# The ESPON 2013 Programme

# Territorial Diversity (TeDi)

# Targeted Analysis 2013/2/8

## Inception Report

Erik Gløersen, Alexandre Dubois and Mélodie Martin
Nordregio

With inputs from the TPG members:
Andrei Zvoristeanu and Mioara Bocanici
(CEFIDEC, Romania)
Jacques Michelet, Bernard Debarbieux and Frédéric Giraut
(University of Geneva)
Nicholas Karachalis and Ilias Plaskovitis
(Panteion University, Athens)
Stephanie Cutajar, Gordon Cordina and Lino Briguglio
(Islands Consulting Services, Malta)

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This report presents a more detailed overview of the analytical approach to be applied by the project. This Targeted Analysis is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

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This basic report exists only in an electronic version.

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# 1. Introduction

The ESPON Territorial Diversity (TeDi) belongs to the second strand of the ESPON 2013 programme, "ESPON Targeted Analysis Based on User Demand". As such, it purports to provide "evidence and knowledge based on ESPON results on the strengths and weaknesses of individual regions and/or larger territories seen from a European perspective, or a global context".

The specific focus of the study is on opportunities for growth and sustainable development in areas with geographical specificities, i.e. mountain areas, islands, sparsely populated areas and areas with high a population density in peripheral position such as islands. With the exception of the latter one, these categories have been the subject of specific attention in European policy making through dedicated studies commissioned by DG REGIO[1] or by the concerned regions[2]. They have also been given special attention in the Green paper on Territorial cohesion published by the European Commission in September 2008, which describes them as "facing particular development challenges" and proposes delimitations at the NUTS 3 level (see Annex 1). Furthermore, as part of the ensuing consultation process, contributions from interest organisations representing islands (CPMR Islands Commission), mountain areas (Euromontana, AEM – European Association of Elected Representatives from Mountain areas) and sparsely populated areas (Northern Sparsely Populated Areas network), as well as from a series of concerned regional and national authorities.

The purpose of producing new knowledge within this field is to facilitate the formulation of spatial and regional development policies that take better account of the diversity of geographical contexts in Europe. The terms of reference highlight the lack of economies of scale as an important specificity of the Territorial Diversity (TeDi) regions, with impacts on entrepreneurship, innovation capacity and the framework for establishing creative business environment. The focus of the study is however on the comparative advantages of TeDi regions, e.g. based on their natural resources, the quality

[1] Planistat and Bradley Dunbar *et al.* (2003) *Study on the islands and outermost regions / Analyse des régions insulaires et des régions ultrapériphériques de l'Union européenne*, Study commissioned by the European Commission DG REGIO.

Nordregio *et al.* (2004) *Mountain Areas in Europe: Analysis of mountain areas in EU member states, acceding and other European countries*, Study commissioned by the European Commission DG REGIO.

http://ec.europa.eu/regional_policy/sources/docgener/studies/study_en.htm

[2] Erik Gløersen et al. (2006) *Northern Peripheral, Sparsely Populated Regions in the European Union and in Norway*, Nordregio Report 2006:2.

http://www.nordregio.se/Files/r0602.pdf

of life they can offer, the cohesion of their local communities, lower transaction costs or greater flexibility. The underlying hypothesis is that there is an untapped economic and social potential in TeDi regions. By identifying key policy levers, one may reverse the negative economic and demographic trends some of the TeDi regions have been experiencing.

This implies that the TeDi shall help identifying policies with added value not only for the targeted areas with geographic specificities, but for Europe as a whole. As such, it is an input to discussions on the achievement of the Lisbon and Gothenburg objectives, seeking to establish how and to what extent mountainous, insular and sparsely populated areas above can contribute to their achievement. This implies considering not only the added value produced in the TeDi regions as such, but also their role in European production systems as enablers of activities situated in other regions. Putting the TeDi regions in context is therefore important.

The ESPON TeDi project is furthermore a component of the First Action Programme for the Implementation of the Territorial Agenda of the European Union[3]. This implies that it shall contribute to the accomplishment of its objective of implementing the Territorial Agenda. When dealing with TeDi regions, the Territorial Agenda specifically focuses on improving the connections with urban areas, arguing that cities, that should "*cooperate as parts of a polycentric pattern*" and "*ensure their added value for […] for areas with specific geographic challenges and needs (e.g. structurally weak parts of islands, coastal zones and mountainous areas)*". The project shall explore the issue of urban dynamics within TeDi regions and more generally their interaction within cities and urban areas. More generally, the project will focus on the capacity of TeDi regions to meet the Territorial Agenda objectives of "*making better use of available resources in European regions*", of addressing their "*specific geographical challenges and opportunities*" through "*a permanent and cooperative process involving the various actors and stakeholders of territorial development*". In other words, the institutional and social settings of TeDi regions and their geographic specificities are equally important.

The project must therefore further investigate the social and economic implications of geographic specificity, not simply in terms of direct effects of their physical characteristics, but also considering economic and institutional path dependencies as well as exogenous and endogenous structural factors

[3] http://www.oerok.gv.at/fileadmin/Bilder/2.Reiter-Raum_u._Region/4.Europ-Raumentwicklung/fap_teritorial_agenda_en.pdf

limiting the exploitation of their economic potential. Dealing with territorial diversity at the European level therefore presupposes a detailed understanding of the different national contexts, each of which determine the way in which their physical characteristics and heritage influences the economic and social performances.

The project is case-study based. Most of the cases that will be analysed are based on NUTS regions. This concerns the North Calotte (Nordland, Troms and Finnmark counties (Norway), Norrbottens län (Sweden) and Lapin lääni (Finland)), the cantons of Valais and Jura in Switzerland, Alba and Suceava counties in Romania and Malta (including Gozo). The case study of North Iceland on other hands includes the regions Norðurland vestra and Norðurland eystra, that do not have a NUTS status in spite of being two of the eight traditional *Landsvæði* that are being used to subdivide the country. In Cyprus, the case study area includes the Marathasa valley and Tylliria coastal area. These are traditional territorial entities, which do not have any official or administrative delimitation. They have been defined on a preliminary basis as consisting of 25 municipalities. Considering that this area does not form a region in itself, and is less populated than the other case study areas, the quantitative analyses will include a wider territorial context in Cyprus. All case study areas are shown in Map 1, which is also the TPG's proposal for a map layout to be used in the presentation of quantitative analyses.

The present report outlines the analytical approaches and methodologies of the ESPON TeDi project. Section 2 describes the current political understanding of territorial diversity, and of the different categories of spaces dealt with in the study. This is followed by a discussion of the research context, of the core concept and of the extent to which one may generalise from the case studies analysed by the ESPON TeDi project. Sections 4 and 5 provides a more detailed account of how we will proceed to compile and analyse the evidence from the case studies, respectively dealing with the quantitative and qualitative aspects. The report is concluded by a discussion of the potential policy relevance of the project output, and of how the analytical approaches to be developed to optimise this aspect.

