

12. TERRITORIAL POLICY RECOMMENDATIONS TO EMERGE FROM THE CRISIS

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12.1. Introduction

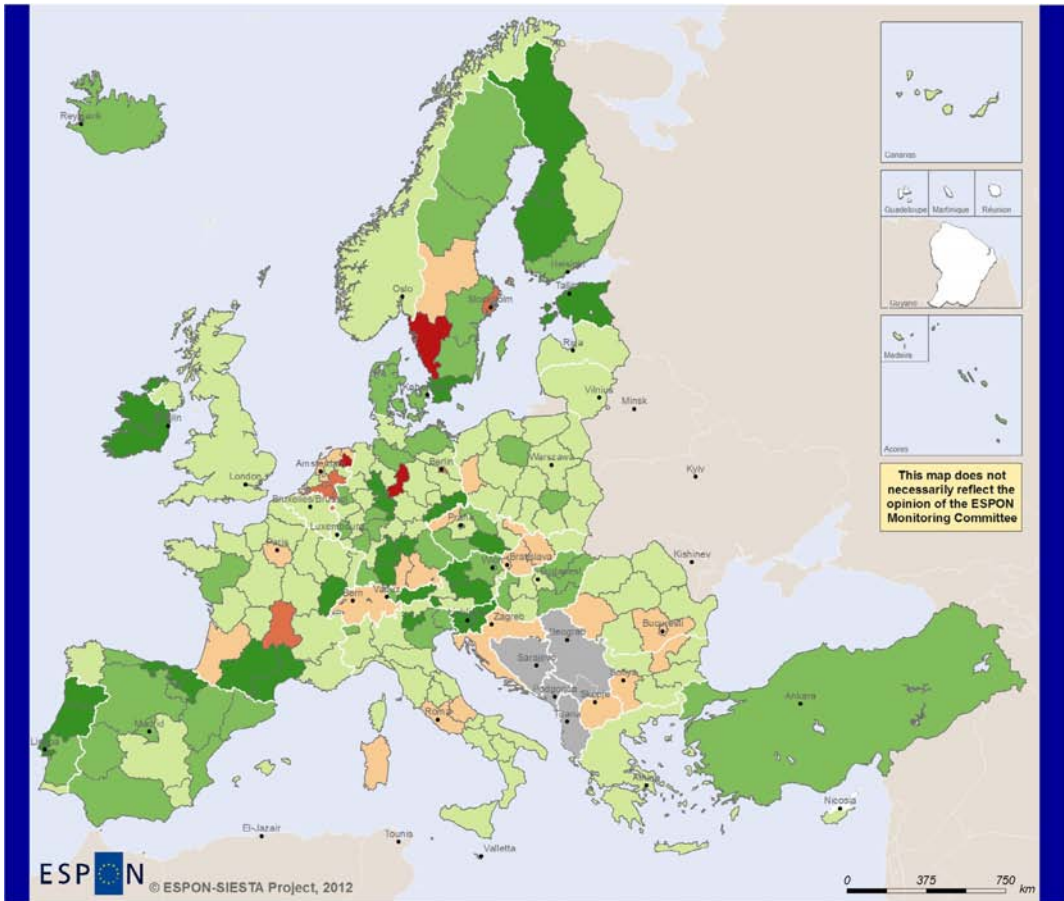
The Europe 2020 (EU2020S) is the growth strategy of the European Union to overcome the current crisis. This Strategy is driven towards a smart, sustainable and inclusive economy in Europe. These three priorities should help the European Union to reach high levels of employment, productivity and social cohesion by 2020. Starting from this point and in order to overcome the crisis in Europe, this chapter proposes a set of policy recommendations or opportunities taking into account basically the headline targets of the EU2020S.

12.2. Smart Growth

12.2.1. Research and Innovation

The levels of investment in R&D in Europe are lower than in other regions, particularly Japan and Korea. The median level of investment in R&D in these countries from 2007 to 2010 (3.45% of GDP in Japan and 3.29% of GDP in Korea) was significantly higher than in the EU15 (2.03% of GDP) and particularly the EU27 (1.95% of GDP). Although in the period 2003-2009 there was a slight increase in total R&D expenditure (Map 12.1), the effort is still not enough. Europe is far from reaching the 3% requirement set by the EU2020S (Map 6.1).

