

SECTION D:
BEST PRACTICE AND POLICY IMPLICATIONS

CHAPTER 12
THE IMPLICATIONS FOR BEST PRACTICE BY ENTREPRENEURS,
REGIONAL DEVELOPMENT AGENCIES,
AND OTHER ACTORS IN PERIPHERAL REGIONS

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Introduction: Aims and objectives of the Best Practice Analysis

There is a clear differentiation between Best Practice and Policy Evaluation in the scale of analysis. BP is an example or set of examples from which one can extract lessons. It can belong to any field of action, public or private. It is always a good example, ideally innovative and transferable to other areas/sectors. On the other hand, the policy evaluation is the analysis of the subjective perception on the impact of a particular public policy or program. It always belong to the public field of action, it can be positive or negative.

The AsP (or the *aspatial* disadvantages) affecting a territory may derive from many different circumstances or conditions (Copus, 2001). We would argue that among the most significant ones are a poor utilisation of new information and communications technologies (ICT), inadequate networks linking local business, development agencies and global sources of information or markets as well as adverse aspects of social capital, regional governance and institutional structures that are not conducive to socioeconomic development. The effects of a combination of all these factors or just the impact of some of them act as a dead weight for a territory to further develop.

By the same token, there are also *aspatial* advantages, also related from our point of view with variables such as networking, social capital, governance and so on, that exert benign effects and help regions to attain higher rates of economic growth and better quality of life. Some of these *aspatial* advantages have played for a long time a significant role; otherwise, the emergence of prosperous peripheral regions and cities that have defied many standard functional requirements for socioeconomic development, would have never taken place. The question therefore is which weight these *aspatial* favourable characteristics have now, at a time when physical distance or travel/freight costs seem to become less and less a constraint to economic activity.

Methodology

A methodology was developed to collect best practice examples from the field, meeting the objectives of the AsPIRE project. A total of 5 best practices per study area was stated as a goal. The collection of best practices form study areas of the AsPIRE project was aimed to answer the following research questions:

- a) To which extent we find in our study areas the good examples-practices found in the literature? Can we confirm them? Vary them? Include new types?
- b) Are there practices that demonstrate the existence/presence in our study areas of “soft” factors other than those included in AsPIRE?
- c) Have we identified BAD practices?
- d) Do the existence of BP in one of the soft factors compensate for the absence or even the existence of Bad Practices in other (ie. Good business networks and low use of IC in one territory).
- e) Does the absence of BP in one of the soft factors inhibit the existence of BP in the other?
- f) Is there any fundamental factor *sine qua non* development and dynamism do not occur?

For obvious reasons, there were areas in which it was impossible to find a best practice for one or more of the factors and, on the contrary, several best practices arose for a specific factor. This was considered acceptable by the fact that the own nature of success or failure in particular areas was linked to the prevalence or weaknesses of some factors. Best practices are derived from the examination of examples of outstanding performance. The fundamental question we must ask to ourselves to identify best practices from a successful story is '*How was this done?*'.

Criteria for identification of examples of best practice

The criteria agreed in order to select examples of good performance from which to derive best practices and recommendations are:

- a) *Aspatial Development Factors-Focused*: As we are concerned with the changing nature of peripheral disadvantage, which increasingly seems to be not so dependent on accessibility in conventional spatial terms, we want initiatives that tap on aspatial characteristics exerting benign effects on territories. For example, concerning the impact of Information Technology, Business Networks, Governance, Social Capital, and finally, in relation with Tourism.
- b) *Replicable*: We want to detect initiatives that can be transferred to other areas in the EU. In this sense, transferability conditions, procedures and costs should be 'reasonable'. Thus, the characteristics of the area (demographic, social, political and cultural characteristics) should not be so exceptional that hardly any other peripheral, rural area in the EU could copy the initiative.

Besides, technical, political and legal conditions required to repeat the example in a different area should be determined and be feasible.

- c) *Catalytic*: As much as possible, we are looking for projects that elicit private or public investments, since capital investment is one of the key factors behind the survival, consolidation and expansion of projects.
- d) *Bottom-up*: As much as possible, we are interested in initiatives that are grassroots in nature and create benefits that are broadly shared. Therefore, first, initiatives selected should mostly be started by local groups of individual citizens and businesses. In this way, projects will in the end respond to local needs, harmonise with local population perspectives and count on local capacities.
- e) *Collaborative*: Though projects may be the personal vision of a single social entrepreneur or a group of citizens, their potential expands if they foster collaborations with organisations from various sectors that could help leverage their impact. In this sense, the co-working of commercial and non-commercial institutions can be very useful.
- f) *Innovative*: Innovation is a key factor in the definition of best practices, since it is a fundamental condition in the own definition of “best practice” that it represents a different way to do things or to improve results with basically the same inputs. Imaginative solutions to territorial problems generate an added value to these best practices.

Innovation needs to be linked to a particular territorial scale. Something new and innovative in one territory may be well known and long-term implemented in another territory. Therefore, the concept of what is innovative can not be applied equally to all areas of the European Union, even to all countries or all regions in one country. Notwithstanding, when the focus is a concrete type of areas (peripheral and rural), the territorial reality has significant commonalities and, therefore, the concept of innovation is basically similar.

Innovations can also be classified according to their degree of complexity. Therefore, innovations can refer to three different degrees of complexity:

- a) The lower degree of complexity consists of an improvement of the final product, in which production structures do not change and the innovation refers only to the features of the final product.
- b) An intermediate degree of innovation consists of an improvement of both the final product and the process to achieve the product (these innovations need bigger structural changes in the production process).

- c) Finally, the highest degree of complexity refers to complex innovations that imply radical changes in the structures with influence in the development of the territory, and affect to the whole local society.

Overview of the Best Practice Examples

The research interests of the AsPIRE project condition the scope of best practices in two directions: on the one hand, a spatial or territorial delimitation that excludes urban areas and concentrates on spatially and “aspatially” peripheral areas; on the other hand, the focus on five thematic areas, the so called “soft factors”¹. Therefore, the best practices included in this study can be defined as innovative methods, processes or solutions to common problems of aspatially and spatially peripheral areas, dealing with one or more of the five “soft factors”.

The number of best practice examples gathered from the fieldwork² is 54, 26 of them for A areas (peripheral and relatively) dynamic, and 28 for B areas (accessible but relatively lagging). Business Networks and Innovation is the more frequent theme (15 BP), while IST and Social Capital are the less recurrent (9 cases) (see Table 12.1).

There are differences between the two types of areas: type A areas show a clear dominance of Business Networks best practices while themes in type B areas are more even.

Table 12.1: Number of Best Practice examples by Theme

	IST	Governance	Social Capital	Tourism	Business Networks
Region A	5	5	4	4	8
Region B	4	6	5	6	7
Total	9	11	9	10	15

Information Society Technologies (IST)

Concerning effective use of ICTs, prospects for rural businesses are far less optimistic than for core-based enterprises. Rural firms have grown within rather local, protected markets and now have to adapt themselves to the increasing competition that globalisation brings about. In comparison with urban enterprises, and even with

¹ The AsPIRE “Soft Factors” are Business Networks, IST, Governance, Social Capital and Tourism.

² All the information of the good practices obtained in the project is in the Deliverable 27, total number, arrangement, formats, etc. (to see references page 22 of this chapter).

businesses located in less remote rural areas, rural businesses start off from an uneven initial position. Barriers such as the absence of the necessary infrastructure, the higher cost of telematics services, and the lack of awareness and capacity to manage ICTs make businesses in relatively remote, rural areas to run the risk of disappearing because of not being able to face competition with urban firms. (Seamus, 2001).

To countervail such a risk, SMEs and rural territories of Europe are being targeted by a range of public and private programmes to help them become effective participants in e-commerce. Though the pace of progress is rather slow, there are some successful initiatives that deserve our attention. (see in table 12.2 some best practices examples in the EU context).

Table 12.2: IST Best Practice examples in the EU context

Name of the programme and initiatives	Contents	References and Links
STAND RISI partnership	All major public service providers in the region to act as one customer for a Broadband Communications Network has received financial assistance	(Gillespie, 1998)
Highlands and Islands Partnership Programme	To increase the region's knowledge-base skills, by improving the capacity for R&D and technology transfer, especially in indigenous economic sectors	(Ovum, 2001), http://www.inforegio.cec.eu.int/wb/over/overstor/stories/uk/retd/st165_en.html
Brisa	A the set up of a range of tele-centres, which offer business advice and training related with the implantation of ICTs in rural businesses	www.diba.es)
MacDonald's Smoked Produce	Small companies should develop core competencies, collaborate with other small companies and design products specifically aimed to suit the unique taste of a customer in order to compete efficiently with larger firms.	www.ecommerce-scotland.org www.smokedproduce.co.uk)
Basta-Parsons and Porterhouse Ltd	Decision making by the owner-manager is the main reason for low levels of adoption, with owner-managers adopting the technologies where they see these investments having a positive impact on the development of the firm	(Southern and Tilley, 1999)
Tele-Insula – telematic services for islands, Italy, Greece, Portugal and UK	The Tele-Insula project was developed to overcome the particular barriers faced by European islands in the efficient implementation of ICT applications and services.	http://www.teleinsula.com/eisn

The analysis of objectives shows that best practices focusing on IST are principally aimed at promoting the use of IST among different collectives. The most common targets are:

- a) General population that has not access to computer.
- b) General population as a whole.
- c) Local companies.
- d) Entrepreneurs.
- e) Providers of public and private services.
- f) Traders and shops.
- g) Customers of enterprises.

Targets include all the local society, but there is focus on business and workers. Best practices on IST pursue three main goals:

Improve competitiveness of local companies

Promote use of the Internet among the local community

To a lesser extent than the two previous goals, to improve delivery of public services to local population.

IST contributes to business competitiveness in two ways: on the one hand, improvement of production or market systems; on the other hand, improvement of skills through training and networking.

Table 12.3: Two IST Best Practice examples from the Case Study Regions

Name of the Practice	Reasons behind the existence of the good example	Results obtained	Country and references
Our Village Goes Online	Recognition on the part of the county administration that the rural population of the county lagged behind in terms of internet use and the use of new media in general.	Raise public awareness and show benefits of internet use. Introduce rural population to internet technology. Increase internet competence of the rural population of the county. Create public internet pools in 30 villages of the county	Germany
Ennis Information Age Town Ltd	The greater uptake of IT technologies in Ennis amongst residential and business users. Provide basic and more advanced IT training to residents and business owners.	The increase of the number of persons actively utilising IT and the internet to communicate and conduct business from Ennis. Increase the frequency of use of the internet. Improve the competency level of those using IT.	Ireland http://www.ericom.ie/

Business Networks

It is widely recognised that peripheral, rural areas are characterised by an industrial fabric made up of micro-, small- and medium-sized enterprises, poor business services sector, loose links between the public and private sectors, specialisation in traditional businesses with established skills and little inclination to innovate, low levels of public support for innovation and aid schemes that are poorly adapted to the needs of local SMEs (CE, 2001).

