

TERRITORIAL REVIEW OF GOTLAND, SWEDEN

POLICY HIGHLIGHTS



ABOUT THE OECD

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

ABOUT THE CENTRE FOR ENTREPRENEURSHIP, SMES, REGIONS AND CITIES

The Centre helps local, regional and national governments unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation and implement sound tourism policies.



THE FULL BOOK IS ACCESSIBLE AT:
TERRITORIAL REVIEW OF GOTLAND SWEDEN
2022
OECD PUBLISHING, PARIS,
[HTTPS://DOI.ORG/10.1787/AEDFC930-EN.](https://doi.org/10.1787/AEDFC930-EN)

This document, as well as any statistical data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Cover design by Emma Hanquist.

AS AN ISLAND, GOTLAND'S DEVELOPMENT TRAJECTORY IS UNIQUE

ISLANDS ARE SEPARATED FROM THE MAINLAND BY SEA, MAKING THEM PERIPHERAL TERRITORIES — GOTLAND IS NOT ONLY AN ISLAND BUT ALSO SWEDEN'S SMALLEST REGION

While Sweden has numerous Islands and long coastlines, the Region of Gotland is by far its largest island (3 140 km²) and it is located the furthest from the mainland (90 km). Gotland represents 0.8% of Sweden's land area and with a population of about 60 970, it is the smallest Swedish region in terms of inhabitants but the 29th largest municipality out of 290. The island is also of considerable security interest because of its central location in the Baltic Sea and its closeness to other countries in the Baltic region. Its strategic importance has grown following Russia's large-scale aggression against Ukraine. Visby is the island's main city, home to about 26 000 inhabitants. It is a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site and also contains a large share of jobs, infrastructure, trade and services for the island. The majority of Gotlanders (60%) live outside Visby.

As an island economy, Gotland shares a range of common characteristics with other Islands, including, a high dependence on local resources combined with seasonality, high costs of transporting goods and people, a limited internal market, a small labour market, scarcity of land as well as strong local culture and identity linked to unique natural beauty and landscape specificities.

Nonetheless, Gotland has a number of important advantages that can boost its development. These include the presence of raw materials, a mild climate, a high potential for a connected, smart and renewable bioeconomy and circular economy (Gotland functions as a national testbed for renewable energy), a university providing research, education and training, very good broadband connectivity (88% of households have access to the fibre optic network) and a strong local identity and vibrant civil society. These make it an attractive location for tourists and internal migrants alike. Gotland's population had been stagnating until 2016 but, since then, the population has grown (up 3.34% between 2016-19), largely due to inflows of working-age families with children from the mainland.

The Territorial Review of Gotland examines its economic, social and environmental challenges and opportunities and offers policy recommendations in three main areas: i) infrastructure investments and planning, focussing on energy provision, water management, housing and digital infrastructure; ii) innovation capacity and business support to increase productivity; and iii) multi-level governance and subnational finance, to improve administrative capacity and effective use of own public resources to deliver services throughout the territory.



GOTLAND OUTPERFORMS COMPARABLE BENCHMARK REGIONS¹

Compared with OECD peer regions, Gotland has good living standards. In terms of gross domestic product (GDP), it ranks above the level of comparable islands (USD 32 925) and remote regions (USD 28 904). However, when compared to the average of Swedish regions (USD 50 473), it records the lowest GDP per capita (USD 37 323 in 2018), which is also below the OECD average (USD 45 217), see also Figure 1.

