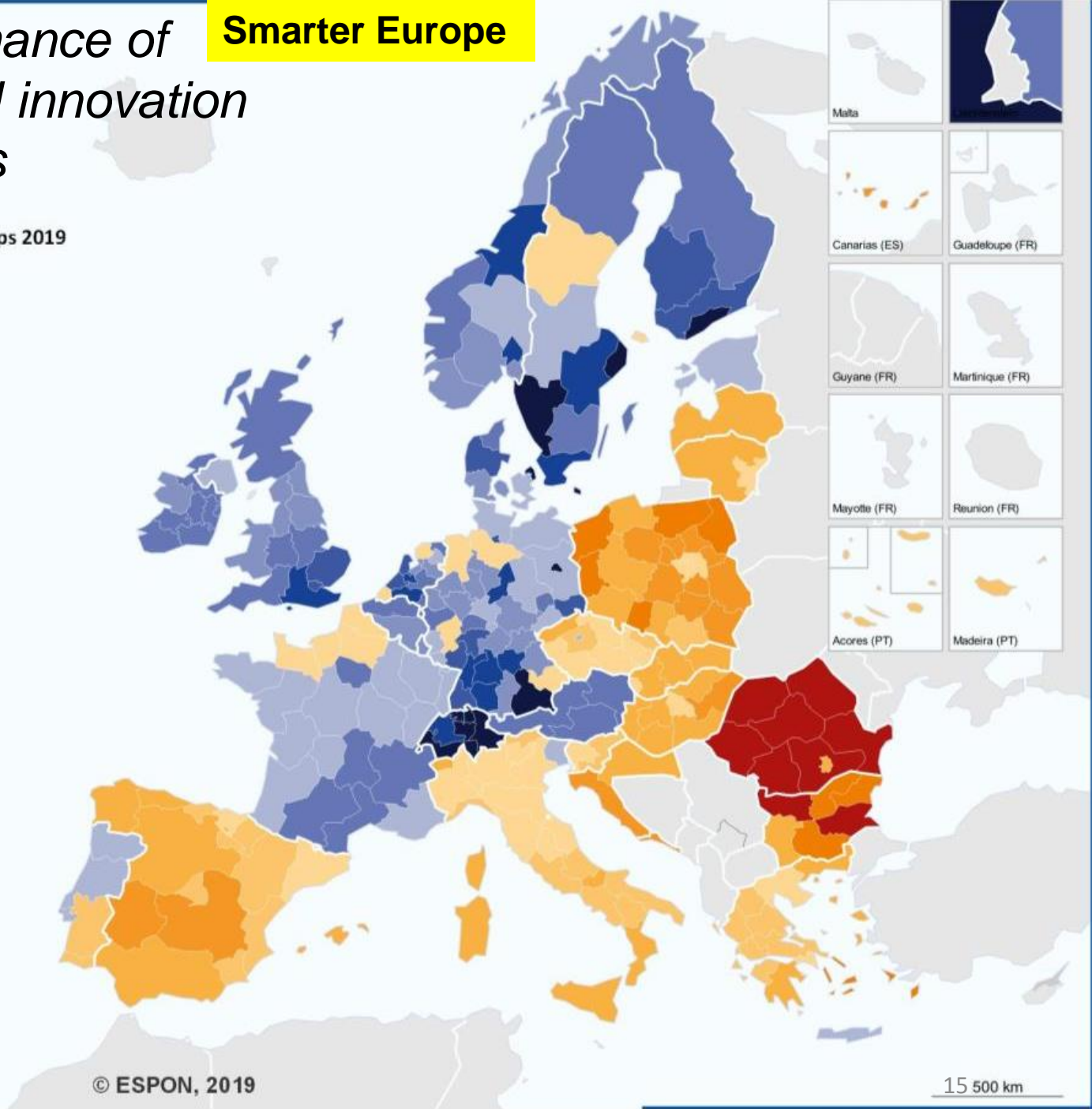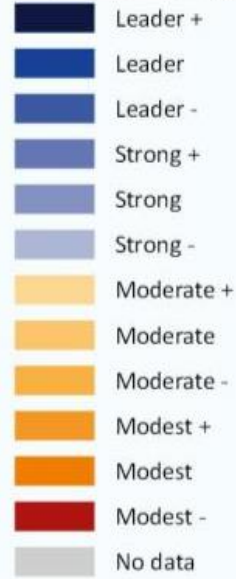
Policy options and tools:

