

2003 - 2022



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New Challenges for Europe's Cohesion

# Visions and strategies for a new reality: adaptive spatial measures for European regions and cities

#EURegionsWeek







# Thematic insight: regional scenarios on the impacts of COVID, the war against Ukraine and climate change

2003 - 2022 Wiktor Szydarowski Director - ESPON EGTC

# How upcoming policy decisions might affect regional economies in Europe









# Reflecting on European fragilities to recover from successive shocks

REGIONS & CITIES



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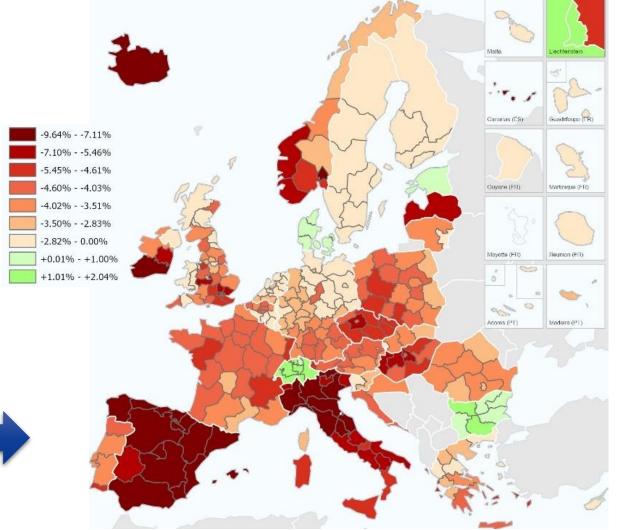
- Sectoral rather territorial
- Asymmetric shock for EU regions

# The COVID shock

National GDP

Regional sectoral added-value

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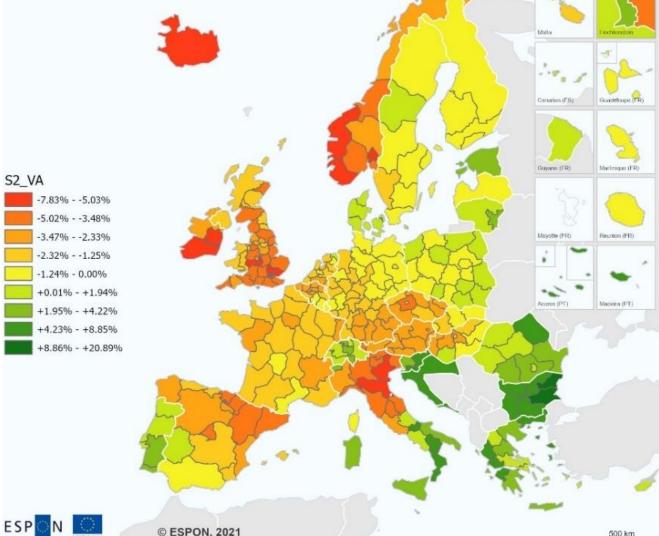


The regional economic impact of Next Generation EU

2003 - 2022

A consolidated outlook on the combination of the COVID shock with the impact of NGEU funds on regional growth

Hypotheses for simulating the allocation of NGEU grants across regions and across sectors



New Challenges for

**Europe's Cohesion** 

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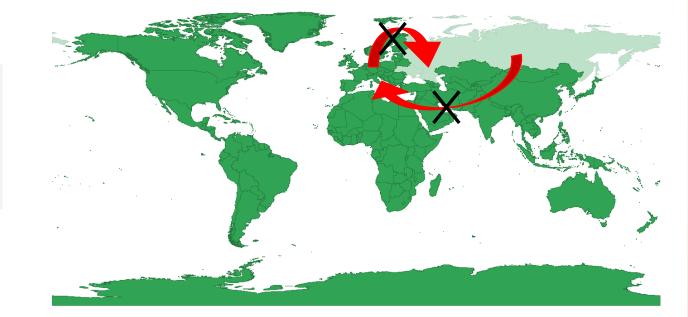
# Forecasting the decoupling of EU and Russian economies

How to anticipate the possible territorial impacts of decoupling EU-RU economies as a consequence of the war?

A theoretical exercise, which becomes more realistic as the war is lasting and political decisions are taken by the different actors involved:

- economic sanctions and counter sanctions,
- anticipations of economic actors resulting in fast inflation and growing substitution

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The effects of a total ban on trade with Russia can be simulated to analyse the possible maximum shock on European regional economies in terms of growth, inflation and employment.