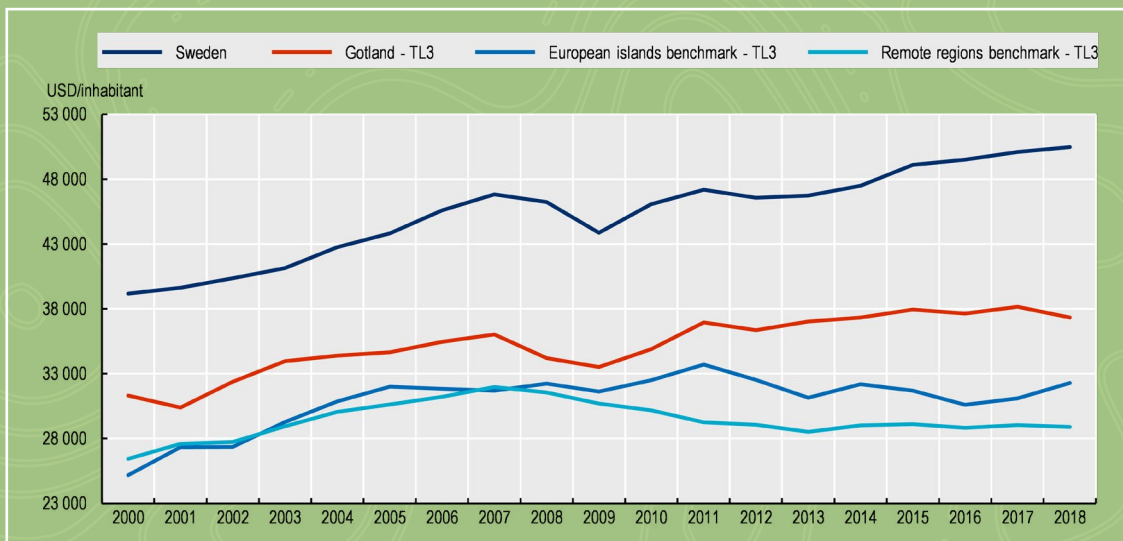
The gap in GDP per capita with respect to the national average has widened over the past 2 decades (+6 percentage points between 2000 and 2018). Yet compared to its peers, Gotland's economy has performed well since 2009, with its GDP per capita growing by 1.2% annually, against 0.23% of peer island regions (-0.67%) in remote regions. In the national context, Gotland has the lowest level of labour productivity (19.6% below the national average). Yet when compared to peer regions, productivity trends in the Gotland have been competitive. Since 2009, Gotland's annual productivity growth of 0.8% has outpaced that of peer European island regions (-1.28%) and peer remote regions (0.33%). Raising productivity in Gotland will be critical to sustain high living standards and growth over the medium and long term. In this respect, fostering innovation across the entire eco-system in the region will be key to raising productivity. Attracting skilled labour by further improving its attractiveness (e.g., in terms of quality of life and services, schooling, housing, etc.) and addressing the challenges of seasonality in its labour market can help add more value to existing areas of economic specialisation and raise living standards.

Internal migration has boosted population growth in Gotland (3.4% population growth in the period 2001-2019) but still remains below the Swedish average of 15.2%. However, Gotland's population growth is similar to the remote region benchmark and significantly higher than the EU island benchmark. The positive migration of working-age adults with children has increased Gotland's youth dependency ratios, which exceed both its island and remote region peers. At the same time, Gotland's population is ageing fast. Between 2010 and 2020, the elderly dependency ratio increased 4.8 percentage points, whereas the Swedish average only increased by 2.2 percentage points. This is also well above the remote region benchmark, although similar to other island regions. These demographic trends present a number of challenges for the delivery of public services, the tax base and the sustainability of traditional sectors, given that farmers and other occupations need to find successors.



¹To better compare the performance of Gotland against relevant regions, the analysis makes use of two benchmarks, one based on comparable islands, and a second based on remote regions. The Islands benchmark, is made up of 7 islands of similar administrative level in the EU (TL3). The Remote Regions benchmark, allows to compare Gotland based on its low level of accessibility. It consists of a benchmark of 40 regions, belonging to 8 countries. The complete list is the main report. In order to select the regions, a three-step methodology was used: 1) Select regions with the same rural typology as Gotland. That is, non-metropolitan remote regions (NMR-R), according to the revised OECD classification; 2) Demographic criteria. Select regions with 50% above and below the population of Gotland; 3) Surface area criteria. Select regions with 50% above and below surface area than Gotland.

