Harnessing globalisation for local and regional authorities
Challenges and possible solutions

SUMMARY
Globalisation has various positive and negative aspects. On the positive side, economic opportunities can emerge. Exports may flourish, companies may find new global customers, knowledge may be easily circulated, and trade may pick up, thus stimulating economic growth. Interaction through new technological instruments helps to interconnect people in different parts of the world. However, globalisation may also have disadvantages. For instance, various EU industries (e.g., coal, steel, iron, shipbuilding, automotive, and textiles) have been affected by global competition, and have had to downsize their activities. Cheap imports of non-EU manufacturing goods have led to the decline of various EU industrial sectors, but also to relocations, closures and redundancies. In addition, globalisation has an environmental, demographic, technological and cultural dimension.

The impact of globalisation therefore affects the activities and development of regional and local entities within the EU. In order to address all these issues, the European Commission has presented a reflection paper on harnessing globalisation. This briefing addresses some of the most important challenges that globalisation brings to EU regions, and sets out ideas that may be useful in tackling these challenges. Harnessing globalisation requires a holistic approach. European, national and local synergies will have to be established to address the multi-layered challenges stemming from globalisation. Serious thinking will have to be done on how to empower local and regional authorities in order to address these challenges successfully.

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Introduction

Globalisation is an ongoing process that leads to continuous and increasing interaction on many aspects of human life and to a growing interdependence among all parts of our planet. It has a considerable impact on the economy, society, technology, demography and the environment. However, its impact is not always easily measurable, as it is a product of different factors that are closely interwoven and exercise their impact simultaneously.

Globalisation may bring a number of opportunities to EU regions through an increase in exchange of goods and services, exports of products, intercultural and educational exchanges and a boost in tourism. Economic opportunities may emerge for producers, consumers, the workforce and entrepreneurs, all of whom are in a position to exploit global markets. Regions that are well connected to global 'chain' networks will have the chance to explore more opportunities. However, globalisation may also lead to a number of challenges, such as business relocations, job losses, unfair trade competition, pollution, increase of migration and cultural homogenisation. All these can have a detrimental impact on local and regional authorities (LRAs). Nevertheless, globalisation is not the only factor to blame for this outcome as, according to the 2017 OECD Economic Outlook, global losses in the manufacturing sector are the result of multiple forces, including shifts in preferences of consumers, technical progress and increasing reliance on services inputs in industry and trade.

The European Commission has recently contributed to the debate on the impact of globalisation with its Reflection paper on harnessing globalisation, presented in July 2017 as part of a series of papers on the future of Europe. In this paper, the European Commission proposed a new set of actions to be launched in autumn 2017, to further help Europe's regions invest in their areas of competitive strength ('smart specialisation') and generate the innovation, resilience and growth needed. This would be done through two pilot projects: tailored support for the specific challenges of regions facing industrial transition and interregional innovation partnerships supported by EU funds. In addition, the Commission will consider stronger linkages between existing EU instruments with the common objective of responding to new industrial challenges. The Commission suggests that smart specialisation could be scaled up to help all regions take advantage of the changes brought by globalisation.

Mapping the impact of globalisation in EU regions

In 2009, a Commission background document presented a Globalisation Vulnerability Index consisting of five key indicators available at the regional level, with projections to the year 2020: productivity growth, employment and unemployment rate, high and low educational attainment. The document offers a map of the EU where the deeper the blue colour, the larger the vulnerability of each region is (see Figure 1). Many regions in the north-western periphery of the EU appear to be in a rather favourable position. They are predominantly located in Finland, Sweden, Denmark, the UK and Ireland. They are expected to benefit from a workforce with a high level of educational attainment, a high level of employment, a high share of employment in advanced sectors and an elevated level of labour productivity. In contrast, many regions located in the southern and eastern parts of the EU appear to be much more exposed to the challenge of globalisation. This is predominantly due to the relatively large share of low-value-added activities in these regions and the low qualification level of their workforce, which may lead to difficulties in attracting investment and creating/maintaining jobs.
At the sub-national level, the Commission document reveals that, in many Member States, regions with major urban centres and metropolitan areas should be relatively well placed to respond to the challenges linked to globalisation. These areas tend to benefit from a large share of highly educated residents, dynamic sectors and leading-edge economic activities. Yet, the concentration of economic activities in agglomerations may bring negative consequences (such as congestion, urban sprawl, drain of natural resources) and may also lead to underutilised economic potential elsewhere. The document comes to the conclusion that Europe must increase productivity, invest more in R&D and new technologies, and draw on its ability to compete in products and services with a high knowledge content.