In contexts of economic crisis the investment in R&D is strategic to assure the competitiveness of the regions and their economic growth. Therefore, investment and collaborative networks in R&D should be promoted by governments, institutions and businesses. In this way, the collaboration between entrepreneurs and researchers is crucial and it is necessary that the companies become more involved in the processes of R&D, with separate departments and large investments in this area.



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Regional level: NUTS0 and NUTS2
Source: EUROSTAT
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Percentage points difference (%), from 2003 to 2009.



Notes:

Research and experimental development (R&D) comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications.

Change in CH is 2004 - 2008

Change in AT is 2004 - 2009.

Change in MK is 2003 - 2007.

NO, IS, DK, BE, UK, TR, MK and EL are shown at country level.



Map 12.1. Change in general expenditure on R&D as percentage of regional GDP, 2003-2009.

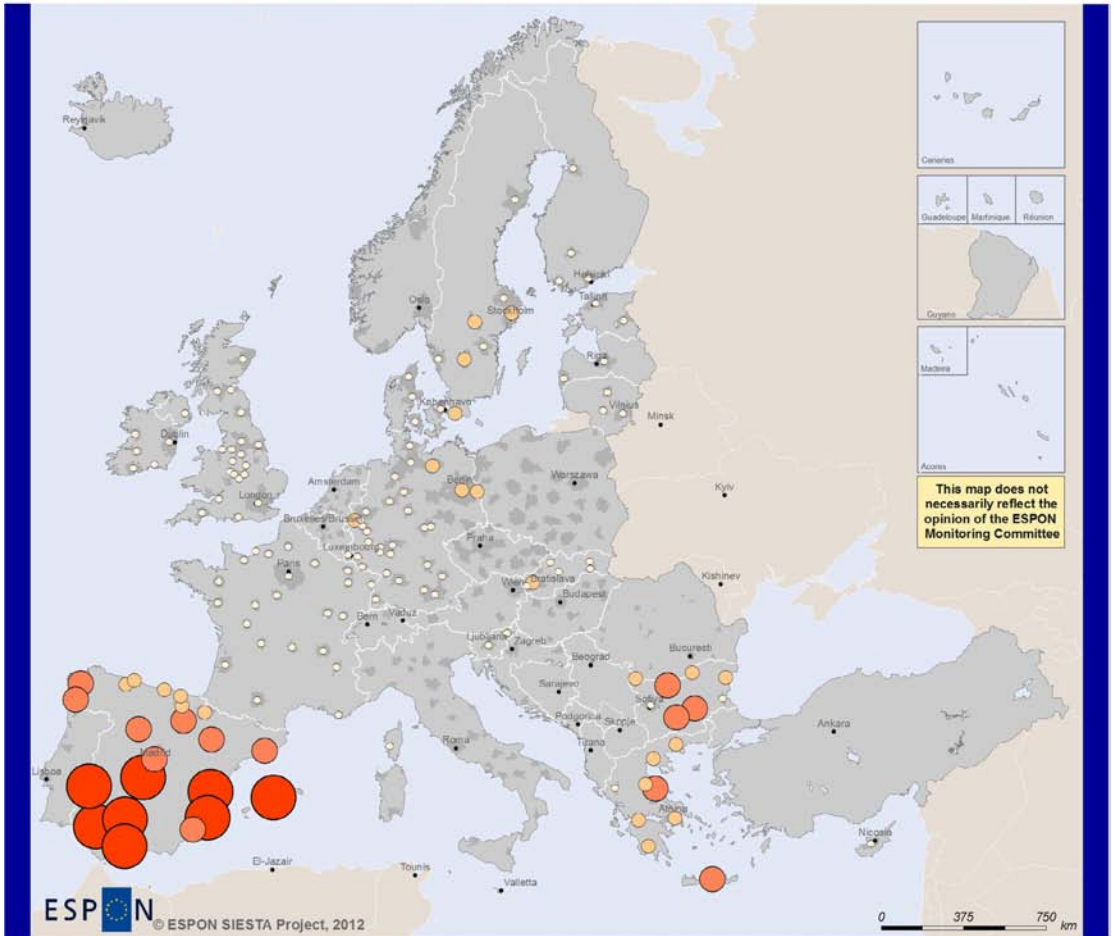
It would be necessary to look for new niches markets, ensuring that the outputs from R&D will be used for countries outside Europe. At the same time, the research should adapt to the new demands of the European economy and society (new products, services, social needs, new models for marketing, etc.).