National and regional policies should aim to:

- Maximize the return of expenditures to GDP in each type of region

- Enable a value-added development pathway

Each territorial innovation pattern can be reinforced … using tools such as:

- Dedicated funding

- Incentives for creative application, technology projects and entrepreneurship

- Enabling local receptivity to innovation

Case study

Development of the automotive industry - Bratislava (Slovakia)

Imitative innovation region
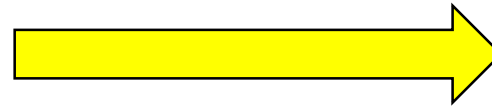
Smart and creative diversification region

https://www.traveller.ee/blog/transfers/how-to-get-from-prague-to-bratislava/

1.1.2. Addressing the challenge of polarisation triggered by the <u>knowledge economy</u>
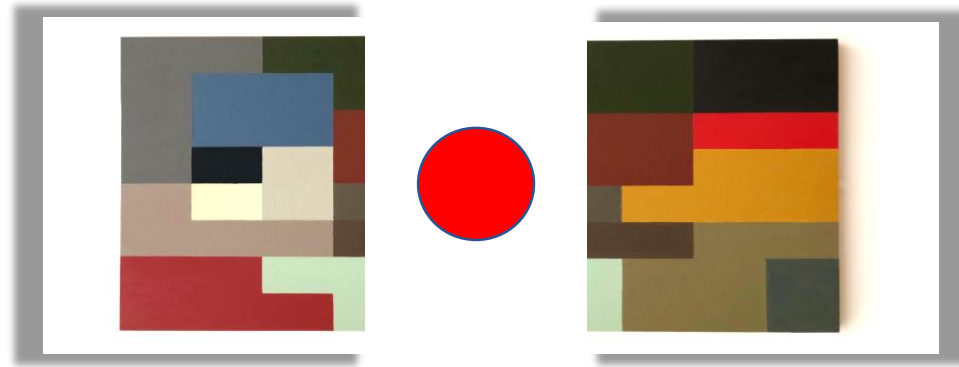
"One of the major territorial challenges refers to reconciling the competitiveness – cohesion trade-off (or the efficiency – equity problem)."

How to maintain and enhance the economic dynamism of the most developed regions and cities while helping those that lag behind?

Regional classification of knowledge economy and labour market-related indicators

Regional classification of KE according to labour market conditions, KE potential, population and migration dynamics, and context indicators 2012-2015

- **Highly competitive and KE based economy**
- **Competitive and KE related economy**
- **Less competitive with potential in KE economy**
- **Less competitive with low incidence of KE**
- **No data**

Change in typology between 2004 and 2015
- Change towards a less KE based typology
- Change towards a more KE based typology

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Guadeloupe (FR)

Guyane (FR)

Martinique (FR)

Mayotte (FR)

Reunion (FR)

Acores (PT)

Madeira (PT)

Regional level: NUTS 2 (2013)
Source: ESPON EMPLOY, 2017
Origin of data: Eurostat, IRS Milano, IES Brighton, IRS Erkner
UMS RIATE for administrative boundaries

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19
500 km

Regional level: NUTS 2 (2013)

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"Evidence shows that there are **five potential strategies** to support the development of a knowledge economy"

What are the 5 potential strategies ?

