

## **IRS - Leibniz Institute for Regional Development and Structural Planning**

### **Position Paper of Research Department 1 “Regionalisation and Economic Spaces”**

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#### **The position towards the EU 2020 strategy**

The research department 1 of the IRS investigates the structural change from an industry to a knowledge based economy, its spatial impacts and the challenges deriving for spatial development policies – both at European and national level. Against this background, we follow the debate of the EU strategy with great interest.

From this perspective, we appreciate that the Commission working document of the EU strategy for the coming decade is meant to reconcile economic development objectives with environmental and social challenges. After all, the working document recognizes that environmental and social objectives do not need to conflict economic development. In this respect, it represents a significant improvement compared to its predecessor, the ten-year-old Lisbon Strategy.

However, from our point of view, this working document still shows a number of shortcomings. For further development of the Commission working document, we suggest to take into account the following comments:

1. By taking stock of the current state, in the working document reference is made to the current economic and financial crisis. When reading the strategic aims and measures, however, our impression was that more long-term structural changes and “older topics” such as climate and demographic change seem to have inspired the authors. If that was the case, this should be made more explicit.

Moreover, a reformulation of strategic aims would be more conclusive when basing them on a self-critical reflection of the actually prevailing policies, in particular of the Lisbon Strategy. We propose to include a critical reflection of the steps introduced by the Lisbon Strategy in the further development of the Commission working document in light of the three transformation processes (financial crisis, demographic change, climate change) mentioned above. In this respect it should be considered to align the working document explicitly with the context of the knowledge society. Thereby, it will be possible to define primary education, lifelong learning and R&D as key action fields. These policy fields are – as becomes clear later on in the Commission working document – essential for tackling the challenges addressed, because (i) they provide the basis for the knowledge economy, (ii) without them new impulses for a more efficient use of energy, natural resources and raw materials are not likely and (iii) they are closely linked with the challenges resulting from demographic change.

Finally, it would be worth spending some thoughts on the regionally very different perception of these transformation processes, constraints, and challenges, Europe and its regions are facing. It is a truly European concern to develop shared principles to tackle these. Mentioning this in the working document would help to clarify the particular importance of a European approach.

2. In contrast to its predecessor, the working document on the future “EU 2020” strategy is a more compact read. However, this goes along with a loss of specificity and concreteness. This would be indispensable for the necessary power of persuasion. In the current working document only a few paragraphs meet this requirement. A good example is the action requirements for electricity supply: They are based on a window of opportunity opening in the coming decade, and they give a clear orientation.

But, in their abstraction, many statements appear arbitrary. Rather than directly addressing conflicting objectives and problematic trade-offs between aims elaborated in different sections of the working document these potential sources of conflicts remain implicit. This is little helpful for a redefinition of objectives. To provide an example: The promotion of mobility should not only relate to the readiness of the workforce to relocate and commute, especially since the latter contradicts other parts of the working document because of the corresponding high consumption of investment funds and natural resources. The perception of mobility should, instead, extend to knowledge and thus establish the possibility to develop peripheral regions by developing the regional knowledge base.

3. Generally speaking, as researchers occupied with spatial sciences we regret that in the working document the spatial dimension of the processes and challenges discussed is not dealt with at all. In our view, the EU as a complex, heterogeneous structure with numerous horizontal and vertical relationships is a suitable counterexample to "one size fits all" policy measures. DG Regio is anxious to cover the issue of cohesion not only socially and economically but also *territorially*. These endeavours should be appreciated in the EU strategy to demonstrate that, apart from globalization, a Europe of regions is developing, in which the processes and challenges discussed take different effects and, therefore, lead to different necessities of action.

To give an example, the priorities of research and development policies should not only include efforts to develop the best universities in the world. Indeed, Europe consists of regions where universities act as knowledge bearers, developers, and intermediaries in different – regional – contexts. The evaluation criterion for their effectiveness arises from the regional context and not only from international benchmarks. Taking this into account, it would be possible to create and develop institutions in Europe which acknowledge and value the high degree of internal diversity. Any such approach needs to take account of the possible regional policy applications, as well, in order to put life to the written objectives.