

Foreword

Team

The European Commission, Directorate General for Regional Policy - Conception and analysis, accession negotiations unit, selected the consortium led by CSIL-Centre for Industrial Studies (Milan) and including DMIO-Department of Management and Industrial Organisation, Marche Polytechnic University (Ancona), EPRC-European Policies Research Centre and FAI-Fraser of Allander Institute, University of Strathclyde (Glasgow) and Mazars & Guèrard-Evaluation & Pilotage des politiques publiques (Paris) to carry out a study on **Policy guidelines for regions falling under the new regional Competitiveness and Employment objective for the 2007-2013 period in the fields of the knowledge economy and the environment, in line with the Lisbon and Gothenburg objectives.**

The Team included a Scientific Committee composed of academics in charge of methodological guidance; a statistical group in charge of the background quantitative analysis; four thematic experts in the fields of innovation and the knowledge economy, ICT/TLC, transport and environment and a pool of ten country experts, (social scientists, private consultants and independent experts with experience in regional development) in charge of the field analysis.

Scope and role of the study

The study presents a regional analysis encompassing all 167 NUTS2 eligible regions, in 19 countries, concerned by the competitiveness and employment objective in the period 2007-2013. The thematic scope of the analysis is related to the topics (innovation and the knowledge economy, accessibility to transport and ICT/TLC infrastructures, environment and risk prevention) eligible for funding under Article 5 of the European Regional Development Fund (ERDF) draft Regulation (COM(2004) 495).

The role of this study is to offer the Commission an expert assessment on the strengths, weaknesses, opportunities and threats faced by these regions and to provide a policy analysis on the priorities to be financed under the ERDF framework. It will support the Commission in policy formulation and could also be used as an input for the negotiation process with the Member States. The main result is the identification of an appropriate policy mix for each region covered, according to the team appraisal of relevant data, feasible options, selecting priorities and matching between national and Community priorities.

Methodology

Bearing in mind the policy aim of the study, the methodology used has been based on a twofold approach, combining statistical context analysis and involvement of stakeholders and country experts. It consists of a statistical analysis for background information and a field analysis for discussion on policy implementation.

The first step included the selection of a number of thematic indicators, relevant for the ERDF themes and data processing according to a combination of cluster analysis and canonical correlation: it is aimed at grouping homogeneous regions and single out the thematic indicators associated to a given economic performance. The final outcome was a set of regional thematic maps. These results have been treated as a first input for the discussion regarding the implementation features of the policy priorities assessment.

The second step involved field information provided by the country experts from studies, evaluation reports and personal knowledge: additional quantitative information, when

appropriate, and qualitative information on Structural Funds interventions in the regions. Moreover the country experts collected a total number of around 200 interviews to policy makers, independent experts, academics with knowledge of regional development, offering their understanding of the preliminary findings from the statistical analysis and their point of view on policy priorities for the next programming period.

The final outcome of the study provides a background of standardized information at regional level and a first benchmark assessment of the potential and needs of investment for the competitiveness objective.

Results of the study

The study lasted twelve months, from January 2005 to December 2005. In the first five months the Team collected indicators and performed the statistical analysis for background information. The field analysis started in May 2005 and ended in October 2005.

Preliminary results of this study have been presented during the OPEN DAYS-European Week of Regions and Cities, Brussels, 10 - 13 October 2005. Discussion with stakeholders and the wide public enabled the Team to fine-tune the field approach and the communication strategy of final results. Full results are presented here in their final version.

The Final Report is structured around the following main documents:

- An executive summary with a brief description of the target regions, the methodology for the statistical analysis and the aggregate results. The reading of this document provides concise and comprehensive information on the framework, contents and main findings of the study.
- A first volume providing the statistical analysis: it includes the detailed description of the methodological approach, the selected indicators, the analysis performed and the preliminary policy findings, and background information for the field analysis. A careful reading of this technical report is necessary to understand the selection and potentials of indicators used for regional analysis and the analytical process that provided the baseline quantitative data.
- Nineteen country reports: they provide the context analysis and policy guidelines. These are policy reports that use the statistical background information as a tool for discussing the thematic priorities. They include: the full set of statistical indicators collected at NUTS2 level and a general context analysis; thematic comments on innovation and knowledge economy, accessibility and environment; an overview of the characteristics of current regional operative programmes and lessons learnt from the implementation of regional development policies; the results of field analysis; the regional policy priorities as assessed by our experts, including a tentative prioritations of policy objectives. Although self-contained, the country reports do not include the detailed methodological approach. For a detailed regional analysis on indicators the reader should refer to the first volume of the study.
- The third volume comprises four discussion papers drafted by the members of the Scientific Committee: *The contribution of Structural Funds to innovation and the knowledge economy* by John Bachtler; *Indicators for the European knowledge based economy and society: a proposal* by Maurice Baslé; *Innovation strategies for SMEs and clusters: the challenges of a globalised Europe* by Massimo Florio and Emanuele Ozzimo and *The impact of transport infrastructure and other immobile production, factors on regional competitiveness*, by Werner Rothengatter and Axel Schaffer.