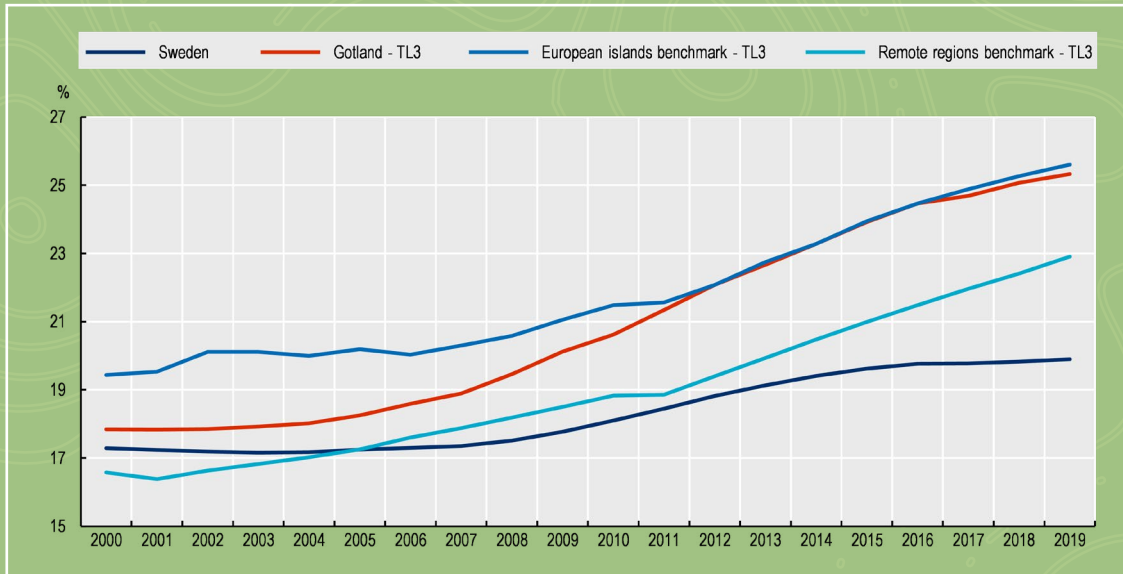
FIGURE 1. TRENDS IN GDP PER CAPITA (USD PPP) ON GOTLAND, IN SWEDEN AND PEER REGIONS, 2000-18



Source: OECD.stat (2021[1]), Regional Economy (database), https://stats.oecd.org/Index.aspx?DataSetCode=REGION_ECONOM.



FIGURE 2. ELDERLY DEPENDENCY RATIO, 2000-2019



Source: OECD.stat (2021[1]), Regional Economy (database), https://stats.oecd.org/Index.aspx?DataSetCode=REGION_ECONOM.



QUALITY INFRASTRUCTURE HAS ENABLED WELL-BEING IN GOTLAND BUT WILL SOON REQUIRE UPGRADING

As an island, Gotland is highly dependent on infrastructure connections due to its isolation and remoteness from the mainland. Key infrastructure assets of Gotland include a recently expanded port to support larger cruise ships, fibre optic broadband throughout the island (88% of households have access to the fibre optic network), charging stations for electric airplanes and other renewable energy systems (renewable energy generation from biogas, solar and wind). However, some of Gotland's infrastructure will soon be incapable of providing an appropriate level of service. In some cases, this is due to infrastructure reaching the end of its useful life and in other cases, the increasing impacts of climate change or population growth.

BOX 1. PRIORITY AREAS FOR INFRASTRUCTURE UPGRADING IN GOTLAND:



Introducing a new, stable primary source of electricity to replace the current subsea cable from the mainland that is reaching the end of its expected life. For renewable energy to take on a larger role in the island's electricity supply, it needs to overcome its intermittent nature and limited or contested locations for deployment. Replacing the existing cable will likely be vital for the local economy to supply significantly increased demand needed for industrial processes. The decision around the cable replacement is outside the region's legislative power. The region can do more to strategically prepare for the consequences of alternative scenarios for energy cables.



Water shortages currently limiting economic development and result in strict regulations. Climate change and increasing demand for water put further pressure to undertake new water infrastructure investments that can increase the quantity and quality of water. Water availability is projected to decrease by 13.3% for Gotland between 2021-50 compared to 1961-90 and estimates suggest that demand will increase by more than 40% by 2045. A mix of different technical solutions will likely be required on different parts of the island, because use, existing infrastructure and geological conditions vary significantly.



Developing a sufficient supply of affordable permanent housing options. Seasonal homes dominate new housing (between 2010 and 2020, 58% of building permits were for second or holiday homes) since they are the most profitable form of new construction. The share of moderate income housing, particularly rental housing, is not on par with population increase, causing prices to rise (the municipality of Gotland ranks 5th highest among all 290 Swedish municipalities in terms of price increases since 2020). This makes it hard for lower-income households or young people to find affordable places to live and consequently puts pressure on regional attractiveness, seasonal industries and university students.