# Delimitation of the ESPON TeDi case study areas





**Legend**

- Case study areas
- ESPON space outside case study areas
- Non ESPON space

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

ESPON




Mélodie Martin, Erik Gløersen, Alexandre Dubois



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**Map 1 Delimitation of the ESPON TeDi case study area**

# 2. Empirical context

If article 158 of the Lisbon Treaty (article 174 of the consolidated Treaty of the European Union) states that "particular attention shall be paid […] regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions", this is part of a more general objective of "reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions". The TeDi regions are in other words a matter of concern insofar as they can be considered as "backward" or "least favoured".

While TeDi areas do indeed in many cases have economic performance levels below national average levels, they can however not generally be described as "backward" or "least favoured", especially when compared to European regions in general. An overlay of Territorial Diversity areas with Structural Funds support maps will be produced in the interim report to illustrate this point.

Furthermore, the challenges related to the full exploitation of their economic potential are not the same as in lagging regions. While structural reforms may offer a solution to an inadequate economic or institutional environment, the handicap of TeDi regions is of a permanent nature even if it in some situations may be alleviated through infrastructural investments. The handicap may furthermore be compensated by economic opportunities (e.g. natural resources and tourism) or by past proactive public policies. Therefore, the benchmarking of overall economic performance levels does not adequately reflect the degree of underexploitation of economic potentials in TeDi regions.

The analysis is however complicated by the fact that some TeDi regions may, in addition to their physical handicaps, also be lagging in terms of social, economic and institutional structures. Traditionally raw material-based economies, a reduced scope of service provision, less competitive industrial facilities and/or a dependence on external investors may in some regions create an environment that is relatively unfavourable to entrepreneurship and to integration in global economic circuits. While these characteristics only apply to some TeDi regions, the general challenge when analysing their situation is to disentangle the processes leading to a social or economic specificity that stem from physical characteristics, and those that can be explained by institutional and cultural factors or other types of framework conditions.

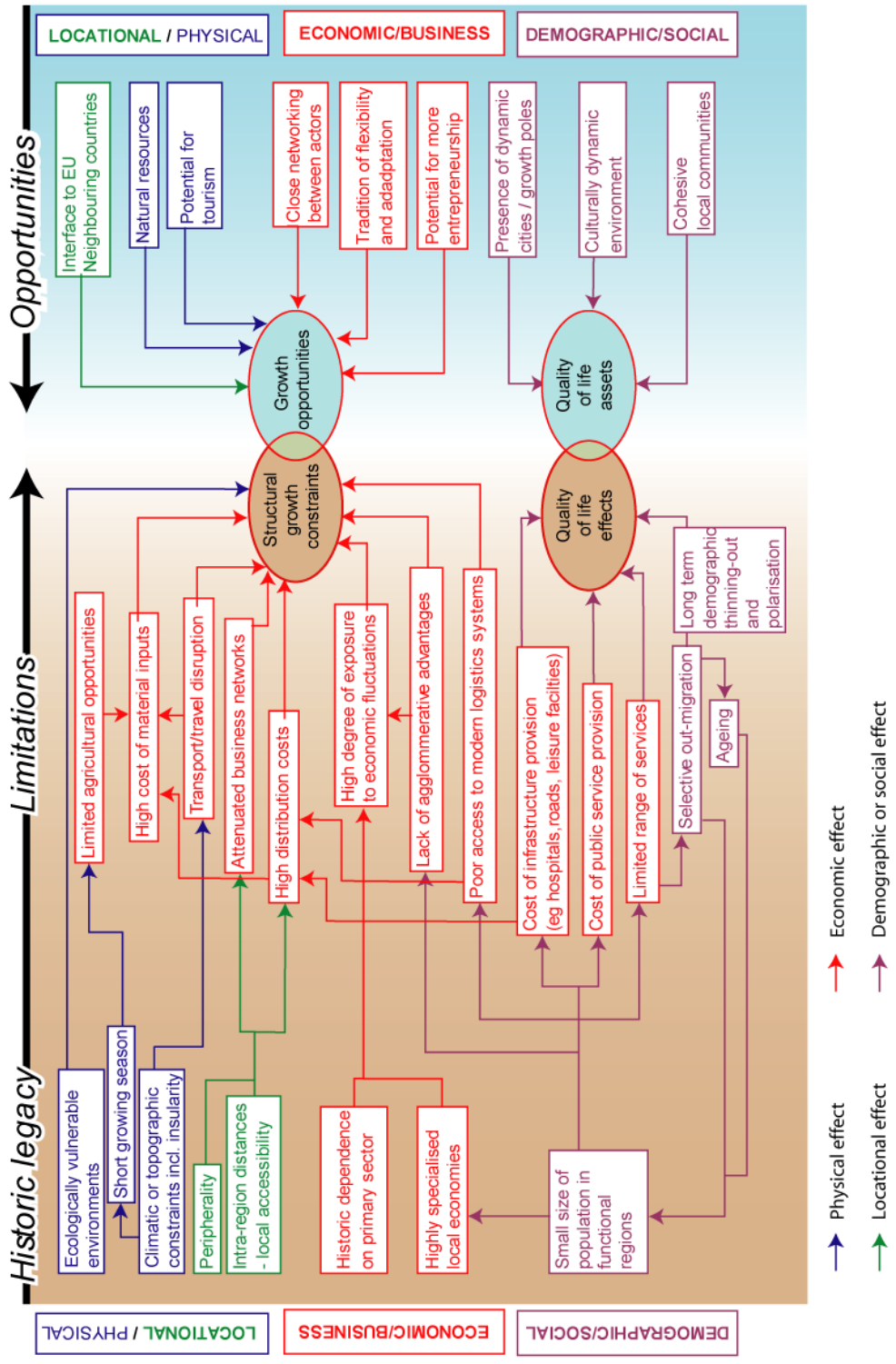



**Figure 1: Physical factors and socio-economic processes in TeDi regions**

The purpose of such a specification of different types of processes in TeDi regions is to identify policy actions that may be envisaged to improve their economic and social performance more precisely. The identification of economic or social effects of sparse population, mountainous terrain or insularity however does not necessarily imply that policies dealing with the physical aspects as such are required. On the one hand, many basic handicaps are indeed of such a nature that they may not be turned around. Typically, topography, climate and "non-coastal" insularity are immutable. Other "basic handicaps" such as peripherality, poor local accessibility or sparsity, are not in the same way fixed physical characteristics. They are however almost as difficult to "turn around", simply because, in a free market economy accessible regions are generally the motors for growth, drawing on resources from the periphery, and therefore always "ahead". The relative disadvantage of TeDi regions therefore remains in spite of policy interventions.

For these reasons, our main focus will be on "soft factors" which may allow the population and businesses of TeDi regions to improve their performance within a challenging environment. "Hard" measures such as infrastructure building are nonetheless needed in certain parts, e.g. where transport bottlenecks hampering industrial development have been identified. Such projects can also act as catalysts of improved regional cooperation and governance, and as such be a component in a wider strategy focusing on "soft factors". The project will seek to identify the case study areas where such targeted infrastructural investments have been implemented or are being discussed in policy debate, analysing their (foreseen) impact and considering the degree to which they are integrated in a comprehensive regional development strategy.