The Commission’s 2016 Regional Competitiveness Index (RCI) tends to confirm the above-mentioned regional variations. The index is based on 74 indicators grouped in 11 pillars corresponding to various aspects of regional competitiveness, such as innovation, infrastructure, human capital and governance. Regional competitiveness is defined as the ability of a region to offer an attractive and sustainable environment for firms and residents to live and work. The RCI shows that regions (Figure 2) in the northern and north-western parts of Europe tend to score better (light/dark green colour in the figure). Regions in light/dark purple tend to score lower. These are mostly located in the eastern and southern part of the EU.

Although metropolitan cities and urban areas tend to do generally well, this trend does not necessarily get repeated in each EU city. As an ESPON study suggests: ‘... while global networks are certainly important for a few global cities, we do not know the exact impact of improving connectivity for others. ... Hence, policies that focus on improving cities’ position in global networks are highly problematic because of both the difficulty to impact on this structural feature (path dependence) and the uncertain impact it will have on economic competitiveness for the city as a whole’. The study concludes that, although cities should not be ignored, an exclusive focus on metropolitan areas as motors of growth is likely to increase the vulnerability of weaker regions. In addition, the same study claims that the idea that the wealth of major European and national cities will automatically benefit non-metropolitan territories is not empirically proven. Therefore, a more comprehensive approach to territorial investment is necessary.
Challenges of globalisation

A number of varied challenges stemming from – or being reinforced by – globalisation may have an impact on European LRAs. Some of the most prominent challenges are analysed below.

Economic challenges

Global economic competition affects EU regions in a variety of ways. Economic growth from global activities, such as trade, is not evenly distributed. It is mostly concentrated in regions that can withstand higher competition and attract new economic activities. The share of manufacturing in employment has continued to decline, although the extent varies amongst EU countries. The consequences are tough for the regions that are losing out. According to a 2014 Commission memo on progress in industrial competitiveness, 3.5 million jobs have been lost in manufacturing since 2008, with some countries being particularly strongly hit (see Figure 3). In addition, investment dynamics have been slowed by decreasing demand and reduced credit availability. The share of manufacturing in the EU gross value added diminished from 15.8% in 2008 to 15.1% in 2013, against an EU target of 20% set for 2020 by the European Commission. Routine jobs, which are undertaken by middle-skilled workers, are more likely to be lost through technological automatisation. A 2016 Eurofound study claims that three manufacturing sectors account for 60% of offshoring job losses: production of motor vehicles, electronics and electrical products such as domestic appliances. Still, the study suggests that the construction and manufacturing sectors have begun to stabilise or grow modestly.

Nevertheless, the loss of jobs in manufacturing is significant for the broader state of the economy for a number of reasons. In its 2013 Competitiveness Report, the Commission claims that 'a declining manufacturing share erodes the knowledge and technology base of the whole economy, which is crucial for achieving sustainable development'. In addition, it also states that manufacturing has strong spill-over effects on the rest of the economy: 'each euro of added final demand in manufacturing generates around 50 cent[s] of additional final demand in other sectors of the economy'.

On the contrary, various other service sectors have expanded and are expected to do well in the future. The Eurofound study claims that the fields of education, health, legal, computing/information technology, accounting, engineering, management consultancy and administrative services (employment, security, travel and building maintenance) are job-growing sectors. These tended to grow even during the major economic crisis of 2008-2013, and their growth has accelerated even more since then. In addition, a 2017 OECD study suggests that job dislocation linked to service imports may be less severe than for manufacturing, as advanced economies retain a competitive edge in providing sophisticated services.

