

EU 2020 Strategy Consultation – East of England European Partnership contribution

1 Introduction

This contribution is based on a number of recent positions adopted by the East of England European Partnership on key EU policies.

As the EU 2020 Strategy Consultation does not seek a detailed response, the purpose of the East of England European Partnership contribution is to remind the Commission of some of this region's key priorities. The key priorities of the East of England European Partnership are set out around the 3 key drivers:

- Creating value by basing growth on knowledge
- Empowering people in inclusive societies
- Creating a competitive, connected and greener economy

It is hoped that the new EU2020 Strategy will allow for a better joining up between different policy areas in order to ensure EU policy areas and funding streams work well together.

The East of England European Partnership intends to respond formally when the detailed Strategy is published in the Spring.

2 The East of England

The East of England is the second largest region in England covering 19,120 square kilometres with a population of 5,541,600 (ONS mid year population estimate) for 2005. There are around a dozen medium-sized towns and cities, although there is no major city acting as a regional focus. The five counties of Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk and six Unitary Authorities of Luton, Peterborough, Southend-on-sea, Thurrock, Central Bedfordshire and Bedford Borough make up the East of England. There are 41 district or Borough councils.

The region is diverse, stretching from the edge of London in the south to remote coastal and rural areas in the north and east. It is a region facing challenges from the risk of flooding from sea level rise, an ageing demographic profile and diverse population with the highest proportion of migrant workers of any other part of the UK. High housing growth targets mean that significant population increases are expected and consequently considerable current and future pressure on its infrastructure.

The East of England region is strategically placed for access to the rest of Europe. Felixstowe and Tilbury are the most dominant of the seven major seaports in the region, Felixstowe being the largest container port in the UK and the fifth largest in Northern

Europe. It is an economically prosperous region at the forefront of the innovation agenda with the highest level of business enterprise research and development per unit of GVA in the UK and amongst the highest in Europe.

3 Creating value by basing growth on knowledge

Innovation is clearly the key driver for Europe to successfully exit the crisis. This proposed new strategy for Europe 2020 proposes to provide more attractive framework conditions for innovation and creativity, including the provision of incentives for the growth of knowledge-based firms. Innovative firms should have access to appropriate sources of growth capital, not be burdened with heavy administration and protected by a well functioning system of intellectual property rights. The statements in this new strategy concur with the Regional Economic Strategy of the East of England. The new EU2020 strategy should take note of innovation models of leading innovation regions.

The East of England is already a leading EU region for research and development activity and open innovation is increasingly prevalent. Although private sector R & D accounts for a higher proportion of economic output than in any other UK region this strength is not matched by the commercialization of this research. And it is the use of new technology, not the generation of technology that has the biggest impact on growth. Thus the EU's innovation strategy, towards the development of a true knowledge society may wish to note 3 of the key priorities in the East of England's regional economic strategy on innovation:

- Developing a culture of innovation and creativity in all of its business, private, public and the third sector, and in all areas including climate change, inequality and an ageing demographic. The public sector can become an important driver of innovation, through its role in promoting innovation in education, procurement etc.
- Commercialisation of R&D and adopting innovation can be increased through effective business support, access to a range of financial products and effective business networking (with universities, international companies). Collective public sector procurement can also create demand for merging technologies and services
- Strengthening clusters around leading private sector R&D companies and research-intensive universities, especially focused on sectors and clusters where the region has existing or potential international advantage. The region has developed third generation science parks and other infrastructure which will offer business access to technology expertise, skilled labour pools, finance providers, support services and networks

4 Empowering people in inclusive societies – East of England position on Education and migration

The consultation document states that *'the aim for 2020 is more jobs, higher employment rates of the working age population, better jobs, with higher quality and increased productivity...'*. This is a highly ambitious aim and yet remains vague and requiring qualification and detail.

The East of England, with the highest proportion of migrants in England has a particular interest in the integration of migrants and developed a position in response to the Green Paper – 'Migration and Mobility: Challenges and Opportunities for EU Education Systems' in December 2008.