In Figure 1, the physical factors are represented in the left column, while the "soft" processes leading to "structural growth constraints" and "quality of life effects" appear in the middle one. The objective of the project is to improve the understanding of how one may act on these "soft" processes, so as to minimise the effects of existing limitations on the exploitation of economic opportunities such as those identified in the right column.

The terms of reference also identify the Tedi regions as being positioned "outside the Pentagon". This is coherent with European geography where metropolitan areas and densely populated areas are situated in a central core area (i.e. the Pentagon), while insular, mountainous and sparsely populated regions are on the margins. It should however be mentioned that there are significant mountain areas within the Pentagon, in particular belonging to the

Alpine range (See Figure 2). The Swiss case studies Valais and Jura are strictly speaking within the Pentagon area.

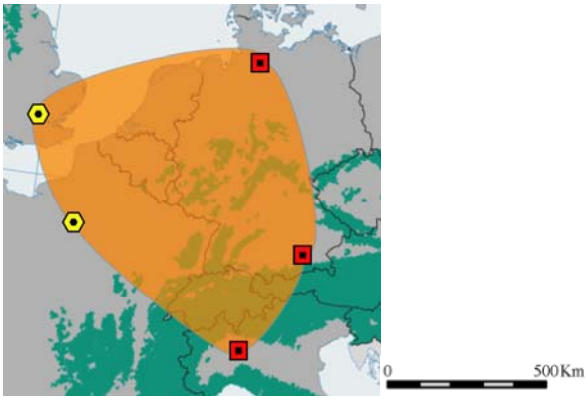



**Figure 2: Overlay of the Pentagon (in orange) with the delimitation of mountain areas used in the study *Mountain areas in the European Union and in Norway* (DG REGIO, 2004)**

One of the ESPON TeDi case study areas, Malta, is in a relatively unique position with its exceptionally high populated density combined with a peripheral position. This situation has prevailed in Malta for a long time, and has lead to phases of intense out-migration, e.g. in the 1950s and 1960s. These have been encouraged by Maltese authorities, granting subsidised passage to out-migrants. Since the mid-1970s Malta has however received back thousands of former emigrants. Malta is therefore experiences demographic pressures that need to be integrated in the planning processes in order to preserve quality of life and perspectives of sustainable development.

In the North Calotte, in spite of demographic decline in the regions taken as a whole over the last decades, a few cities and towns are experiencing strong to significant growth. This particularly concerns Tromsø (+20% between 1992 and 2007), Alta (+15%), Bodø (+15%) and Rovaniemi (+6%). Without experiencing the same type of land use pressure as Malta, these areas need to incorporate the demographic increases in their development strategies. They must therefore be considered separately from general regional development plans dealing with sparsity and demographic decline. They also illustrate the need to consider issues of regional sparsity and peripherality as distinct from those of rural development.

In a European territorial policy perspective, it therefore appears relevant to adopt a comparative approach, comparing the situation of towns and cities of

the northernmost periphery of Europe with that of a Mediterranean island with exceptionally high population densities. The combined analysis of situation of these kinds will help constructing a more nuanced discourse on the social and economic implications of European peripherality.

# 3. Research context and core concepts

ESPON TeDi case study areas are characterised by certain geographic specificities: All case studies except Malta are mountainous; the insular areas are Malta, Cyprus and Iceland, as well as the islands off the coast of North Norway in the North Calotte. The North Calotte and North Iceland are examples of sparsely populated areas. Finally, while Malta is the only example of a densely populated peripheral area, its situation be analysed a conjunction with that of intensely growing towns and cities of the North Calotte, as previously explained.

**Table 1 List of ESPON TeDi case study areas**

| | Mountainous | Insular | Sparsely populated | High population density |
|---|---|---|---|---|
| North Calotte | Partly | Partly | Yes - *1,6 to 5,6 inh/km2* | Some major cities with intense growth |
| North Iceland | Partly | Yes | Yes - *2,8 inh/km2* | |
| Alba (IC) | Yes | | *61 inh/km2* | |
| Suceava (RO) | Yes | | *80 inh/km2* | |
| Jura (CH) | Yes | | *80 inh/km2* | |
| Valais (CH) | Yes | | *52 inh/km2* | |
| Marathasa (CY) | Yes | Yes | *<72 inh/km2* | |
| Tilliria (CY) | Yes | Yes | *<72 inh/km2* | |
| Malta | | Yes | | Yes *1083 inh/km2* |

The initial understanding of what constitutes a mountain areas, an island and a sparsely populated region is based on the criteria and delimitations proposed in the reports listed in the introduction. In the Annex to the Green paper on Territorial cohesion, the European Commission has however sought to simplify these delimitations at NUTS 3-level (see Annex 1). According to these delimitations, Alba, Suceava, Marathasa and Tilliria are not defined as mountain areas, and the North Calotte does not comprise insular areas.

These delimitations offer the advantage of a making it possible to associate each type of geographical specificity with a wide scope of regularly updated statistical indicators, allowing for a continuous follow-up of trends and the

evaluation of possible effects of policy intervention. The discrepancies with the generally accepted understanding of what constitutes a mountain or island can however be perceived as problematic, especially from a policy point of view and when seeking to identify the "soft" processes related to geographic specificities. The ESPON TeDi will therefore further explore the variety of delimitations of mountainous, insular and sparsely populated regions, using the case studies to identify how these notions are relevant for the understanding of local and regional socio-economic trends.

Territorial Diversity regions generally have an extensive rural component, even if rural areas often are not home to the majority of the population (e.g. northern sparsely populated areas). The identification of agricultural and forestry activities, as well as of fisheries and fish-farming present in these areas, and of their evolution over time, will therefore be an important component of the analysis. The objective is partly to identify the dynamism of these activities, and their potential as a basis for economically sustainable development, and partly to further explore the specificities of their development considering the geographic specificities of each case study area. Possibilities of interaction with the ESPON EDORA project will be explored in this respect.

A second component of the development perspectives for TeDi regions is the interaction with urban areas, which may be situated both within and outside the TeDi case study areas. Urban accessibility is a major determinant of economic development both as a facilitator of growth in tourism and leisure activities and because it significantly widens the scope of services available to the inhabitants of TeDi region. The existence of possibilities to commute to employment opportunities in urban areas furthermore drastically changes the development perspectives of local communities. A key aspect is therefore infrastructural endowment and mobility. The project shall also explore to what extent specific types of mobility can be identified in TeDi areas, explaining alternative territorial organisations and modes of interaction with urban areas that may be unique to some types of territories.

The previously mentioned analytical perspectives all contribute to the overarching ambition of identifying opportunities for growth and sustainable development in the context of a knowledge and service based economy. Traditional regional growth thinking in TeDi regions is often inspired by "economic base" theories, focusing on export-oriented staple industries. Ideas according to which exports of processing industrial or extraction activities can be a sufficient basis for livelihood of local communities are however challenged by negative demographic trends, difficulties recruiting

persons with adequate competencies, insufficient levels of entrepreneurship and cyclical economic crises which may jeopardize local communities as a whole. The question is therefore how to adapt the economic development strategies to face current challenges.

