

ESPON 2013 Programme

Press Release

ESPON Delivers Evidence for the Global Positioning of Europe
“The accelerating globalisation and new emerging markets will have major impacts on Europe and its territory, cities and regions,” states the Europe in the World Report of ESPON.

Peter Mehlbye, Director of the ESPON Coordination Unit, explains that the report includes a series of scientifically proved world maps that can contribute to the understanding of the territorial dimension of the accelerating globalization. The new maps show structures and international connections of countries and regions of Europe as well as the situation of Europe in the world, particularly in relation to the countries located in its immediate neighbourhood.

The main authors behind the report, Pierre Beckouche, Clarisse Didelon and Claude Grasland have delivered statistical and cartographic evidence on key messages, amongst them: How do global production places and international trade flows affect Europe, its regions and cities? What are the consequences of international economic and demographic growth and migration for Europe? Where are European gateway cities for the global linkage of Europe to the rest of the world?

The key messages in detail:

- **The EU is a major economic player at world scale**
– **What is the impact of globalization on EU’s economy and territory?**

From 1996 to 2000, EU 27 plus Norway and Switzerland accounted for 37% of the international bilateral trade flows worldwide. However, when internal trade between these countries is excluded, the share decreased to only 17%.

The trade influence of the EU is potentially important in Russia, the Middle East and Africa. The EU presents a rather high level of trade with emerging economies of countries such as India, Brazil or South Africa. It is visible, that the areas of mutual economic dependences show both an eastern pattern (Russia and Newly Independent States) and a southern pattern (Mediterranean countries).

- **Economic growth and demographic growth show a spatial diffusion**
– **What are the consequences for the EU, Japan or the USA?**

Over the last 50 years, transfer of population and economic production from the traditional centres to their peripheries has taken place at global scale. This is evident when looking at the share of the world population and the worldwide Gross Domestic Product at Purchasing Power Parity (GDP at PPP) of each state of the world.

The USA, Canada, the EU and the states of the former Soviet Union have experienced lower rates of increase in terms of their population and their GDP than the rest of the world. However, the decline was generally more important for the population than for the GDP which implies that their level of GDP per Capita increased as compared to the world average. Their population and wealth has not decreased in absolute terms, but their share of the global volumes has been strongly reduced in favour of other countries such as China (considering GDP) or India (considering population).

- **The EU is well connected to global cities**
 - **Which are the main gateway cities of the European Union?**

Based on air connections and the number of passengers between world cities in 2000 the major European world gateways are London, Paris, Frankfurt, Amsterdam, Zurich and Madrid, all with efficient and voluminous interfaces towards the world. A relative degree of specialization exists, e.g. Madrid for Southern America and Paris for Africa.

At the same time, other cities (e.g. Vienna, Helsinki) rather play a regional role for connections between the EU and its eastern and southern neighbourhood. However, not only well connected regions and cities are able to do well in worldwide economic competition. Focusing on regional nodes of accessibility is only one indication among several.

- **The EU is attractive for migrants but not necessarily with expected qualifications**
 - **Does migration fit with EU market needs?**

In 2000, migrants coming to EU 27 plus Norway and Switzerland originated from nearly all parts of the world, however with the largest share from North-African countries (Morocco, Algeria and Tunisia), Balkan countries and Turkey. Correlating migration with Foreign Direct Investment (FDI) shows that the three major economic centres of the world (North America, Western Europe and Japan) are attractive for migrants.

Considering as well demographic trends, the EU – due to low fertility rates – will soon experience labour shortages coupled with an increasing pressure of people at pension age. The education level of migrants, most of them having a low or medium high education level, does not seem to meet the needs of the EU economy for human resources with higher education and qualifications that can ensure knowledge-based European competitiveness.

- **The EU takes first place as official development aid donor to developing countries and countries in transition – Does the EU and its Member States follow the same strategy for this aid?**

EU Member States are the first donors of public aid to developing countries, with more than 42% of the total aid disbursed in 2004 (based on OECD statistics). Since 1990, the geography of public aid has changed to (1) a very strong rise in Eastern Europe due to the implementation of various financial development programmes of the Structural Funds Period 2000-2006 (e.g. PHARE, ISPA, SAPARD), (2) a slight but regular decrease in North Africa, (3) a significant decrease in Middle East and in the Newly Independent States and (4) a relative stability in the Western Balkans.

Besides the high public aid share of EU Member States in general, there is a clear difference between the public aid geography of the European Commission and the one of

EU Member States, the latter mostly linking their aid strategy to their prior colonial area of influence.

- **The EU is a shrinking but powerful world region**
 - **What will be the size and the weight of influence of the EU in the future?**

The EU has always maintained a level of 6% of the world population during the period 1950-2000, thanks to enlargement. This share has jumped to 7% with the enlargement of the EU from 15 to 25 and the later enlargement to 27 Member States. It will return to 6% in 2020 even with further enlargements because other world regions grow faster.

The EU has reached a level of more than 20% of the world GDP at PPP in 1973. This share of the world economy could not have been maintained during the last 30 years without the enlargements of the EU to 12, 15, 25 and 27 Member States. Without any further enlargement, this share would probably decline in 2030 to less than 15% of the world economy.

The EU will in the future not automatically maintain its rank in the world in economic and demographic terms. The presently most dynamic countries in the world – both from an economic and a demographic point of view – are located in the southern periphery of the Triad of Northern America, Western Europe and Japan. They form a “ring of steady growth” that spreads from South America to North Africa, the Middle East, South and East Africa.

European countries and the private sector invest currently in parts of the world outside of the neighbourhood. The focus of investments is as well, however to a lesser degree, on the areas of opportunity where not only the USA but also Brazil, India or South Africa are future crucial partners or competitors.

Strikingly is this very low level of investments in their neighbourhood as compared to what is done by the USA in Mexico or Japan in Eastern Asia. These countries actually develop strong economic and demographic relations with the most dynamic countries in their immediate neighbourhood. It seems obvious for EU investments to consider long term development opportunities in neighbouring countries and continents. Sub-Saharan African countries are one example where the economic growth may boom in a 20-30 years perspective and where Asian and American influence is increasing.

The Europe in the World Report is available as download on www.espon.eu

The Maps about the Europe in the World Report are available here:

http://www.espon.eu/mmp/online/website/functions/home/maps/1837/index_EN.html

More information:

The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory. ESPON shall support Cohesion Policy development with European wide, comparable information, evidence, analyses and scenarios on framework conditions for the development of regions, cities and larger territories.

In doing so, it shall be facilitating the mobilization of territorial capital and development opportunities, contributing to improving European competitiveness, to the widening and deepening of European territorial cooperation and to a sustainable and balanced development.

The Managing Authority responsible for the ESPON 2013 Programme is the Ministry of the Interior and for Spatial Development of Luxembourg.