

GEO SPECS

Geographic specificities and Development Potentials in Europe

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Seminar on
Cohesion Policy, Europe 2020 and the NSPA

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The GEOSPECS project

**Development opportunities and challenges
in specific types of territories:**

- Mountain areas,
- Islands,
- Sparsely populated areas,
- Outermost regions,
- Border regions,
- Coastal areas,
- Inner peripheries.

GEOSPECS categories

Policy context

Mention of GEOSPECS areas in EU Treaty (Article 174)

EU-Parliament Intergroup

Green Paper on Territorial Cohesion

5th Cohesion Report

DG REGIO Working paper on areas with geographic specificities
(Philippe Monfort, 2009)

Regional policy focusing on growth and sustainable development
rather than on compensation for handicaps

WHAT IS SPARSITY?

**WHERE CAN SPARSELY POPULATED AREAS
BE FOUND IN EUROPE?**

A geographic phenomenon

Relates to the perception of relative isolation of individual communities

Scarced and thinly distribution of the population over space

Expected to have *negative* economic externalities

Dynamic concept: population distribution changes over time

Becomes an issue for regional policy when widespread

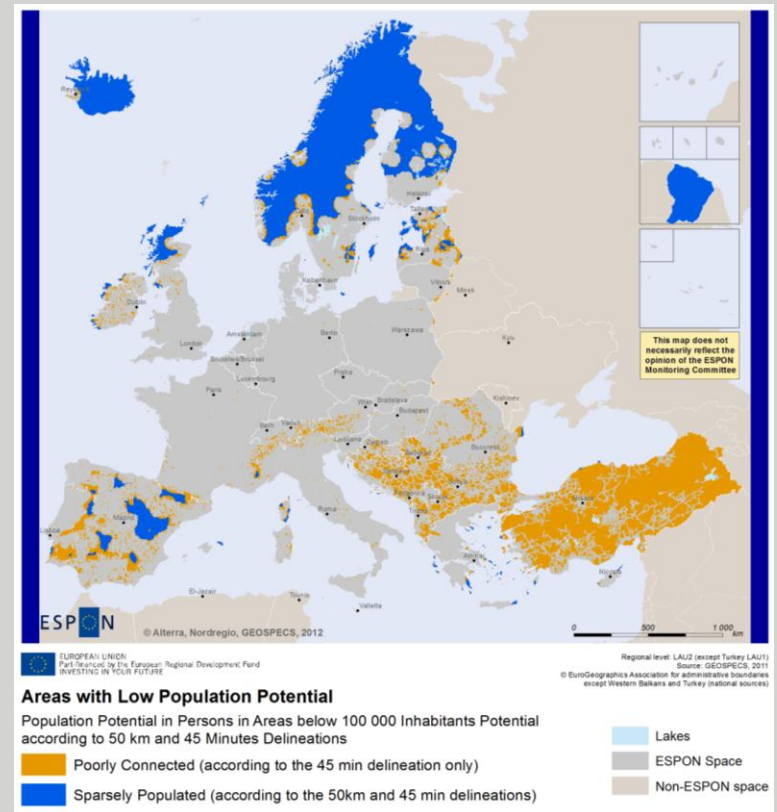
Sparsely Populated Areas in Europe

Local population potential: population reachable within 45-minutes

Sparsely populated areas = low population potential

Sparsely populated areas cover 17.2% of the land area in ESPON space, but only about 1-2% of the ESPON population lives there

