

Interreg CENTRAL EUROPE Programme

Annex 05: Strengths, weaknesses, opportunities and threats of the central Europe area (per thematic objective)

	Internal factors		External factors	
	Strengths	Weaknesses	Opportunities	Threats
TO 1 Research, technological development and innovation	<ul style="list-style-type: none"> – Growth in business-related services, cross-sectorial and technology-oriented industries – High expenses in R&D in urban regions, attractive labour markets for highly skilled workers – Some rural and intermediate areas show significant R&D activities (“islands of innovation”) – High level of experience and know-how in high-tech services – Support of several clusters by different national strategies 	<ul style="list-style-type: none"> – Low level of R&D in several (rural) regions – Insufficient technology transfer and lack in the access to R&D-results especially for SMEs – Strong economic disparities between central European regions, comparably lower levels of R&D in New Member States – Inequalities in GDP between peripheral and central areas 	<ul style="list-style-type: none"> – Promotion of innovation and an attractive investment climate – Positive influence of growth poles – Policy support for cooperative economic activities, development of clusters and networks 	<ul style="list-style-type: none"> – Increasing gaps between advanced regions and regions with innovation deficits – Brain drain of young and creative talents from peripheral regions – Increasing (labour) market competition with other global regions (China, India) and pressure on economic productivity
TO 2 ICT	<ul style="list-style-type: none"> – Most of the capital regions in central Europe and the southern Germany boast high levels of high-speed internet connections – Frog-leaping of technological progress in terms of ICT-quality in some regions (broadband implementation) 	<ul style="list-style-type: none"> – Sectorial and spatial inequalities of ICT-infrastructure – Broadband coverage in thinly populated areas generally lags behind that in densely populated ones – Increasing gaps between well connected regions and those with ICT deficits 	<ul style="list-style-type: none"> – Mobile technologies can play a key role in closing the gap of ICT coverage between thinly and densely populated areas 	<ul style="list-style-type: none"> – Expensive infrastructure investments for broadband extension
TO 3 Competitiveness of SMEs	<ul style="list-style-type: none"> – In some regions local enterprises/ SMEs show high levels of innovation – SMEs are the seedbed for technological innovation and in combination with good education levels, entrepreneurs may act as regional innovation motors 	<ul style="list-style-type: none"> – Strong economic regional disparities – Access to finance still remains fragmented and out of line with current needs, especially for start-ups – Deficits in “green” employment forms, creative industries and co- 	<ul style="list-style-type: none"> – Expansion of action radii due to enlargement processes – Enhancement of competitiveness and deregulation for triggering SME development – Globalisation and EU enlargement as a means for 	<ul style="list-style-type: none"> – Over-regulation in some policy fields (e.g. national market protection, social security, labour markets) – Lack of availability of a sufficiently trained workforce as reason for losing the ground in competitiveness in a globalized

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		operative SMEs (clusters, networks)	accessing new markets and capital	world
TO 4 Low-carbon economy in all sectors	<ul style="list-style-type: none"> – High level of experience and know-how in renewable energy – Increase of clean energy production (wind, solar, biomass, hydropower, geothermal energy) – High percentage of biomass production in some regions – Existing geothermal energy potentials – Use of energy saving technologies (infrastructure/housing) in some regions 	<ul style="list-style-type: none"> – Increasing energy demand and lack of energy corridors and power lines especially for renewable energy – High level of energy import dependency and imports from countries vulnerable to economic or political instability – Use of renewable energy resources still low in new MS (e.g. Czech Republic, Poland, Slovakia) – Low energy efficiency in regions of Eastern and South-Eastern Europe and in public institutions – High energy intensive transport 	<ul style="list-style-type: none"> – Increasing prices for fossil fuels open up opportunities for the use of renewable energy resources and the creation of new sources of income and employment 	<ul style="list-style-type: none"> – Existing lifestyles in “mature” economies and catching up processes in new MS lead to increased energy demand Transport is the fastest growing sector in terms of energy use, with the strongest reliance on fossil fuel
TO 5 Climate change adaptation, risk prevention and management	<ul style="list-style-type: none"> – Existing flood prevention measures and hazard zoning, especially in Alpine regions 	<ul style="list-style-type: none"> – High water dependency of some regions due to intensive agriculture or hydropower use – New MS are more vulnerable to a significant climate change impact on summer tourism – High probability of floods along river basins (most vulnerable: Germany, Western Poland) 	<ul style="list-style-type: none"> – Increasing awareness about climate change effects and adaptation measures 	<ul style="list-style-type: none"> – Increasing occurrences of natural hazards and floods – Increase of average air temperature (e.g. continuous reduction of blanket of snow) – Climate change affecting nature (e.g. extinction of species; geographical shift of crops) and increasing aridity in some regions as well as strongly increasing the number of tropical nights in urban areas – Risk of hydrogeological instability
TO 6 Environment and resource efficiency	<ul style="list-style-type: none"> – Richness and diversity of landscape, natural and cultural heritage (important location factors) – Use of endogenous potential to strengthen regional identity – Italy, Hungary and Slovenia have a higher share of protected areas than the EU-27 average – Waste water treatment capacity is very high in Slovakia, Slovenia, Austria and Germany 	<ul style="list-style-type: none"> – Fragmentation, loss and diminishing diversity of natural areas, missing ecosystem-networks – Land use pressure leading to user conflicts, landscape fragmentation and biodiversity loss – Low air quality and high particular matter & ozone concentration in cities – Bad water quality of rivers and lakes in some regions (eutrophication) – Lack of quality and quantity of environmental infrastructure in 	<ul style="list-style-type: none"> – Integrated management of natural and cultural resources contributes to sustainable long-term socio-economic development of regions – Establishment of a high proportion of protected areas through EU funds and policies – Cohesion Policy focusing on environmental infrastructure, including clean drinking water supply, waste management and waste water treatment 	<ul style="list-style-type: none"> – Increasing unsustainable use of environmental resources due to economic activities – On-going (sub)urbanisation processes causing land use conflicts and urban environmental challenges