ENTERPRISES IN GOTLAND TEND TO STAY SMALL - EXPANDING SUPPORT, FOSTERING INNOVATION AND UP-SKILLING CAN HELP THEM GROW

GOTLAND NEEDS TO STRENGTHEN ITS BUSINESS ECO-SYSTEM AND USE INNOVATION TO ADD VALUE TO EXISTING AREAS OF SPECIALISATION

Gotland is characterised by a vibrant start-up community, recording the second highest rate of start-ups in the country (2021). Yet, entrepreneurs are older than in other regions and micro and small businesses make up the majority of businesses (91% of all privately owned workplaces have 0-4 employees and less than 3% have over 50 employees). While only a few local firms have the willingness to grow, it is important to identify those who do and help them obtain the needed support.

Gotland's SME share of national exports (60%) ranks second after Jämtland (83%) in 2018 but last in value of goods exports, demonstrating the importance of SMEs for the Island, but the potential to increase the value of exported products. Gotland's limited size and export capacity, makes it, in per capita terms, the Swedish region that exports the least (SEK 17,99 thousand per capita, far from the country's regional average of 130,96) (Figure 3).

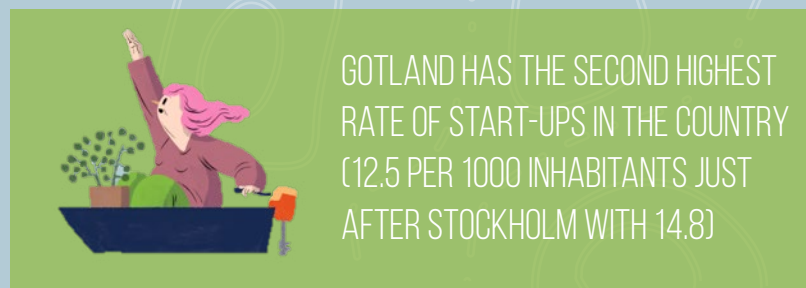
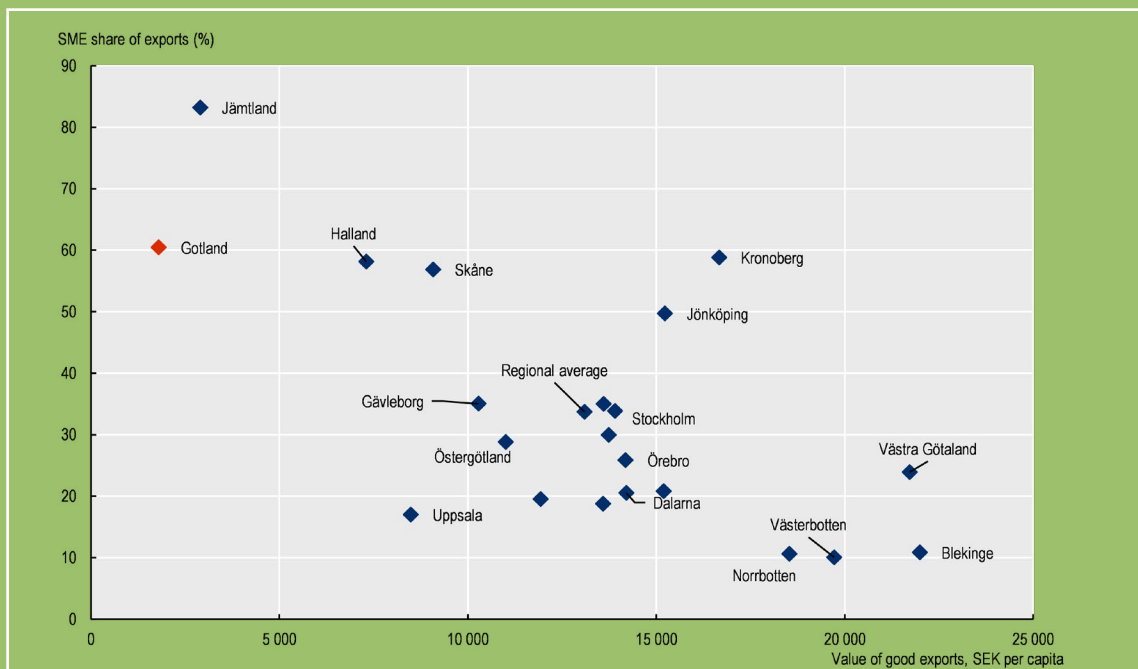


FIGURE 3. GOODS EXPORT IN SWEDISH REGIONS, 2018



Note: Goods export value per inhabitant in SEK thousands in 2018 distributed by workplace, divided by county. The proportion of goods export value in different counties in 2018 that comes from SMEs (0–249 employees).

