

MED space territorial factors

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In the current globalised economy, the regions forming the MED space tend to construct their competitive advantage on the basis of some place-specific sets of local assets. Consistently with the geographical variety (socio-economic, cultural and physical) of MED regions, these assets include a highly varied group of territorial factors and development conditions.

Nevertheless, as far as the greatest development challenges affecting the MED space are considered, the competitiveness of Mediterranean regions is usually reported to a quite reduced set of “keywords” or competitive territorial factors.

In the context of the OTREMED project, the aim of the work carried out by Regione Piemonte and IRES Piemonte has been to provide a territorialised list of such competitive factors reflecting both the specificity of the Mediterranean development model (based on the findings described by Region Lazio and BIC Lazio in the previous chapter) and the uniqueness of the priorities, problems and goals of every territory forming the MED space.

More specifically, the competitive factors reflect the MED regions’ representation of the main development issues and factors in the MED space. In fact, they have been identified on the basis of a two-step process including:

1. a survey among OTREMED project partners. Via the distribution of a questionnaire, representatives of the OTREMED Regions (13 regions) have been asked to indicate, for every NUTS 3 region in their territory, the share of the land area corresponding to some emerging *territorial typologies* (MEGA urban poles, Coastal urban areas, Inland urban areas, Rural areas with intensive agriculture, Intermediary rural areas, Rural and natural areas, Small islands and archipelagos). Then, according to their regional experience, they have been asked to: a) select, among the *development challenges* affecting the Mediterranean – which have been described in the report of Lazio partners –, the most urgent challenges; b) indicate the territorial typologies where these priorities were most

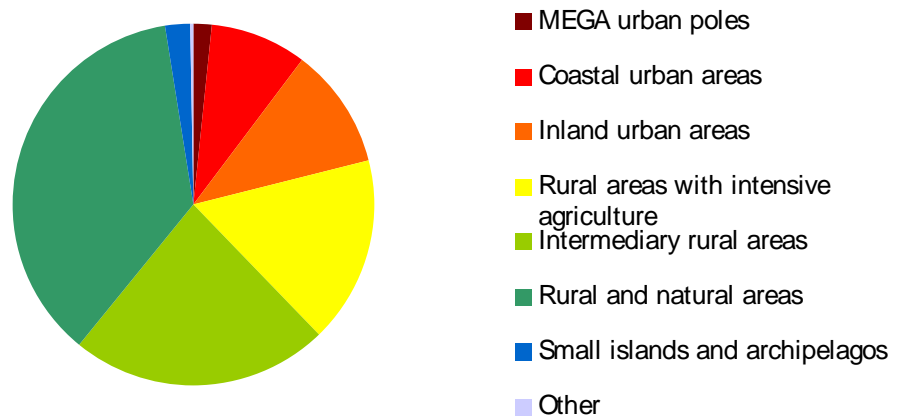
evident; c) detect a reduced list of the *territorial factors* and related *policies* that enable the regional system to cope with the previously selected development challenges and territories;

2. a validation process with representatives of MED Regions that were not partners of the OTREMED project. The preliminary results of the survey among OTREMED partners have been sent to representatives of all the other MED Regions, asking for their feed-backs, comments, advices, etc. 19 regions participated to the validation process.

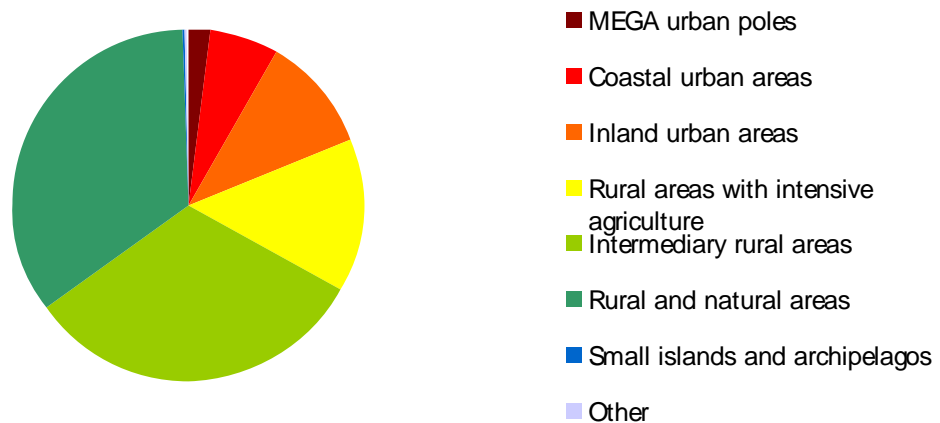
As a result, the survey and the validation procedure led to the identification of a MED-specific competitive model, whose essence is characterised as follows:

- the MED space (13 OTREMED regions + 19 non-OTREMED regions) presents a highly diversified territorial structure that overlaps poorly with the regional administrative partition. Most of the MED land area is constituted by rural and natural areas (36.8%). A relevant share of these consists of intermediary rural areas (22.9%). Rural areas with intensive agriculture occupy the 16.8% of the total surface, while urban areas occupy the 21.1%: this percentage is composed by 10.7% of inland areas, 8.8% of coastal areas, and 1.6% of MEGA poles. Finally, small islands and archipelagos account for 2.2%. The residual 0.2% consists of a highly mixed system of territorial typologies;

MED space territorial typologies



OTREMED regions territorial typologies



- nevertheless, any attempt to report the MED space to a well-defined sample of geographical regions, characterised by homogeneous territorial features (mountain, hill and plain areas; internal or coastal) and prevailing functions (urban or rural; central or peripheral) clashes with the dense presence of human activities that characterises the largest portion of the MED space, leading to a high degree of functional overlapping. Indeed, in the MED regions residential, agricultural, industrial, and service activities often coexist in the same places;
- a reason for the great territorial variety of the MED space relies on the history and geography of its regions. In the MED space, a vast heritage of tangible and intangible assets, which have been defined by an historic layering of values and cultures, and an accumulation of traditions and social, cultural and economic

experiences, is recognized as such in its diversity and it is used to feed networks of relationships at various geographical scales (from the local to the global). In this sense, MED space uses traditionally embedded assets (such as cultural heritage, landscape, traditional industries and know-how) to construct its competitive advantage in a multi-scalar and trans-scalar way;

- yet, the development model expressed by the MED space is also contradictory in a certain sense. More specifically, the factors that have been mentioned as MED strengths by some Regions have been mentioned as weaknesses by other ones. For instance, this is the case of transport infrastructures and services, and firm-university relationships;
- moreover, in comparison with other European macro-regions, the MED space is highly dependent on external fluxes of energy, resources, goods and competences, and those fluxes are often characterised by seasonal trends. Particularly, this is the case of summer and winter tourism, that generates congestion and over-crowding effects above all in coastal urban areas;
- indeed, coastal areas emerge as key strategic territories pushing MED space competitiveness. On the one hand, almost all the surveyed regions (both OTREMED and non-OTREMED), have in fact showed to be aware of the strategic role of coastal areas with respect to several development challenges (revitalisation of the urban system, access to transport, research and development), functions (economic, residential, environmental) and scales of intervention (urban, regional and Mediterranean). On the other hand, the scarce presence of small islands and archipelagos in the analysed regional contexts (in OTREMED particularly, where they account for only the 0,2% of the overall land area) has determined a certain underestimation of the centrality of these territories.

In the table that follows the *competitive territorial factors* in the MED space (third column in the table) are represented by a reduced set of **synthetic key words** and organised according to both the key development themes/challenges (first column) they concur to cope with, and a list of related sub-themes/challenges or territorial dynamics (second column), which have been detected as the most relevant according to the conclusive results of the MED space territorial characterisation. Finally, the fourth column in the table

shows the territorial typologies more frequently associated to each competitive territorial factor (i.e. territories that were mentioned by at least five Regions).

Key development themes / challenges	Sub-themes / challenges or territorial dynamics in the MED space	Competitive territorial factors in the MED space	Territories to which the factor is mostly referred
1. Revitalisation of the urban system	Population growth, aging population, and critical mass in active population Immigration/Integration Urbanization, soil consumption degree, and settlement models Accessibility at different levels Basic services and supply for the population	urbanisation and soil consumption trends	coastal urban areas inland urban areas
		demographic trends	rural and natural areas inland urban areas
		planning tools/practices	rural and natural areas intermediary rural areas coastal urban areas rural areas with intensive agriculture
		integrated transport systems	inland urban areas coastal urban areas MEGA urban poles
		services supply	rural and natural areas
2. Research and development	University, Higher Education Centres, Public and Private Research Institutions Cooperation	integrated research systems	coastal urban areas inland urban areas MEGA urban poles
		public-private partnerships	
		public and private investments	
		human capital	
3. Crisis of rural	Economy of small and medium centres	planning tools/practices	rural and natural areas intermediary rural areas coastal urban areas rural areas with intensive agriculture
		natural capital	rural and natural areas intermediary rural areas rural areas with intensive agriculture
		innovative agriculture	rural areas with intensive agriculture
4. Access to transport	Freight supply	integrated transport systems	inland urban areas