This is not a favourable scenario if rural, peripheral areas want to attain prosperity within a context of increasing globalisation, which is likely to affect negatively the still rather bounded and protected rural markets. Innovation and entrepreneurship on the part of rural population in addition to an adequate policy support provided co-ordinately by the different levels of government in the EU could act as basic tools to foster regional development in these lagging areas (Goudi, A and Skuras D, 2001). (See some examples in table 12.4).

Table 12.4: Business Networks Best Practice examples in the EU context

Name of the programme and initiatives	Contents	References and Links
EUCOPET sub-programme	This project enables international competitors of similar size to share their experiences and learn from each other.	See a specific ejemple in: www.ceramiccx.com).
Arran Taste Trail (LEADER programe)	It has been supporting the creation of strong co-operation relations among development agencies and business in rural areas, what has resulted in job creation and regional growth.	http://europa.eu.int/scadplus/leg/en/lvb/g24208.htm

There are two main typologies of business networks: on the one hand, relationships and collectives of enterprises around a particular economic sector, on the other hand, multisectoral networks that gather several sectors and a wide range of institutions and organisations.

There are some examples of very innovative business practices that have contributed to the consolidation of customers and suppliers networks.

Networks gather small and medium size enterprises very much embedded in the local socioeconomic fabric. These companies usually build a sort of partnership or

cooperation structure to deal with common problems. These forms of cooperation have produced important benefits. Among others, the following are outstanding:

- a) Increase synergies between businesses of the area.
- b) Compensate for the lack of business services in a particular area.
- c) Control full production cycles.
- d) Improve training and skills of entrepreneurs.
- e) Improve quality of products.
- f) Create quality jobs.
- g) Reduce costs of transactions.
- h) Attract new economic activity to the area.

Table 12.5: Two Business Networks Best Practice examples from the Case Study Regions

Name of the Practice	Reasons behind the existence of the good example	Results obtained	Country
Sorn Milk – White & Wild Scheme.	The private sector scheme is designed to enable producers of White and Wild to demand a premium on a quality product, having produced a Whole Farm Conservation Plan.	It has increased the production of the farmers and environmental evident improvements. 10 percent of each participating farmers' land it to be managed under a habit management plan, hence environmental benefits.	United Kingdom
“Solar Turn” (Rottaler Sonnenwende)	This is to promote the diffusion of solar technology for heating water in private houses. Herefore, a package deal with providers of solar technology and with local plumbers was developed.	The installation of 1600 private households that were producing a lot of benefits for the local society.	Germany

Governance

Governance is defined on the one side as the interaction between public sector institutions, private organisations and third sector organisations; and on the other, as including three elements: organisational or institutional structures, processes of governance and content or policy incentives.

For AsPIRE the main research question is therefore about the influence that institutional structures, governance processes and policy incentives have on the

promotion of innovation, economic vitality and amelioration of peripheral disadvantage in relatively remote, rural areas. The general assumption is that well-organised institutional structures, flexible governance processes and well fitting economic development incentives are capable of stimulating socio-economic development processes. In this sense, we are interested in governance traits that can ameliorate peripherality effects (Lakso, T and Kahila, P. 2001).

It is widely acknowledged that regions will be more capable to solve their problems of socio-economic development if they make use of all three sectors (public, private and non-profit), and if there are connections between these sectors in terms of norms, networks and trust.

Table 12.6: Governance Best Practices examples in the EU context

Name of the program	Contents	References and Links
Valle del Hierro	A group of citizens concerned with the threatening future envisaged for the <i>comarca</i> , decided to create a foundation, which from the very first moment counted on the local authorities support. The Foundation Lenbur launched a development project that received financial support from the EU through RESIDER II	(Ministerio de Fomento, 1999).
Marinaleda	Under the leading role of the local government, a series of mechanisms to foster the active participation of inhabitants in order to achieve collective and individual goals.	www.eurosur.org/OL/EIROS/coodes/maneras/ceh2/bpes24.html
Calvià: Local Agenda 21	The local government started a new line of work, consisting basically of the design and implementation of a Plan of Tourist Excellence, which among other results permitted the natural recovering of an extensive coastal area	www.calvia.com/calvia/agenda/clocal21.htm

The analysis of best practices in governance distinguishes between structures and action: on the one hand, best practices in governance usually propose new or innovative forms of governance that imply the creation of new organisations, bodies, agencies or forms of collaboration; on the other hand, these best practices also propose general objectives of action that are the ultimate aims of the best practice and have to be achieved through the new structures created.

In relation to the types of structures proposed in the governance best practices, we point out the following:

- a) Formal cooperation of neighbouring towns (Mancomunidades, County councils, etc.)

- b) Local councils or partnerships that include local entrepreneurs, local public institutions, third sector organisations, etc. (LAGs, etc.)
- c) Consortium for supporting and promoting local businesses. This types of organisation acts and organises as an enterprise.
- d) Sectoral organisations that incorporate all stakeholders for a particular sector, problem or activity.
- e) Local fora open to all local actors for discussion and action of strategic local development.

There are always important links between the new structure created and the function of local economic promotion. Therefore, private enterprises are, in theory, the primary target for action in relation to the consideration of economic activity location as the main development factor.

Table 12.7: Two Governance Best Practice examples from the Case Study Regions

Name of the Practice	Governance process created	Implicated actors	Results obtained	Country and references
<p>Jyväskylä Region Development Company Jykes Ltd.</p>	<p>Organised cooperation between actors developing economic life and the link between enterprises and municipalities is important in increasing the welfare of inhabitants, as it creates successful entrepreneurship activity and region's competitiveness.</p>	<p>City of Jyväskylä, Jyväskylä rural district, Laukaa, Muurame, Uurainen, Travel agent, Jyväskylään! Ltd, Jyväskylä Science Park, Jykes Estates Ltd., Thousands Lakes, Enterprise Agency, Jyväskylä Pavilion,</p>	<p>It has been obtained More and of good quality connections between educational institutions, labour market and business life.</p>	<p>Finland</p>
<p>Concercost (Comarcas Centrales Valencianas)</p>	<p>Organism with own personality for the promotion, the economic sustainable development and the territorial arrangement of the area in order to face to the economic globalization and to the new territorial European space. This takes part of a strategy of supraregional territorial cooperation</p>	<p>Town halls, trade unions, companies, business associations and universities implanted in the area.</p>	<p>The aim is to stimulate the territorial and functional integration of the zone by means of the production and the accomplishment of the sectorial and integral planning schemes.</p>	<p>Spain</p>

For all examples analysed it seems clear that new structures intend to make up for implementation deficiencies of local governments principally due to the lack of flexibility in action. These new structures develop a new view of the public-private cooperation concept for governance. The case of Finland is especially relevant in this respect, where extensive groups of local and supra-local actors participate in partnerships for development even in areas where Governance is not the central objective.

Social Capital

Social capital as an intermediate product, since it is both an outcome of a process and an input or instrument to attain a further aim. The process is basically social interaction, that is, networks of co-operation, association and, in general, civic activity. This process can create social capital, which on the other hand can be regarded as a useful resource for enhancing educational performance, economic development, political democracy, or community viability.

Social capital can increase the effectiveness of local development initiatives, create effective synergies among the various interests involved in the economic development of the selected study areas, provide an enabling environment for entrepreneurship and new firm formation, etc. (Commins, P and Meredith, D. 2001). (See some good examples of social capital application in Table 12.8).

Table 12.8: Social Capital Best Practice examples in the EU context

Name of the programme and initiatives	Contents	References and Links
Byssbon Village Co-operative	The community working together with the restoration of the old schoolhouse, the villagers created the feeling of togetherness and strength they needed to work towards common goals: the increase of population and job opportunities and the preservation of the environment	Beep researchers (2001b)
Schäferigenossenschaft	A rural area whose inhabitants wanted to remain there (instead of looking for a job in the nearest city), and took advantage of the amount of fields not being cultivated in the region.	(FVECTA, 1997).
Rural Forum	Rural Forum is a network of people and organisations which brings together many of the diverse interests of rural Scotland. Rural Forum works with a wide range of rural communities throughout Scotland	www.official-documents.co.uk/documents/scottish/r-frame/frasec2f.html
Sherkin Island Co-operative	The Sherkin Island Co-operative was founded in 1982, basically to provide women in a rural community the basic means to achieve economic self-sufficiency through community action and mutual support.	

Globally, best practices that focus on social capital have permitted a series of achievements:

- a) Improvement of skills for the general population.
- b) Improvement of skills for local labour.
- c) Promotion of entrepreneurship.
- d) Creation of educational local networks.
- e) Creation of economic promotion local networks.
- f) Creation of new employment opportunities.
- g) Promotion of common action for local development.
- h) Increased cultural offer.
- i) Creation of public participation for a improvement of the social status of women, especially in relation to access to labour market.
- j) Improvement leisure offer.

On the other hand, social capital can also be understood as a facilitator of citizen cooperation and participation in common goals. In this sense, the presence of a well developed social capital can very well be in the base of the consolidation of best practices promoting other “soft factors” in a particular territory.

There are two main approaches in the social capital focussed best practices: on the one hand, those practices that start from existing social capital that needs to be articulated or reinforced; on the other hand, those practices trying to build new social capital in areas where there is a clear lack.

Table 12.9: Two Social Capital Best Practice examples from the Case Study Regions

Name of BP	Brief description	Results obtained	Country and references
Social Inclusion through the wexford partnership.	A local partnership with mission is to respond to, and prevent social exclusion in the county. It funds local initiatives, pilots different approaches to problems, develops the capacity of local individuals and organisations – all with the aim of reducing social marginalisation.	Persons placed in jobs following training, increased viability among small businesses, increased numbers in 'second-chance' education, reduction in numbers of early-school leavers, establishment of a local employment service to assist job placement, special training provided to small holders.	Ireland
Music Development Project	The Music Development Project aims to assist the continued creation, development and funding of a series of initiatives that, when taken as a whole, contribute toward the creation of an overall improved musical infrastructure for Shetland, its musicians and musical culture.	To raise awareness and knowledge of Shetland music; to increase levels of professionalism in Shetland's music enterprises; to develop economic opportunities for cultural tourism; to increase the returns to Shetland musicians; to improve the Shetland music infrastructure.	United Kingdom

Tourism

Sustainability provides us with a broad framework in terms of what best practice should seek to achieve, since the concept encompasses interdependent ecological, social and economic objectives (EC, 2001) and refers to the need to strike the right balance between all three. The vulnerability of resources combined with an increasingly sophisticated and fickle consumer demands a “system of long-term tourism planning which is friendly towards the long term well being of communities and habitats, the visitor and the tourist industry” (OECD, 1994:33).