Most significant overlaps with mountain and border specificities

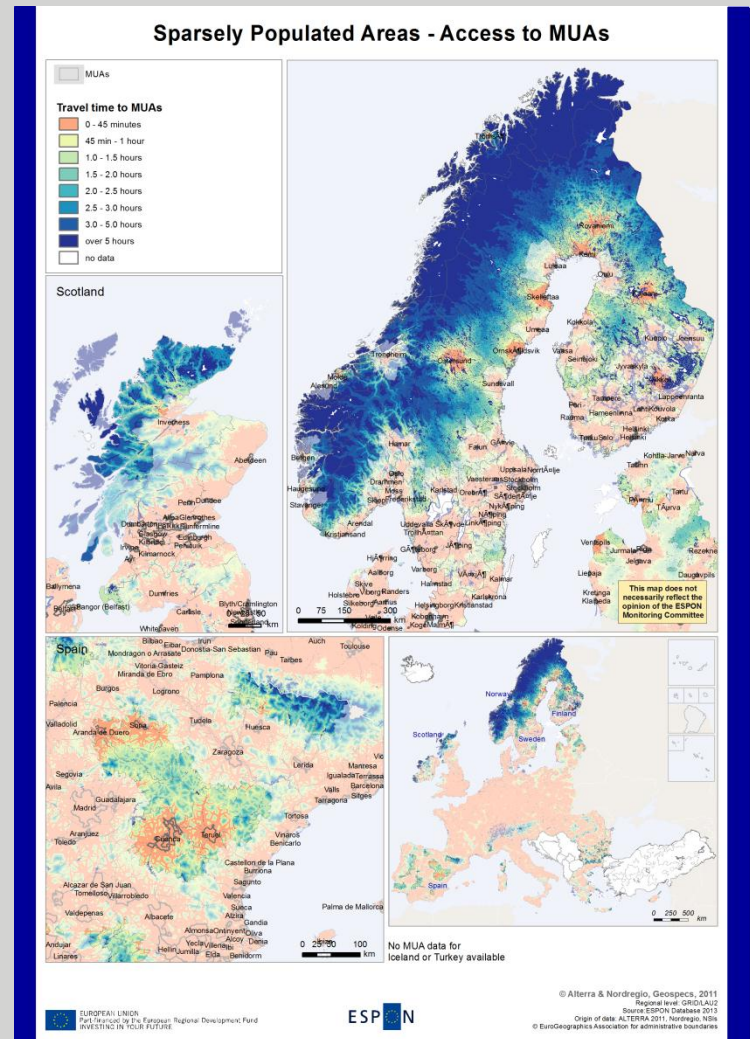


What about the NSPA?!?

Sheer size in terms of land coverage

VERY low population potential

LONG distance to metropolitan areas



More than a geographic context

Policy context

Traditional focus of national Regional Policies in the Nordic countries
Territorial dimension for Nordic policy cooperation and coordination:
innovation, growth, Nordic Welfare Model, Northern Dimension

Socio-economic context

Cradle for Industrialization and Modernization of Nordic States
→ lead to urbanization process
Access to underground resources feeding industrial production chain
Renewable energy potential

Cultural context

The term 'sparsity' anchored in Nordic languages
Shared Nordic identity → trapped between modern image and traditional identity
Protection of Sami lifestyles

WHAT CHALLENGES DO *NSPA* FACE?

Stakeholder Consultation, Fall 2011

Three main challenges identified by stakeholders for **all** areas with geographic specificity

- Remoteness from / difficulty to access larger agglomerations
- Small-size of the local and regional economies and labour-markets; lack of diversification.
- Unfavorable demographic patterns

Basis for future development opportunities

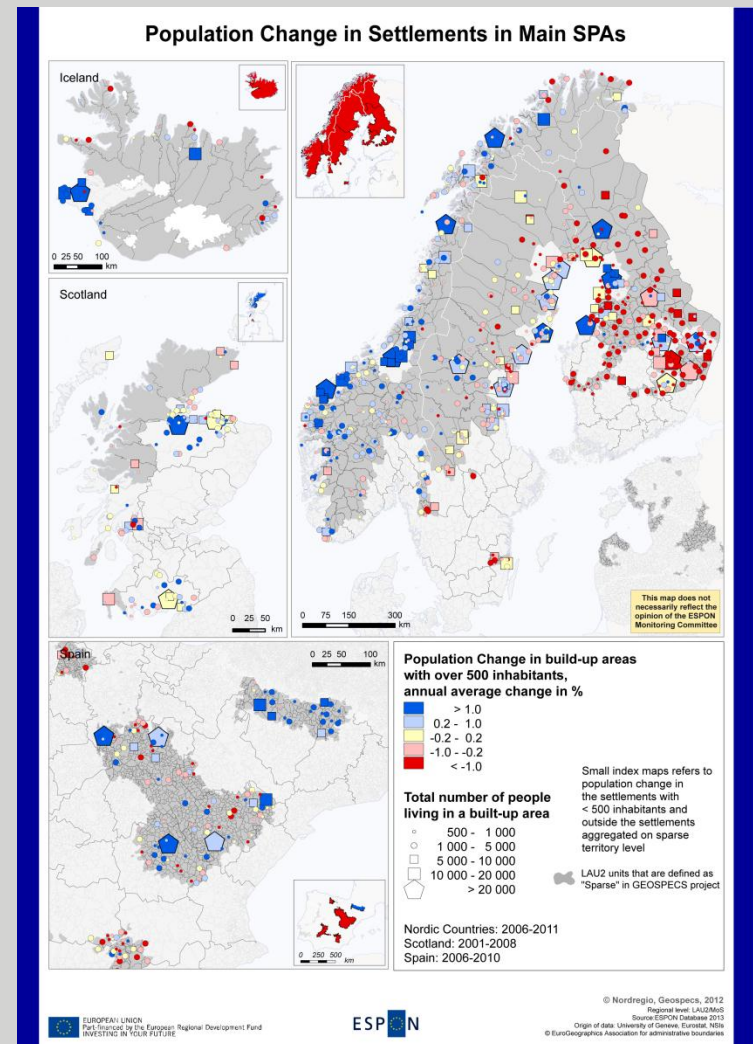
- High social capital
- Abundant natural and energetic resources
- Tourism potential