While tourism can provide a profitable alternative to extractive or processing industries, and in many cases has become the predominant sector, TeDi regions generally aspire to a further diversification of their economy and to a positioning in niche activities providing high value-added and a stable income. Export-oriented knowledge intensive manufacturing or service activities in this respect appear as particularly favourable options. These may be developed within the framework of the private sector, but may also be based on state funded public services. In the latter case, TeDi regions need to prove the overall added value of producing public services in their areas, compared to centralising them in more central regions with larger opportunities for economies of scale and economies of agglomeration.

The gender dimension in these different types of economic development strategies is quite obvious. While both agricultural activities and extraction and processing industries have traditionally been male dominated, a shift in direction of service activities and/or tourism implies that expanding work opportunities for women. This may contribute to change the perception of TeDi regions, which have in many cases been considered to be male dominated both in terms of lifestyle and power relations. Inversely, creating a more attractive social environment for women may also be considered as a vector of economic development, attracting a younger and more entrepreneurial population. The incorporation of the gender dimension in ESPON TeDi analyses is therefore part of the project's wide approach to social and economic development.

Finally, notions of "growth" and "economic prosperity" may require to be considered critically in the context of some TeDi regions. While becoming world-leading of growth and competitiveness may be an overall objective for Europe, one can hypothesis that a significant proportion of TeDi regions primarily aspire to a more sustainable development, putting an end to depopulation, becoming economically self-sufficient and increasing the quality of life of the local population. This implies that the territorialisation of the Lisbon and Gothenburg agendas may also lead to adaptations in the strategic objectives. In this regard, it is however important to highlight the differences between TeDi regions.

# 4. Quantitative approaches of territorial diversity

The objectives of the quantitative analysis is to improve our understanding of the challenges and opportunities in the case study areas, to provide a basis for comparison of their social and economic situations and to serve as a basis for further discussions on the measures and policy adaptations needed to take better account of their specific situation.

The collection of indicators is organised in two stages. First, a preliminary list of indicators has been submitted to the project partners for an assessment of their availability. For all available indicators, metadata has been collected in Adobe acrobat forms, allowing the information provided to be directly compiled and synthesised in Excel tables[4]. On the basis of the feedback from the project partners, the lead partner established a revised list of indicators to be collected (see Table 1). This list has been submitted to the partners, with an expected delivery of data before the end of May 2009.

The target year for data collection is 2007. This implies that we will seek to obtain data for 2007 or for the closest available year for all indicators. Historical data will be collected for a selection of demographic and agricultural indicator, as specified in Table 1. It will therefore be possible to analyse trends in these respects. The main source of data is national statistical institutes.

Discussions on environmental issues in the project group did not allow us to identify transversal issues that would justify a data collection for all case study areas. We may instead focus on relevant issues on a case-by-case basis. This may for example concern water supply and waste water treatment in Cyprus. An attempt was made to collect data on energy consumption and production, but this has to be abandoned because of insufficient data availability at the appropriate geographic scales.

The study will also be using data from other sources:

- The European Commission, DG REGIO, has provided detailed delimitation files of mountainous and insular areas;
- The DG REGIO Mountain study has compiled extensive municipal data, that were extended to include non-

[4] The ESPON Database project was contacted in order to obtain ESPON guidelines specifying the nature and format of metadata to be collected. This information was however not available at this time. The ESPON TeDi project has however made every possible effort to ensure that the metadata and data collected can be transferred into a shared ESPON system for data handling when it will be operational.

mountainous countries as part of the ESPON NUTS 5 data gathering exercise;

- Previous ESPON projects have produced regional data that can be used for benchmarking purposes, as well as data on access to significant urban areas (ESPON 1.1.1).

The project leader will be coordinating the data gathering exercise and compiling and mapping the data gathering by the project partners. It will also collect data for the North Calotte and, with assistance from the University of Akureyri, for North Iceland. Data collection for all other areas will be the responsibility of project partners. The maps resulting from the data collection will be submitted to them for control and comment. These may usefully feed into their dialogue with the insight providers on the opportunities and challenges of each TeDi case study area. The objective of the project is to present maps representing the indicators in Table 1, and corresponding analyses, as part of the interim report.

A map template, to be further elaborated on the basis of Figure 1, will serve as a basis for the mapping of the results of quantitative analyses. One challenge in the presentation and analysis of results will be to account for the differences in scale between the case studies. It is of particular importance to compare the extent of the regions with daily mobility areas (e.g. labour market areas). The significance of social and economic gradients between municipal entities will be assessed against these daily mobility areas, which are the primary geographical contexts in which to consider the convergence of the different dimensions of territorial development. At the same time, however, from a prospective and strategic point of view, the possibility of encouraging alternative forms of daily mobility and geographical interaction must be considered, e.g. through infrastructure investments, public transportation policies, technological and organisational innovation. The local functional areas of TeDi regions must therefore be approaches as dynamic and open systems within wider systems of regional, national and international interaction.

**Table 2 List of indicators**

## Agriculture

| CODE | DESCRIPTION | COMMENTS |
|---|---|---|
| A-NS_1 | Number of farm holdings | Also to be collected for 1991 and 2001 |
| A-NS_2a | Agricultural turnover (companies classified with NACE code A1) | |
| A-NS_2b | Forestry and logging turnover (companies classified with NACE code A2) | |
| A-NS_2c | Fishing and aquaculture turnover (companies classified with NACE code A3) | |
| A-NS_3a | Number of persons working in agricultural sector (companies classified with NACE code A1) | |
| A-NS_3b | Number of persons working in forestry and logging (companies classified with NACE code A2) | |
| A-NS_3c | Number of persons working in fishing and aquaculture sector (companies classified with NACE code A3) | |
| A-NS_5 | Age of farm holders | By age groups |
| A-NS_7 | Utilised agricultural area | Also to be collected for 1991; subclasses when available |

## Demography

| CODE | DESCRIPTION | COMMENTS |
|---|---|---|
| D-NS_1a | Total population | Also to be collected for 1981- 1991- 2001 and 2007 |
| D-NS_1b | Total population, female | Also to be collected for 1981- 1991- 2001 and 2007 |
| D-NS_1c | Total population, male | Also to be collected for 1981- 1991- 2001 and 2007 and 2007 |
| D-NS_2 | Population by age groups | Also to be collected for 1991- 2001 and 2007 |
| D-NS_3x | Number of births per year | To be collected for all years 2003-2007 (or nearest 5-year period) |
| D-NS_3y | Number deaths per year | To be collected for all years 2003-2007 (or nearest 5-year period) |
| D-NS_4a | Number of out-migrants (domestic and foreign) | To be collected for all years 2003-2007 (or nearest 5-year period) |
| D-NS_4b | Number of in-migrants (domestic and foreign) | To be collected for all years 2003-2007 (or nearest 5-year period) |
| D-NS_5 | Number of persons born abroad | |