The consultation document states that regarding skills, more needs to be done to match supply and demand better and labour mobility should be promoted. Based on substantial experience in the East of England region of migrant workers, the following recommendations should be noted:

- *“Measures to facilitate and promote greater cross-border mobility within the EU need to be backed by financial support to help local and regional authorities tailor services to an increasingly mobile population.”*
- *“European Union initiatives to promote diversity and intercultural dialogue and understanding must be maintained and developed. Building on the European Year of Intercultural Dialogue in 2008, the European Union should continue to support the creation of school networks and partnerships, and professional development opportunities for teachers working in culturally and linguistically diverse schools. The European Year for Combating Poverty and Social Exclusion, agreed for 2010, presents an opportunity to address the challenges faced by migrant communities across Europe, whether they are of European or other origin.”*
- The region underlined the disconnect between EU policies and programmes designed for the integration of third country nationals and others. Schools and local authorities treat all migrants alike but are hampered by the different policies and tools which do make this distinction. This point concurs with the statement in the EU 2020 strategy that ‘...the potential of migration is not fully factored into policy making at EU or national level’.

The EU’s ‘2020 strategy’ and the work of the new Barosso II Commission should endeavour to ensure there is a synergy between the work of the Commissioner for Employment, Social Affairs and Inclusion and the Commissioner for Justice, Fundamental Rights and Citizenship and the two DGs which come under their portfolios.

5 Creating a competitive, connected and greener economy

Climate change, the need to reduce our carbon footprint as well as to adapt to its damaging consequences, such as coastal erosion, is a key driver across the suite of regional strategies in the East of England. The region is low lying and contains many areas at risk of flooding including the Fens, England’s largest flood plain, and at the coast 140,000 homes are at risk of flooding. On the other hand, the region’s strength in renewables has positioned it ahead of the curve in the UK as the leading region for renewable generating capacity. But these green ambitions are challenged by a growing population and an insufficient transport network which is not able to accommodate more sustainable forms of transport of people, goods and services. Thus the East of England European Partnership has taken a keen interest in European transport policy development in recent years, most particularly commenting on the urban transport and TEN-T policy developments. As a region with large areas at risk of flooding and coastal erosion, climate change is naturally high on the region’s agenda as both an economic opportunity as well as a threat and thus has commented on the development of the EU’s climate change adaptation policy.

5.1 Urban Transport

Urban areas are vitally important for economic development (85% of the EU’s GDP is created in urban areas) and the detrimental impact of chronic congestion to the

EU economy in general (costing 1% of EU GDP), indeed Transport congestion in the East of England is costing the UK economy over £1bn per annum. By 2021, this will have increased to £2bn per annum. In addition, 85% of productivity losses are being experienced in the region's "engines of growth", major urban areas and on connections between them.

In its response to the Green Paper on Urban Transport, the task force responsible for preparing the region's position made a detailed set of remarks on **use of clean and energy efficient technologies in urban transport**, the link with **health** as well as **green procurement** relevant to section 3 of the 2020 strategy, for example:

"The EU should take a lead role in encouraging joint green procurement and promote the economic benefits of this to national, regional and local authorities across the EU by using examples of best practice, especially in terms of green vehicle procurement such as in Stockholm. The East of England would encourage the EU to continue to support pilot projects in this area."

On the link between transport and health, the region emphasises:

*"**The potential health benefits of transport include¹ improving access to services;** (since access to education, employment, fresh food, friends and family, leisure and health services can enhance health); **increasing physical activity,** (since replacing motorised transport with cycling or walking for routine short journeys can increase physical activity and help meet physical activity targets set by the Chief Medical Officer²); **and enhancing social capital and minimising social exclusion,** (since there is an observed relationship between positive social capital and health^{3 4 5} and when members of a community are interconnected health benefits follow⁶. Thus improving local environments, improving public transport (e.g. increasing accessibility for disabled clients) and locating services and activities in more accessible places or at more accessible times allows more people to participate and benefit. The widening of participation allows otherwise socially diverse communities to meet and for bridging social capital to be built⁵."*

The consultation document 'EU 2020 strategy' fails to emphasise the role the EU could play in developing a new culture of mobility which could achieve complimentary results to its suggested Big European Projects with less investment and with potentially more impact. The region's position on the urban mobility green paper suggested a number of ways in which EU action could contribute towards this new culture of urban mobility; education, best practice dissemination, promoting walking and cycling as a mode of transport, simple terminology and provision of statistics etc.