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Final Report
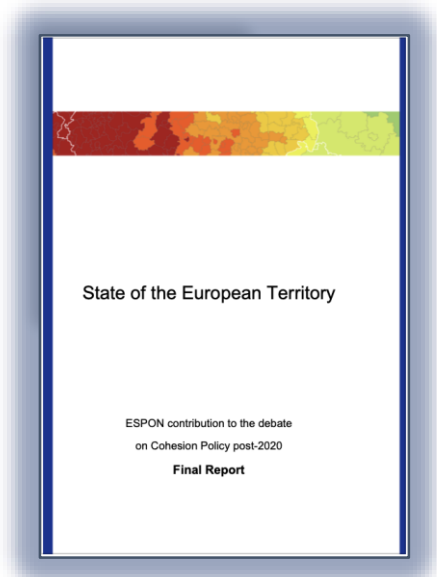
Policy options and tools:

Strategies for lagging and peripheral rural regions

- Improved infrastructures and services of general interest, trans-regional and transnational cooperation as well as public-private cooperation

- Strengthening urban-rural cooperation within functional areas, as well as cross-border, cross-region

Strategies for more developed regions

- Branding

- Building KE opportunities through urban development by providing a physical environment that facilitates cooperation between science and industry

ESPON research:

Reveals "complex interactions and interdependencies between energy systems, mobility systems and food systems in the context of climate change."

➢ the territorial challenges of energy transition
➢ climate change mitigation and adaptation
➢ circular economy
➢ green infrastructure

Potential GI network serving the purposes of multiple policies at landscape (regional) level