There are a number of issues to consider in terms of the 'sustainable' development of tourism in remote and fragile regions. According to Hall et al (1998), some factors can be considered central to successful practice in tourism in rural areas:

- a) Effective public and private sector initiatives.
- b) Well developed inherent natural and human capabilities.
- c) A genuine commitment to communities.
- d) A well defined niche market.
- e) Evidence of understanding and integration of wider national and global trends.

In this sense, the attributes of the 'soft' tourism model reflect the themes advocated by the sustainable practice approach, that is embeddedness, the respectful utilisation of features of the local territory (natural and cultural resources), development for the benefit of local communities, integration and so on. (Williams, F. 2001).

Methods to achieve these goals have a common element: the promotion of environmental sustainability in relation to the consideration of the local environment as one of the key development resources (landscape, natural resources, etc.). This factor underlines all other development actions and it is present in many of the best practices collected for all thematic areas. It seems that environmental protection and valuation is considered essential for the long term sustainable development of the peripheral and rural areas in this analysis.

The main specific objectives of the tourism best practices are:

- a) Development of a coherent touristic destination
- b) Increase of number of visitors
- c) Development of local products
- d) Development of integrated touristic strategies
- e) Creation of new companies
- f) Valorisation of environmental resources
- g) Formation of local population in tourism
- h) Increase cooperation between different stakeholders to achieve a tourism development strategy
- i) Increase use of IST

Best practices that focus on tourism take into account to a bigger extent than any other, the need for an integrated development strategy for the territory. Tourism is

considered a key development factor but insufficient in itself. The territory is understood more globally than other best practices collected. In relation to this approach, concepts as “integrated development strategy”, “multisectoral cooperation”, “partnership”, “long term sustainability”, “common vision”, are more present. (see some examples of best practices based in tourism factor in Table 12.9)

Table 12.9: Two examples of Best Practices relating to Tourism from the Case Study Regions

Name of BP	Brief description	Results obtained	Country and references
Tourist and Development Enterprise of Achaia	The Tourist and Development Enterprise of Achaia (ETAA) is based in the municipality of Patras. It is an urban non-profit making organization operating under private law	Analytically the action of ETAA consists of: Elaborating research for development infrastructure and action and allocation for the implementation to institution and private initiatives; continuous, methodical and free observation, planning of prefectural tourism development and promoting training programmes and further education of people occupied in the tourism sector, etc.	Greece
Keski-Suomi Tourism Strategy	Central Finland's (Keski-Suomi) tourism business is to produce experiences to customers as well as livelihood and work to entrepreneurs and employees working in the sector	A general tourism strategy, which determines potential customer segments and amounts market by market as well as action proposals attached to them anguard (40-50 enterprises).	Finland

Innovation and Transferability in the Best Practice Examples

Innovation

Table 12.10 indicates that most best practices can be labelled as “innovative” at regional level, but not beyond. That is, the idea or concept developed in the best practice is new in the territorial area of reference (ie. study area), but has been developed in other areas of the EU. However, there are 17 best practices that are innovative at national level, that is, are pilot experiences at country-level. Finally, there are four best practices that can be considered internationally innovative. These last cases constitute pioneer experiences in the area of territorial development. These practices are consequence of non frequent experiences at a multi-country level.

An analysis of the collection of best practices of AsPIRE reveals that 9 of them present only an improvement of the final product. In general, this is the case for a service or an improvement of the production in a particular economic sector (this type of innovation does not exclude slight procedural improvements). On the other hand, 22 best practices include a level of innovation that requires significant changes in processes and structures; that is, modification and/or creation of new organisations, partnerships or institutions. Finally, 21 of the collected best practices have promoted the highest degree of innovation, including deep changes in social structures at local level, creation of new institutions, organisations, cooperation mechanisms, etc. These examples affect to the whole local society.

Best practices are mainly the result of a public and private cooperation (38 of the examples collected), while examples of pure public or private action are less numerous (seven in each case). This fact support the complexity of territorial processes that necessitate the cooperation of actors.

Table 12.10: Typology of innovation. (number of best practice examples)

Type of innovation		Scope of innovation	
New product	9	Public	7
New process	22	Private	7
Integrated	21	Both	38

Transferability

Tables 1.11 and 1.12 shows different parameters of transferability of the collection of best practices. These parameters include: the technical conditions required, the political conditions required; the legal conditions required, and; the existence of complex processes necessary for the replicability of the best practice. The table divides the examples according to budgetary costs that are, themselves, an important transfer cost.

The costs of the best practices are generally high (Table 12.11). For most examples these costs lie between one and fifty million euros, and there are two BP that surpass this interval. The reason for these high costs is the complexity associated to most territorial development processes. Notwithstanding, there are thirteen practices whose initial costs are under a million euros. In any case, estimating implementation costs is quite difficult. In relation to this, 21 examples do not include this estimate.

Technical conditions required for the implementation of the best practice (Table 12.12) constitute a potential constraint for the transferability of the good experience. Most of the examples gathered include this type of conditions, although the level of demand varies depending on the thematic area considered. In this way, IST related best practices are highly demanding in technical conditions for implementation in relation to the need for existing IST infrastructures and equipment . In other areas, the needs are varied, ranking from the availability of a concrete prime matter or resource to the presence of consolidated business networks. An important percentage of examples (20%) require minor technical conditions (existence of enough manpower, availability of broadband access, etc.).

Table 12.11: Cost of the project (number of best practices)

< 50.000 €	50.000-99.000 €	100.000 – 1 million €	1 million- 50 millions €	>50 millions of €	DK
2	6	5	18	2	21

Table 12.12: Technical conditions required for the implementation of the best practice

	Technical conditions required:	Political conditions required:	Legal conditions required:	Complex processes
Yes	60,5%	2,4%	27%	62%
No	17,6%	73%	57,4	15%
DK	23%	24,6%	15,6	23%

Synthesis and Conclusions

The aim of this chapter is to find elements of best practice in relatively rural, remote areas within the sphere of economic development. The general scenario is one of relatively remote areas performing according to what it would be associated with their geographically peripheral location, that is, not very robust in economic terms. However, some specific areas are defying this common trend and doing better than it would be expected from their location.

The main hypothesis underlying AsPIRE is that ‘soft’ factors such as effective use of ICTs, business networks, social capital, a beneficial style of governance...can play a

key role in the well-being of these areas. These factors would compensate for the relative inaccessibility or 'distance from the core' of these areas. Until very recent times, 'distance from the core' has been one of the most widely used, if not the only one, variables to explain the lagging condition of relatively rural, peripheral areas.

Literature review and the collection of best practice examples from the field have been the two most important sources of information for the writing of this report.

In relation to the literature review, experts usually advocate in favour of some approaches (named 'best practices', 'recommendations', 'guidelines', etc) as ways forward for the development of the information society, sustainable-integrated tourism, functional social capital, enabling governance and productive business networks within the remits of regional development. This said, a question mark remains over the practicalities of the various development approaches and their 'blanket' suitability to all circumstances. The extent to which all of these recommendations can be addressed by specific localities remains problematic.

Besides, successful cases presented here, extracted basically from proceedings gathering excellent initiatives which have been awarded in different competitions, or included in institutional data bases, or briefly presented in different publications, lack essential information. They are explained in a rather linear way, and usually hide key details related with such important questions as time investment, money investment, weaknesses of the initiative, obstacles encountered, and practical (quantifiable) results.

The aim of AsPIRE has been to solve through fieldwork and further research these information gaps, which ultimately are the key issues that make possible for an area to imitate or adopt the excellent performance of either firms, institutions, associations, or governments working in other rural, peripheral areas.

In this project research teams have selected some study areas that show unexpected levels of economic development. In these areas fieldwork has been carried out to detect successful initiatives from which to derive elements of good practice.

By testing the hypotheses through the above research questions, this work has documented best practice in governance, social capital, tourism management/promotion, ICTs, business networks, both at the regional policy level,

and within individual enterprises. The ultimate goal has been to understand how the barriers to the promotion of these factors can be overcome to enhance the economic development of the areas.

By collecting numerous specific examples of successful tourism-, governance-, business networks-, social capital-, ICTs-related initiatives, AsPIRE has analysed the difficult question of transferability. Several elements are necessary to ensure a proper transferability of these best experiences. Some of these factors are easy to transfer, but in other cases, difficulties are evident.

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CHAPTER 13: THE POLICY IMPLICATIONS

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Introduction

This chapter presents the results of the analysis of the policy action in relation to peripherality. The section is divided into two main parts: the first one describes, and assesses the existing EU policy environment in relation to peripherality; the second one presents the subjective perceptions of a sample of 60 local experts on the effectiveness of the past and current policy action for development in their territories, and their best development strategy.

The current EU Policy Environment: Analysis of Policies and Programs that Influence Spatial and Aspatial Peripherality

Peripherality and Public Action

The fall of Fordism, the increasing diversification of economic activity and the rapid development of new technologies have reduced the role of certain elements that traditionally determined the location of economic activity and, thus, the growth potential of a particular territory (capital, adequate manpower, prime matter or energy). The reduction of the geographic requirements for all the Weberian location factors, has provoked a new map of regional growth in which traditional core regions still keep many advantages (skilled labour force, development of NICT³, equipment and infrastructure, accessibility, capital, etc.), though some peripheral areas show increasing ability to find and sustain elements of territorial advantage and competitiveness. Besides, some core areas begin to suffer from important weaknesses that are reducing their growth (inadequate productive orientations, congestion, undesirable conditions of living, costs of labour and land, etc.).

The EU regional policy was born to counteract the spatial effects of the core – periphery paradigm and, therefore, its aim, objectives and actions were defined according to an spatial model that is now at least partially outdated: *“The EU developed from the beginning a rigid regional policy mainly based on direct grants*

³ New Information and Communication Technologies

and infrastructure provision. The assumption was, according to a linear conception of development, that underdeveloped areas would grow and increase their GDP through a standard model of infrastructure development and industrialisation” (RODRIGUEZ POSE, 1995).

The new development paradigm is not fully understood yet. It denies some of the basic principles of the traditional core – periphery model and claims that the post-productivistic economy is driven by new location parameters whose main common characteristic is their increased ubiquity. This new reality has not affected the overall aim of the regional EU policy: cohesion and the sustainable development of all EU regions in the long – run. However, it does essentially affect the way in which policies and programs have to be defined and implemented if the original aim is to be achieved in the new context. This is why the continuous effort to adapt to the changing circumstances has most probably reduced the efficiency and impact of the EU regional policy. To date, UE regional policies have avoided “dramatic” but necessary structural changes in the economy and rather it has helped to consolidate many outdated and non-competitive regional economic structures both in the core (mainly declining industrial areas) and in the periphery (direct transfer of funding that has mainly promoted a “culture of grants”).