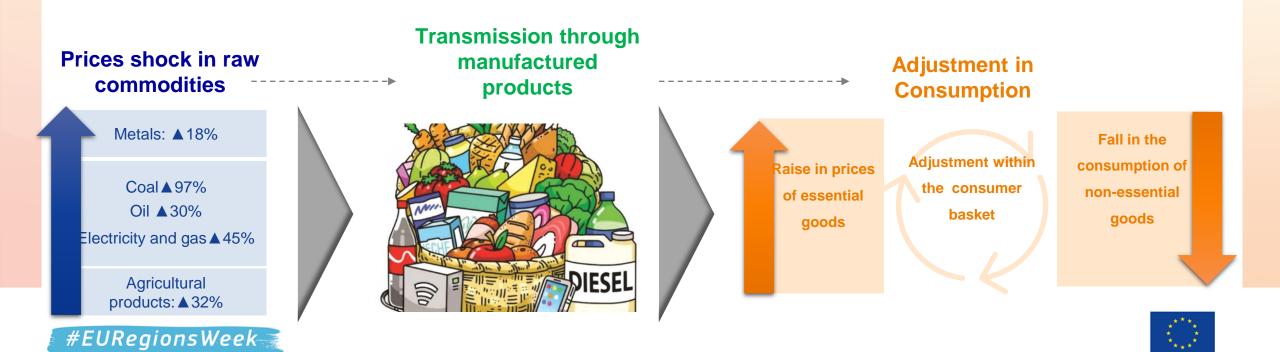


# **Decoupling of EU and Russian economies**

**EUROPEAN WEEK OF REGIONS & CITIES** 

2003 - 2022

Quantifying the sectoral and regional effects derived from the fact that Russia would neither export nor import from the rest of the world for one year







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> -6.79% - -4.77% -4.76% - -3.36% -3.35% - -2.58%

-2.57% - -2.16% -2.15% - -1.84%

-1.83% - -1.60%

-1.59% - -1.43%

-1.42% - -1.31% -1.30% - -1.12% -1.11% - -0.80%

ESP

# Decoupling of EU and EUROPEAN WEEK OF Russian economies

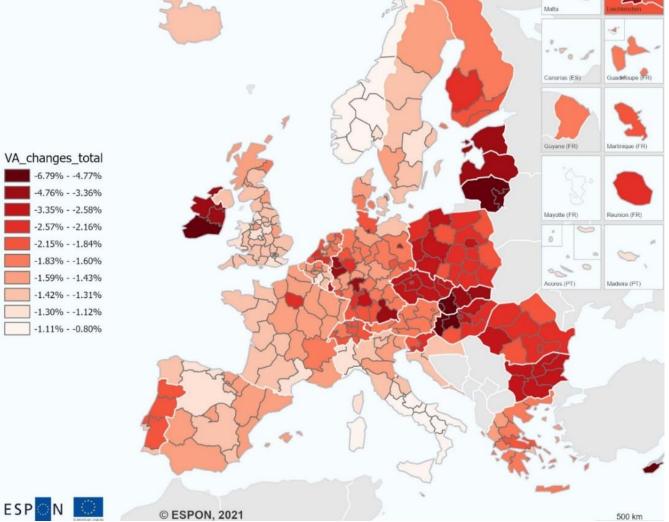
2003 - 2022

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**REGIONS & CITIES** 

#### **Overall effect on regional GDP**

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# New Challenges for **Europe's Cohesion**

# **Decoupling of EU and Russian economies**

**REGIONS & CITIES** 



The most affected regions

-10.0%

-5.0% 0.0% Kypros - Cyprus Nyugat-Dunántúl - Hungary Southern - Ireland Közép-Dunántúl - Hungary Sostines regionas -... Vidurio ir vakaru Lietuvos... Bratislavský kraj - Slovakia Západné Slovensko -... Düsseldorf - Germany Eastern and Midland -... Northern and Western -... Stredné Slovensko -... Oberbavern - Germany -6.9% -5.9% -5.3% -5.3% -5.0% -5.0% -4.8% -4.4% -4.3% -4.0% -3.9% -3.7% Oberbayern - Germany Darmstadt - Germany Latvija - Latvia Liechtenstein -... -3.6% -3.5% -3.4% -3.3% Eesti - Estonia Köln - Germany -3.3% -3.3% -3.1% Východné Slovensko -... Észak-Magyarország -... Pest - Hungary Malta - Malta -3.1% -3.0% -3.0% Strední Cechy - Czechia Luxembourg - Luxembourg Budapest - Hungary Wielkopolskie - Poland Dolnoslaskie - Poland -2.9% -2.9% -2.8% -2.8% -2.8% Stuttgart - Germany Hamburg - Germany Severoiztochen - Bulgaria -2.7% -2.7% -2.6%

The least affected regions

-2.0%	-1.0%	0.0%	, D
	$\begin{array}{c} -0.7\%\\ -0.8\%\\ -0.8\%\\ -0.8\%\\ -0.8\%\\ -0.8\%\\ -0.9\%\\ -0.1\%\\ -0.1\%\\ -0.1\%\\ -0.1\%\\ -0.1\%\\ -0.1\%\\ -0.1\%\\ -0.1\%$		Nord-Norge - Norway Hedmark og Oppland Sør-Østlandet - Norway Trøndelag - Norway Vestlandet - Norway Agder og Rogaland Molise - Italy Sicilia - Italy Calabria - Italy Calabria - Italy Calabria - Italy Campania - Italy Campania - Italy Sardegna - Italy Sardegna - Italy Sardegna - Italy Ciudad Autónoma de Ciudad Autónoma de Ciudad Autónoma de Ciudad Autónoma da Corse - France Languedoc-Roussillon Região Autónoma dos Valle d'Aosta/Vallée Shropshire and Prov. Namur - Belgium Inner London - East and Castilla y León - Spain West Wales and The Lancashire - United