Greener, low-carbon Europe

Dominant type of GI links

Monofunctional
Bifunctional
Multifunctional

Single Policy   Multiple Policies

No data

Source: ESPON, 2019. GRETA

23

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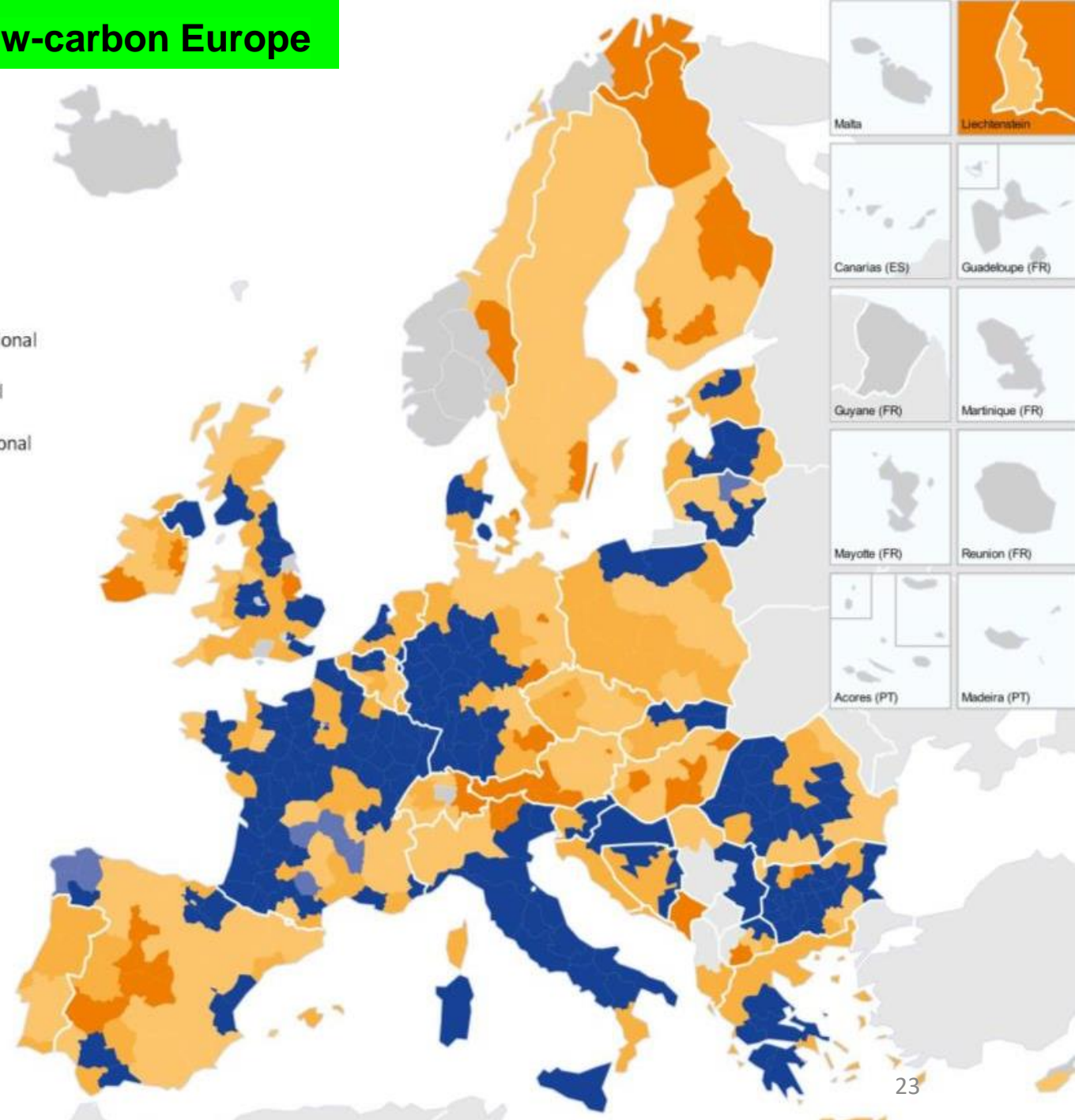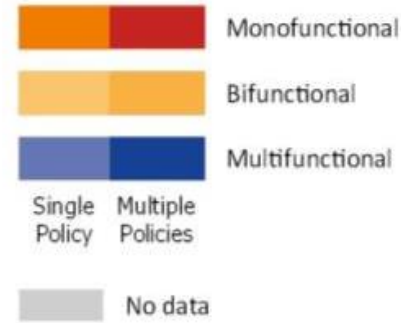
2.4 Promoting transition to circular economy

Based on ESPON evidence from: CIRCTER (2019)

"In this alternative economic model, products and materials are maintained at their highest economic value, for the longest possible period of time,

reducing the need for the extraction of natural resources, minimizing the production of waste and actively contributing to the regeneration of environmental services."

Policy options and tools:

- **Break linkages between economic growth and resources**

- **Multi-level governance with strong involvement at urban level**
- **Regional Innovation Strategies for Smart Specialisation (RIS3) provide an excellent opportunity for integrating the circular economy in the regional policy landscape.**

Case study: Low Carbon Hub - Greater Manchester (UK)

A polycentric region with high energy poverty transitions to a low-carbon, service-oriented economy

Source: ESPON *LOCATE* 2017

Transport and communication infrastructure:

ensuring the "four freedoms" of the European Single Market: the free movement of goods, capital, services and persons

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3.3. Enhancing digital connectivity

Based on ESPON evidence from: Territorial Review (2018), BRIDGES (2019).

