

Towards Recovery: Renewal and Reorientation as Regional Strategies for a Post COVID-19 Era:

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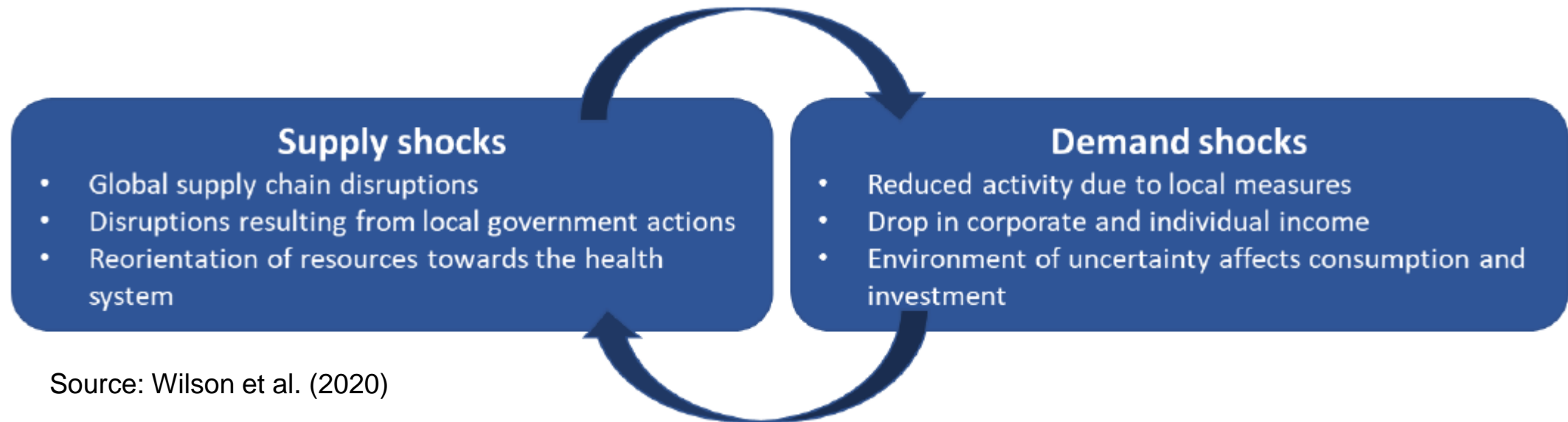
Smarter 2020 Conference

***Place-based responses to the
COVID-19 economic crisis***

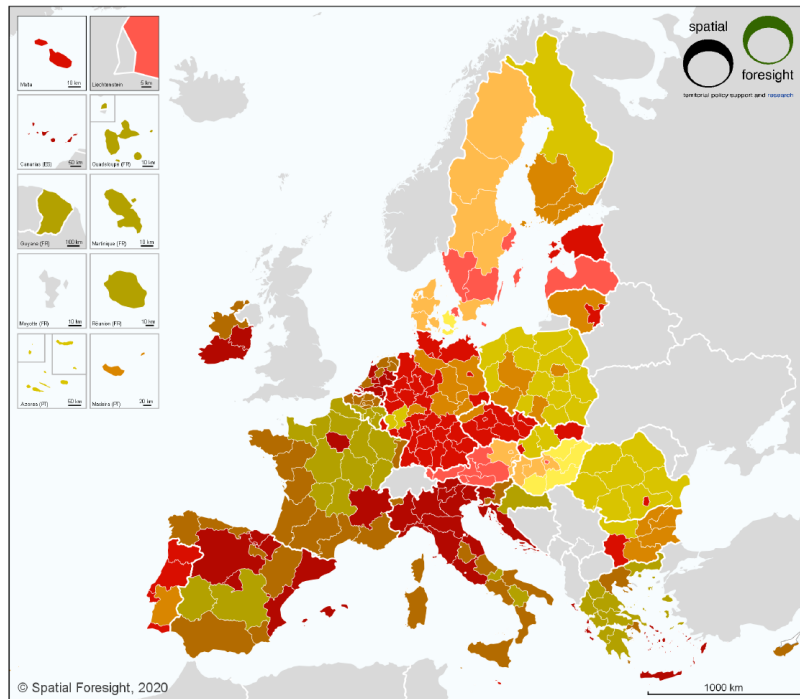
17th September 2020

Covid-19: Which type of crisis?