		multimodality	coastal urban areas MEGA urban poles
5. Access to information and communication technologies	Degree of internationalization and transfer of technology E-government diffusion	high-speed connections	coastal urban areas MEGA urban poles
		technological innovation	coastal urban areas
6. Sustainable energy	Energy demand and diversification	green economy	MEGA urban poles intermediary rural areas
		renewable energy sources	coastal urban areas inland urban areas
		energy diversification	intermediary rural areas
7. Disaster related risk prevention and management of natural resources	Natural hazards and environmental restoration measures	planning tools/practices	rural and natural areas rural and natural areas intermediary rural areas
		monitoring	coastal urban areas rural areas with intensive agriculture
8. Management of cultural resources	Policies for land protection	planning tools/practices	rural and natural areas coastal urban areas rural areas with intensive agriculture
	"Culture" resource and economy	cultural capital	inland urban areas MEGA urban poles
9. Sustainability of regional economic resources	Employment Dynamics Structure and dimension of enterprises and economic framework	technical capital	inland urban areas
		technological innovation	inland urban areas intermediary rural areas
		green economy	MEGA urban poles intermediary rural areas
		renewable energy sources	inland urban areas
		human capital	MEGA urban poles
		job market	inland urban areas
public-private partnership	coastal urban areas		
10. Governance	Services/supply provision by public administration	public-public partnership	rural and natural areas
	Efficiency of public administration	social capital	coastal urban areas inland urban areas

11. Landscape management	Planning and policies framework	planning tools/practices	rural and natural areas intermediary rural areas coastal urban areas rural areas with intensive agriculture
		natural capital	rural and natural areas intermediary rural areas rural areas with intensive agriculture
		landscape capital	rural and natural areas intermediary rural areas rural areas with intensive agriculture
		urbanisation and soil consumption trends	coastal urban areas inland urban areas intermediary rural areas

Summarising, the analysis conducted on the competitive territorial factors of the MED space has led to the comprehension that MED Regions still suffer from a dependence on a dominant innovation-related development model that characterises the development of Western and Northern European regions more than than Southern and Eastern ones. In particular, consistently with the Lisbon strategy, MED regions have attributed in their agendas great centrality to technological innovation assets such as the presence, above all in urban centres, of universities and higher education institutions, research and technology centres, science parks, R&D investments, cooperative partnerships, and advanced services.

Nevertheless, hints of the progressive drifting away of MED regions' agendas from the dominant EC development model have also appeared in terms of:

- the recognition of the importance of both planning and monitoring tools and governance processes in any type of territories. In particular, great centrality is attributed to the planning of efficient multimodal transport systems in urbanised territories;
- the emphasis posed on the preservation and valorisation of local resources such as the human, technical and cultural capital, the locally rooted technical know-how, and the urban and natural landscape;

- the centrality attributed (mainly in urban contexts) to individuals' needs and issues such as the access to services and job market, and their territorial embedding into the local economic, social and territorial processes;
- the increasing importance posed to the cultural and creative economies, hybridising traditional know-how and innovative technologies and languages, as well as to the green economy paradigm.

To say it differently, coherently with the next *place-based turn* in the EC cohesion policies, the MED space seems to move from the *cliché* of the promotion of the competitiveness *per se* to the pursuing of a territorially embedded definition of competitiveness.

The MED space is working to be the place where diversities can cohabit and come to a cohesive and competitive synthesis in the name of the fruition, construction and valorisation of a common (although diversified) heritage of Mediterranean cultures, activities, and landscapes.

In other words, the essence of the MED model stays in the provision of the conditions enabling a territorially diversified set of models/processes of settlement and economic development. The MED model is a *multi-model*, whose success does not rely on a single receipt, but on the collaborative and creative hybridisation of different existing recipes.

This competitive model has been also approved by the majority of the Regions participating to the validation process. In particular, they have underwritten the final conclusions, whereas they expressed some doubts on the territorial characterisation resulting from the survey among the OTREMED Regions. As it was predictable: the more diverse the regional territorial conditions were (in comparison with those of the majority of OTREMED regions), the greater the proposed modifications.

A SWOT analysis

The scheme presented in the next page summarises the results of the analysis conducted among OTREMED partners and organises the territorial factors according to the role that each one of them plays in the construction of the competitive advantage of the area.

Of course, the scheme represents a general portrait of the MED space, mainly based on the characterisation of the area made (see previous chapter), on an overview of main statistical data and on the answers given to the questionnaires for the identification of the territorial

factors. Each MED territory could make its own SWOT analysis, placing differently the factors on the scheme.

The goal of this synthesis is not to draw an exhaustive picture of the MED space, rather to offer a general reference model for the competitive placement of each region or territory.



Some very general elements emerge from the picture of the MED space taken through the SWOT analysis on territorial factors.