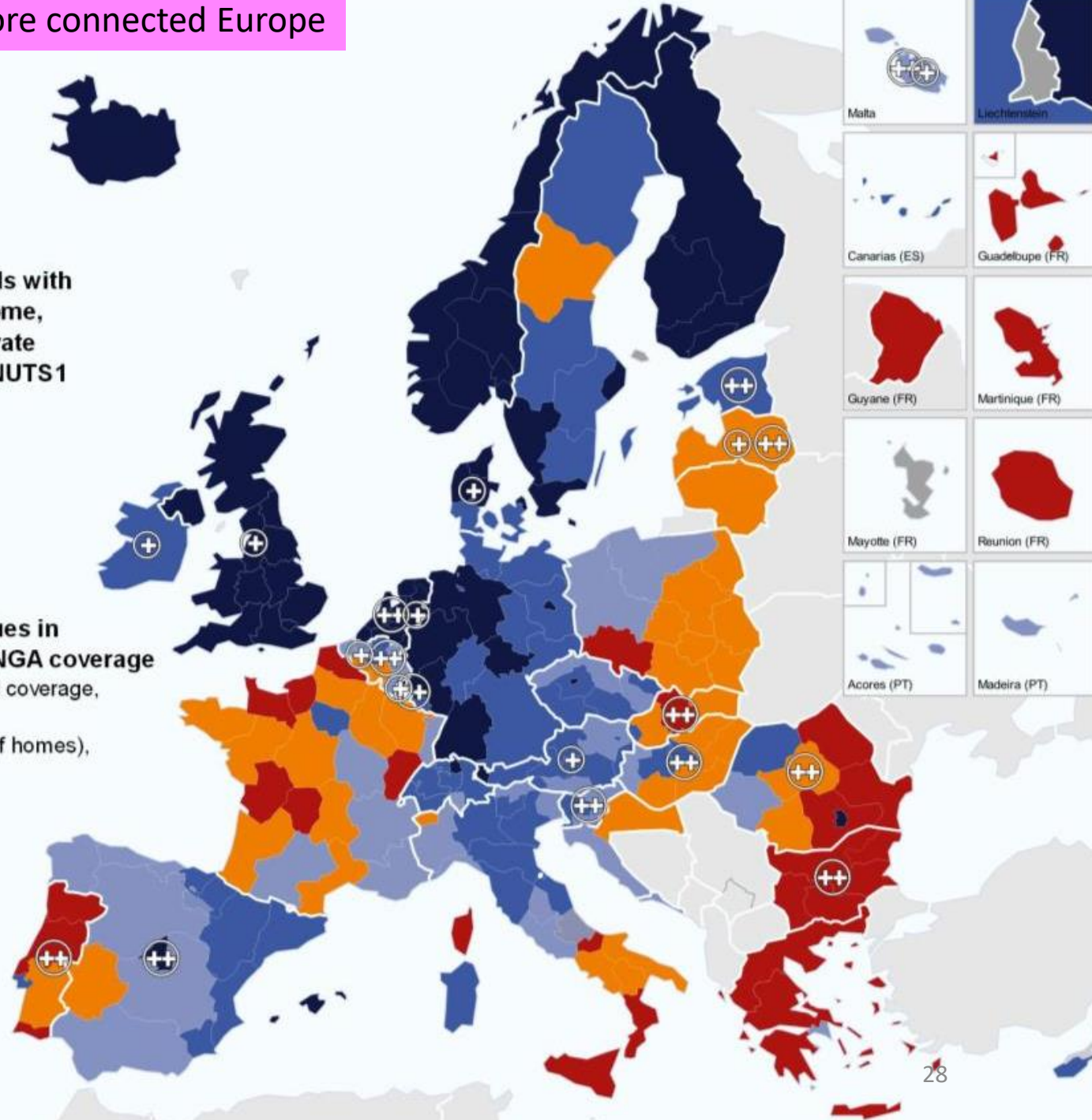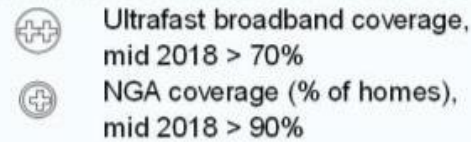"The core-periphery pattern visible in terms of physical accessibility is also valid for digital connectivity."

"Digital connectivity and digitalisation have the power to reduce the remoteness of sparsely populated areas and thus to counter peripheralization."