A similar scenario applies to other essential sectoral EU policies as the Common Agriculture Policy (CAP) that has been, and still is, the main budget chapter of the EU. The CAP was conceived in a post-war Europe where the main goal was to provide enough food to the population. The protective CAP soon became a stock-producing machine that has swallowed most of the EU budget and has delayed a necessary rationalisation of the agriculture structures.

It can, therefore, be concluded that in the EU context, policy design and implementation faces important deficiencies derived from slowness and lack of flexibility. This can be concreted in:

- incomplete understanding of new elements affecting regional competitiveness and, as a consequence, inability to anticipate problems and solutions;
- powerful groups of interest influencing the direction of policy design and implementation according to their interests;
- lack of “European identity” and prevalence of nation - focused strategies;
- high political price of policies and programs attacking structural problems;

- excessive bureaucracy that tends to duplicate structures and generate slow and heavy processes;
- lack of coordination among the different institutions with decision-making power on a particular issue;
- lack of integration or territorial approach in policy design and implementation;
- lack of suitable policy evaluation processes on public actions.

The current policy design and implementation is likely to be neglecting factors of the new development model that has established during last years. It is, therefore, essential to investigate the impact that this potential gap can be having in (a) the development of new forms (Aspatial) of peripherality and (b) the reduction of efficiency in the achievement of regional cohesion and the sustainable development of Europe.

Review of main strategies and instruments of the EU in relation to Spatial and Aspatial Peripherality

Are EU strategies and instruments area-based or horizontal?

In relation to the territorial focus, that is, the extent to which a policy is designed to match specific conditions of territories, there are three possibilities: the lower level with initiatives that have a sectoral focus that neglect any territorial consideration; a second level of sectoral policies that discriminate intensity of funding, selection conditions or any other criteria in relation to the territorial status; a third level with specific strategies, policies, programmes for specific territories.

Despite many EU strategies and policies are horizontal, three elements need to be taken into account:

- The fact that many policy formulations are flexible and orientative makes them very dependent on national or regional interpretations. Therefore, final programs and actions may vary significantly from territory to territory.
- The principle of subsidiarity implies that, as far as possible, policy design and implementation happens as close to the territory as possible.

- There is an important differentiation on the basis of the area status. The classification of EU territories into Objective 1, 2 and 3 introduces positive discrimination to the lagging regions, although the indicator used (per capita income) introduces some distortions that affect parts of regions.

Community Initiatives are pioneer in the successful introduction of an area-based approach. These initiatives focus on specific problems that affect two main types of territories: on the one hand, lagging and/or rural areas (LEADER, INTERREG); on the other hand, more accessible areas having specific problems like unemployment, devitalisation, etc. (ie. URBAN, EQUAL). In both cases, these Initiatives may be having an important role in relation to the “soft” factors of the AsPIRE project.

In the context of Community Initiatives, LEADER and INTERREG are the ones that have a more territorial focus. INTERREG (I, II and III) takes into account territorial elements in the selection process, especially as regards section C⁴. On the other hand, LEADER (I, II and Plus) focus the development of the most lagging territories with a particular approach that is already known as “the LEADER Method”⁵ that is being “mainstreamed” to other initiatives at EU, national and regional/local levels. These two initiatives are mainly implemented on Objective 1 regions, although not exclusively.

The other two Community Initiatives (URBAN and EQUAL) are not oriented towards peripheral regions, but still “attack” aspatial weaknesses are social integration, employment creation or consolidation, improvement of living conditions in deteriorated urban areas, etc.

On the other hand, Innovative Actions also have a spatial peripherality focus. These structural actions, funded by ERDF have the following objectives: *“To encourage less-favoured regions to invest in innovation and technological development with a view to reducing the lag in their development and enhancing their competitiveness.*

⁴ See op., cit. 7

⁵ The LEADER Method includes seven basic features: an area-based approach, multi-sectoral integration, innovative approach, presence of a local public-private partnership, work in networks, inter-territorial cooperation and decentralised management and funding

*To encourage exchanges of experience and best practice in these areas by supporting in particular the creation of inter-regional thematic networks*⁶.

Community Initiatives and Innovative Actions are experimental, intended at the generation of a series of pilot projects and best practices and recommendations. Several lessons have already been learned by the EU and other member states and incorporated to policy design (ie. the concept of public –private partnerships is more and more promoted as an efficient management system).

According to this rapid review we can conclude that the EU policy has a marked territorial focus, in the spirit of two of the main goals of the Union: territorial cohesion and sustainable development.

Analysis of 76 EU initiatives that affect Spatial and Aspatial Peripherality

New Factors for Territorial Development and their presence in the EU instruments

The main objectives of the European construction include direct and indirect reference to the relevance of the “soft factors⁷” of development included in the analysis of the AsPIRE project⁸.

Their macro-objectives are interrelated and their consecution depend upon elements like innovation⁹, training¹⁰ or research¹¹, that are on the basis of many programs and

⁶ See: <http://europa.eu.int/scadplus/leg/en/lvb/g24210.htm>

⁷ At a time when physical distance or travel/freight costs are becoming less and less a constraint to economic activity and quality of life, the benefits to peripheral and more accessible regions alike may be masked by the effects of poor utilisation of new information and communications technology, or by inadequate networks linking local business, development agencies and global sources of information or markets. Similarly aspects of social capital, characteristics of regional governance or institutional structures may result in relative isolation from the core regions which are perceived as the motors of economic and social change.

⁸ See: http://europa.eu.int/abc/index2_en.htm

⁹ See: *Innovation in a knowledge-driven economy:*
(<http://europa.eu.int/scadplus/leg/en/lvb/n26009.htm>).

¹⁰ See: *Education, Training, Youth: introduction.* (<http://europa.eu.int/scadplus/leg/en/cha/c00003.htm>).

¹¹ See: 6th Framework Programme (2002-2006). (<http://europa.eu.int/scadplus/leg/en/cha/c00003.htm>).

processes like democratisation of decision making, common action, exchange of experiences and information and generation of best examples.

Figure 13.1 EU macro-objectives

Euro-a single currency for Europeans
Freedom to move
Keeping the peace
An area of freedom, security and justice
Fewer frontiers: more jobs!
An information society for everybody
Caring about our environment
Enlargement for a stronger and more stable Europe
Keeping the EU democratic, fair and efficient

Source: EU, documental found

In terms of policy objectives, social equality, employment promotion, institutional coordination and development of IST are on the basis of an important number of initiatives. Governance, Social Capital and IST are, therefore, the factors that are present in a bigger number of policies. The following sections contain the analysis of the range of EU legislation in relation to the NFTD¹².

Business networks and innovation

There is a clear distinction between actions for big industry and actions for SMEs. The former is horizontal while the second is mainly sectoral. Several horizontal policies and lines of action impregnate policies for both big industries and SMEs. These elements include research, innovation, knowledge transfer and creation and promotion of networks.

SMEs are usually the dominant typology of enterprises in lagging, peripheral and rural areas. Therefore, the existing support to this type of businesses and their interrelations (ie. networks) has positive impacts on the economics and general dynamics of these territories. The *Multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises*¹³ forms

¹² New Factors for Territorial Development or "soft factors"

¹³ Multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises: <http://europa.eu.int/scadplus/leg/en/lvb/n26006.htm>

the general framework in which the wide range of EU actions to promote SME. The program determines budgets and actions that develop ideas and strategies present in strategic documents like the *European charter for small enterprises*¹⁴. Basic objectives of the general program are:

- Enhancing growth and the competitiveness of business in a knowledge-based economy.
- Promoting entrepreneurship.
- Simplifying and improving the administrative and regulatory environment for business, in particular to promote research and innovation.
- Improving the financial environment for business, especially SMEs.
- Giving business easier access to Community support services, programmes and networks and improving the coordination of these facilities.

The last objective highlights the important of business integration in EU level networks in which there are also institutions. There are also a range of programs that promote the introduction and use of IST by enterprises. The framework program for this is *Go Digital*¹⁵ whose objective is: “*to identify the needs of small and medium-sized enterprises (SMEs) and present Go Digital initiatives in order to help SMEs take full advantage of the advent of Information and Communication Technologies (ICT) and electronic commerce in particular*”.

Innovation and technological know-how transfer are horizontal actions defined in the third objective of the *Multiannual Programme* and in the *Communication Innovation in a knowledge-driven economy*¹⁶. The latter document defines five objectives that the EU must achieve in order to promote innovation. One of these objectives refer to innovation in business contexts:

“The Member States are taking measures to promote the creation and development of start-ups. They are also reinforcing business support services. At the beginning of 2001, they will set up education and training schemes to promote entrepreneurship. In 2001, the Commission will set up networks of innovative enterprises and develop an electronic directory of innovative start-ups. It will also promote access by start-ups to Community programmes and public tenders and the European Investment Bank’s “Innovation 2000 Initiative”. In 2002, it will raise the profile of support services with a European dimension”.

¹⁴ European charter for small enterprises: <http://europa.eu.int/scadplus/leg/en/lvb/n26002.htm>

¹⁵ Go Digital: <http://europa.eu.int/scadplus/leg/en/lvb/n26003.htm>

¹⁶ *Innovation in a knowledge-driven economy*: <http://europa.eu.int/scadplus/leg/en/lvb/n26009.htm>

Information Society Technologies (IST)

The promotion and adoption of IST in all aspects is one of the macro objectives of the EU. Among the factors of analysis of the AsPIRE project this is the one whose priority that is shown in a more explicit and clear way. In accordance to this preferential status, the number and range of actions that pursue the generalisation of the "knowledge-based society" is very wide and impregnates policies and actions in all European programmes.

There are four main lines of action: (a) the incorporation of IST in industries and businesses; (b) the incorporation of IST to research and training; (c) the consolidation of a knowledge-based society for the service of citizens; (d) the preparation of the whole European society to face challenges in relation to globalisation processes.¹⁷

The reference framework for IST policy design is the Action Plan *e-Europe*, launched in 2000¹⁸. This document is the frame for a range of sub-programmes aimed at the adoption and use of IST by the whole society: "*The measures were grouped according to three key objectives to be met by the end of 2002: i) a cheaper, faster and secure Internet, ii) investing in people and skills, iii) stimulate the use of the Internet.*"

Several analysed actions refer to the objective "achieve a knowledge-based society". Different themes can be identified under this epigraph: (i) regulation of the general legal framework; (ii) aspects related to the Internet; (iii) security issues in telecommunication networks; (iv) security and data protection; (v) intellectual rights and related issues; (vi) e-commerce; (vii) open networks of communication and information; (viii) trans-European networks of communication; (ix) telephone; (x) IST in candidate countries.

Provision and improvement of infrastructures for communications is consider by various actions. Notably, the Trans-European Communications Network whose objective is:

¹⁷ From Corfu to Dublin, The new emerging priorities:

<http://europa.eu.int/scadplus/leg/en/vb/l24171.htm>

¹⁸ e-Europe: <http://europa.eu.int/scadplus/leg/en/vb/l24226a.htm>

“To promote the interconnection of telecommunications networks, the setting-up and the deployment of the interoperable services and applications and the necessary infrastructure; to facilitate the transition towards the information society; to improve the competitiveness of European industry; to strengthen the single market; to increase economic and social cohesion; to accelerate the development of new growth area activities...”¹⁹.