Demographic change = policy shift?

Growing regional centres on the coast
+
Declining settlements in the hinterland

=

NSPA are becoming simultaneously more urbanized and more sparse



A changing economic landscape

Ex: Manufacturing (Sweden)

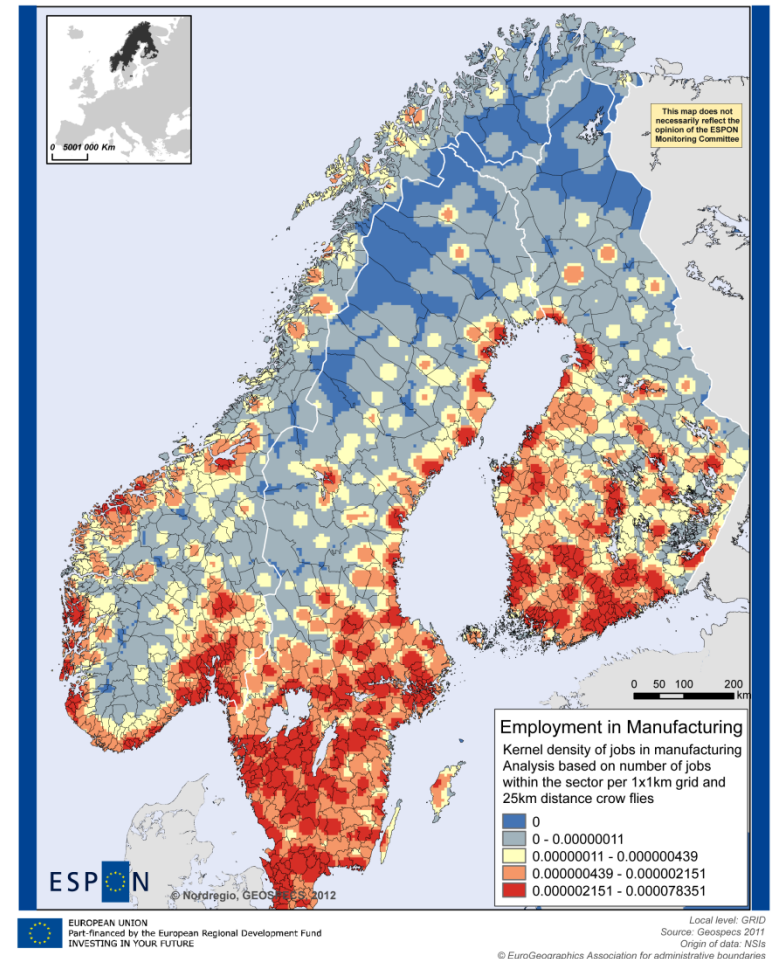
SME in SPA Competitive

Centre of gravity of the production from manufacturing SMEs shifting from hinterland to coastal areas

“smaller than before but more entrepreneurial and dynamic”