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Households with broadband access and high- speed internet coverage

Proportion of households with broadband access at home, 2018 (% share of all private households) - NUTS2 / NUTS1

- <75.0
- 75.0 - 80.0
- 80.0 - 85.0
- 85.0 - 90.0
- >90.0
- No data

Countries with high values in Ultrafast broadband or NGA coverage

- Ultrafast broadband coverage, mid 2018 > 70%
- NGA coverage (% of homes), mid 2018 > 90%

Malta
Liechtenstein
Canarias (ES)
Guadeloupe (FR)
Guyane (FR)
Martinique (FR)
Mayotte (FR)
Reunion (FR)
Acores (PT)
Madeira (PT)

Regional level: NUTS 2 / 1 / 0 (2013)
Source: ESPON SOET (2019)
Origin of data: Eurostat, DESI Index 2019
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28

"Socio-economic exclusion has a strong territorial character."

"Ageing and depopulation will affect many regions" while "other regions experience population increases …"

"with severe impacts on social and territorial cohesion"

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4.1. Enhancing the effectiveness and inclusion of labour markets

Based on ESPON evidence from:

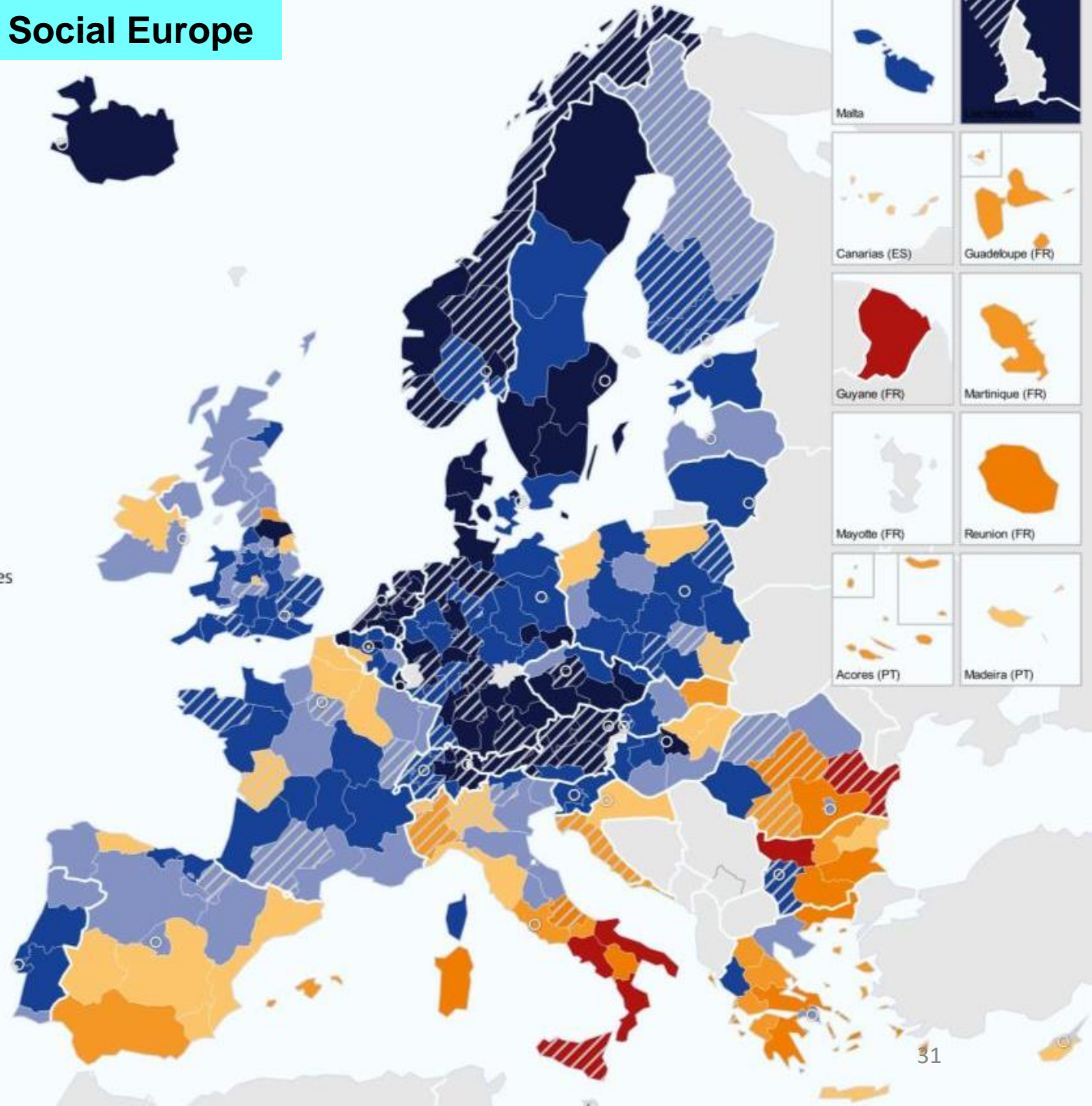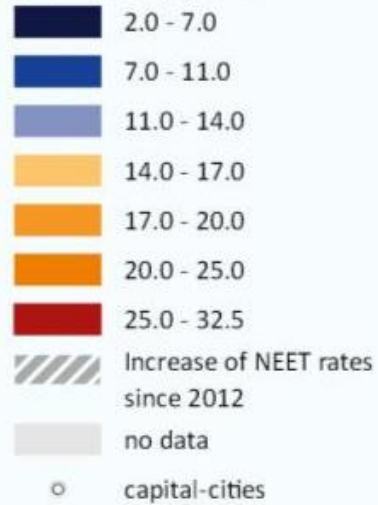- EMPLOY (2018)
- YUTRENDS (2018, 2019)