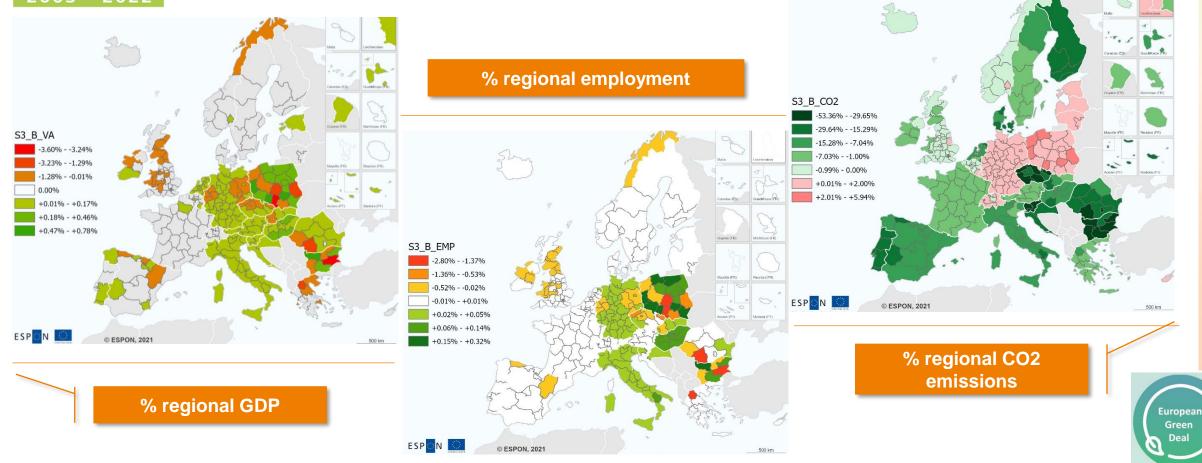
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# **Decarbonising Europe // the regional impacts**



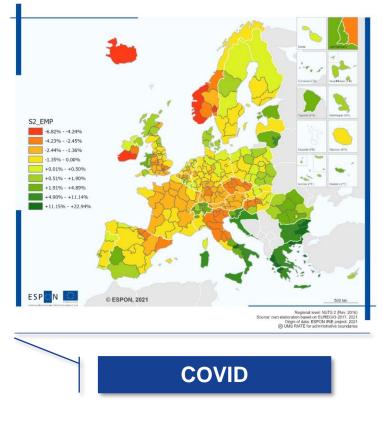


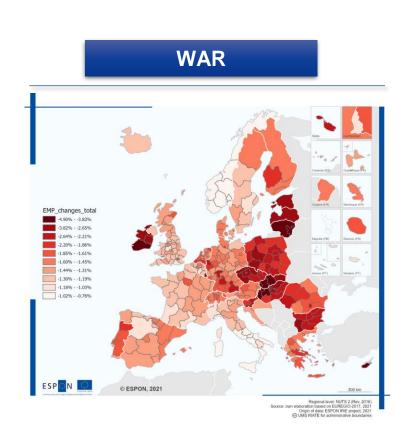


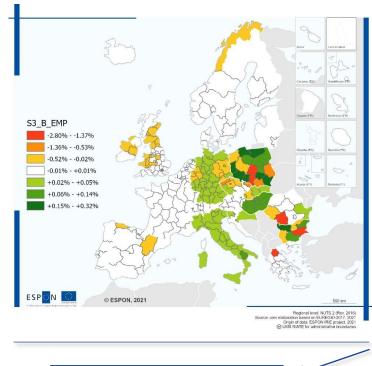


Overlapping and successive shocks...

# Effects in terms of employment (%)









# New Challenges for Europe's Cohesion





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### Paving the way for enhanced European strategic autonomy in times of crises



Europe has been through the worst shock ever (COVID19), but the recovery is hampered by the consequences of the war. In search for "bouncing forward", the overlapping crises might become the norm and require revised priorities for EU policies, and Cohesion Policy in particular.

Eastern Europe benefits a lot from the NGEU but suffers the most from the war. Attention to political tensions there, as well as indirect effects elsewhere. Warning about the effects on employment via prices, beyond the exposure in trade and growth.

No matter if EU and Russian economies end up being formally decoupled, the current situation would already call for new sets of policy answers to avoid further amplification of the shock, starting with fiscal initiatives and with territorially focused policies to support most affected sectors and households.







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territorial territorial territorial

# New Challenges for Europe's Cohesion

Environmental changes

- Social diversities
- **Economic transition**
- **Technological transformation**
- Multi-level governance

#### Potential research areas and topics

- Territorial vulnerability to different types of crises
- Concept of territorial resilience and its integration in policy processes
- Governance and capacity building to increase resilience of territories (anticipation, mitigation measures, etc.)
- The added value of culture for territorial resilience
- Cyber resilience practice for municipalities to safeguard local democratic processes/guarantee availability of (crucial) public services





# Thank you for your attention!

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