- Crises are normally a consequence of an external shock: the nature and scale of the shock condition the impacts
- Different types of shocks, different types of crises: there are differences between the Great Recession (2008) and the COVID-19 crisis
- Coronavirus: Global health crisis leading to a socioeconomic crisis



Asymmetrical socio-economic impact on regions



Greater socio-economic impact in regions facing more restrictions and specialised on:

- Non-essential sectors
- Sectors inserted in global value chains
- Mobility dependent sectors



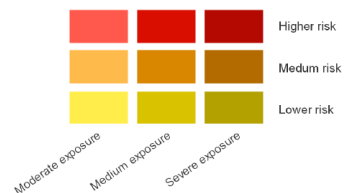
Different impact, different measures?
Place-based responses needed

Administrative boundaries: Eurostat GISCO, NUTS 2 (2016)
Source: own elaboration on Eurostat data

The map summarises: sensitivity and exposure of European regions to the economic crisis induced by Covid-19. The sensitivity is calculated combining a) I) employment per sector and related risk and II) comparative reliance on tourism sector. The exposure is calculated combining I) rigidity of restriction measures per country II) estimated effects on GDP for 2020.

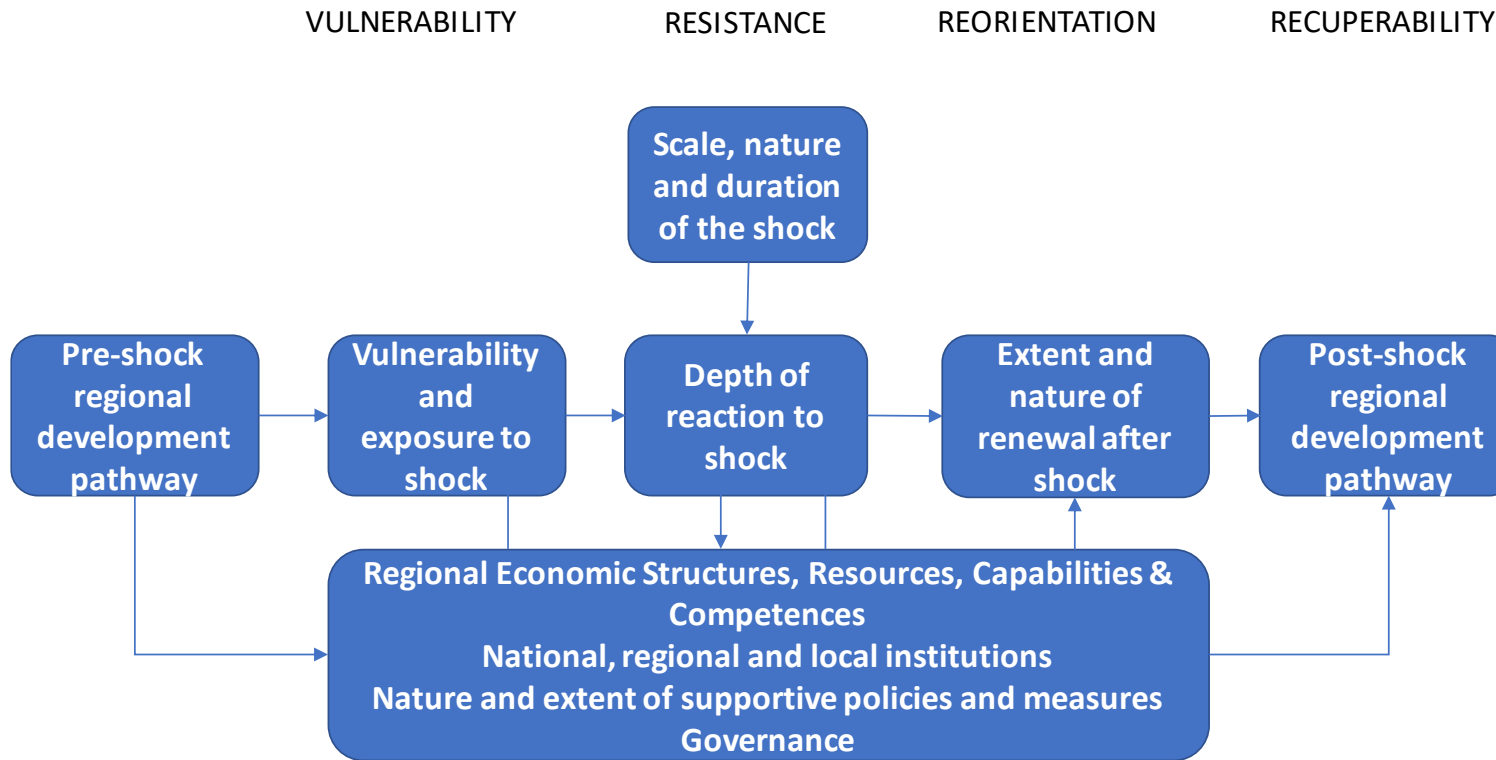
a) Number of persons employed as a share of the total population in the age group 15-64; Statistical Classification of Economic Activities in the European Community; NACE rev 2 Assessment of Impact per sector; own elaboration based on International Labour Organization (ILO) monitor: "COVID-19 and the world of work"; II) Capacity of collective tourist accommodation: bed-places from Eurostat regional tourism statistics by NUTS classification
b) I) JRC assessment of restriction measures per country used in the "Joint European Roadmap towards lifting COVID-19 containment measures" on 15th April 2020. II) European Economic Forecast published by the EU Commission (DG ECFIN) on 6th May 2020.
No data for Mayotte