- **The gig economy should be regulated**
- **Regional authorities have to analyse the costs and benefits**
- **Decisions have to be made on how to support or regulate this sector**

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Development of NEET rates 2012 - 2016

NEET rates (%) 2016

- 2.0 - 7.0
- 7.0 - 11.0
- 11.0 - 14.0
- 14.0 - 17.0
- 17.0 - 20.0
- 20.0 - 25.0
- 25.0 - 32.5
- Increase of NEET rates since 2012
- no data
- ○ capital-cities

Malta

Canarias (ES)   Guadeloupe (FR)

Guyane (FR)   Martinique (FR)

Mayotte (FR)   Reunion (FR)

Acores (PT)   Madeira (PT)

Regional level: NUTS 2 (2013)
Source: YUTRENDS, 2019
Origin of data: Eurostat, 2019
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31

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"Cross-border labour market integration can be an effective way of enhancing access to employment while preventing long-distance mobility and depopulation of certain regions."

"The potential of cross-border services (CPS) is largely under-used for improving access to quality public services."
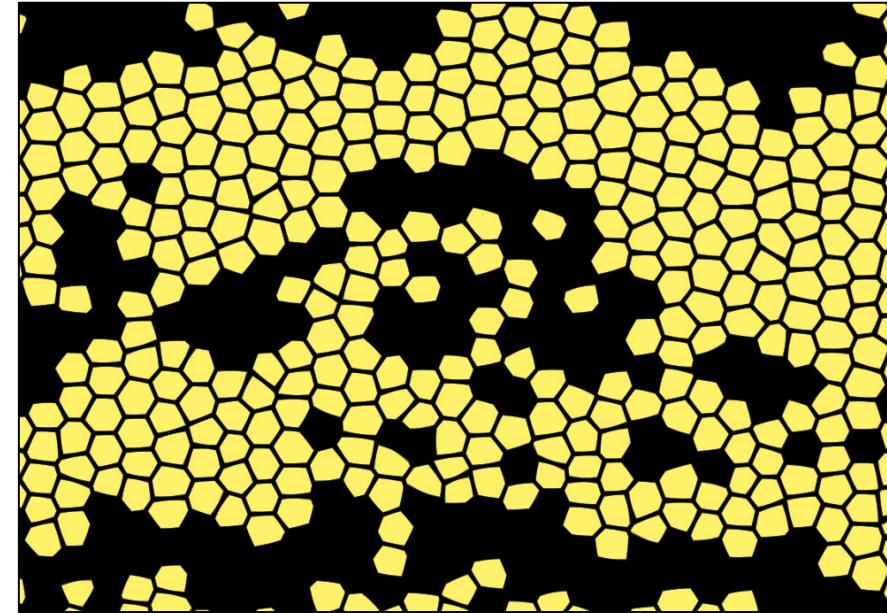
32