### Economy

| CODE | DESCRIPTION | COMMENTS |
|---|---|---|
| E-NS_1a | Total active population | |
| E-NS_1b | Total active population, female | |
| E-NS_1c | Total active population, male | |
| E-NS_2 | Total number of employees by sector / economic branch | NACE - one letter categories (A to U) |
| E-NS_4a | Total number of unemployed persons | |
| E-NS_4b | Total number of unemployed persons, male | |
| E-NS_4c | Total number of unemployed persons, female | |
| E-NS_5 | Total number of unemployed people by age group | |
| E-NS_6 | Total number of long-term unemployed | |
| E-NS_7 | Total number of part-time employees | |
| E-NS_8 | Total number of employees by size of company | By size classes |
| E-NS_9 | Total household income | |
| E-NS_10 | Number of persons by educational attainment | Number of persons with secondary education degree / tertiary education degree (two figures) |
| E-NS_11 | Total number of students of higher education institutions | |
| E-NS_12a | Number of companies created | |
| E-NS_13b | Number of companies closed | |
| E-NS_14 | Turnover in tourism sector | If possible, please specify the NACE codes identified as "tourism sector" |

### Infrastructure

| CODE | DESCRIPTION | COMMENTS |
|---|---|---|
| I-NS_1 | Number of persons with broadband access | |
| I-NS_2 | Number of passengers at airports | |
| I-NS_3 | Freight handled by airports | |
| I-NS_4 | Number of passengers at maritime ports | |
| I-NS_5 | Freight handled by maritime ports | |

# 5. Qualitative approaches of territorial diversity

Besides a quantitative approach to territorial diversity based on statistical benchmarking and cartographic representation, the qualitative approach developed by the TPG will be based both a review of key policy documents at national and regional/local level and the performance of interviews with selected regional stakeholders. The aim of the qualitative approach is:

- to identify the main development opportunities and the key leverages to support them in TD regions;
- to identify the key structural deficiencies that prevent the TD regions to take full advantage of their development opportunities;

The guideline for this qualitative approach will be finalised in May 2009. The guideline will be divided into three main parts, following the division of the work in ESPON TeDi proposed in the initial ESPON TeDi proposal for services (i.e. WP2.B, WP2.C and WP2.D), and addressing not only three different territorial scales (respectively *European/national*, *regional/local* and *global*), but as well highlighting three different processes within which TeDi regions are involved in: the operationalisation of the European cohesion policy and the territorialisation of the Lisbon and Gothenburg agendas, the strengths and weaknesses of the regional setting in relation to economic and social governance and the potential opportunities and threats stemming from macro-economic development trends and their impacts for the various TeDi regions.

The guidelines will be elaborated by the TPG Lead Partner, with the active participation of the partners in reviewing and adjusting them. Each national partner in charge of a case study region will be responsible for gathering the necessary information and responding to each question. The guidelines document (in Word format) is structured so that the answers to each question can be inserted directly in the document. In this way, the outcome of the qualitative approach will be structured similarly for each case study, thus enhancing the possibility for cross-regional analysis. The knowledge gathered in the qualitative approach, together with the empirical material originating from the quantitative approach, will be the basis for the drafting of regional *case stories* (WP2.E).

The work on the qualitative approach will be divided into three stages:

- *Stage 1 (April - May 09):* Collection of strategic policy documents at regional/local and national levels
- *Stage 2 (June - September 09):* Analysing of strategic policy documents according to guidelines
- *Phase 3 (October 09):* Interviews with regional stakeholders (insight providers)

Groups of insight providers composed of regional stakeholders will be established for the TeDi project. The purpose is to involve them in the collaborative research process of the project, together with the project partners and the members of the Steering group. Through interviews and exchanges with the insight providers, the project partners will get a better understanding of local, 'soft' aspects in regional development processes, e.g. in terms of institutional capacity, cooperative efforts ("Triple Helix") and involvement of the civil society.

The communication between the TPG and the insight providers will also help anchoring the ESPON TeDi project in the local and regional context, facilitating the use of the output in planning and policy design. The list of insight providers for each case study region is inserted as appendix at the end of the present report (See Annex 2).

The qualitative analyses are organised with the following division of tasks and responsibilities:

- Lead Partner (Nordregio): Elaboration of guidelines; Operationalisation of guidelines in North Calotte and North Iceland (the latter in collaboration with the University of Akureyri): collection/review of policy documents, in-depth interviews, filling in of the guidelines
- National collaborators (Université de Genève, CEFIDEC, Panteion University, Island Consulting Malta): Review of guidelines; Operationalisation of guidelines for respective case study: collection/review of policy documents, in-depth interviews, filling in of the guidelines.

The finalised version of the guidelines will be inserted as an appendix to the interim report.

# 6. Optimising the Policy Relevance of the TeDi project

While the numerous contributions to the consultation on the European Commission Green Paper on Territorial cohesion shows extensive interest in the territorialisation of the Lisbon and Gothenburg agendas. It is thereby first acknowledged that wealth is created in regions, and that their performance depends on their combined social, economic and environmental balance. Secondly, there is a growing consensus that the objectives of sustainable development and higher growth can only be achieved by ensuring that all parts of Europe to the full extent of their potential.

The ways in which this objective may be translated into concrete policies however remain to be defined. As described above, the ESPON TeDi project is part of wider processes where geographic categories such as "mountainous", "insular" and "sparsely populated" have been used to systematise the thinking on the diversity of geographic situations in Europe. The underlying ideas are that these groups of regions can be of help when seeking to further explore the implications of the fact that

- identical policies, incentives and regulations, may have different results depending on geographic structures; sectoral policies, e.g. within the fields of agriculture, Services of General Economic Interest (SGEI), competition, infrastructure, transport and economic development may therefore need to take better account of this diversity of situation to improve their efficiency;
- the objectives to be pursued vary according to regions, as different compromises are made when seeking to achieve the objective of combined economically, socially and ecologically sustainable development; the targets formulated at European levels, e.g. in terms of growth, climate change mitigation, fossil energy dependency and social cohesion may therefore need to be more nuanced;
- the formulation of European policies requires an interaction between the EU and representative organisations with a capacity and mandate to represent the stakeholders confronted with similar types of concerns and opportunities. "Mountains", "islands" and "sparsely populated areas" in these respects appear as federative notions, that may create pan-European coalescences of actors that are needed for the further development of European integration.

The category of "densely populated areas in the periphery", which will also be dealt with in the ESPON TeDi project, is of a more exploratory nature as it has not previously appeared in European policy debate. The comparison of Malta and North Calotte towns and cities will provide further evidence on the potential for targeted policies dealing with urban areas in marginal parts of the European continent.

On the basis of the case studies, the ESPON TeDi project purports to produce results that may be generalised to Europe as a whole. By testing quantitative and qualitative methodologies, it shall provide a basis for future applied research projects. Through the choice of case studies, it will also be possible to produce a range of preliminary conclusions and hypotheses that may serve as a basis for the formulation of future research agendas.

For the countries involved in the project and in the areas covered by the case studies, ESPON TeDi will provide results that may feed directly into policy debates on local and regional development strategies and on how to relate to European territorial cohesion initiatives. The collection of comparative evidence from a diverse selection of areas with geographic specificities will facilitate the positioning of each region in European space. However, the dialogue between the actors as part of this European process, e.g. within the group of insight providers, may also trigger new local and regional processes of strategy building.