Source: (Tillväxtverket, 2022[2]) Regional export statistics - Swedish Agency for Economic and Regional Growth (tillvaxtverket.se)




Overall, start-ups have good support structures and early entrepreneurs' have access to the university in Gotland. The incubator programme by Science Park Gotland is renowned as one of the best in Sweden, as well as for its remarkable potential for research and skills development through the university, which are at the heart of entrepreneurship support on Gotland. Yet, the system is not equipped to follow the business life cycle and provide consecutive support for subsequent steps of the cycle, especially for growth and scale-ups. This holds the risk of getting stuck at the pilot stage for many of their ongoing projects and rarely having businesses that achieve more job creation.

Gotland records lower levels of education than the Swedish average and faces relatively high student drop-out rates before reaching university or other forms of tertiary education, making it difficult for employers to find highly skilled workers. Only, 43.5% of women and 28.9% of men aged 25-64 in Gotland have upper secondary education. This is lower than the Swedish average of 49.8% for women and 37.6% for men. Upskilling local employees and building a local workforce that fits the needs of the local economy is of increased importance for Gotland. Even more so, in the coming years, large numbers of teachers (and other professions) need to find successors.

BOX 2. LEADING PRACTICE EXAMPLE - DEVELOPING GREEN SKILLS IN SCOTLAND

Scotland has developed a Climate Emergency Skills Action Plan (CESAP) that provides new evidence base on the skills needs of a net-zero economy with consideration of demographics, population and the availability of people, specific skillsets and geographies. It identifies potential opportunities for job growth across five broad areas of economic activity and notes priority areas for activity to drive economic change. This way it sets out a clear direction for change skills system and identifies the role that industry, communities and individuals across Scotland will play. The CESAP was published in December 2020 and focuses on the key actions needed over the next five years to 2025.

In the plan three categories of green jobs have been identified, providing a framework against which to gauge likely skills demand and develop and focus interventions when the CESAP moves to its implementation phase. These are:

-  New and emerging jobs that relate directly to the transition to a net-zero economy, e.g. hydrogen cell technicians, carbon monitoring technicians and urban miners.
-  Jobs affected by the transition to a net-zero economy that will need enhanced skills or competencies, e.g. architects and environmental consultants.
-  Existing jobs that will be needed in greater numbers as the result of the transition to a net-zero economy, e.g. insulation installers, energy assessors and designers and multiskilled onsite operatives.

Two important measures defined in the plan are the establishment of a Green Jobs Skills Hub that will cascade intelligence into the skills system on the numbers and types of green jobs that will be needed over the next 25 years and a Green Jobs Workforce Academy. The academy will support existing employees and those who are facing redundancy, to assess their existing skills and undertake the necessary upskilling and reskilling they need to secure green job opportunities as they emerge.

Source: Scottish Government (Scottish Government, 2020[15]), Climate Emergency Skills Action Plan 2020-2025, <https://www.skills-developmentscotland.co.uk/media/47336/climate-emergency-skills-action-plan-2020-2025.pdf>

THERE ARE OPPORTUNITIES THAT CAN ENABLE FURTHER ECONOMIC DIVERSIFICATION AND ADD MORE VALUE TO EXISTING AREAS OF ECONOMIC SPECIALISATION

A large part of Gotland's economy is seasonal, growing during the summer months and shrinking in the winter. Enhancing innovation in the region can add more value to established and niche markets, and help diversify the labour market around three areas of specialisation (hospitality, agro-food industry and renewable energy). Areas of opportunity include mobilising synergies in overall research and innovation activities, improving the distribution channel for small-scale food products, establishing close links between the agro-food and the hospitality industry to attract tourists throughout the year, as well as drawing on the innovation potential of the creative and cultural industries, especially the game design university track.

Gotland is well positioned to advance its bio-economy and circular-economy in conjunction with its ongoing status as a national pilot for a fully sustainable energy system by 2040. The geographical and social proximity within the island provide a suitable environment for circular economy development that relies on material flows and synergies between users. The island is also home to a range of sectors that belong to the bio-economy, including crop and animal production, forestry, manufacturing of food products, beverages, tobacco products and aquaculture.