12.2.2. Education

Europe does not meet the targets set by the EU2020S (under 10%) in relation to early leavers from education and training except Eastern Europe and specific regions of Central Europe and the Baltic Sea Region (Map 7.1). With regard to this drop-out rate, in general urban areas show better values than regional averages, except in the case of some particular cities of Spain scoring worse than their regions (Map 12.2). Furthermore, many regions of Europe keep levels of total population aged 30-34 with tertiary education below 40% (Map 7.2).

In some regions it is necessary to improve the attractiveness of educational programs, adapting them to the labour market demand and the current social reality. In the cities and social problematic neighbourhoods (Map 12.2) a better tracking and accompanying of the pupils is necessary, guiding them in their educative and labour expectations, and helping them in the problem solving. It could be possible to create alternative programs of professional training directed towards young people who decide not to continue with higher education. It is important to provide equal opportunities in access to education for the whole population, taking special care in the poorer and peripheral regions.

Governments must reinforce the role of the university and public education as guarantor of universal tertiary education, increasing scholarships and grants. Regarding the real professional opportunities, it is necessary to adapt the university programs to the needs of the labour market, increasing the university-company collaboration among regions. In this way, the university must talk with the companies to plan what the real needs are on the subject of human resources training and invest in the consolidation of the highly qualified researchers. Finally, if the Bologna Process facilitates the mobility of teachers, researchers and students in order to improve and exchange knowledge across Europe, e-learning constitutes a possible solution for students living in the rural, mountainous, sparsely populated and outermost regions.



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

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Regional level LUZ
Source: Urban Audit
Origin of data: EUROSTAT, Urban Audit, 2012
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Proportion of total number of students (%), combined years*.

- 0 - 10
- 10 - 20
- 20 - 30
- > 30

Large Urban Zones

Notes:
*Data for UK, SE, RO, LV, LT, FI, ES, DE, BG are shown for 2008.
Data for FR is shown for 2006.
Data for SK, LU, IE, GR, DK, CY are shown for 2004.
Urban Audit defines Larger Urban Zone (Label "LUZ") as an approximation of the functional urban zone centred around the town/ city.

Map 12.2. LUZ drop-out rate, combined years from 2004 to 2008.

12.2.3. Digital Society

The competitiveness of European regions would definitively require their integration into the Information Society, but it is possible to appreciate a Digital Divide between Central Europe and the Scandinavian Region compared with the rest of the European regions.

In the Information Society there is a group of people who are not using ICT despite the availability of appropriate technical means to do so (this is the difference between real and potential users). This situation exacerbates the digital divide.

Anyway, the European integration and territorial cohesion will be beneficial if ICT spread is facilitated. This phenomenon requires public and private infrastructures, training and skills in ICT, low Internet access prices and policies to promote the online interactive services. The rural regions of Scandinavia could be the reference for Europe.

12.3. Sustainable Growth

12.3.1. Competitiveness and Economic Growth

Europe needs to be competitive to consolidate its presence in the emerging markets and not to break economic growth. To increase the competitiveness, the levels of employment and the GDP per capita Europe needs not only a major investment in R&D to increase the production of patents and their attractiveness for transnational corporations, minimising the risk of managerial relocation; but also a reinforce of human resources training in science and technology.

The current crisis is causing continuous financial adjustments that brake consumption and, consequently, the growth of the European regions. In this sense, it is essential to review the financial and fiscal systems to reduce the public debt and develop alternative policies that encourage employment and do not reduce social security benefits.

12.3.2. Green Economy, Climate Change and Energy

Among the targets of EU2020S are reducing by 20% the emission of greenhouse gases (GHG), increasing by 20% the share of renewable energy, and getting a 20% increase in energy efficiency. Some progress is observed in Europe since early 1990 in relation to GHG because these have been reduced by 10% despite the economy growing by 40%. However, at present the production of renewable energy is not consolidated in Europe.

