



## Improving multi-level governance and strengthening the resilience of island economies of Croatia, Greece, and Sweden<sup>1</sup>

### STUDY VISITS Croatia, Greece, Sweden

#### **About the OECD and its Centre for Entrepreneurship, SMEs, Regions, and Cities (CFE)**

The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity, and well-being for all. We draw on 60 years of experience and insights to better prepare the world of tomorrow.

CFE helps national, regional, and local governments unleash the potential of entrepreneurs and small and medium-sized enterprises (SMEs), promote inclusive and sustainable growth in regions and cities, boost local job creation and implement sound tourism policies.

#### **About the Project**

This project on island economies involves the collaboration of Croatia, Greece, and Sweden with the OECD and the EC to tackle common challenges and opportunities faced by island regions. It aims to generate new data and indicators to evaluate the performance of these regions. The insights from the project will help policymakers in these countries and the European Union to create targeted policies for island areas, considering economic, social, and environmental goals. The project's main objective is to "support Greece, Croatia, and Sweden improving governance systems and designing and implementing effective economic development strategies for their islands. This includes advancing green and digital transformations and enhancing citizens' well-being".

#### Scope of the visits

An OECD delegation will visit Croatia, Greece, and Sweden in April-May 2024 for a series of interviews with a wide range of individuals from the public and private sectors. These interviews aim to gather information on island (regional, rural) development. Interviewees will include policymakers, stakeholders at national, regional, and local levels, and representatives from the private sector and civil society.

They will be selected and invited to participate in meetings held in the capital cities and in six designated case study islands:

- In Croatia: The County of Zadar and the County of Dubrovnik-Neretva.
- In Greece: The Regional Unit of Chios and the Municipality of Kastelorizo.
- In Sweden: The Region of Gotland and the Municipality of Öckerö.

The purpose of these visits is to conduct in-depth research interviews and engage in discussions with experts and stakeholders involved in various aspects of development in these island territories. The focus will be on understanding the current state, challenges, and future development priorities for island economies in the three countries.

#### Suggested topics for discussion and participants

These semi-structured interviews will touch on the challenges and opportunities confronting islands in Croatia, Greece, and Sweden, which extend across various sectors and policy domains, such as:

- Competitiveness and social dimension. Island economies must enhance their competitiveness while considering the social well-being of their residents. Balancing economic growth with social development is essential.
- Demographic challenges. Islands must tackle demographic issues such as migration, ageing populations, and skill shortages.
- Green and digital transitions. Islands must adopt digital solutions, green energy, and sustainable practices to adapt to evolving economic and environmental conditions.

<sup>1</sup> The Project is implemented by the OECD in cooperation with the European Commission's Directorate-General for Structural Reform Support (DG REFORM) and funded by the EU's Technical Support Instrument (TSI) 2022.

- Regional policy. There's a need for place-based and tailored policies that cater to the distinct challenges and opportunities of island environments. Also, aligning and integrating sectoral policies and adopting “island proofed” approaches, is key to overcoming structural developmental obstacles on islands.
- Multi-level governance. Effective governance across various administrative levels is essential to ensure comprehensive, coordinated policy implementation and development in islands.
- Data and indicators. Access to more structured and specific data and indicators for islands is crucial for making informed decisions and shaping effective island-proofed policies.

These topics will be discussed in dedicated meetings focused on one or more thematic areas, where the OECD will meet (preferably) small groups of selected representatives, such as senior officers or experts, from relevant national, regional and local bodies. These include authorities, agencies, institutions, and organizations involved in the planning, oversight, and execution of strategies and policies in the specified thematic or policy area. Examples of the types of representatives involved are those from line ministries, regional and local governments, development agencies, managing authorities, intermediary bodies, associations of municipalities, business associations like chambers of commerce and industry, trade unions, research centres, and universities.

### Suggested structure of meetings

Every (thematic) meeting should follow the same format: first, an introduction where participants present themselves and the OECD provides a brief overview of the Project to establish context; second, a series of structured, brief presentations by institutions/stakeholders present, (following a specific framework outlined in the following section of this document); third, a session for comments, questions, and answers involving both the OECD and the attendees. Participants are encouraged to supply or suggest resources (e.g., documents, reports, PowerPoint presentations, data) that support their points or, more broadly, the Project's implementation.