Cross-classification of exposure and sensitivity



Fuentes. Spatial Foresight y Bruegel

Towards recovery: the concept of regional resilience



Regional resilience is conditioned by several factors such as the scale and the duration of the shock, but also by:

- regional economic structure & diversification,
- institutional quality,
- policy measures implemented and
- governance (collective agency)

History matters:

- Vulnerability to future crises will depend on the degree and scope of the recovery.

Short-term vs. long-term resilience



Adaptation (resistance) vs adaptability (reorientation)

Adapted from Martin et al. (2016)

EU RECOVERY STRATEGY & THE ROLE OF REGIONS

EU recovery agenda: crisis as window for opportunity

“A collective and cohesive recovery that accelerates the twin green and digital transitions will only strengthen Europe’s competitiveness, resilience and position as a global player”. (European Commission, 2020, p.1)

Large ‘missions’ require certain scale, but also bottom-up implementation

Regional strategies are critical
for **implementation**
(and therefore also design!)

Multilevel Governance
becomes even more important

Regional S3 can act as drivers for resilience while engaging with national and EU recovery strategies (and *vice versa*)



S3 as adaptability processes for long-term resilience:

- Regional transformation based on diversification (related-variety)
- Strategy based on regional capabilities & assets: *one size doesn't fit all*
- Importance of collective agency (EDP)