The consecution of these objectives imply governance and social capital actions like cooperation and common management of projects.

Promotion of e-commerce is especially important in the reviewed policy documents.

Governance

Institutional cooperation and the promotion of new models of governance are objectives widely found in the EU political literature. The document *Governance in the EU, a white paper*²⁰, still under debate, will be the basic framework for the EU institutional action in relation to Governance. The concern to find operative models of government more dynamic, active and productive is evident. Inter institutional cooperation and the creation and consolidation of public-private partnerships are models increasingly promoted²¹:

A thematic analysis confirms that inter-institutional cooperation and the creation and consolidation of public-private partnerships are priority modes of governance. These models are more consolidated in social policy (employment, education, equal opportunities, etc.); however, other aspects traditional dealt with from rigid governmental structures (ie. industrial policy) have developed less cooperation mechanisms. An example of this is the *Multiannual programme for enterprise and*

¹⁹Guidelines for trans-European telecommunications networks:

<http://europa.eu.int/scadplus/leg/en/lvb/l24145.htm>

²⁰ See http://europa.eu.int/comm/governance/white_paper/index_en.htm

²¹ The case for public-private partnerships is one of the lessons learned in the “experimental” Community Initiatives. Under programs like LEADER, this model of governance has proved important advantages in relation to other traditional models: higher flexibility, stronger, consensuated decisions, higher efficiency in funding allocation, etc.

*entrepreneurship, and in particular for small and medium-sized enterprises*²². This program only sketches few procedures for public-private cooperation: “*better coordination between Community support or advice networks such as the Euro Info Centres, and the organisation of business cooperation events*”.

To sum up, new forms of governance are being tested and increasingly promoted in the design of policies of the EU. Community Initiatives have been pioneer in the introduction of these methods. The imminent White Paper on Governance will integrate the current thinking and experience into a strategic framework for the future design of desirable governance models.

Social Capital

The EU impulses Social Capital through two main elements: on the one hand, the participation of the third sector in all types of programmes; on the other hand, the creation, strengthening and consolidation of social networks in relation to program management and implementation.

The main reference document for EU social capital policies is the *White Paper: European social policy - a way forward for the Union*²³, the framework for social policy action. The VII priority of this document highlights the need to promote interaction between social actors: “*encourage the social partners at European level to consider how the search for high labour standards can be pursued as an integral part of improved productivity*”.

Employment policies are at the centre of the EU social policy. The EU considers the third sector as an essential element in the generation of new employment and, therefore, is given important credit in the design of policies and actions. The document *A Local Dimension for the European Employment Strategy*²⁴ expresses this idea:

²² Multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises: (<http://europa.eu.int/scadplus/leg/en/lvb/n26006.htm>).

²³ See: *White Paper: European social policy - a way forward for the Union*(<http://europa.eu.int/scadplus/leg/es/cha/c10112.htm>)

²⁴ *A Local Dimension for the European Employment Strategy* (<http://europa.eu.int/scadplus/leg/en/cha/c10234b.htm>)

“The third sector (or “third system”) comprises economic agents sharing principles such as the lack of profit-making goals, independence from the public and private sectors, the search for a more participatory form of organisation, and a community service ethos. Today, such organisations account for a large share of overall job creation”.

Partnerships are an important element of social capital generation (ie. allow for consensus building, common project raising, pooling resources, exchange of ideas and information, etc.). The role of partnerships is acknowledged also in the social policy framework. A good example is the already mentioned *A Local Dimension for the European Employment Strategy*. This document indicates that:

“When it comes to local job-creation activities, the social partners naturally enjoy a pre-eminent position, actively participating in the social dialogue and sharing their experience on the ground. With their knowledge of the local employment market - both the demand and the supply side - they are vital players at local level and should therefore be better integrated into local partnerships”.

Several Community Initiatives already have a tradition of promotion of social actor cooperation.

Although there is an outstanding promotion of the social capital in the reviewed documents, the issue of which general role is expected from civil society remains unanswered. Several questions still need a more concrete answer: which are the most efficient ways to incorporate information and experiences to decision making?; how can be safeguarded the independence of organisations?; how could be ensured the accountability in multi-party cooperation processes?

Tourism

There is not a DG for tourism and there is not a framework plan that focuses on this activity and defines the strategic lines. However, tourism activity is another transversal theme that impregnates any EU policy actions

Most of the UE funding from which tourism can benefit belongs to non-sectoral instruments whose goal is to achieve one or more of the macro-objectives of the EU (ie. employment creation, cohesion, sustainability²⁵, research, etc.). In the case of

²⁵ LIFE program is a clear example of a program designed for environmental protection that affects tourism: *“...innovative projects designed to identify good practices included environmental labelling and logos in tourism, rural and coastal tourism, tourism in protected areas as well as tourism and mobility”.*

programs specifically devoted to tourism promotion, the source of funding is mostly Structural Funds and, therefore, is DG Regio the one most involved with tourism as a development activity.

The community initiative LEADER and Innovative Actions include tourism promotion as one of their objectives. The former adopts a quality and innovative strategy while the latter incorporates one specific action: "*ACTION 3: Regional identity and sustainable development: promoting regional cohesion and competitiveness through an integrated approach to economic, environmental, cultural and social activities...*"²⁶.

In both cases, tourism activity is given an important role for heritage conservation and environmental sustainability.

Conclusion: The Current EU Policy Environment

Before moving on to the second section of this chapter it will be helpful to draw together some conclusions from this review of the current EU policy situation in relation to SP and AsP.

There are three types of policies for territorial development: the lower level in which there are initiatives that have a sectoral focus that neglect any territorial consideration. A second level consist of sectoral policies that discriminate intensity of funding, selection conditions or any other criteria in relation to the territorial status in which is to be implemented. Finally, specific strategies, policies, programmes for specific territories.

Policies of DG Regio have a very marked territorial focus.

Programs that cover horizontal themes (ie. innovation, formation, research, etc.) do not have territorial focus and their territorial area of action covers the whole EU.

New factors for territorial development are considered in different programmes of the EU. While IST and Business Networks have specific policies and programs, Social Capital and Governance do not have specific programs and policies but are goals to

²⁶ <http://europa.eu.int/scadplus/leg/en/lvb/g24210.htm>

be achieved through any political action. Tourism is not treated as an independent factor and depends on global development strategies.

In relation to types of territories, lagging and deprived areas (Objective 1) concentrate higher levels of funding. However, the number of programs applicable is basically the same in all areas. Therefore, the EU does not differentiate policies in relation to territorial typologies but focus on intensity of funding.

Analysis on the Subjective Perception of Policy Action on Peripherality, and the Selection of the Best Policy Strategy

Policies can counteract or reinforce peripherality

Public action is extremely diverse in aims, tools and procedures. In any region, public action conditions a range of processes and activities that continuously influence the intensity and direction of development. In the context of the AsPIRE project, public action is an essential element of analysis, it can be part of the factors building up or hindering “Aspatial Peripherality” in a particular region.

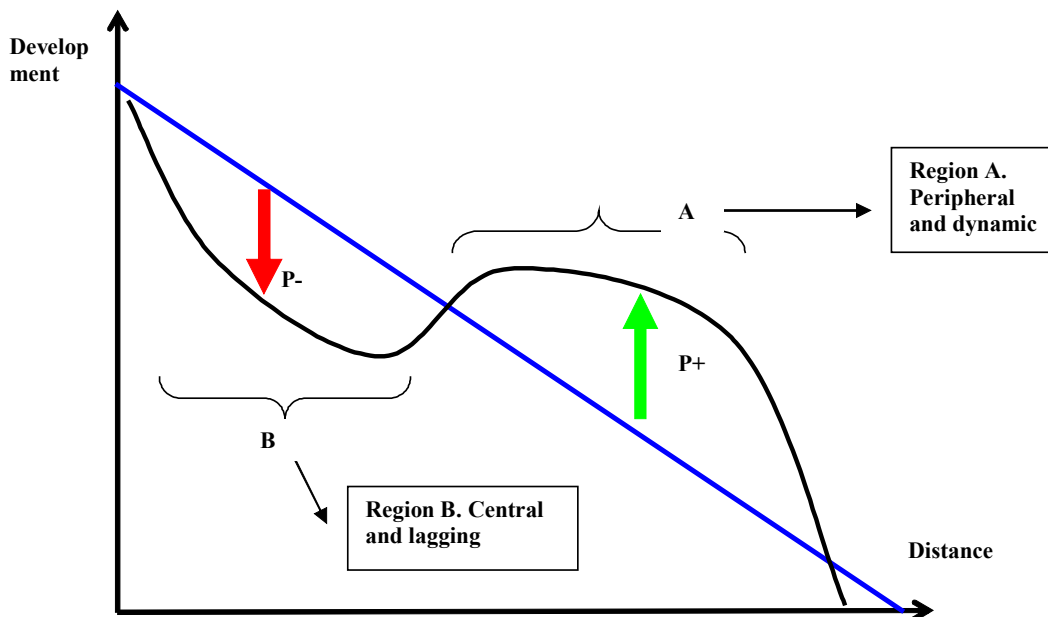
Figure 13.2 shows the conceptualisation of the role of public action in territorial development and in the correction of regional disparities. The **blue line** indicates the traditional Core – Periphery paradigm of development. According to this interpretation, development decreases in an almost perfect direct function from a maximum level in the Core (central location) to a minimum level in the peripheral (remote) areas. This function depends on distance and, therefore, accessible areas from the core will develop more and further than non accessible areas. However, there seems to be enough evidence that there are new forces conditioning the location of economic activity and population and, therefore, the development of territories. These new forces were not present or relevant, and thus not considered, when the Core – Periphery theory was formulated.

This is expressed in Figure 13.2 by the **black line** showing how distance to the core is not anymore the only indicator of development, and the traditional blue line is “broken” in several places by a new spatial distribution of development in which there are new explanatory (“soft”) factors.

Two theoretical situations are explained with the black line in the chart: on the one hand, the situation **B** characterises the case of an accessible region that is performing worse than would be expected according to its geographical location. In this case, there could be public action (policies and programs) hindering development, that is, favouring the consolidation of Aspatial Peripherality. On the other hand, the situation **A** presents the opposite case, a remote region that is performing better than could be expected according to its geographic location. There could be public action in this case favouring development and thus reducing Spatial Peripherality. This reasoning does not try to deduce that only good public action will happen in A and only bad practices will be found in B. Both good and bad public action can happen in either type of area but we hypothesise that more cases of public action effectively promoting development will be identified in A regions while more cases of public action failing to promote development in an effective manner will be identified in B regions.

