



INSULEUR Workshop

Cohesion Policy as a tool to boost and support entrepreneurship on islands

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Today we are discussing an important topic for INSULEUR ‘Cohesion Policy as a tool to boost and support entrepreneurship on islands.’ I would like to thank first of all the European Economic and Social Committee and more specifically Stefano Mallia for the assistance provided in the run up to this event. I would also like to thank the organisations who are cooperating with us today: the ‘European Small Islands Network’ and the Conference of Peripheral Maritime Regions.

It is important to note that the 8th Cohesion Report acknowledges the fact that the COVID-19 pandemic had an asymmetric impact on different regions. It also acknowledges the fact that long-term growth will require reforms of the public sector, an upskilled labour force, and a stronger capacity to innovate. It is an undeniable fact that the pandemic has slowed the pace of growth that the EU was experiencing prior to the pandemic. However, cohesion policy was crucial to mobilise increased funding to tackle the crisis of the COVID-19 pandemic.

The 8th Cohesion Report also identifies important elements for growth primarily: (a) the need to access basic broadband; (b) the drive to decrease air and water pollution; and (c) the need to address skills gaps between regions especially in the digital area. Moreover entrepreneurship and innovation are identified as critical for the growth of the more disadvantaged regions. However, this does not mean that the presence of firms on the territory is enough. The same report acknowledges that the expected spill over from the firms present on the territory more often does not occur.

The green and digital transition are also seen as important enablers of growth, though these would require structural changes, that may in the end create further regional disparities according to the report. In my opinion, the green and digital transitions provide important opportunities for islands. The digital transition, more specifically can help bridge the gap in terms of creating value added industries on islands. Though it is important to acknowledge that islands need to be put in the right conditions to do so. If the required structural changes do not occur, such as adequate broadband connectivity and redundancy, islands will not be able to make the next step, actually

increasing the present divide between the main land and islands. The green economy also presents significant potential for islands, but only when islands are used as test beds for the implementation of new technologies, and when the research is conducted on islands, and there is an actual spillover of knowledge to other industries within the territory.

While the 8th Cohesion report identifies important elements which need to be addressed, more needs to be done for islands. In its feedback to the 8th Cohesion report INSULEUR commented that the present tools are not enough, and that there needs to be incentives for islands to implement integrated territorial development strategies. An unequitable distribution of funds also points out to the use of better indices which incorporate all the main dimensions of social and economic well-being.

Islands have particular handicaps which need to be addressed. Their structural and geographical characteristics give rise to additional costs which slows their development. The COVID-19 pandemic has continued to show the weak structures within islands and their severe limitations. More needs to be done, and this needs to be acknowledged in Cohesion policy and in specific instruments which try to address these limitations.

I am sure that today's fruitful discussion with members of the most important EU institutions, and from organisations such as INSULEUR and the Conference of the Peripheral Maritime Regions will continue to fuel this healthy debate, which should lead us to find practical solutions which can be implemented for our islands.