GOTLAND FUNCTIONS AS BOTH A REGIONAL AND MUNICIPAL GOVERNMENT

STRENGTHENING THE CAPACITIES OF THE REGIONAL GOVERNMENT CAN HELP ENSURE EQUITABLE SERVICE PROVISION THROUGHOUT THE ISLAND'S TERRITORY

Region Gotland, the island's administrative body, fulfils the functions of both a regional and municipal government. This structure is unique in Sweden and permits the regional government to administer regional and municipal assignments as a single entity, with potentially greater efficiency. At the same time, consolidating all subnational government responsibilities into one body requires a higher-than-average ability to deliver on responsibilities and tasks. While in other parts of Sweden competencies are distributed between the regional and municipal levels, on Gotland they are not. This structure creates a heavy workload for a small administration, where many public officials play a dual role, and it can generate a shortage of skills, ranging from digital to analytical, required to fulfil tasks.

Human, financial and infrastructure resources are not always sufficient to provide quality services throughout the territory. This is illustrated by the fact that Region Gotland is facing some challenges in meeting its goals for citizen satisfaction with public services, as some citizens still do not feel that it is easy to get in touch with the regional government or access some public services throughout the island. Various local, not-for-profit development companies have emerged to fill this gap in service provision (i.e. providing housing, economic development and leisure services), particularly in the more remote or rural areas of Gotland. Providing future infrastructure and service needs in rural communities will depend on the long term viability of local initiatives and their access to resources, as well as a more effective regional government that has a stronger presence throughout the island. This necessitates equipping administrative staff with the necessary skills, reinforcing the presence and increasing strategic co-operation with local initiatives.

BOX 3. NON-PROFITS PLAY A KEY ROLE IN GOTLAND'S DEVELOPMENT: THE CASE OF NYGARN UTVECKLING AB

Founded in 2005 in the town of Östergarnslandet, Nygarn Utveckling AB development company is one of Gotland's large development companies. According to company representatives, Nygarn was created to ensure that services remained available in the area (and counteract a "going to Visby" effect) and to ensure Östergarnslandet's attractiveness as a place to live year-round. Nygarn currently works on behalf of a community of 900 permanent and temporary residents, and has carried out valuable development projects, including: the purchase of an abandoned school for the construction of a local services hub; investment in fibre optic for the area; construction of community housing buildings and other housing solutions to attract people to the countryside; restoration of the Herrvik fishing port; and is currently conducting, with funding from the Swedish Energy Agency, a feasibility study to create a shared-ownership smart energy system.

In 2015, Nygarn created the subsidiary Nyhagen VA, another non-profit organisation that is responsible for the construction of sewage networks and the provision of access to drinking water in the area. The idea of providing this service arose from the fact that the municipality does not take charge of this service in the area due to its low population density. The operational costs are covered with user charges and fees and, as it is a non-profit organisation, Nyhagen is not taxed on its revenue. This allows the company to use its income to finance other projects. However, they say more support is needed from Region Gotland and the EU.

Source: GUBIS (2021[12]), Homepage, <https://gubis.se/>; Nygarn Utveckling AB (2021[13]), Homepage, <https://nygarn.se/>; Nyhagen VA, Homepage, <https://nyhagenva.se/>; and interviews during OECD missions.

GOTLAND MUST MANAGE LOWER OWN SOURCE REVENUES AND HIGHER COST OF INFRASTRUCTURE AND PUBLIC SERVICE PROVISION THAN OTHER SWEDISH REGIONS

Region Gotland enjoys greater budgetary autonomy and flexibility than other municipalities and has seen an increase in its overall revenues, benefiting from the new fiscal equalisation system. However, being mainly an agricultural and tourist island economy, it has an own-source revenue stream that currently faces limitations. Its revenues in almost all categories are less than what general subnational revenue represents as a percentage of total government revenue system, and its regional and local tax revenues remain lower than national average, with the discrepancy generally increasing since 2016. For instance, in 2020, Gotland's regional tax revenue was 7% lower than that of other Swedish regions. At the same time, it faces higher cost of infrastructure and public service provision. For instance, according to 2020 figures, general structural costs on Gotland were 7% higher than the national average. This implies a necessity to find ways to strengthen the flow of fiscal revenue, including own-source revenue, to ensure the availability of sufficient resources to further invest in regional development. Reinforcing Gotland's regional attractiveness strategy, particularly the resident and business pillars could help increase own-source revenue as well as contribute to user charges and fees. In addition, focusing on Gotland's smart specialisation strategy could, over time, boost the island's competitiveness and productivity which would also contribute to revenue streams.

