

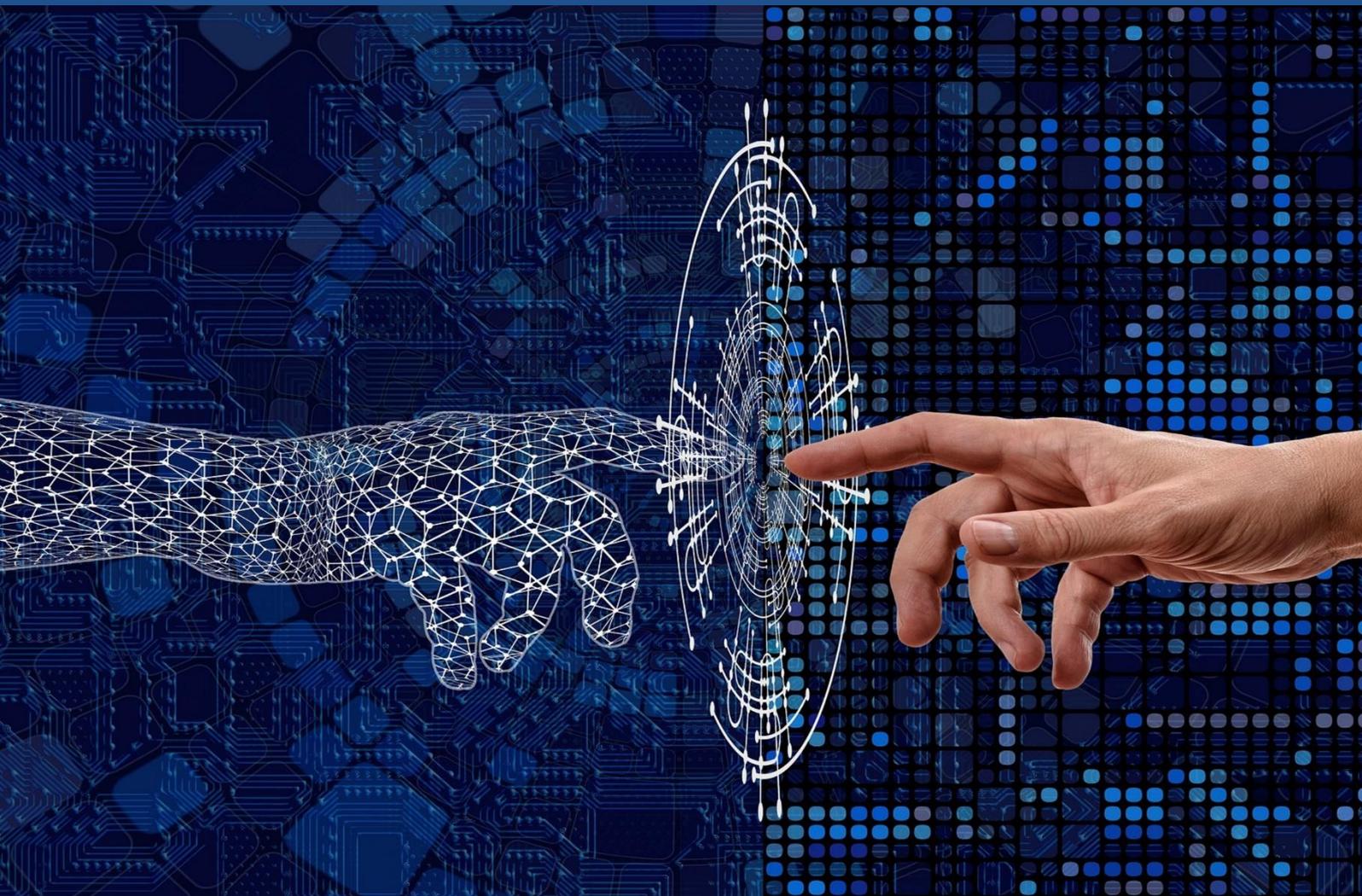


Implementation of the Territorial Agenda 2030

Pilot action:

“A future for lagging regions: Fostering the implementation of spatial strategies”

MAIN CONCLUSIONS 3RD PARTNER MEETING on CHANCES AND CHALLENGES OF
DIGITALISATION FOR LAGGING REGIONS //25. – 26.4.2022



Implementation of the Territorial Agenda 2030

Pilot action “A future for lagging regions: Fostering the implementation of spatial strategies”

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The digital transformation is a process that offers great opportunities for the development of rural areas. It can contribute to increase the attractiveness of places to settle, work and live in. At the third partner meeting of the pilot action, digitalisation was discussed as an opportunity and challenge for the development of structurally weaker and less populated rural regions on the basis of expert contributions and practical experiences from the partnership.

Digital solutions can increasingly tackle challenges of demographic change, migration to the cities and the related lack of supply, service and mobility offers in rural areas. On-demand ridesharing, co-working spaces, regional retail platforms and online health consultations are just a few examples.

The relevance of digital services and applications appears obvious when it comes to providing and maintaining individual segments of public services. The partnership, however, openly discussed the question whether the digital transformation has the potential to be a real game changer: Can the possibilities offered by digitisation actually bring about a turnaround in the development of structurally weak rural areas? Experts have differing opinions on this. Digitalisation is not likely to change the character of regions drastically. What is certain, however, is that the attractiveness and quality of life in a "digitised" region is higher than that of a "non-digitized" region and in some fields like in communication and mobility, it delivers significant benefits.

The process also brings new challenges to rural regions. Digital tools have to meet the concrete needs of the region and the people in order to be used widely. Digital transformation requires a strategy and corresponding implementation resources. Rural characteristics such as lower degrees of hierarchy, existing social communities and relatively small networks can even offer advantages. Still, it is not enough to simply introduce individual tools. Relevant for a successful digital transformation are especially competences and capacities of local actors as well as the will to enter into dialogue with different stakeholders to advance digitalisation processes.

This publication highlights the most important results of the discussion and presents regional examples from the pilot partners' regions.

Digital transformation promotes community building

There are many opportunities for rural areas offered by digital transformation processes. They, for example, can improve the access to health care, mobility, education services and the job market. In terms of participation and community building, digitalisation can promote social innovations and unleash great potentials for voluntary engagement. Digital tools can promote opportunities for cooperation and collaboration with civil society and other stakeholders.

The partner districts of Schleswig-Flensburg and Rostock have already gained practical experiences with various tools. The implementation of community tools supports the digital learning processes in an accessible way and thus promotes the digitisation skills of society in general. Tools like the so-called DorfFunk app enable the exchange on regional topics and at the same time promote a sense of community in a region.

Digitising Local Communication

Digital communication apps can be useful to improve the interaction among citizens, the municipality and different stakeholder in rural areas and can therefore increase community building processes. The model regions Krakow am See (Rostock region) but also many villages in Schleswig-Flensburg tested the



project digital villages © Fraunhofer IESE

application of *DorfFunk* and *DorfNews*, two apps, developed by Fraunhofer IESE as part of their “Digital Villages” project. The project is part of an applied science project from Fraunhofer and was developed in a comprehensive bottom-up process with local citizens. It serves as a communication centre for the region. The app resembles a social network and allows citizens to offer/request help, post questions, or simply chat casually with each other. Moreover, it can function as a link between the municipality and citizens to share recent news, decisions or events and the area of usage is highly localized/regionalized and can therefore offer individual solutions for local needs. The feedback from citizens and stakeholder in the model Regions Krakow am See as well as Schleswig-Flensburg appears positive, as there is a high demand for sharing local information and having local chats. These tools can only generate an added value in comparison to ‘conventional’ tools if a real local need is identified with a set of clear measures. To make these digital tools inclusive, though, it is also important to actively enable people to use the tools than the tool itself. <https://www.digitale-doerfer.de/mitfunken/>

Digital transformation promotes organisational cooperation

Digital transformation can be an opportunity for organisational innovation, new governance systems and improved inter-municipal cooperation. Individual municipalities benefit from joining forces and working together on a problem. Digitalisation requires a vision based on a bottom-up process and starting a dialogue process with citizens and local stakeholders. In many respects, digitalisation could rather be considered a product of social, rather than technical innovation for rural stakeholders – as new forms of organisation and cooperation must be found. Successful digital transformation processes are often based on a region-specific organisational ecosystem.