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		<ul style="list-style-type: none"> some regions (waste and water treatment) – Deteriorating cultural heritage 	<ul style="list-style-type: none"> – Growth potential of “green” economy 	
TO 7 Sustainable transport and key network infrastructures	<ul style="list-style-type: none"> – High accessibility by rail around city hubs (nodes) and along corridors of high-speed rail lines – Ongoing activities to promote sustainable transport – High-speed projects in Southern Germany led to improved accessibility 	<ul style="list-style-type: none"> – Lack of integrated transport systems and multimodality especially in the new Member States – Core-periphery disparities in accessibility: Core: regions of Germany, Austria and Northern Italy; periphery: the Eastern and Southern European regions – Weak regional and local accessibility (railways, motorways and airports) especially outside of agglomeration areas and in the New Member States – Low quality of public transport, decreasing share of public transport as well as missing road links and border-crossings in many peripheral regions – Lack of accessibility of urban centres from some peripheral regions 	<ul style="list-style-type: none"> – On-going investments in connections of long-distance transport TEN-T networks/high potential multimodal accessibility in capital regions and in the western central Europe regions – Increasing accessibility in Europe also strengthens accessibility of central European regions – Economic development of industrialised areas is closely linked to the multimodal exchange of goods and efficient freight transport 	<ul style="list-style-type: none"> – Disparities in multimodal accessibility lower the competitiveness of regions – Eastern countries are in a catching up process and motorized individual transport is on the rise
TO 8 Employment and labour mobility	<ul style="list-style-type: none"> – Economic migration across borders and high quality of cross-border labour markets – Existing labour market cooperation 	<ul style="list-style-type: none"> – Strong economic disparities between regions in old and new MS – Insufficient access to services and employment in regions dominated by small villages and sparsely populated areas – High unemployment rate in eastern German regions, border regions in the north-east of Hungary and Central-Eastern Slovakia – Unidirectional workforce migration from new to old MS 	<ul style="list-style-type: none"> – A more flexible labour market and support of alternative employment through EU legislation – Exchange of knowledge and cultural values promoting a flexible creative workforce 	<ul style="list-style-type: none"> – Increasing (labour) market competition with other global regions (China, India, ...) and pressure on economic productivity – Accelerating brain drain of young and creative talents from peripheral regions – Decrease of employment in the primary and secondary sector due to market transformation
TO 9 Social Inclusion and combating poverty	<ul style="list-style-type: none"> – Diverse population, as e.g. ethnic diversity and presence of linguistic minorities – Respect of gender equality 	<ul style="list-style-type: none"> – High polarisation in terms of income, education, health care, demographics, and employment – Increasing gaps in quality and 	<ul style="list-style-type: none"> – Equal opportunities as a horizontal theme in the programme lifecycle – Promotion of social innovation 	<ul style="list-style-type: none"> – Ageing population – Shrinking peripheral regions – Increasing social diversity and

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	<ul style="list-style-type: none"> – Public interventions for the provision of equal opportunities 	<ul style="list-style-type: none"> – conditions of public services (east-west divide) – Marginalisation of peripheral areas – Risk of poverty for different population groups (e.g. women, migrants) 	<ul style="list-style-type: none"> – can facilitate social inclusion 	<ul style="list-style-type: none"> – polarisation
TO 10 Education, Skills and lifelong learning	<ul style="list-style-type: none"> – Higher education levels leading to increased flexibility of people – Increasing female education participation – Employment growth through qualified and flexible workforce – Highest share of population with tertiary education located around major cities 	<ul style="list-style-type: none"> – Education deficits in south-eastern regions – Decrease in the proportion of the population with tertiary education in the old MS 	<ul style="list-style-type: none"> – Exchange of knowledge and cultural values promoting a flexible creative workforce – Increase of knowledge and skills will contribute to respond to manage challenges such as those deriving from demographic change, migration and brain drain – Maturity of European knowledge society (Bologna process; Student exchange programs) 	<ul style="list-style-type: none"> – Increasing competition between regions (labour market and population)
TO 11 Institutional capacity and efficient public administration	<ul style="list-style-type: none"> – Connected top-down and bottom-up initiatives with the help of multi-level governance including e.g. participatory elements – Tradition of interregional, transnational and cross-border cooperation on institutional, political and administrative level and within projects (e.g. strengthening of identities, economic cooperation, labour market migration) 	<ul style="list-style-type: none"> – Low levels of public e-administration – Lack of a cross sectorial (integrated) approaches 	<ul style="list-style-type: none"> – Connectivity to macro-regional strategies such as the Baltic Sea Strategy, the Danube Strategy and forthcoming strategies – Traditional administration accompanied by e-administration 	<ul style="list-style-type: none"> – Increasing gap between regulation and implementation; capacity needs (know-how, human resources) for administrations – Over-regulation in some policy fields (e.g. national market protection, social security, labour markets)