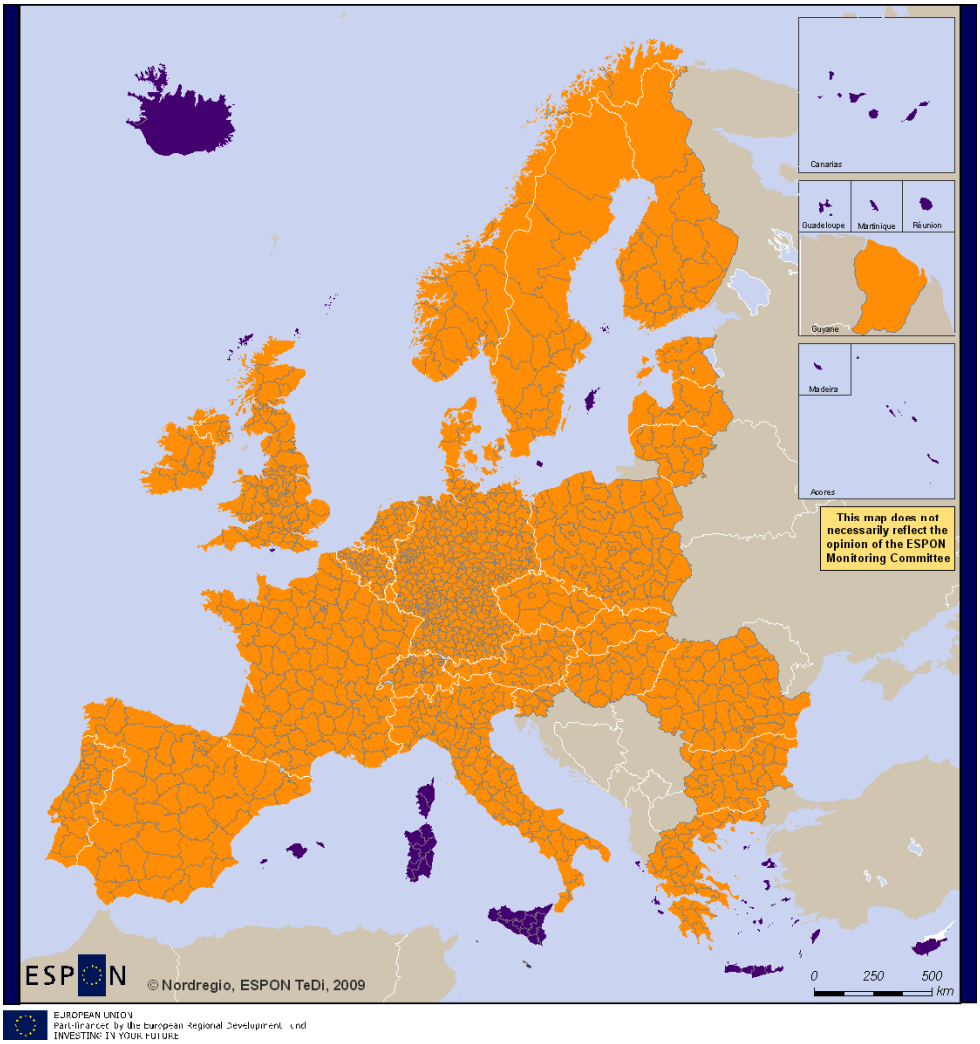
The dissemination strategy will therefore be an important component of the project. As specified in the terms of reference, the TPG will participate to the Sea Commission's yearly conference on 24 June 2009 in Haarlem (SE), in the seminar on Territorial Diversity organised by Euromontana during the last week of October/beginning of November 2009 in Brussels and the event organised by the Swedish Presidency of the EU on 8-10 December 2009 in Kiruna (SE). Discussions on possible further dissemination events are foreseen at the September Steering Committee meeting.

The ESPON TeDi TPG will also participate in the ESPON Seminars of Prague (June 2009) and Malmö (autumn 2009), and in specific events to be organised by the ESPON Coordination Unit for the targeted analyses. A further synergy with the Euroislands project will in this regard be particularly sought after.

In addition, the Lead Partner will produce a "Hand book of Territorial Diversity" on the basis of the results of the case studies. The target audience will be European organisations, regions and stakeholders that are involved in debates over Territorial Diversity, for which the comparative analysis of the

case studies can be a source of inspiration and be used as a basis for further discussions. This printed document will be produced in parallel with the Draft Final report, i.e. in December 2009 / January 2010. The feedback on the Handbook can by way of consequence be used as an additional input to the Final report, to be delivered 12 April 2010.

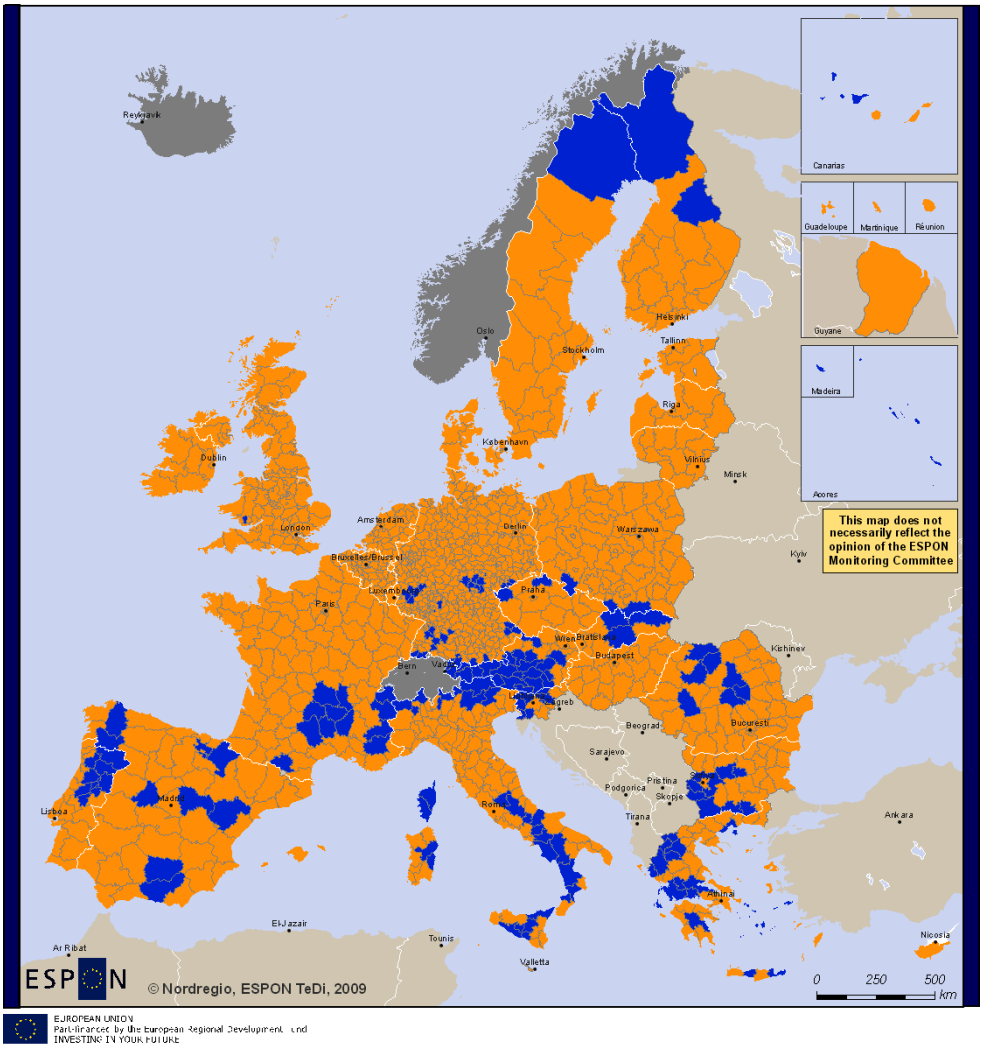
# Annex 1: Green Paper Delimitations of Territories with Geographic Specificities