Figure 3 – Job losses in the EU Member States' manufacturing sector (2007-2012, thousands)

When it comes to the regional level, many areas in Europe have been severely affected by industrial decline. In these areas, jobs that are displaced/dismantled due to closures and relocation of industries are not always compensated by new jobs. In addition, displaced workers do not necessarily have the skills to take up emerging jobs. Regions that do not succeed to keep businesses or attract new economic activities have experienced high unemployment and outflows of workers leading to a loss of skills, residents and, consequently, to rapid population ageing. Furthermore, decline in economic activity generates job losses in a wider regional scale, a reduction of real wages for unskilled jobs and further social inequality and marginalisation.

Regional concentration of manufacturing employment means that sector-specific shocks to manufacturing may have a substantial regional impact. However, globalisation does not only affect industrial areas and cities that have experienced industrial decline. The import of cheap food products and the volatility of agricultural goods' prices also have an impact on areas that depend on agriculture. According to the 2017 OECD study, many rural areas ‘appear less diversified and tend to specialise in primary goods and low-quality manufacturing, which have been hardest hit by trade shocks’. In addition, according to the same study, workers in rural areas tend to be lower-educated than in urban areas, and therefore have greater difficulty in finding alternative employment.

Other issues that have been intensified by the economic aspects of globalisation may pose other challenges. Popular dissatisfaction with economic decline may lead to a wave of populism. The growing levels of unemployment and poverty may result in political radicalisation, social marginalisation and apathy. The taking over of towns and urban centres by big enterprise chains may lead to a loss of regional and local characteristics.

The long and expensive road to regeneration
It usually takes a long time for industrial regions to recover. De-industrialised areas often face the challenge of turning over-sized derelict buildings and polluted sites into revitalised spaces of economic creativity. Various tasks, such as land reclamation, decontamination and building of innovative infrastructure, cannot be undertaken only locally and may require national and European support. Furthermore, regenerating a region requires a multi-faceted strategy. This implies dedicated long-term cooperation of multiple players and actors holding various competencies. This is not an easy task to accomplish as it requires considerable coordination and persistence as well as generous financial support. The physical regeneration of land and infrastructure may prove quite a costly procedure. In addition, it has to be complemented with investment in human capital to allow the local workforce to adapt its skills and acquire new ones. This process may take a long time to bear fruit. According to a 2009 OECD study on regional growth, ‘infrastructure and human capital require three years to positively influence regional growth, while innovation is a longer-term process, having a positive effect on regional growth only after a five-year period’.

Environmental issues
Pollution is not always confined within country borders. Global warming is a characteristic example of an environmental problem that affects all regions. Climate change may pose new dangers to various communities due to rising sea levels and the destruction of local flora and fauna. In this respect, the EU has set a number of ambitious environmental targets that require radical change in attitudes and in production modes. At European level, a comprehensive package of policy measures to reduce greenhouse gas emissions has been initiated through the European Climate Change Programme (ECCP), and this
move has brought positive results. Nevertheless, a 2017 study claims that weather-related disasters could still affect about two-thirds of the European population annually by the year 2100 during the 2071–2100 period, compared with 5% during the reference period (1981–2010). The impact will be severe in southern Europe (see Figure 4).

Notwithstanding its efforts, the EU is still far away from achieving all its environmental standards: the 2008 Waste Framework Directive introduced a new 50% recycling target for waste. According to a 2013 European Environment Agency report, although there are clear indications of a shift away from landfilling towards preferred waste management approaches, only a few countries reduced their municipal waste output between 2001 and 2010. The majority of countries still landfilled more than half of their municipal waste in 2010. In addition, according to Eurostat, the amount of municipal waste generated per person in the EU in 2015 amounted to 477 kg, down 9% compared with its peak of 527 kg per person in 2002, but slightly up, for the first time since 2007, from the 474 kg recorded in 2014.