BETTER CLARITY IN THE DISTRIBUTION OF RESPONSIBILITIES AMONG LEVELS OF GOVERNMENT AND INCREASED TAILORING OF NATIONAL STRATEGIES CAN IMPROVE IMPLEMENTATION OF POLICIES

Receiving regional development responsibilities has empowered Region Gotland, but has also accentuated coordination challenges with other levels of government. Since 1998, Region Gotland can design and implement its own strategic priorities and measures for its growth and development based on its assessment and knowledge of regional strengths. At the same time it has become challenging to effectively implement the policies emanating from the central level, because national strategies sometimes are not "place-sensitive", or their implementation exceeds the capacities of the regional government. Current steering documents for regional development at the national level in Sweden do not sufficiently consider the realities of island including its insularity and how it impacts the economic and social development of the islands and the living conditions of their inhabitants in relation to the rest of Swedish territory. The consolidation of regional and local level responsibilities into one government has also generated a lack of clarity in the distribution of responsibilities between the levels of government and produced accountability issues that need to be resolved in order to strengthen co-ordination among regional and national agencies and improve the government-citizen relationship.



OECD Recommendations

Improve infrastructure investment, planning and delivery on Gotland to stay ahead in a rapidly changing environment, increase competitiveness and remain attractive.

✓ Adopt a more visionary and foresight-oriented approach equipped to address the consequences of different development scenarios for decisions that are outside the control of the regional authorities (fate of the cement plant, submarine cable, military presence).	Anticipate the consequences of these various decisions on the island's future economic development path, and determine necessary regional responses in a scenario building process.
✓ Better align infrastructure planning and investment decisions to regional development priorities, including in 'Our Gotland 2040'.	Use Our Gotland 2040, as a guide to develop priority areas for infrastructure investment that align with local needs. Investments should be determined based on their expected economic, social and environmental returns.
✓ Allow for, and support, infrastructure solutions specific to local needs across the island, and where appropriate, involve local initiatives and seek synergies	Benefit from not having to integrate into larger infrastructure elements, for instance for water, sanitation and broadband infrastructure. Especially, more remote communities lend themselves to innovative actions directly fitted to local needs. The regional government can do more to support local initiatives and make room in its strategic planning for a variety of alternative solutions as well as possibilities for peer learning.
✓ Consider a variety of future investments	Expanding renewable energy capacity; work with the local agricultural sector to encourage water retention; increase transport to other countries in the Baltic region to allow for more tourism and facilitate exports to new markets; increase the supply of the housing stock for permanent residents to address the chronic shortage of moderate-income/rental housing; upgrading wireless capacity to full 5G.

Expand the entrepreneurial support system, strengthen innovation capacity, assure skills development, add value to sectors of specialisation and further develop niche markets that allow for strategic diversification of the local economy.

✓ Assure the business support system covers all business life cycle-stages and facilitates collaborative action amongst actors	Advance on plans to set-up an accelerator programme, strengthen collaboration between the university, businesses and Gotland's clusters and pilot projects through continuous stakeholder engagement roundtables, support the upgrading of the Green and Blue centres, into single access points for knowledge.
✓ Support the establishment of strong 'off-Island' business partnerships and networks	i) upgrade the local export office, focussing on export awareness campaigns and providing information specific to Gotland's industries and Baltic markets, and ii) set up a mainland broker to support SMEs in promoting local products, directly liaising with buyers and promote synergies between existing export channels.
✓ Improve municipal services for entrepreneurs	Build capacity of administrative staff through peer learning with other municipalities.
✓ Increase SMEs' digital skills	Roll-out programmes that combine information and communications technology solutions with management training, make use of young people's digital skills (i.e. apprenticeships) and set-up advisory services to develop training paths, and update the region's digital agenda.
✓ Encourage young people to become entrepreneurs	Continue to work with formal educational programmes and extra-curricular activities (e.g. model firms, entrepreneurship clubs, and business plan competitions). Consider setting-up a mentoring programme to match younger entrepreneurs with those that have more experience, especially retired business owners. Develop co-working spaces across the Island.
✓ Further developing a 'farm to table' culture in the agro-food and hospitality industry and support farms in applying technological innovations	Continue the development for a 'sustainable food development office' that supports local distribution pathways for small farm producers and educates the local hospitality industry about the benefits of buying local. Further develop food-tourism routes, use the Geen Centre as a mentoring hub of innovation diffusion.