The low population density in rural areas automatically leads to the lack of a critical mass where certain services and approaches are economically viable. Thus, inter-municipal cooperation remains a crucial approach for the digital transformation of a region. Digital strategies and tools are not effective for one rural municipality in isolation. Especially in less densely populated rural areas, cooperation must take place in order to make digital tools effective at all and to reach a corresponding quantity of users. In addition, inter-municipal cooperation can lead to a more efficient use of public funds. There is a great need for physical and social infrastructure for which public funds are required, as market forces do not have the same impact in rural areas as in urban areas. Consequently, digitalisation processes can be an opportunity for organisational innovation, adapted or new established governance systems.

Municipal cooperation for better connectivity in Lienzer Talboden

The Lienzer Talboden achieved one of the highest fibre optic coverage rates in Austria through establishing a public-private partnership. Its basis is the intermunicipal cooperation “Zukunftsraum Lienzer Talboden” consisting of 15 partners which is embedded in a governance structure including regional governments. This intermunicipal cooperation started in 2013 with the ambition to establish a municipal fibre network. Today the cooperation consists of formal decision-structures and an informal



The mayors from the inter-municipal cooperation in Lienzer Talboden © Markus Mayr

consultative level. Working groups and steering committees prepare formal decision-making processes to ensure the involvement of experts e.g., in the cooperation on matters of transport or telecommunication. Overall, processes are coordinated among the different decision-making levels, but must always be confirmed by local councils, making it a time-consuming, but result-oriented structure. The reason for the project was the generally poor development of digital infrastructure due to the remote location. To expand the high-speed internet coverage, the “Zukunftsraum Lienzer Talboden” developed the physical infrastructure as the “RegioNet” while the services are provided by telecommunication companies. This sharing of responsibilities and rewards keeps revenues in the region, where it can be reinvested e.g., in infrastructure projects. Hence, it represents a sustainable source of income and investment into the communities’ digital infrastructure.

<http://www.regionet.online/>

Digital transformation can promote equal access to public services

Furthermore, digital transformation can promote more equal opportunities, for example in education. In the Alentejo region, a study conducted by the OECD revealed the large gap in the digitalisation processes of schools in rural areas. This includes not only the development of infrastructure, but also the digital skills of teachers and students.

Improving pupil transport to schools through digitalisation, e.g. by using ride-on-demand services, is also currently still a major challenge. By promoting digitisation in education and using meaningful digital tools, can improve the access to and the quality of education.

Preconditions for a regional digital transformation

The technical infrastructure, comprising a gapless high-speed internet, technical equipment and applicable standards is a precondition. The second step, however, is to use the technical infrastructure in the right way. Hence, a successful strategic implementation should consider the following steps:

- The first question is, for what **purpose** do I need digital tools in my community or region? Where can they effectively support and ease the daily life of citizen or the administration, what goals and objectives would we like to reach? And how can we reach this? In this context it is necessary to define the **roles** of the actors, e.g. of the municipality. It has to be clear, whether the objectives of the vision can be reached in the role of an enabler (establishing digital tools by own means), an active player (using digital tools for own purposes), or as observer (steering and evaluating how digital tools can reach the objectives set in my region or municipality).
- Digitisation is also a **learning** process. A real benefit only arises when users know how to apply the available tools. The actors, which include municipal actors and decision-makers as well as civil society actors and other users, must therefore be enabled to use digital tools, for example through courses or vocational training, online courses or providing education in schools. Capacity building needs to be a long-term process.
- An **organisational set-up** that initiates and steers local digitalisation processes, that establishes and implements strategies or introduces and applies digital tools is a crucial factor for a transformation process. Considering the size of municipalities and villages, this could range from one responsible person or an appointed team. As digitalisation concerns a multitude of thematic fields and responsibilities such a structure should ideally be placed in a crosscutting department rather than e.g., in the IT-division.