**Demography and immigration**

Job losses and the scaling-down of economic activity have a negative impact on population numbers as certain industrial and rural regions stagnate. Their younger residents tend to abandon them in search of better professional prospects. According to official Eurostat data, there has been a population decline across the Baltic States, Bulgaria, Romania, most of eastern Germany, Slovakia and Croatia, but also southern Italy, parts of Spain, inner parts of France and some northern Nordic regions. Countries such as Greece, Spain and Portugal have also seen their populations shrink as a result of migration caused by economic recession.

On the other hand, increasing immigration towards Europe has been recorded in the last couple of years; this can have a positive impact on income per capita if immigrants get well-integrated into the labour market. However, if this is not the case, issues of segregation/division of local societies may arise. Overall, most immigrants who come to Europe have low skills. A 2012 ESPON study claims that one of the major issues for Europe is to attract highly qualified labour. However, the EU is not doing well in recruiting such persons.

Furthermore, immigration to the EU is affecting parts of it disproportionately. Certain EU Member States and regions feel the impact of immigration more than others. They will have to make the necessary investments in order to ensure the successful integration of immigrants into society. Eurostat claims that in 2016, compared with the existing population of each Member State, the highest number of registered first-time applicants was recorded in Germany (8 789 first-time applicants per million inhabitants), ahead of Greece (4 625), Austria (4 587), Malta (3 989), Luxembourg (3 582) and Cyprus (3 350). In contrast, the lowest numbers were observed in Slovakia (18 applicants per million inhabitants), Portugal (69), Romania (94), the Czech Republic and Estonia (both 114).
Possible solutions to challenges
There is no 'one size fits all' strategy to address challenges stemming from globalisation. However, various actions may help to mitigate its impact. A 2009 OECD study on how regions grow observes: 'policies can benefit from an integrated approach: policies aiming at providing infrastructure only are bound to be unsuccessful as endogenous growth factors such as human capital and innovation need also to be taken into account'.

Providing adequate strategies for all types of EU areas
Finding the right tools to address issues in all EU areas is important, as not all EU regions have the same needs. A 2017 study, Towards Cohesion Policy 4.0, groups regions into 'global frontiers' 'intermediate regions' and 'lagging ones', on the basis of their productivity performance, and makes recommendations for each of them. For instance, the study suggests that global frontier regions should implement crucial structural and regulatory reforms, focus on the implementation of excellence-based instruments, such as Horizon 2020, and increase capacity to manage inclusion (through, for instance, addressing the issues of polarised labour markets and inclusion of immigrants). Intermediate regions should adopt strategies that would transform them into leading creators of distinct value within the global networks. Lagging regions, on the other hand, should implement strategies aiming to develop regional innovation ecosystems.

When it comes to rural areas, expanding agricultural economy into new forms of activity may provide another possibility for them to grow. The reflection paper on harnessing globalisation also mentions that a modern common agricultural policy plays a key role in encouraging competitiveness in the agri-food sector and ensuring successful integration in international markets by promoting high standards. Strengthening digitalisation in order to address the digital gap between remote rural and busy urban areas can also help lagging rural regions to catch up. Other ideas on enhancing the links between rural and urban areas can also be explored.

Innovation – smart specialisation
The reflection paper on harnessing globalisation makes various recommendations for increasing local and regional resilience to globalisation, one such being to invest in innovation. It expects that the data economy will increase to €739 billion by 2020, representing 4 % of overall EU GDP. However, it also suggests that the divide between more and less technologically advanced regions risks widening, unless governments invest in education, equip their citizens with the right skills, encourage innovation, ensure fair competition and regulate smartly. A 2015 Centre for Cities study on UK cities also confirms the importance of innovation by claiming: 'Our weakest performing cities have struggled not because of the inevitable decline of manufacturing employment, but because of their inability to support jobs growth in new, more knowledge-focused industries'.

Setting up smart specialisation strategies may be an added value, as these can be combined with the activities of the local industries. Regulation (EU) No 1303/2013 specifies that a smart specialisation strategy: 'means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths to business needs in order to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts; a smart specialisation strategy may take the form of, or be included in, a national or regional research and innovation (R&I) strategic policy framework'. According to the Joint Research Centre (JRC), smart specialisation
builds on the assets and resources available to regions and Member States and on their specific socio-economic challenges in order to identify unique opportunities for development and growth.