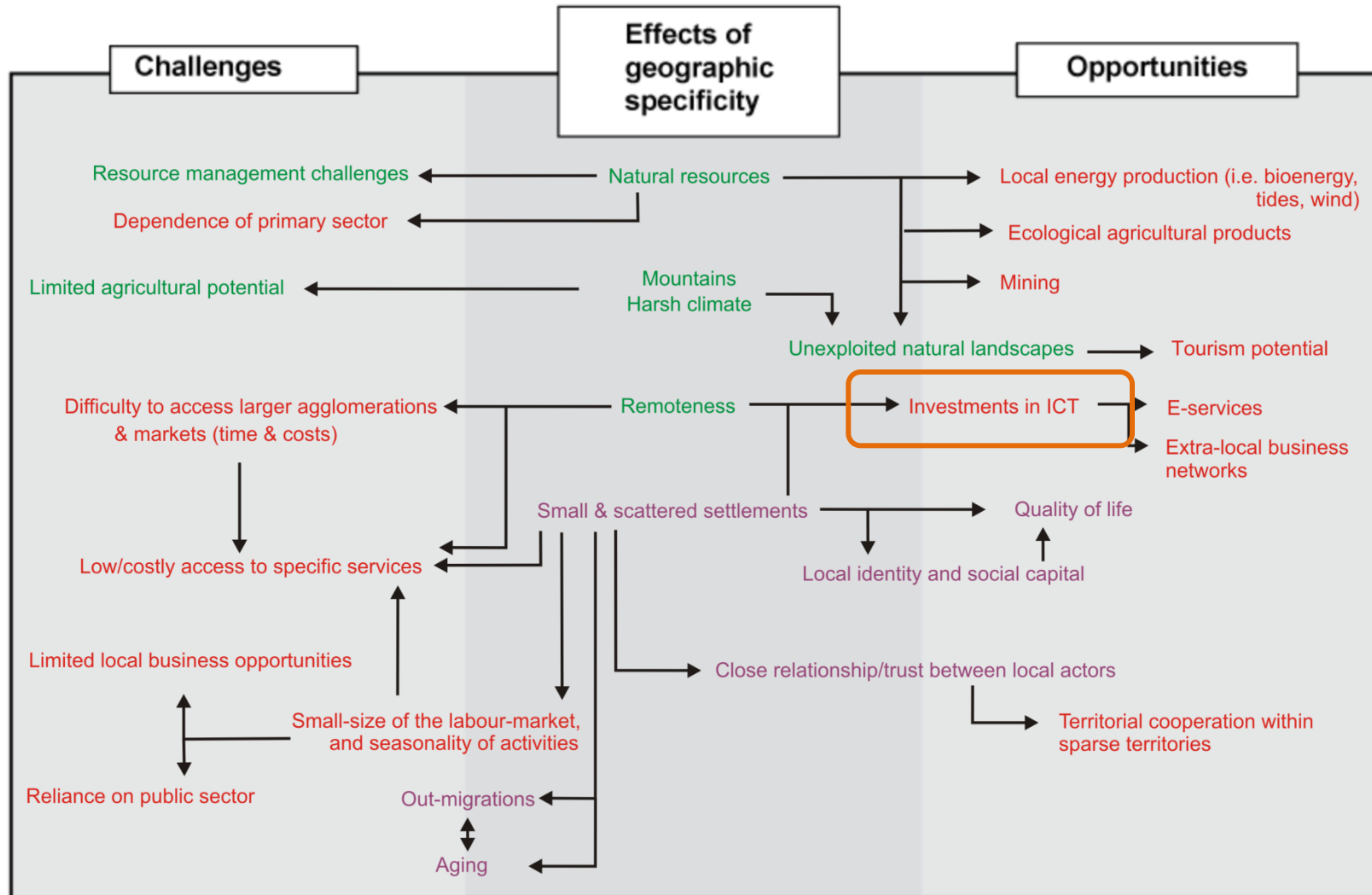
(Nuur and Laestadius, 2010, p302).

Employment in Manufacturing



WHAT STRATEGIES FOR THE FUTURE?

Nexus Model



Promoting ICT investments

Local society has no GPS-coordinates but an IP-address
(Hending, Gränsbrytning, 2012)

Overcome the disadvantage of their position in terms of *knowledge formation*

Fits well with the traditional openness of Swedish Economy → reach out to distant business partners