A digitisation strategy with specific measurable objectives is essential for the successful implementation of digital tools. A place-based concept must be well thought through, meet the needs of the region and be implementable and usable. This implies that the appropriate financial resources must be available and the skills to use the tools must be in place. Defining appropriate use cases can help to identify possible target groups and integrate them later. The range of digital tools and services available is enormous and can easily become overwhelming. Also, not every tool is suitable for every region. The respective starting situation, the available resources and the targeted goal all have an important role to play in identifying suitable tools and managing their implementation and use in a sensible way. In some cases, the establishment and consistent use of standard services, available as such on the internet, would already create many advantages and a good basis for digitisation.

Rural vs. urban digitalisation

A simple transfer of smart city approaches towards rural areas is not possible even with a specific local need pattern. However, the characteristics of rural areas can also offer advantages in the digitisation process. For example, the lower degree of hierarchies can offer faster solutions, as fewer approval channels are required and actors know each other and the circumstances well. Decision-makers are affected by the same problems as other

people on the local level and can assess the acceptance of tools and strategies. The relatively small network in rural areas allows for closer collaboration and interaction that is more direct. The level of trust, which is a prerequisite for experimentation, is often higher. Municipalities and regions should activate these potentials and strengths.

The role of regions and municipalities in setting the right strategy and managing digital transformation

Public authorities and decision-makers need to actively promote change and engage in dialogue with stakeholders to effectively manage digital transformation. Regional or national support programmes should actively support this process. Local pilot or demonstrator projects can help to visualise digital paths for interested municipalities on show how digitalisation efforts, infrastructure and strategies can be implemented. Regional support however has also its limits. Municipalities, districts or sometimes individuals themselves need to demonstrate willingness and initiative. This requires the empowerment of public authorities to be able to meet the challenges that the digitalisation process generates. Inter-municipal cooperation is crucial in this regard. The organisational and digital development of individual municipalities in a region must be closely interlinked.

Region Grand Est: Regional support for local digitisation

The region of Grand Est comprises more than 10% of all municipalities of France, many of them located in rural areas. Particularly in those areas, the expansion of digital infrastructure is difficult as the availability of private investors is lower than in urban areas, as the low-density of households resulting in relatively high costs. To support the digitisation in regions without private initiatives, the region



Digitalisation concepts for rural areas © Region Grand Est

Grand Est has issued two public tenders to deliver faster internet, which will be completed in late 2022. For the roll-out in Rosace, a relatively low co-financing rate showed positive results, so that it could be further reduced for the roll-out in Losange. In both cases, the public initiative for developers was attractive as it offered a (limited) monopoly on internet supply in the territories. Besides the physical infrastructure, Grand Est launched support for local authorities to make digitisation an inclusive process and ensure a 'digital maturity' to use digital tools e.g., for public management, energy efficiency or communication with citizens. Local communities receive aid through online diagnostic tools, general services such as web meeting-software as well as funding for initiatives supporting "third places". Two smaller municipalities, supported by the region of Grand Est in management and public affairs, serve as demonstrators and focus points to apply digital tools to promote energy saving and communication with citizens. However, support from the Region Grand Est only steps in, if there is an existing local initiative it can build upon.

All possibilities of cooperation (inter-municipal cooperation, municipal associations, cooperation with civil society and others) should be examined and synergies activated at all levels. Co-operation bundles means and resources and enables a more effective implementation of strategies. The development of a regional competence structure, for example, can offer support to municipalities in digitisation processes. This also includes the provision of resources in the form of time (personnel) and skills (capacity building).

Digitalisation may not be a game changer, but it can help rural regions to remain attractive. Fundamental to the successful digital transformation of rural regions are resources and skills. Public authorities, decision-makers, civil society, businesses and other stakeholders must be empowered to use digital tools effectively. The application of digital tools requires strategy and goal setting as well as cooperation.

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