5.2 TEN-T

¹ ERPHO (2006) *Transport, Access and Health in the East of England*

<http://www.erpho.org.uk/Download/Public/8282/1/Transport%20FINAL%20proof%20with%20live%20links.pdf>

² Chief Medical Officer. At least Five a Week; evidence on the impact of physical activity and its relationship to health. London: Department of Health; 2004. <http://www.dh.gov.uk/assetRoot/04/08/09/81/04080981.pdf>

³ Holtgrave D & Crosby R. Is social capital a protective factor against obesity and diabetes? Findings from an exploratory study. *Ann Epidemiology* (in press 24 October 2005 cited ⁵

⁴ Berkman L, Syme S. social networks, host resistance and mortality: a nine-year follow-up study of Alameda County residents. *Am J Epidemiology* 1979;109:186-204.

⁵ House J, Landis K & Umberson D. Social relationships and health. *Science* 1988; 241:540-545 cited ⁵

⁶ Ziecrsh A. Health implications of access to social capital: findings from an Australian study. *Soc Sci Med.* 2009; 61(10):2119-2131. cited ⁵

Turning towards the EU's role in developing large scale transport networks, the East of England also contributed to the consultation on '**TEN-T: A Policy Review –Towards a Better Integrated Trans European Transport Network at the Service of the Common Transport Policy**' in 2009. The East of England is a true gateway region, manifested by a number of priority routes, ports and airport it plays host to:

- **Priority Project 13: United Kingdom/Ireland/ Benelux Road Axis** covering the A14 and parts of the A12, A120 and M11
- **Priority Project 14: West Coast Mainline**, a small part of the WCML passes through Hertfordshire and Bedfordshire.
- **Priority Project 26: Railway/Road Axis Ireland/United Kingdom/Continental Europe** covering the Felixstowe to Nuneaton Rail Line.
- **Priority Project 21: Motorways of the Sea** covering: Harwich, Felixstowe, Ipswich, Great Yarmouth and Tilbury.
- In addition, a number of routes run through the region which are not 'priority' routes but still part of the 'comprehensive' TEN-T network.

The 2020 strategy highlights the importance of an upgraded transport infrastructures to underpin a number of Community objectives including decarbonisation, transport safety and competitiveness etc. The East of England European Partnership reminds the European Commission that an increase in the TEN-T budget is required in order to adequately reflect what the programme is seeking to achieve which includes a safer greener and more efficient network.

The 2020 strategy states that a rethink of transport policy is needed. However the current strategies, if implemented in full would achieve the stated objectives of better integrated transport networks, alternatives to road transport and using clean technologies. The East of England European Partnership restates its view that the current TEN-T priority routes should be fully implemented before any new routes are introduced to the network.

In its very detailed response to the TEN-T policy review, some of the other key points raised by the East of England region which relate directly to the 2020 strategy includes:

- Support for routes which connect ports to the hinterland and more distant regions and markets
- Support for route which facilitate multi-modal transportation of goods ship-road-rail-air
- Support for projects which have less of an impact on the environment such as rail and short sea shipping
- Support for routes which eliminate bottlenecks in the TEN-T networks and promote polycentric development, releasing the pressure on major capital-capital axes.

5.3 Climate Change Adaptation

This consultation document singularly omits any references to climate change adaptation and appears to only refer to climate change mitigation in the context of creating new jobs. What should not be forgotten is the potential cost of ignoring the impact of climate change which will bring more extreme weather and cause significant damage. In 2007, in response to the green paper on Climate Change Adaptation, the East of England European Partnership:

“supports the Commission in its call for early action, particularly in areas where the known impact has greater certainty or where failure to act or adopt a precautionary principle would pose a significant risk to society, the economy and the environment of Member States. Adaptation to climate change will be costly but the Stern Report shows that to do nothing is the most expensive option. We have enough information to start acting now.”