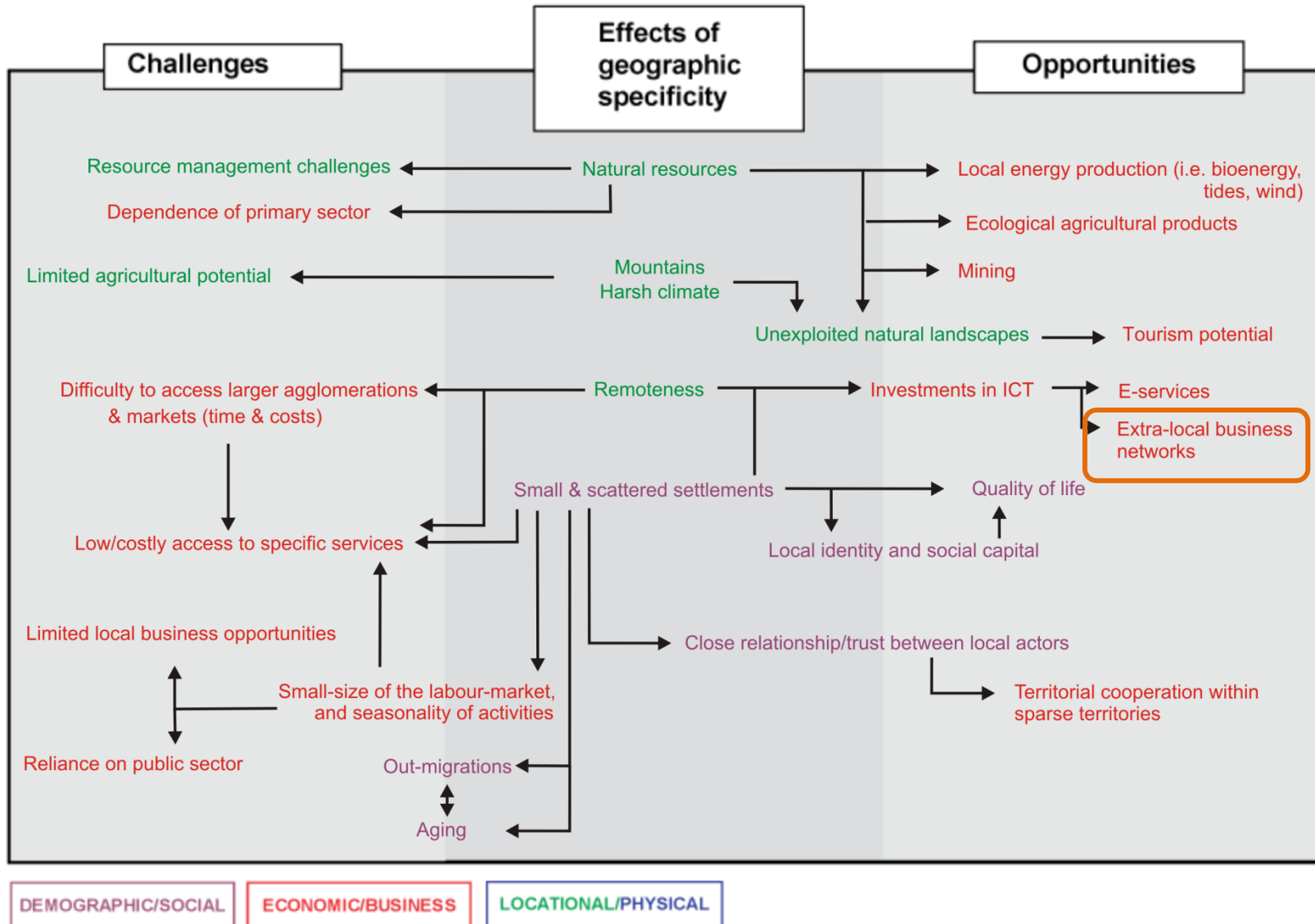
Also promote greater organizational capacity in the region

Role of Structural Funds in the past: investments in line with national ICT strategies

Sweden: "Broadband for the far north" (Objective 1 2000-06)
93% of regional population have access to broadband

Future investments need to adapt to technological progress and evolutions

Nexus Model



Supporting small firm networks

Closely-knit local communities, high social capital, but lack of organizational capacities in remote places