**Regeneration – diversification and expansion of economic activities**

Although regeneration is not always an easy task, various successful regeneration projects have contributed positively to areas having suffered from job losses and industry closures. Declining heavy industries have been dealt with by adopting new innovative projects with a direct impact on re-shaping the areas they were in. As a result, industrial areas became greener, old industrial sites were decontaminated and derelict factory infrastructures were turned into museums and cultural centres. Investment in industrial patrimony that has an added value for tourism can also be seen as an opportunity. Various LRAs have tried to address pressures from de-industrialisation and global competition by investing in high-quality sustainable infrastructure. Emphasis has been given to promoting Industry 4.0 activities, ICT, technology and tertiary education, as well as cluster and incubator centres. Investing in city-centre refurbishment, creative industries, new forms of transport and health is also seen as a priority. Addressing issues of sustainable transport and housing through spatial planning may also constitute another opportunity for regions desiring to rebrand themselves. Making efforts to diversify economic activities and uniting economic activities in clusters may constitute an alternative to declining industries. It is important to encourage a variety of actions in order to build upon competences available in the region. Regions relying on a small number of industries are very vulnerable, if these industries face a severe crisis. According to a 2013 study for the European Parliament, ‘industrial policy has been most successful when strongly linked to demand and in support of light-house projects that can act as a focus for further public and private investment’. Therefore, a diversified economy that combines well-performing industrial and service sectors with a favourable business environment is the best basis for sustainable growth.

The new EU Industrial Policy Strategy that was presented in September 2017 by the Commission includes various measures, such as a comprehensive package to reinforce industry cybersecurity. New proposals for clean, competitive and connected mobility, such as tightened CO₂ emissions standards for cars and vans, an Alternative Fuels Infrastructure Action Plan to support the deployment of charging infrastructure, and actions to foster autonomous driving are also part of the strategy. The extension of the EU Skills Agenda to new key industry sectors, such as construction, steel, paper, green technologies and renewable energies, manufacturing and maritime shipping constitutes yet another of its priorities. The declared European framework for the screening of foreign direct investments that may pose a threat to security or public order can also have an impact when it comes to protecting various EU-based industries.

**Enhancing cooperation with local actors to internationalise economic activity and promote training**

Working closer with local industries and addressing their needs may be another priority. Start-ups and innovators in the EU regions can be brought into collaborations with leading players so that they can enter global value chains. Setting up transnational innovation clusters, linking up companies, universities, start-ups, investors and local governments together may also have positive results. Nevertheless, SMEs may need support to internationalise their activities, as they do not have the necessary resources. This may also be the case when it comes to training their employees. According to the June 2017
OECD Economic Outlook, low-skilled workers tend to participate less in life-long learning programmes, and workers in SMEs tend to have lower cognitive skills than their peers in larger firms, which makes it more difficult for SMEs to meet the hiring standards of exporting firms. Nevertheless, certain sectors of the economy are in vital need of training. For instance, according to the 2017 Europe’s Digital Progress Report, 90% of all jobs require some level of digital skills. Therefore, when it comes to addressing the issue of diverging market needs, LRAs can provide assistance to local companies by providing life-long learning and labour retraining activities that are fitted to local needs.

Addressing environmental challenges
The reflection paper on harnessing globalisation emphasises the need ‘to further strengthen the European transition towards a digital, decarbonised and more circular European economy’. The global deterioration of the climate will also have an impact on the number of natural disasters that affect EU territories. Physical-disasters management will be an area in which LRAs will be called to assume a more active role. In this respect, the Commission adopted an EU adaptation strategy in April 2013. Adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage they can cause, or taking advantage of opportunities that may arise. Due to the varying severity and nature of climate impacts between regions in Europe, most adaptation initiatives will be taken at the regional or local level.