Strategies for achieving sustainable development and to manage to reduce the gas emission, especially in the urban spaces, require new mobility policies (carpool to work, parking on the outskirts of the city, forbidden access days depending on enrolment, improving public transport, promote cleaner models of public transport, etc.), the improve of buildings' energy performance,

a more sustainable urban planning and citizen participation (local milieu) to obtain “liveable communities”.

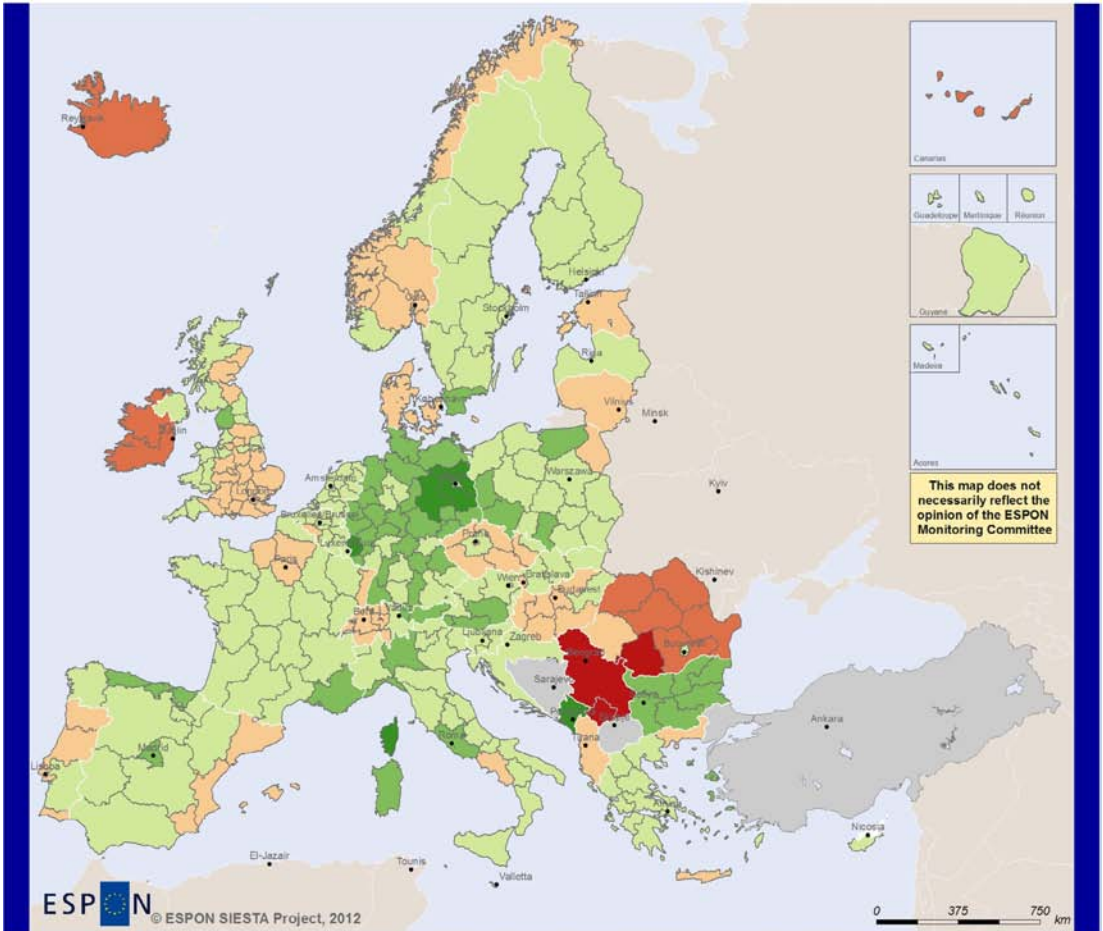
If Europe wants to strengthen the role of renewable energy is necessary to develop awareness campaigns on energy efficiency directed at the population in general and school conferences on the intelligent use of the energy in homes and in the current educational centres; to give incentives for the companies for energy saving and the optimization of facilities (automated buildings and LED systems of illumination), and to develop policies for the creation of R&D departments focused on production and energy saving, especially in the big managerial groups.