**Map 2 Delimitation of islands**

Island regions were initially defined as NUTS3 regions composed completely of one or more islands, an island being defined according to the criteria used in the Eurostat publication "Portrait of the Islands" and in the DG REGIO study on island regions 2003-2004. After the publication of the Green paper, the European Commission announced that it would rather use a definition of island regions based on the criteria specified in Article 52 of the Structural Fund and Cohesion Fund regulation[5]. The main difference with the classification used in the Green Paper is the inclusion of Cyprus and Malta. These criteria have been applied in Iceland, Norway, and Switzerland to produce the present map.

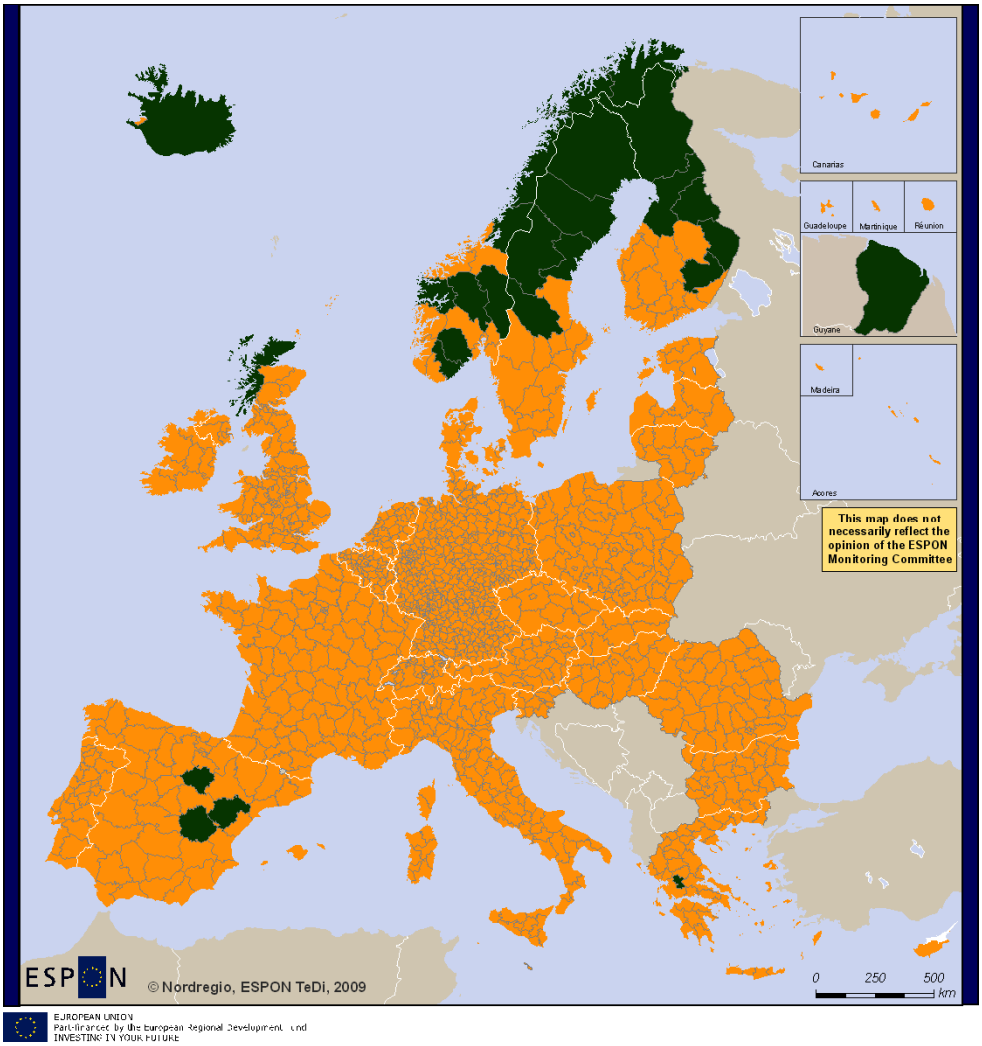
[5] Council regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:210:0025:0078:EN:PDF




**Map 3 Delimitation of mountain regions**

Mountain regions were defined as NUTS 3 regions with at least 50% of their population living in topographically defined mountain areas, as identified in the DG REGIO study on mountain areas in Europe (2004).

One observes that neither of the two case study areas Alba and Suceava are identified as mountainous in this map.




**Map 4 Delimitation of sparsely populated regions**

Sparsely populated areas are defined as NUTS3 regions with a population density of less than 12.5 inhabitants per square km, with reference to paragraph 30.b of the Guidelines on national regional aid for 2007-2013 (2006/C 54/08)[6]. These criteria have been applied in Iceland, Norway, and Switzerland to produce the present map.

Considering the two case studies identified as "sparsely populated" (North Calotte and North Iceland), one observes that the corresponding areas identified by the European Commission are considerably more extensive.

[6] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:054:0013:0044:EN:PDF

# Annex 2: Lists of insight providers in each case study area

**Marathasa and Tylliria (Cyprus)**

| | |
|---|---|
| Moleskis Andreas | *Planning Bureau of the Cypriot Ministry of Economy* |
| Georgiou Georgios | *Planning Bureau of the Cypriot Ministry of Economy* |
| Sergides Christos | *Department of Town Planning and Housing of the Cypriot Ministry of Interior* |
| Enotiades Phaidon | *Department of Town Planning and Housing of the Cypriot Ministry of Interior* |
| Michailides Kostas | *Kato Pirgos Community* |
| Lagos Andreas | *Pano Pirgos Community* |
| Andreas Pavlou | *Pedoula Community* |
| Nikolaou Leonidas | *Pachi Ammos Community* |
| Papadouris Giannakis | *Kalopanagiotis* |
| Dr. Christodoulidis Andreas | *Prefectural Office of Pafos* |