Improving waste management could also deliver positive effects for the economy. As part of a shift towards a circular economy, the Commission has made four legislative proposals that introduce new waste-management targets regarding reuse, recycling and landfilling, strengthening provisions on waste prevention and extended producer responsibility. Furthermore, they streamline the relevant definitions and the reporting obligations/calculation methods for the targets. Much of this legislation will affect the way LRAs collect and process waste. Networks of cities and regions are already working together to learn from each other and to exchange good positive examples in this regard. Moreover, various local/regional level initiatives are promoting environmental causes such as the Covenant of Mayors for Climate and Energy.

Promoting local diversity
Investing in a local or regional identity by promoting its special characteristics may provide an added value for LRAs. Promoting local culture can bring new opportunities for growth and foster a feeling of community belonging. An upgrade of cultural and heritage facilities may also have a positive impact in the development of tourism, which constitutes one of the main growing industries in the EU. Fair-trade demand, local food chains and the growing value of local products could provide additional opportunities for activities that foster regional/local identities and contribute to economic growth.

Tackling demographic challenges
Areas that are affected by demographic issues explore a number of ways of keeping their population and enhancing its opportunities in life. For instance, by investing in childcare facilities, LRAs can try to attract young families. Teleworking, promoting work-life balance and enhancing job opportunities for people with reduced mobility may also help to encourage sections of the population to remain professionally active and to attract a younger population. In this respect, synergies with the private sector and the adoption of new technologies may help. The successful integration of migrants into society may be another possible solution. Issues of immigration and depopulation may also be of
importance to cross-border areas, which may explore opportunities for cross-border cooperation with other neighbouring territories.

**Drawing inspiration from positive examples**
LRAs may draw inspiration from various projects and practices that suit their needs. For instance, when it comes to long-term employment, the 2017 OECD *Economic Outlook* claims that the Swedish system provides advice and counselling to workers well in advance of layoffs. This has had a positive result, allowing 85% of displaced workers to find a new job within a year. The outcome can be explained by a long-standing tradition of collaboration between the social partners. A 2014 European Policy Centre study claims that countries like Austria and Germany have a positive tradition in providing apprenticeships that combine both formal education and work-based training and lead to a high percentage of inclusion of youth into the labour market. When it comes to regeneration, a European Parliament study on regional strategies for industrial areas also suggests successful strategies for industrial areas on the basis of the policies carried out in Manchester, Essen, Lille and Bilbao. Another Parliament study on industrial heritage and agri/rural tourism in Europe includes valuable recommendations when it comes to developing this particular sector. An Interreg guide on *Boosting the regeneration process of Europe's coalfield regions* contains considerable points of reference for carrying out successful projects in this regard.

**Funding sources**
According to a Parliament study, the reconversion of old-industrialised areas has slipped into the list of EU policy priorities. The same study also suggests that focus on regional investments has gradually shifted from industrial regions to other areas that may offer more stable growth prospects. Nevertheless, a number of EU funds exist that can help EU regions to tackle issues stemming from globalisation, most notably the European structural and investment funds (ESI funds). For instance, the European Regional Development Fund (ERDF) promotes balanced development across the EU regions. The European Social Fund (ESF) supports employment-related projects throughout Europe and invests in Europe's human capital. The Cohesion Fund (CF) finances transport and environmental projects in countries where the gross national income per inhabitant is less than 90% of the EU average. The European Agricultural Fund for Rural Development (EAFRD) focuses on resolving the particular challenges facing EU rural areas, whereas the European Maritime and Fisheries Fund (EMFF) helps fishermen to adopt sustainable fishing practices and coastal communities to diversify their economies. Other EU instruments can help regions to empower themselves by investing in research activities through universities and research institutes (Horizon 2020). The Creative Europe programme may benefit culture-related activities. Interreg programmes may help to connect cross-border regions that face similar challenges. The Asylum, Migration and Integration Fund (AMIF) may help to alleviate migration pressures. The European Globalisation Adjustment Fund (EGF) provides support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation, for instance, when a large company shuts down or production is moved outside the EU, or as a result of the global economic and financial crisis. The European Investment Bank provides a variety of opportunities for lending that may be used in order to spur investment. The European Fund for Strategic Investments (EFSI) may also support major investment projects and SMEs.