12.4. Inclusive Growth

12.4.1. Employment, Skills and Jobs

The majority of the European regions do not comply with the objective to obtain 75% of employment for the age group of 20-64 years-old persons. Although we can affirm that during the period 2000-2010 most of the European regions showed a positive tendency in the employment rates (Map 12.3), the crisis that since 2007 affects Europe is leaving its mark through an increase of the rate of unemployment (Map 9.2). In this sense, the data show that only the competitive regions are capable of generating employment. Consequently, create jobs implies higher investment in R&D, constant training and the promotion of highly qualified human resources.

Moreover, it is necessary to give support to the companies with fiscal incentives, logistic support and of management, economic aid, help for hiring and research, to the production of patents, complementary and free training for businessmen and workpeople. On this last point, it is essential to consider the demands of the labour market and to promote the formation and/or training in the regions affected by the economic crisis (particularly those affected by industrial restructuring processes) and with a high degree of young unemployment. Moreover, special attention will have to be paid to the groups with major problems of labour insertion (young people, women, long term unemployed). Accordingly to achieve their employment, should encourage employment policies that allow to combine the formation of the young people with the development of part-time work, to develop incentives and actions of awareness directed towards the businessmen in order to up encourage them to hire these persons; and to create services of conciliation of the working day and the family life in order to favour the employment of women and men with families (children, elderly in care).



Canaries

Guadeloupe Martinique Réunion

Cayenne

Madagascar

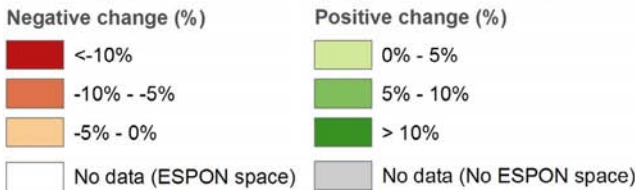
Azores

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

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Regional level: NUTS3, NUTS2, NUTS0
Source: EUROSTAT
Origin of data: EUROSTAT, 2012
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Percentage points difference (%), from 2000 to 2010.



Notes:
The employment rate is defined as the number of persons aged 20 to 64 in employment divided by the total population of the same age group.
Data for BG correspond to 2003 - 2010 change.
Data for DE41 and FE42 correspond to 2002 - 2010 change.
Data for DEB1, DEB2 and DEB3 correspond to 1999 - 2010 change.
Data for HR are shown at country level and correspond to 2002 - 2010 change.
Data for XK correspond to 2001 - 2009 change.
Data for ME correspond to 2001 - 2010 change.
Data for AL correspond to 2000 - 2009 change.
DK data are shown at country level.

Map 12.3. Change in regional employment rate (percentage of active population aged 20 to 64), 2000-2010.