✓ Developing the creative and cultural sectors (CCS), and foster cross-sectoral innovation programmes	Elaborate a CCS strategy that defines closer co-operation between the university and Region Gotland to develop possibilities around a potential games cluster, set-up a specific incubator/accelerator (track) for CCS that create platforms, organise events for matchmaking and linking of CCS with traditional sectors.
✓ Strengthen the bio-economy and circular economy along with further pushing the renewable energy transition	Allow for experimentation and applied research, for instance through further developing the planned Industrial Symbiosis Park. Establish effective governance arrangements through harmonising regulatory requirements and assuring sufficient policy coordination across different circular and bio-economy sub-sectors such as agriculture, food, forestry, marine, waste and energy, enhance collaboration between the emerging agro-food and aquaculture clusters, develop coaching and support on circular and bio-economy development i.e. on waste efficiency in businesses and across value chains.
✓ Reinforce the anticipatory planning and strategic understanding of future skills needs	Building a solid evidence-base on current and future demand for skills and engaging in foresight exercises to guide both public and private sectors to work hand in hand on skills development, recruitment and engagement with educational institutions to provide the necessary education and training.
✓ Raise the level of education and allow for more up- and re-skilling through local SMEs:	Provide opportunities for young people, from primary education onwards, to reflect on and discuss their prospective futures, allow students to consider the breadth of the labour market, facilitate contact with role models, and provide application support. Guide SMEs to provide up-skilling opportunities to their staff and assure re-skilling programmes are compatible with part-time and long-distance learning needs of the Island.
✓ Make the island more attractive for teachers	Set-up experience-sharing networks amongst teachers of different communities, supporting flexible work hours and rotation systems for itinerant teachers, and/or accommodation support. Develop a national policy that condones study loans for educational professionals moving to rural municipalities.
The region should assure a successful implementation of Gotland's regional development strategy Our Gotland 2040 and better serve the diverse local needs throughout the island.	
✓ Continuously develop the regional government's management capacities and digital skills	Establish a desired skillset for a future, more efficient civil service in the region by enabling an environment within the regional government that fosters continuous development among civil servants.
✓ Enable a way to better deliver public services throughout the island	Reinforce the presence of regional government administrative and other services throughout the island. This can be achieved by creating territorial delegations or establishing a network of access points to services – mobile or stable – in strategic places. Strengthen the collaboration with local development companies to enable them fulfil more effectively certain responsibilities left unattended by the regional government. The presence of these companies has a positive impact on rural communities on Gotland. The regional government should support them and facilitate their work, putting in place a transparent and equal set of procedures for dialogue and interaction.
✓ Improve the region's ability to finance its regional development priorities	Evaluate Gotland's regional attractiveness and complement branding efforts with concrete actions. In order to overcome Gotland's small tax base, it is important to attract new residents and businesses on a permanent basis. Enhance capacities for the management of EU funds by reinforcing the skills of regional staff in the governance of these funds, attracting additional skilled professionals, reaching out to experts/consultants, strengthening advisory mechanisms for beneficiaries and establishing better dialogue and knowledge exchange mechanisms with regional stakeholders. Region Gotland must seek partners in the national government and in other regions where the capacities exist.

-
- ✓ **Strengthen vertical co-ordination to ensure island particularities are reflected in national-level strategies, clarify assignments among levels of government and enhance accountability**

Ensure place-based and island-proof policies better align national and regional level development strategies and facilitate the implementation of investment projects and strategies. Region Gotland could inquire with the national government to seek collaborative ways to improve dialogue platforms and create regulatory instruments of national scope in order to ensure the consideration of the specific conditions and needs of the island.

Clarify assignments among levels of government by establishing a working group that brings together Region Gotland and the different national agencies with a presence on the island. This would help to identify critical unclear assignments and spaces for overlap and to communicate to the national government a roadmap to solve these issues.

Enhance accountability by introducing new performance monitoring and evaluation mechanisms in order to improve transparency in the distribution of competencies and resources and strengthen the relationship between levels of government and between Region Gotland and the region's residents. This could be done by establishing an interoperated reporting platform that allows all actors (public agencies, private businesses, non-profit organisations and citizens) to track who (level of government, agency) does what (responsibilities), how (mechanisms, policies, projects) and with what resources (funding and transfers).



More information: <https://www.oecd.org/regional/>

Follow us on Twitter: OECD SMEs, Regions, Cities

 @OECD_local