To facilitate access to EU funding for LRAs and other beneficiaries, EPRS has prepared a Guide to EU Funding for 2014-2020, covering major sources of EU funding by relevant sector.
The view of the European Parliament

The European Parliament has adopted a number of resolutions on issues related to the economic impact of globalisation. In its 2011 resolution (2010/2095(INI)) on An Industrial Policy for a Globalised Era (rapporteur: Bernd Lange, S&D, Germany), the Parliament, amongst other things, urged the Commission to place greater emphasis on industrial renewal, competitiveness and sustainability. It called for ambitious funding for industrial policy and infrastructure facilities. It also considered that competitive clusters and innovation networks and linkages among businesses themselves and with other players (value-added chains, synergies) are essential to investment decisions.

In its 2013 resolution (2012/2100(INI)) on Regional strategies for industrial areas in the European Union (rapporteur: Jens Geier, S&D, Germany), the Parliament drew attention to the existing resources made available through cohesion policy and the structural funds. It regretted that these options do not always address the real region-specific problems and that the structural and investment funding made available is not fully taken up by Member States and regions. It pointed out that further aid measures to assist old industrialised regions, particularly mono-industrialised regions, need to be put in place, and called for more integrated and systemic approaches to industrial renewal and regional development.

Parliament’s 2014 resolution (2013/2006(INI)) on Reindustrialising Europe to promote competitiveness and sustainability (rapporteur: Reinhard Bütikofer, Greens/EFA, Germany), stressed that the EU’s future industrial strength and importance lie in a Renaissance of Industry for a Sustainable Europe (RISE) strategy, which pursues technological, business, financial, environmental and social innovation towards a third industrial revolution (RIS3) including an efficiency strategy that reindustrialises Europe, strengthens European industry as a whole and acts as a response to rising social challenges.

In its 2016 resolution (2015/2278(INI)) on Cohesion policy and Research and Innovation Strategies for Smart Specialisation (rapporteur: Ramón Luis Valcárcel Siso, EPP, Spain), the Parliament underlined that smart specialisation strategies support thematic concentration and strategic programming of ESI Funds, and called on all entities involved to develop RIS3 on the basis of analyses of each region’s existing capacities, assets and competences, and to focus on entrepreneurial discovery in order to detect emerging niches or comparative advantages for smart specialisation.

The view of advisory bodies and stakeholders

The European Committee of the Regions (CoR) is preparing an opinion on a European strategy for industry as well as an opinion on the Commission’s paper on harnessing globalisation. It held a workshop on the future of industry in Europe in 2017, where a report on the same topic was presented, summing up key challenges and possible policy responses by LRAs. The role of smart specialisation strategies was explored in two recent CoR opinions, respectively dealing with measures to support the creation of high-tech start-up ecosystems (2014) and closing the innovation divide (2013).

In its resolution on Anticipating change and restructuring, the European Trade Union Confederation (ETUC) mentions the key role of training, maintaining and creating jobs and giving workers a voice and place in strategic decisions.
Outlook

No single actor at the European, national or local level can tackle the multiple challenges stemming from globalisation on its own. Nevertheless, the EU and its Member States can experiment with various policy initiatives in order to ensure that the benefits of globalisation are distributed evenly and that the negative impacts of it are mitigated. As the impact of globalisation touches upon many aspects of human activity, multifaceted strategies may tackle the variety of challenges that stem from it. In this respect, the role of local and regional authorities is crucial. LRAs, in cooperation with other relevant actors, will have to foresee, prepare and take relevant actions in order to empower their populations against the negative aspects of globalisation.

EPRS publications that address regional issues related to globalisation

Smart specialisation: The concept and its application to EU cohesion policy (2016)
Delivering the Urban Agenda for the EU (2017)
Industry 4.0 Digitalisation for productivity and growth (2015)
Ten more technologies which could change our lives (2017)
EU port cities and port area regeneration (2017)
Circular economy package – Four legislative proposals on waste (2017)
The impact of globalisation (2016)
Reflection paper on harnessing globalisation (2017)

Main references


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