The **red and green arrows** in Figure 13.2 indicate good (green) and bad (red) performance of public action. In both cases, they indicate how public action impacts the overall final situation of the region. The main conclusion is that public action can have either positive or negative impact on development on both types of areas (A and B).

Figure 13.2: The Reinforcing and Hindering roles of Public Action on Aspatial Peripherality



This section presents the results of a questionnaire sent to a sample of 5 local experts in each of the twelve study regions of the AsPIRE Project. The paper aims at identifying the views of local experts in relation to: (a) what generic types of measures and specific measures are believed to be impacting more positively (be more effective) on the development of A and B regions, and (b) to identify the combination of particular measures that constitute the best development strategy to promote sustainable development.

Methodology

The analysis of the subjective perception of the policy action on the long term development of the study areas of the AsPIRE Project, has been tested through a survey to 60 local experts, equally distributed among the 12 regions of the project (5 cases in each region).

The questionnaire includes a single question that presented the respondent with 30 generic types of measures classified into the five “soft factors” considered by the project, plus spatial development measures. Respondents were asked to provide three types of information in relation to these political measures:

- his/her opinion about the impact of each measure described on the development of the region. The purpose of this question was to assess the subjective perception of local experts on the more effective types of political action in relation to the promotion of development of the area.
- the allocation of a sum of “credits” among the measures provided. The aim of this question was to identify the “best policy strategy” for the area, as the weighted combination of measures prioritised by respondents in a scenario of limited economic resources.
- the measures that had not been implemented in the area for at least 10 years.

Several problems were faced during the implementation of the survey: (a) difficulties to get the cooperation of a sufficient number of experts were overcome through the extension of deadlines and the intensification of action from researchers; (b) wrong interpretations were usual and needed especial follow up; (c) the question about measures not implemented during last 10 years did not produce adequate results due to the subjective perception of respondents. For the same region, answers of local experts were quite different.

The analysis performed considered the survey data from a triple perspective: firstly, the analysis of the whole set of data; secondly, the analysis of the differences between countries; thirdly, the analysis of the differences between types of areas. This last analysis is the most important from the point of view of the AsPIRE project. The identification of the extent to which A (peripheral and relatively dynamic) and B (accessible and relatively lagging) areas differ in the role given by local experts to the different types of measures (spatial and “soft”, different types of “soft factors”) would contribute assess the validity of the main working hypothesis of the project.

Results

Analysis of the Impact of Policies on the Development of the Region

Are spatial measures more effective than other? How effective is each of the “soft factors” in promoting development? Which particular measures are valued most? Which are the most irrelevant measures? The subjective assessment of the effectiveness of policy measures for regional development made by local experts of the 12 study areas of the AsPIRE project, constitutes a good indicator of the relative importance given to, on the one hand, spatial and aspatial development factors and, on the other hand, the five different aspatial development factors.

The working hypotheses states that A areas (peripheral and relatively dynamic) should show better assessment of soft factors than B areas (accessible and relatively lagging) since it is supposed that the outstanding performance of these “soft factors” has allowed A areas to partially overcome the difficulties associated to a remote location. On the other hand, B areas should theoretically show a lower consideration of measures based on “soft factors” in relation to the relative low general performance of the economy of these regions, below what could be expected according to their geographic location. The importance given to spatial development measures could be either good or bad independently of the assessment of aspatial measures. In any case, it is expected that spatial development measures (transport and communication) will score high in these areas that are, by definition, accessible.

Main findings of the analysis policy effectiveness on development are:

a) For the whole set of data (all countries, all areas) (Figure 13.3)

- (i) Aspatial measures (“soft factors”) get higher values than spatial measures, with the exception of “road and rail infrastructure improvement”.
- (ii) Business Networks and Innovation is the group of measures that has obtained best scores as a whole. Tourism gets good scores in all measures and can be ranked as the second best group of measures. The other factors and especially Governance and Social Capital, have received less enthusiastic scores.
- (iii) The availability of good transport infrastructures is considered very important, but the main emphasis is on the support to business and business networks. On a second level, the creation of partnerships to pool resources and promote development, and the promotion of human resources via education and training, are two important measures.
- (iv) The profile of the most effective policy action promoting territorial development consists of a strong economic action based on the improvement of transport infrastructures and the promotion of SMEs and business networks. This model also contains the promotion of local partnerships as the optimal form of cooperation for development, and emphasises the role of human resources. IST are considered important but their role is perceived as progressively increasing in the future. Finally, tourism is an essential complementary activity that needs to be more clearly incorporated to future strategies.

Figure 13.3. Impact of different groups of policies on the development of the AsPIRE regions. Global Results. Models of policy effectiveness per country

a) Spatial measures	91,2
b) Business networks and innovation	116,6
c) Information Society Technologies	98
d) Governance	97
e) Social capital	97
f) Tourism	111,4

Notes: 1: Less than 90: Poorly succeeding to succeeding; 90 – 120: Poorly succeeding to succeeding (+); More than 120: Succeeding to best succeeding

2: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

b) Country by country (Figure 12.4)

- (i) *Not all countries have scored equally.* Relative effectiveness of policy measures is considered higher by Finnish, Germans and Greek respondents.

- (ii) *Spatial measures score higher in bigger or peripheral countries than in smaller countries for obvious reasons: the dimension of peripherality is different in bigger countries where accessibility is more difficult.*
- (iii) *A more in depth analysis of this data allows for the definition of different country models, according to priorities marked in the selection of measures:*
- *Focus on business development with emphasis in tourism (Germany, Ireland and Scotland).* Support to SMEs creation and maintainment, and the promotion of business networks are considered the most effective actions for territorial development. Tourism also has an important role, especially as regards the promotion of regional identity and the development of tourism infrastructures. In the case of Germany and Scotland, the role promotion of new forms of Governance is considered important. Experts of Irish study areas mark Social Capital as the third most important group of measures for effective development.
 - *Focus on Tourism with emphasis in Spatial Measures (Greece).* There is some common vision towards the promotion of tourism activity. Some effective tools and incentives mentioned include the support to small firms, strengthening local clusters, attract inward investments, develop the regional image and promote regional marketing. Lifting isolation is a major goal. All spatial measures score high. Governance is the third most effective group of measures. Most institutions, agencies and organisations are conflictful, given to factionalism and are mistrustful of each other. The prevailing role of the government in policy design and the lack of comprehensive development strategy are believed to constitute significant problems. Local experts assess very positively existing measures to promote a new model of governance.
 - *Focus on business development with emphasis in spatial measures (Spain).* All measures for business promotion score high. Entrepreneurship is considered essential for development because it is the basis of innovation, employment creation and competitiveness. The fact that Spain is an extensive country with a historical lack of “hard” infrastructures explains the importance given to spatial measures. The third group of measures considered most effective is Governance. This could be in relation to the complex institutional framework characterised by a traditional lack of coordination and conflicts of power. Common institutional action is seen as one of the main strengths for sustainable development. Specific measures from other groups are considered important: on the one hand, the

development of human resources (social capital) in relation to the lack of leadership and skills in rural areas; on the other hand, the promotion of IST infrastructures (IST) considered an important element for effective development in the near future; finally, the development of infrastructures for tourism, a potent complementary activity in the opinion of surveyed experts.

- *Focus on business development with emphasis in Social Capital (Finland).* The focus is on business development measures. SMEs are considered effective employment creators. Social Capital is considered a key factor for regional development. The promotion of active citizenship and the integration of socially marginalised groups are the two measures more valued, although all other social capital measures also score high (development of human resources via education, training, etc., provision of high quality social services, creation of structures to allow participation). The third group of measures considered effective for development is the adequate promotion and use of Information Society Technologies (IST). The importance of broadband connections is agreed but also the ability to use IST. Measures from other groups also deserve attention, particularly the promotion of partnerships to direct development measures towards specific goals (Governance) is the best valued.

Figure 13.4: Impact of different groups of policies on the development of the AsPIRE regions. Analysis per country. Models of policy effectiveness by country

Policy Group	Finland	Scotland	Ireland	Germany	Spain	Greece	Average
a) Spatial measures	16,2	11,2	9	15,2	17,2	21	15,0
b) Business networks and innovation	24,6	17,8	15,6	23,2	19,6	14	19,1
c) Information Society Technologies	19,6	16,4	12,6	17,6	14,8	15	16,0
d) Governance	16,8	17	12,6	18,6	16,2	15,4	16,1
e) Social capital	23	16	14,2	15,2	13,2	14,4	16,0
f) Tourism	15,6	18	15,6	19,8	15,2	24,4	18,1
Average value	19,3	16,1	13,3	18,3	16,0	17,4	

Note: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

c) Accessible (B) versus peripheral (A) areas (Figure 13.5)

- Experts from B areas score higher on average and for all groups of measures. Policy measures are, therefore, perceived to be more effective in B regions than in A regions.

(ii) There are many coincidences between A and B areas. The **model of effective policy action for territorial development** includes similar actions for both areas:

- **Support to the endogenous economic fabric and promotion of under-utilised local resources:**
 - Strong support to SME.
 - Very strong role of tourism promotion as an activity with high development potential that needs institutional support.
- **Transformation of the social and institutional relationships:**
 - Development of a participative governance system.
 - Planned long-term development to reduce problems of spontaneous development.
 - Development of human resources, through education, training or leadership formation (specific of A regions).
 - Integration of marginalised groups (specific of B regions)
- **Progressive incorporation of IST to the economic activity, institutions and everyday life of citizens.** IST are seen as a powerful tool to increase business competitiveness, to attract desirable industries and to facilitate more and better quality services. Despite these commonalities, some small differences have been identified:

- Several measures score higher in “A regions”, an outstanding fact giving that average scores of “B regions” are overall higher: (i) support to the creation of new SMEs; (ii) promotion of innovation, research and development; (iii) promotion of active citizenship; (iv) provision of high quality and comprehensive social services.
- Spatial measures are considered more effective in accessible (B) regions. The higher exposure to risks of urbanisation and industrialisation in accessible areas have produced bigger concern on the need for environmental protection and integrated spatial planning.
- Business support and promotion is a fundamental pillar for development in both types of areas, with more emphasis in peripheral areas.

- IST are perceived to be more important in accessible regions, although in both cases its role is considered essential in the future.
- The lack of quality and comprehensive services and the promotion of policy actions to counteract this is more evident in peripheral regions.
- The presence of social exclusion and the demand for policy actions to counteract this is more evident in accessible regions.
- Society is more structured in accessible regions and the demand there is for more open system of governance that allows for civil organisations to participate in policy formulation. On the other hand, less structured societies in peripheral regions demand the promotion of active citizenship.
- Tourism is seen as a complementary but necessary activity with high potential in both types of areas. However, accessible areas put more emphasis in this potential.