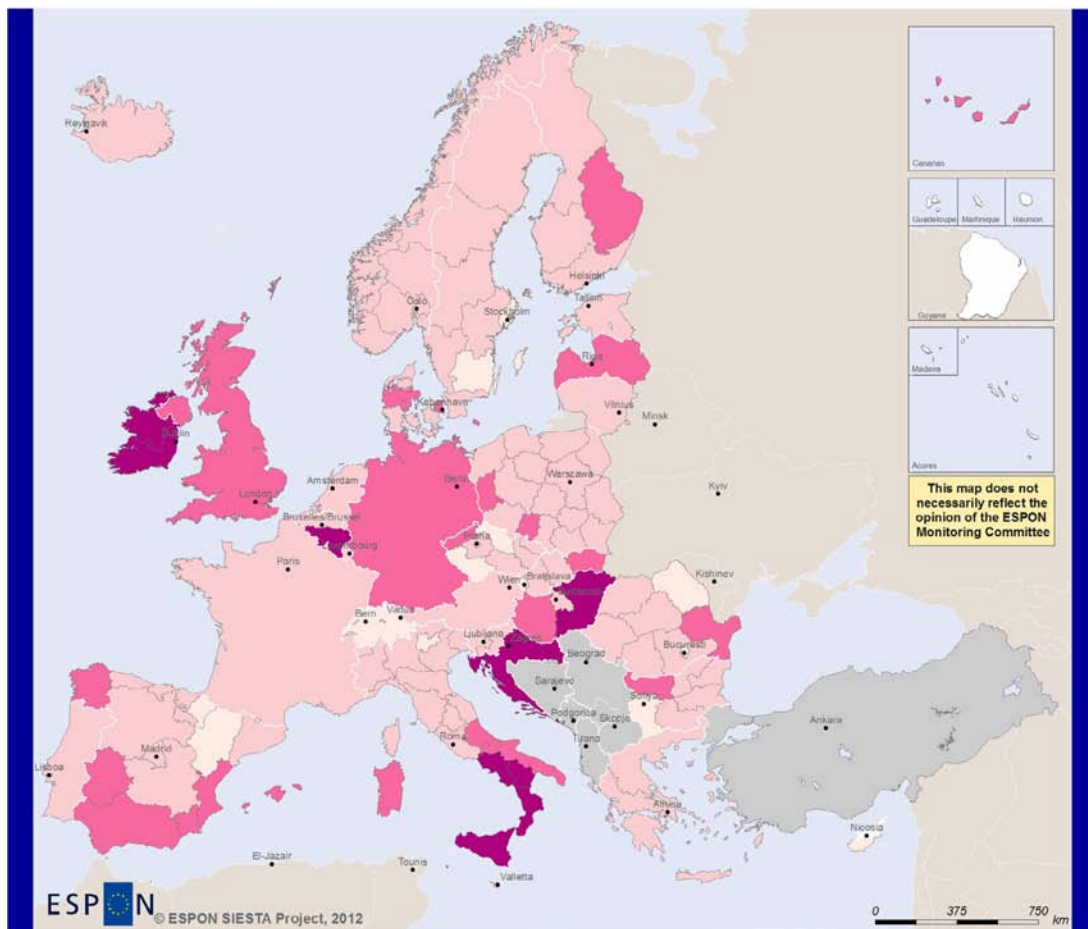
We are in a time when the labour market demand for talented professionals, who must update their knowledge. The degree of competition is increasing and, accordingly, regions have to re-adapt their policies on the subject of education and professional training.

12.4.2. Poverty and Exclusion

We can say that there is a close relationship between employment and poverty. In fact, persons with a major risk of poverty and social exclusion are the groups of with more difficulty for the labour insertion (young people, women, long term unemployed), and the elderly with little income. Accordingly, one of the keys to reducing the rates of relative poverty consists in re-formulating the employment policies and improving the education level of the population. Among the lines of action that could be implemented is to give priority to the labour insertion in the families with all the members in unemployment situation (Map 12.4); to acquire commitments that help to reduce the poverty and the homeless and propose actions of awareness with the homeless encouraging them to the search for work.

For its part, the State must guarantee the basic well-being level implementing and/or consolidating services that attend to the persons in situations of absolute poverty (of homeless shelters, to create public dining rooms, public residences, welfare support 24 hours, services of telemedicine. etc.), promote actions of awareness among the population so that they contribute to helping social services with most disadvantaged (volunteer, agreements with big companies for economic or material support) and especially give major weight to the social policies. It is observed that, while social transfer and the welfare state continue, the most aged regions of Europe do not run the risk of seeing increased percentages of poverty and social exclusion. However, we should not fall into the error of that social transfer are the solution to get out of poverty, because, in spite of the fact that in those regions with a major volume of person in a situation of poverty and social exclusion there has been some improvement with the social transfer, poverty levels have not decreased enough.

Finally, we consider that it is necessary to establish a classification of the groups in poverty situation, in order to develop specific programs of social and economic progress for each of them (people in situations of absolute, relative poverty; young men, women or the elderly with insufficient or void income; long term unemployed, etc.).



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Regional level: NUTS2, NUTS1, NUTS0
Source: EUROSTAT EU SILC
Origin of data: EUROSTAT, 2012
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Percentage of population aged 0 - 59 (%), 2010.

- 0% - 5%
- 5% - 10%
- 10% - 15%
- > 15%
- No data (ESPON space)
- No data (No ESPON space)

Notes:
BE, EL and HU are shown at NUTS1 level.
AT, DE, FE, NL, PT and UK are shown at country level.

The indicator people living in households with low work intensity is defined as the number of persons living in a household having a work intensity below a threshold set at 0.20.

Definition: The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

Map 12.4. Regional people living in households with very low work intensity as percentage of population aged 0 to 59, 2010.