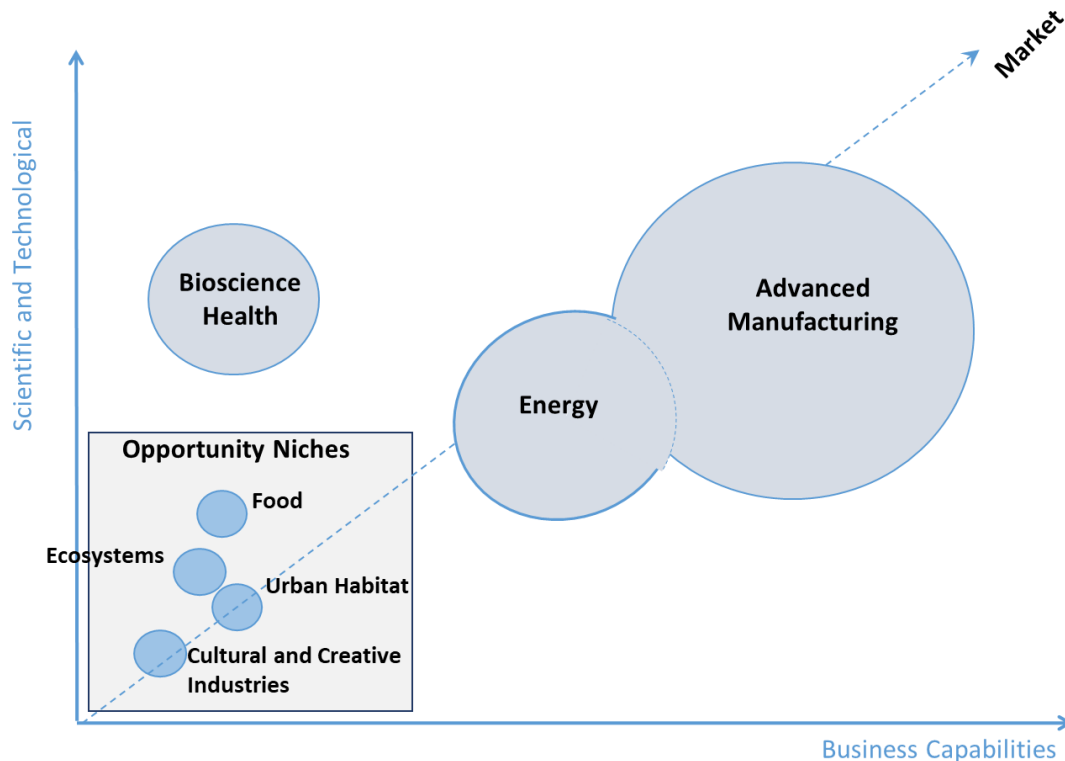
S3 share similar roots to recovery processes based on transformation: previous S3 strategies would have contributed to *long-term resilience*

BUT...some elements should be reinforced:

- S3 directionality towards green and digital transitions
- Levering the implication of civil society and consumers in S3 so needed for transitions
- Reinforcing multi-level governance & the voice of regions in the EU

Illustration: Basque Region case

Basque Region has built a long-term resilience over the last 40 years by a combination of adaptation & adaptability measures and strong regional coalitions (Magro & Valdaliso, 2019; Magro et al. 2020)