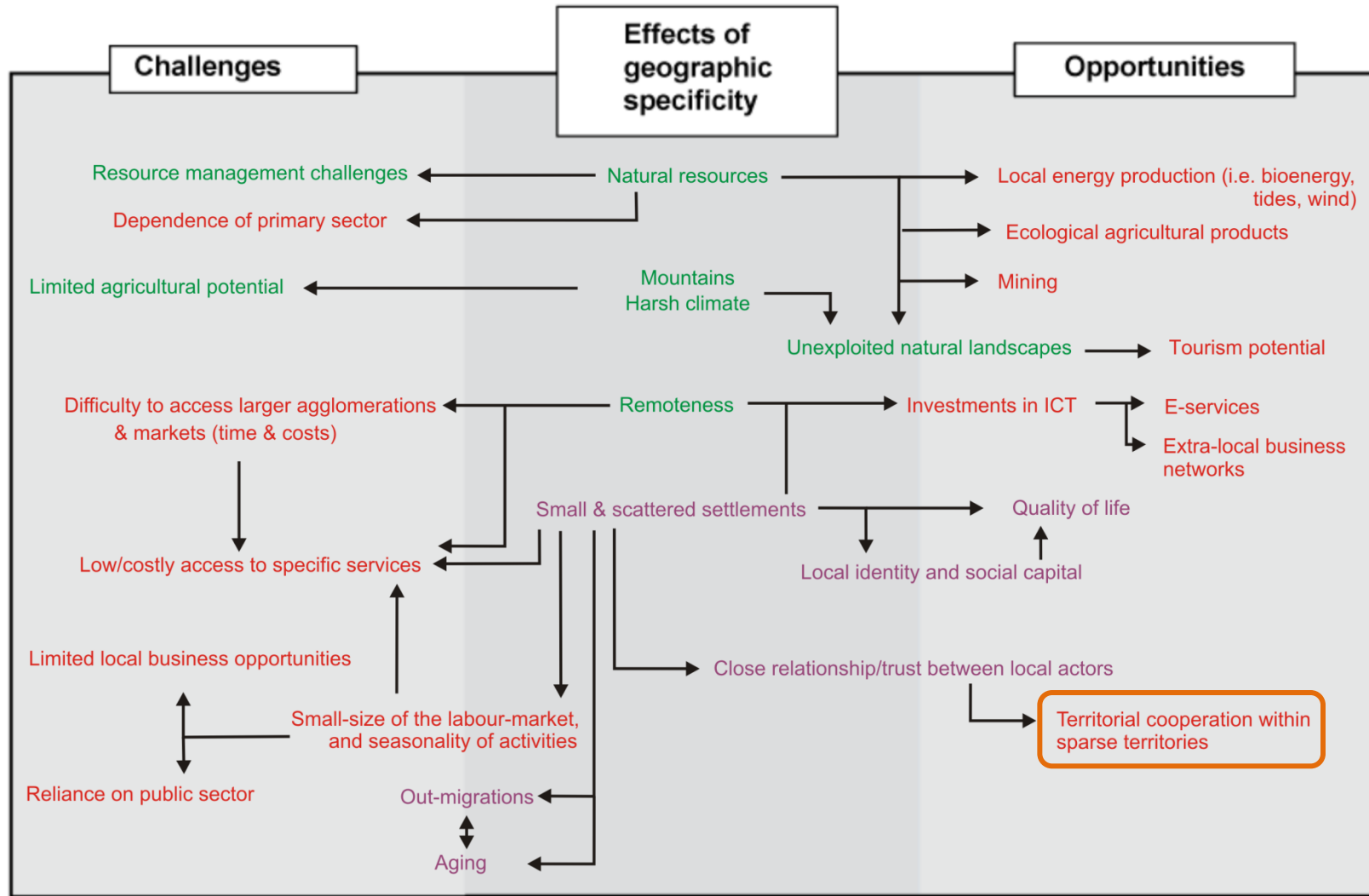
Directly related to SME Competitiveness: fostering regional collaboration, innovative behaviour and international trade

Beyond cluster-like networking policy initiatives: temporary, open groupings of small firms seeking mutual benefits

- creating meeting places for entrepreneurs
- key role of semi-public intermediaries in facilitating the process
- remote firms are keenest in participating in such brokered networks
- but distance makes it time and resource consuming

Examples: Nordic Business Link, Kvarken Global Business, Design Västerbotten, GLOBAC...

Nexus Model



Territorial Cooperation

Both among and within sparsely populated areas

Higher leverage effect for local development strategies

Based on functional territories: better synergy effects between regional and local development strategies across different regions

Take advantage of the long-standing cross-border cooperation Finland-Norway-Sweden

Better able to handle new Cohesion Policy tools such as Community-Led Local Development initiatives

Conclusions

- Policy initiatives need to balance between compensation for geographical handicaps (*fair competition*) and promotion of assets (*underpinning competitiveness*).
- Categories of geographic specificity are rather useful as components in the design of tailor-made strategies for each region or locality
- New cohesion policy instruments (multi-fund + CLLD) may provide new incentives for local development adapted to the NSRF

Thank you!

Soon final Geospecs report on
www.espon.eu

and dedicated SPA report on
www.nordregio.se