Discussions should be in English wherever possible. If necessary, the national/local authorities organising the event are responsible for providing interpretation services.

The information gathered during these meetings will be kept confidential and used solely to inform the OECD's study and the development of reports. All shared opinions and contributions will be treated as non-attributable and anonymous.

### Suggested structure for presentations and discussions

Each meeting will focus on discussing one or more thematic objectives previously mentioned. The leading authority or institution in the relevant thematic/policy area should provide an initial short (e.g. 5-10 minutes) “framework” presentation to lay the foundation for the discussion. Other participating authorities or institutions may also give brief complementary presentations (e.g. 3-5 minutes) highlighting their roles and visions when relevant.

Here is a suggested structure for public authorities to use when presenting their area of work, focusing on these four essential points:

- Policy framework and objectives. Outline the strategic policy framework /context that guides a given policy or area of work. Detail the objectives that the strategy /policy aims to achieve, emphasising its alignment with broader government or societal goals.
- Policy initiatives and achievements. Highlight the main initiatives undertaken within this policy area, focusing on how these initiatives address key policy objectives.
- Policy challenges and adaptations. Discuss the challenges encountered in the formulation and implementation of strategy /policy. Describe the adaptations or revisions to policy approaches in response to these challenges.
- Future policy directions. Outline the future directions for policy development in this area, including upcoming initiatives, legislative changes, or strategic shifts.
- Multi-level governance and implementation arrangements. Provide an overview of the horizontal and vertical governance /implementation mechanisms, including what works, what doesn't, and potential improvements.

### Possible structure of thematic meetings for each region (key topics to be selected)

#### Session 1: Overview and strategic priorities.

- Objective: Provide a comprehensive understanding of the island or regional economy, including socio-economic indicators, to identify main challenges and opportunities.
- Focus areas:
  - General overview. Introduce the region's economic status, key socio-economic indicators, and demographics.

- Challenges and opportunities. Highlight critical challenges facing the region and potential opportunities for growth and development.
- Strategic priorities and policy planning. Outline strategic priorities for addressing challenges and leveraging opportunities, with a focus on policy planning for sustainable development.

### **Session 2: Enhancing competitiveness through innovation and connectivity.**

- Objective: Explore the role of the business sector, particularly SMEs, in driving competitiveness and innovation, and the importance of connectivity and network infrastructure.
- Focus areas:
  - Business sector and entrepreneurship. The significance of the business sector, with an emphasis on SMEs, industrial clusters, and specialization.
  - Innovation ecosystem. Innovation strategies, collaboration with universities, and the role of service centres in fostering innovation ecosystem.
  - Smart Specialization and Transitions. Strategies for Smart Specialization and navigating green and digital transitions effectively.
  - Connectivity infrastructure. The importance of robust transport, digitalisation, and broadband infrastructure in enhancing regional competitiveness.

### **Session 3: Addressing demographic change and enhancing human capital.**

- Objective: Discuss the implications of demographic changes on the local labour market and the critical role of human capital and innovative service delivery.
- Focus areas:
  - Local labour market functioning. Analysis of the local labour market dynamics and the impact of demographic changes.
  - Human capital and skills development. Strategies for enhancing human capital, including skills development and education.
  - Innovative service delivery. Challenges and innovations in delivering essential services to meet the region's needs.

### **Session 4: Sustainable management of resources and environment**

- Objective: Emphasise the importance of sustainable land use, environmental performance, and energy management for long-term development and sustainability.
- Focus areas:
  - Land use and environmental performance. Strategies for sustainable land use and improving environmental performance.
  - Energy management and production. Approaches to efficient energy management and sustainable energy production.

### **Session 5: Strengthening multilevel governance and cooperation.**

- Objective: Examine the structure of multilevel governance, policy coordination, and the importance of cross-border cooperation.
- Focus areas:
  - Governance structure. Overview of the institutional and administrative organization within the region.
  - Policy coordination and foresight. Best practices in policy coordination processes and enhancing foresight capacity.
  - Funding management and cooperation. Effective management of national and EU funds and fostering.