

CENTRAL EUROPE 2020 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-operative SMEs (clusters, networks) 	<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 accessing new markets and capital 	<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 world

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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 some regions (waste and water treatment) 	<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 – Growth potential of “green” economy 	<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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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"> – Deteriorating cultural heritage – 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 – Public interventions for the provision of equal opportunities 	<ul style="list-style-type: none"> – High polarisation in terms of income, education, health care, demographics, and employment – Increasing gaps in quality and conditions of public services (east-west divide) 	<ul style="list-style-type: none"> – Equal opportunities as a horizontal theme in the programme lifecycle – Promotion of social innovation can facilitate social inclusion 	<ul style="list-style-type: none"> – Ageing population – Shrinking peripheral regions – Increasing social diversity and polarisation

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		<ul style="list-style-type: none"> – Marginalisation of peripheral areas – Risk of poverty for different population groups (e.g. women, migrants) 		
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)