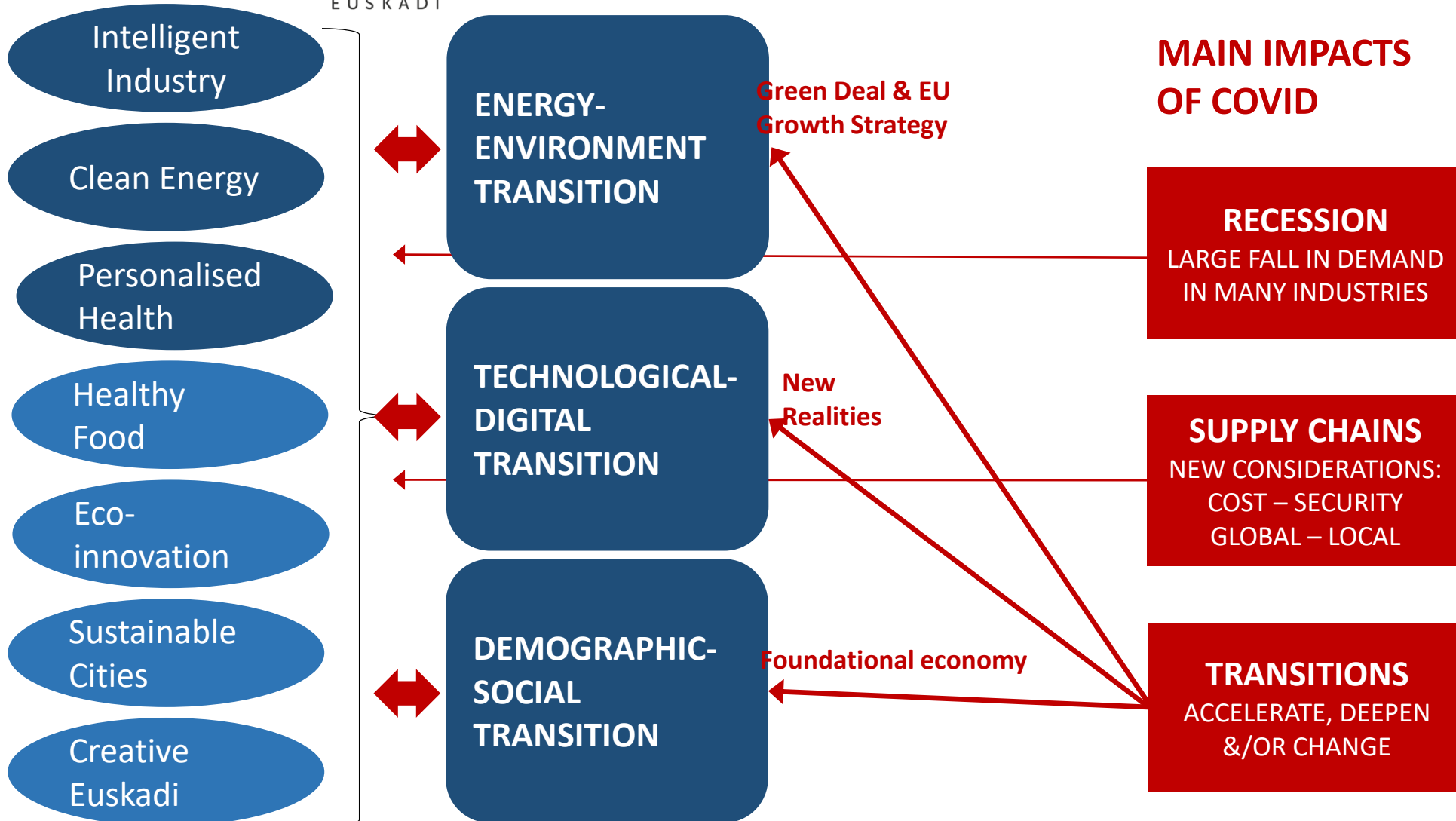
RIS3 PRE-COVID

- Linear plans giving way to **living strategies**: flexibility + experimentation
- Tendency towards addressing **transversal issues**
- Need for better integration of **SMEs & social challenges**
- Difficulties in **scaling-up at EU level**: voice of regions + policy instruments

Based on Aranguren et al. (2019)

NEW RIS3 OPPORTUNITIES POST-COVID?

RIS3 Multi-scalar transitions
EUSKADI



- ***Transformative strategies*** such as S3 contribute to long-term regional resilience
- ***There is not a single recipe:***
 - COVID impacts are regional asymmetric
 - Regional economic structure and institutions are key players for the long game
- Recovery is based on facing ***structural challenges*** pre-date COVID
 - Green, digital and social transitions
- Multi-scalar transitions require ***strong multilevel governance and collective agency***
 - Regional S3 key for implementation of national and EU strategies
 - Effective implementation requires voice in design
 - Civil society and consumers play a key role for recovering

**PLAYING THE LONG
GAME:
EXPERIMENTING SMART
SPECIALISATION IN THE
BASQUE COUNTRY
2016-2019**

Mari Jose Aranguren
Edurne Magro
Kevin Morgan
Mikel Navarro
James Wilson

2019

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Thank you

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Gracias