It is a welcome sign that the Commissioner for Climate Action is to be mandated to work with other Commissioners to promote the development and demonstration of adaptation technologies and to develop adaptation strategies across all policy areas. It is important that this approach doesn't mean that adaptation is therefore of lesser importance than mitigation actions. The East of England European Partnership takes this opportunity to remind the Commission of its assertion in 2007 that:

*“The urgency of measures to reduce carbon emissions has already been recognised and the political will to tackle carbon reduction is strengthening. However, **mitigation and adaptation must go hand in hand.**”*

The East of England has emphasised the importance of addressing the social impacts of climate change and this does not appear to have been taken into account in either this new EU2020 strategy or indeed the mandate of the new college of Commissioners. Once again, it appears that only the economics of climate change are being prioritized.

6 Making it happen: starting with a successful exit from the crisis

As the draft strategy points out the economic and financial crisis has had a disproportional effect in different member states and indeed regions. Thus this is not the time for the EU to turn its back on the cohesive effect of the structural funds which has helped protect both regions to suffer from the worst consequences of the crisis as well as intervene when the crisis hit. In the introduction to the Commission working document, it is stated that a reshaping of the budget is required in order to achieve the 2020 vision. In addition the document states that cutting spending in areas such as research and education would make the recovery harder to achieve. Thus to this list should be added structural funding as it is crucial to economic and social cohesion.

6.1 Territorial Cohesion

The diverse nature of the crisis does indeed require a differentiated response and structural programmes, designed and managed by the regions themselves are best placed to respond to both in a strategic and targeted way. The East of England has long held the territorial dimension of regional policy in high regard and thus responded to the Green Paper on Territorial Cohesion. Of particular relevance to this EU 2020 strategy was the Commission's proposal to mainstream the territorial dimension across all EU policy, a proposal welcomed by the East of England.

Why Territorial Cohesion should be mentioned in the context of the future EU2020 strategy is that regional funds are instrumental in addressing change management whether by addressing climate change or industrial change. In the East of England there are excellent examples of how structural funds have and are being used to help bring the experience from traditional oil and gas sector to make the new offshore renewable energy sector competitive. Thus structural funds can already demonstrate how the approach set out in the EU2020 strategy to address the challenges is already in operation using existing EU funding instruments. This is not to say that the structural funds cannot be made work better.

In its response to the Territorial Cohesion Green Paper the East of England European Partnership emphasized the importance of ensuring that *“the starting point for territorial cohesion should be the local and regional levels. Indeed if territories develop at different paces, achieving harmonious development is unlikely. Therefore the territorial cohesion policy should pay particular attention to maintaining a balanced development across the EU, whilst also supporting further development of more advanced European areas”*

“Territorial cohesion should reinforce the bottom up approach to economic and social cohesion by taking into consideration in the first instance the territorial specificities of the EU. It would support and strengthen the economic and social cohesion of the EU by tackling territorial disparities, which in turn would reinforce the competitiveness of areas facing particular challenges”.

It is therefore pleasing that the European Council in its conclusions of 11/12 December specifically states that the key issues to be examined in putting together the EU 2020 strategy should “ensure economic, social and territorial cohesion”

Regarding ‘**interdependence**’ in the EU2020 document, the use of structural funds through the INTERREG programme shows how common issues transcending borders can be appropriately dealt with using this existing instrument. The current INTERREG programmes provide an appropriate model where EU, national, regional and local partners can work together on common issues that transcend their own borders. In its contribution on Territorial Cohesion, the East of England partnership remarked that *“The Objective 3 Territorial Co-operation programmes can make a significant contribution to achieving territorial cohesion as well as specific sectoral policy goals. “Furthermore the East of England strongly believes that territorial co-operation should be extended to allow activity beyond exchange of best practice, allowing even more joint cross-border and trans-national investment”*

6.2 Governance

On the governance of the future EU 2020 strategy it is also pleasing that the European Council specifically calls for more active involvement of local and regional authorities to strengthen the link between national and EU measures.