Europe experiencing place-based **fragmentation**

- Political
- Social
- Economic
- Geographic
- Cultural

Growing discontent of European citizens with EU institutions and an overall increase in nationalism.

"**new territorialities**" are emerging

i.e. - territorial structures that **ignore existing administrative borders** and **function in a networked manner, more open to change and oriented towards pre-set objectives**

34

"A **shift** from territorial governance **to functional governance** (or a mix) is **needed**, focusing on flows, networks and polycentricity rather than on hierarchical, administrative structures."
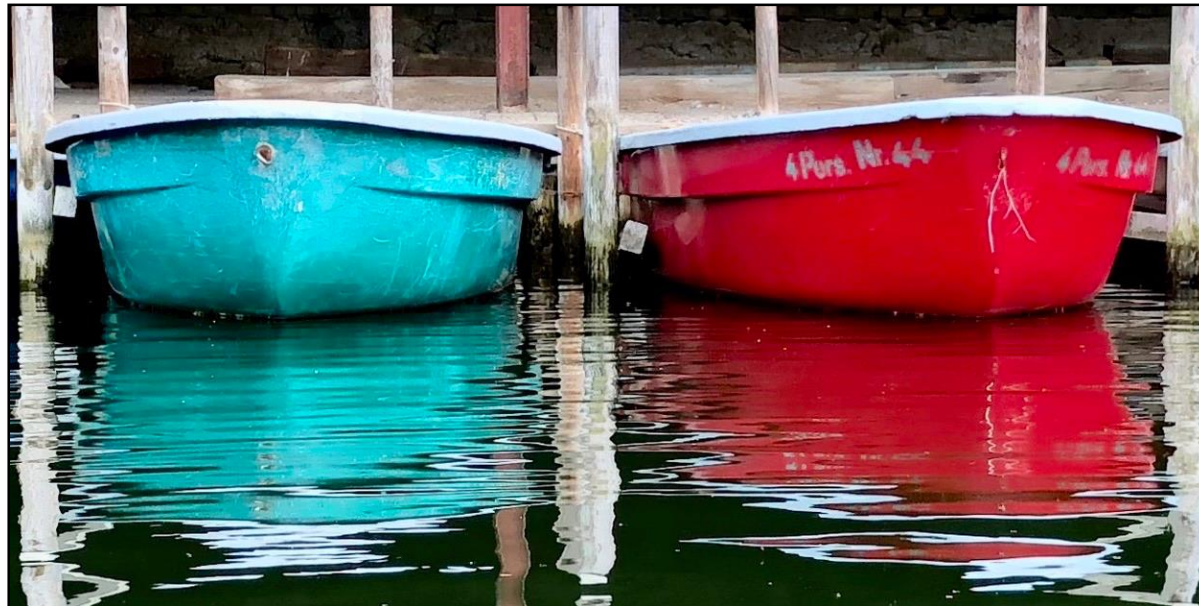
Conclusions for post-2020 policy development

- Design policies/strategies for functional instead of administrative regions

- Foster cooperation between places, across sector policies and between groups of society

- Develop joint initiatives and combine resources

- Strengthen administrative capacity to ensure all the above

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Thank you!

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