Figure 13.5: Impact of different groups of policies on the development of the AsPIRE regions. Analysis of accessible versus peripheral areas

Policy Group	A Areas (Peripheral)	B Areas (Accessible)	Difference A - B
a) Spatial measures	42,4	49	6,6
b) Business networks and innovation	56,8	59,6	2,8
c) Information Society Technologies	45	51,8	6,8
d) Governance	45,4	51,6	6,2
e) Social capital	45,6	51,2	5,6
f) Tourism	49,8	60	10,2
Average scoring	47,5	53,87	6,4

Notes:

1: **Less than 15:** "Failing to promote"; **15 – 45:** "Poorly succeeding to succeeding"; **46 – 60:** "Poorly succeeding to succeeding (+)"; **More than 60.** "Succeeding to best succeeding"

2: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

The selection of the Best Development Strategy

The analysis of policy effectiveness was aimed at identifying possible differences between countries and areas in the types of measures that are being more effective for long term development. The focus in the previous section was, therefore, the identification of what is and has been more effective (recent past and present). This section presents the results of the analysis to identify the preferred development

strategy. In this section the focus is what would be the best combination of policy measures to promote sustainable development (future).

A good method for detecting the combination of policy measures that is perceived to be the best policy strategy to achieve sustainable development is a “budget allocation” exercise. This exercise consists of presenting a group of local experts with a list of policy measures and a sum of “credits” that they have to allocate among the measures provided in relation to their perceived effectiveness.

Main findings of the selection of the best development strategy are:

a) For the whole set of data (all countries, all areas) (Figure 13.6)

- (i) Spatial measures get the biggest share of credits when it comes to the best policy strategy. This indicates that local experts believe that spatial measures are key for long term development but that measures implemented so far are either insufficient or ineffective.
- (ii) Almost 22% of the total budget goes to **transport policies**, mainly to infrastructure improvement (13,8%). Transport infrastructures and other related policies are considered an essential part of the development strategy in all areas. Their lack usually prevents territories from using all their development potentials.
- (iii) A **comprehensive support to SMEs** is the other development pillar of the strategy. Experts allocate in business support measures 25,32% of the total budget. Experts coincide in the risks associated to the dependence on large (exogenous) enterprises when it comes to sustainable development.
- (iv) The **development of human resources** via education, training or leadership formation is considered an important measure (6,75%). None of the other Social Capital measures deserve the attention of experts.
- (v) The role of IST for development is important, especially in relation to increase business competitiveness and to provide more accessible and high quality social services. However, experts allocate significant share of the budget (5,19%) only to the **promotion of IST infrastructures** since any future use of IST depends on the availability of good access in all parts of the territory.
- (vi) Despite the experts perception that a flexible, coordinated and participatory governance system is essential to promote development,

Governance-related measures are given only secondary importance, although most of them deserve between 2% and 3% of the budget. This could be due to two different reasons: on the one hand, that current measures to introduce new systems of governance are working well and experts do not consider this group of measures a top priority; on the other hand, that experts believe that changes in the governance system depend not so much of funds but on attitudinal and behavioural changes.

- (vii) **Tourism** is considered an important activity for development. Most experts acknowledge that this activity has much more potential than currently used. This is why the sum of the five tourism-related measures gets more than 12% of the total budget, a bigger share than IST, Governance and Social Capital. However, tourism is believed to be an effective activity to promote development if it is integrated with other economic activities and uses local resources to promote regional identity. It seems that this activity faces important infrastructural lacks, in relation to the generally low development to date.

Figure 13.6: Measures selected for budget allocation (distribution of 100 credits). Groups of measures. Global analysis

Policy Group	TOTAL %
a) Spatial measures	29,25
b) Business networks and innovation	27,14
c) Information Society Technologies	10,38
d) Governance	10,64
e) Social capital	10,47
f) Tourism	12,11

Note: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

b) Country by country (Figure 13.7)

- (i) **Spatial Measures** are the most important in Ireland and Greece, and score very close to the most important group in Germany. In the case of Ireland it gets more than half of the total budget (53,9%). During last 10 years, Ireland has directed its strategy more to the development of IST infrastructures than to “hard” infrastructures. Greece also suffers from lack of good infrastructures, what explains the priority given to spatial measures. Only in Scotland, Spatial measures are not among the most important groups of policies. One of the Scottish areas is a group of islands what makes irrelevant the improvement of “hard infrastructures”.

- (ii) **The promotion of business networks and innovation** is the most important group of measures in four countries: Finland, Scotland, Spain and Germany. It is the second most important group in the other two countries. It is, therefore, a centre of the best development strategy in all areas. No significant differences can be pointed out.
- (iii) **IST** are relevant in the case of Scotland (third most important group of policies) and Finland. However, Ireland and Germany experts allocate a very low percentage for the total budget to this group of measures.
- (iv) **Governance** constitutes the third most important group of policies in the Mediterranean countries (Spain and Greece). Reasons are well explained in page 20 (Greek and Spanish models).
- (v) **Social Capital** measures are relevant in the desired policy strategy of Finnish, Scottish, Greek and Spanish areas. Issues like human resources development and the provision of quality, comprehensive social services get high shares of the budget. Irish experts consider completely irrelevant this group of measures.
- (vi) **Tourism** measures are very important for the development strategy in the Scottish areas (one of the areas is a consolidated touristic destination). Other countries like Germany, Greece and Spain, also allocate good funding to this group of measures, in relation to the development potential of this activity.

Figure 13.7: Measures selected for budget allocation (distribution of 100 credits). Groups of measures. Analysis per country

Policy Group	TOTAL FINLAND %	TOTAL SCOTLAND %	TOTAL IRELAND %	TOTAL GERMANY %	TOTAL SPAIN %	TOTAL GREECE %
a) Spatial measures	18,52	12,99	53,89	29,19	23,44	30,00
b) Business networks and innovation	29,10	24,86	27,98	32,06	34,38	17,89
c) Information Society Technologies	14,29	18,08	6,74	6,22	9,38	8,95
d) Governance	12,70	9,04	4,15	8,13	10,94	17,37
e) Social capital	19,05	14,12	0,00	8,61	11,46	13,16
f) Tourism	6,35	20,90	7,25	15,79	10,42	12,63

Note: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

c) Accessible (B) versus peripheral (A) areas (Figure 13.8)

- (i) The best development strategy is very similar for peripheral (A) and accessible (B) areas. The strategy consists on a mixture of spatial measures

(1/3 of the total budget), support to businesses (1/3), and other aspatial factors (1/3).

- (ii) Experts of peripheral areas (A) allocate more funding to business networks and innovation than their colleagues of accessible areas (B). On the other hand, tourism is more valued in the desired policy strategy in accessible areas. Overall, no significant differences can be pointed out at group level.
- (iii) The analysis of particular measures reveals that the preferred development strategy is also very similar for both types of areas:
 - The promotion of transport infrastructures (rail and road) is the measure that receives the biggest share of the total budget (about 13% in both cases), slightly more in the case of accessible areas. The only outstanding difference between A and B areas in relation to spatial development measures is the greater concern with the need to promote an integrated spatial planning of the territory in peripheral areas.
 - The promotion of business, business networks and innovation are highly selected measures. The group of measures is slightly more valued as part of the development strategy proposed for peripheral areas. There are some differences between A and B areas:
 - The support to the creation of new SMEs is especially highlighted in accessible areas. It seems that dynamic peripheral areas have consolidated entrepreneurial fabrics and the main focus is no on the creation but on the support to the existing businesses.
 - Support to business networks and the promotion of innovation, research and development are more important in peripheral areas in relation to the presence of a more endogenous business fabric.
 - Governance measures like improvement of institutional coordination and creation of local development organisations with territorial focus are more valued in peripheral areas.
 - The role of tourism is more important in accessible regions. It seems that the proximity to markets condition this fact.

Figure 13.8: Measures selected for budget allocation (distribution of 100 credits). Groups of measures. Analysis per country

Groups of Measures	TOTAL AREA A %	TOTAL AREA B %
a) Spatial measures	28,57	28,21
b) Business networks and innovation	29,95	25,81
c) Information Society Technologies	9,64	10,94
d) Governance	11,36	9,74
e) Social capital	10,15	11,62
f) Tourism	10,33	13,68

Note: In **Red** the most effective group of policy measures; In **Yellow** the second most effective group of policy measures; In **Green** the third most effective group(s) of policy measures

Conclusions

The research exercise analysed in this paper was aimed at the identification of the subjective perceptions of a group of qualified local experts on the role of public action in the development of their territories.

The following paragraphs try to synthesise the answers of the sample of local experts surveyed to the initial hypothesis and research questions:

Are spatial measures more effective than “soft factors”?

Spatial measures are perceived to have been the less effective ones in the promotion of development to date. The exception is the promotion of road and rail infrastructures that is perceived as a highly effective measure. Therefore, “soft factor” measures are clearly the more effective ones when we talk about the past and current development policy in the analysed areas. This finding is valid for all areas and all countries, and no significant differences outstand. This does not mean that spatial measures are considered irrelevant. On the contrary, experts believe that spatial measures are key for development but they have been either insufficient or inadequate.

This argument strengthens when we observe that spatial measures get the highest priority for future policy action. In the case of the best development strategies, Spatial Measures are the most demanded. Only one “soft factor”, business and business network promotion, has been valued as high as spatial measures. The rest of soft factors receive less priority.

How effective is each of the “soft factors” in promoting development?

Globally, Business Networks and Innovation is the group of measures that has obtained best scores as a whole. Tourism, although does not have any measure in the highest interval, get good scores in all measures and can be ranked as the second best group of measures. The other factors and especially Governance and Social Capital, have received less enthusiastic scores meaning a less important role in the development of the regions. Soft factors rank similarly in relation to the past and present effectiveness than in relation to their role in the future development strategy. Differences are more significant between countries than between types of areas, although the general trend of the global analysis stands.

Which particular measures are valued most?

The profile of the most effective past and current policy action promoting territorial development in the study areas includes a strong economic action based on the improvement of transport infrastructures and the promotion of SMEs (creation and consolidation) and business networks. This model also contains an innovative form of governance (the promotion of local partnerships as the optimal form of cooperation for development) and emphasises the role of human resources for long term development. Information Society Technologies are considered important for development but their role is perceived as progressively increasing in the future. Finally, tourism is an essential complementary activity that needs to be more clearly incorporated to future development strategies.

When it comes to the future best development strategy, spatial measures get the biggest share of credits, and only one of the “soft factors”, business networks and innovation, deserve a similar importance.

Which are the most irrelevant measures?

Several measures are clearly considered less relevant for development. These include:

- Two spatial development measures: integration of spatial planning measures and the promotion of public transportation
- One business networks measure: promotion of large enterprises

- Two governance measures: creation of local development organisations with territorial (non sectoral) focus, and joint strategic thinking based on people's policy incentives and interaction
- Two social capital measures: (i) provision of high quality social services, (ii) integration of socially marginalised groups

Are there significant differences between countries?