1. *MED space possesses a **strong territorial capital**, but it is often **underexploited** and **endangered** by emerging phenomena (sprawl, demographic dynamics, few investments in R&D etc.).*

The mere existence of a rich territorial capital is not a guarantee for the competitive capacity of a region. The key challenge that MED space regions have to face seems to be the definition and the pursuit of innovative and sustainable policies in the exploitation of their territorial capital, aiming both at protecting and reproducing it. The two main obstacles in this direction seem to be: a) the scarcity of long-term development visions,

and the prevailing of short-termed policies/practices; b) the scarce awareness about territorial capital value, in cultural as well as economic terms. Without such an awareness development risks to be built on fragile basis, and most of all to be highly dependant from the outside.

2. *MED space main weaknesses seem to be linked to its **governance system** (in particular to its capacity of managing the effects produced by **interactions** among **different phenomena** and **different scales**), and to a **insufficient/non-homogeneous infrastructures** system.*

Regardless of the specific institutional assets, almost all of OTREMED partners described existing governance systems as weaknesses, if not obstacles for policies efficacy. The main problems in this context are two: a) a scarce integration among different administrative levels, both vertically (among administrations at different territorial scales) and horizontally (among different branches/sectors of the same administrations); b) a scarce integration among various specific policies, each one coping with a different issue (environment, energy, industry, tourism etc.). The way out for such a situation seems to be the capacity of progressively shifting from a competence-centred approach (the definition of a problem and its solutions is a task of specific branches of public administrations) to a problem-centred one (starting from the definition of a problem the proper administrative resources are mobilised, not depending on the already institutionalised existing task divisions).

3. *MED space main opportunities seem to rely on the capacity of elaborating new ways for **valorising the existing resources and capabilities**, in a sort of "**strategic bricolage**", and of investing heavily on innovation (financially, but also culturally and socially).*

One of the most relevant challenges that MED regions have to face is the combination of existing resources, above all according to the following issues:

- the capacity of combining in a creative and effective way public and private research systems, so as to increase investment capacity of single companies through networks that can maximize the circulation of ideas, resources and professional skills;
- the necessity of supporting the creation of industrial clusters and their internationalisation process, once again with public-private synergies;

- the need for innovation also in more traditional fields such as agriculture and handicraft, that have high quality standards but sometimes have a scarce capacity of developing new production/marketing models;
 - the need for strong investments in training, so as to valorise existing human and technical capital and to give them the capacity of facing globalisation.
4. *MED space two major threats are linked with the **demographic dynamics** (especially if compared with those of the southern part of the MED basin) and with the perpetuation of a **soil-consuming urbanisation model** that endangers the territorial capital and the efficiency of infrastructures and services.*

Demographic phenomena such as ageing population, low fertility rates, peripheral territories depopulation are quite common in Europe, but in certain MED territories are particularly intense. Their impact can be quite dramatic, above all in terms of welfare system costs, innovation capacity, richness production and so on. Public policies facing these phenomena should first of all have a long-term horizon, and probably their main focus should be on the welfare system (for example strengthening services networks), taxation (for example subsidizing couples with children) and the living conditions in marginal areas.

The high rates of soil consumption that characterise large portions of the MED space are the result of policies that have underestimated not only the direct costs of such settlement models (on landscape, natural capital, cultural heritage etc.), but also the indirect ones (on mobility, on services and so on). Contrasting soil consumption requires interventions on three levels at the same time:

- the normative one, so as to protect the existing territorial capital;
 - the economic one, in order to increase the advantages of less soil-consuming urbanisation practices (for example through incentives, taxes exemptions and so on);
 - finally, the cultural one, making all concerned stakeholders (public and private) and citizens aware of the real costs of soil consumption.
5. *The emphasis on **planning** and **monitoring** tools seems to be the expression of the need for: 1) an **in-depth and continuous analysis** of ongoing dynamics; 2) a **strategic***

and integrated approach towards development; 3) a stronger coordination among policies (both vertically and horizontally).

MED regions are usually managed through a wide range of planning and monitoring tools. Nevertheless, the analysis made in the context of OTREMED raised many questions about their efficacy and capability of addressing effectively ongoing territorial or economic dynamics. The existing tools are generally seen as useful, even if their efficacy is endangered by three main kind of problems:

- a lack of knowledge, since many sectorial tools focus their attention on specific issues, underestimating the connections with other tools or policies;
- a lack of vision, since many tools do not have the capacity of addressing territorial dynamics towards long-term objectives, and also when they do so they are not designed for absorbing the changes of the context they are governing;
- a scarce capacity of positively interact with other programming, planning and monitoring tools, so that contradictions, normative conflicts and other kinds of non-complementarities are quite common.

Nevertheless, planning and monitoring tools are still a crucial mean for public authorities' action. Probably they would have to be more flexible and "self-adaptable" to ever-changing social, economic and territorial contexts, but at the same time they have to maintain their capacity of designing shared long-term development perspectives.