The developing place-based macro regional strategies, starting with the Baltic Sea Strategy, show the potential for significant joining up between actors at EU, national regional and local level to address common challenges. Such strategies provide the framework for an integrated approach to policy delivery and as such have a role to play in delivering a number of European, national and regional policies. Macro regional strategies are essentially an initiative towards more effective policy making and more efficient use of ever scarcer resources rather than producing new funds and instruments. Thus it appears logical that, where appropriate, macro regional strategies answers the call for *‘a strategy for convergence and integration which recognises more explicitly the advanced interdependence of the EU’*

Early thoughts on the areas in which a North Sea macro-regional strategy could provide added value to policy delivery include many elements mentioned in the EU 2020 consultation document

- Climate change – coordinated action in relation to rising sea levels, increased precipitation, flooding and increased temperatures
- Development a North Sea Grid – supporting renewable energy production and security of energy supply
- Maritime research and data collection – consistent and comprehensive information on which to base policy decisions particularly in relation to the Common Fisheries Policy, maritime safety, ICZM
- Develop the economic potential of the North Sea Region through new industries and jobs – support the restructuring of economies and development of supply chains
- Support excellence in relation to renewable energy production, supply and technologies
- Safe use of our seas – As the busiest sea region there is a need to balance and manage the increased use of maritime space.
- Demographic change

7 Conclusion

Innovation is clearly a key driver for Europe to successfully exit the crisis. The new EU2020 strategy should take note of innovation models of leading innovation regions. It should note the East of England innovation model which fosters; open innovation, a culture of innovation and creativity in the private, public and third sector, the commercialization of R&D and strong clusters. A strong EU research agenda is key to this.

Empowering people in inclusive societies can be obtained by promoting diversity and intercultural dialogue, promoting mobility and lifelong learning irrespective of background and supporting schools and local authorities who work with migrants with appropriate funding and joined up policies.

Europe's competitiveness will be held back in particular if congestion in its transport networks, both urban and international, is not addressed. Social (including health), economic and environmental benefits can result if a new culture of mobility is encouraged by the EU 2020 strategy. Much can be achieved in existing policy is resourced and implemented in full. However climate change mitigation action will not be enough to avoid the costs of climate change. Adaptation action must go hand in hand.

Territorial Cohesion holds the key to achieving recovery from the current crisis and structural funds provides the most appropriate tool, as this current and previous programmes already demonstrate. Territorial Cohesion reinforces the bottom up approach, talking regional disparities and reinforcing the competitiveness of areas facing particular challenges.

Finally territorial co-operation as a tool which addresses common issues which transcend borders should be extended to allow activity beyond exchange of good practice allowing for even more joint cross border and trans-national investment. The macro-regional approach is thus welcomed.

Annex 1

List of links to full responses

East of England response to 'TEN-T: A Policy Review –Towards a Better Integrated Trans European Transport Network at the Service of the Common Transport Policy'

<http://www.eera.gov.uk/GetAsset.aspx?id=fAAzADAAMQA3AHwAfABGAGEAbABzAGUAfAB8ADAAfAA1>

East of England response to the European Commission Document COM (2007) 551 Green Paper: *Towards A New Culture For Urban Mobility*

<http://www.eera.gov.uk/GetAsset.aspx?id=fAAzADAAMQA1AHwAfABGAGEAbABzAGUAfAB8ADAAfAA1>

East of England response to Green Paper on Territorial Cohesion

<http://www.east-of-england.eu/EastofEnglandTerritorialCohesionGreenPaperresponseFinalFeb2009.doc>

East of England response to the Maritime Policy Green Paper:

<http://www.eera.gov.uk/GetAsset.aspx?id=fAAzADAAMQAyAHwAfABGAGEAbABzAGUAfAB8ADAAfAA1>

East of England response to the European Commission Green Paper - *Migration and Mobility: Challenges and Opportunities for EU Education Systems*

http://ec.europa.eu/education/migration/uk3_en.pdf

East of England Response to Communication on the Reform of the Common Fisheries Policy:

<http://www.eera.gov.uk/GetAsset.aspx?id=fAAzADYAMqAxAHwAfABGAGEAbABzAGUAfAB8ADAAfAA1>

Regional Economic Strategy

<http://www.eastofengland.uk.com/res/download.asp>

East of England Plan

http://www.gos.gov.uk/goee/docs/Planning/Regional_Planning/Regional_Spatial_Strategy/EE_Plan1.pdf