**North Iceland**

| | |
|---|---|
| Guðmundur Guðmundsson | *Icelandic Institute for Regional Development, Expert* |
| Ásbjörn Björgvinsson | *North Iceland Tourism Marketing Center, Director* |
| Ásgeir Magnússon | *Federation of Icelandic industry, Director of Akureyri office* |
| Elín Líndal | *Húnaþing vestra municipality, Chairman of executive board* |
| Hjalti Jóhannesson | *University of Akureyri Research Institute, Assistant director* |
| Jón Óskar Pétursson | *North West Iceland Economic Development Center, Director* |
| Magnús Ásgeirsson | *Eyjafjörður region Economic Development Center, Director* |

| | |
|---|---|
| Reinhard Reynisson | *North East Iceland Economic Development Center, Director* |
| Skúli Skúlason | *Hólar University, Rector* |
| Svanfríður Jónasdóttir | *Dalvíkurbyggð Municipality, Mayor* |

**Malta**

| | |
|---|---|
| Marie Briguglio | *Malta Environment and Planning Authority (MEPA), Director, EU Affairs* |
| Joe Gauci | *MEPA, Planner* |
| Amanda Borg | *National Commission for Higher Education (NCHE), Research Officer* |
| Joe Degabriele | *Malta Super Yachts, CEO* |
| Bernie Mizzi | *St. Martins College, Head of College* |
| Carmen Vella | *Ministry for Resources and Rural Affairs (MRRA), Research Officer* |
| George Francalanza | *Malta Enterprise, Head of Investment promotion* |
| Carmen Galea | *Office of the Prime Minister (OPM), Head OP2* |
| Dr. Gordon Cordina | *University of Malta (UOM), Head of Economics Department* |
| George Said | *National Statistics Office (NSO), Manager of Environmental and Regional Statistics* |
| Joseph G. Grech | *Gozo Business Chamber, President* |

**North Calotte (Finland, Norway, Sweden)**

| | |
|---|---|
| Anne Berg | *County of Nordland (NO), International Advisor - Business Development and Transport* |
| Inga-Lill Sundset | *County of Nordland(NO), Project manager Infonurra Sápmi, meeting place for Sami youth* |
| Outi Torvinen | *County Council of Finnmark (NO), Head of planning, Cooperation in the North Calotte* |

| | |
|---|---|
| Sven-Roald Nystø | *Àrran Lulesami centre (NO), Special counselor* |
| Lars-Ove Jonsson, | *Sami parlament (SE), Head of the department of Sami enterprise, environment and society* |
| Brynolf Tjärner | *County administrative board Norrbotten (SE), International issues, the Barents region, the North Calotte Council* |
| Lars Elenius | *Luleå University of Technology (SE), Researcher, the Institution of Industrial Economy and Social Science (IES)* |
| Kirsi Lantto | *Pohjola-Norden (FI-NO-SE), The Norden association Local office of Lapland* |
| Esko Lotvonen | *Regional Council of Lapland (FI), Executive Director* |
| Mika Rantakokko | *University of Oulu (FI), Project manager - Thule institute, Northern and environmental issues* |
| Paula Mikkola | *North Calotte Council (FI-NO-SE), Secretary* |

**Alba (Romania)**

| | |
|---|---|
| Dumitrel Ion | *Alba County Council, President* |
| Creţu Simion | *Center Development Agency, General Director* |
| Branişte Simona | *Union of Architects from Transylvania, Advisor* |
| Dabu Adina | *Apuseni Agrobusiness Consulting, Consultant Rural Development* |
| Olar Corneliu | *Romanian Parliament, Deputy* |
| Peres Alexandru | *Romanian Parliament, Senator* |
| Cordos Madalina | *„1 Decembrie" University Alba Iulia, university lecturer* |
| Paun Valentina | *„1 Decembrie" University Alba Iulia, candidate for a master degree* |

| | |
|---|---|
| Istrate Andrei | *„1 Decembrie" University Alba Iulia, candidate for a master degree* |
| Lombrea Vasile | *Salciua TownHall, mayor* |
| Ratiu Tiberiu | *Abrud TownHall, mayor* |
| Jurj Marin | *Girda TownHall, mayor* |
| Todea Tiberiu | *Albac TownHall, mayor* |
| Lazea Gheorghe | *Division for Agriculture and Rural Development, director* |

**Suceava,(Romania)**

| | |
|---|---|
| Juravle Dragoş | *Suceava County Council, general director* |
| Fodoreanu Sorin | *Romanian Parliament, Senator* |
| Pardău Dumitru | *Romanian Parliament, Deputy* |
| Moraru Ioan | *Dorna Arini TownHall, mayor* |
| Iordache Cătălin | *Şaru Dornei TownHall, mayor* |
| Simioniuc Valerica | *Division for Agriculture and Rural Development, deputy director* |
| Marinache Viorel | *County Office for Agricultural Advisory services, director* |
| Apostol Constantin | *North-East development agency, general director* |
| Agapi Ioan | *Mountain Farmers' Federation-Dorna, Director* |

**Valais (Switzerland)**

| | |
|---|---|
| Jean Michel Cina | DET, State Councellor |
| François Seppey | SDE, Department manager |
| Ursula Kraft | SDE, Business unit manager |
| Brigitte Pitteloud | SDE, EU and cross-border unit |
| Georges Mariétan | Regional manager |
| Yvan Aimon | Association Valais trademark |

| | |
|---|---|
| Jean Pralong | CEO, *Forces motrices VS* |
| Dominique Perruchoud | CEO, *Réseau PME Cime Ark* |
| Eric Nanchen | Director, FDDM |
| Largey Thierry | Business manager, *Pro Natura VS* |
| Marie-Françoise Perruchoud-Massy | Director, *Institut Econ&Tour* |
| Anne-Dominique Zufferey | Director, *Musée Vigne et vin* |

**Jura (Switzerland)**

(to be completed)

| | |
|---|---|
| Thierry Brégnard | Canton Economic dept. manager |
| Yann Barth | Director Creapole |

# Annex 3: Metadata collection sheet

(Example)

ESPON TeDi
Case Studies - Survey on availability of data

**Indicator Code: D-NS_1a**
**Indicator 7 definition: Total population**

***01. Precise National definition of this indicator***

EU - EUROSTAT definition: All people having their usual residence in the country (at least 12 months)

***02. Data source and other details:***

***Data Source*** *(including name of institution / organisation and when possible name of contacted person(s), contact details, etc*

Statistical Service of the Republic of Cyprus, Mrs. Loukia Makri (+35722602150)

***Internet links*** *(of organisations/institutions / direct link to access the databases when possible, etc.)*

http://www.mof.gov.cy/cystat

***03. Data available per NUTS Levels***

(•) NUTS 5 ( ) NUTS 4 ( ) NUTS 3 ( ) NUTS 2 ( ) NUTS 1 ( ) NUTS 0

For data according to other types of regions or grid cells, please specify:

***04. Most recent year when data is available*** 2007

***05. Is the data also available in the following years?***

| | | | | | |
|---|---|---|---|---|---|
| **1981** | Yes / No | If NO data available for 1981, possible alternative year(s): | YES | *Can the data be harmonised with the most recent dataset?* | |
| **1991** | Yes / No | If NO data available for 1991, possible alternative year(s): | 1992 | *Can the data be harmonised with the most recent dataset?* | |
| **2001** | Yes / No | If NO data available for 2001, possible alternative year(s): | YES | *Can the data be harmonised with the most recent dataset?* | |

***06. Final comments:***

The data is published on a yearly basis