To some extent. Both the perception on the effectiveness of the current development measures and on the best development strategy for the future vary, giving chance for the definition of country models in the first case (see section 3.1.2). However, differences are not fundamental and the dominant groups of actions and individual actions stand in most cases.

Are there significant differences between accessible (B) and peripheral (A) areas?

Very few. In relation to the perception on the effectiveness of the current development measures, there are many coincidences between A and B areas. The most effective groups of measures are Business Networks and Innovation and Tourism. On the other hand, spatial measures are not considered relevant as a whole in either area, while the remaining three groups of non spatial measures (IST, Governance and Social Capital) get intermediate values in both cases. A common “effectiveness development model” could be identified and is shown in section 3.1.3.

The best development strategy is also very similar for peripheral (A) and accessible (B) areas, according to the opinions of sampled experts. The strategy consists on a mixture of spatial measures (1/3 of the total budget), support to businesses (1/3), and other aspatial factors (1/3).

Are A areas (peripheral and relatively dynamic) showing better assessment of soft factors than B areas (accessible and relatively lagging)?

No. The effectiveness of all groups of measures score higher in accessible than peripheral areas. Only few measures score higher in peripheral areas: (i) support to the creation of new SMEs; (ii) promotion of innovation, research and development; (iii) promotion of active citizenship; (iv) provision of high quality and comprehensive social services.

CHAPTER 14

THE ASP ASSESSMENT TOOL

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Introduction

One of the objectives of the AsPIRE project was "to create and disseminate a user-friendly set of tools and procedures to allow regional agencies to assess the components of AsP in their region, and to suggest appropriate forms of intervention." The result of the work addressing this objective has been delivered as Deliverable D29 "AsP Assessment Tool" and as part of Deliverable D33 "Internet Web-Site and Toolkit".

The discussion on the AsP assessment tools in the course of the AsPIRE project has led to the conclusion that it would be much more practical and also user-friendly to develop and implement only one comprehensive AsP Assessment Tool instead of a set of tools as originally planned. The AsP Assessment Tool has been fully integrated into the AsPIRE analytical framework and has made as much as possible use of the findings of the other AsPIRE work packages. Of course, such a tool cannot reflect the theoretical and empirical richness of the work done there. However, the variety of approaches and results were utilised in a comprehensive but compact manner.

This chapter briefly presents the concept of the comprehensive AsP Assessment Tool and its implementation. The software tool as such can be accessed via the AsPIRE homepage.

Basic Concept

There are numerous possibilities to set up an assessment tool for evaluating regions with respect to their hard and soft location factors. The range of options is from strictly quantitative assessments without user interaction to a completely qualitative, multiple choice questionnaire based fully on inputs of the regional user. The basic concept for the AsP Assessment Tool is to link the extremes sketched out above and to develop a tool combining 'hard' numbers with 'soft' estimates and opinions of the regional users. Accordingly, there are two very different types of input information for the AsP Assessment Tool:

- On the one hand, the tool has its own regional knowledge base in form of AsP indicators and other relevant indicators. This is derived from the AsPIRE database presented in Deliverable D18.
- On the other hand, the tool is gathering information on the region in question by addressing a number of key questions to the regional user. The questions cover both spatial peripherality and the five thematic fields of aspatial peripherality, i.e. ICT, business networks, governance, social capital and tourism. For each thematic

field, five key questions have been selected, mostly from the questionnaires of the case study work. Questions have been selected according to their ability to bring out a clear spatial distinction of certain key aspects of AsP and/or according to their explanatory power.

The main result of the assessment of a region is the generation of different profiles of the region. These profiles are based on statistical data and, particularly, on the regional user input. Profiles are given for degree of peripherality and economic performance and for the five AsP themes as well as for all themes together. The profiles are reasonably short, containing the user assessment, some key numbers and maps and short text-based typologies of the region. In addition, for each theme basic results of the qualitative and quantitative work packages of AsPIRE are provided to give information on the relevance of the theme for AsP and economic performance.

Online Assessment Process

The tool has been developed as an interactive web-based instrument which can be accessed from the AsPIRE homepage and which can be approached and used online. The main steps of the online assessment are the selection of language and of the rural region the user wants to assess, the answering of the assessment questions by the user and finally the assessment result pages presented to the user.

Calling the web page of the tool, first, the AsP Assessment Tool welcome screen giving general information on the background of the assessment tool and the assessment process is displayed. The information is provided in English as default, however, other languages can be selected. The next step is the selection of the rural region the user wants to assess. This can be done by drop-down menus, or, alternatively, the user can choose the region from a map displayed in a pop-up window.

After completion of the initial selections, the assessment procedure begins. The tool displays assessment forms for economic performance and location and for the five AsPIRE themes ICT, business networks, social capital, governance and tourism. Each of the assessment forms contains five questions related to the specific theme (see Figure 14.1). Each question asks the user to assess the region in question using a scale of five values ranging between the two extreme feature characteristics.

AsPIRE
Assessment Tool
03/30/04

ASPIRE

1. Welcome & Guidance
2. User informations
3. Country & Region Selection
4. **User Input**
 - Economy & Location
 - **ICT**
 - Business Networks
 - Social Capital
 - Governance
 - Tourism
5. Assessment
6. Total Results & Recommendations

2. Information and Communication Technologies (ICT)

Please, assess the offer and the use of information and communication technologies in *Mid-West*.

Quality and type of internet-access (e.g. DSL, ISDN)	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	poor ↔ excellent
Quality of information and training opportunities in the field of ICT (e.g. use of the internet, e-commerce)	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	poor ↔ excellent
Use of internet by the businesses of your region (e.g. own website, e-commerce)	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	little ↔ intensive
Temporal delay in provision with ICT-infrastructure (e.g. DSL, broadband)	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	high ↔ none
▶ In your opinion, are new IC-technologies (e.g. internet, ISDN, mobile phones) able to compensate for the disadvantages of a rural/peripheral location?	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	not at all ↔ completely <input type="button" value="Go"/>

Assessment status - ict questions left: 0 of 5.

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Figure 14.1. Sample user assessment for for ICT.

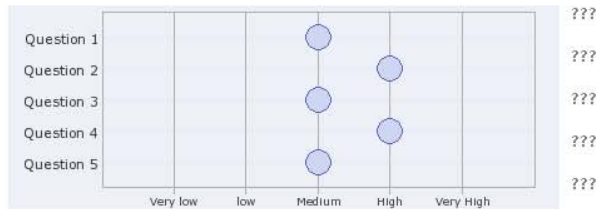
Then the result screens are displayed ordered by AsP themes. Each result screen for a theme contains three main sections: the user's assessment of the region, the region's assessment based on the AsP database and text boxes summarising main results of the AsPIRE project for the theme (see Figure 14.2). The first two sections visualise the assessment results and give an overall rating of the particular AsPIRE theme. For each indicator there is an option to display a map of Europe with the spatial distribution of the indicator. In addition the user can request supplementary information on the relevance of each indicator by a pop-up window.

The final result screen contains the overall results for the selected region and combines all user and AsPIRE assessments to a generalised 'regional profile'. The screen provides also a short text on strengths and weaknesses of the region regarding AsP. Furthermore, links to further information, e.g. best practice examples, are provided. The user is asked for permission to store his or her inputs into the tool's internal results table for further research. Finally a printer version of the assessment results is offered.

1. Welcome & Guidance
2. User informations
3. Country & Region Selection
4. User Input
5. **Assessment**
 - Economy & Location
 - **ICT**
 - Business Networks
 - Social Capital
 - Governance
 - Tourism
6. Total Results & Recommendations

Your assessment for *Mid-West*:

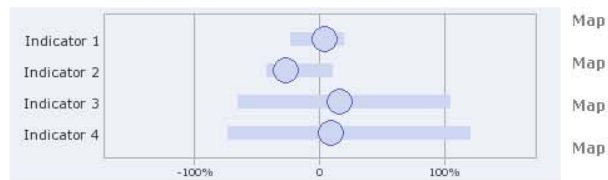
Information and Communication Technologies (ICT)



- Question 1: Quality and type of internet access (e.g. DSL, ISDN)
- Question 2: Quality of information and qualification offers in the field of ICT (e.g. use of the internet, e-commerce)
- Question 3: Use of websites/internet by the businesses of your region (e.g. own website)
- Question 4: Temporal delay in provision with ICT-infrastructure (e.g. DSL, broadband)
- Question 5: In your opinion, are new IC-technologies (e.g. internet, ISDN, mobile phones) capable of compensating for the disadvantages of a rural/peripheral location?

With respect to Information and Communication Technologies (ICT) you see *Mid-West* in a good position.

The ASPIRE database assessment for *Mid-West*:



- Indicator 1: Employment in IT sector (NACE 30 and NACE 72) as share of total
- Indicator 2: Share of business >10 employees which use internet for sales
- Indicator 3: Registered internet domains per capita (year 1999)
- Indicator 4: Share of households having access or using on-line services

With respect to ict the region belongs to the average performing rural regions in Europe.

Main results of the ASPIRE project for the theme in question. The main purpose of this box is to communicate the relevance of the theme to the user. One paragraph will summarise the findings from the field work, a second the results of the regression analysis.

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Figure 14.2. Sample result screen form for ICT.

Conclusions

The AsP Assessment Tool addresses one of the objectives of the AsPIRE project, namely "to create and disseminate a user-friendly set of tools and procedures to allow regional agencies to assess the components of AsP in their region." The basic concept for the AsP Assessment Tool is to link 'hard' numbers with 'soft' estimates and opinions of the regional users. In doing this, the tool developed goes far beyond the original aims to develop a set of purely qualitative assessment procedures.

In developing and implementing the AsP Assessment Tool a set of achievements have been made:

- The tool provides appropriate questions for generating a self-assessment of a region's endowment with AsP factors.
- It gives the user a summary of its own view on the region's strengths and weaknesses.
- At the same time it allows for an indicator-based assessment of the region's endowment with AsP factors as well as its accessibility and its economic performance.
- The provision of quantitative indicators provides the user also with information on interregional comparison, i.e. to compare the regional location factors with other regions in Europe.
- The tool provides also links to the most important, policy relevant parts of the AsPIRE project (e.g. best practices and policy assessment).

The AsP Assessment Tool has also its limitations. The tool cannot substitute region specific studies on strengths and weaknesses, contexts and policy measures, i.e. it does not replace experts in economic analysis and development. Nevertheless, it can give a first impression of the region's profile with regard to AsP factors.

The AsP Assessment Tool offers also a potential for further analysis of AsP factors in the rural regions of Europe. The input data of sessions whose users give permission are stored by the tool. In this way, it is hoped to establish a unique pan-European regional database on regional self-assessment by regional actors. Of course, this requires a sufficient number of respondents and therefore dissemination of the AsPIRE project and the tool. And typical problems with online surveys like invalid user inputs, tactical answers or several entries by one and the same user have to be controlled for.